

# The South Australian Sheep Industry Blueprint 2030



An initiative of Livestock SA and the SA Sheep Industry Blueprint Working Group



# Foreword

Jane Kellock, Blueprint Working Group Chair

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The South Australian Sheep Industry Blueprint 2030 was established to foster a prosperous and dynamic industry along the entire value chain.

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The Blueprint has built on the momentum and success of the original plan, highlighting priorities, recognising opportunities and aligning with other national strategic plans. The South Australian sheep value chain has demonstrated that, through collaboration and implementation, we can achieve our goals and support people, businesses and research throughout the state.

The South Australian sheep industry makes a crucial contribution to the state's economy with premium products exported across the world. The industry generates \$2 billion in annual gross state revenue with an estimated 5200 farm businesses in South Australia. These businesses support approximately 10.7 million sheep with farmgate production valued at \$780 million. South Australian sheep meat and wool were exported to more than 50 countries in 2019-20, with sales valued at nearly \$650 million. The Blueprint Working Group anticipates the South Australian sheep industry can grow by 50% to \$3 billion per year by 2030.

The Blueprint is well positioned to deliver its objectives alongside the State Government's Growth State 2030 Plan for primary industries, which outlines continued growth in the meat and wool sectors. The Blueprint highlights the key strategies and actions the industry will take to drive growth.

**Our vision is to support a prosperous South Australian sheep value chain that is connected and adaptable, capturing market opportunities and continuously improving stewardship of our animals and the land.**

The South Australian Sheep Industry Blueprint 2030 is an industry initiative, developed by industry, for industry. The development of the 2030 iteration was led by a dedicated industry Working Group with representation from across the value chain. The strategy and priority areas detailed within the Blueprint have been informed through extensive consultation with producers and industry representatives, all directly contributing ideas, opportunities and targets for the industry moving forward for the next 10 years.

There is a unique, strong and passionate ownership of the Blueprint by stakeholders of the South Australian sheep industry. Its alignment with national and state priorities will ensure a successful program that will underpin regional development with all sectors of the value chain engaged and supported to achieve our \$3 billion goal by 2030.

With my Blueprint Working Group colleagues, I invite and challenge you to participate in growing your industry by engaging with this plan, becoming familiar with its priority areas and seeking to participate in activities that align with its targets. We look forward to working with you.

To conclude, I would like to acknowledge the major contributors to the Blueprint – the Blueprint Executive and Working Group, industry consultant Fresh Agenda, the South Australian Sheep Industry Fund, Livestock SA, the University of Adelaide and PIRSA Executive. The Blueprint's development will ensure the ongoing collaboration that makes us proud of our industry.





# Foreword

**Hon David Basham MP,  
Minister for Primary Industries  
and Regional Development**

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Innovation, leadership, and collaboration are three key areas that define the South Australian sheep industry.

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With a rich history of creating world-class products, together with employment and growth along the entire supply chain, the South Australian sheep industry has historically been highly resilient and adaptive.

Despite the significant impacts from drought, bushfires and COVID-19, the sheep industry continues to look to the future, focused on opportunities to rebuild and grow.

The South Australian Sheep Blueprint outlines ambitious objectives, aiming to achieve a whole of supply chain revenue in the sheep industry exceeding \$3 billion annually by 2030 and growing the state's flock.

The Marshall Liberal Government's Growth State 2030 plan aims to increase primary industries revenue to \$23 billion by 2030. To achieve this increase, South Australian's gross state product must grow by 3 per cent every year. The livestock industry will play a major role in reaching this target.

By supporting development of the South Australian Sheep Industry Blueprint 2030, the State Government is investing in a united strategy for an uplift in productivity and ultimately greater profitability for farmers.

The Blueprint paves the way for the future and shows the path forward in upskilling the required workforce, adopting technology, embracing new market opportunities and rebuilding the state's flock.

I congratulate the industry, including the South Australian Sheep Industry Working Group and Livestock SA, on developing this Blueprint and thoroughly look forward to what the industry and State Government can achieve together.







# Introduction

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The South Australian sheep industry exports premium products to the world. By 2030, the Blueprint outlines a target of whole of supply chain revenue exceeding \$3 billion annually.

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This will require a 13% increase in the state's flock to more than 12 million over the coming decade, with an additional lamb per ewe lifetime and growth in gross value driven by improved product yields. The Blueprint sets out the priority areas of industry collaboration to achieve these goals over the next 10 years.

The South Australian sheep industry has demonstrated the ability to collaborate, set goals and develop and implement a whole of supply chain strategy. Further growth in the industry will be driven by enhancing this collaboration and building the capacity of our people to translate leading research and new technologies into improved skills, systems and practices on-farm as well as in harvesting and processing.

Building adaptive and resilient farming systems that improve the health and wellbeing of livestock and the landscape is a key emphasis for the Blueprint. This is critical to addressing the challenges of a changing climate as well as ensuring a growing and sustainable supply base for a vibrant processing and export sector that continues to contribute to the state's regional economies and communities.

The South Australia Sheep Industry Blueprint 2030 has been informed by extensive consultation with producer groups, meat and wool processors, transport and industry organisations as well as state government agencies.

The priority areas outlined in the Blueprint will be addressed by fostering stakeholder relationships and networks that facilitate adoption of practices and technologies that improve whole of supply chain communication and efficiency while meeting or exceeding community and customer expectations for livestock and landscape health and wellbeing.

# The South Australian sheep industry

Well positioned for future growth and investment

*In 2019-2020*

**\$1.5 to  
\$2 billion**

in annual gross revenue



**5,200**

farm  
businesses  
in SA



**10.7 million  
sheep**



Lamb and mutton  
production value

**\$745m**

Wool production value

**\$470  
million**



Exporting to more than



**50  
countries**

Produced

**71.1kt**

of lamb and mutton



Sales valued at

**\$650m**



Produced

**49.8kt**

of wool



# Vision

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A prosperous South Australian sheep value chain that is connected and adaptable, capturing market opportunities and continuously improving stewardship of our livestock and the land.

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## Measuring success in 2030 ...

### Main objectives

- The South Australian sheep industry's collaboration efforts will ensure investments in research, development and extension are efficient and effective, facilitating adoption and delivering whole of value chain benefits.
  - Producers will be equipped with the management skills and support to achieve sustainable profitability, reduce greenhouse gas emissions and build natural capital.
  - The industry will have strong relationships with our community based on developing mutual trust and understanding, underpinned by transparency.
  - The industry will have knowledge frameworks and technologies that seamlessly gather supply chain data and convert it into insights that support on-farm decision-making and improve value chain communication.
  - Production systems will be aligned to optimise market outcomes with biosecurity, safety, quality and assurance systems that improve margins and minimise compliance costs.
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# SA sheep value chain overview

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The South Australian sheep industry features a diversity of landscapes and production systems, from intensive grazing and feedlotting systems in the state's south east to extensive pastoral systems in the north. While South Australian sheep producers continue to outperform the national average for return on assets (ROA), analysis of the top and bottom quartiles indicate a widening gap in performance.

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Between 2015 and 2019, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) estimates \$4.8 billion in assets under management generated a negative return. This suggests there are significant opportunities to improve profitability through increased productivity, with a correlation between scale and adoption of best practice – in particular, higher weaning rates – for improving financial performance.

When it comes to exporting, South Australian lamb has generated higher returns than the national average thanks to a significantly larger share of premium markets. South Australia has leveraged local processing capacity and the range of wool types produced across the state to access opportunities in diverse overseas markets.

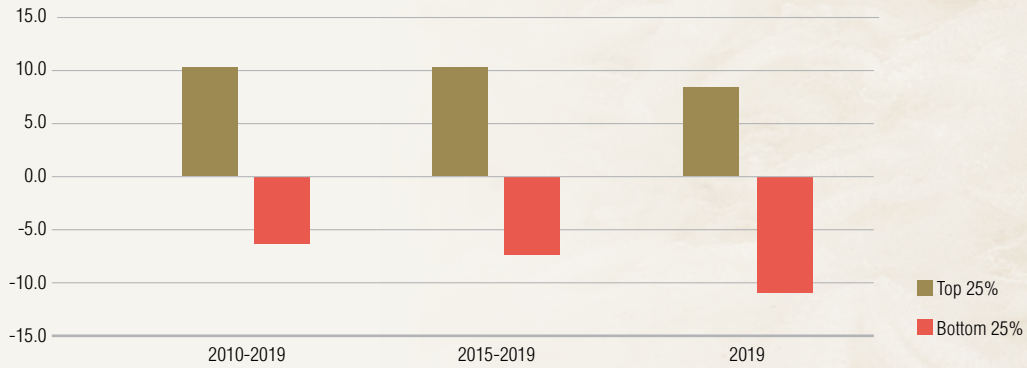
The South Australian sheep industry value chain generates \$1.5 to \$2 billion in annual gross revenue, depending on seasonal conditions, and employs thousands of people. There are an estimated 5200 farm businesses in South Australia supporting about 10.7 million sheep, with farmgate production of lamb and mutton valued at \$745 million in 2019-20. Wool added a further \$470 million in farmgate value for the industry. South Australian sheepmeat and wool was exported to more than 50 countries in 2019-20, with sales valued at nearly \$650 million.

South Australia produced 71.1 kilotonnes of lamb and mutton and 49.8 kilotonnes of wool in 2019-20. This is a reduction on prior years, reflecting the impact of restocking after a number of drought-impacted seasons. Consumer demand for lamb and mutton has already started to rebound as South Australia continues its recovery from the COVID-19 pandemic.

Value chain collaboration can ensure production systems are oriented to new and existing opportunities. The development of specialised feedlotting offers an opportunity for more reliable supplies of sheepmeat that can more consistently service growing premium markets. Diversification of wool markets will require a greater commitment to sustainability that addresses customer preferences and provides assurance to consumers.

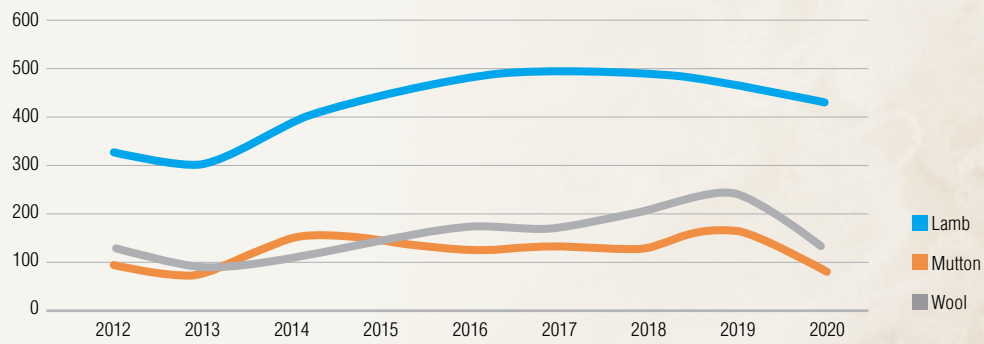
The priority areas outlined in the Blueprint have been developed to address the challenges and opportunities facing the South Australian sheep industry, with a particular focus on driving whole of chain sustainability and productivity outcomes.

### SA SHEEP PRODUCERS ESTIMATED ROA



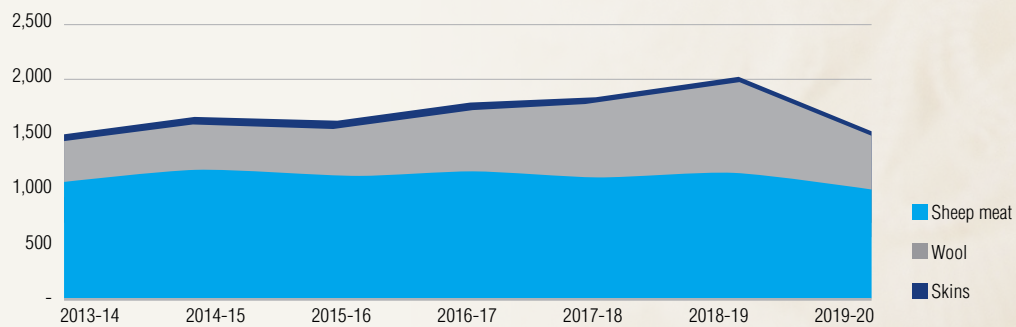
Source: ABARES Macrologic

### SA SHEEP MEAT AND WOOL EXPORT VALUE (\$ MILLION)



Source: ABS, PIRSA

### SA SHEEP GROSS REVENUE (\$ MILLION)



Source: PIRSA



# Supporting productivity with sustainable practices



South Australia's sheep production systems will require ongoing productivity gains and management skills to address a changing climate, resource scarcity and increasing input costs. Climate predictions for South Australia are for less winter rainfall and increased summer storms. This potentially increases opportunities for strategic containment feeding in combination with extensive pasture-based systems. At the same time, generally hotter and drier conditions require new approaches to delivering water security across the state to sustain land management.

Reproduction rates and lamb survival will continue to drive productivity gains and farm financial performance through adoption of best practices and research outcomes. Proven genetic technologies that facilitate selection of sheep better adapted to production conditions and market requirements will improve productivity and product quality as well as the health and wellbeing of livestock.

Community and customer expectations related to animal wellbeing and environmental stewardship are increasing. South Australia is well positioned in animal health and wellbeing, which will be important to expanding high value markets and maintaining the industry's social license to operate.

The red meat sector's 2030 carbon neutral target offers both a challenge and an opportunity to demonstrate the sheep industry's ability to produce high quality protein

and fibre, while utilising grazing practices that improve landscape health for future generations. Improving productivity, while supporting biodiversity and reducing net greenhouse gas emissions from sheep production will require an integrated management approach incorporating improved flock genetics. In addition, adaptive feeding and landscape vegetation strategies to support healthier soils can offer enhanced carbon capture and storage capabilities. This will be critical to accessing future carbon markets and more broadly, establishing sustainability credentials.

## Eradication of wild dogs inside the Dog Fence

Thanks to the \$25 million rebuild of the SA Dog Fence, together with \$19 million investment in a new dog fence along the NSW border, wild dog incursions into South Australian sheep country will soon end.

In order to realise the benefit, anticipated to be between \$56.4 million and \$112.9 million in the next 20 years, of these investments to the pastoral community and the state, the remaining wild dogs inside the fence need to be eradicated.

The activities required to achieve eradication have been detailed by the livestock industry, Landscape Boards and other stakeholders in the SA Wild Dog Strategic Plan 2020-2030. These activities build on substantial government and industry investments into wild dog control since 2018, which have dramatically reduced wild dog numbers.

## PRIORITY

Support productivity with sustainable practices

## INITIATIVE AREAS

- Adapt livestock for environment and market to improve animal health and wellbeing
- Support carbon capture and biodiversity through improved soil health
- Improve feedbase productivity and resilience through adoption of multi-species pastures
- Support farm management skills development and practice change to deliver productivity and profitability gains

## TARGETS BY 2030

- Additional lamb produced per ewe lifetime delivering 1 million more lambs
- Increase the state's flock numbers by 13%, to over 12 million
- Evidence-based production system to enhance productivity and wellbeing
- Develop pathways to carbon neutrality
- Adoption of best practice pasture management to address regional conditions
- Increase in average industry ROA (excluding capital appreciation) by 1.5%
- Wild dogs eradicated from inside the SA Dog Fence

# Promoting a responsive and resilient supply chain



The South Australian sheep value chain benefits from significant collaboration that has underpinned investment and commitment of processors. However, operations can be hampered by variable availability of finished sheep which adds to costs and impacts operating margins.

Collaboration across the industry value chain is critical to ensure all participants are profitable and that the integrity and quality of products meet market requirements. This will progressively require increased transparency, facilitated by technologies that efficiently monitor and measure sheep, as well as systems that can efficiently gather, analyse and synthesise data into insights to inform on-farm production decisions.

The Blueprint will champion projects that facilitate effective value chain communication and end-to-end traceability, improving product specifications and value. This will be achieved through the effective sharing of knowledge, market intelligence and supply chain data, facilitated by the adoption of technologies that also can reduce the costs of regulation and compliance. There are significant opportunities for the capture and analysis of the data generated at every point in the value chain to be converted into insights that can guide on-farm decision-making and optimise processing margins.

## PRIORITY

### Promoting a responsive and resilient supply chain

## INITIATIVE AREAS

- Improve value chain signals/knowledge systems and collaboration to match supply with market
- Streamline safety/quality measurement and compliance through technology adoption
- Adoption of innovations that address labour shortages and cost of wool harvesting

## TARGETS BY 2030

- Adoption of EID and data sharing covering 100% of stock processed
- Every major supply chain equipped to provide objective measures of livestock wellbeing
- Reduce value chain processing cost by 10% through waste reduction
- Develop adaptable deployable wool harvesting solutions

# Fostering a growing, skilled workforce



Skilled, committed people are required in all parts of the value chain. Attracting the right people, offering opportunities, education and training that each stage of production and processing requires will be essential to the industry's prosperity and growth over the next decade.

An increasing proportion of the wider community have few personal links with farmers or rural areas. This means much of the increasingly urbanised community is unaware of careers that offer diverse work opportunities and rewarding regional lifestyles. Studies in recent years estimate there are about five jobs for each graduate of agriculture-related degrees. Many more roles are available for those who may not complete a tertiary qualification. School-based projects and programs can be invaluable in raising awareness of educational options and work-based pathways to employment.

The sheep industry in South Australia has a number of skilled consultants and advisers that can encourage and support best practice production systems across South Australia. However, some regions are under-served and specific skills can be in short supply. Agricultural skills and services in rural communities can often be underutilised and not recognised for the contribution they can make to production systems. Building these networks and demonstrating the value proposition for farmers to access trusted advisers can make a significant contribution to business resilience and profitability.

Leveraging the state's education and training resources to meet gaps in industry expertise and knowledge sharing, as well as supporting workers within vibrant regional communities, will be areas of focus for the Blueprint.

## PRIORITY

**Fostering a growing, skilled workforce**

## INITIATIVE AREAS

- Develop and promote educational and adviser network linkages to improve usage
- Offer continuous learning opportunities for new entrants and existing workforce
- Engage with secondary and tertiary institutions to attract new entrants

## TARGETS BY 2030

- Increase use of trusted advisers on-farm to achieve increased ROA by 1.5%
- Improve retention of workers in livestock industries by highlighting career pathways
- Increase the number of school students who can learn about agriculture by 20%

# Optimising market outcomes



South Australia’s sheep products are sold in highly competitive export and domestic markets. Every part of the value chain plays a role in understanding customer requirements for safety and quality, and increasingly, sustainability. To maintain and grow access to high-value markets, greater levels of transparency and traceability will be required and must be demonstrated using integrated technologies and data systems, underpinned by adequate digital connectivity across the regions.

Adhering to stringent biosecurity and monitoring programs to minimise disease risk reduces the potential for trade barriers. This will continue to be reinforced to ensure product integrity. Improving signals through the value chain

to producers regarding meat yield and characteristics will help match requirements, secure premium market opportunities and support value-adding and diversification strategies pursued by processors.

In terms of wool, the ability to access premium and diverse markets will be facilitated by addressing the sustainability concerns of end-users. Many existing farm systems meet the criteria of end users, although in some instances, practices may have to be improved. Streamlined and credible systems of accreditation and certification will be needed to recognise and reward sustainable, ethical practices and provide assurance to customers.

## PRIORITY

### Optimising market opportunities

## INITIATIVE AREAS

- Support end-to-end traceability systems
- Promote understanding of customer requirements by supporting the development of measures and feedback loops that improve signals to producers
- Develop sustainability measurement and accreditation systems

## TARGETS BY 2030

- 100% of sheep products traceable through supply chain
- 100% of producers participating in whole of chain feedback systems to better address market requirements
- Development of sustainability assurance schemes aligned with stakeholders





# Working Group members



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## Organisations consulted

### PRODUCER GROUPS

- Ag Excellence Alliance
- Agriculture Innovation & Research Eyre Peninsula (AIR EP)
- Agriculture Kangaroo Island (AgKI)
- Barossa Improved Grazing Group
- Flinders Merino
- MacKillop Farm Management Group
- Merino SA
- Upper North Farming Systems

### CONSULTANTS

- Pinion Advisory
- SA Livestock Consultants

### PROCESSORS

- JBS Australia
- Michell Wool
- Thomas Foods International

### LANDSCAPE BOARDS

- Hills and Fleurieu Landscape Board
- Limestone Coast Landscape Board
- Murraylands and Riverland Landscape Board
- Northern and Yorke Landscape Board

### INDUSTRY PARTNERS

- Australian Meat Industry Council (AMIC)
- Biosecurity SA (under PIRSA)
- Department of Primary Industries and Regions (PIRSA)
- Livestock Transporters Association of South Australia
- Meat & Livestock Australia (MLA)
- South Australian Research and Development Institute (SARDI)
- The University of Adelaide



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## Glossary

- ABARES - Australian Bureau of Agricultural and Resource Economics and Sciences
- ABS - Australian Bureau of Statistics
- EID - Electronic Identification
- kt - Kilotonnes
- ROA - Return on assets

## Acknowledgements

### BLUEPRINT COMMUNICATION

AgCommunicators

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Jane McLean Design

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## THE SA SHEEP INDUSTRY BLUEPRINT WORKING GROUP WOULD LIKE TO THANK:

### The SA Sheep Industry Blueprint Executive Group



**freshagenda**



Keep up-to-date with Blueprint developments at  
[www.livestocksa.org.au/sa-sheep-industry-blueprint](http://www.livestocksa.org.au/sa-sheep-industry-blueprint)