Industry News - AM Global demand for lamb, sheep and goat meat rising By Lisa M. Keefe on 7/5/2010

Worldwide demand for sheep meat --- lamb and mutton both --- is picking up steadily worldwide, along with demand for goat meat. That's good news for lamb producers in Australia and New Zealand, where production is down but prices are up.

David Jones, European regional manager for Meat & Livestock Australia, sketched out the state of the sheep and, to a certain extent, goat meat markets worldwide during a presentation at IFFA, the international meat trade show held in Frankfurt, Germany in May. He answered some subsequent questions for Meatingplace.

In your presentation you said that the Australian beef trade value had dropped, while that of sheep and goats together were up. Can you elaborate?

The value of beef trade has dropped only in the past 12 months or so, mainly due to the [Cooperation Council for the Arab States of the Gulf] and the change in the Australian dollar, thus affecting exports to USA, Japan and Russia. Sheep meat trade value is up, but not sharply. The main reason is world demand, demand in Australia and limited supply from the major exporting countries, especially New Zealand and Australia. The value of goat exports are relatively small, about Aus$80 million.

If worldwide demand for lamb and mutton is up, why is production down?

Traditionally, sheep were raised for wool, and wool prices dropped dramatically in the early 1990s and world flocks have [been] reduced. Australia and New Zealand have … a large export focus, thus can optimize returns to lamb producers.

You mentioned that Australia, New Zealand and China are the only major producers of any size of lamb worldwide; why is that?

It's a mixture [of cultural, geographical, geological, historical reasons], but Brazil could be included as a potential producer of sheep meat.

You mentioned that sheep production in Australia has come down recently, which also has boosted the price. How long would it take for a boost in production to be seen in available supplies of lamb and mutton worldwide?

Lamb production is forecast to grow 2 percent this calendar year, and 13 percent in the next five years. By 2020, lamb meat production is expected to nearly double in Australia, although mutton production is expected to drop in both Australia and New Zealand. Sheep meat production also is expected to drop slightly in the U.S.

What are the primary sources of market growth worldwide?

Rising income and population matched with a preference for [lamb] protein.

What role, overall, do religious dietary restrictions play? Islam and Judaism both are fast-growing religions, but are they also spurring a fast-growing market for lamb and goat meat?

Definitely in the Middle East region, they like sheep meat [as a way of meeting] religious requirements, and they have wealth and limited, if any, domestic production. There are 1.2 billion Muslims, they have large families, and enjoy sheep meat and goat meat, somewhat, but goats are hard to find.