

**Climate change**

## Drought pushes Australia's sheep flock to 100-year lows

Worst dry period on record threatens viability of \$2bn wool industry as bush fires rage



Fall in sheep numbers is forecast to reduce wool production by 12 per cent in 2019 © Graham Jepson

Jamie Smyth in Jerilderie, Australia 11 HOURS AGO

Brett Williams has witnessed several droughts during a life spent criss-crossing Australia as a sheep shearer. But none has been as brutal as the current big dry, which has [shrunk](#) the national sheep flock to 100-year lows and threatens the viability of a A\$3bn (\$2bn) a year industry.

“In some parts all you see are bare paddocks, dust storms and fewer sheep,” said Mr Williams, whose knuckles are thick with calluses. “It’s the worst I have seen. Some farms have had to destock completely.”

Drought is a recurring feature in Australia — the driest continent on earth — but the current dry period in the country’s eastern states is devastating for farmers, who are struggling to grow crops to feed their animals.

The 31 months from January 2017 to July 2019 show they have been the [driest](#) on record for the state of New South Wales and in the Murray Darling Basin, the country’s biggest wool growing areas, according to rainfall data from Australia’s Bureau of Meteorology.

This week bushfires have spread across the state as well as Queensland, prompting Australian firefighters to warn they had “never seen” such severe blazes so early in spring.

The plight of wool growers — an industry which epitomises Australia’s rise as an export heavyweight in the 20th century and supplies three-quarters of the world’s top-quality merino wool — is focusing attention on the threat posed by climate change and on strategies to adapt to drought conditions to prevent a collapse in sheep numbers and wool production.



Sheep shearing at Pooginook Farm © Graham Jepson

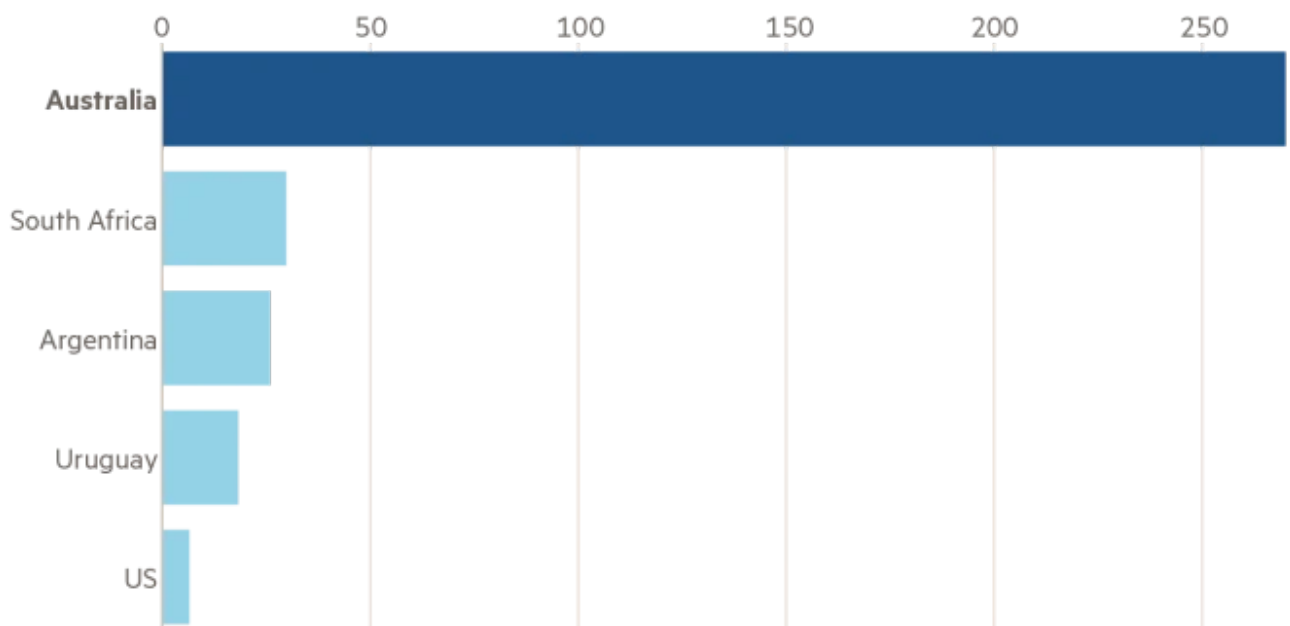
Last month parliament passed a A\$5bn government [assistance](#) package for farmers.

Wool growers, traditionally a conservative constituency sceptical about climate change, have begun to lobby the government to take stronger measures to reduce greenhouse gas emissions.

“Farmers are tackling the worst drought in history,” said Charlie Prell, a sheep producer and deputy chair of Farmers For Climate Action, a lobby group. “Funding is welcome but is merely papering over the cracks. We urgently need a long-term plan to build resilience to cope with the severe weather events that climate change is bringing.”

## Top 5 wool-producing countries

Apparel wool production, 2018 (mkg clean\*)



\* Million kilogrammes, clean wool weight

Source: International Wool Textile Organisation

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Mr Prell has already reduced stock levels on his farm near Goulburn, New South Wales, by 60 per cent in response to the drought. Many farmers are taking similar action.

The latest available industry [projections](#), which are compiled using government data and were published in June, show the national flock was expected to have fallen to 65.3m animals at the end of that month, a decline of 3.7 per cent on June last year. It follows a 6 per cent decline in 2017-2018 when the drought took hold, forcing farmers to begin buying feed to keep their flocks alive when grass in the paddocks became exhausted.

The fall in sheep numbers and lower productivity from the existing flock due to drought is forecast to reduce apparel wool production in Australia by 12 per cent to 237m kg in 2019 from the previous year, according to the [International Wool Textile Organisation](#).



Grading the wool immediately after shearing © Graham Jepson

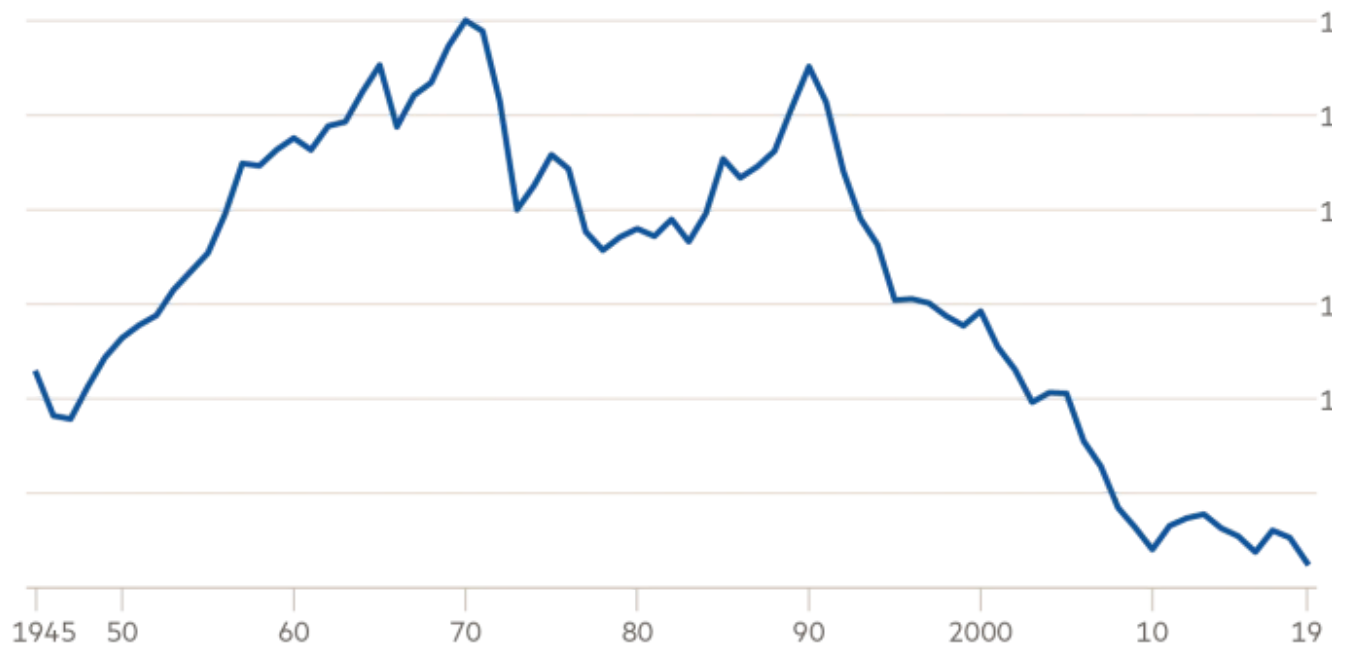
Cash-strapped farmers have little choice but to destock during times of drought, as they cannot afford to keep buying feed. But the wool flock is also suffering due to record high sheep meat prices caused by strong demand from China, where an outbreak of [swine fever](#) has generated an appetite for other types of protein.

“It’s not only the drought,” said David Quirk, a broker at Jemalong Wool, a marketing company. “A large portion of the merino ewe flock is being exported to China for protein.”

He said the challenge for the wool industry was to maintain the merino flock, the type of sheep which produces the softest handling wool that is used to make quality garments. But the combination of drought and high protein prices was persuading some farmers to exit the merino industry, he said.

## Sheep flock in Australia at record low

Sheep numbers (millions)



2019 figure is year to June  
 Source: Meat & Livestock Australia  
 © FT

“We’re down to a critical low, with numbers of merino ewes down to about 24m. If we go any further we may not be able to sustain a flock moving forward,” said Mr Quirk.

Strong Chinese demand for merino wool have cushioned farmers to some extent from the drought over the past three years, persuading some growers to maintain flocks. But sharp falls in prices over the past month are a concern for growers.

“Demand for merino has reduced a lot. Because of the Sino-US trade war, many customers have reduced their export orders,” said Jiang Chen, a buyer at the Nanjing Wool Market in China.





The ability to rebuild the merino flock when it finally rains will depend on merino stud farms, such as Pooginook © Graham Jepson

The ability to rebuild the merino flock when it finally rains will depend on merino stud farms, such as Pooginook Merino and Poll — a 20,000-hectare property in southern New South Wales that sells about 1,200 merino rams a year to breeders.

To survive the drought, the farm has reduced its stocking rate to 65 per cent of average by dropping an ancillary cattle business to reduce demand on its land and has moved to feeding sheep in restricted paddocks to allow farm pastures to recover.

This so-called containment feeding also ensures the flock burns fewer calories, which also reduces the amount they need to be fed.

“The past 20 years have seen more extremes in weather — very wet for a period and then at other times very dry for longer periods,” said John Sutherland, manager of Pooginook. “We have to be flexible and adaptive to cope with a changing climate.”

*Additional reporting Tom Hancock*

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