Sheep Census 2011

and other relevant statistics

Ministry of Agriculture, Food and Rural Affairs

Ontario

Ontario is "bucking" the trend

Comparing 2011 census data to 2006

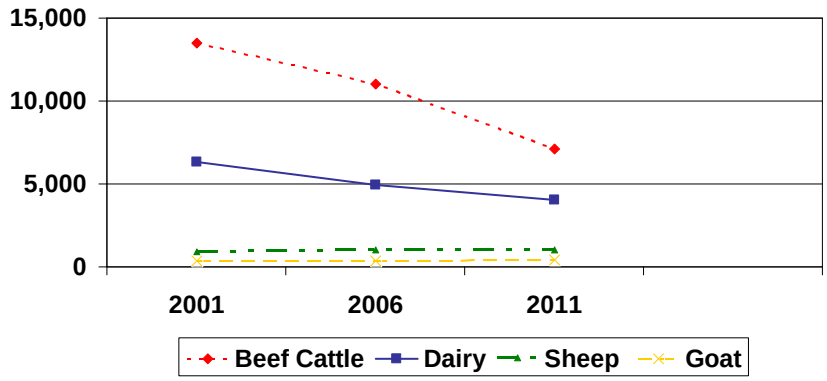
ONTARIO

- ⇧4.6% farms with sheep (3374)
- ⇧16.4% more ewes (184.6 thousand)
- ⇧11.3% increase in average flock size (55 ewes)

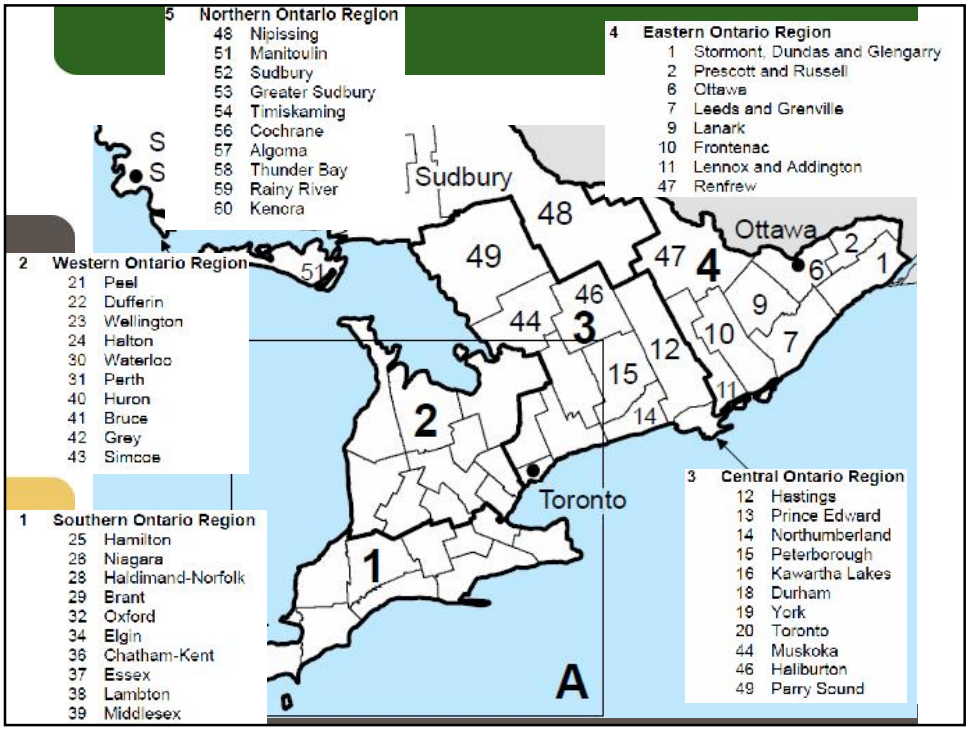
- CANADA
- ⇩7.6% farms with sheep (10,309)
- ⇩3.0% fewer ewes (571.5 thousand)
- ⇧4.9% increase in average flock size (60 ewes)

Sheep (& goats) are "bucking" the trend

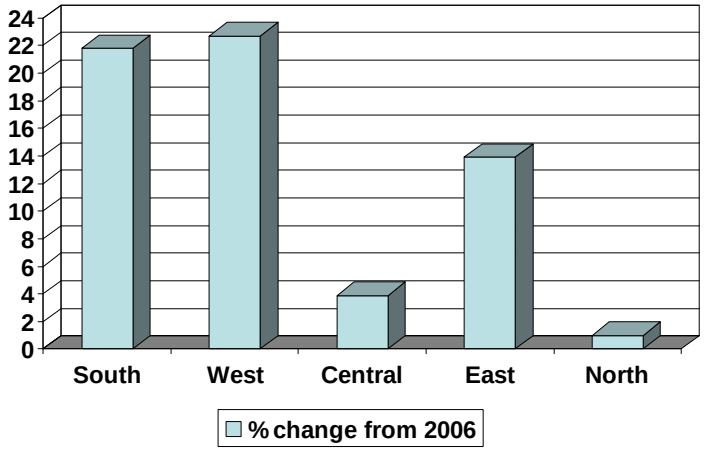
Ontario Farms Classified by Industry (NAICS) by census year



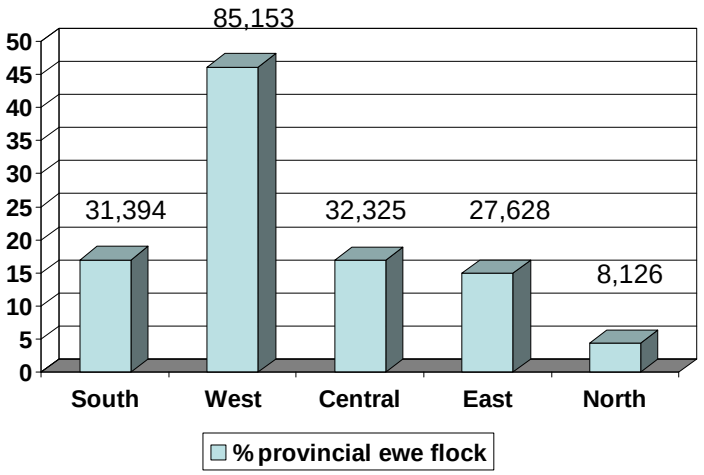
Source: Statistics Canada



Change in # ewes by region, from 2006



Distribution of Ontario Ewes



Top 10 Counties

County	# Ewes
Grey	13,799
Huron	13,657
Wellington	12,619
Bruce	11,691
Simcoe	11,496
Dufferin	7,894
Perth	7,647
Kawartha Lakes	6,718
Middlesex	6,281
Durham	5,888

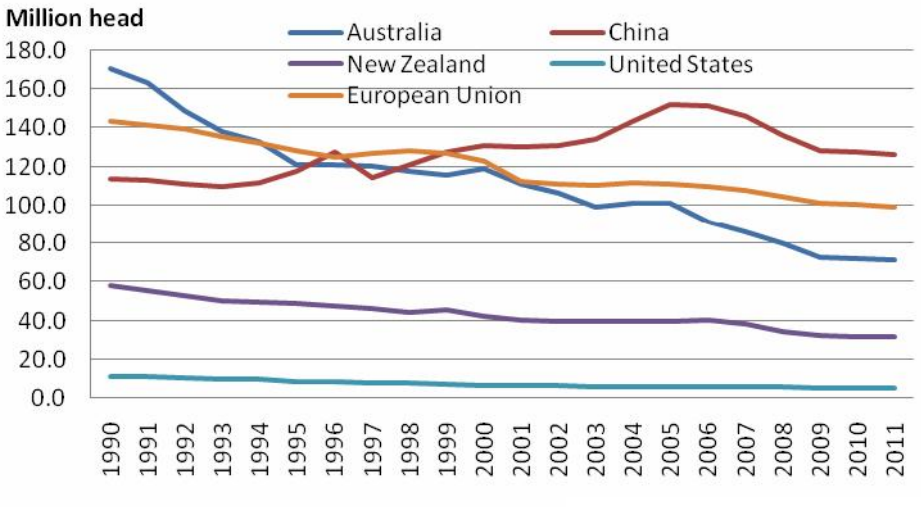
Top County by Region

Region	County	# ewes	% change from 2006
Southern	Middlesex	6,281	+ 2.9
Western	Grey	13,799	+0.7
Central	Kawartha Lakes	6,718	+15.0
Eastern	Leeds & Grenville	5,917	+14.4
Northern	Temiskaming	4,245	-11.6

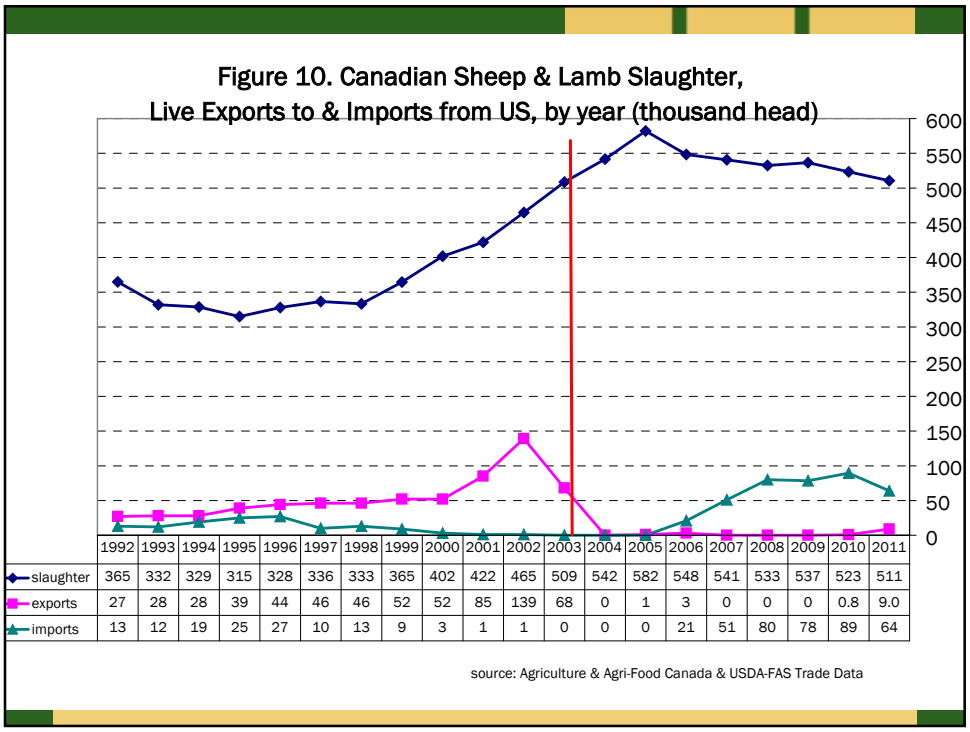
Counties showing greatest change

- See excel spreadsheet

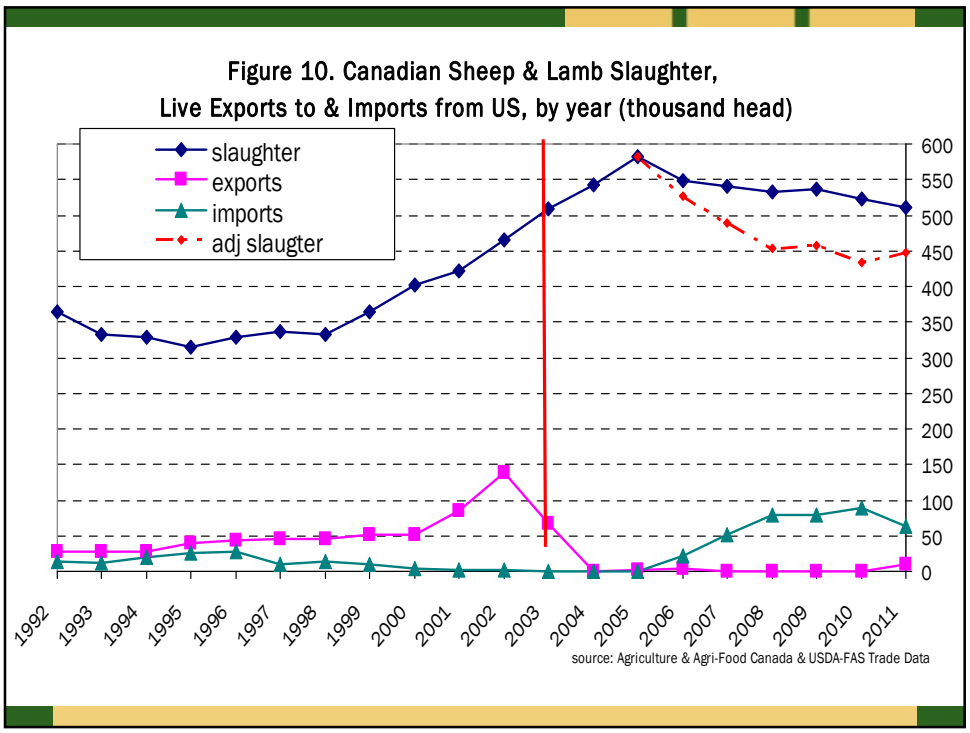
Figure 1. Major sheep producing countries show decline in inventory



Source: USDA LDP-M-207 16Sep11



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
slaughter	365	332	329	315	328	336	333	365	402	422	465	509	542	582	548	541	533	537	523	511
exports	27	28	28	39	44	46	46	52	52	85	139	68	0	1	3	0	0	0	0.8	9.0
imports	13	12	19	25	27	10	13	9	3	1	1	0	0	0	21	51	80	78	89	64



National Slaughter, 2011, by region

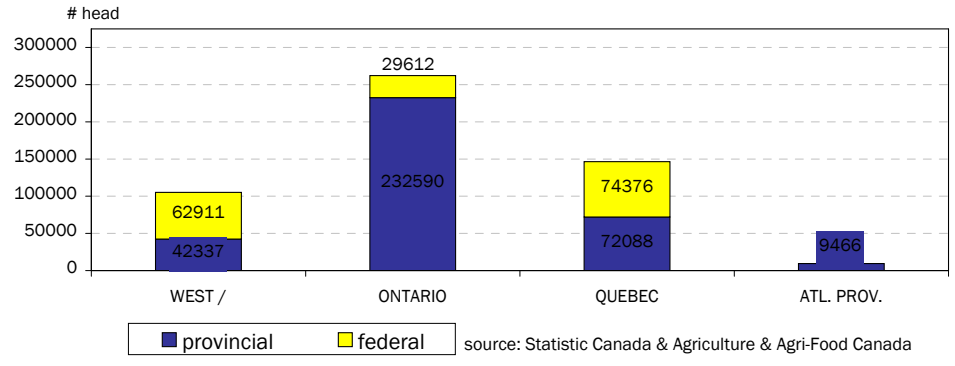


Figure 8. Annual Ontario Sheep & Lamb Slaughter, by year & inspection type

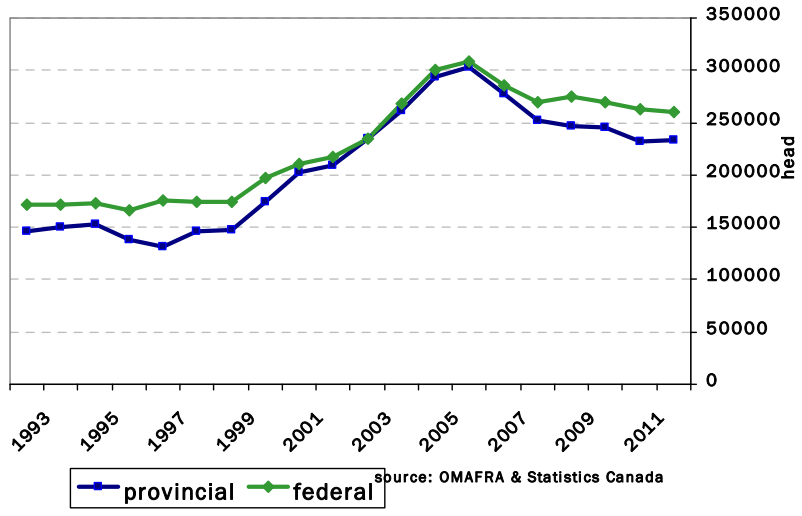
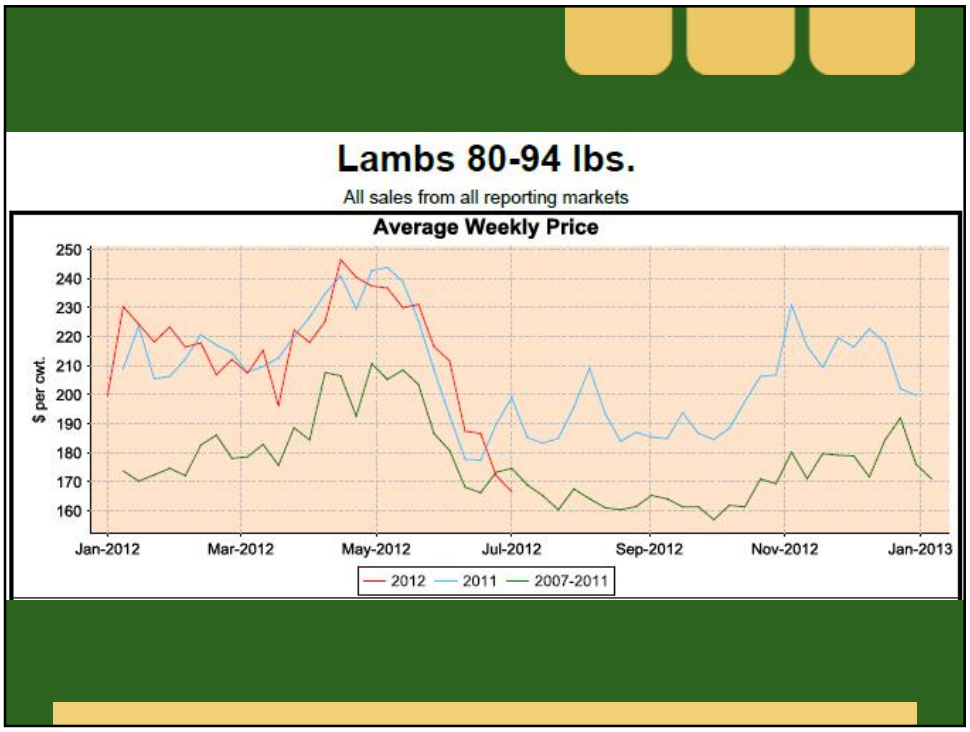


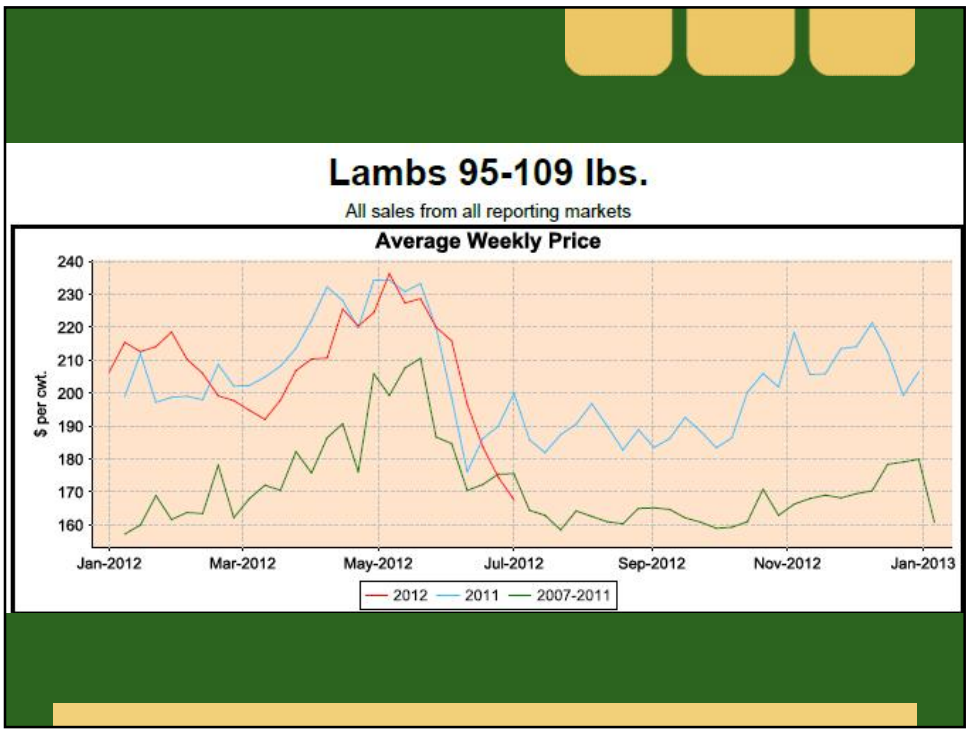
Table 4: Top Ten North American Sheep & Lamb Slaughter Regions, 2010, also Ranked by Flock Size (January 1, 2011)						
	# Slaughtered			Breeding Flock Size		
Region	2009	2010	Rank	2010	2011	Rank
Colorado	917.8	899.9	1	185	175	8
California	D	314.2	2	320	340	2
Iowa	387.3	274.2	3	145	130	10
Ontario	269.0	262.2	4	180	191	(1Ca)
Quebec*	150.7	144.5	5	185	177	(2Ca)
New Jersey	136.0	141.9	6	n/a	n/a	n/a
Illinois	D	116.9	7	55	47	25
Texas	87.5	96.9	8	650	690	1
Alberta*	90.1	89.0	9	94	100	(3Ca)
Indiana	40.4	41.6	10	46	44	27
* *slaughter data is extrapolated from regional numbers*						

Sheep Slaughter Plants in Ontario

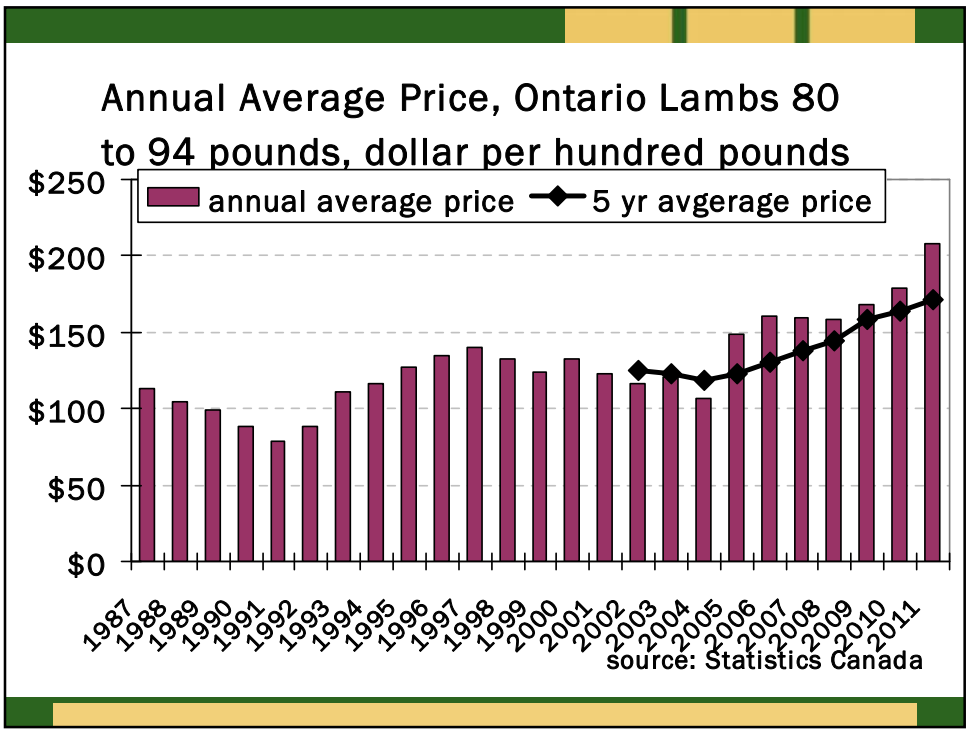
Year	# Federal	# Provincial	# FSMP
2010/11	6	154	429
2009/10	5	159	425
2008/09	4	169	415
2007/08		179	307

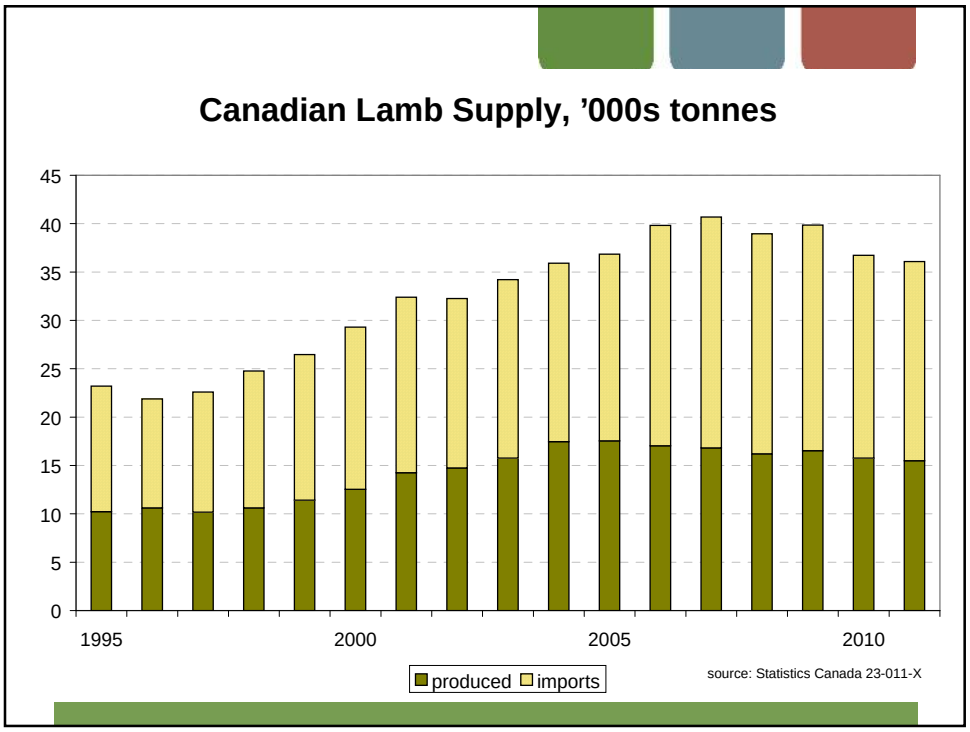
FSMP = free standing meat plant. Have no slaughter ability but licensed & inspected for further processing


Lambs 80-94 lbs.
All sales from all reporting markets
Average Weekly Price
$ per cwt.
250
240
230
220
210
200
190
180
170
160
Jan-2012
Mar-2012
May-2012
Jul-2012
Sep-2012
Nov-2012
Jan-2013
2012
2011
2007-2011


Lambs 95-109 lbs.
All sales from all reporting markets
Average Weekly Price
$ per cwt.
240
230
220
210
200
190
180
170
160
Jan-2012
Mar-2012
May-2012
Jul-2012
Sep-2012
Nov-2012
Jan-2013
2012
2011
2007-2011


Sheep (all weights)
All sales from all reporting markets
Average Weekly Price
$ per cwt.
150
140
130
120
110
100
90
80
70
60
Jan-2012
Mar-2012
May-2012
Jul-2012
Sep-2012
Nov-2012
Jan-201
2012
2011
2007-2011


Annual Average Price, Ontario Lambs 80 to 94 pounds, dollar per hundred pounds
annual average price
5 yr avgerage price
$250
$200
$150
$100
$50
$0
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
source: Statistics Canada


Canadian Lamb Supply, '000s tonnes
45
40
35
30
25
20
15
10
5
0
1995
2000
2005
2010
produced
imports
source: Statistics Canada 23-011-X

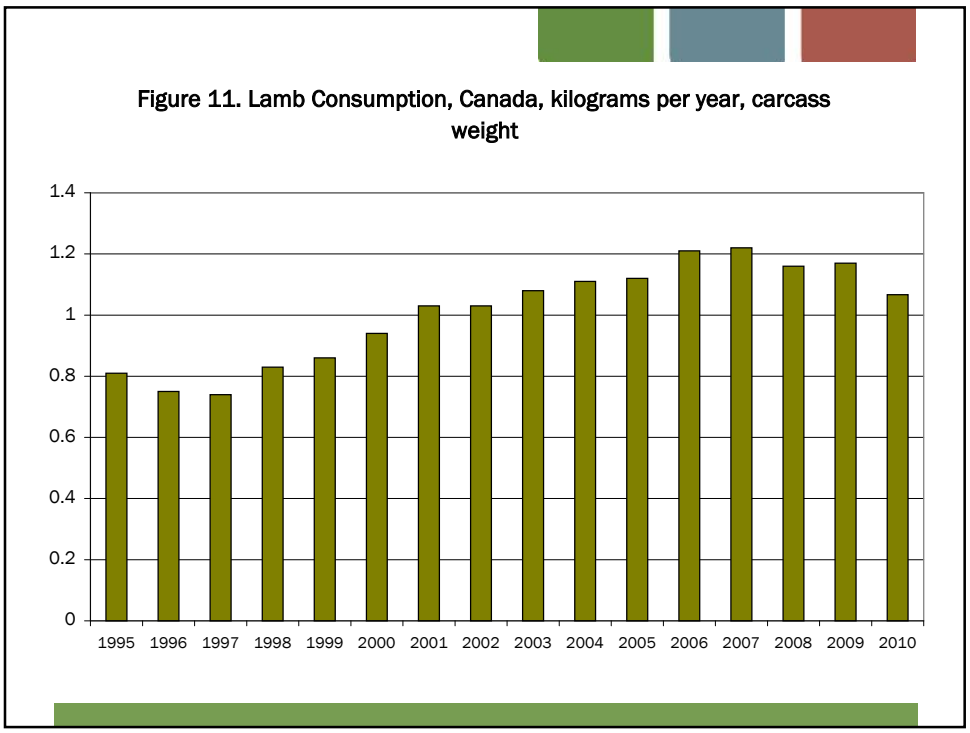


Figure 11. Lamb Consumption, Canada, kilograms per year, carcass weight
1.4
1.2
1
0.8
0.6
0.4
0.2
0
1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

World Supply – further tightening

	Slaughter (million hd)		
	2010	2011	% chg
Canada at Jan 1, 2012	.52	.51	-2.4%
United States at Jan 1, 2012	2.46	2.16	- 9.0 %
New Zealand at Jun 30, 2011	20.9	19.3	-8.1 %
Australia at Jun 30, 2011	25.3	22.9	-3.5 %
United Kingdom at Jan 1, 2012	14.3	12.47	+3.0 %

International Outlook - 2012

New Zealand

- ⇧ 2.5% slaughter to 19.7 million head
- ⇧ 3.4% export prod'n to 363 thousand T

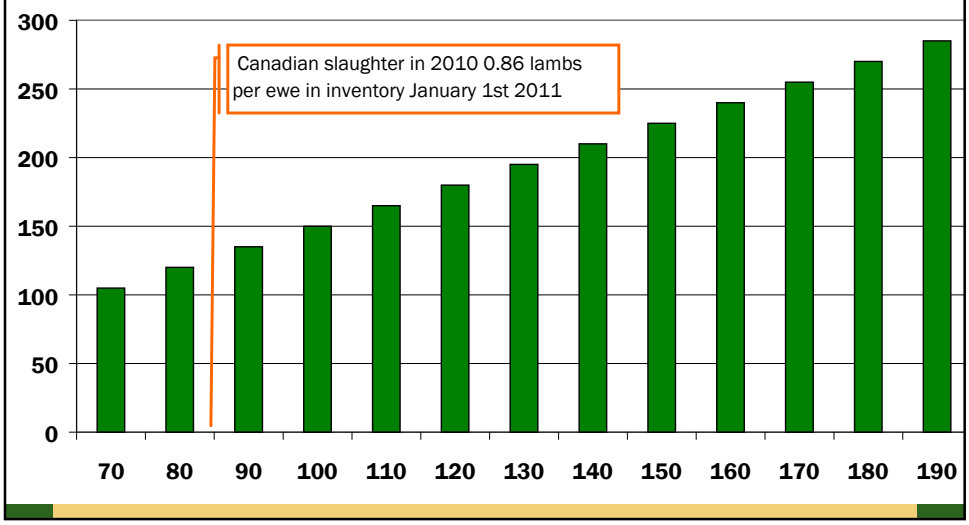
Australia

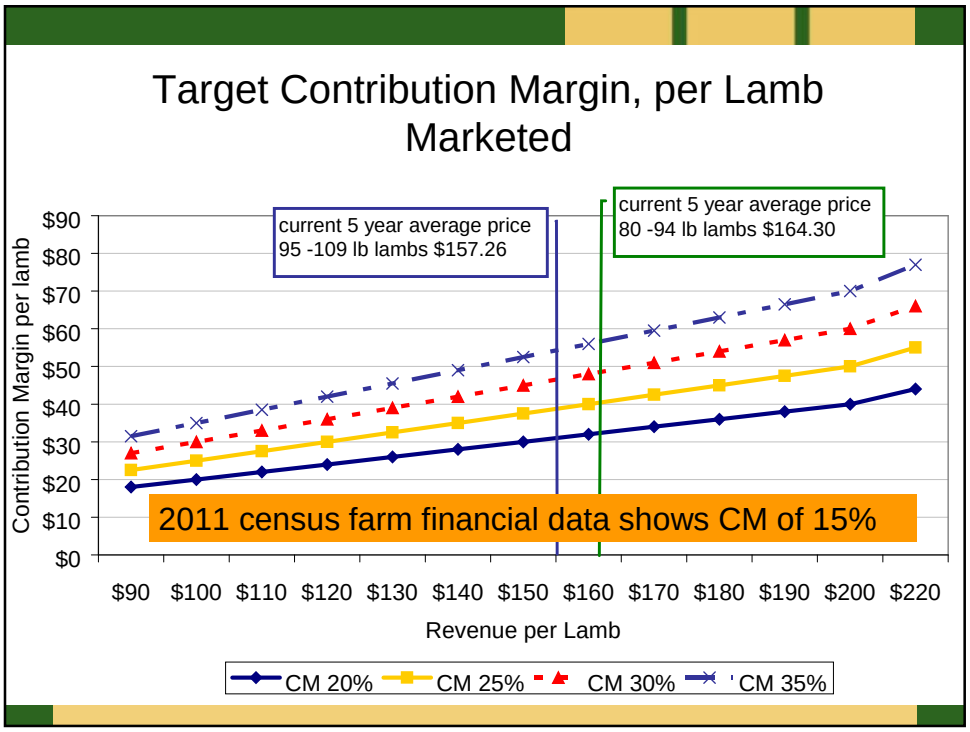
- ⇧7.4% slaughter to 19.2 million head
- ⇧7.2% export to 171 thousand T

Demand in 2012

- ⇩ 2.1% EU consumption
- ⇧1.9% in North America consumption
- ⇧6.0% imports in US
- demand to remain strong in Asia & Middle East

Revenue Potential based on Lambs Marketed per ewe@ $150 per lamb





Lambs Marketed to Achieve Target Contribution Margin with price @ $160 /lamb

Target CM	Contribution Margin Per Lamb Marketed $ 32	$ 40	$ 48	$ 56
$ 35,000	1,094	875	729	625
$ 50,000	1,563	1,250	1,042	893
$ 65,000	2,031	1,625	1,354	1,161
$ 75,000	2,344	1,875	1,563	1,339
$ 90,000	2,813	2,250	1,875	1,607

Beyond 2012 – Ontario & Canada

- Lamb supply likely to remain tight
  - Domestic production similar to 2011
  - retention rate of replacements?
- high grain, fuel, & electricity prices & marketing costs adding to CoP

Thank you

Ministry of Agriculture, Food and Rural Affairs

Ontario