



COVID-19 border closures fail to disrupt Tasmanian livestock movement

By Zoë Macfarlan, Analyst, AuctionsPlus Market Insights

Despite the current COVID-19 pandemic, the Agricultural industry, deemed an essential service, has seen operations continue largely uninterrupted, with interstate livestock movement given the green light to persist. Many producers who experienced the Summer or Autumn breaks were able to capitalise on optimistic markets and secure stock from interstate. One region taking advantage of the sanction is Tasmania with both species regularly crossing the Bass Strait.

The AuctionsPlus Market Insights (AMI) Team have examined livestock movements from Tasmania since 2015. The first six months of 2020 has already surpassed last years' total with over 11,000 sheep making the journey to the mainland. As seen in figure 1, Victoria is the unrivalled top customer of Tasmanian sheep with over 63,000 head purchased through AuctionsPlus in the last five years and a total of 10,996 head shipped to Victoria via online sales in 2019.

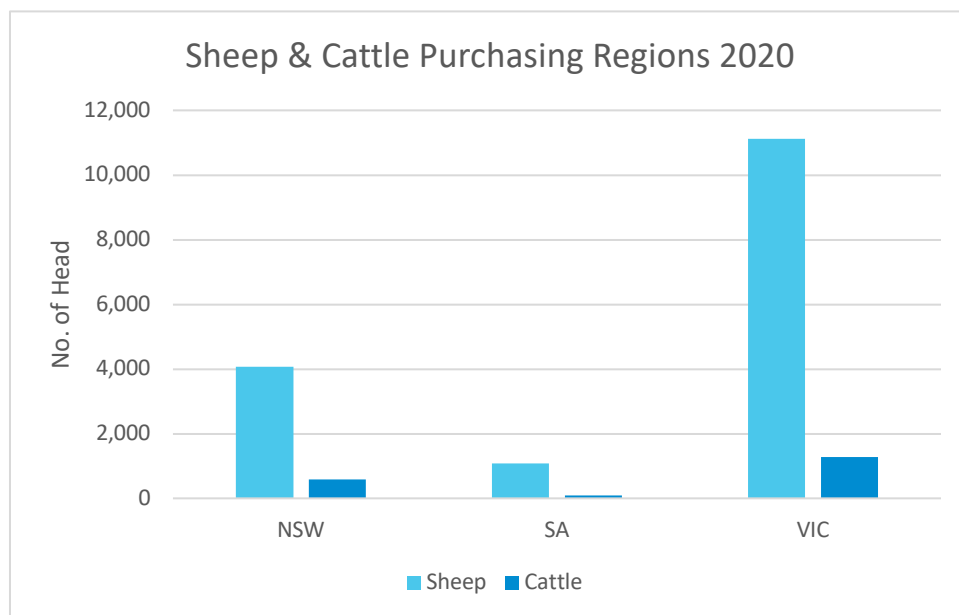


Figure 1: Sheep & cattle numbers purchased by several states in 2020

Feed availability in conjunction with favourable seasonal conditions are key drivers of interstate stock movements. Following several challenging years, 2019 rainfall across the country was 40% below average, forcing many producers to destock. During 2019, where many parts of New South Wales, Victoria and South Australia experienced consecutive months with under 30mms of rainfall, savvy Tasmanian buyers sought opportunities to buy from as far as Queensland where producers were driven to offload.





In 2020, following atypical rainfall patterns in the Apple Isle, New South Wales and Victorian producers have turned to Tasmania for sheep and cattle. The welcomed increased rainfall has seen feed shoot up and demand drive and maintain a rising price trend. Central Western NSW recorded an average of 138mls for April alone, after a yearly total of 253mls for 2019, as shown in figure 2. This newfound confidence, combined with record stock prices, has maintained demand as buyers compete to secure stock for their empty, green paddocks.

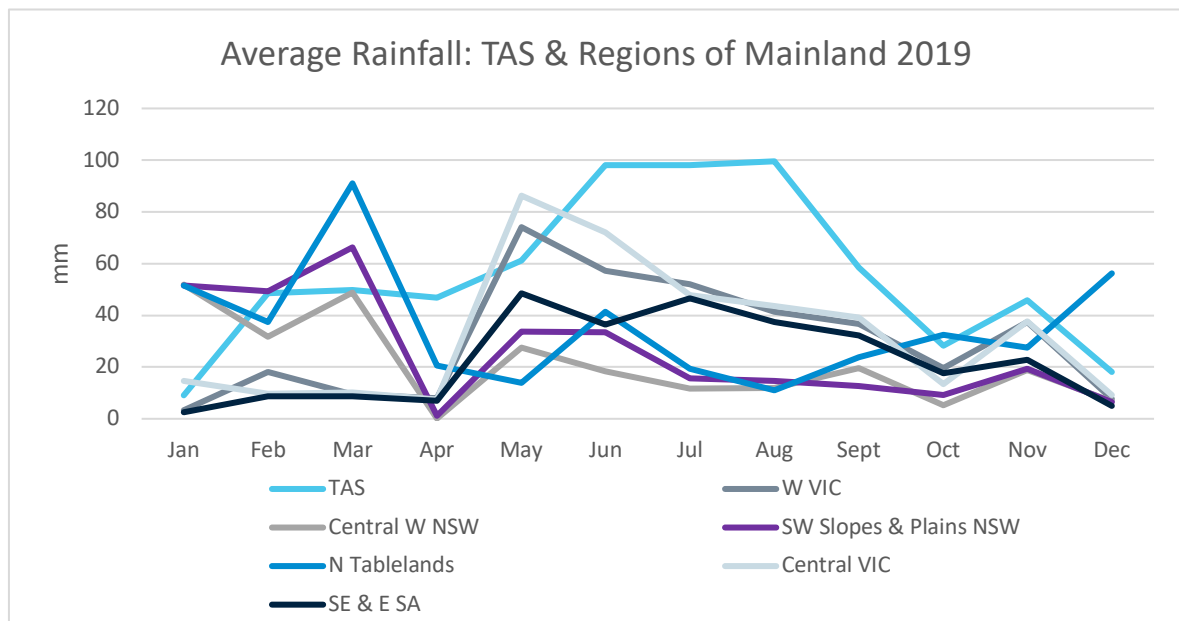


Figure 2: Average rainfall in Tasmania & selected drought affected regions of mainland Australia 2019

With sheep prices hitting record figures, most recently, Border Leicester/Merino SIL ewes from Bordertown in South Australia making \$476. Record breaking prices can however deter some buyers seeking to secure similar stock at a more feasible rate. As a result, some buyers are looking to Tasmania where prices for equivalent stock categories are lower. As shown in Figure 3, buyers can expect to pay on average \$103 less for First Cross ewes in Tasmania where they average \$204, compared to \$307 in South Australia. There is also a distinct price difference between Merino ewes with an average of \$145 in Tasmania compared with upwards of \$228 across the water – an \$83 gap thus opening valid purchasing opportunities for mainland buyers.





BL/Mer Ewes:

State	Average Prices	No. of Head
New South Wales	\$282	81,788
South Australia	\$307	6,099
Tasmania	\$204	3,300
Victoria	\$299	27,034

Figure 3: First cross ewe averages

Merino Ewes:

State	Average Prices	No. of Head
New South Wales	\$228	214,697
South Australia	\$232	46,408
Tasmania	\$145	5,940
Victoria	\$237	63,004

Figure 4: Merino ewe averages

When purchasing stock from Tasmania, the significant journey must be considered from both performance and financial perspectives. The substantial trip can be a deterrent for mainland buyers despite the price differences for certain stock categories in the current market. Tony Hooppell of FP Nevins & Co in Northern Victoria has moved large numbers of cattle for clients across the Bass Strait for many years, extremely confident in the reliable process for both clients and the wellbeing of livestock.

Page Transport, a livestock freight service with transit facilities at both ends of the Bass Strait works closely with vendors in Tasmania to ensure their stock are adequately equipped on farm to then tackle the journey to Victoria. Geoff Page, managing Director of Page Transport said the entire process is “heavily regulated, particularly in terms of animal welfare” with every animal being examined to ensure their capacity to make the journey on both the boat and trucks when they reach the mainland.





Process:

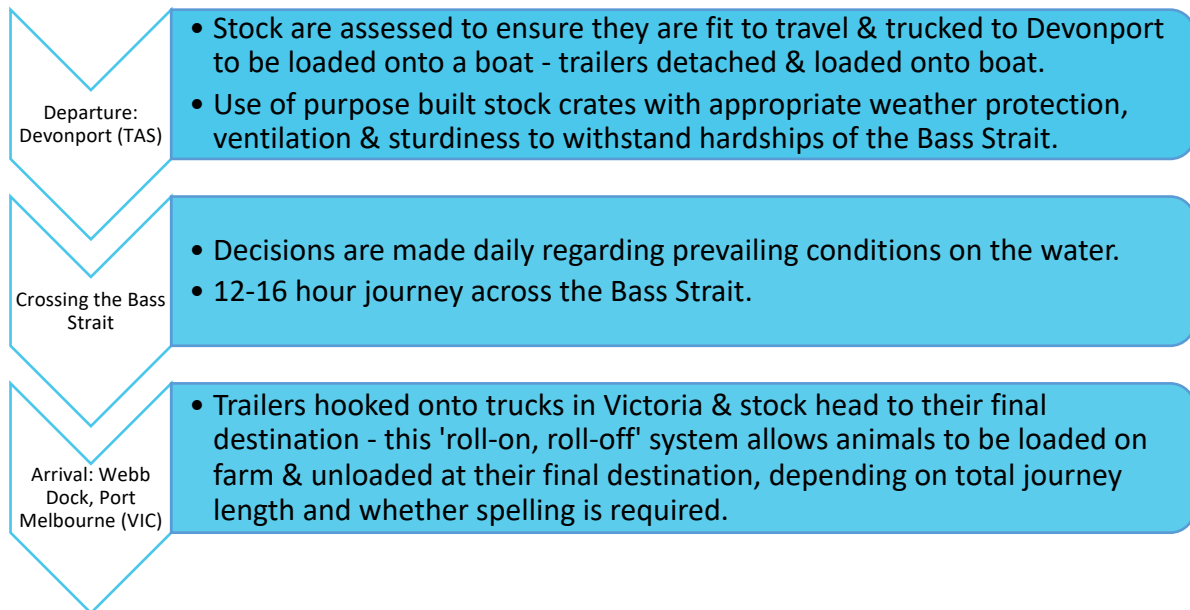


Figure 5: Process of moving livestock from Tasmania to Victoria via Page Transport

From Tasmania, freight starts at approximately \$55/head for livestock prior to applying for the Tasmanian freight rebate. A door-to-door journey of 150 head will cost a buyer \$6,000 with State Governments offering a rebate which sees almost \$2,000 deducted from the total cost. With the current market seeing increasing price differences on several stock categories, incorporating the travel cost does not exceed the record-breaking prices seen on the mainland, making the purchase of Tasmanian stock a viable option for restockers. Additionally, Rob Hodge of Hodge Transport stated “we’ve carted commercial ewes for \$20/head after the Tasmanian freight rebate” with several Victorian Coles stores stocking their shelves with meat from Tasmania.

While unpredictable weather patterns continue to bring relief to different areas of the country at different times, the availability of stock in Tasmania continues to be demanded. The efficiency and reliability of moving livestock between Tasmania and the mainland has improved in leaps and bounds in recent years thus enabling the Apple Isle to be a viable and dependable option for mainland buyers resulting in an expectation that this movement will continue in the future.

