

Flock Build Up – important \$ consideration
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We've responded to the 2025 conditions and all that followed but now its time to consider how to rebuild our flocks. We've either sold down ewes and not kept as many replacement ewe lambs as we normally would have as there has been some good money on the table to make our destocking decision a bit easier, or we have sold down regular numbers of ewes and kept our core ewe numbers and fed in containment areas to maintain while riding the tough seasons out until paddock feed has returned (in some areas).

Importantly, whatever your decision for your business was, it was the right decision!

Next decision (with good lamb, mutton and now wool prices evident), is how do we rebuild our flocks as rapidly as possible, as cost efficient as possible to be able to capture the good gross margin returns from running sheep that come with these red meat and wool prices likely to be on offer?

Our options are to buy scanned in lamb ewes and immediately rebuild numbers (or sell a 1x lamb for cash this season); to keep our oldest age group of ewes and breed back up numbers from them; to retain more ewe lambs (next weaning in 2026); to mate ewe lambs (1st joining) and increase lamb numbers from an extra lamb drop or to accelerate lambing (e.g. 3 lambings in 2 years).

Other than autumn hand feeding (time and cost), much of the work has been done when scanned in lamb ewes are purchased. A simple analysis shows that if the 1 x lamb sold (or the value of additional merino ewes and weaners wool + value of merino lambs retained) out of the scanned in lamb ewe purchased is half the value of the purchased scanned in lamb ewe, then payback occurs in 2 years. This option is expensive and best suited when lines of credit allow for scanned in lamb purchase prices to be paid. Surprisingly, the cost of borrowed money has only a very small impact on the profits from this option. It is the ratio of 'buy in price' for the scanned in lamb ewes to the income produced that is the driver of profit.

If we have successfully containment feed our oldest age group and onto paddock feed last year, then we had the option to join this oldest age group. This option allows us to capitalise on the 'feed costs we have sunk' to obtain another lambing having foregone the cash from sale of these cast for age (CFA) ewes following shearing. If the returns received from additional CFA wool, residual value of the CFA ewe, lambs (as inventory) and lambs wool, exceeds the cash foregone from not selling but joining again the CFA ewes, we are in the money with this option.

Another option to build up numbers is simply to retain a higher percentage of ewe lambs and our best job growing our future genetics out over Summer (Autumn lamb) out and then considering mating ewe lambs. Both good options when finances are tight and management is sound.

Finally, accelerated lambing (e.g. 3 lambings in 2 years) will more than likely pay for itself, but it does come with warnings i.e. needing a PhD in management (e.g. feeding 'spot on', sheep program working in with existing cropping enterprise program).

It is important to do a few numbers considering your own business and circumstances and your own risk profile as the above flock rebuild scenarios are not a '1 size fits all'.

Join us for our series of 'Sticky Beak Days' to find out how the math's stacks up for these scenarios.