

NHIA MEDIA RELEASE

Market forces drive sexed and beef semen sales

Sexed semen sales now make up 22% of total Australian dairy semen sales for domestic use and export, with sales having increased by more than double, 201,356 to 441,670 doses - a factor of 119% - over the last 2 years according to the National Herd Improvement Association of Australia's (NHIA) annual semen market survey.

NHIA Chair, Graeme Gillan, sees this trend continuing, with sexed semen predicted to make up 30% of the total market in the current year.

"The high degree of sexed semen reliability is enabling breeders to rear female herd replacements along with animals for export and accelerate herd expansion," says Graeme. "At the same time they can speed up genetic improvement within their herd and minimise waste production, all of which contributes to improved animal welfare and increased margins at the farm gate.

"Ancillary drivers behind this growth are the robust export heifer market and animal welfare issues, particularly around bobby calves," says Graeme. "On the supply side, the reliability of sexed semen has developed consistently year-on-year and quality of bulls available improved, meaning sexed semen has become more price competitive due to the increased demand.

Beef semen sales saw a similar trend with a 25% sales increase year-on-year – from 359,802 to 447,977 doses – continuing the growth curve of recent years.

Sales have grown by 60% since 2019 says Graeme Gillan, with a number of factors at play and this upward curve expected to continue.

"The increase in numbers is being driven by both the beef and dairy sectors," says Graeme. "On the beef-to-beef side NHIA and the wider AI industry are engaging more with the beef industry which has led to sales growth, increased AI adoption and we are also seeing increased sale reporting from our members.

"On the beef-to-dairy side we are seeing more dairy breeders using beef semen over the bottom twenty five to thirty per cent of their herd (while at the same time using sexed semen over their higher genetic merit animals). This continues a trend we have seen previously, but I believe is now being driven by the premium paid at market for young beef dairy cross animals because of the beef component, with this market expected to develop further over the next few years."

The continued uptake of genomics by Australian breeders saw sales of genomic semen account for 48% of all dairy semen sales over the last year, with daughter proven accounting for 30% of sales.

"Since 2018, when sales of genomic semen first overtook sales of proven, genomic sales have continued to outpace daughter proven by an increasing margin each year, with genomic sales increasing by a factor of 65% year on year in comparison to proven this year," says Graeme.

"There is still demand for daughter proven, but genomics has now been around long enough that many breeders are milking genomic daughters and seeing improved health and production traits and increased volumes through the generations, making genomic semen their preference."

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Polled semen sales remained consistent with previous years at 7% of overall dairy semen sales but saw an 11% drop in sales year-on-year.

“The market for polled genetics is still developing with the number of bulls available year-on-year fluctuating. I think over the next few years with more consistency and availability of polled higher genetic merit bulls this will be an important growth area for Australian genetics,” says Graeme.

Year-on-year total dairy semen sales dropped from 2,154,064 to 2,043,248 doses, a decline of 5%, with exports making up 12.5% or 255,352 doses of the total.

“Given the global and domestic impact of COVID during this reporting period I think the Australian AI industry has held up particularly well,” says Graeme. “The 5% decline in overall sales comes off the back of a 4% increase in the previous reporting period, so I think you could say sales have been remarkably consistent given the environment we’ve been operating in.

“While total exports contracted from 307,430 to 255,352 doses, exports as a percentage of overall sales remained relatively consistent at 12.5% versus 14% in the previous period. Given the complexity and challenges of exporting to China currently, certainly our biggest semen export market, this is a strong result.”

NHIA would like to thank the 2021 Semen Market Survey participants who provided the raw data for this report. The participants were:

Dairy: ABS Australia | Agrigene | Alta Genetics | LIC | Semex | ST Genetics Australia | TLG VIC-GAC | Viking Genetics | World Wide Sires

Beef: ABS Australia | Agrigene | Alta Genetics | LIC | Rocky Repro | Semex | ST Genetics Australia | TLG VIC-GAC | World Wide Sires

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About NHIA

Formed in 1995 as the successor to the Herd Improvement Organisation Victoria, The National Herd Improvement Association of Australia Incorporated (NHIA) is the industry organisation that promotes herd improvement within the Australian dairy industry, providing a range of services to its membership, and through that membership, to benefit Australian dairy farmers.

The member base includes organisations involved directly in the provision of herd improvement services, a range of activities that lead to productivity gains to farmers as well as herd industry improvement suppliers.