



Lamb Markets Overview

A monthly publication of the USDA AMS Livestock, Poultry, and Seed Program, Agricultural Analytics Division

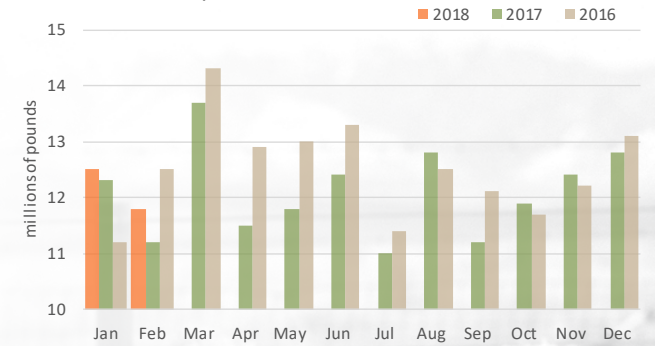
March 2018

Commercial lamb and mutton production in February amounted to 11.8 million pounds, down 6 percent from January but 5 percent over February 2017. Commercial sheep and lamb slaughter in February totaled 164,800 head, down 7 percent for the month but 3 percent above last year. The average sheep and lamb live weight, at 143 pounds, increased one pound from January, 3 pounds more than the February 2017 average. The average dressed lamb carcass weight, at 74 pounds, was up one pound for the month and 2 pounds from February of 2017. The total inventory of lamb and mutton in storage, at 28.4 million pounds, was 6 percent above the prior month and 10 percent above the prior year. The volume of lambs graded Choice and Prime by the USDA in March increased 5 percent from February and 2 percent from March 2017. The percentage of lambs qualifying for the Choice grade, at 89 percent, declined one percent from February as lambs qualifying for the Prime grade increased one percent to an 11 percent share.

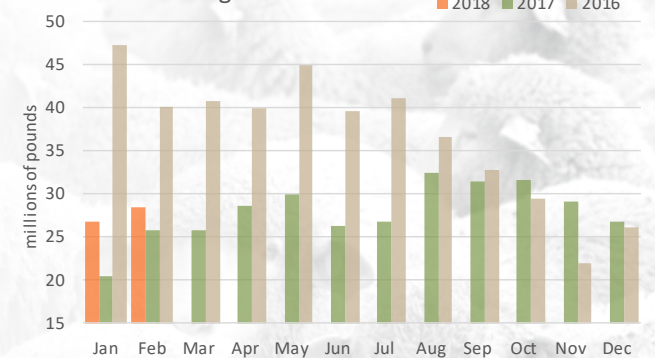
The March monthly weighted average price of direct negotiated live slaughter lambs was up 5 percent from February (from \$135.23 to \$142.53 per cwt.), one percent below the March 2017 average. The volume of trading was up 4 percent on the month. In auction trading, the average price for traditional Choice & Prime 2-3, 90-150 lbs. slaughter lambs at Sioux Falls, SD, was up one percent from February (from \$152.71 to \$153.57 per cwt), 3 percent below March 2017. In San Angelo, TX, the average price of Choice and Prime 2-3 woolled and shorn non-traditional slaughter lambs declined 2 percent (from \$138.16 to \$135.40 per cwt.) from February and one percent from last year. At the New Holland, PA, sale, the average price for Choice and Prime 2-3 woolled and shorn non-traditional slaughter lambs rose 2 percent (from \$188.69 to \$192.10 per cwt.), down 7 percent from March 2017.

The volume of trading of Choice and Prime, 1-4 lamb carcasses in March increased 81 percent over February but was 24 percent below the level of March 2017. The gross lamb carcass cutout was unchanged from February at \$3.70 per pound but was 11 percent above March 2017. The volume of negotiated trading of fresh domestic boxed lamb cuts in March increased 81 percent from February, 12 percent above the prior year (*Easter was on April 1, 2018*). Negotiated trading of frozen cuts accounted for 12 percent of volume. Trotter-off leg prices were up 3 percent (from \$3.56 to \$3.66 per pound) with a 350 percent increase in sales. The price was 13 percent above March 2017. Medium 8-rib rack prices increased 2 percent (from \$8.27 to \$8.42 per pound), 20 percent over March 2017. The volume of sales rose 71 percent for the month. Prices for frenched racks were down one percent (from \$16.12 to \$16.00 per pound), 19 percent over the prior year. March sales volume saw a 70 percent increase. Prices for trimmed 4x4 loins declined 3 percent (from \$5.39 to \$5.24 per pound), unchanged from last year. Trading volume rose 62 percent for the month. Trading of foreshanks rose 89 percent with a 4 percent drop in price (from \$4.26 to \$4.11 per pound).

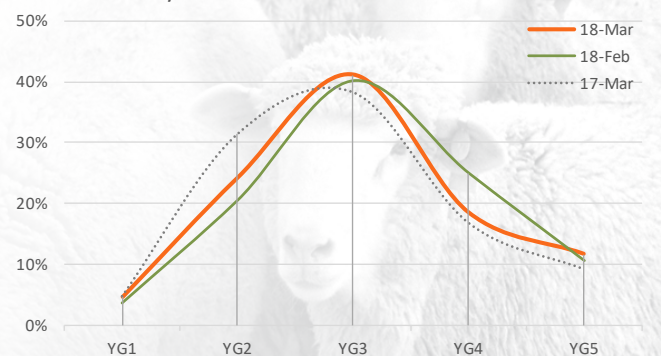
Commercial Lamb/Mutton Production



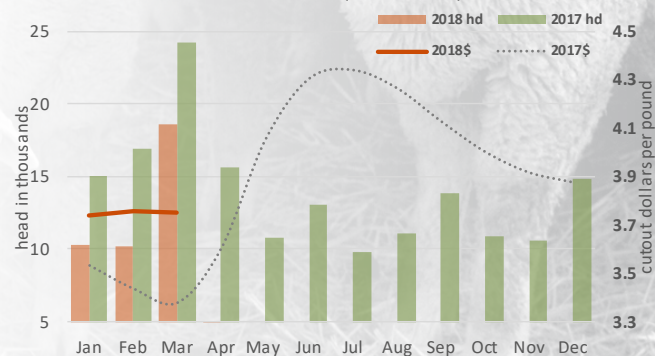
Lamb in Cold Storage



Choice Lamb by Yield Grade % - Mar 2018



Lamb Carcass Sales vs. Cutout (CH & PR, 1-4)



The overall volume of fresh and frozen imported lamb carcasses and cuts in February decreased 25 percent from January and was down 11 percent from February 2017. March data (out next month) is expected to reflect any import volume increase targeting the Easter/Passover season as seen in past years. Fresh imported products made up 47 percent of February imports and were down 14 percent in volume from January but up 16 percent from February 2017. Frozen product, 53 percent of import volume in February, declined 34 percent in volume from January and down 27 percent from February 2017. Australia was the primary source of total February lamb imports with a 73 percent share, followed by New Zealand with a 27 percent share.

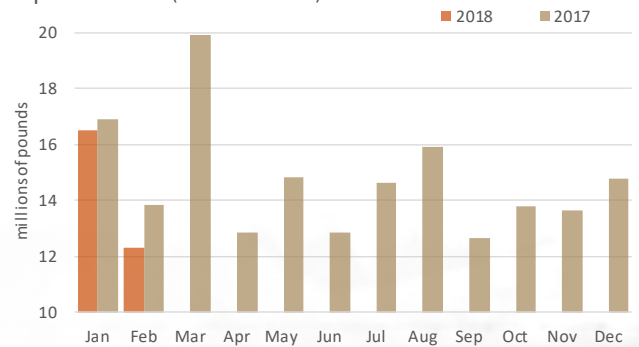
Imports of whole and half lamb carcasses comprised 3 percent of total lamb imports in February, down 26 percent from January and a 53 percent decline from February 2017. Imports of fresh and frozen lamb legs accounted for 9 percent of total lamb imports, up 13 percent from the previous month but down 8 percent from last year. Loin cuts made up 11 percent of monthly imports, down 27 percent from January and down 3 percent from February 2017. Shoulder cuts were 11 percent of imports, representing a 45 percent drop from January and 32 percent from the prior year. This follows a seasonal trend where less focus is placed on lower-priced shoulder cuts in lieu of leg and rack cuts as the spring holiday marketing season nears.

The volume of imports of bone-in lamb cuts, not elsewhere identified, in February made up 34 percent of total imports, down 6 percent for the month and for the year. Imports of boneless lamb meat accounted for 33 percent of January import volume, a 37 percent decline from January but only 3 percent under imports in February 2017.

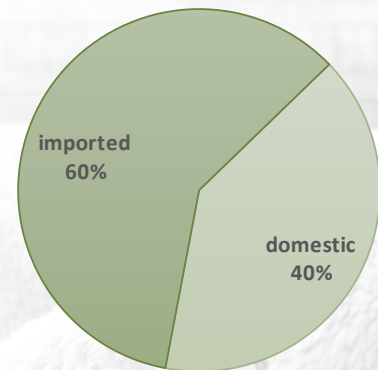
The volume of domestic sales of fresh and frozen imported lamb increased 41 percent in March with sales of fresh product up 48 percent and sales of frozen product up 37 percent. This volume represents a 13 percent decline from March of 2017.

Sales of fresh Australian lamb cuts were up in volume, except for shoulder cuts, while prices were mixed as middle meats posting a 2-3 percent rise while legs and foreshanks dipped 3-4 percent. The volume of fresh sales of Australian lamb legs posted a 737 percent rise, typical of trading seen in recent years ahead of the Easter/Passover marketing season while the composite price of leg cuts declined 4 percent. Fresh foreshank sales rose 78 percent with a 3 percent dip in the average price. The sales volume of frozen Australian cuts was mixed with racks and legs posting double-digit increases while sales volumes of shoulder and foreshank cuts declined. Sale prices of frozen Australian racks were up 4 percent and legs rose 25 percent from the prior month. Sale prices for frozen New Zealand racks cuts in March increased one percent on a 25 rise in sales volume.

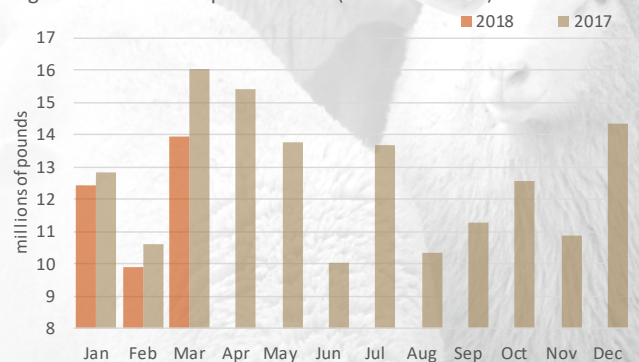
Imported Lamb (fresh and frozen)



Domestic vs. Imported Boxed Lamb Sales
March 2018 (pounds of product sold)



Negotiated Sales of Imported Lamb (fresh and frozen)

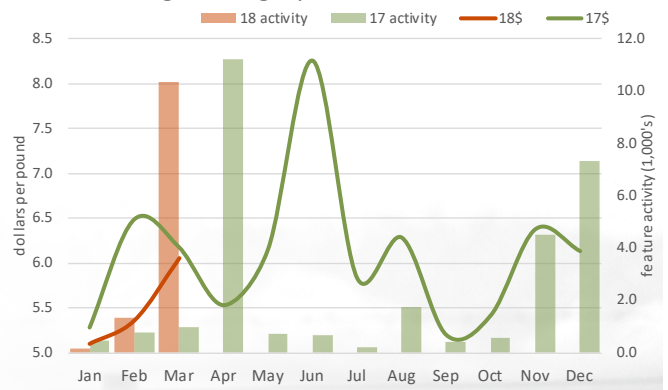


Monthly Negotiated Sales of Imported Lamb
(change in primal price and sales volume)

	Australia		New Zealand	
	price	lbs.	price	lbs.
Fresh				
racks	103	125	--	--
loins	102	116	--	--
legs	96	737	--	--
shoulders	100	89	--	--
foreshanks	97	178	--	--
Frozen				
racks	104	146	101	125
legs	100	125	--	--
shoulders	104	96	--	--
foreshanks	102	88	--	--

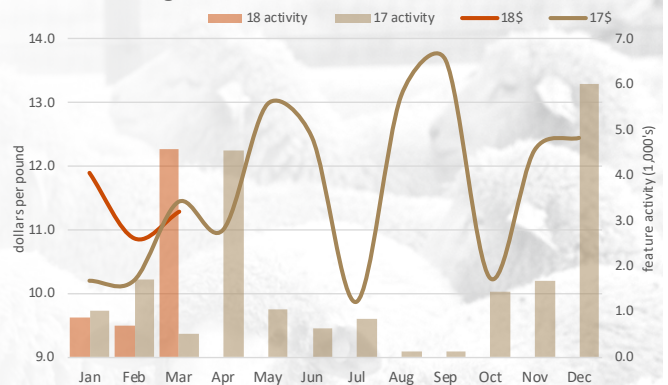
Supermarket promotional activity for lamb cuts during March, both domestic and imported, nearly quadrupled with the arrival of the Easter/Passover marketing period and was 54 percent above the prior year when the holiday season was observed 2 weeks later. Retail featuring of all leg cut styles saw a 783 percent increase in activity with a 13 percent increase in the leg cut composite sale price. Bone-in legs commanded 48 percent of lamb leg features followed by boneless offerings at 33 percent. Offerings of lamb racks increased 654 percent for the month and price levels rose 4 percent. Featuring of loin and shoulder chops maintained a steady to slightly elevated rate for the month while foreshanks rose 50 percent in feature activity but declined 4 percent in average ad price.

Retail Featuring of All Leg Styles



The level of supermarket feature activity during the recent Easter/Passover marketing period was slightly more active than for the 2017 season, up a half percent. Advertised lamb cuts were about evenly split between domestic (51 percent) and imported product (49 percent). Offerings of product identified as antibiotic-free led all types with 52 percent, 64 percent if you add grass-fed product which is typically also antibiotic-free. Lamb from conventional production systems, typically grain-finished, accounted for 34 percent of advertisements. Leg cuts dominated retail advertising with 58 percent of ads promoting a variety of bone-in, partially boneless, and boneless leg cuts. Rack cuts made up 15 percent of ads with loin and shoulder cuts evenly split at 10 percent each. Features of foreshanks accounted for 5 percent of ads with ground lamb making up one percent.

Retail Featuring - Racks



Quick Overview

PRODUCTION:				DIRECT SLAUGHTER LAMB:			
	Feb 18	Jan 18	change		Mar 18	Feb 18	change
Sheep Meat Production (lbs.).....	11,800,000	12,500,000	94	CH/PR, woolled/shorn (head)	14,800	14,200	104
Commercial Sheep Slaughter (head).....	164,800	176,300	93	price (\$/cwt)	142.53	135.23	105
Fed. Insp. Lamb Slaughter (head).....	139,500	154,500	90	AUCTION SLAUGHTER LAMB:			
Live Sheep Weight (lbs.).....	143	142	101	Sioux Falls, CH/PR, 2/3, 90-150 lb. (head)	464	643	72
Dressed Carcass Lamb Weight (lbs.).....	74	73	101	price (\$/cwt)	153.57	152.71	101
				New Holland, CH/PR, 2/3, 90-150 lb. (\$/cwt)	192.10	188.69	102
				San Angelo, CH/PR, 2/3, 90-150 lb.			
COLD STORAGE:				Shorn price (\$/cwt)	135.40	136.29	99
Lamb/Mutton in Storage (lbs.).....	28,352,000	26,790,000	106	Woolled price (\$/cwt)	135.40	140.03	97
				LAMB CARCASS:			
IMPORTS:				National Lamb Carcass Sales (head).....	18,551	10,228	181
Total Fresh/Chilled (lbs.).....	5,776,545	6,682,865	86	Lamb Carcass Gross Cutout (\$ per pound).....	3.70	3.70	100
Total Frozen (lbs.).....	6,502,086	9,790,276	66				
Total (lbs.).....	12,278,631	16,473,141	75	BOXED LAMB CUTS:			
				Domestic Fresh Boxed Lamb Sales (lbs.)	8,276,354	4,565,566	181
LAMB GRADED:	Mar 18	Feb 18	change	Imported Fresh Boxed Lamb Sales (lbs.)	5,147,213	3,477,840	148
Choice (head).....	96,872	92,646	105	Imported Frozen Boxed Lamb Sales (lbs.)	8,782,628	6,400,696	137
Prime (head).....	12,193	10,747	113				