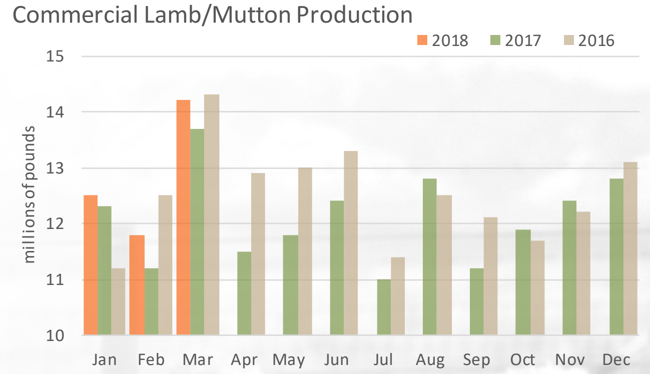
USDA
Lamb Markets Overview
A monthly publication of the USDA AMS Livestock and Poultry Program, Agricultural Analytics Division April 2018

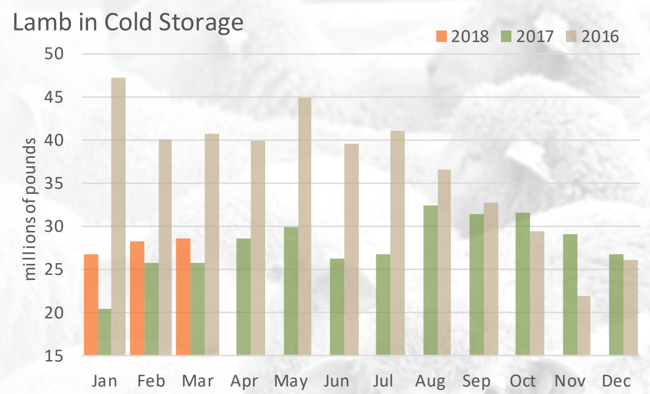
Note: Easter was on April 1 and Passover was March 30-April 7, 2018.

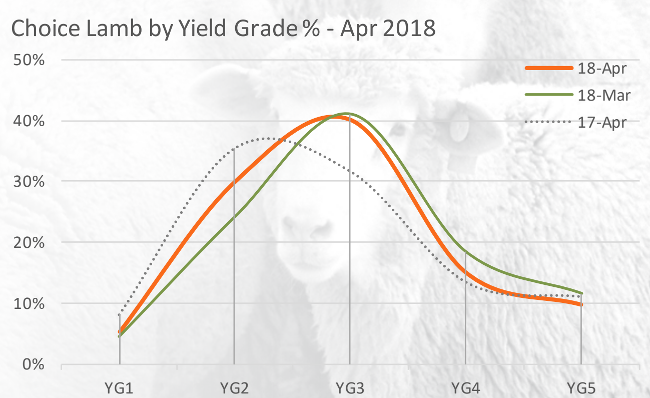
Commercial lamb and mutton production in March totaled 14.2 million pounds, up 20 percent from February and 4 percent above March 2017. Commercial sheep and lamb slaughter in March totaled 201,600 head, up 22 percent for the month and 2 percent above last year. The average sheep and lamb live weight, at 140 pounds, decreased 3 pounds from February and unchanged from March 2017. The average dressed lamb carcass weight, at 72 pounds, was down 2 pounds for the month but unchanged from last year. The total inventory of lamb and mutton in storage, at 28.6 million pounds, was one percent above February's level and 11 percent above the prior year. The volume of lambs graded Choice and Prime by the USDA in April declined sharply, dropping 26 percent in typical fashion following the Easter/Passover demand period. April 2018 lambs graded was 2 percent over April 2017. The percentage of lambs qualifying for the Choice grade, at 91 percent, increased 2 percent from March as lambs qualifying for the Prime grade declined to a 9 percent share.

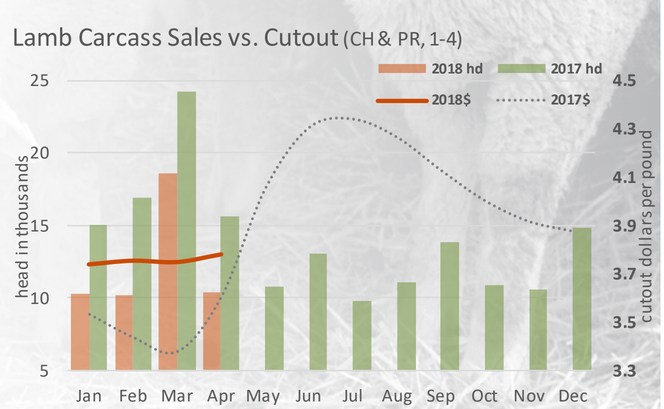
The April monthly weighted average price of direct negotiated live slaughter lambs was up 5 percent from March (from $142.23 to $149.08 per cwt.), but down 4 percent from April 2017 ($156.06 per cwt.). The volume of trading in April declined 16 percent from March and 37 percent from the prior year when Easter fell on April 16. In auction trading, the average price for traditional Choice & Prime 2-3, 90-150 lbs. slaughter lambs at Sioux Falls, SD, was down one percent from March (from $153.57 to $152.04 per cwt), 13 percent below April 2017. In San Angelo, TX, the average price of Choice and Prime 2-3 wooled and shorn non-traditional slaughter lambs declined 4 percent (from $135.40 to $130.25 per cwt.) in April, down 7 percent from last year. At the New Holland, PA, sale, the average price for Choice and Prime 2-3 wooled and shorn non-traditional slaughter lambs increased 18 percent (from $192.10 to $227.25 per cwt.), 14 percent above the level in April 2017.

The volume of trading of Choice and Prime, 1-4 lamb carcasses in April dropped sharply following the Easter/Passover season, down 44 percent from March and 34 percent below the level of April 2017. The gross lamb carcass cutout increased one percent (from $3.70 to $3.73 per pound) but was 5 percent above April 2017. The volume of negotiated trading of fresh domestic boxed lamb cuts in April decreased 51 percent from March, 34 percent below the prior year. Negotiated trading of frozen cuts declined 39 percent from March and accounted for 14 percent of volume. Trotter-off leg prices declined one percent (from $3.66 to $3.69 per pound) with a 74 percent decrease in sales. The price was 6 percent above April 2017. Medium 8-rib rack prices were slightly lower (from $8.42 to $8.38 per pound), 13 percent over April 2017. The volume of sales dropped 43 percent for the month. Prices for trimmed 4x4 loins rose one percent (from $5.24 to $5.29 per pound), down one percent from last year. Trading volume declined 43 percent for the month. Trading of foreshanks declined 40 percent with a one percent rise in price (from $4.11 to $4.15 per pound).









The overall volume of fresh and frozen imported lamb carcasses and cuts in March increased 34 percent from February but was down 17 percent from March 2017. Fresh imported products made up 48 percent of March imports and were up 38 percent in volume from February but down 15 percent from March 2017. Frozen product, 52 percent of March import volume, increased 31 percent in volume for the month but decreased 19 percent from March 2017. Australia was the primary source of total March lamb imports with a 70 percent share, followed by New Zealand with a nearly 30 percent share.

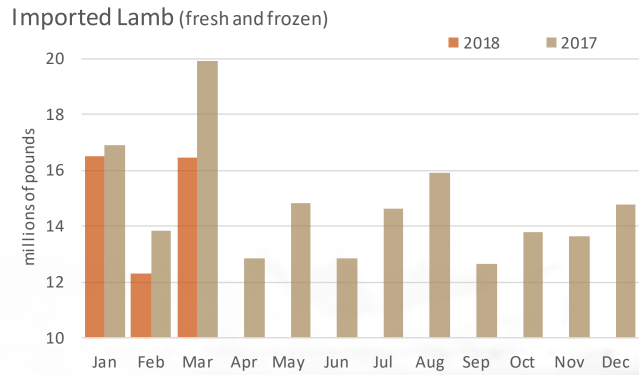
Imports of whole and half lamb carcasses, 4 percent of total lamb imports in March, rose 177 percent from February but declined 30 percent from March 2017. Imports of fresh and frozen lamb legs, 8 percent of total lamb imports, up 28 percent from the previous month but down 53 percent from last year. Import volume of loin cuts, 10 percent of monthly imports, rose 21 percent in March but were down 10 percent from last year. Shoulder cuts, 12 percent of imports, rose 44 percent in import volume in February but down 35 percent from the prior year. Shoulder cuts typically sit on the bench during the spring holidays but return in force following.

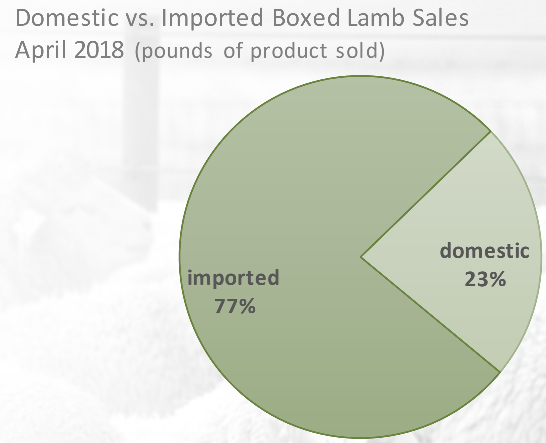
The volume of imports of bone-in lamb cuts, not elsewhere identified, in February made up 33 percent of total imports with a 46/54 percent split between fresh and froze and posted a 28 percent increase in volume over February but was down 9 percent from March 2017. Imports of boneless lamb meat accounted for 34 percent of February import volume with a 39 percent rise in volume for the month, one percent more than was imported in March 2017. The split between fresh and frozen boneless lamb meat imports was 38/62 percent.

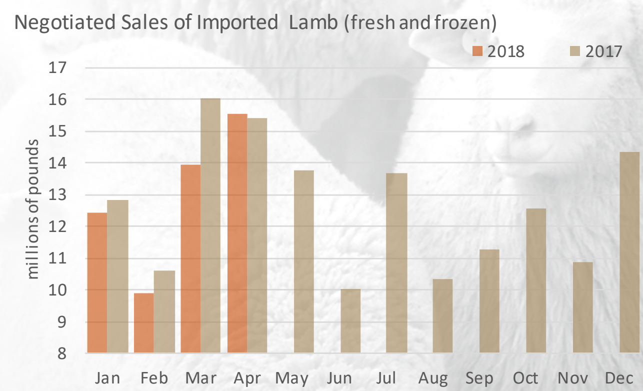
The volume of domestic sales of fresh and frozen imported lamb increased 12 percent in April with sales of fresh product up 7 percent and sales of frozen product up 15 percent. The total volume represents a one percent increase from April 2017. Imports accounted for 77 percent of all boxed lamb cut sales in April with domestic product at 23 percent of sales.

The overall volume of sales of fresh Australian lamb cuts increased 10 percent in April, led by increased sales of racks, loins, and shoulders while sales of legs dropped sharply following the Easter/Passover demand season. Most sales activity for fresh cuts occurred during the early part of the month. Average prices for fresh lamb cuts were weak to lower with rack and shoulder cut prices unchanged while loin and leg cuts were down slightly. Foreshank prices, down 4 percent, saw the largest decline.

The sales volume of frozen Australian cuts in April increased 10 percent overall with frozen leg (up 18 percent) and shoulder (up 13 percent) cuts leading the way. Sales of frozen foreshanks were down 2 percent while rack cuts experienced a 34 percent post-Easter decline. Sale prices of frozen Australian racks rose 2 percent on the reduced volume with leg prices up one percent. Prices for shoulders and foreshanks moved 3-5 percent lower. The volume of sales of frozen rack cuts from New Zealand in April increased 3 percent while the average price increased 16 percent.







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

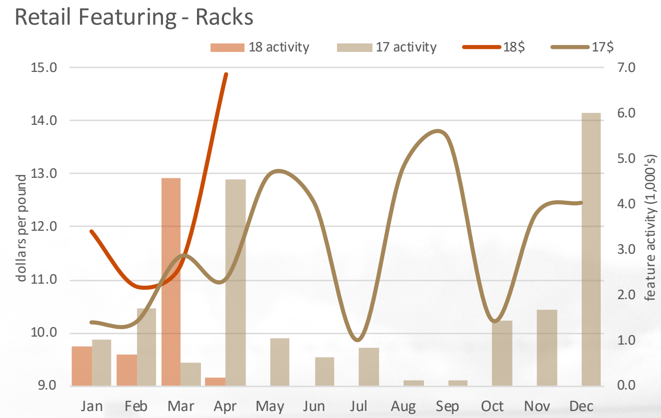
	Australia		New Zealand	
	percent change			
Fresh	**price**	**lbs.**	**price**	**lbs.**
racks	100	142	--	--
loins	99	121	--	--
legs	99	23	--	--
shoulders	100	115	--	--
foreshanks	96	81	--	--
Frozen				
racks	102	66	103	116
legs	101	118	--	--
shoulders	95	113	--	--
foreshanks	97	98	--	--

Source: USDA AMS Agricultural Analytics Division (www.ams.usda.gov/services/market-research/aad)

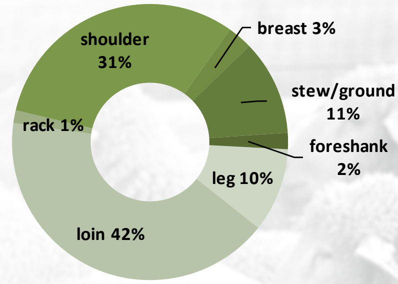
Supermarket promotional activity for lamb cuts in April, both domestic and imported, fresh and frozen, dropped sharply (down 65 percent), as the market moved past the Easter/Passover marketing period which was largely served by promotions held in March ahead of the holiday. The pace of promotions was down 65 percent compared to April 2017 when Easter was observed mid-month. Retail feature activity for leg cuts plummeted following the holiday, dropping 92 percent while the leg cut composite sale price declined 3 percent. Featuring of leg cuts accounted for 10 percent of ad space in April, down from a 44 percent share in March. Offerings of lamb racks evaporated following their Easter peak and accounted for one percent of all lamb cut featuring. This is a typical pattern and supermarket featuring of racks normally does not pick up until the November-December holiday demand period.

Featuring of loin cuts, primarily chops, increased through April and accounted for 42 percent of advertising share. The average ad price during the month declined 8 percent from March. Offerings of shoulder cuts, mostly blade chops, declined 7 percent but increased their share of retail featuring by 17 percent. Retail promotion of ground lamb increased by 61 percent while the average advertised price rose 14 percent. The level of foreshank featuring at retail outlets declined by half in April with a slight (3 percent) rise in average ad price.

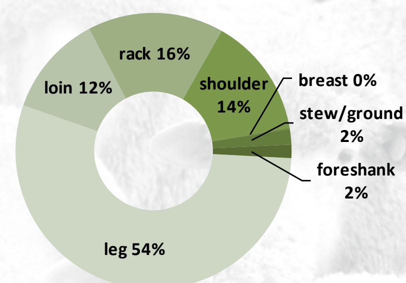
In general, retail feature activity in April switched focus from Easter/Passover staples like racks and legs to cuts that enjoy more weekly consumer demand including shoulder and loin chops. As the summer grilling season approaches, promotions of "grillable" favorites, primarily chops and ground lamb can be expected to carry the flag for lamb.



April Retail Feature Share



March Retail Feature Share



Quick Overview

PRODUCTION: [1/]	Mar 18	Feb 18	change
Sheep Meat Production (lbs.)...................	14,200,000	11,800,000	120
Commercial Sheep Slaughter *(head)*........	201,600	164,800	122
Fed. Insp. Lamb Slaughter *(head)*.............	176,700	139,500	127
Live Sheep Weight (lbs.).............................	140	143	98
Dressed Carcass Lamb Weight (lbs.).......	72	74	97
COLD STORAGE:			
Lamb/Mutton in Storage (lbs.).................	28,615,000	28,280,000	101
IMPORTS:			
Total Fresh/Chilled (lbs.)..........................	7,974,772	5,776,545	138
Total Frozen (lbs.)..	8,485,362	6,502,086	131
Total (lbs.)...	16,460,134	12,278,631	134

LAMB GRADED:	Apr 18	Mar 18	change
Choice (head)...	72,987	96,872	75
Prime (head)...	7,505	12,193	62

DIRECT SLAUGHTER LAMB:	Apr 18	Mar 18	change
CH/PR, wooled/shorn *(head)*	12,400	14,800	84
price *($/cwt)*	149.08	142.53	105
AUCTION SLAUGHTER LAMB:			
Sioux Falls, CH/PR, 2/3, 90-150 lb. *(head)*	217	464	47
price *($/cwt)*	152.04	153.57	99
New Holland, CH/PR, 2/3, 90-150 lb. *($/cwt)*	227.25	192.10	118
San Angelo, CH/PR, 2/3, 90-150 lb.			
Shorn price *($/cwt)*	130.25	135.40	96
Wooled price *($/cwt)*	130.25	135.40	96
LAMB CARCASS:			
National Lamb Carcass Sales *(head)*...............	10,378	18,551	56
Lamb Carcass Gross Cutout *($ per pound)*.....	3.73	3.70	101
BOXED LAMB CUTS:			
Domestic Fresh Boxed Lamb Sales *(lbs.)*	4,025,465	8,276,354	49
Imported Fresh Boxed Lamb Sales *(lbs.)*	5,481,837	5,147,213	107
Imported Frozen Boxed Lamb Sales *(lbs.)*	10,059,218	8,782,628	115

[1/] *- meat production, commercial slaughter, and live weight includes sheep and lamb; Fed. Insp' lamb slaughter and dressed weight are young lambs only.*

Source: USDA AMS Agricultural Analytics Division (www.ams.usda.gov/services/market-research/aad)