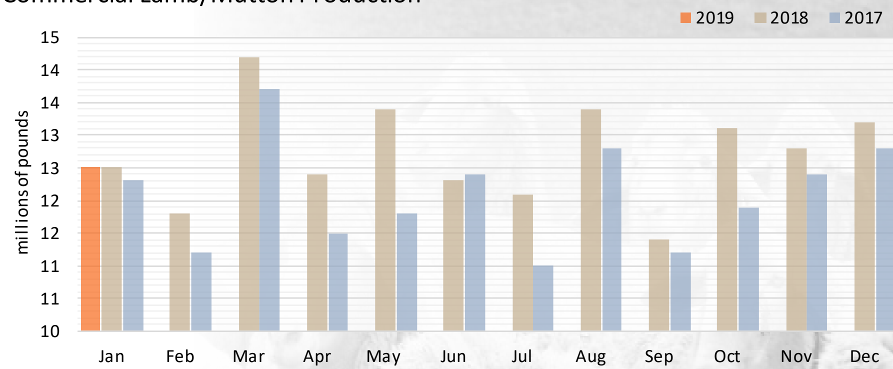
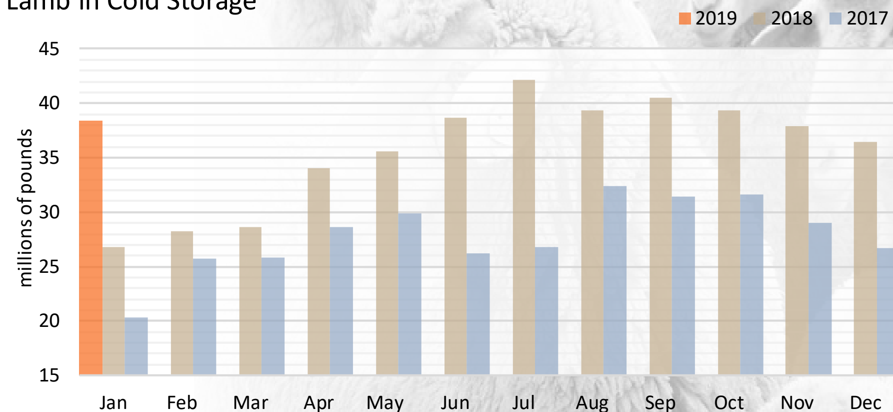
PRODUCTION: Commercial lamb and mutton production decreased 5% in January to 12.5 million pounds, unchanged from January 2018. Commercial sheep and lamb slaughter in January declined 7% to 186,800 head, 6% more than in January 2018. The average sheep and lamb live weight gained 3 pounds to a 134 pound average, 8 pounds lighter than a year ago. The average dressed lamb carcass weight was up a pound to 69 pounds, 4 pounds lighter than in January 2018. Mature sheep slaughter was down 19% in January at 8,200 head, 11% over 2018. Stocks of lamb and mutton in cold storage in January increased 5% at 38.4 million pounds, 43% above the January 2018 level.

GRADING: The volume of lambs graded Choice and Prime by the USDA during the month of February was down 14% from January and 22% below the February 2018 level. Nationally, the number of lambs qualifying for the Choice grade decreased 15% but remained at a 94% share of all lambs graded. The Midwest was the only region to see an increase in lambs graded for the month but, with 13% of all lambs graded, this rise was not enough to affect the downward trend. Within the Choice grade, graded lambs shifted towards the leaner end of the scale with a decline in the number of lambs qualifying for YG 3-4 while YG 2 numbers rose 4% and YG 1 was up 1%. Much of this shift occurred in the Rocky Mountain region. Lambs graded in the Ohio Valley region ran counter to this trend and had a yield shift from lean to more finished, primarily with a drop in YG 2-3 and a rise in YG 4.

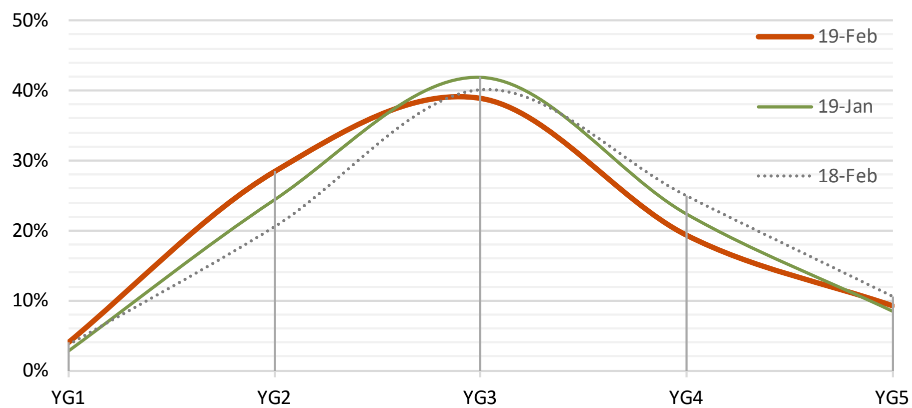
Commercial Lamb/Mutton Production



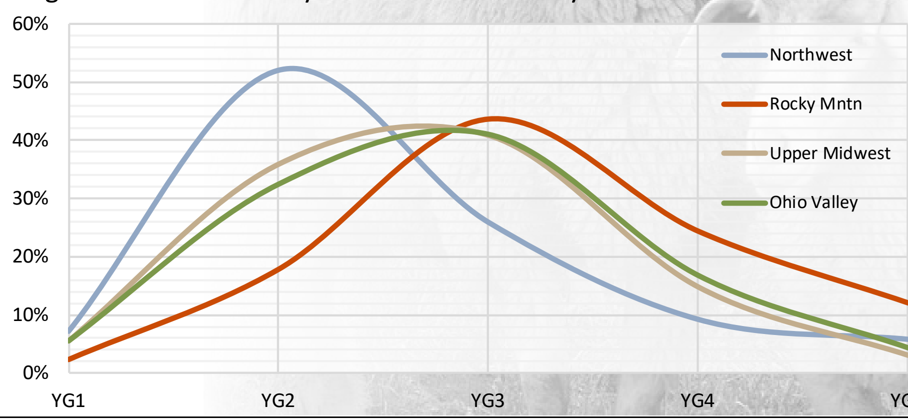
Lamb in Cold Storage



Choice Lamb by Yield Grade % - February 2019



Regional Choice Lamb by Yield Grade - Febuary 2019

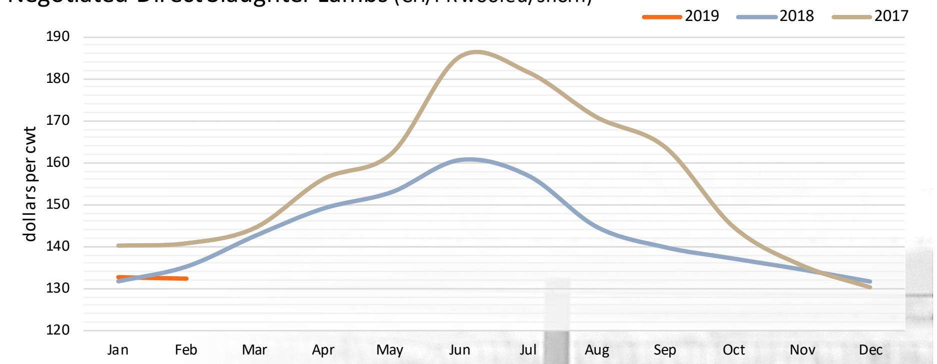


LIVE MARKETS: The volume of slaughter lambs trading on a direct negotiated basis in February, at 15,600 head, increased 9% from January, 10% above February 2018. Prices were largely unchanged from week-to-week to finish the month unchanged at $132.20 per cwt., 2% below February 2018. In auction trading, the average price for traditional Choice & Prime 2-3, 90-150 lbs. slaughter lambs at Sioux Falls, SD, increased 5% for the month but was down 8% from February 2018. Receipts for the month were down 25% for the month but were 45% over the level of a year ago. In San Angelo, TX, the average price of Choice and Prime 2-3 wooled and shorn non-traditional slaughter lambs declined 4% (from $134.22 to $128.93 per cwt.) for the month, down 7% 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 in February was down 3% (from $168.96 to $164.70 per cwt.), 13% below the February 2018 monthly average.

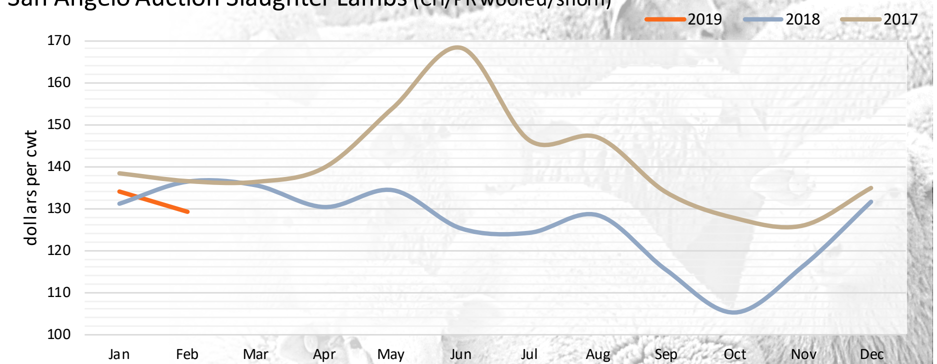
LAMB IMPORTS: The overall volume of fresh and frozen imported lamb carcasses and cuts rose 15% percent in December as holiday demand crested. The consist of imported cuts shifted from higher end leg and rack cuts for the holiday season to shoulder and loin cuts popular with consumers in chop form for the winter months. This reflects an 8% increase over December 2017 volumes. Imports of fresh and of frozen lamb were mixed with fresh volume down 5% and frozen volume up 41% from the prior month. The share of fresh cuts imported dropped 9% to 48% as the market shifted from holiday demand mode into moving into the new year. Australia remained the primary source of lamb imports with 73% of lamb imports in December, an increase of 5% share all coming from a corresponding drop in imports from New Zealand. Imports from Uruguay rose sharply in volume from the previous month but accounted for less than half a percent of all imports. Some fresh cuts from Canada and a mix of fresh and frozen cuts from Mexico rounded out the month.

Imports of whole and half lamb carcasses, virtually all in frozen form, increased 57% in December, 38% more volume than in December 2017. The share of all imported lamb cuts rose one percent. Imports of lamb legs dropped sharply as the holiday season passed, down 27% for the month with a 4% drop in import share, accounting for 6% total. The volume of imported shoulder cuts, fresh and frozen, rose 17%, led by a near doubling of frozen imports as marketers look to January business. Import volume of loin cuts decreased 4%, primarily in fresh form, as loin chops are a popular offering in retail outlets during the cold months. The volume of imported bone-in lamb meat increased 8% and lost 2% import share. This is a 16% increase over December 2017 import levels. Imports of other boneless lamb cuts, not identified, increased 42% in volume and nearly 7% in share to tie with their bone-in counterparts for an equal 35% share of the volume of all imported lamb cuts in December.

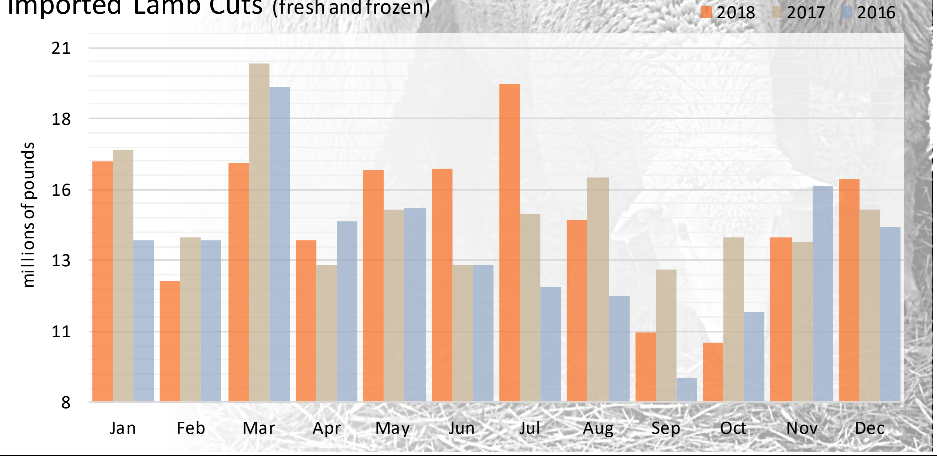
Negotiated Direct Slaughter Lambs (CH/PR wooled/shorn)



San Angelo Auction Slaughter Lambs (CH/PR wooled/shorn)



Imported Lamb Cuts (fresh and frozen)



DOMESTIC MEAT TRADE: The volume of trading of Choice and Prime, 1-4 lamb carcasses in February rose 21% over January's reduced numbers but was one percent below February 2018. The gross lamb carcass cutout was down one percent (from $3.83 to $3.78 per pound), 2% above February 2018. The volume of negotiated wholesale trading of fresh and frozen domestic boxed lamb cuts in February was up 9% for the month, one percent above last year. Negotiated trading of fresh cuts rose 9% in volume and accounted for 85% of total sales. The volume of frozen cut trading increased 11% for the month and accounted for 15% of total domestic volume sold.

In February, traded volume for nearly all lamb cuts was up over January trading as marketers have begun to position themselves for the coming Easter/Passover demand period which occurs in the second half of April this year. The volume of wholesale sales of fresh trotter-off legs rose 33% with a 2% decline in price (from $3.68 to $3.60 per pound). This volume was 13% below last year's level and the average price was up one percent. Boneless legs saw a 5% decrease in sales with a 2% increase in price for the month. This volume of sales was 31% below the 2018 level but the price was unchanged. Rack cuts saw similar trends with sales of medium 8-rib fresh racks up 2% during the month but 28% behind February 2018. The average price gained another percent (from $8.87 to $9.00 per pound), 9% over last year. Sales of frenched racks rebounded up 18% for the month but with a one percent decline in the average sale price (from $16.58 to $16.48 per pound). The volume of trimmed 4x4 loins trading recovered from January, up 30% with a 3% decline in the average price (from $5.32 to $5.15 per pound), 4% below last year. Foreshank prices were down one percent (from $4.25 to $4.22 per pound) for the month and from a year ago. Trade volume was rose 26% for the month, unchanged form February 2018 trading. Square-cut shoulder prices declined 2% (from $2.81 to $2.76 per pound) while sales volume was unchanged, 15% behind February 2018. Trading of ground lamb declined 3% for the month with a one percent increase in price (from $5.75 to $5.80 per pound).

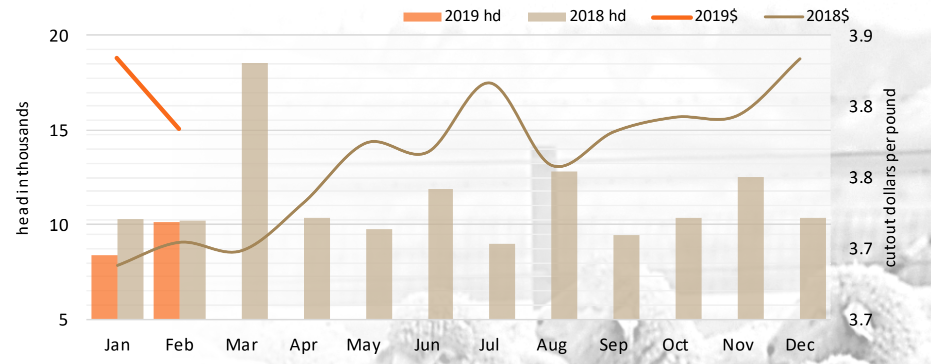
Feb.. Negotiated Sales of Imported Lamb
(change in primal price and sales volume)

	Australia		New Zealand	
	percent change			
Fresh	**price**	**lbs.**	**price**	**lbs.**
racks	100	91	--	--
loins	72	63	--	--
legs	--	--	--	--
shoulders	154	189	--	--
foreshanks	--	--	--	--
Frozen				
racks	97	114	98	98
legs	85	68	--	--
shoulders	96	54	--	--
foreshanks	135	284	--	--

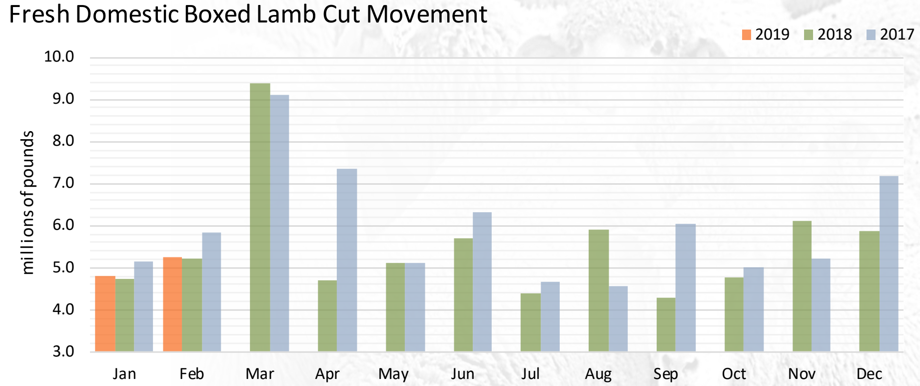
IMPORTED MEAT TRADE: The overall volume of negotiated sales of imported boxed lamb cuts decreased 12% in February, 3% over February 2018. Sales of fresh product decreased 16% for the month while frozen cut sales were down 2%. Imports accounted for 71% of all boxed lamb cut sales in January, down 2% in share from December.

In February, the overall volume of sales of fresh Australian boxed lamb cuts increased 3%, led by shoulder cuts with an 89% rise in sales volume.

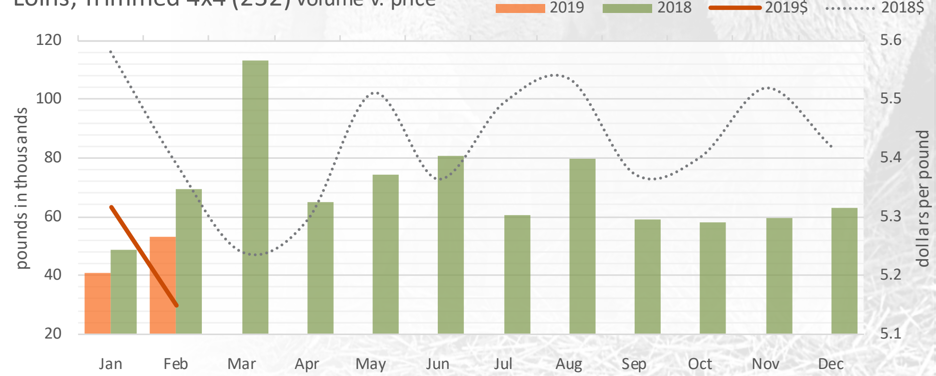
Lamb Carcass Sales vs. Lamb Cutout (CH & PR, 1-4)



Fresh Domestic Boxed Lamb Cut Movement



Loins, Trimmed 4x4 (232) volume v. price

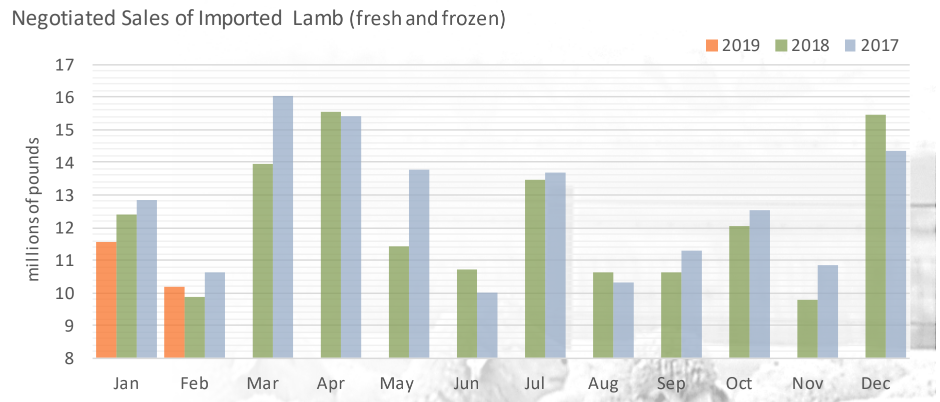


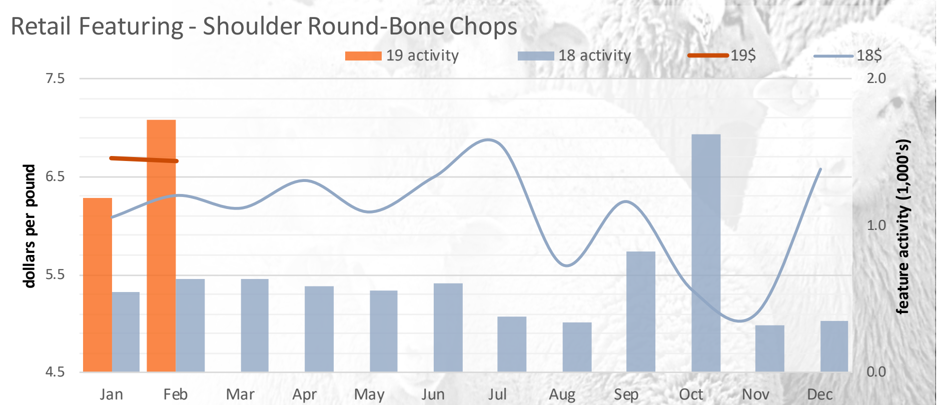
Average prices for fresh cuts were mixed with rack prices unchanged and loin prices down 28% on reduced sales. Shoulder prices rebounded during the month to average 54% over January levels. There were no reported sales of fresh imported legs during the month, not unusual at this point ahead of the Easter/Passover season. Loin cuts declined 37% in volume while sales volume of racks was down 9% during the month. There were no report sales of fresh imported foreshanks in February.

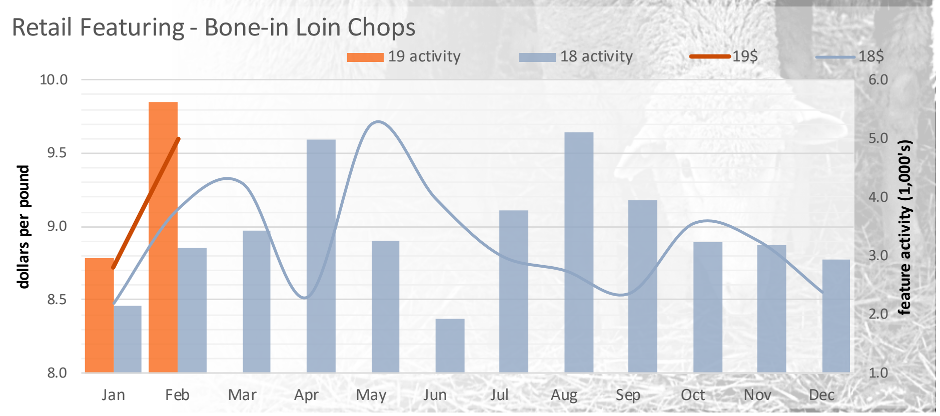
Sales volume of frozen Australian lamb cuts was unchanged in February after posting a large decline in January. Average prices for frozen Australian lamb cuts were mostly lower except for foreshanks where prices increased 35%. Sales volume of frozen foreshanks nearly tripled during the month. Frozen rack prices declined but sales volume was up 14%. Frozen shoulder cuts saw a 4% decline in price and sales tonnage declined by half from January as sellers focused on fresh shoulders. Average prices for leg cuts declined 15% and sales volume was down 32%. Sales of frozen imported lamb rack cuts from New Zealand declined 2% in volume and in price for the month.

RETAIL MARKETING: Supermarket feature activity for lamb cuts, both domestic and imported, fresh and frozen, rose sharply in February over January's reduced, post-holiday trading, up 29% in volume and 60% over February 2018's lackluster feature rate. Featuring of loin chops saw a 90% increase with 34% marketing share with a 10% rise in the average ad price (from $8.72 to $9.60 per pound). Shoulder chops, dominate in store ads in January, had a 7% reduction in feature activity with a 30% share of marketed lamb cuts. Most of the decline in featuring was led by blade chops, down 23% in activity but with a 5% rise in the average ad price. Featuring of round bone chops increased 45% but only accounted for 37% of promotions. This increase in features of round bone chops is nearly three times more active then the pace of February 2018,

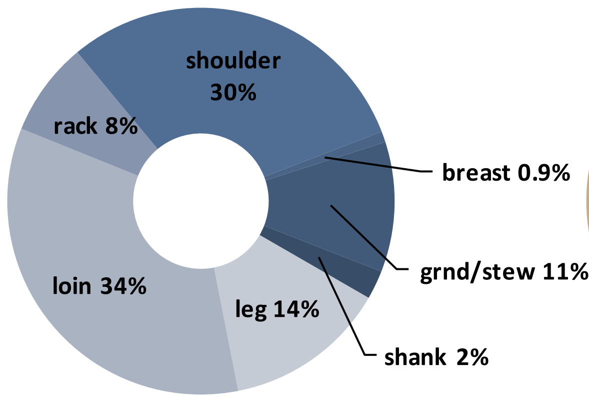
Bone-in legs saw no ad space in February, but butterflied offerings enjoyed a 58% in increase in activity, but at a 5% drop in ad price. Boneless legs also saw a 5% reduction in ad price, but offerings rose 7%. Overall, leg cuts in total nearly doubled their share of ad space to 14% of cuts marketed during the month. Surprisingly, offerings of racks in February were fairly consistent from the prior month, down only 4% but with a 6% drop in ad price, as retailers looked to clear hold-over supplies from the late December marketing period. The share of features for the month dropped to 8% overall. Ground lamb had a 55% rise in feature activity with a 22% drop in ad price as consumers enjoyed their shepherd's pie, the perfect late winter comfort food. Shank cuts enjoyed an 18% rise in supermarket promotional activity in February, but the average ad price declined 12%. Breasts saw a sharp rise in featuring, nearly 4 times the pace of January but the average ad price was unchanged at $3.99 per pound. Retail activity is expected to rise into late March-early April ahead of the Easter (April 21) and Passover (April 19-27) demand periods.



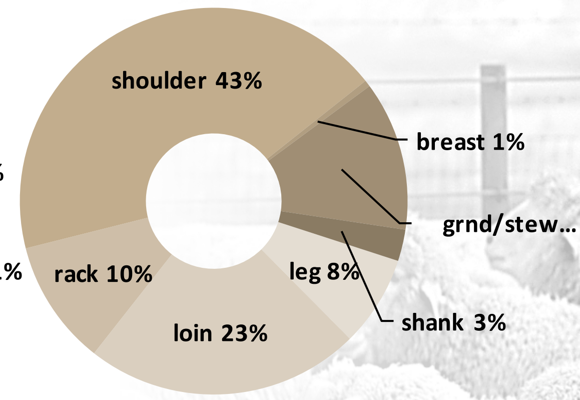




February Retail Feature Share



January Retail Feature Share



Quick Overview

PRODUCTION: [1/]	Jan 19	Dec 18	change
Sheep Meat Production (lbs.).............	12,500,000	13,200,000	95
Commercial Sheep Slaughter *(head)*...	186,800	201,800	93
Fed. Insp. Lamb Slaughter *(head)*.........	157,500	166,100	95
Live Sheep Weight (lbs.).......................	134	131	102
Dressed Carcass Lamb Weight (lbs.)....	69	68	101
COLD STORAGE:			
Lamb/Mutton in Storage (lbs.)............	38,376,000	36,454,000	105
IMPORTS:			
Total Fresh/Chilled (lbs.).........................	7,547,517	7,915,909	95
Total Frozen (lbs.)....................................	8,336,550	5,894,713	141
Total (lbs.)..	15,884,067	13,810,622	115

LAMB GRADED:	Feb 19	Jan 19	change
Choice (head)...	75,866	88,982	85
Prime (head)...	5,140	5,546	93

(current month grading numbers are preliminary and subject to change)

DIRECT SLAUGHTER LAMB:	Feb 19	Jan 19	change
CH/PR, wooled/shorn *(head)*	15,600	14,300	109
price *($/cwt)*	132.20	132.53	100
AUCTION SLAUGHTER LAMB:			
Sioux Falls, CH/PR, 2/3, 90-150 lb. *(head)* .	935	1,252	75
price *($/cwt)*	140.27	133.69	105
New Holland, CH/PR, 2/3, 90-150 lb. *($/cw*	164.70	168.96	97
San Angelo, CH/PR, 2/3, 90-150 lb.			
Shorn price *($/cwt)*	129.40	134.10	96
Wooled price *($/cwt)*	128.45	134.33	96
LAMB CARCASS:			
National Lamb Carcass Sales *(head)*..........	10,124	8,386	121
Lamb Carcass Gross Cutout *($ per pound)*.	3.78	3.83	99
BOXED LAMB CUTS:			
Domestic Fresh Boxed Lamb Sales *(lbs.)*	4,495,639	4,124,693	109
Imported Fresh Boxed Lamb Sales *(lbs.)* ...	3,411,992	4,047,266	84
Imported Frozen Boxed Lamb Sales *(lbs.)* .	6,771,544	7,508,036	90

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

Pasture and Range Condition: This report will be issued again starting in April 2019.

(derived from the Weekly NASS Crop Progress reports issued April to November)
Regional Consists - Ohio Valley (MI, NY, OH, PA); Upper Midwest (IA, MN, WI); Rocky Mountain (CO, ID, MT, SD, UT, WY); Northwest (CA, OR, WA). Ratings based on percentages described as excellent, good, fair, poor, and very poor.

LAMB PELTS/WOOL: In February, the average estimated per pelt credits returned to producers for shorn pelts were unchanged while the credits for unshorn pelts adjusted slight with the credit for Supreme unshorn pelts down $0.03 per pelt and the credit for Premium grade unshorn pelts up $0.09 per pelt. The share of unshorn pelts decreased 11% in February, accounting for 68% of all pelts sold.

Trading of domestic wool in February, both clean and greasy, was inactive through the month.

February Avg Lamb Pelt Credit Prices

	Unshorn		**Shorn**	
	credit	**change**	**credit**	**change**
Supreme	2.25	-0.03	0.38	0.00
Premium	-0.13	0.09	-0.88	0.00
Standard	-1.00	0.00	-1.25	0.00
Fair	-0.75	0.00	-1.75	0.00
Mixed	-1.00	0.00	-2.38	0.00
Damaged	-1.88	0.00	-2.38	0.00
Consist %	68%		32%