Lamb Markets Overview

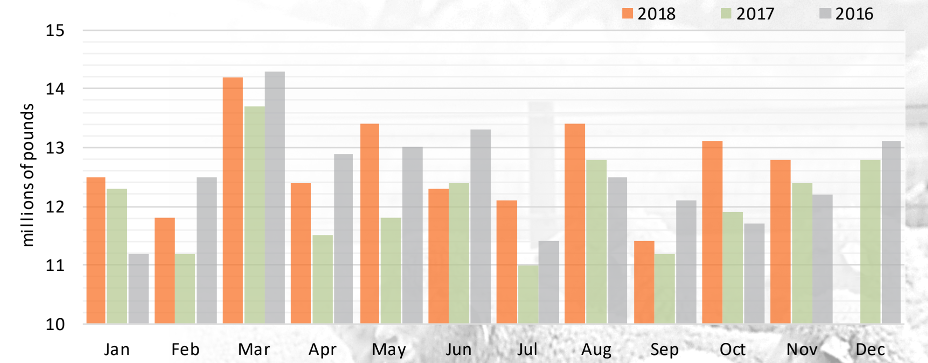
A monthly publication of the USDA AMS Livestock and Poultry Program, Agricultural Analytics Division

January 2019

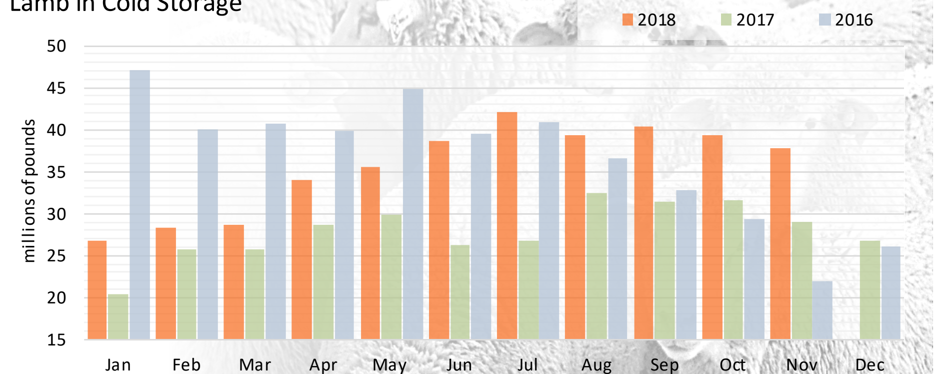
PRODUCTION: Commercial lamb and mutton production decreased 2% in November, to 12.8 million pounds, 3% over the November 2017 level. Commercial sheep and lamb slaughter in November declined 3% to 193,200 head, 4% more than in November 2017. The average sheep and lamb live weight added 2 pounds to a 133 pound average, one pound over 2017. The average dressed lamb carcass weight, at 68 pounds, was unchanged from October and from last year. Stocks of lamb and mutton in cold storage in November declined 4% at 37.9 million pounds, 31% above the November 2017 level.

GRADING: The preliminary volume of lambs graded Choice and Prime by the USDA during the month of December was down 4% from November and down 15% from December 2017. Nationally, the share of lambs qualifying for the Choice grade was unchanged at 91% but regionally, Prime gained slightly, most in the Ohio Valley and least in the Northwest which, at one percent, saw the only rise. Within the Choice grade, the share of graded lambs qualifying for YG 3 rose 3%, all coming from a decline in YG 1-2 share. The share of YG 4-5 lambs remained unchanged for the month. The most pronounced shift in Choice lamb yield grading occurred in the Northwest where persistent drought conditions have been alleviated by wetter weather patterns resulting in a 7% decline in YG 1 lambs and an 8% rise in YG 3.

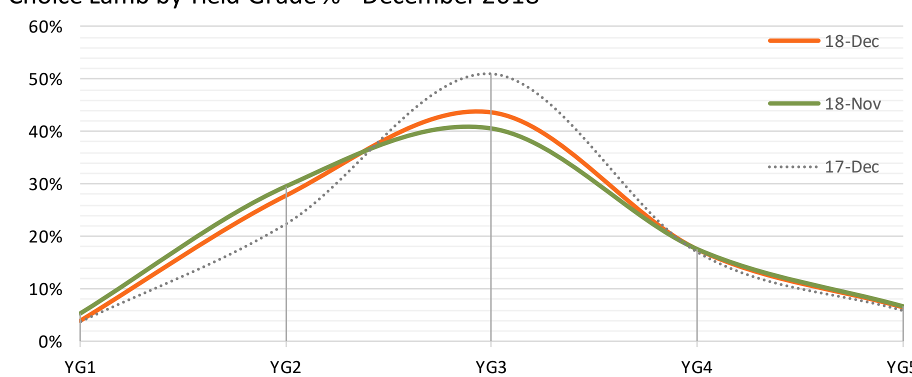
Commercial Lamb/Mutton Production



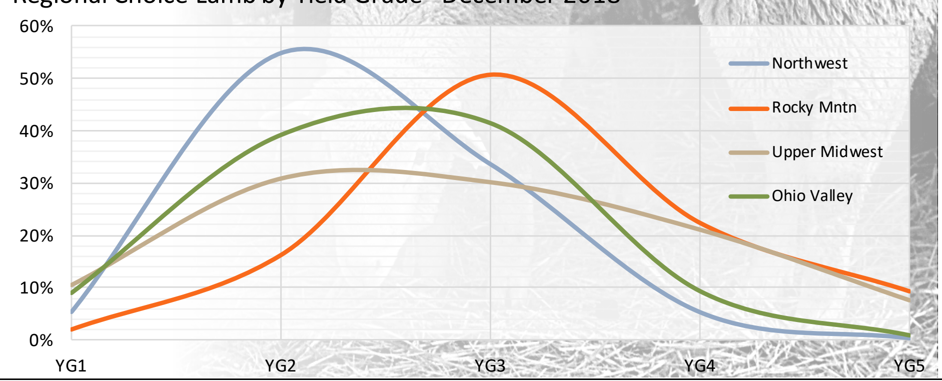
Lamb in Cold Storage



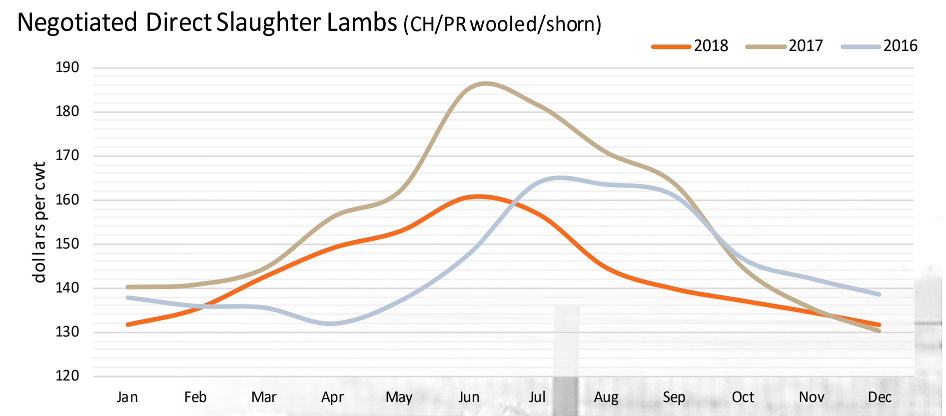
Choice Lamb by Yield Grade % - December 2018

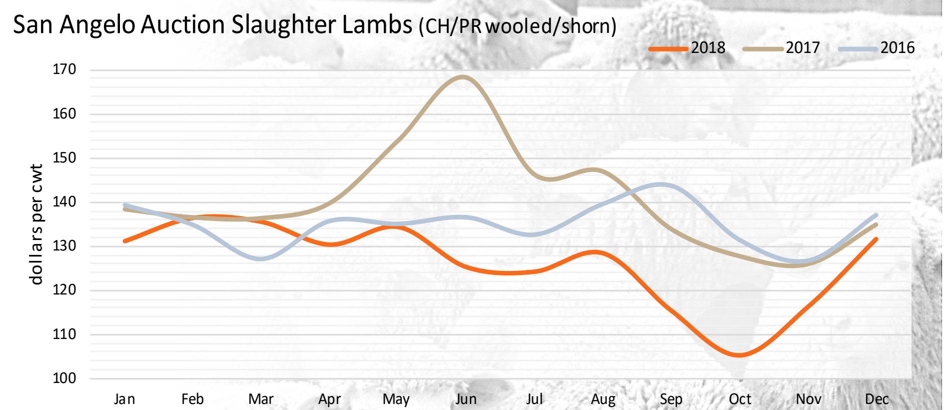


Regional Choice Lamb by Yield Grade - December 2018



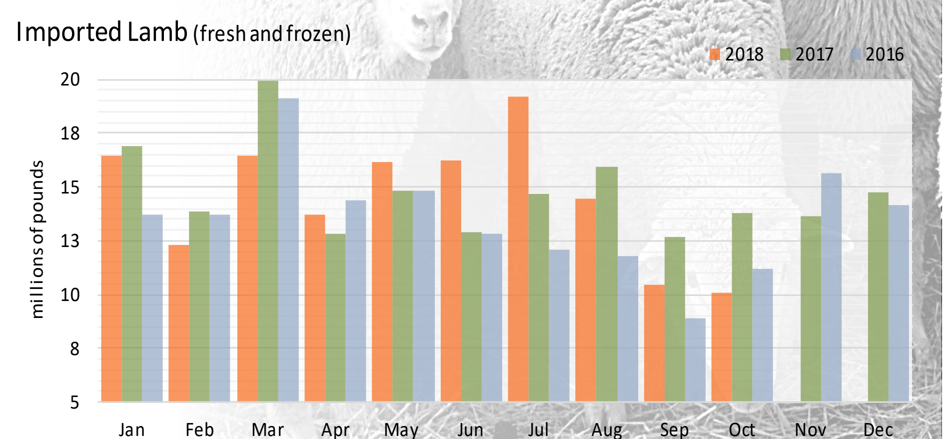
LIVE MARKETS: The volume of slaughter lambs trading on a direct negotiated basis in December, at 12,400 head, decreased 9% from November, 47% below December 2017. Prices declined through the month with a rally during the last week but this was not enough and the monthly price finished down 2% (from $134.51 to $131.64 per cwt.), one percent above the level producers realized in December 2017. In auction trading, the average price for traditional Choice & Prime 2-3, 90-150 lbs. slaughter lambs at Sioux Falls, SD, rose 5% (from $127.37 to $133.35 per cwt), 7% over 2017. Receipts were down sharply, 49% for the month on a holiday-disrupted schedule. In San Angelo, TX, the average price of Choice and Prime 2-3 wooled and shorn non-traditional slaughter lambs rose 14% (from $115.64 to $131.50 per cwt.) for the month, down 2% 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 December was up 2% (from $147.46 to $150.97 per cwt.), 5% below the December 2017 monthly average.





LAMB IMPORTS:

(Import data for November 2018 not currently available due to the lapse in Federal funding.)



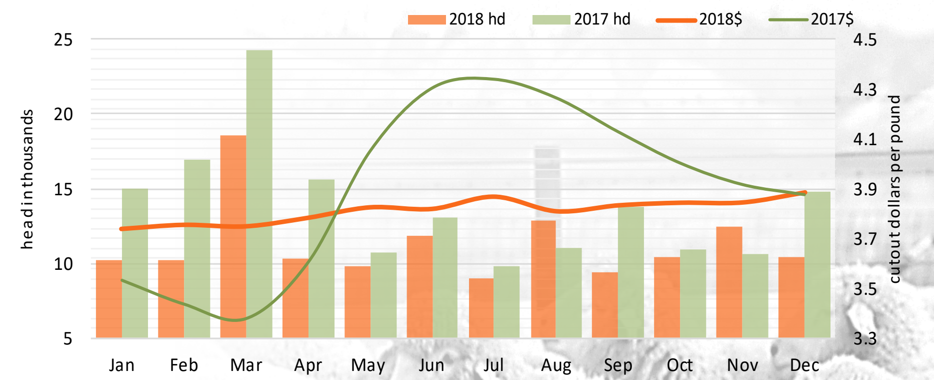
DOMESTIC MEAT TRADE: The volume of trading of Choice and Prime, 1-4 lamb carcasses in December decreased 17% from November, 30% below last year's level. The gross lamb carcass cutout rose one percent (from $3.79 to $3.83 per pound), unchanged from December 2017. The volume of negotiated wholesale trading of fresh and frozen domestic boxed lamb cuts in December decreased 4% for the month, down 21% from last year. Negotiated trading of fresh cuts declined 4% in volume and accounted for 86% of total sales. The volume of frozen cut trading decreased 5% for the month and accounted for 14% of total domestic volume sold.

In December, traded volume for most leg and rack cuts increased from November, reflecting the holiday demand for these cuts. The volume of wholesale sales of fresh trotter-off legs rose 8% with a one percent rise in price (from $3.57 to $3.61 per pound). This volume was 16% below last year's level and the average price was up one percent. Boneless legs saw a 21% increase in sales with a 2% increase in price for the month. This volume of sales was 30% below the 2017 level but the price was 4% above that period. Sales of medium 8-rib fresh racks declined 13% with product needs having been covered during the previous month. Sales volume was down 3% from last year. The average price rose one percent (from $8.65 to $8.76 per pound), 2% over last year. Frenched racks fared better, up 14% in sales but with no change in the average sale price at $16.48 per pound. The volume of trimmed 4x4 loins trading increased 6% but the average price was down 2% (from $5.52 to $5.42 per pound), 6% under last year. Foreshank prices were up 2% (from $4.20 to $4.28 per pound), unchanged from last year. Trade volume was down 15% for the month and 22% from last year's trading. Square-cut shoulder prices were unchanged at $2.85 per pound) and sales volume declined 23% percent from the prior month's movement, 55% behind 2017.

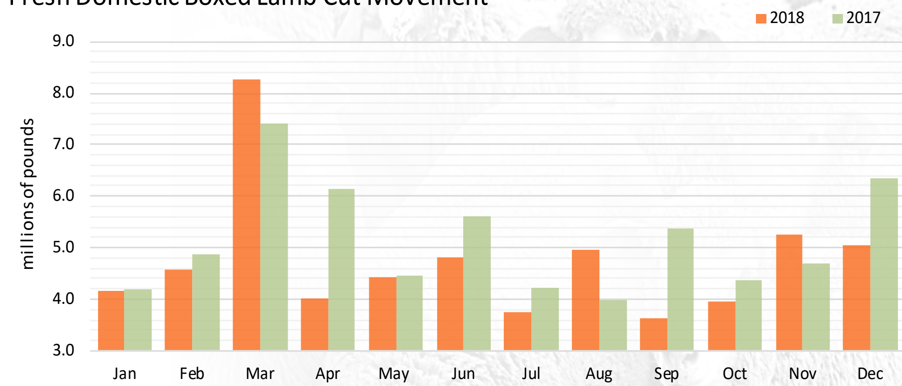
IMPORTED MEAT TRADE: The overall volume of negotiated sales imported boxed lamb cuts increased 40% in December, 4% below 2017. Sales of fresh product increased 63% for the month while frozen cut sales rose 6% as marketer needs for the December holidays were covered. Imports accounted for 70% of all boxed lamb cut sales in December, down one percent in share from November.

In December, the overall volume of sales of fresh Australian boxed lamb cuts increased 7% as marketer's added supply to cover their needs for holiday sales. Sales of imported fresh legs decreased 2% while sales of most other cuts

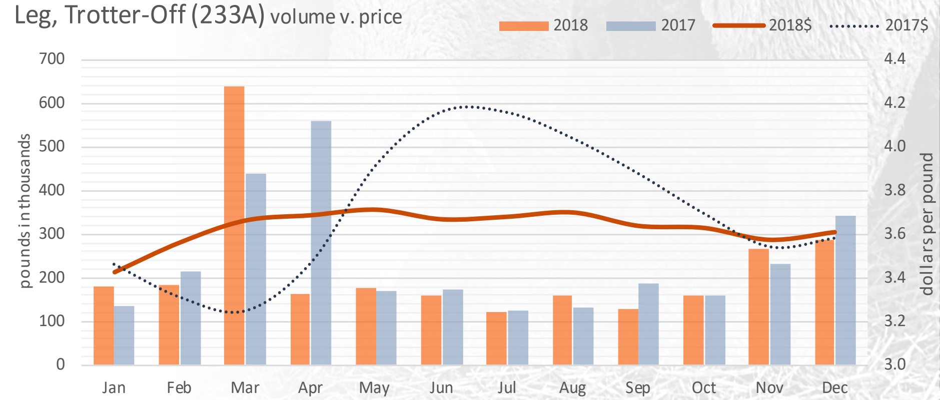
Lamb Carcass Sales vs. Lamb Cutout (CH & PR, 1-4)



Fresh Domestic Boxed Lamb Cut Movement



Leg, Trotter-Off (233A) volume v. price



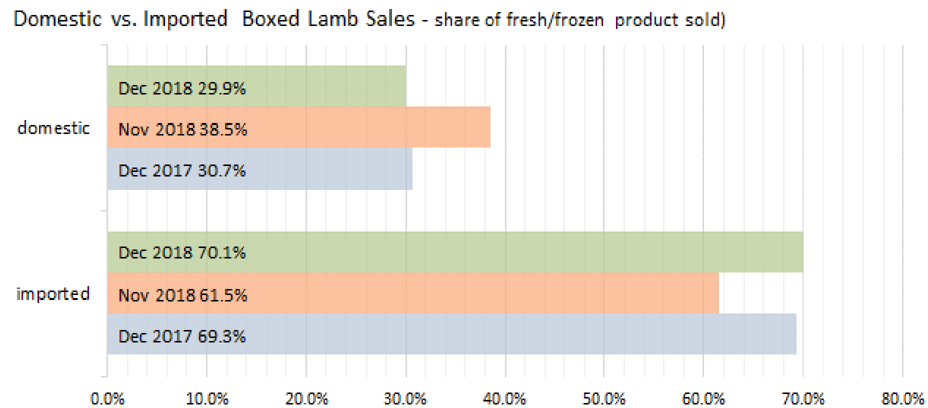
Dec. Negotiated Sales of Imported Lamb
(change in primal price and sales volume)

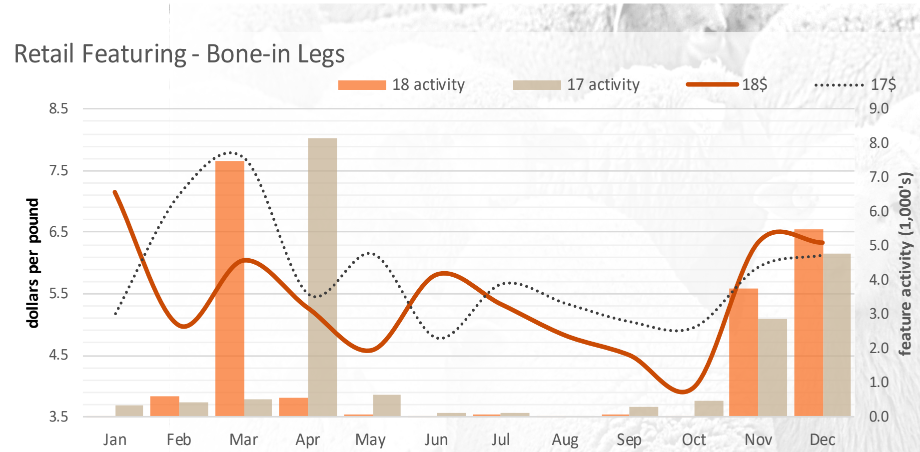
	Australia		New Zealand	
	percent change			
Fresh	**price**	**lbs.**	**price**	**lbs.**
racks	98	116	--	--
loins	99	112	--	--
legs	96	98	--	--
shoulders	97	113	--	--
foreshanks	101	22	--	--
Frozen				
racks	95	128	101	120
legs	101	100	--	--
shoulders	95	106	--	--
foreshanks	97	326	--	--

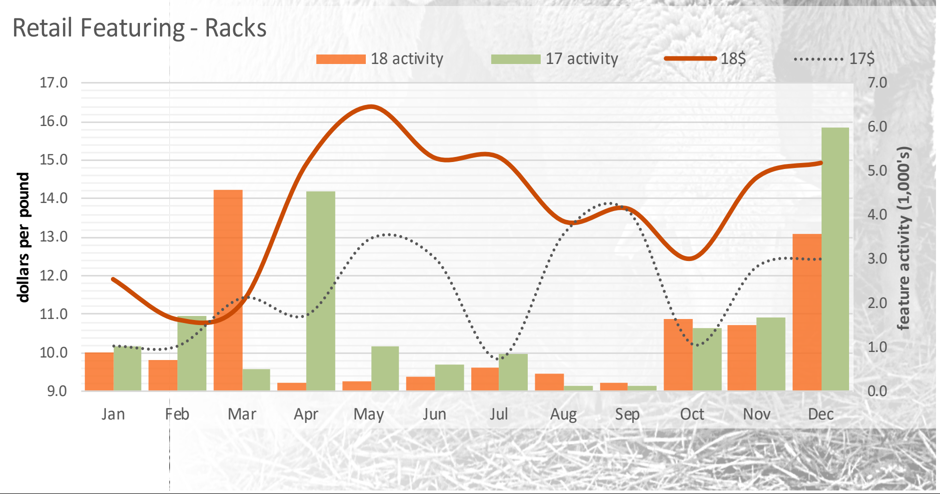
increased. Foreshanks saw a dramatic decline in sales, down 78% on limited demand for fresh. Average prices for fresh cuts were all lower in a range of 1-4%. Foreshank prices rose one percent on the limited test.

Sales of frozen Australian lamb cuts were, with the exception of legs, up in volume from the prior month. Leg sales were unchanged but frozen racks posted a 28% rise in sales. Frozen shoulder volume rose 6% but sales of frozen foreshanks tripled in volume. Average sale prices for legs was up one percent but other cuts saw a price decline, racks and shoulder prices by 5% while foreshank prices were down 3%. The volume of sales of frozen rack cuts from New Zealand in December rose sharply, up 20%, in similar fashion to their Australian counterparts. The average price posted a modest one percent gain.

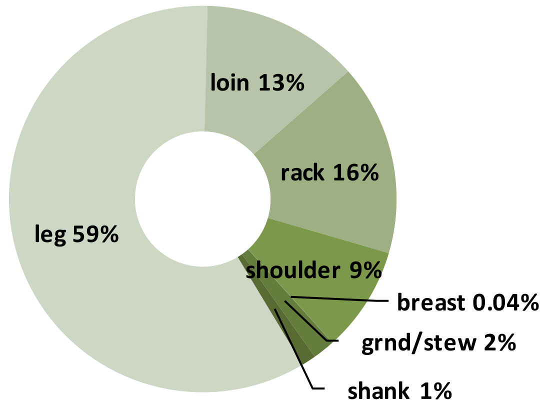
RETAIL MARKETING: Supermarket feature activity for lamb cuts in December, both domestic and imported, fresh and frozen, was up 35% from the pace of November featuring but was 26% below the level of retail promotions in December 2017. Featuring of lamb legs dominated supermarket promotional activity with 59% of marketing share, up 4% from November. Activity was led by bone-in legs with boneless legs a distant second. Bone-in leg average ad prices were unchanged for the moth, 3% over 2017 levels. Featuring of racks and rib chops increased share by 7% to comprise 16% of all lamb featuring for the month. The average ad price for racks was up 3%, up 20% compared to December 2017. Featuring of loin chops declined in share by 6% and made up 13% of activity. Likewise, shoulder cuts saw 3% less featuring. Foreshanks enjoyed an 18% rise in ad price on about the same level of offering for the month Offerings of ground lamb dropped 50% in activity and the average price declined 27%.



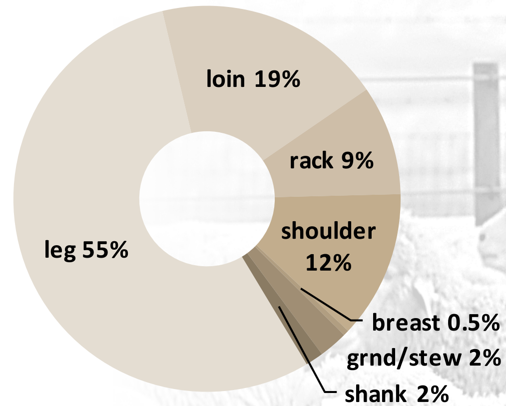




December Retail Feature Share



November Retail Feature Share



Quick Overview

PRODUCTION: [1/]	**Nov 18**	**Oct 18**	**change**
Sheep Meat Production (lbs.)……………….	12,800,000	13,100,000	98
Commercial Sheep Slaughter *(head)*……..	193,200	199,900	97
Fed. Insp. Lamb Slaughter *(head)*………….	165,300	166,900	99
Live Sheep Weight (lbs.)………………………..	133	131	102
Dressed Carcass Lamb Weight (lbs.)…….	68	68	100
COLD STORAGE:			
Lamb/Mutton in Storage (lbs.)……………..	37,860,000	39,320,000	96
IMPORTS: **DATA NOT AVAILABLE DUE TO LAPSE IN FEDERAL FUNDING**			
Total Fresh/Chilled (lbs.)……………………….	-	5,205,549	-
Total Frozen (lbs.)…………………………………..	-	4,883,013	-
Total (lbs.)…………………………………………….	-	10,088,562	-
LAMB GRADED:	**Dec 18**	**Nov 18**	**change**
Choice (head)………………………………………..	80,864	84,836	95
Prime (head)………………………………………….	8,382	8,523	98
(current month grading numbers are preliminary and subject to change)			

DIRECT SLAUGHTER LAMB:	**Dec 18**	**Nov 18**	**change**
CH/PR, wooled/shorn *(head)* ………………………	12,400	13,700	91
price *($/cwt)* ………………	131.64	134.51	98
AUCTION SLAUGHTER LAMB:			
Sioux Falls, CH/PR, 2/3, 90-150 lb. *(head)* …..	1,598	3,288	49
price *($/cwt)* ………………	133.35	127.37	105
New Holland, CH/PR, 2/3, 90-150 lb. *($/cwt)*	150.97	147.46	102
San Angelo, CH/PR, 2/3, 90-150 lb.			
Shorn price *($/cwt)* ………………	131.50	116.18	113
Wooled price *($/cwt)* ………………	131.50	115.09	114
LAMB CARCASS:			
National Lamb Carcass Sales *(head)*……………	10,402	12,486	83
Lamb Carcass Gross Cutout *($ per pound)*…..	3.83	3.79	101
BOXED LAMB CUTS:			
Domestic Fresh Boxed Lamb Sales *(lbs.)* ……..	5,043,827	5,266,612	96
Imported Fresh Boxed Lamb Sales *(lbs.)* ……..	5,824,911	3,570,490	163
Imported Frozen Boxed Lamb Sales *(lbs.)* …….	7,892,804	6,223,472	127

[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.

December Avg Lamb Pelt Credit Prices				
	Unshorn		Shorn	
	credit	change	credit	change
Supreme	2.06	0.19	0.38	0.00
Premium	-0.25	0.00	-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 %	72%		28%	

Lamb Pelts/Wool: In December, the average estimated per pelt credits returned to producers for both shorn and unshorn pellets were mostly unchanged with the credit for Supreme shorn pelts up $0.19 per pelt. The share of unshorn pelts increased 7% in December, accounting for 72% of all pelts.

Trading of domestic wool in December, both clean and greasy, was lightly tested with 67,300 domestic pounds confirmed trading of clean wool and 230,527 domestic pounds confirmed trading of clean greasy wool.