Lamb Markets Overview

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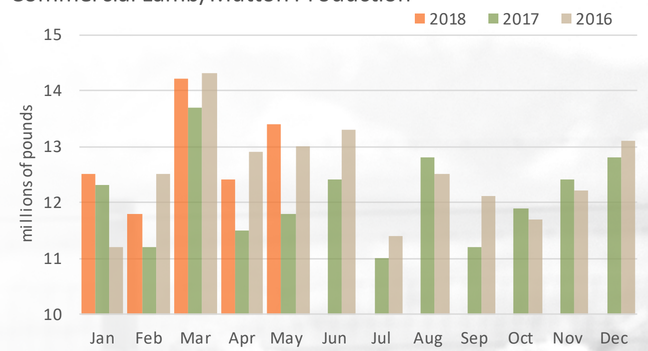
Commercial lamb and mutton production in May totaled 13.4 million pounds, up 8 percent from April and 14 percent above May 2017. Commercial sheep and lamb slaughter in May totaled 196,800 head, up 9 percent for the month and from May 2017. The average sheep and lamb live weight was unchanged at 137 pounds, up 5 pounds from May 2017. The average dressed lamb carcass weight, at 70 pounds, was down one pound and was 3 pounds more than May 2017. The total inventory of lamb and mutton in storage in May, at nearly 36 million pounds, was 5 percent above April and 19 percent over May 2017. The volume of lambs graded Choice and Prime by the USDA in June declined 7 percent from April, down one percent from June 2017. The percentage of lambs qualifying for the Choice grade, at 91 percent, was unchanged from May as was lambs qualifying for the Prime grade remaining at a 9 percent share.

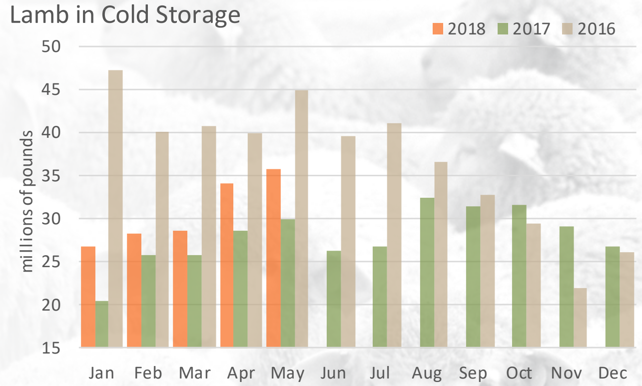
The June monthly weighted average price of direct negotiated live slaughter lambs increased 5 percent from May (from $152.98 to $160.66 per cwt.), but down 13 percent from June 2017. The volume of trading in June increased 17 percent from May but was 13 percent below the prior year. In auction trading, the average price for traditional Choice & Prime 2-3, 90-150 lbs. slaughter lambs at Sioux Falls, SD, decreased 6 percent from May (from $174.22 to $163.08 per cwt), 17 percent below June 2017. In San Angelo, TX, the average price of Choice and Prime 2-3 wooled and shorn non-traditional slaughter lambs decreased 7 percent (from $134.25 to $124.91 per cwt.) in June, down 26 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 in June declined 6 percent (from $201.99 to $190.85 per cwt.), 11 percent below the June 2017 average.

The volume of trading of Choice and Prime, 1-4 lamb carcasses in June increased to pre-Easter levels, rising 22 percent from May but down 9 percent from June 2017. The gross lamb carcass cutout was unchanged at $3.77 per pound, 11 percent below June 2017. The volume of negotiated trading of fresh domestic boxed lamb cuts in June increased 9 percent from May, 14 percent below the prior year. Negotiated trading of frozen cuts increased 26 percent in June and accounted for 16 percent of volume. Fresh trotter-off leg prices decreased one percent (from $3.71 to $3.67 per pound), down 12 percent from June 2017. The volume of sale was down 9 percent. Medium 8-rib fresh rack prices increased 2 percent (from $8.46 to $8.63 per pound), down 5 percent from June 2017, while the volume of sales increased 26 percent for the month. Trimmed 4x4 loin prices were down 3 percent (from $5.51 to $5.36 per pound), down 12 percent from last year. Trade volume increased 8 percent for the month but trailed 2017 by 14 percent. Foreshank prices declined one percent (from $4.18 to $4.13 per pound), down 3 percent from last year. Trade volume rose 5 percent, down 8 percent from the prior year. Square-cut shoulder prices were down one percent (from $2.82 to $2.78 per pound) on a 10 percent rise in trade volume. Trading of ground lamb (80/20) increased 12 percent, down 22 percent from June 2017, while prices were unchanged at $5.64 per pound, one percent below June 2017.

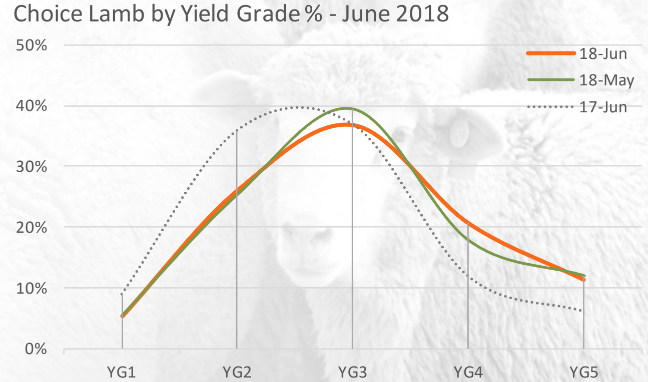
Commercial Lamb/Mutton Production



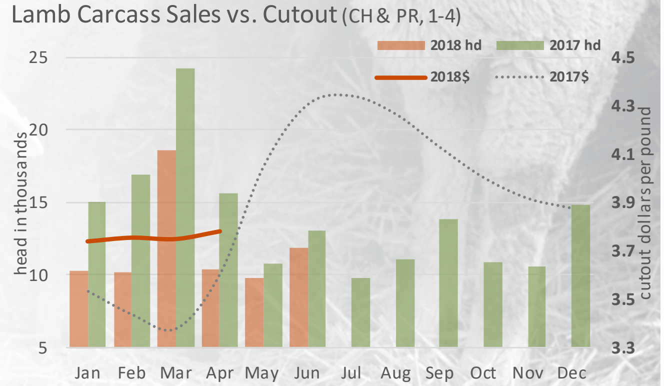
Lamb in Cold Storage



Choice Lamb by Yield Grade % - June 2018



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



The overall volume of fresh and frozen imported lamb carcasses and cuts in May increased 18 percent from April and 9 percent over the May 2017 level. Fresh imported products made up 44 percent of May imports and were up sharply, rising 34 percent in volume from April and 11 percent from May 2017. Frozen product, 56 percent of May import volume, rose 8 percent for the month and 8 percent over May 2017. Australia remained the primary source of total May lamb imports with a 68 percent share but New Zealand imports rose quickly during the month, up 29 percent, and accounting for 31 percent of imports followed by Chile, Canada, and Ireland.

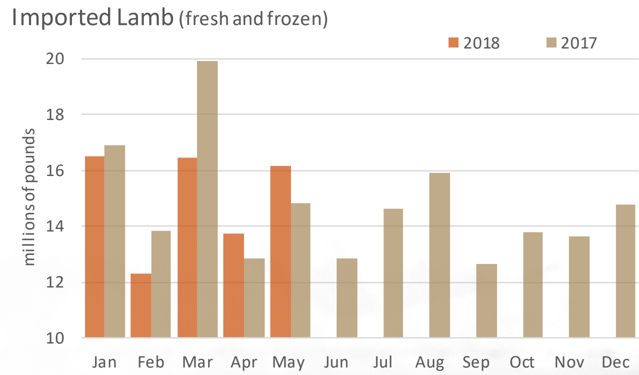
Imports of whole and half lamb carcasses, 5 percent of total lamb imports in May, rose one percent from April, down 13 percent from May 2017. Imports of fresh and frozen lamb legs, nearly 7 percent of total lamb imports, rose 34 percent from April and 17 percent over last year. Import volume of loin cuts, 10 percent of monthly imports, rose 23 percent by month but down 8 percent from the prior year. Shoulder cuts, 11 percent of imports in May, increased 41 percent in import volume, 10 percent below May 2017. Shoulder cut imports typically rise during the summer months while leg cut imports taper off through to the fall.

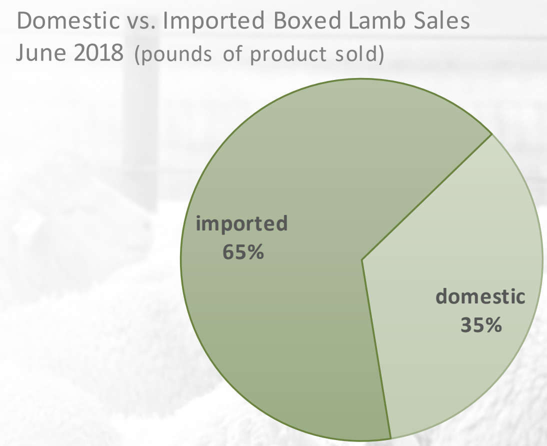
The volume of imports of bone-in lamb cuts in May, not elsewhere identified, made up 33 percent of total imports with a 43/57 percent split between fresh and frozen, 12 percent above April and 8 percent above May 2017. Imports of boneless lamb meat accounted for 34 percent of May import volume with a 10 percent rise in volume for the month, 30 percent more than May 2017. The split between fresh and frozen boneless lamb meat imports was 35/65 percent.

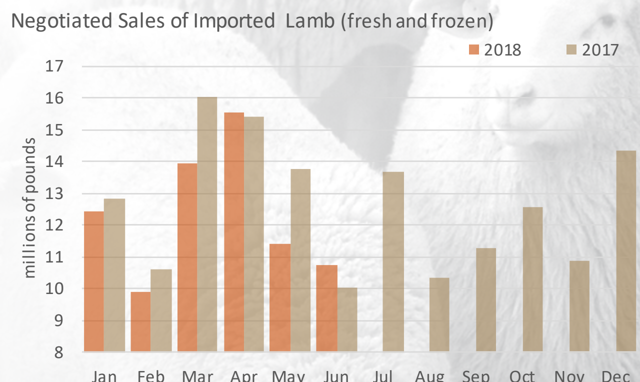
In June, the volume of domestic sales of fresh and frozen imported lamb was down 6 percent with sales of fresh product down 4 percent and frozen product down 7 percent from May. The total volume represents a 7 percent increase from June 2017. Imports accounted for 65 percent of all boxed lamb cut sales in June with domestic product at 35 percent of sales.

The overall volume of sales of fresh Australian lamb cuts increased 11 percent in June, with all cuts up in volume. Shoulder cut volume increased 18 percent while racks saw an 11 percent increase in sales. Average prices for fresh lamb cuts were mostly lower except for foreshanks which were up 3 percent. Prices for legs, shoulders, and loins declined 2 percent while rack prices declined one percent.

The sales volume of frozen Australian cuts in June declined one percent overall but foreshanks were up 16 percent in volume. The volume of frozen shoulder cuts dropped 16 percent, offset by the 18 percent increase in fresh sales. Frozen rack sales declined one percent while legs saw a 10 percent drop. Sale prices of frozen Australian lamb were mixed with racks and foreshanks seeing a 3 percent rise while legs were down one percent and shoulders 2 percent. The volume of sales of frozen rack cuts from New Zealand in June increased 14 percent while the average price increased 2 percent for the month.







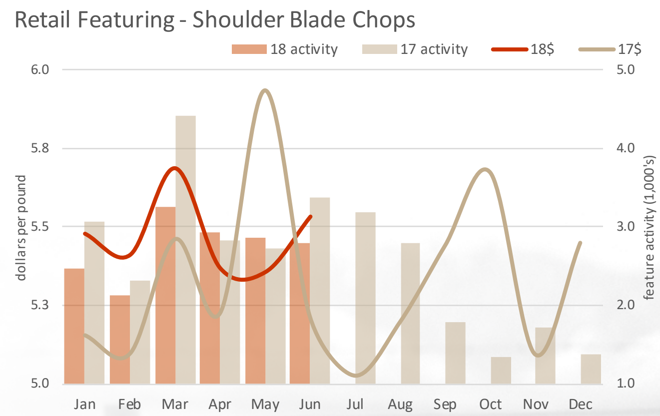
June Negotiated Sales of Imported Lamb

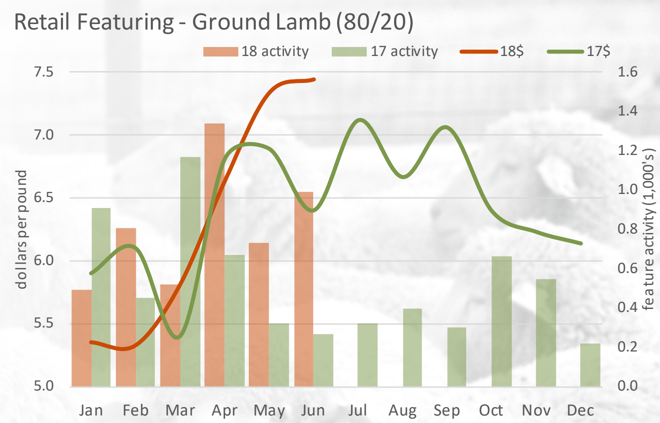
(change in primal price and sales volume)

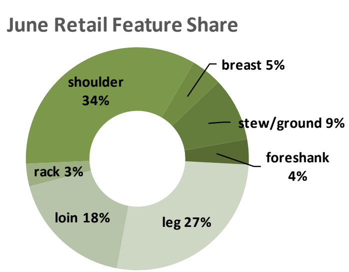
	Australia		New Zealand	
	percent change			
Fresh	**price**	**lbs.**	**price**	**lbs.**
racks	99	111	--	--
loins	98	109	--	--
legs	98	106	--	--
shoulders	98	118	--	--
foreshanks	103	106	--	--
Frozen				
racks	103	99	102	114
legs	99	90	--	--
shoulders	98	84	--	--
foreshanks	103	116	--	--

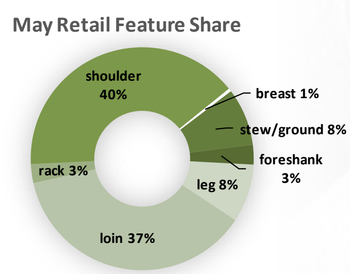
Supermarket promotional activity for lamb cuts in June, both domestic and imported, fresh and frozen, rose 30 percent from May but was down 8 percent from June 2017. Retail feature activity for bone-in leg cuts continued to decline from Easter highs, down 37 percent in June while the average advertised price declined 30 percent. Boneless leg offerings increased by a factor of ten. Featuring of leg cuts, bone-in and boneless, accounted for 27 percent of ad space in June, a 19 percent increase in ad share from May. Offerings of lamb racks remained seasonally limited and the average ad price declined 8 percent.

Featuring of loin cuts, primarily chops, decreased ad share in June, falling 19 percent ad share to comprise 18 percent of advertising. The average ad price during the month decreased 5 percent from May. Shoulder cuts dominated June supermarket ads with 34 percent of share, down 6 percent from May. Offerings of shoulder blade chops made up 82 percent of ads for shoulder chops with round bone chops at 18 percent. Retail promotion of ground lamb increased 36 percent with a 9 percent share of ad space. Ad prices increased one percent on average in June. The level of foreshank featuring at retail outlets increased 56 percent while ad share rose one percent. Ad prices declined 2 percent on average. Traditionally, supermarket advertising of loin and shoulder chops, perfect for summer grilling, rise in June.









Quick Overview

PRODUCTION: 1/	May 18	Apr 18	change
Sheep Meat Production (lbs.)...................	13,400,000	12,400,000	108
Commercial Sheep Slaughter *(head)*........	196,800	181,000	109
Fed. Insp. Lamb Slaughter *(head)*.............	168,300	153,700	109
Live Sheep Weight (lbs.).............................	137	137	100
Dressed Carcass Lamb Weight (lbs.).......	70	71	99
COLD STORAGE:			
Lamb/Mutton in Storage (lbs.)..................	35,621,000	33,992,000	105
IMPORTS:			
Total Fresh/Chilled (lbs.)..........................	7,164,354	5,343,778	134
Total Frozen (lbs.)...	9,006,314	8,364,990	108
Total (lbs.)..	16,170,667	13,708,768	118
LAMB GRADED:	**Jun 18**	**May 18**	**change**
Choice (head)...	75,283	82,119	92
Prime (head)...	7,891	7,696	103

DIRECT SLAUGHTER LAMB:	Jun 18	May 18	change
CH/PR, wooled/shorn *(head)*	13,900	11,900	117
price *($/cwt)*	160.66	152.98	105
AUCTION SLAUGHTER LAMB:			
Sioux Falls, CH/PR, 2/3, 90-150 lb. *(head)*	1,061	603	176
price *($/cwt)*	163.08	174.22	94
New Holland, CH/PR, 2/3, 90-150 lb. *($/cwt)*	190.85	201.99	94
San Angelo, CH/PR, 2/3, 90-150 lb.			
Shorn price *($/cwt)*	125.18	134.25	93
Wooled price *($/cwt)*	124.64	134.25	93
LAMB CARCASS:			
National Lamb Carcass Sales *(head)*..............	11,901	9,774	122
Lamb Carcass Gross Cutout *($ per pound)*.....	3.77	3.77	100
BOXED LAMB CUTS:			
Domestic Fresh Boxed Lamb Sales *(lbs.)*	4,806,988	4,422,812	109
Imported Fresh Boxed Lamb Sales *(lbs.)*	3,741,634	3,879,577	96
Imported Frozen Boxed Lamb Sales *(lbs.)*	6,990,290	7,532,535	93

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)