Lamb Markets Overview

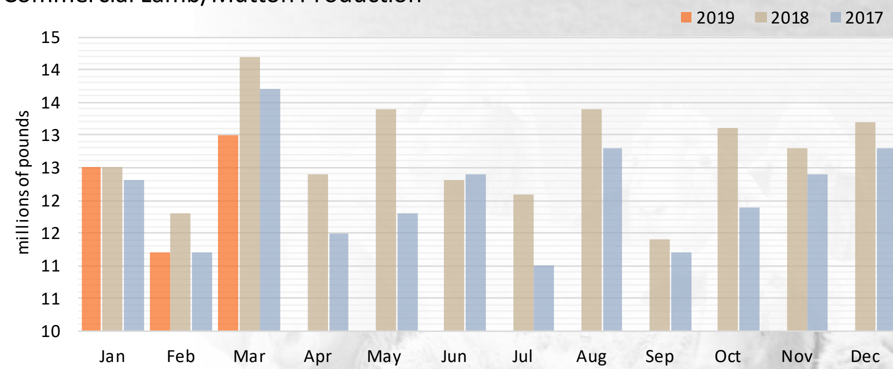
A monthly publication of the USDA AMS Livestock and Poultry Program, Agricultural Analytics Division

May 2019

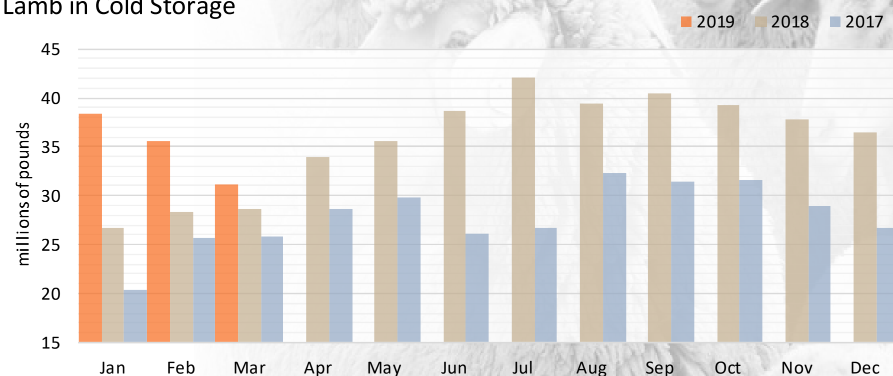
PRODUCTION: Commercial lamb and mutton production increased 16% in March to 13.0 million pounds, 8% under March 2018, as production rose to meet anticipated Easter/Passover demand in the second half of April. Commercial sheep and lamb slaughter in March increased 13% to 190,700 head, 5% below the March 2018 level. The average sheep and lamb live weight gained 5 pounds to a 137 pound average, 3 pounds lighter than a year ago. The average dressed lamb carcass weight, at 71 pounds, was up 2 pounds for the month but down one pound from last year. Mature sheep slaughter increased 19% in March to 8,300 head, down 2% from 2018. Stocks of lamb and mutton in cold storage in March decreased 12% to 31.1 million pounds as product moved into marketing channels to fill orders for the Easter/Passover demand season. This was 9% above the March 2018 level.

GRADING: The volume of lambs graded Choice and Prime by the USDA during the month of April increased 7%, 21% over the April 2018 level. Nationally, the number of lambs qualifying for the Choice grade increased 4% but declined 3% to 91% of the share of all lambs graded as the number of lambs qualifying for the Prime grade rose, led by a strong showing in the Rocky Mountain region which experienced a 67% increase in lambs grading Prime followed by a 44% increase in Prime in the Upper Midwest. All lamb production regions participated in the overall grading increase with the Ohio Valley region seeing a 28% overall rise in lambs graded from the prior month, led by a 34% rise in Choice lambs. Nationally, lamb yield coalesced around the YG 3 grade with a 3% decline in more finished lambs and a 1% decline in leaner lambs.

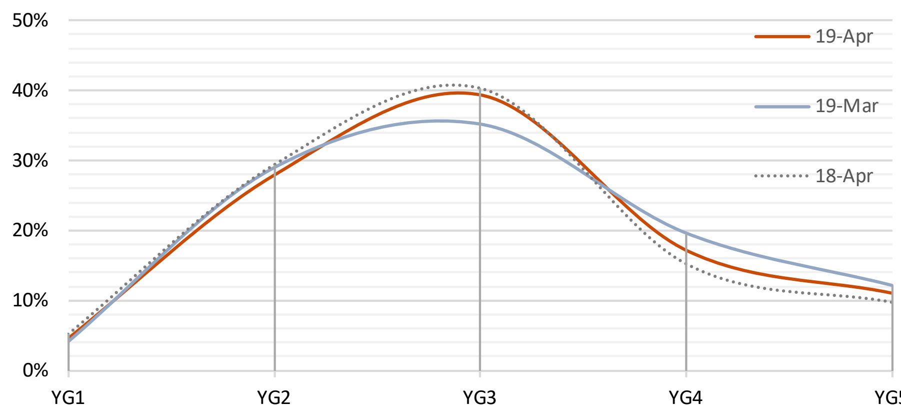
Commercial Lamb/Mutton Production



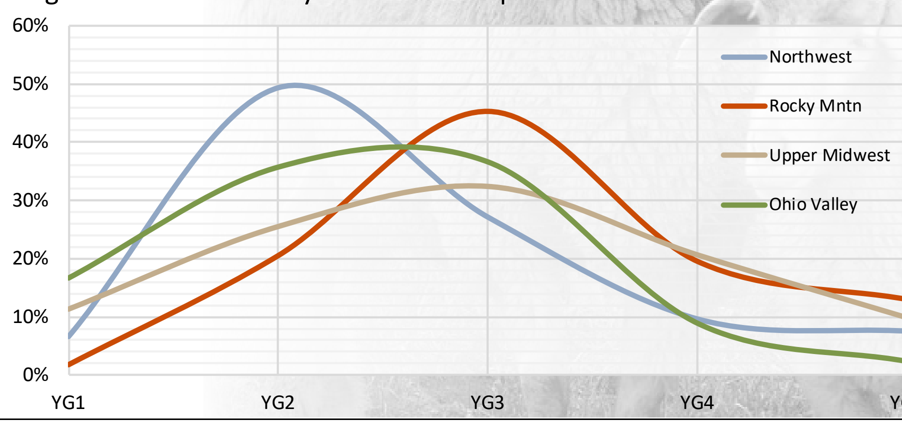
Lamb in Cold Storage



Choice Lamb by Yield Grade % - April 2019



Regional Choice Lamb by Yield Grade - April 2019

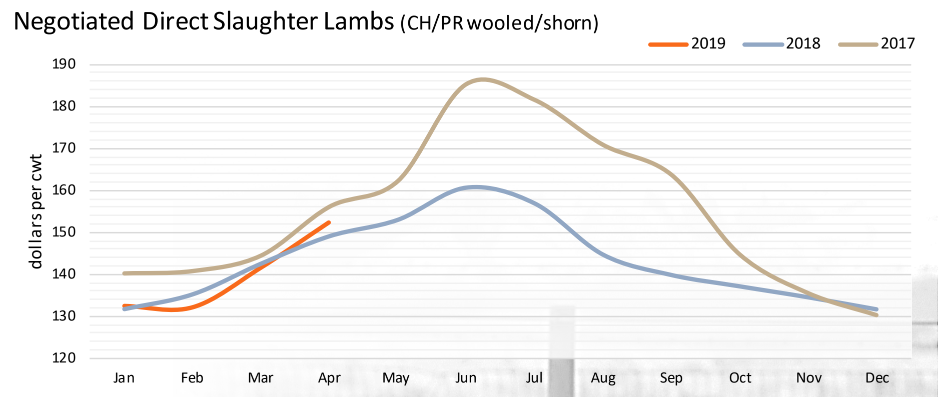


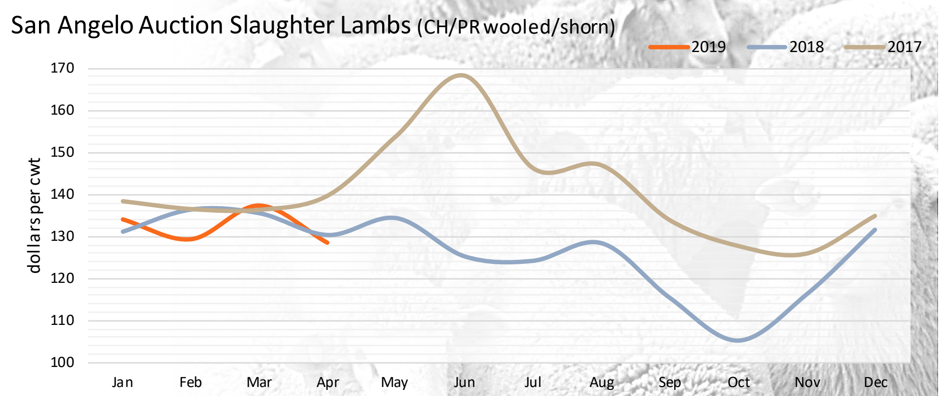
LIVE MARKETS: The volume of slaughter lambs trading on a direct negotiated basis in April, at 29,300 head, increased 31% from March, 136% above April 2018. Prices were up 8% during the month and 2% over April 2018. In auction trading, the average price for traditional Choice & Prime 2-3, 90-150 lbs. slaughter lambs at Sioux Falls, SD, increased 9% for the month (from $148.76 to $162.80 per cwt.) and 7% over the April 2018 level of $152.04 per cwt. Receipts for the month were down 25% for the month but were 187% 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 decreased 6% (from $137.16 to $128.42 per cwt.) for the month and was down 1% from last year. At the New Holland, PA, sale in April, the average price for Choice and Prime 2-3 wooled and shorn non-traditional slaughter lambs decreased 10% (from $196.65 to $176.90 per cwt.), 22% below the April 2018 monthly average.

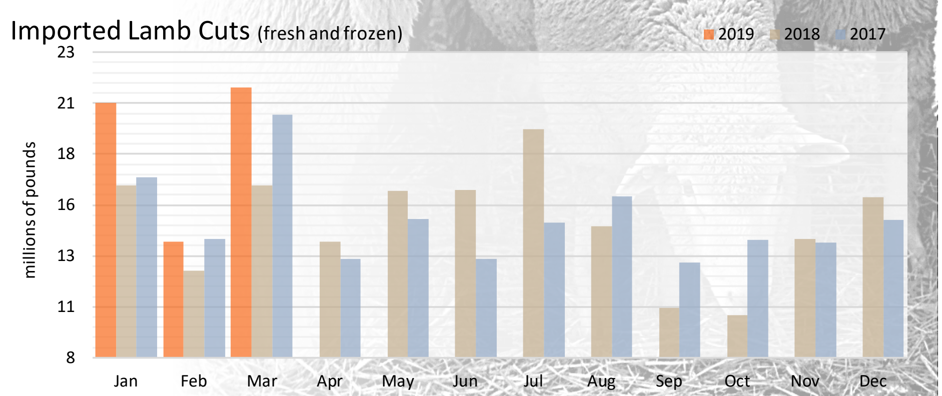
LAMB IMPORTS: The overall volume of fresh and frozen imported lamb carcasses and cuts increased 55% in March ahead of the Eater/Passover demand period. This level was 29% above the March 2018 rate. At just over 21 million pounds, March imports of lamb cuts represent the highest monthly level dating back to 1989 when records were first kept. Fresh imports, at 41% share, were up 52% for the month and 9% over 2018. Frozen imports also increased, up 57% in March and 48% over March 2018. The share of frozen cuts, at 59%, was up 1% in share for the month. Australia sent 69% of total imports in March with 79% of fresh cuts and 62% of frozen cuts. New Zealand accounted for 30% of total lamb imports with Chile, Uruguay, Mexico, and Canada rounding out March imports in that order.

Imports of whole and half lamb carcasses, virtually all in frozen form, increased 180% in March and made up 4.5% of import share. Imports of lamb legs led all lamb cuts in March tripling the levels imported in February with fresh legs, the hands down Easter favorite, topping all fresh imports. Leg imports made up 7% of March imports. Imports of shoulder cuts, fresh and frozen, increase 66% for the month and gained 3% of import share, rising to 12.5% as marketers stage product for the post-Easter period. Total imports of loin cuts increased 38% in March including a 182% rise in frozen loin imports. Loins, a popular item for Mother's Day in chop form, retained a 9% share of imports. mostly on a sharp decline in frozen imports, but managed to increase share to 10% of all lamb cuts imported.

The volume of imported bone-in lamb meat increased 41% but the percentage of import share was unchanged at 32%. Imports of other boneless lamb cuts, not identified, increased 47 in March but dropped 6% of their share of imported lamb cuts, declining to a 35%, still enough to remain the primary category of imported lamb cuts.







DOMESTIC MEAT TRADE: The volume of trading of Choice and Prime, 1-4 lamb carcasses in April was unchanged from March but was 50% above the level of April 2018. With Easter 2018 overserved on April 1, holiday demand for lamb was already passing when April 2018 arrived. The gross lamb carcass cutout rose 1% in April at $3.80 per pound, 2% above April 2018. The volume of negotiated wholesale trading of fresh and frozen domestic boxed lamb cuts in April increased 2% for the month and 63% from April 2018. Negotiated trading of fresh cuts rose 7% in volume and accounted for 87% of total sales. The volume of frozen cut trading decreased 21% for the month and accounted for 13% of total domestic volume sold.

Traded volume of most lamb cuts was up in April targeting the Easter/Passover demand season, in particular, fresh legs and middle cuts. The volume of wholesale sales of trotter-off legs rose 143% while prices remained unchanged at $3.61 per pound. This volume was 250% above last year's level when Easter was observed three weeks earlier and the average price was down 2%. Trotter-off legs were the most actively traded lamb cut in April. The volume of sales of boneless legs rose 42% and the average monthly price was up 4% (from $5.28 to $5.50 per pound). Sales of medium 8-rib racks were up 10% and the average price rose 1% (from $8.74 to $8.83 per pound). Frenched racks sales declined 5% in April and prices were unchanged at $16.57 per pound. The volume of trimmed 4x4 loins trading was up 4% for the month with a 1% decrease in the average sale price (from $5.24 to $5.18 per pound). Foreshanks had a 6% decline in sales volume but the average sale price increased 8% (from $4.18 to $4.50 per pound). Foreshanks saw similar trading in April 2018. Trading of square-cut shoulder cuts realized the most decline in April, down 22% but prices increased 3% (from $2.76 to $2.84 per pound). Trading of ground lamb decreased 26% for the month and prices were unchanged at $5.75 per pound.

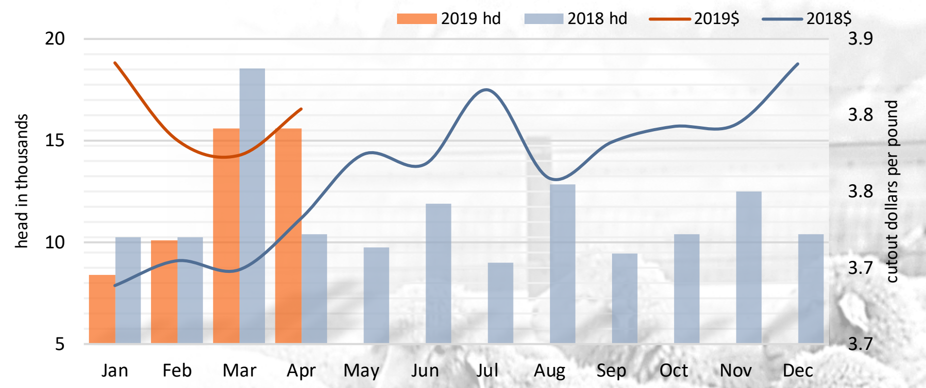
IMPORTED MEAT TRADE: In April, the overall volume of fresh and frozen imported lamb carcasses and cuts increased 45%, 4% over the April 2018 level. Fresh imports, at 51% share, doubled their volume in April and were 49% above the 2018 level for the month. Frozen imports rose 13% from March but were down 21% compared to April 2018. The share of frozen cuts, at 49%, was down 14% in share for the month as demand shifted to fresh cuts for the Easter/Passover season.

The overall volume of sales of fresh Australian boxed lamb cuts increased 98% in April, led by a sharp rise in legs,

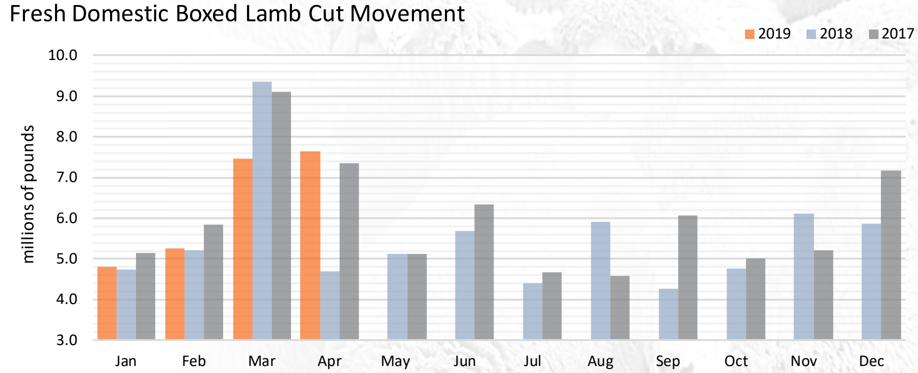
Apr. Negotiated Sales of Imported Lamb
(change in primal price and sales volume)

	Australia		New Zealand	
	percent change			
Fresh	**price**	**lbs.**	**price**	**lbs.**
racks	97	202	--	--
loins	97	250	--	--
legs	85	46,404	--	--
shoulders	94	184	--	--
foreshanks	--	--	--	--
Frozen				
racks	99	127	101	85
legs	95	209	--	--
shoulders	83	78	--	--
foreshanks	99	219	--	--

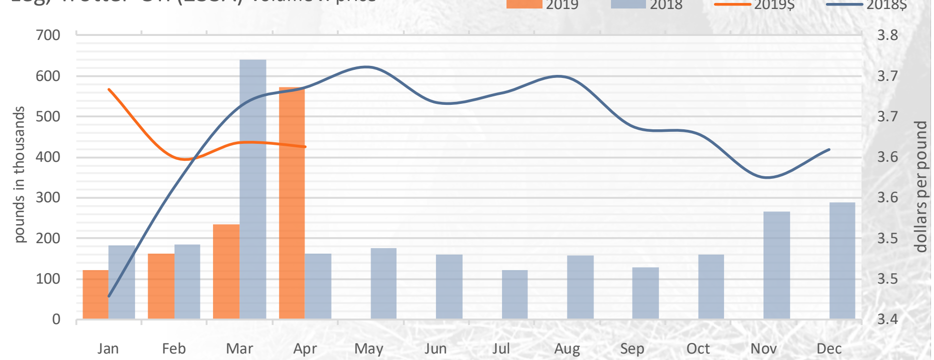
Lamb Carcass Sales vs. Lamb Cutout (CH & PR, 1-4)



Fresh Domestic Boxed Lamb Cut Movement



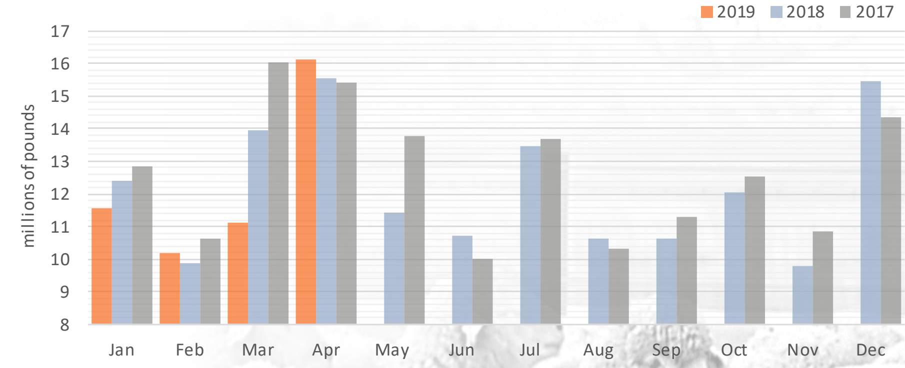
Leg, Trotter-Off (233A) volume v. price



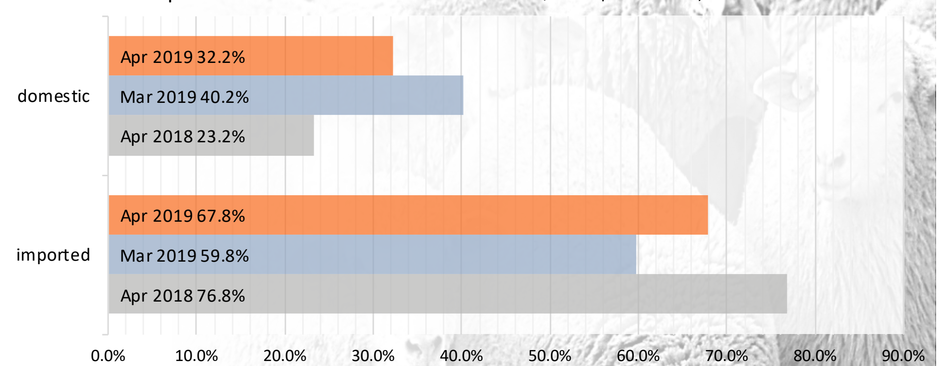
up sharply from March with a 15% increase in the average sale price. Demand for fresh legs rose sharply in April to supply traditional holiday demand. All fresh Australian cuts saw an increase in sales volume in April and a corresponding decline in the average sale price. Sales volume of frozen Australian lamb cuts was up 69% in April, led by a 119% rise in foreshank sales and a 109% increase in leg sales volume. The volume of rack sales saw a 27% rise during the month. Sales volume of shoulder cuts was down 22% in April as demand shifted to legs and racks. Average sale prices for all cuts declined in April, least for legs and foreshanks and most for shoulders. Sales of frozen imported lamb rack cuts from New Zealand declined 15% in volume for the month, following a 21% rise in March. The average sale price was up 1%.

RETAIL MARKETING: Supermarket feature activity for lamb cuts, both domestic and imported, fresh and frozen, increased 111% in April, 143% above the April 2018 pace. Featuring of leg cuts increased sharply in April, increasing feature share by 54% to hold a commanding 61% of all lamb cut features in April targeting Easter/Passover demand. Boneless legs enjoyed the most promotion in the leg category followed closely by bone-in offerings. While the average ad price for boneless legs declined 4%, feature pricing for all other leg cuts was higher. Featuring of racks for the holidays increased 173% with a 2% rise in the ad price. Racks held a 6% share of all lamb cuts featured in April. Marketing of loin chops declined sharply in April, down 14% with a 21% decline in ad share. Ad pricing decline 12% during the month. Shoulder chops lost 24% of feature share in April as more traditional holiday offerings took center stage. Offerings of blade chops declined 30% with a 3% rise in ad price while round bone chops had a 6% decline in ad price and a 21% decline in feature activity. Ground lamb experienced a 56% increase in featuring and ad prices rose 13%. Average ad prices for shanks rose 4% and featuring in store ads rose 32% during the month.

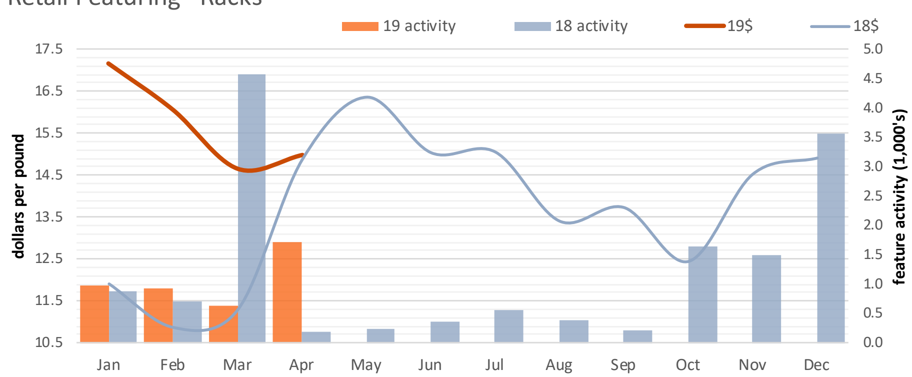
Negotiated Sales of Imported Lamb (fresh and frozen)



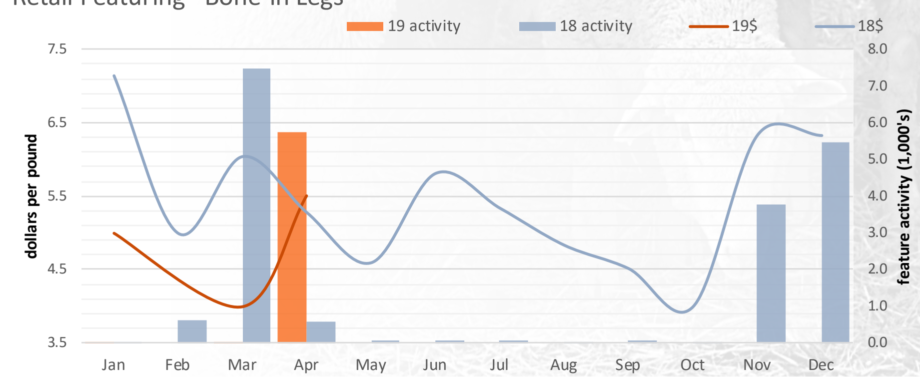
Domestic vs. Imported Boxed Lamb Sales - share of fresh/frozen product sold)



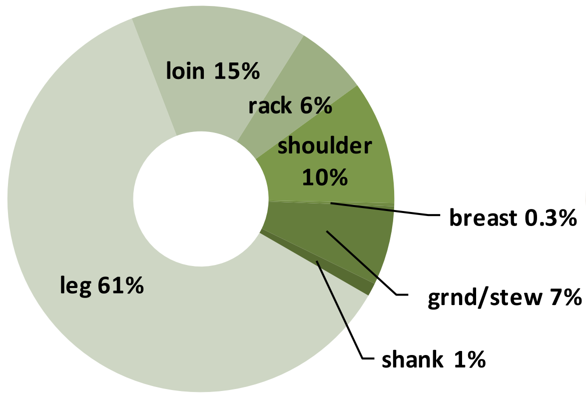
Retail Featuring - Racks



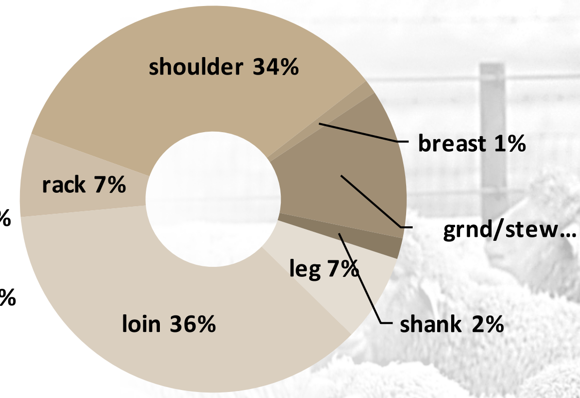
Retail Featuring - Bone-in Legs



April Retail Feature Share



March Retail Feature Share



Quick Overview

PRODUCTION: [1/]	Mar 19	Feb 19	change
Sheep Meat Production (lbs.).............	13,000,000	11,200,000	116
Commercial Sheep Slaughter *(head)*...	190,700	169,300	113
Fed. Insp. Lamb Slaughter *(head)*.........	162,000	139,100	116
Live Sheep Weight (lbs.).......................	137	132	104
Dressed Carcass Lamb Weight (lbs.)....	71	69	103
COLD STORAGE:			
Lamb/Mutton in Storage (lbs.)...........	31,075,000	35,503,000	88
IMPORTS:			
Total Fresh/Chilled (lbs.)........................	8,713,099	5,717,682	152
Total Frozen (lbs.)....................................	12,566,334	7,980,504	157
Total (lbs.)..	21,279,433	13,698,186	155
LAMB GRADED:	**Apr 19**	**Mar 19**	**change**
Choice (head)...	91,928	88,143	104
Prime (head)...	9,365	6,089	154

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

DIRECT SLAUGHTER LAMB:	Apr 19	Mar 19	change
CH/PR, wooled/shorn *(head)*	29,300	22,300	131
price *($/cwt)*	152.46	141.63	108
AUCTION SLAUGHTER LAMB:			
Sioux Falls, CH/PR, 2/3, 90-150 lb. *(head)* .	623	829	75
price *($/cwt)*	162.80	148.76	109
New Holland, CH/PR, 2/3, 90-150 lb. *($/cw*	176.90	196.65	90
San Angelo, CH/PR, 2/3, 90-150 lb.			
Shorn price *($/cwt)*	128.58	137.38	94
Wooled price *($/cwt)*	128.25	136.93	94
LAMB CARCASS:			
National Lamb Carcass Sales *(head)*...........	15,608	15,578	100
Lamb Carcass Gross Cutout *($ per pound)*.	3.80	3.77	101
BOXED LAMB CUTS:			
Domestic Fresh Boxed Lamb Sales *(lbs.)* ...	6,635,029	6,198,880	107
Imported Fresh Boxed Lamb Sales *(lbs.)* ...	8,170,096	4,090,973	200
Imported Frozen Boxed Lamb Sales *(lbs.)* .	7,942,042	7,006,434	113

[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 the May 2019 edition.

(derived from the Weekly NASS Crop Progress reports issued May 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 April, the average estimated per pelt credits returned to producers for shorn pelts increased for Supreme (+0.75 per pelt) and Premium (+0.88 per pelt) as the share of shorn pelts increased 8% from March. The credit for Supreme unshorn pelts declined $0.10 per pelt and the credit for Premium pelts was down $0.13 per pelt.

Domestic wool saw limited trading in April with traded volumes of both clean and greasy down significantly from levels of April 2018.

April Avg Lamb Pelt Credit Prices

	Unshorn		Shorn	
	credit	**change**	**credit**	**change**
Supreme	2.13	-0.10	1.13	0.75
Premium	-0.13	-0.13	0.00	0.88
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 %	47%		53%