

# Lamb Market Outlook

---

**ASI**

**New Orleans, TX**

**January 25, 2019**

**David P. Anderson**

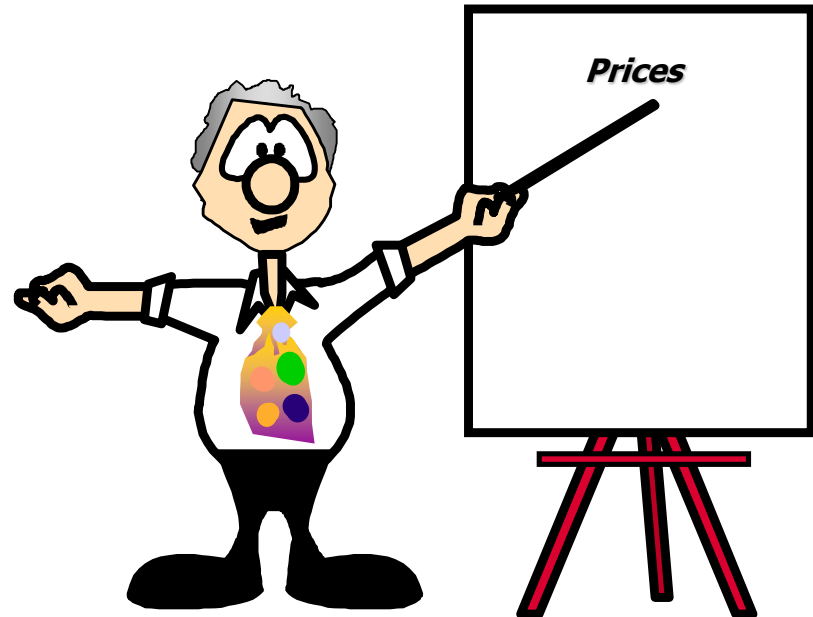
**Professor and Extension Economist**

TEXAS A&M  
**AGRI**LIFE  
EXTENSION

# Overview

---

- Usual Suspects
- Production
- Demand



# The Usual Suspects

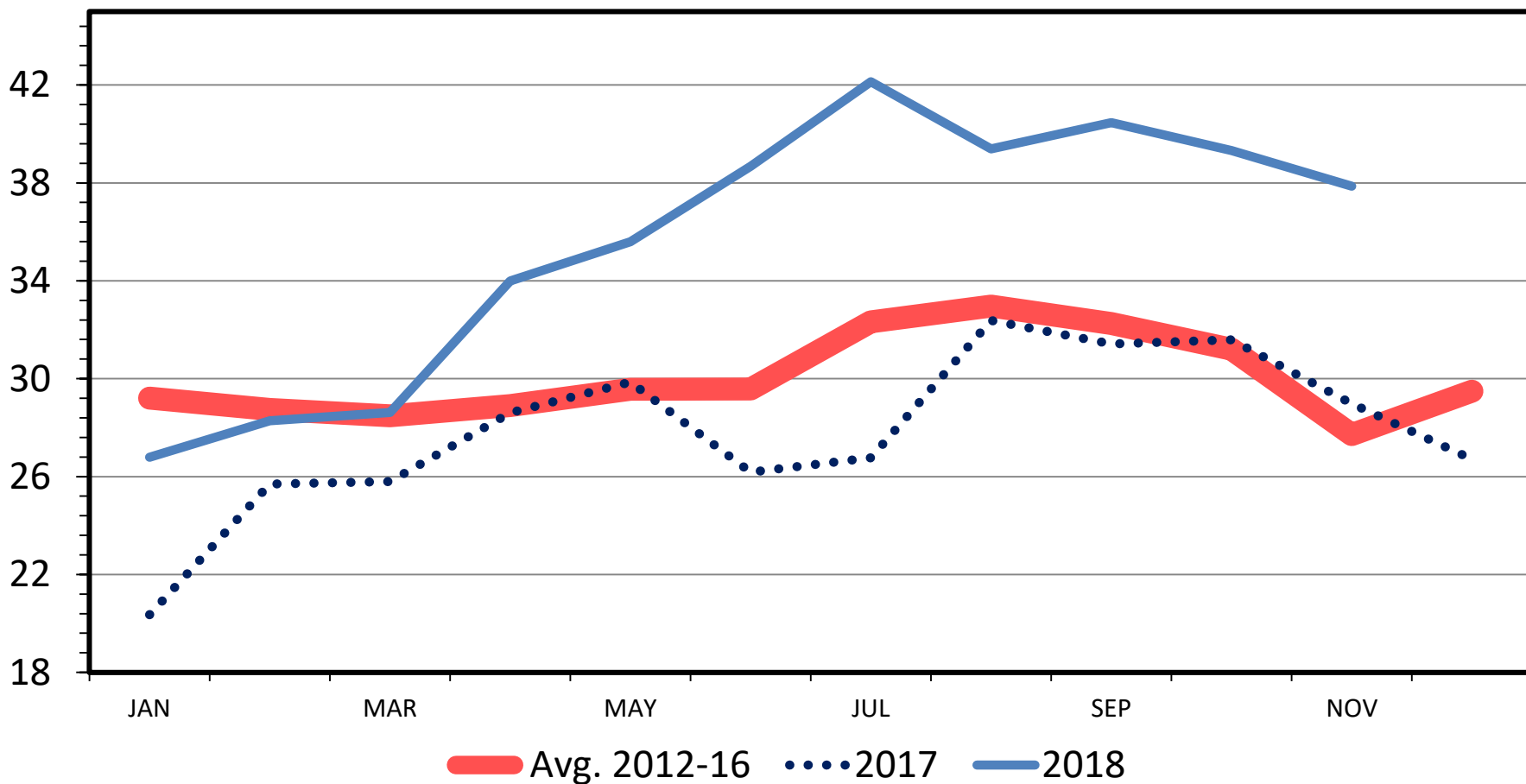
---

- Stocks
- Imports
- Weights

# LAMB AND MUTTON IN COLD STORAGE

Frozen, End of the Month

Mil. Pounds



Data Source: USDA-NASS

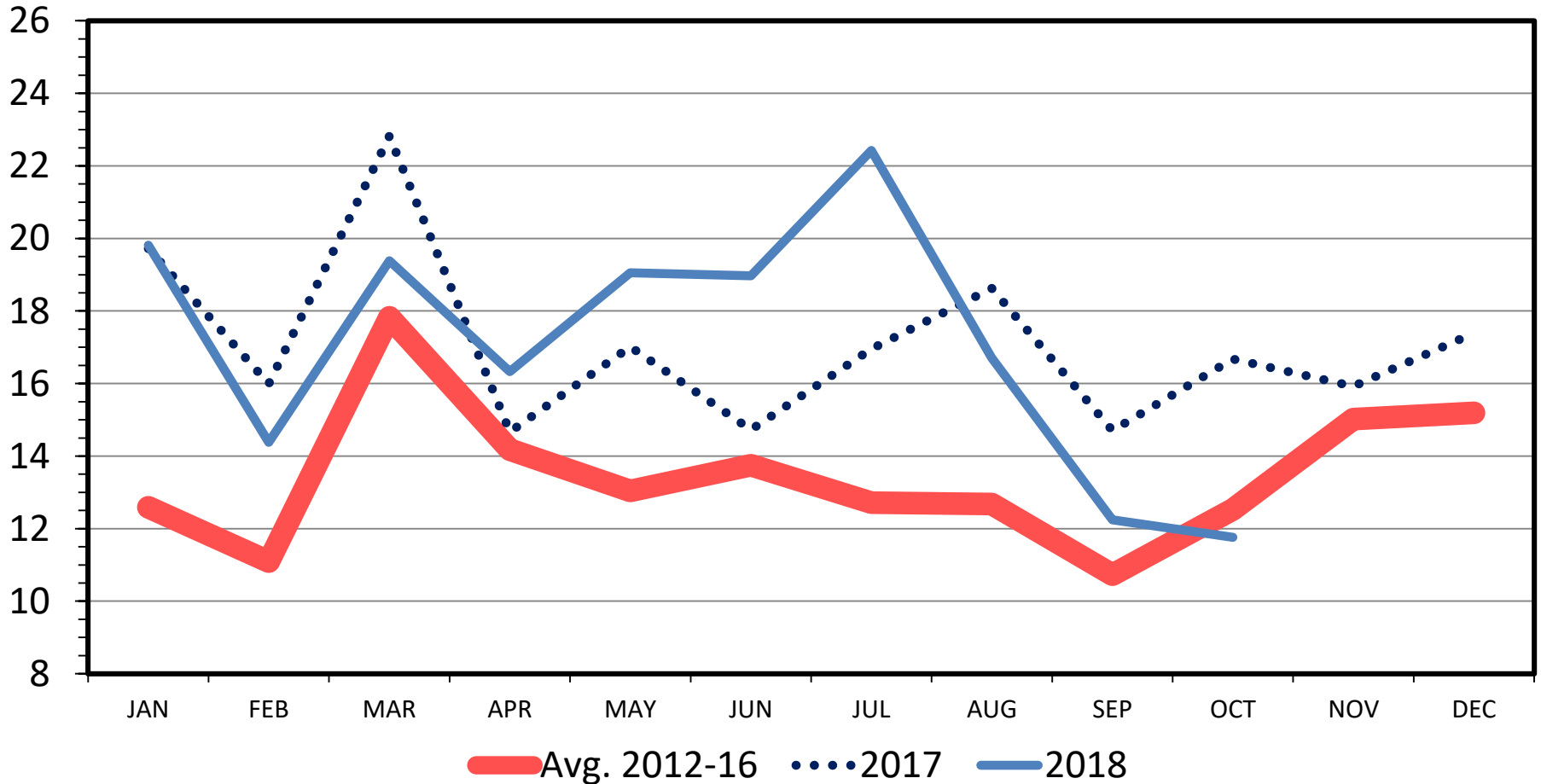
12/21/18

Livestock Marketing Information Center

# US LAMB IMPORTS

## Carcass Weight, Monthly

Mil. Pounds



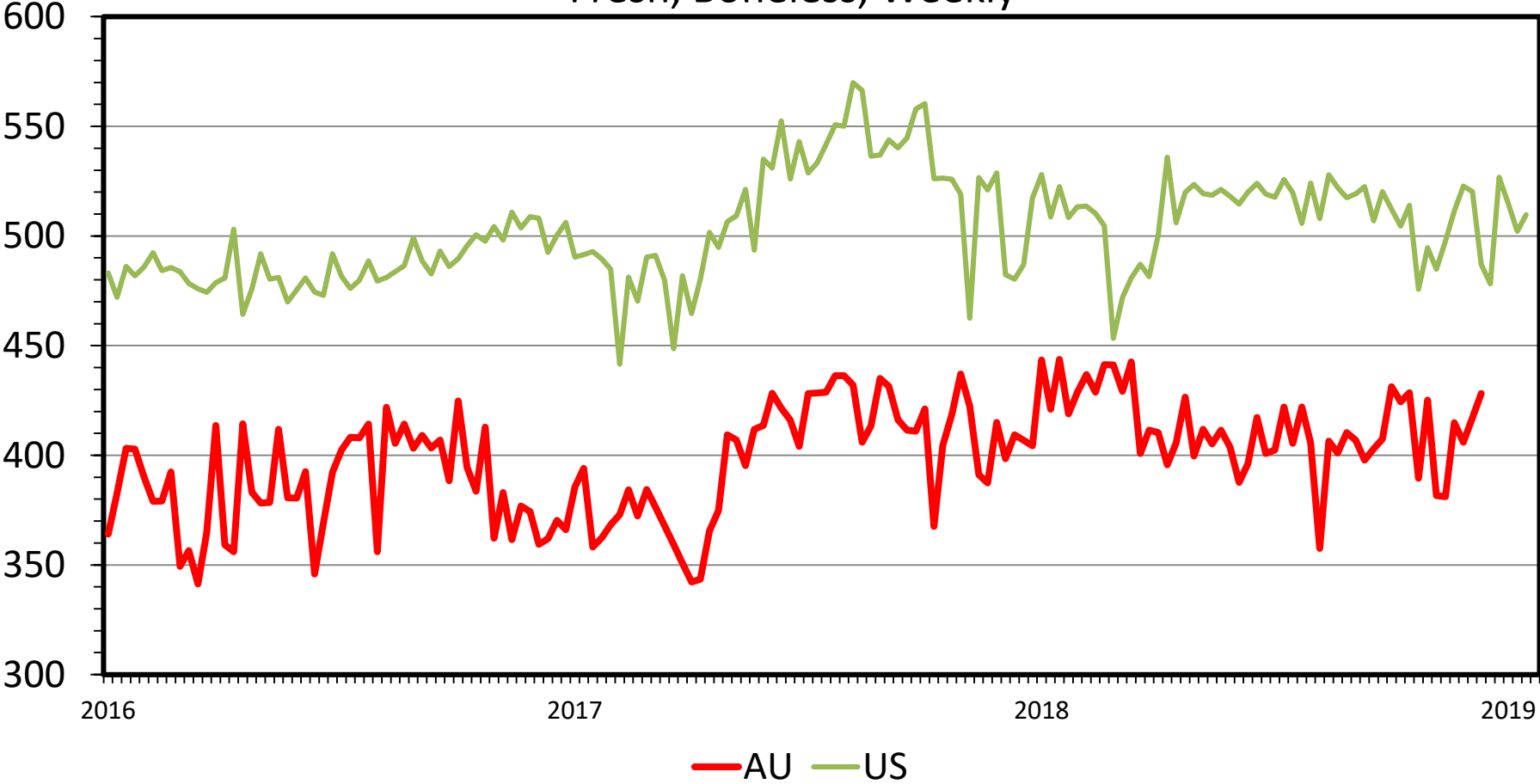
**Data Source: USDA-ERS & USDA-FAS**  
**Livestock Marketing Information Center**

I-N-44  
12/07/18

# AUSTRALIA vs U.S. PARTIAL LEG OF LAMB PRICES

Fresh, Boneless, Weekly

\$ Per Cwt.

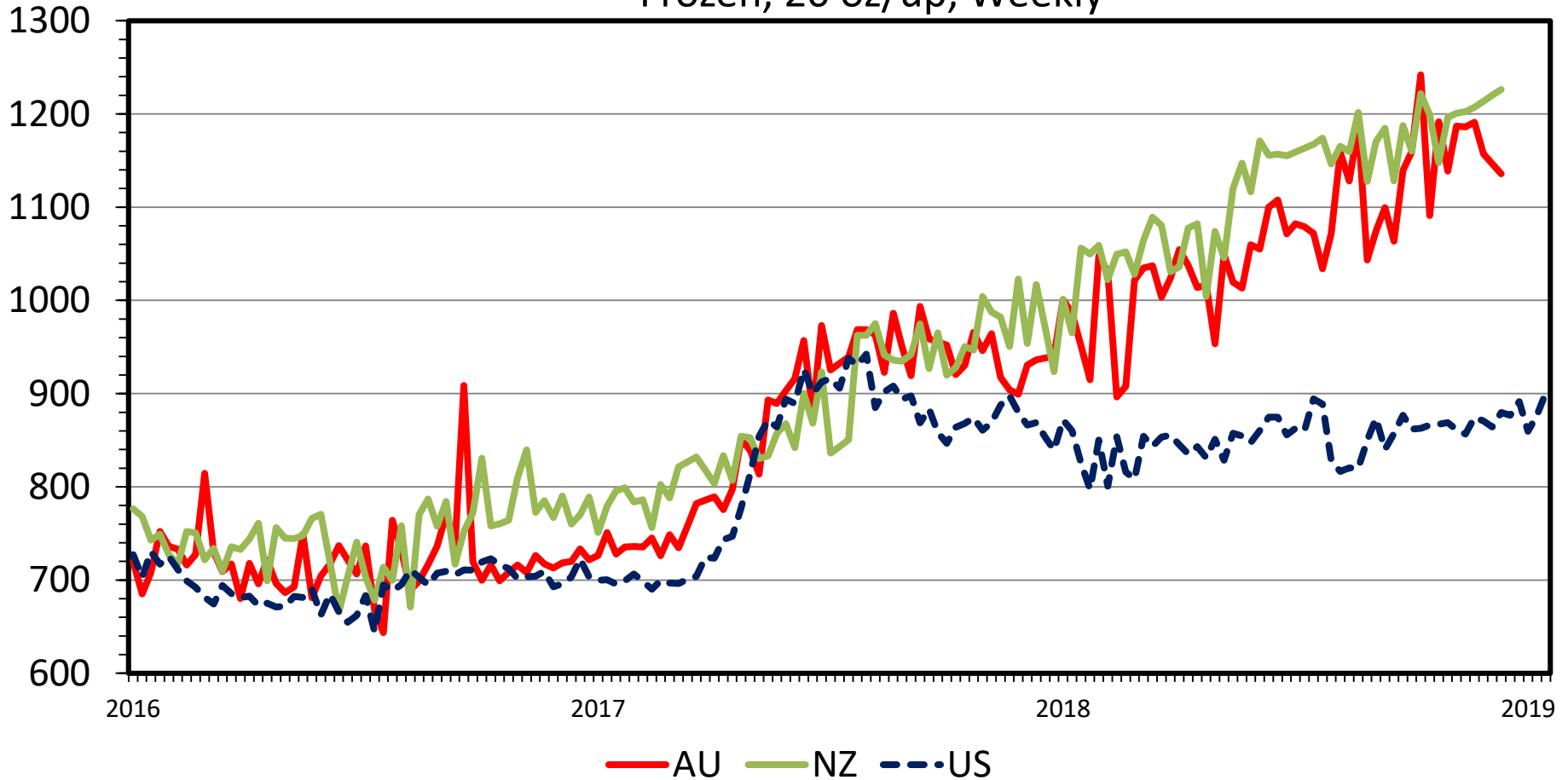


Data Source: USDA-AMS, Compiled & Analysis by LMIC  
Livestock Marketing Information Center

# AUSTRALIA vs. NEW ZEALAND vs. U.S. RACK PRICES

Frozen, 20 oz/up, Weekly

\$ Per Cwt.

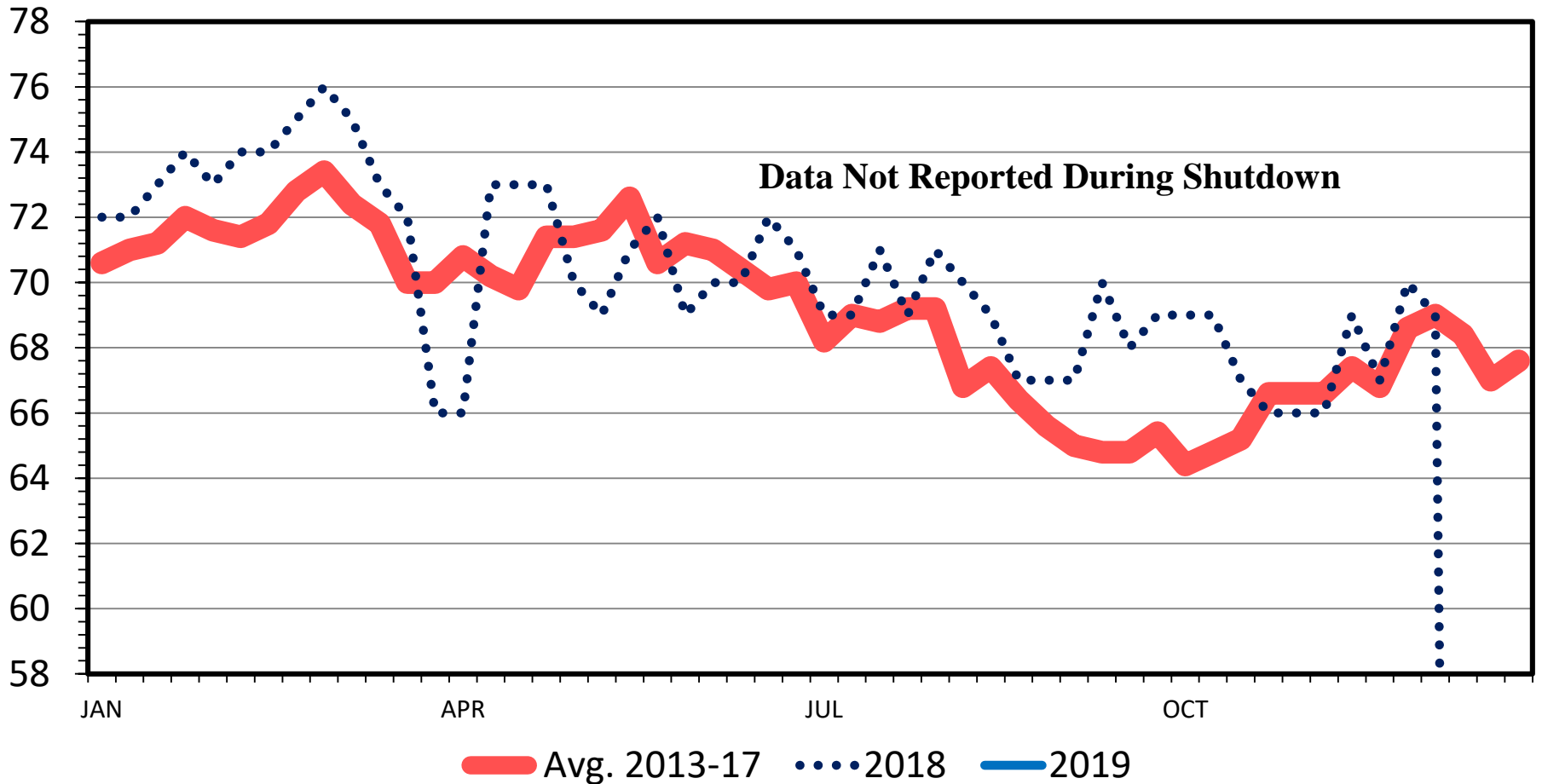


Data Source: USDA-AMS, Compiled & Analysis by LMIC  
Livestock Marketing Information Center

# LAMB AND YEARLING DRESSED WEIGHT

Federally Inspected, Weekly

Thou. Head



Data Source: USDA-AMS & USDA-NASS

Livestock Marketing Information Center

S-S-06  
01/21/19



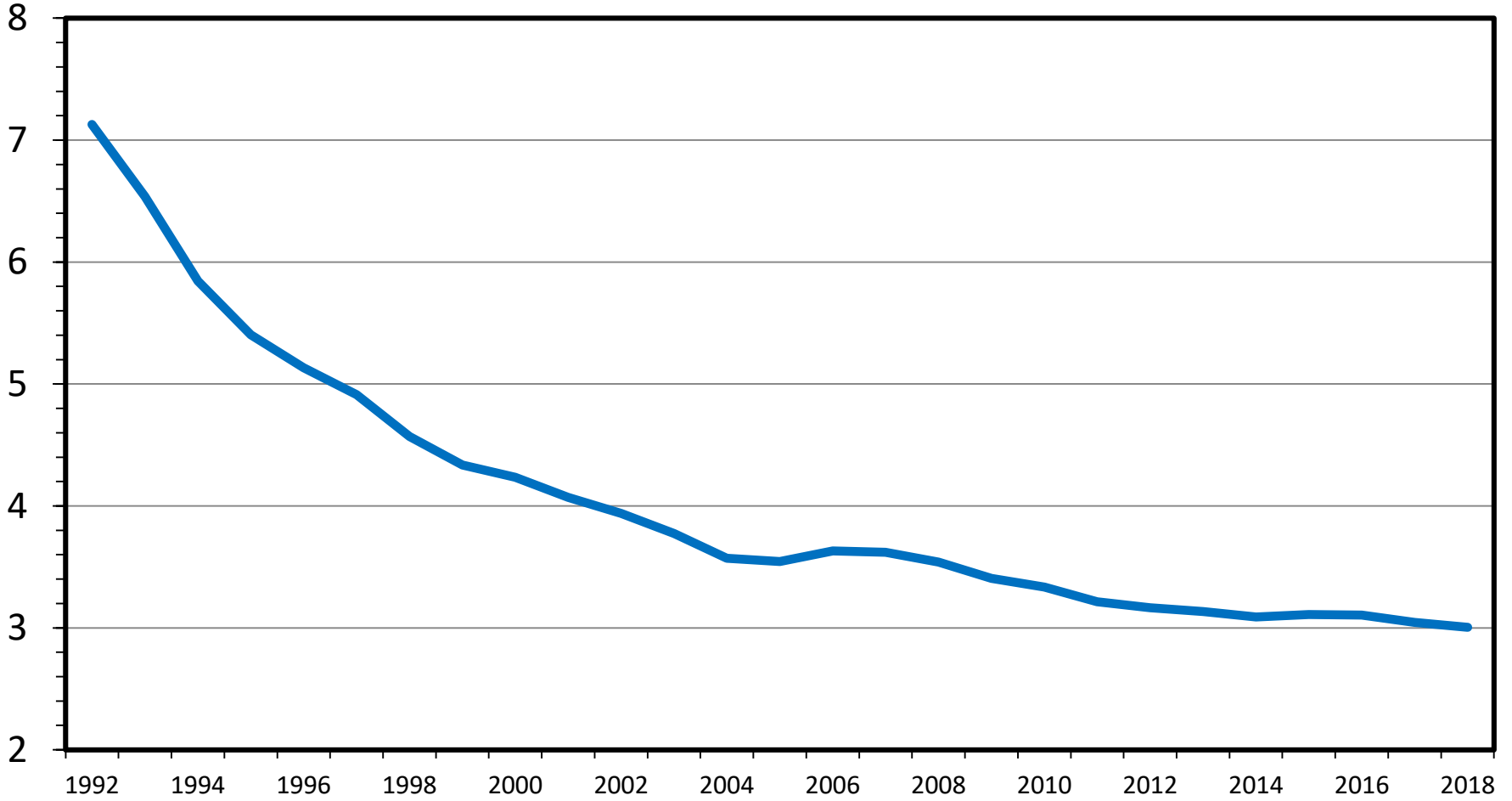
# Production

---

# BREEDING EWES 1 YEAR & OLDER

January 1, U.S., Annual

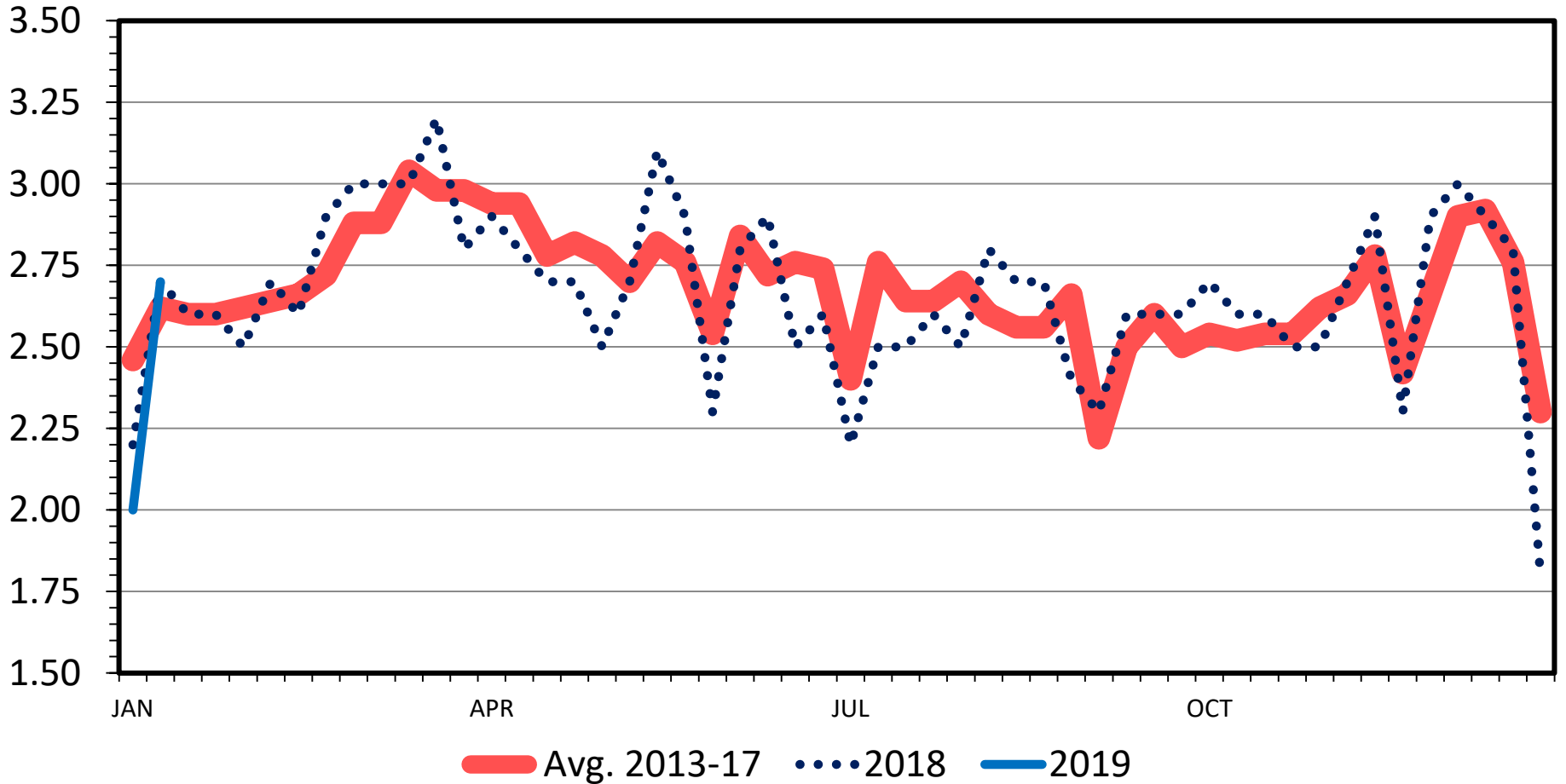
Mil. Head



# LAMB AND MUTTON PRODUCTION

Federally Inspected, Weekly

Mil. Pounds



Data Source: USDA-AMS & USDA-NASS

Livestock Marketing Information Center

M-S-20  
01/21/19

# Demand

---

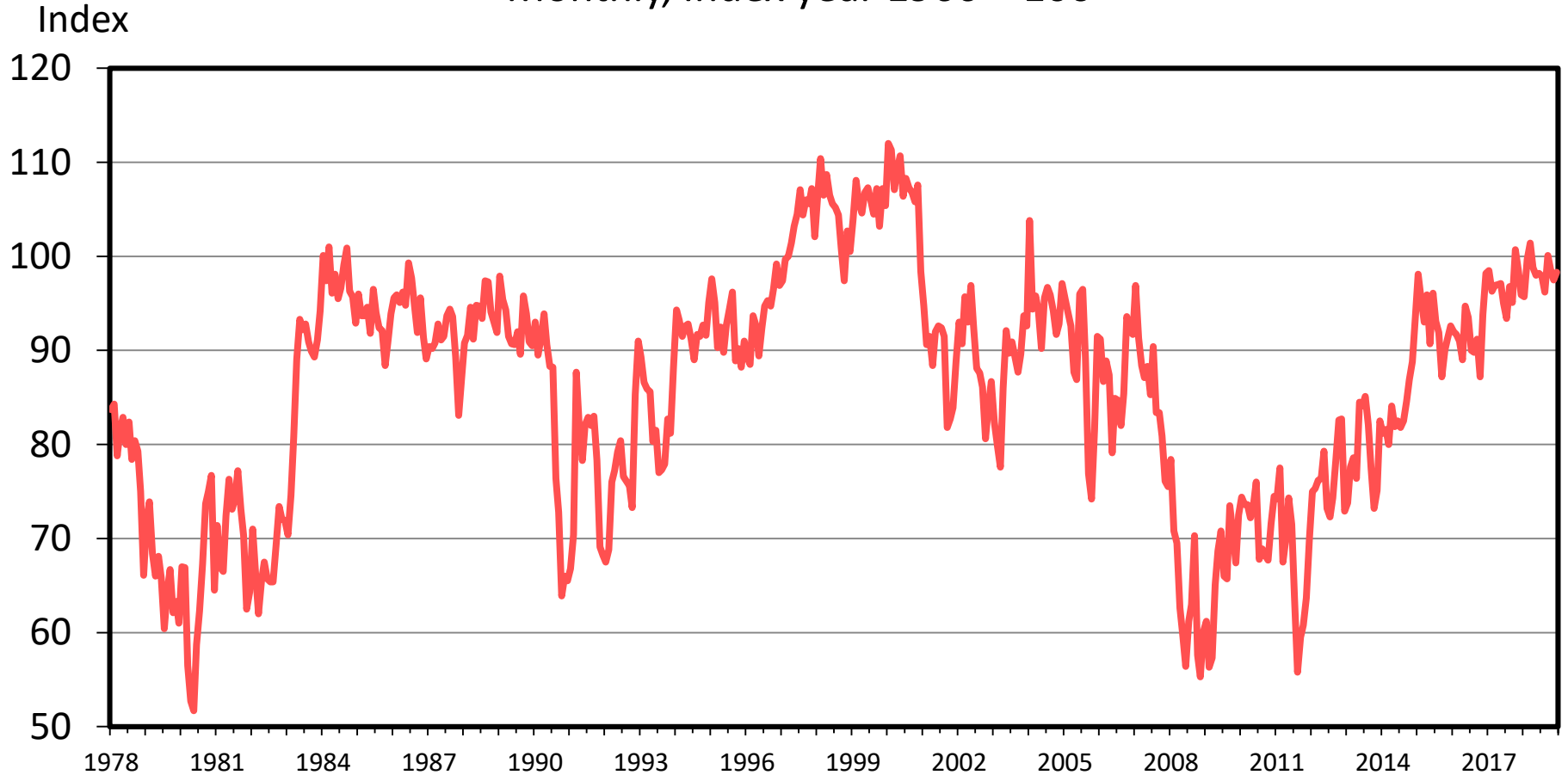
# Demand Thoughts

---

- Demand Usually Most Difficult to Predict
- Starting 2019 With:
  - Higher wholesale cut and cutout prices than a year ago
  - Yet, lower to no change in retail prices until late in 2018
  - And lower live lamb prices
- Suggests Some Potential Problems
- Demand Index

# Domestic U.S. Consumer Sentiment

Monthly, Index year 1966 = 100



**Data Source: Thomson Reuters/University of Michigan**

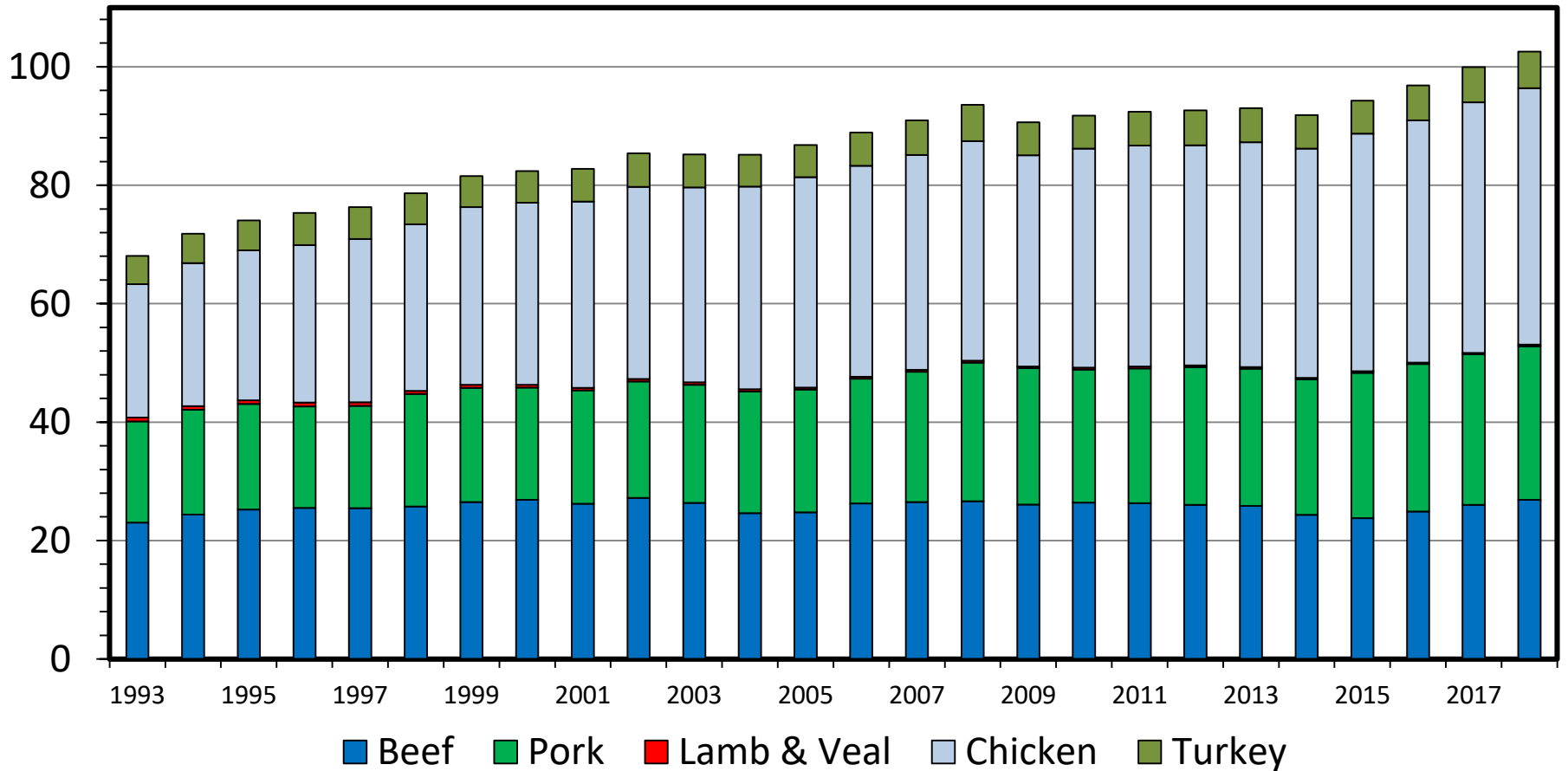
**Livestock Marketing Information Center**

12/21/18

# COMMERCIAL MEAT & POULTRY PRODUCTION

## By Type of Meat, Annual

Bil. Pounds



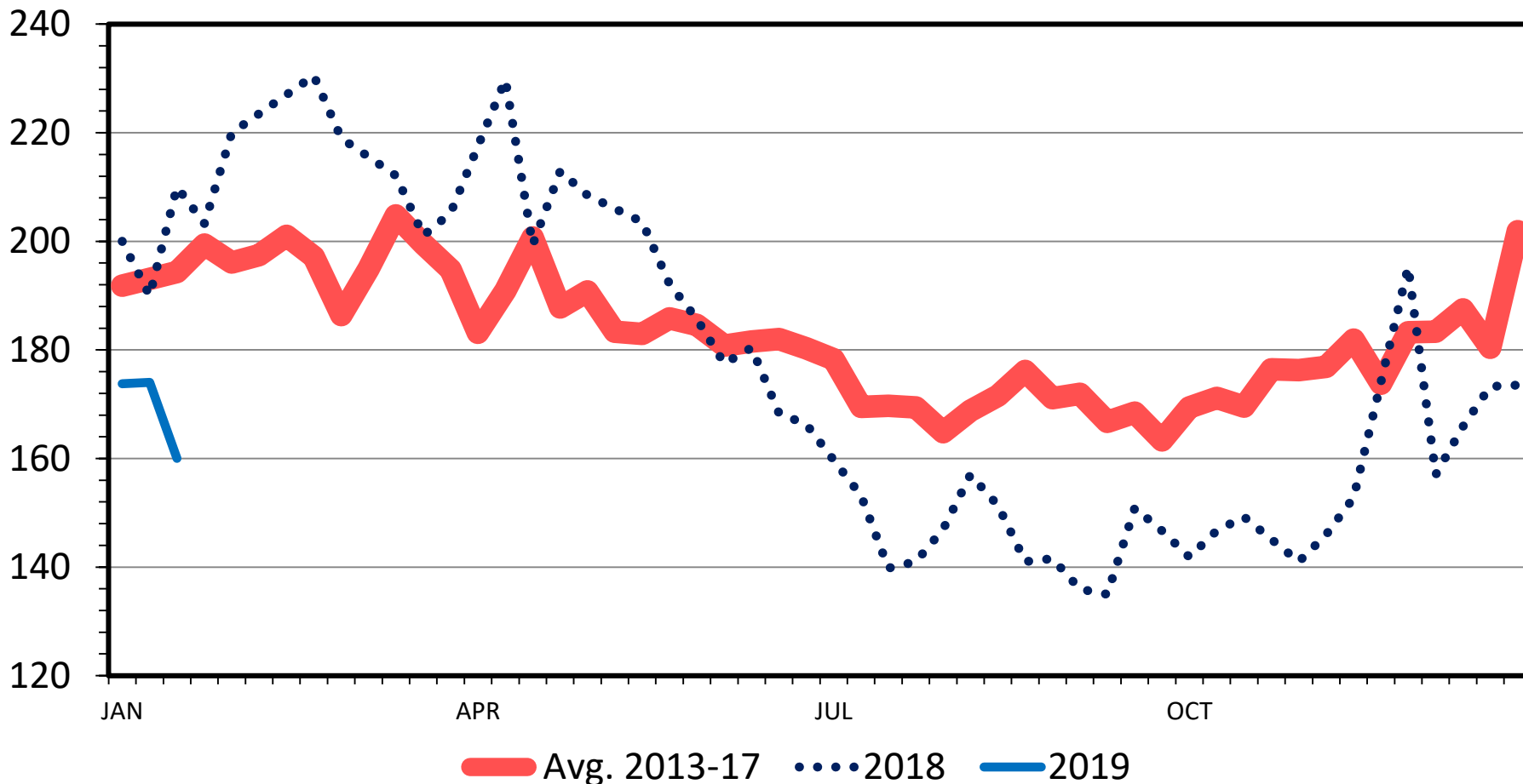
**Data Source: USDA-NASS, Compiled & Forecasts by LMIC**

**Livestock Marketing Information Center**

# FEEDER LAMB PRICES

3-Market Average; CO, TX & SD; Weekly

\$ Per Cwt.



**Data Source: USDA-AMS, Compiled by LMIC**  
**Livestock Marketing Information Center**

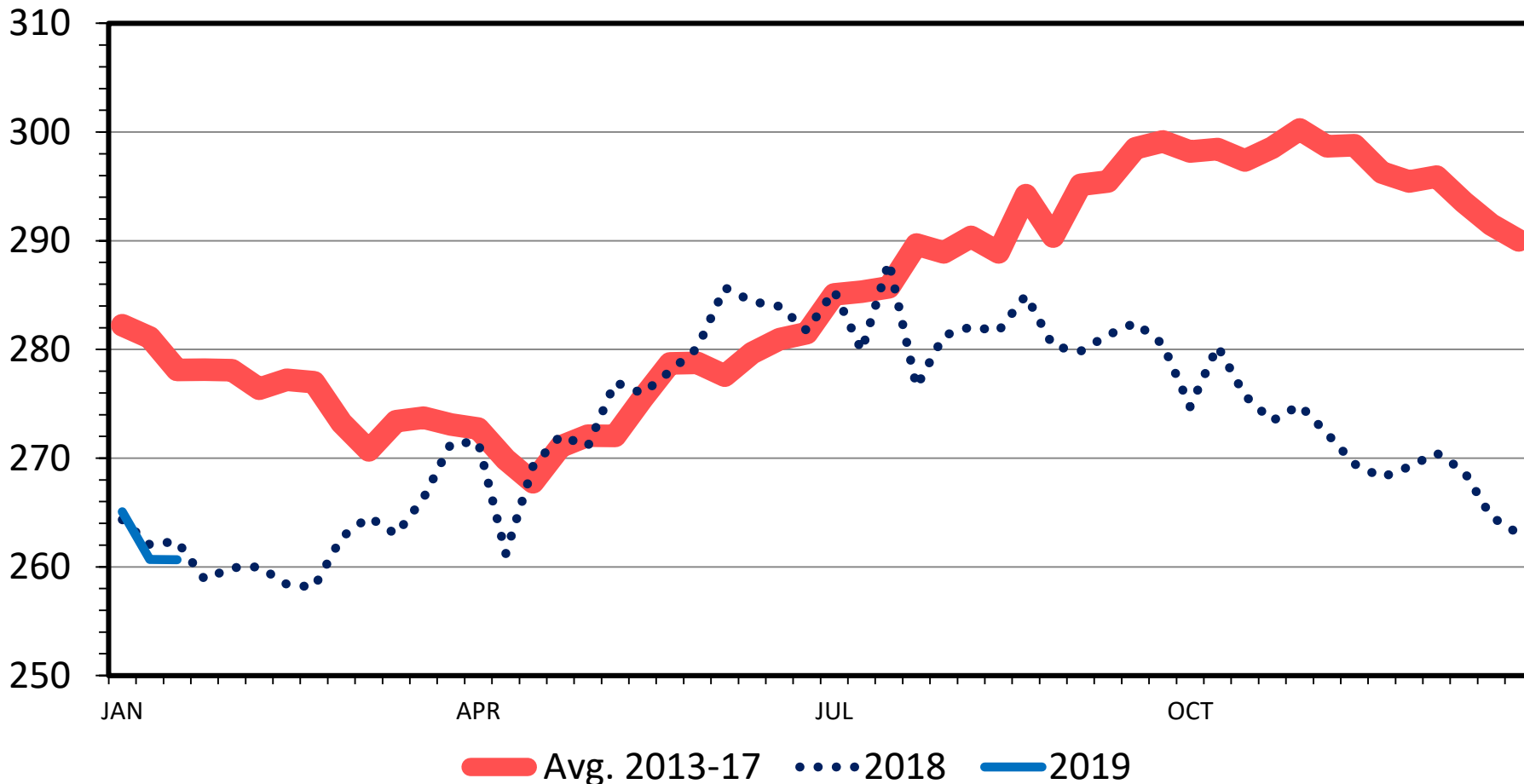
S-P-06  
01/23/19



# SLAUGHTER LAMB PRICES

## National Direct, Hot Carcass, Weekly

\$ Per Cwt.



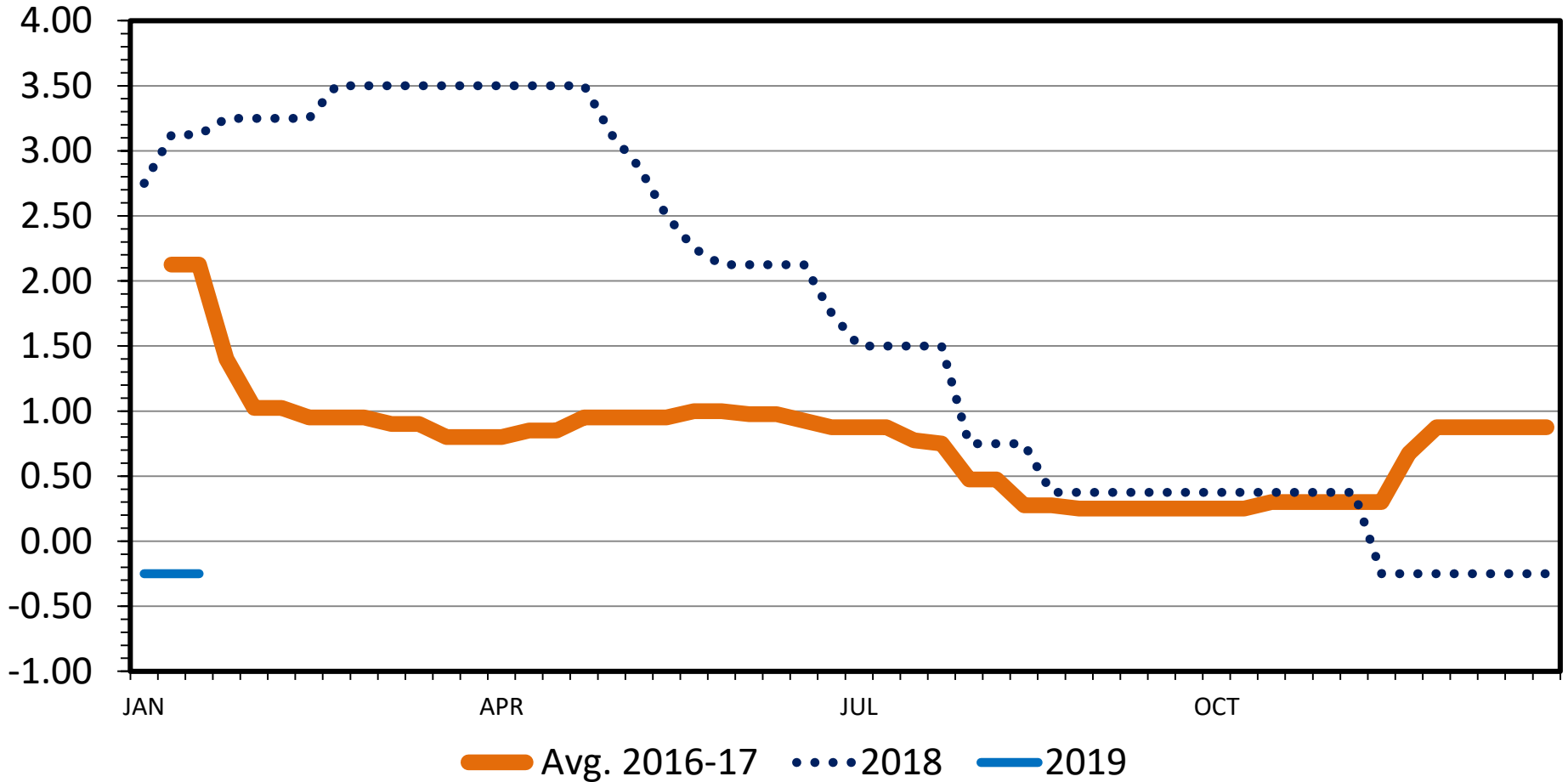
**Data Source: USDA-AMS, Compiled by LMIC**  
**Livestock Marketing Information Center**

S-P-03  
01/23/19

# PREMIUM UNSHORN LAMB PELT PRICES

FOB, Weekly

\$ Per Pelt



Data Source: USDA-AMS

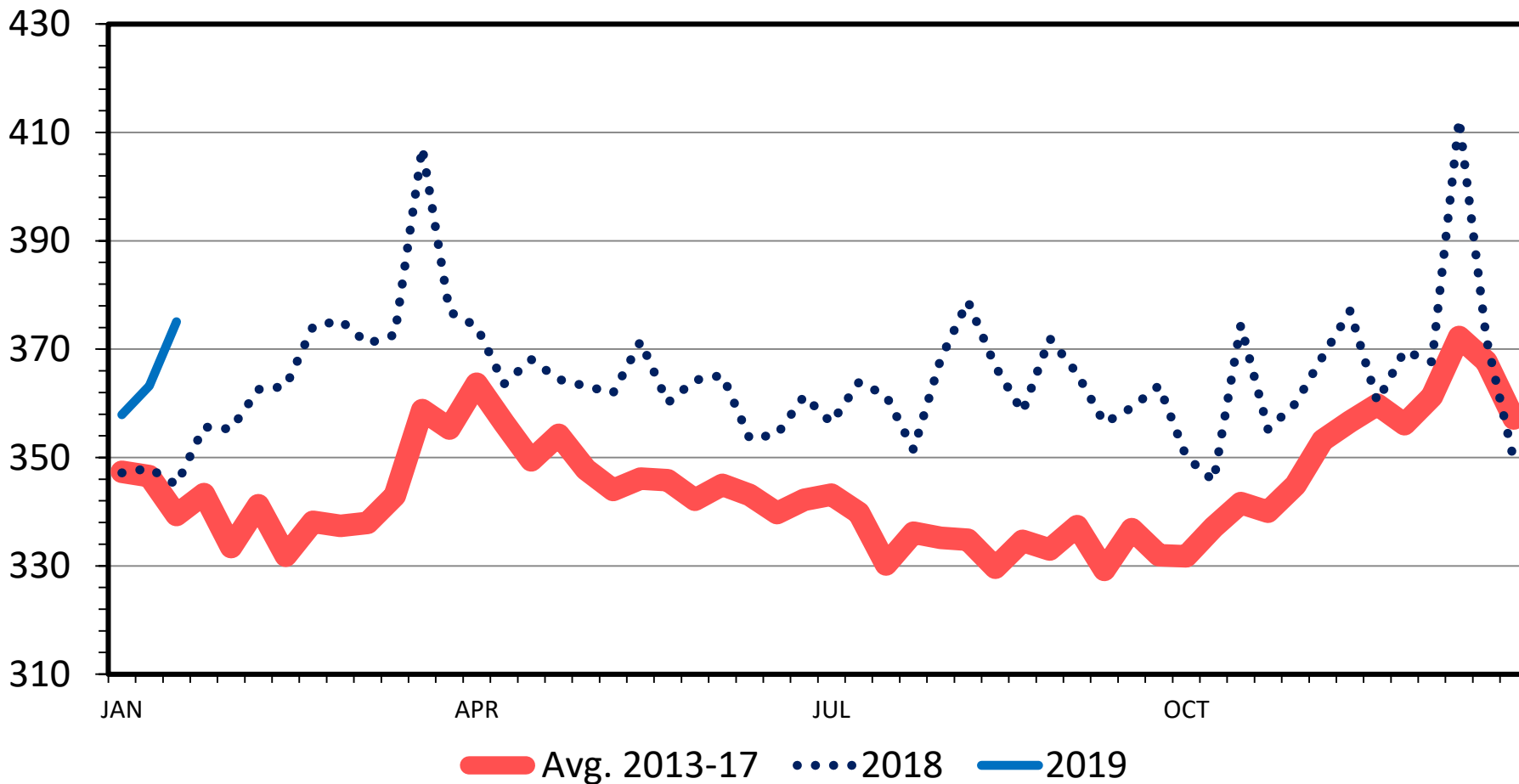
S-P-10  
01/23/19

Livestock Marketing Information Center

# BOXED LAMB SINGLE LEG PRICES

Trotter Off, 5 Day Rolling Average

\$ Per Cwt.



Data Source: USDA-AMS

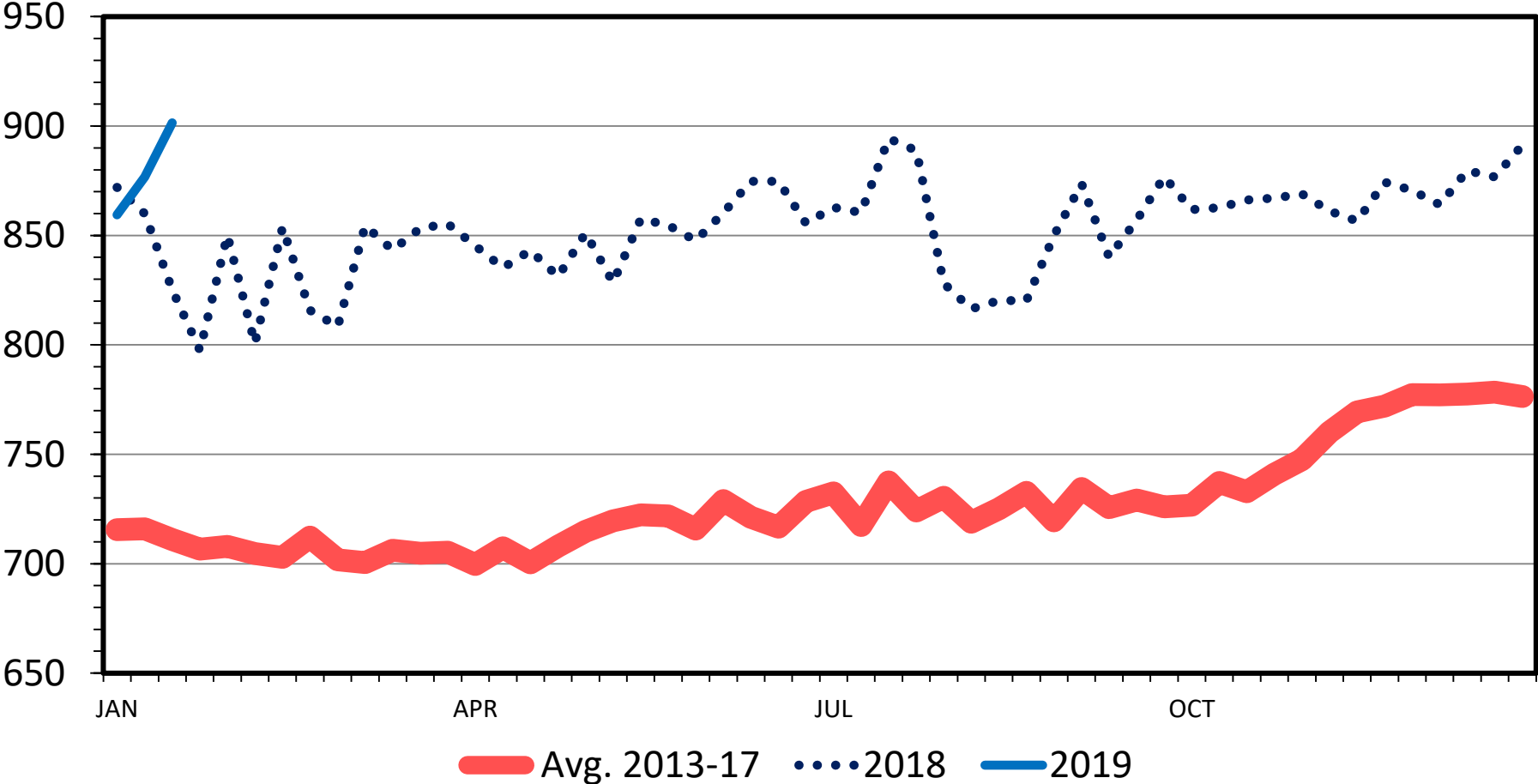
Livestock Marketing Information Center

S-P-14  
01/23/19

# BOXED LAMB RACK PRICES

Medium, 5 Day Rolling Average

\$ Per Cwt.



Data Source: USDA-AMS

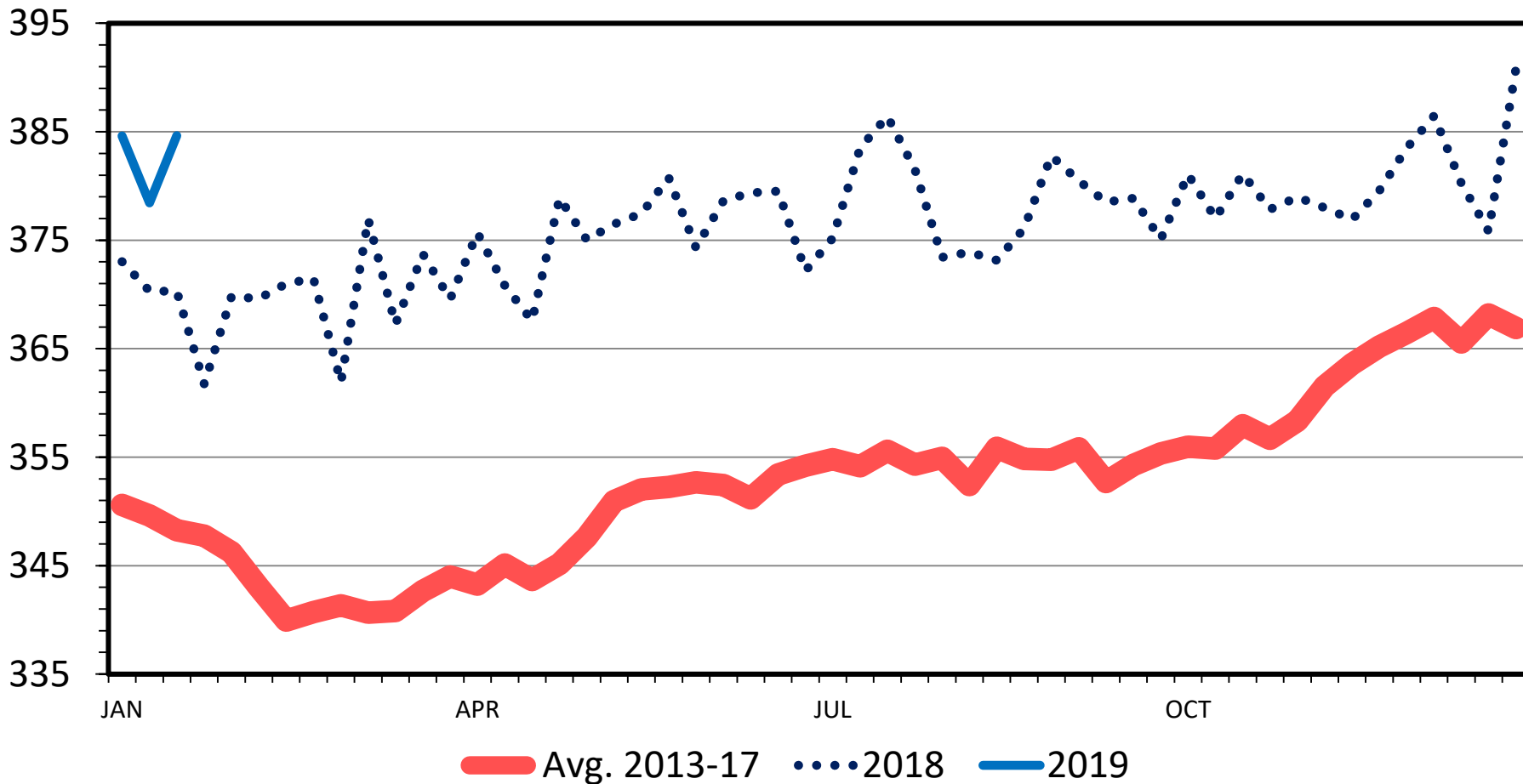
Livestock Marketing Information Center

S-P-16  
01/23/19

# NATIONAL LAMB CUTOUT VALUE

Gross Carcass FOB, 5 Day Rolling Avg

\$ Per Cwt.



Data Source: USDA-AMS

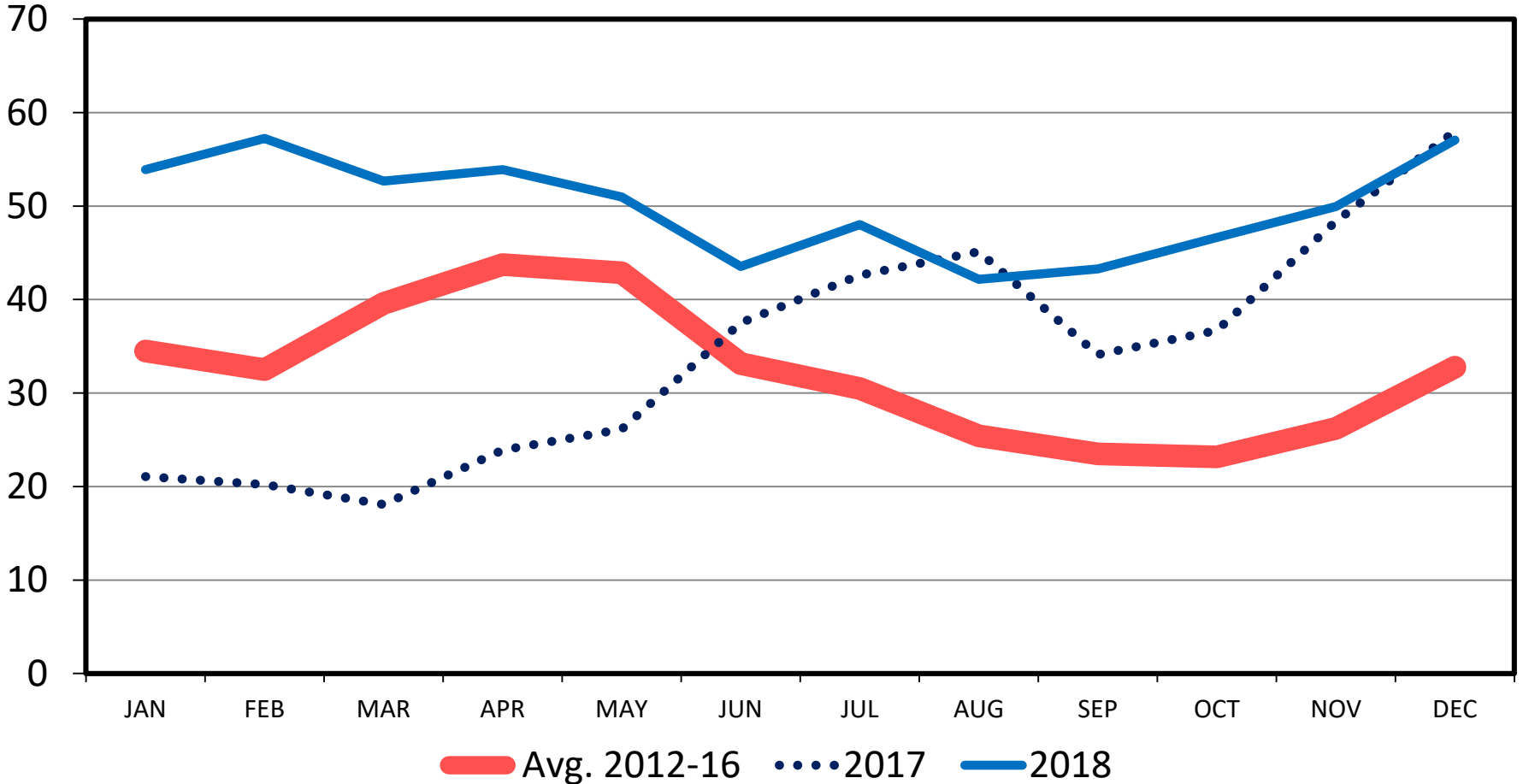
Livestock Marketing Information Center

S-P-18  
01/23/19

# LIVE TO CUTOUT PRICE SPREAD

Monthly

\$ Per Head



Data Source: USDA-AMS, Compiled & Analysis by  
LMIC

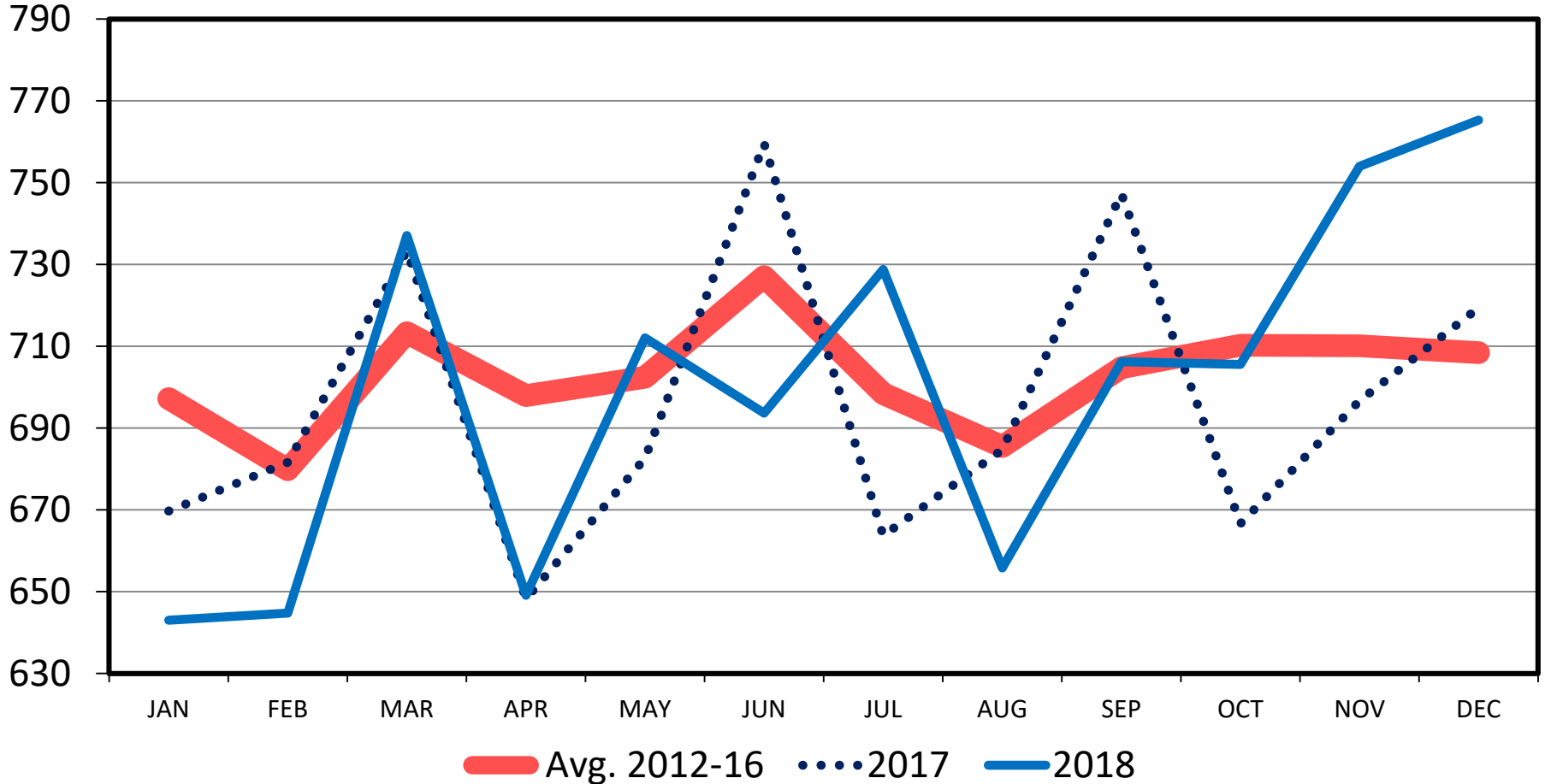
Livestock Marketing Information Center

1/23/2019

# RETAIL ALL LAMB FEATURE PRICE

Monthly

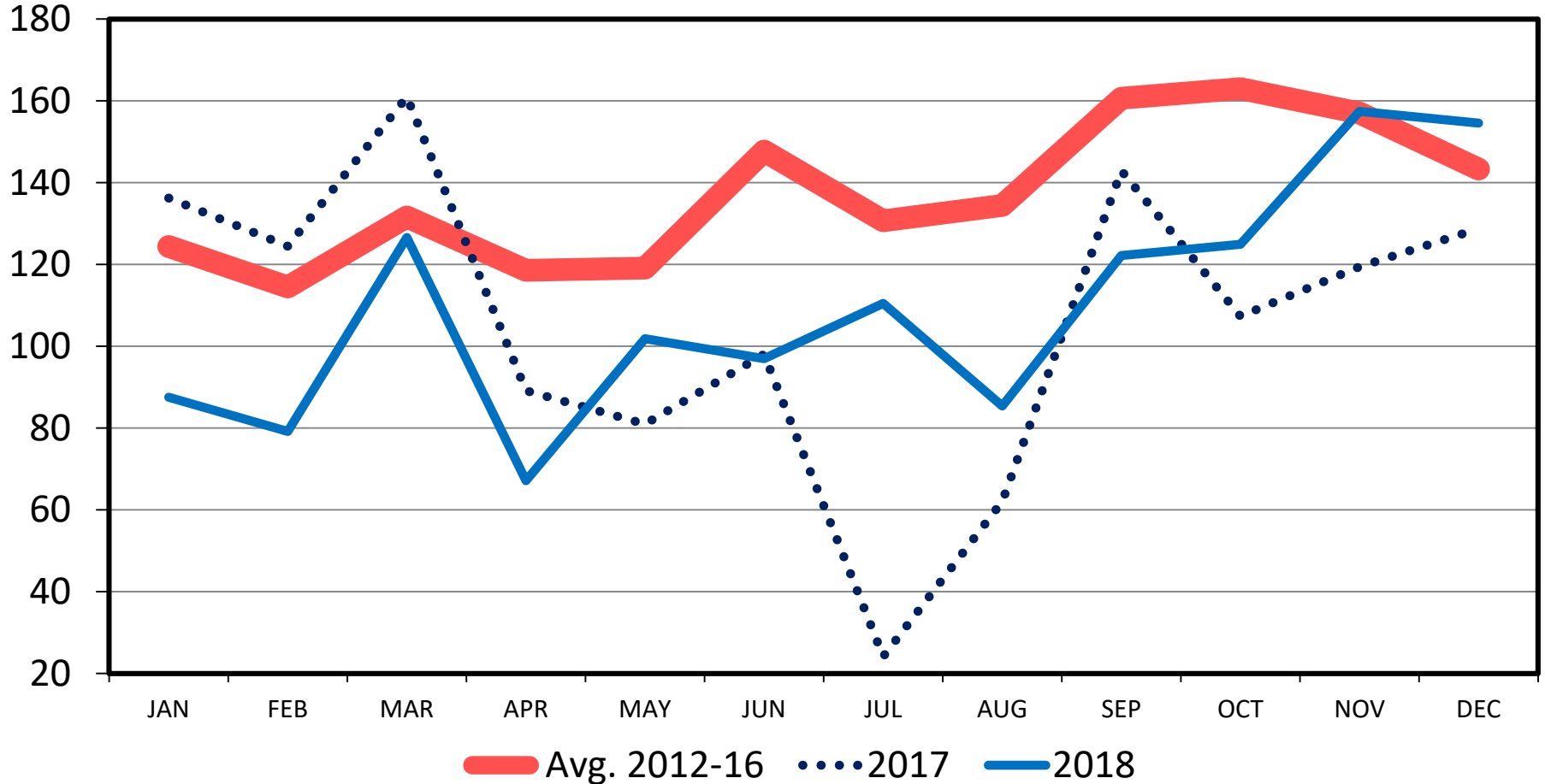
Cents Per Pound



# CUTOUT TO RETAIL (FEATURE) LAMB PRICE SPREAD

Monthly

\$ Per Head



Data Source: USDA-AMS, Compiled & Analysis by  
LMIC

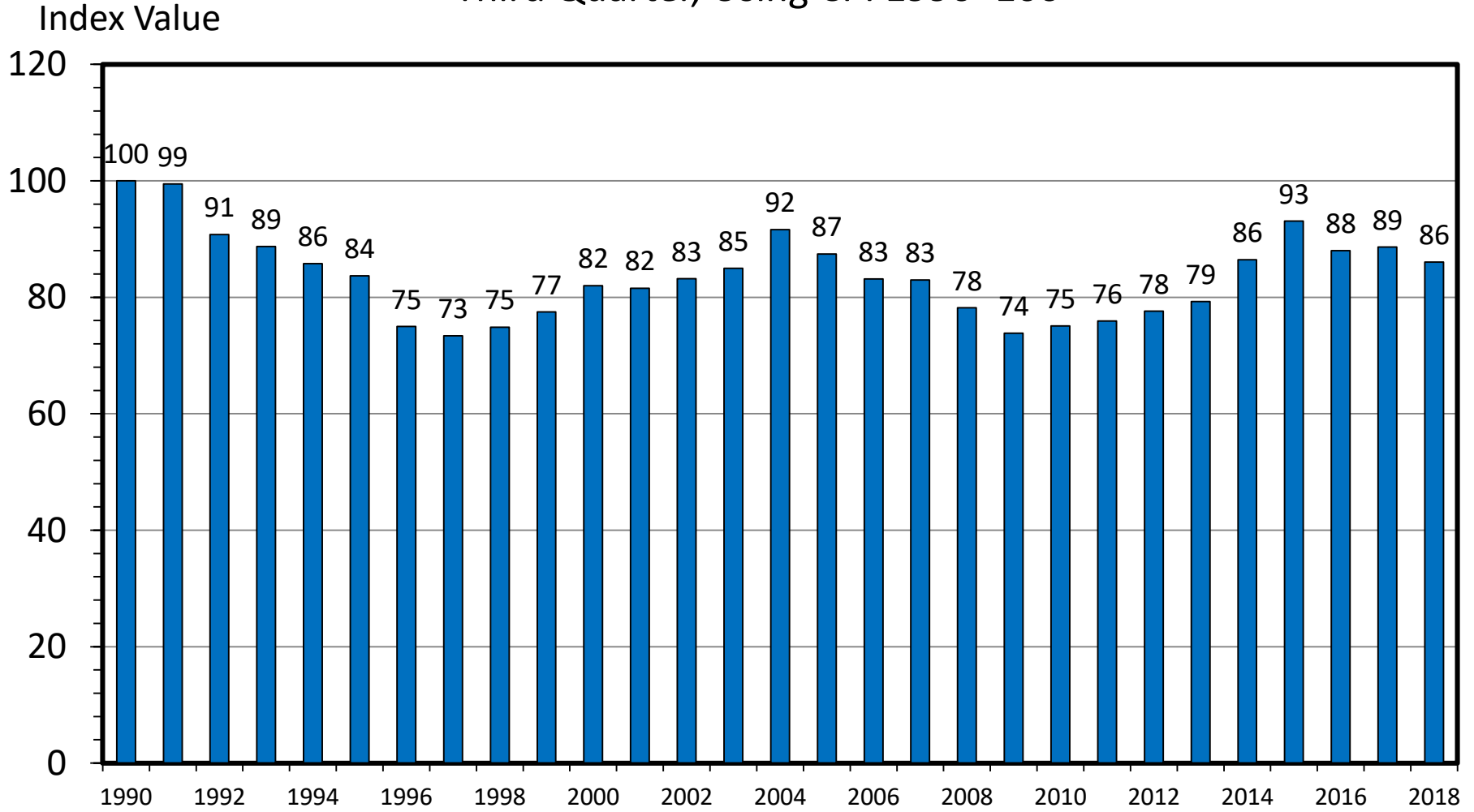
Livestock Marketing Information Center

1/23/2019



# RETAIL ALL FRESH BEEF DEMAND INDEX

Third Quarter, Using CPI 1990=100



**Data Source: Bureau of Labor Statistics, USDA-ERS, Compiled & Analysis by LMIC**

**Livestock Marketing Information Center**

# Summary

---

- Expect Lamb Prices to Climb Closer to Last Couple Years
  - Production near 2018
  - Questions on demand
- Large Cold Storage Stocks
- Imports Large Until Late in Year
- Likely Volatile Prices Remain

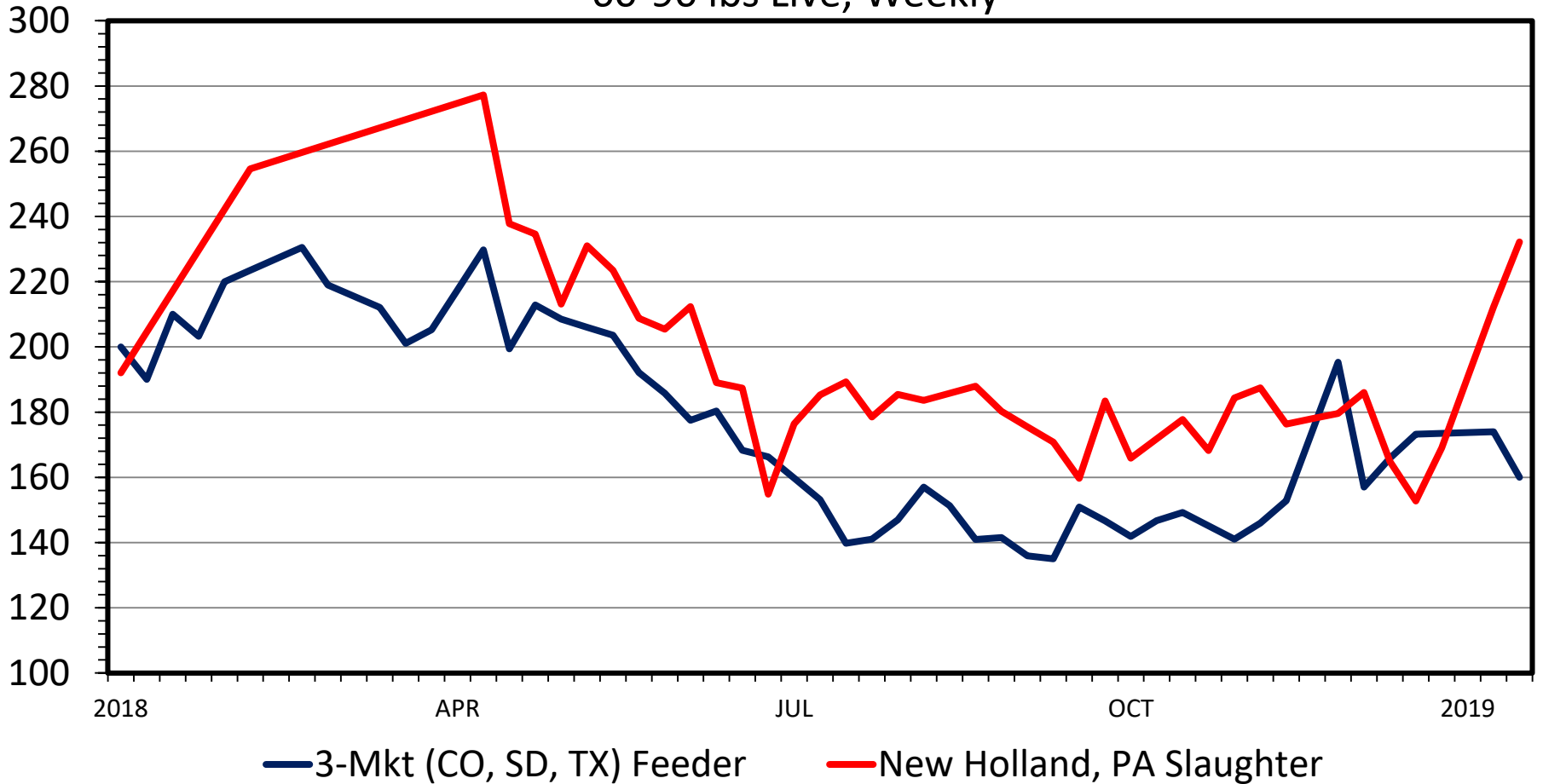
# Prices for 2017-2020

	<b>3 Mkt 60-90 Feeder</b>	<b>Natl. Direct Sltr Lambs</b>
<b>2017</b>	192.71	300.21
<b>2018 I</b>	214.43	262.46
<b>II</b>	194.77	276.30
<b>III</b>	145.03	281.87
<b>IV</b>	156.91	271.17
<b>2019 I</b>	175-190	260-270
<b>II</b>	165-180	274-280
<b>III</b>	150-170	276-285
<b>IV</b>	160-190	266-274
<b>2020 I</b>	180-195	260-269
<b>II</b>	175-185	270-280
<b>III</b>	155-175	273-288
<b>IV</b>	175-184	262-279

# TRADITIONAL vs NON-TRADITIONAL LAMB PRICES

60-90 lbs Live, Weekly

\$ Per Cwt.



Data Source: USDA-AMS, Compiled & Analysis by LMIC  
Livestock Marketing Information Center

# FI As A Percent of Commercial Lamb Slaughter

