Overview

• Usual Suspects
• Production
• Demand
The Usual Suspects

- Stocks
- Imports
- Weights
AUSTRALIA vs. NEW ZEALAND vs. U.S.
RACK PRICES
Frozen, 20 oz/up, Weekly

Data Source: USDA-AMS, Compiled & Analysis by LMIC
Livestock Marketing Information Center
LAMB AND YEARLING DRESSED WEIGHT
Federally Inspected, Weekly

Data Not Reported During Shutdown

Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center
Production
LAMB AND MUTTON PRODUCTION
Federally Inspected, Weekly

Mil. Pounds

JAN
APR
JUL
OCT

Avg. 2013-17
2018
2019

Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center
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
COMMERCIAL MEAT & POULTRY PRODUCTION
By Type of Meat, Annual

Data Source: USDA-NASS, Compiled & Forecasts by LMIC
Livestock Marketing Information Center
FEEDER LAMB PRICES
3-Market Average; CO, TX & SD; Weekly

Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center
Slaughter Lamb Prices
National Direct, Hot Carcass, Weekly

Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center
PREMIUM UNSHORN LAMB PELT PRICES
FOB, Weekly

Data Source: USDA-AMS
Livestock Marketing Information Center
BOXED LAMB RACK PRICES
Medium, 5 Day Rolling Average

$ Per Cwt.

JAN | APR | JUL | OCT

Data Source: USDA-AMS
Livestock Marketing Information Center
NATIONAL LAMB CUTOUT VALUE
Gross Carcass FOB, 5 Day Rolling Avg

$ Per Cwt.

Data Source: USDA-AMS
Livestock Marketing Information Center
Data Source: USDA-AMS, Compiled & Analysis by LMIC
Livestock Marketing Information Center
RETAIL ALL LAMB FEATURE PRICE

Monthly

Cents Per Pound

- Avg. 2012-16
- 2017
- 2018

Data Source: USDA-AMS
Livestock Marketing Information Center
1/23/2019
CUTOUT TO RETAIL (FEATURE) LAMB PRICE SPREAD

Monthly

$ Per Head

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec

$180 - $20

Avg. 2012-16

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

1/23/2019

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

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<th>3 Mkt 60-90 Feeder</th>
<th>Natl. Direct Sltr Lambs</th>
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<td>192.71</td>
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<td>156.91</td>
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<td><strong>2019 I</strong></td>
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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