



United States Department of Agriculture

Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses





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2017 ASI Wool Roundtable

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Topics to Discuss

1. Feeder Lambs
2. Slaughter Lambs
3. Colorado Feedlot Inventory
4. Territory Wools
5. Australian Wools



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Feeder Lamb Prices

Feeder Lamb Prices

- Mid-West feeders remained steady this fall
 - Main reasons:
 - Feeders had re-entered the market in 2015
 - Many had exited while grain prices were seeing all time highs, and the past two years have opted to feed their corn.
 - Much Cheaper Cost of gain than Colorado
 - Estimates were reaching low 50's while estimates for Colorado were into the mid 70's

Feeder Lambs

California 2016 spring

- > Weighted Avg prices reported 154.08 FOB/CWT.

- > A low of 136.00 to a high of 182.00.

- > Previous Year averaged 143.30 FOB/CWT.

Idaho

- > Late July to early August 170.70

- > Late August through September:

- > 80-90 lbs mostly 160.00-165.00

- > 90-100 lbs mostly 155.00-160.00

- > Over 100 lbs mostly 150.00-155.00



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Slaughter Lambs

Slaughter Lambs

- The last two years has seen more market stability.
- Trades have ranged live within about 35.00/CWT live range.
- These are sustainable peaks and valleys.

Slaughter Lambs

Negotiated Cash Price for week ending January 6, 2017

- > Weighted Average Price of 141.01

Negotiated Cash Price for week ending January 8, 2016

- > Weighted Average Price of 135.97

- > Price was up 5.04 compared to last year

Slaughter Lambs

The formula lamb market.

- Sets of data have not been available for some time. Though talk had showed there was market resistance once again this past year.
 - A large supply of current imports is aiding in this problem.
 - Currency is another major factor at this time.
- ✘ The majority of the old crops were through the system by mid-July and almost all by August 15 the past two years.
 - This is back to a historical norm
 - 2012 – it was October
 - 2013 – it was September



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Colorado Feedlot Inventory

Colorado Feedlot Inventory

As of January 1, 2017 Colorado had 192,425 lambs on feed.

- January 1, 2016 there were 192,045 lambs on feed.
- Numbers are very close to last year.

Feeding Situation

➤ Imperial Valley

- CA has had more rain this winter than the past several years.
- Southern part of the state is still considered drought conditions, though the rain has brought relief.
- COG still around .90-1.00.
 - COG will once again be cheaper in Colorado
 - Currenty .75-.85

Feeding Situation

- Less lambs in the Imperial Valley once again this year.
 - Estimates of 70,000 head.
 - Last year there were around 80,000 head.
 - Cost once again the largest reason for declining numbers in the Imperial Valley.



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Territory Wools



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WOOL PRICES FOR TERRITORY STATES

2015 Clean Price

<u>Micron</u>	<u>Price</u>
▪ 21	3.70
▪ 22	3.63
▪ 23	3.43
▪ 24	3.18
▪ 25	3.09
▪ 26	2.93

Annual Averages Prices Reported

2016 Clean Price

<u>Micron</u>	<u>Price</u>	<u>Change</u>
▪ 21	3.95	+0.25
▪ 22	3.89	+0.26
▪ 23	3.65	+0.22
▪ 24	3.35	+0.17
▪ 25	3.16	+0.07
▪ 26	2.96	+0.03

Annual Averages Prices Reported



Domestic Wool Trade

- Prices across the micron range were up in 2016
 - Finer wools under 24 micron had largest gains
 - Over 24 micron are steady to slightly higher
 - Active buyers even with fluctuating foreign markets
 - The U.S. Dollar has been stronger than the Australian dollar since May of 2013.

Domestic Wool Trade

- **Wools with little to no defect were bringing over 80 percent of Australia this year. Many were in the 85-90 percent range.**
- **Cleanup sales in November and December saw higher defects and prices closer to 65-75 percent of Australia.**
- **Shearing is currently taking place in the west, though there has been a lot of rain on the West Coast.**
- **Wool clearances this year were high, with very little carryover on warehouse shelves.**

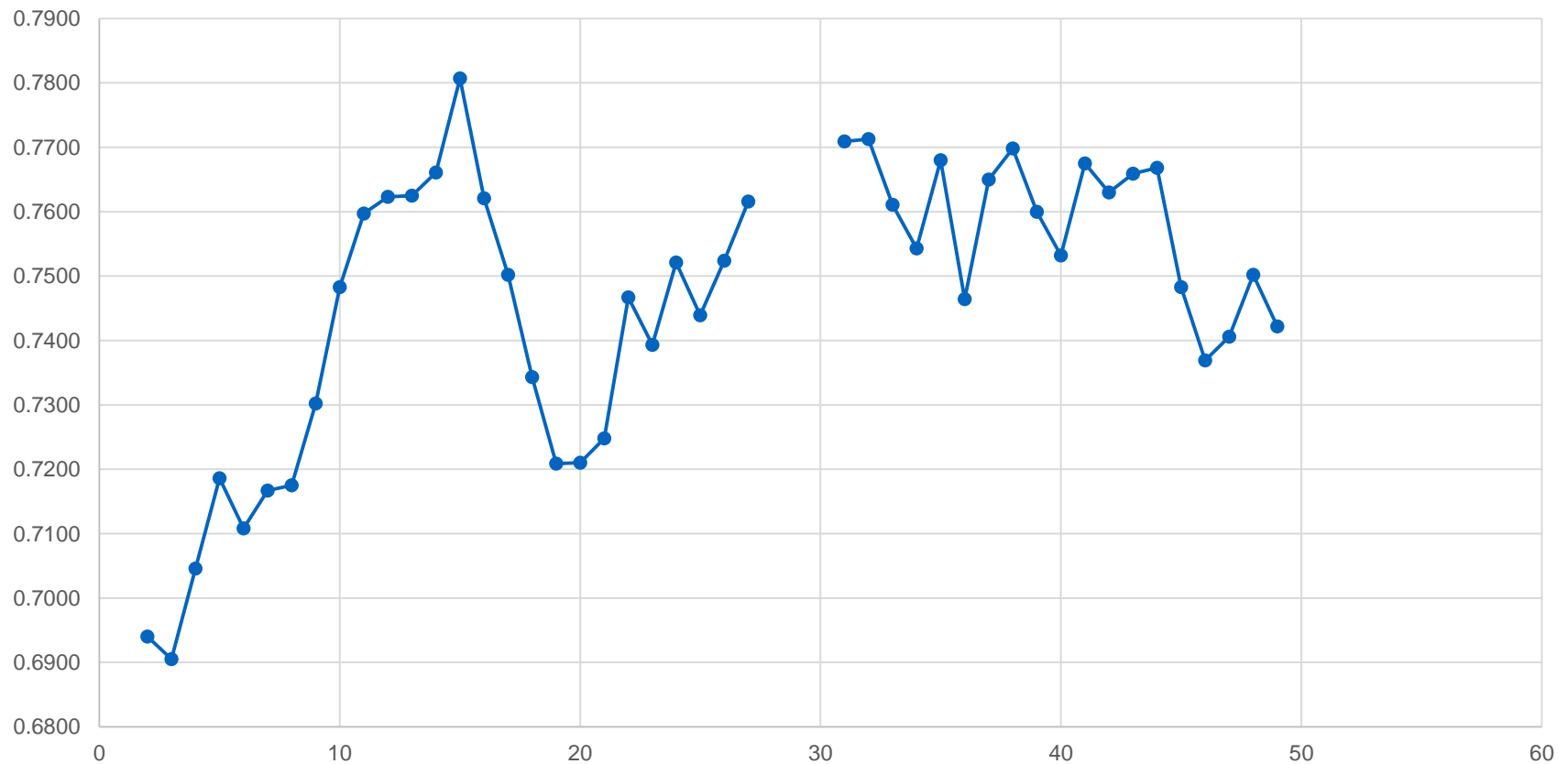
Australia Data

Australia Data

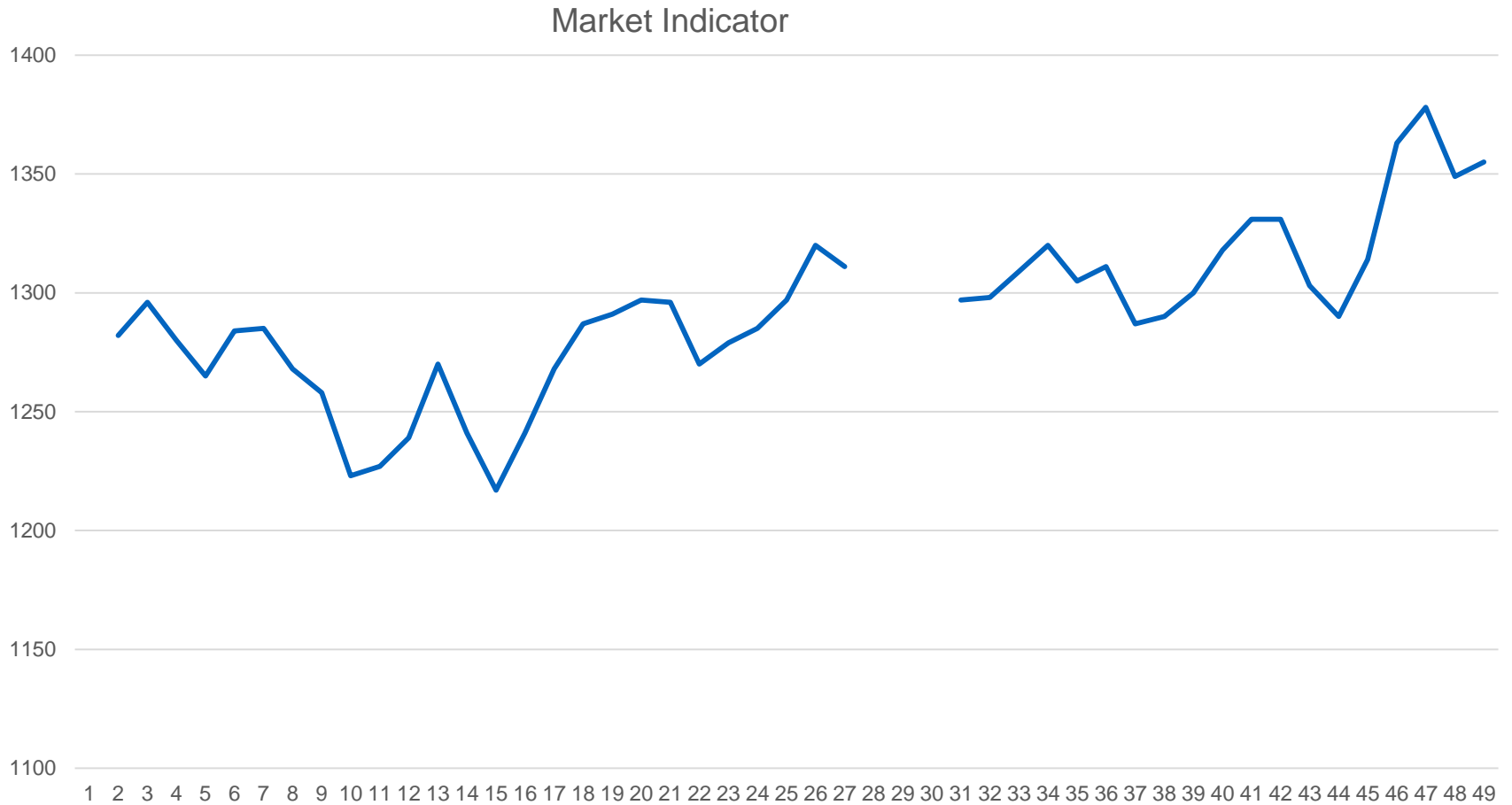
- EMI topped out in late June of 2011 at 1436
- From then until present time the eastern market indicator has bounced from lows of mid 900's to high 1300's.
- This past year has stayed from mid 1200's to low 1300's.
 - It trends up for a week or two, then down for a week or two.
 - Mostly follows the same line as currency as compared to the USD.
 - The erratic market movement over the past several years has made it more difficult for warehouses to do much forward contracting.

Australia Data

Exchange Rate



Australia Data



Global Outlook

Consumption of wool products has remained steady over the past year.

Geographical regions are up in some places and down in others.

No real trends.

Australia and New Zealand production has decreased each of the last couple years due to crossing with meat breeds and capitalizing on an increasing export market.

It should continue to return an increase in demand for wool products with the U.S. economy being the wildcard.

New technologies and market strategies are seeing wool garments hit more shelves.

Thank you for
your time!



Questions?