Lamb Markets and Managing in These Uncertain Times

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29 US Land Grant Universities:

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- NWFCS
- DLR
- Agri-Food Canada

8 USDA Agencies:
- AMS (Market News), APHIS,
- ERS, GIPSA (Packers & Stock.),
- NASS, FAS, FCA, and WAOB

[Map of the US with states marked in green]
Topics: Cattle Market Outlook, Etc. …

• Monitoring and Managing in this Environment
• Some Big Picture Comments
  – Domestic U.S. Consumer Sentiment
  – U.S. Lamb & Mutton Imports
  – Competing Meats – Pork and Beef
• Forage and Crops
• Lamb Markets and Prices
  – Where Prices Are
  – Slaughter and Frozen Stocks
  – National Flock
  – Outlook ????
• Discussion

USDA Data Sources – NASS, AMS, FAS, and ERS
Forecasts by – LMIC
Monitoring & Managing
Managing in this Environment
(Perspective from an Economist)

• **Volatility ...**
  – Hand-to-mouth markets
  – Disruptions (packing plants, buyers not showing-up at auction barn, etc.)
  – Commercial slaughter and status of Mountain States Rosen plant in Colorado – *Ominous Dark Cloud*
  – Bunching-up of animals going to market

• **Monitor Forage ...**
  – Re-evaluate on farm/ranch production and needs
  – Look at area, region, and nation

• **Watch ...**
  – Conservation Reserve Program (CRP) developments/announcements
  – Feedstuff costs, especially corn. Least cost options and cost of gain can change quickly
More -- Managing in this Environment
(Perspective from an Economist)

• Planning …
  – Cash flow statement links to marketing plan
  – Develop, adapt, and communicate.

• View Forage-based Livestock Enterprise Management as a Sequential Decision Process
  – Drought
  – Black Swan economic events – **Survival = Financial Staying Power**
    (Balance Sheet)
COVID-19 – Now **Both** Decreasing Demand for Lamb and Increasing Supply of Meat & Poultry
**US LAMB IMPORTS**

Carcass Weight, Monthly

![Graph showing US LAMB IMPORTS: Mil. Pounds vs. Months from Jan to Dec. The graph displays data for Avg. 2014-18, 2019, and 2020. The data source is USDA-ERS & USDA-FAS.](image-url)
US LAMB & MUTTON IMPORTS

Carcass Weight, Annual

Data Source: USDA-ERS & USDA-ERS, Compiled by LMIC
U.S. LAMB AND MUTTON IMPORTS
As a Percentage of Commercial Production, Carcass Weight, Annual

Data Source: USDA-ERS & USDA-FAS, Compiled and Forecasts by LMIC
Competition from Pork and Beef
Forage and Crops
June 9, 2020
(Released Thursday, Jun. 11, 2020)
Valid 8 a.m. EDT

Drought Impact Types:
- \( \sim \) Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:
- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

droughtmonitor.unl.edu
US RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly

Data Source: USDA-NASS, Compiled & Analysis by LMIC
PERCENT CHANGE MAY 1 HAY STOCKS
(2019-2020)

Livestock Marketing Information Center
Data Source: USDA-NASS
Lamb Markets & Price Outlook
FEEDER LAMB PRICES
3-Market Average; CO, TX & SD; Weekly

$ Per Cwt.

Data Source: USDA-AMS, Compiled by LMIC
SLAUGHTER LAMB PRICES
Wooled, 110-130 lbs, Sioux Falls, Weekly

$ Per Cwt.

JAN  APR  JUL  OCT

Avg. 2014-18  2019  2020

Data Source: USDA-AMS
SLAUGHTER LAMB PRICES
National Direct, Formula, Hot Carcass, Weekly

$ Per Cwt.

Avg. 2014-18
2019
2020

Data Source: USDA-AMS, Compiled by LMIC
SHEEP & LAMB SLAUGHTER
Federally Inspected, Weekly

Thou. Head

Data Source: USDA-AMS & USDA-NASS
Thou. Head

HOG SLAUGHTER
Federally Inspected, Weekly

Data Source: USDA-AMS & USDA-NASS
LAMB AND MUTTON IN COLD STORAGE
Frozen, End of the Month

Mil. Pounds

Data Source: USDA-NASS
BREEDING EWES 1 YEAR & OLDER

Projections, January 1, U.S., Annual

Mil. Head

Data Source: USDA-NASS
LAMBS BORN PER BREEDING EWE 1 YEAR & OLDER
U.S.

Data Source: USDA-NASS
LAMB AND YEARLING DRESSED WEIGHT
Federally Inspected, Weekly

Thou. Head

Data Source: USDA-AMS & USDA-NASS
COLORADO LAMBS ON FEED

Monthly

Thou. Head

Data Source: USDA-AMS
Thank You!

Discussion and Questions?