

Monthly US Lamb Market Update

June 2020 Issue

Prepared Exclusively for Meat & Livestock Australia - Sydney

June 29, 2020

USA Domestic Lamb Market - Supply/Demand Situation

US lamb production has recovered as processing plants are now back to year ago capacity. Lamb and sheep slaughter for the week ending June 27 was estimated at 38,000 head, about 5% higher than a year ago. In the last four reported weeks, lamb and sheep slaughter has averaged about 1% higher than last year's levels. In April, weekly lamb slaughter averaged as much as 24% under year ago. Lamb dressed weights had been running below year ago levels for the first few months of the year but the slowdown in slaughter during April reversed that trend. In the last four reported weeks, lamb dressed weights have averaged 68.3 pounds per carcass, 0.8% higher than the comparable four week period last year. The result has been higher lamb and mutton production that a year ago and lower prices during June.

Slaughter lamb prices were higher in May but still well below year ago levels. Lack of slaughter demand caused lamb prices to collapse in April. The average price of choice and prime lambs in Sioux Falls SD in mid April was as low as 108/cwt, a 40% decline from just six weeks prior. Slaughter lamb prices in San Angelo Texas dropped to \$103, down 36% compared to late February levels. Since then prices have posted a modest recovery. The average price in May Sioux Falls basis was \$127/cwt, 18% higher than what it was in April but still as much as 23% lower than a year ago. Retail demand may have improved but it remains problematic given the lack of aggressive featuring. The main challenge for the industry at this time is foodservice demand. Restaurants around the country have started to open up but with limited capacity. White table cloth dining is further handicapped by the lack of tourism business as well as the continued weakness in business travel.

Lack of features and higher prices hamper product movement at retail. There is a lag between the supply of lamb available in the market, wholesale prices and what the consumer eventually sees in the retail case. Lack of supply from slaughter plants, especially lack of low priced lamb negatively impacted retail features in May and the situation remains tenuous heading into the 4th of July (Independence Day) weekend. The table above and the chart illustrate the rate of featuring and the feature prices at retail based on a USDA survey of thousands of establishments. During four June weeks, there were 7,095 lamb features in the grocery stores surveyed by USDA compared to 9,885 features a year ago, a 28% decline. One of the most featured items last year was boneless, butterflied leg of lamb. This year there were almost no features for that item. Our guess is that plants continue to struggle with labor in fabrication lines, affecting supply of labor intensive products.

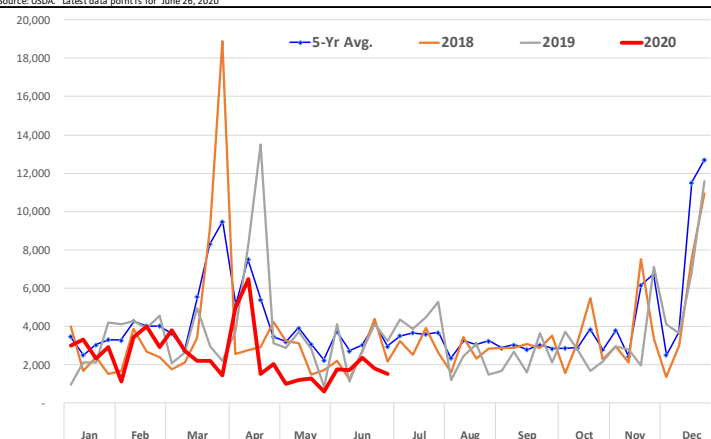
Retail Lamb Features and Feature Prices in Last Four Weeks vs. Year Ago

Source: USDA-AMS. Analysis by Steiner Consulting

	June 7 - Jun 28, 2019		Jun 5 - Jun 26, 2020		Y/Y % Feat. Ch.	Y/Y % Price Ch.
	store features	price in \$/lb.	store features	price in \$/lb.		
Shldr Blade Chop	2,080	6.26	1,230	6.19	-41%	-1%
Shldr rnd bone chop	460	6.71	350	5.99	-24%	-11%
Lamb Racks	500	14.42	2,030	11.04	306%	-23%
Lamb Loin Chops	3,560	7.84	2,390	6.62	-33%	-16%
Bone-in Lamb Leg	40	3.99	200	7.99	400%	100%
Boneless Lamb leg	220	9.16	390	6.96	77%	-24%
Semi-Bnls Lamb Leg	-	-	-	-	-	-
Bnls Lamb Leg, Butterflied	2,400	6.28	80	7.15	-97%	14%
Lamb Leg, Shank/Butt	-	-	270	6.53	-	-
Ground Lamb	115	6.99	20	7.32	-83%	5%
Lamb Shank	300	5.74	45	5.05	-85%	-12%
Lamb Stew Meat	210	5.49	90	5.99	-57%	9%
Features and Wt. Avg. Pric	9,885	7.30	7,095	7.82	-28%	7%

NATIONAL RETAIL LAMB FEATURE REPORT: ACTIVITY INDEX

Source: USDA. Latest data point is for June 26, 2020



Imported Lamb Supply and Price Trends

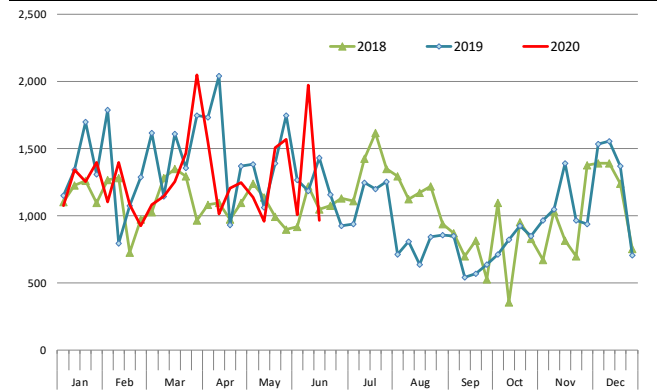
Lamb imports were down in May and expected to decline further in June and July.

The latest US lamb import statistics are for the month of April. The data showed total imports of fresh/frozen lamb and mutton were 12,880 MT, 5.8% higher than the previous year. Imports of lamb and mutton from Australia in April were 9,929 MT, 15.2% higher than the previous year. Higher mutton imports offset the reduction in imports of lamb meat. Lamb imports for the month were 4,571 MT, down 19% from the previous year. This is consistent with the weekly import data for April, which showed lamb imports down 18% from the previous year. May weekly imports from Australia averaged about 8% lower than the previous year while imports from New Zealand were down 33% vs. the same period last year. We expect June imports to be down as well. Australian lamb exports to the US market in May were 3,459 MT, down 33% from the same period a year ago. Total Australian lamb imports in May declined 39%, with shipments down in all markets.

More mutton, less goat meat in May and early June. As noted, mutton imports were very strong in April and they continued on that trend in May, at least based on weekly numbers. In the four weeks ending May 30, mutton imports from Australia averaged 47% higher than the previous year. Mutton imports continued to post strong gains the first week of June but they have declined sharply since then and we expect supply availability likely declined for the rest of the month. Australian mutton exports to the US market in March were up 45%, which was reflected in the US April figures. Australian exports to the US in April were about steady while May shipments declined 85%. US weekly goat meat imports in May were 40% lower than the previous year. Imports from other markets are almost non-existent at this time.

Imported lamb prices reflect shift to retail. Imported lamb prices have been trending down although the situation varies depending on the type of product. Frozen Australian cap off racks for the week ending June 26 were 31.5% lower than a year ago. Frozen New Zealand product was down 25% compared to last year. On the other hand, prices for bone-in and boneless lamb legs are 3-6% higher than last year. Frozen boneless Australian lamb shoulder was also 5.4% higher than the previous year. Generally items that have more exposure to the retail market are doing better than high value cuts that traditionally go into foodservice. See page 6 for full details on imported lamb cuts.

Weekly Lamb Imports from Australia. Data in Metric Ton, Product Wt. Basis. Source: USDA-AMS



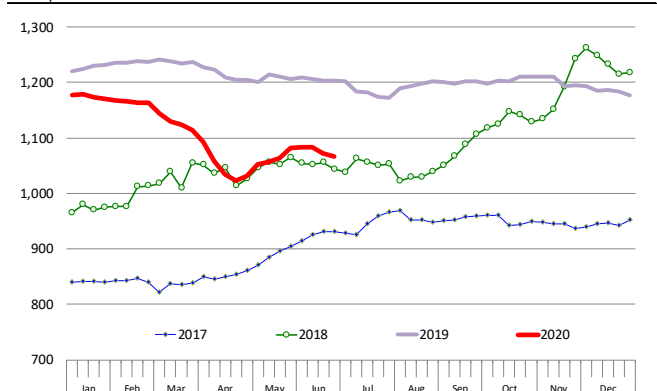
Summary of Australian Lamb Exports: Jan-May

Source: MAFF

	Jan/May '19	Jan/May '20	MT ch.	% ch.
China	28,541	28,836	295	1%
Japan	4,888	4,781	(107)	-2%
South Korea	5,642	5,454	(189)	-3%
Qatar	7,854	7,637	(217)	-3%
Dubai	8,354	6,840	(1,515)	-18%
Jordan	4,320	3,786	(533)	-12%
USA East	20,178	17,665	(2,512)	-12%
USA West	8,335	7,510	(825)	-10%
USA Total	28,513	25,175	(3,337)	-12%
Malaysia	4,340	3,256	(1,084)	-25%
Papua New Guinea	5,866	3,457	(2,408)	-41%
Other	31,907	23,618	(8,289)	-26%
Total Aus	130,225	112,841	(17,385)	-13%

Australian Lamb Racks, Fresh, Cap-off, 28 oz/up. 4-WK Moving Avg.

Weekly Prices. Source: USDA



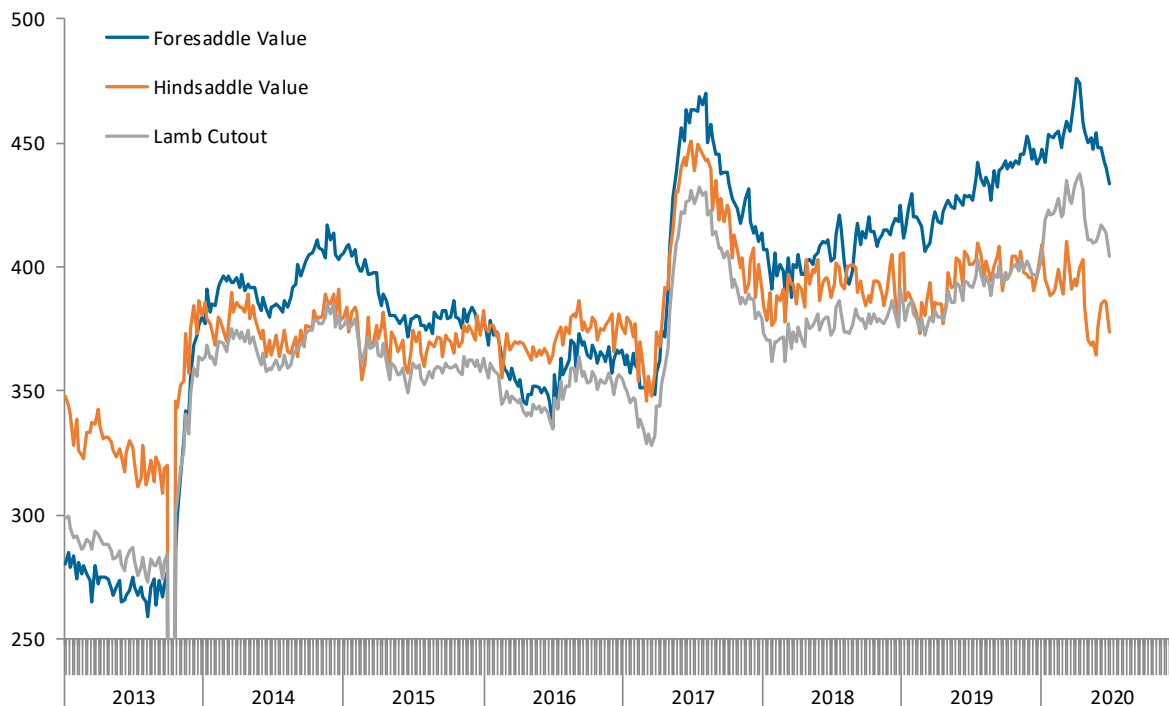
US Domestic Lamb Cut and Primal Values

Weekly Prices from USDA. Wt. Average

		6/26/2020	6/19/2020	w/w	6/28/2019	y/y
		US\$/cwt	US\$/cwt	% ch.	US\$/cwt	% ch.
Foresaddle	204 Rack, 8-Rib, Medium	799.7	822.3	-2.8%	875.7	-8.7%
	209 Breast	284.6	283.4	0.4%	218.7	30.1%
	207 Shoulders, Square Cut	329.1	338.4	-2.8%	307.3	7.1%
	210 Foreshank	417.2	421.0	-0.9%	427.4	-2.4%
	Neck	177.2	188.2	-5.8%	171.4	3.4%
Foresaddle Value		433.7	440.0	-1.4%	429.1	1.1%
Hindsaddle	232 Loin, Trimmed, 4x4	569.1	573.4	-0.8%	523.9	8.6%
	232E Flank, Untrimmed	201.3	197.3	2.0%	133.6	50.6%
	233A Leg, Trotter Off	364.4	377.9	-3.6%	384.7	-5.3%
Hindsaddle Value		373.5	385.5	-3.1%	400.9	-6.8%
Carcass Value		404.2	413.3	-2.2%	392.5	3.0%

Hindsaddle, Foresaddle and Total Lamb Cutout Value

Source: USDA Mandatory Price Reporting System



Domestic Lamb Cutout Value, USA

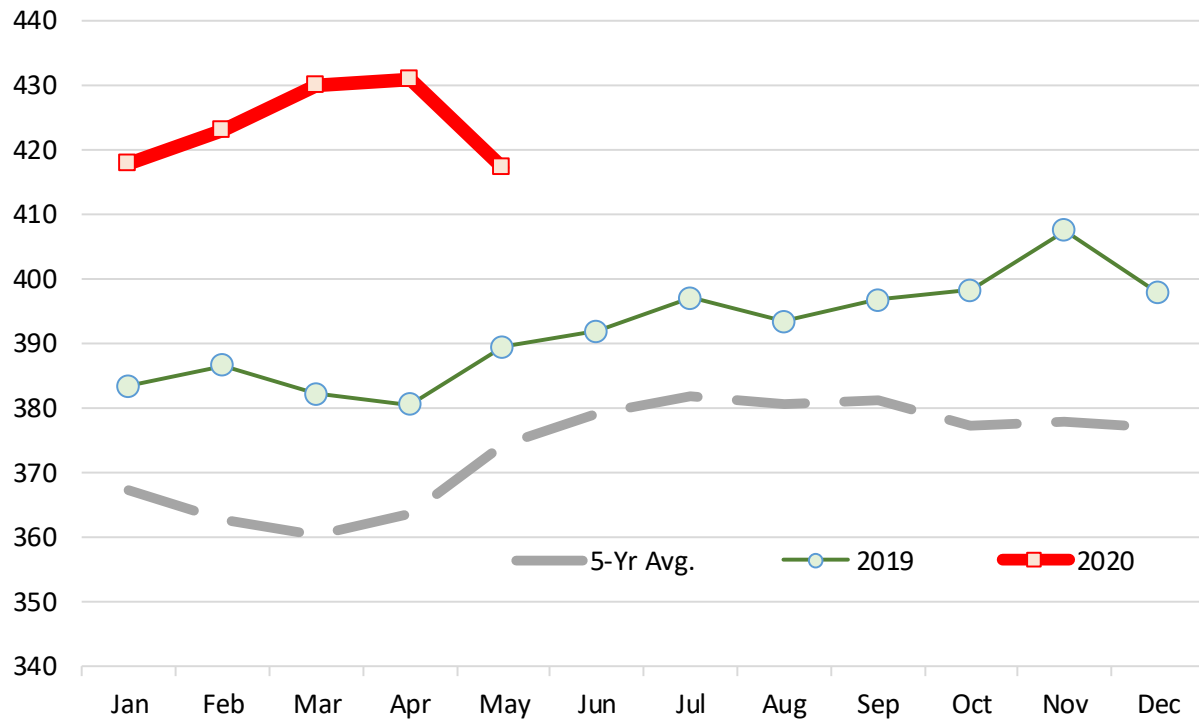
Source: Agricultural Marketin Service, USDA. \$ per 100 lb. Dressed Carcass

	2015	2016	2017	2018	2019	2020	5-Yr Avg.	% ch. vs. Yr Ago	% ch. vs. 5-Yr Avg.
Jan	377.17	358.74	348.34	368.85	383.43	417.78	367.31	9.0%	13.7%
Feb	366.93	351.23	338.77	370.47	386.61	423.08	362.80	9.4%	16.6%
Mar	369.36	347.15	332.97	369.88	382.21	429.97	360.31	12.5%	19.3%
Apr	364.78	344.57	355.50	373.25	380.42	430.76	363.70	13.2%	18.4%
May	361.36	342.63	400.16	377.43	389.48	417.20	374.21	7.1%	11.5%
Jun	355.17	341.06	425.44	382.01	391.81		379.10		
Jul	357.71	343.29	428.96	381.66	397.03		381.73		
Aug	356.28	355.42	421.48	375.87	393.39		380.49		
Sep	359.34	356.77	414.16	378.23	396.62		381.02		
Oct	359.34	354.23	395.31	379.26	398.15		377.26		
Nov	360.56	354.47	386.74	379.39	407.49		377.73		
Dec	361.26	353.66	388.59	383.36	397.78		376.93		

Note: Monthly Cutout Value Calculated Using Weekly Data

USA Domestic Lamb Cutout Value

Monthly Avg. Price; Source: USDA



Slaughter Lamb Price, Sioux Falls, SD Basis

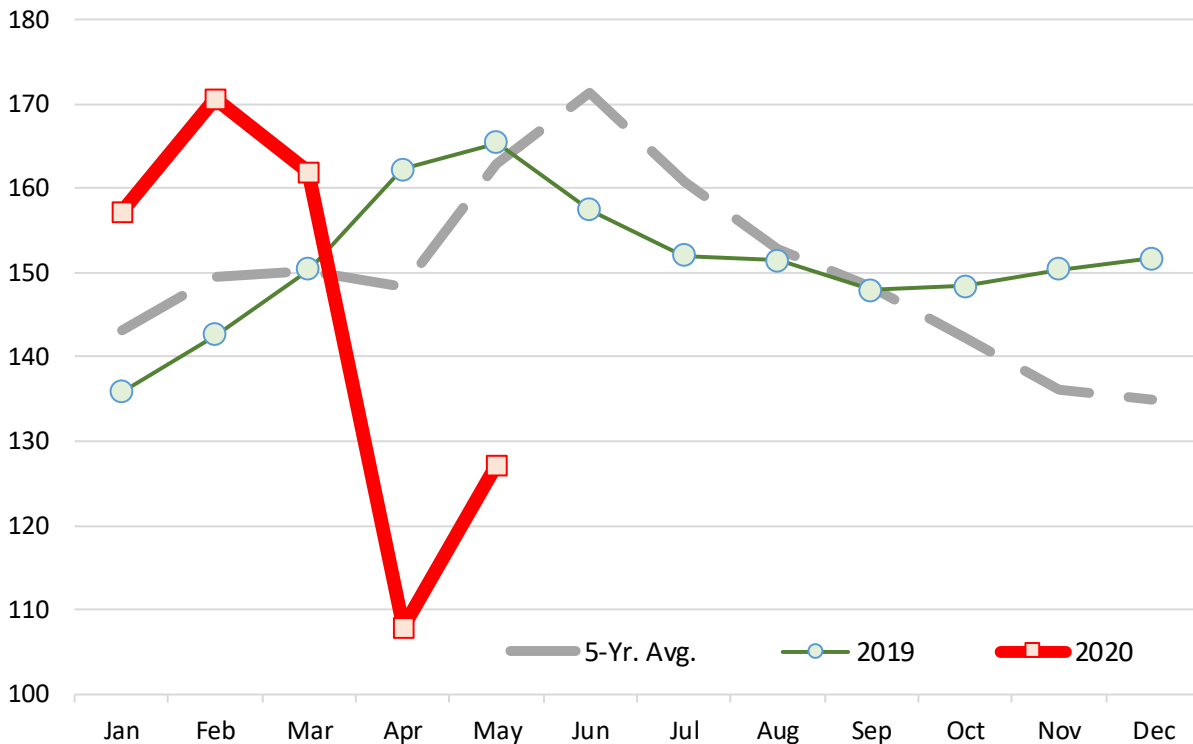
Monthly Average Prices, 100-150 lb. Woolled and Shorn, Choice & Prime 2-3 . \$ per 100 lb.

	2015	2016	2017	2018	2019	2020	5-Yr. Avg.	% ch. vs. Yr Ago.	% ch. vs. 5-Yr Avg.
Jan	143.3	138.5	141.7	142.1	135.8	157.2	143.1	15.7%	9.8%
Feb	144.5	139.9	144.6	154.1	142.6	170.6	149.4	19.6%	14.2%
Mar	141.8	135.5	158.1	153.6	150.4	161.9	150.2	7.7%	7.8%
Apr	143.4	143.0	177.9	156.0	162.2	107.8	148.4	-33.5%	-27.3%
May	156.6	156.7	209.9	161.6	165.4	127.1	162.9	-23.1%	-22.0%
Jun	167.5	164.0	200.6	166.6	157.4		171.2		
Jul	158.9	168.7	177.7	146.3	152.0		160.7		
Aug	157.7	166.0	156.3	132.4	151.5		152.8		
Sep	159.4	161.3	144.0	129.3	147.9		148.4		
Oct	157.7	140.3	134.3	130.4	148.4		142.2		
Nov	138.7	131.5	131.4	129.1	150.3		136.2		
Dec	129.1	134.3	126.8	133.0	151.7		135.0		

Source: USDA

Slaughter Lamb Price, Sioux Falls, SD Basis

Monthly Average Prices, 100-150 lb. Woolled and Shorn, Choice & Prime 2-3 . \$ per 100 lb.



Imported Lamb Price Summary

Source: USDA Agricultural Marketing Service, Mandatory Price Reporting

	2019 Volume	2019 Wt. Avg. \$	2019 Implied Value	Jul 1, 2019	Jun 22, 2020	Jun 29, 2020	% ch. vs. two wk Ago	% ch. vs. Year Ago
Fresh/Chilled								
	Pounds	\$/lb.	Total \$					
AUS Shortloin, 1-Rib, 0x0	8,528,127	\$ 4.95	\$ 42,199,023	\$ 4.74	\$ 4.91	\$ 4.92	0.1%	3.8%
AUS Shoulder, Square-cut	4,481,193	\$ 3.02	\$ 13,543,443	\$ 2.88	\$ 3.19	\$ 3.16	-1.0%	9.7%
AUS Rack, FR, Cap-off, 24-28 oz	797,608	\$ 11.95	\$ 9,532,114	\$ 11.87	\$ 8.06	\$ 10.21	26.7%	-14.0%
AUS Rack, FR, Cap-off, 28 oz/up	785,560	\$ 12.07	\$ 9,478,315	\$ 11.93	\$ 10.64	\$ 10.76	1.1%	-9.8%
AUS Shortloin, 1-Rib, 1x1	740,994	\$ 4.26	\$ 3,153,708	\$ 3.71	\$ 4.50	\$ 4.46	-1.0%	20.1%
AUS Leg, semi bnls	574,293	\$ 3.71	\$ 2,133,410	\$ 3.84	\$ 4.44	\$ 4.35	-2.2%	13.2%
AUS Rack, FR, Cap-off, 20-24 oz	307,216	\$ 11.88	\$ 3,650,508	\$ 11.95	\$ 8.22	\$ 8.69	5.7%	-27.3%
AUS Foreshank, VP	135,199	\$ 3.03	\$ 410,129	\$ 3.13	\$ 3.38	\$ 3.34	-1.2%	6.8%
Subtotal	16,350,190	\$ 5.14	\$ 84,100,651	\$ 4.97	\$ 4.89	\$ 4.99	2.2%	0.5%
Frozen								
AUS Leg, Long	8,370,493	\$ 2.39	\$ 20,019,990	\$ 3.59	\$ 3.74	\$ 3.83	2.4%	6.6%
AUS Foreshank, LP	3,790,731	\$ 2.39	\$ 9,066,419	\$ 2.78	\$ 2.84	\$ 2.75	-3.3%	-1.1%
AUS Shoulder, Square-cut	2,513,670	\$ 2.39	\$ 6,012,029	\$ 2.72	\$ 2.80	\$ 2.69	-3.6%	-1.1%
AUS Leg, bnls	1,743,261	\$ 2.39	\$ 4,169,416	\$ 3.85	\$ 4.23	\$ 3.96	-6.3%	3.1%
AUS Hindshank, LP	1,174,944	\$ 2.39	\$ 2,810,153	\$ 2.62	\$ 2.90	\$ 2.71	-6.4%	3.6%
AUS Shoulder, Square-cut, bnls	944,929	\$ 2.39	\$ 2,260,019	\$ 3.82	\$ 4.02	\$ 4.03	0.2%	5.4%
AUS Rack, FR, Cap-off, 20-24 oz	862,556	\$ 2.39	\$ 2,063,004	\$ 11.18	\$ 8.14	\$ 7.66	-5.9%	-31.5%
AUS Rack, FR, Cap-off, 24-28 oz	706,739	\$ 2.39	\$ 1,690,331	\$ 11.09	\$ 9.32	\$ 9.43	1.2%	-15.0%
AUS Rack, FR, Cap-off, 28 oz/up	671,365	\$ 2.39	\$ 1,605,726	\$ 11.21	\$ 8.70	\$ 10.68	22.8%	-4.7%
AUS Hindshank, VP	40,426	\$ 2.39	\$ 96,688	\$ 3.31	\$ -	\$ 3.47	n/a	4.6%
NZ Rack, FR, Cap-off, 16-20 oz	3,524,701	\$ 2.39	\$ 8,430,146	\$ 11.79	\$ 10.93	\$ 10.69	-2.2%	-9.3%
NZ Rack, FR, Cap-off, 12-16 oz	1,665,018	\$ 2.39	\$ 3,982,280	\$ 12.02	\$ 11.28	\$ 11.02	-2.3%	-8.3%
NZ Rack, FR, Cap-off, 20 oz/up	1,107,888	\$ 2.39	\$ 2,649,773	\$ 11.45	\$ 9.69	\$ 8.65	-10.7%	-24.4%
NZ Rack, FR, Cap-off, 12 oz/dn	86,283	\$ 2.39	\$ 206,366	\$ 12.14	\$ -	\$ -		
Subtotal	27,203,004	\$ 2.39	\$ 65,062,342	\$ 5.93	\$ 5.56	\$ 5.49	-1.2%	-7.4%

Please note that the prices, volume and sales value reported above represents only subset of total US lamb imports. It only reflects the data reported through the Mandatory Price Reporting System. It is only for negotiated sales, no formula sales. Trade from smaller importers and traders is not included in the summary above. Data that does not meet the confidentiality guidelines also is not included in the above table.

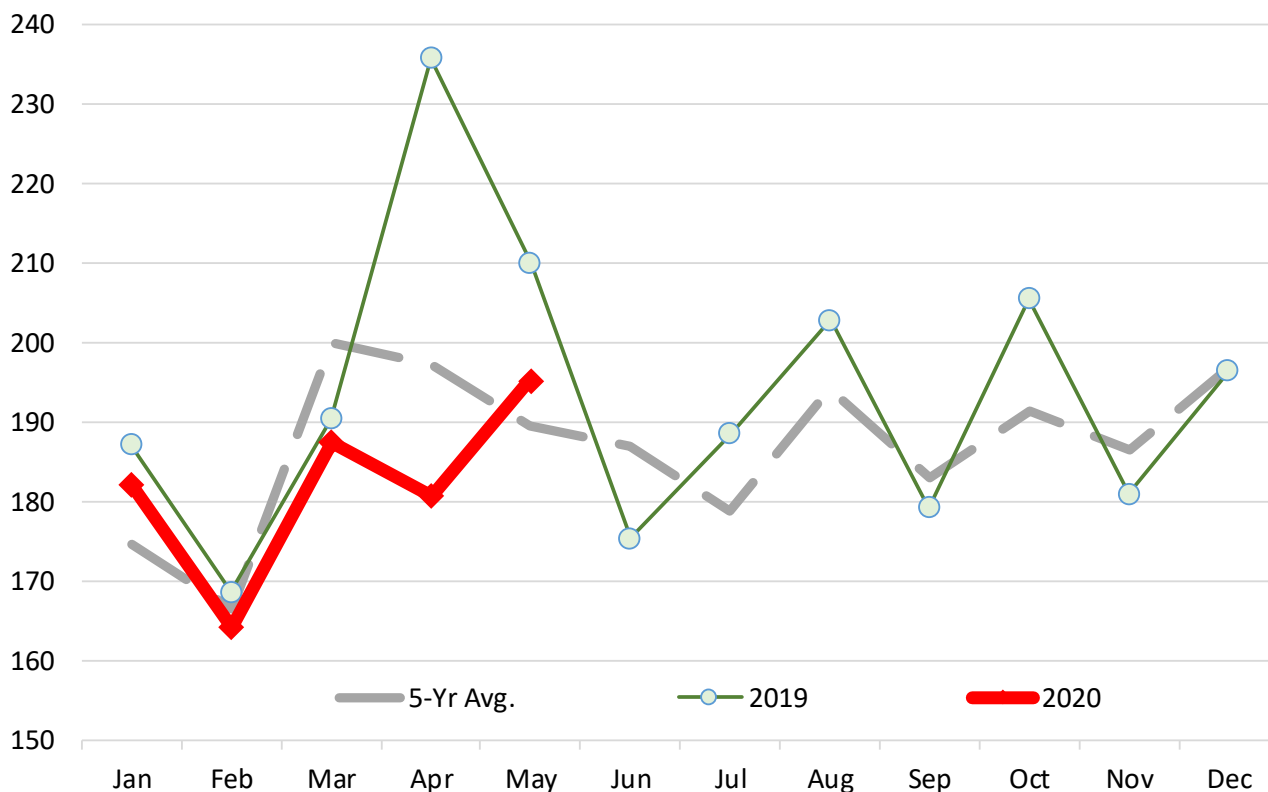
Lamb & Sheep Slaughter. Monthly. '000 Head

	2015	2016	2017	2018	2019	2020	5-Yr Avg.	% ch Yr Ago	% ch 5-Yr Avg.
Jan	167.0	160.8	177.4	180.6	187.2	182.2	174.6	-2.7%	4.4%
Feb	164.0	176.1	159.4	164.3	168.7	164.3	166.5	-2.6%	-1.3%
Mar	205.2	206.5	196.3	201.5	190.4	187.5	200.0	-1.5%	-6.2%
Apr	199.3	189.8	179.7	181.5	235.7	180.8	197.2	-23.3%	-8.3%
May	169.4	185.7	180.8	201.8	210.0	195.3	189.5	-7.0%	3.0%
Jun	194.9	195.9	187.7	180.6	175.4		186.9		
Jul	188.0	170.2	166.9	180.0	188.6		178.7		
Aug	175.2	193.4	194.6	205.4	202.9		194.3		
Sep	192.9	194.0	176.4	172.2	179.3		183.0		
Oct	185.9	181.6	183.5	199.9	205.5		191.3		
Nov	181.4	186.9	187.4	195.3	181.0		186.4		
Dec	200.4	197.0	188.1	201.8	196.5		196.8		

Source: USDA

Lamb & Sheep Slaughter. Monthly. '000 Head

Monthly Data. Source: USDA



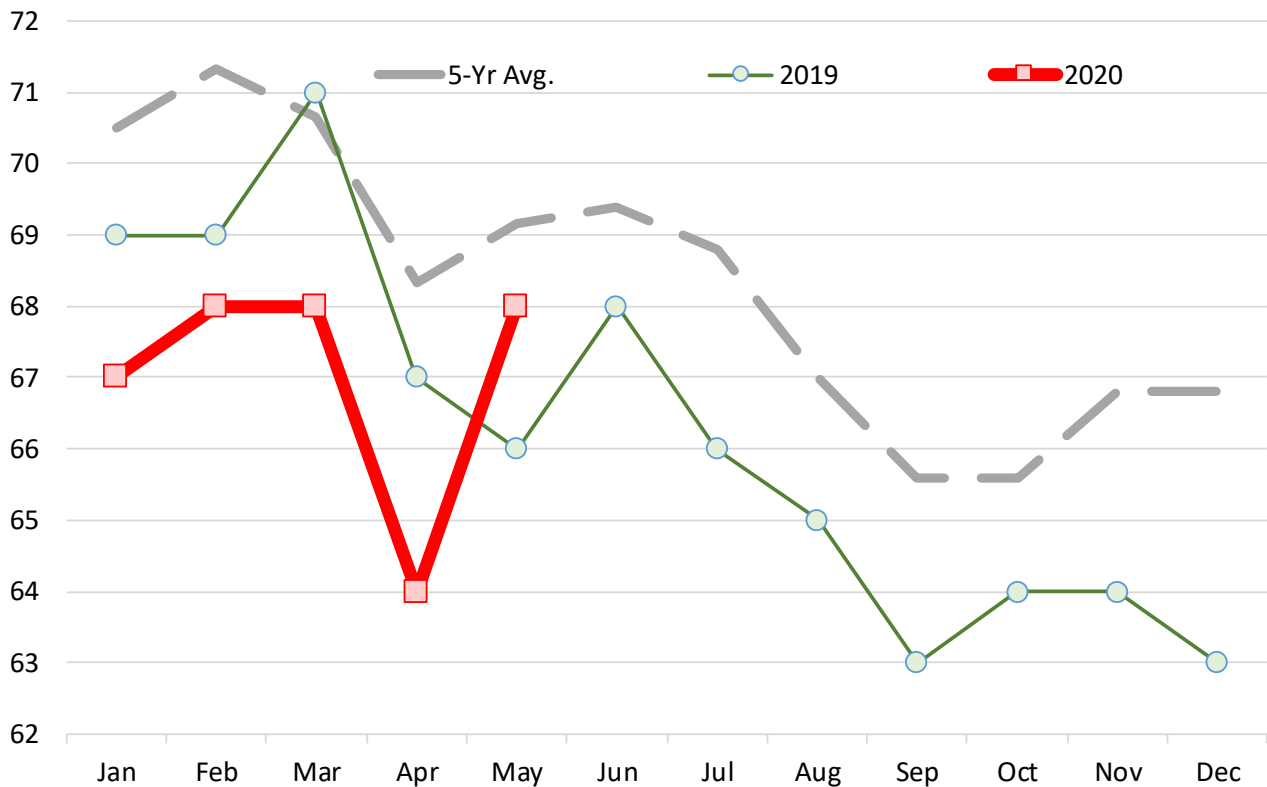
Lamb Yearling Dressed Weights. Monthly. Avg. Pounds per Carcass

	2015	2016	2017	2018	2019	2020	5-Yr Avg.	% ch Yr Ago	% ch 5-Yr Avg.
Jan	72.00	71.00	71.00	73.00	69.00	67.00	70.50	-2.9%	-5.0%
Feb	72.00	73.00	72.00	74.00	69.00	68.00	71.33	-1.4%	-4.7%
Mar	71.00	70.00	72.00	72.00	71.00	68.00	70.67	-4.2%	-3.8%
Apr	71.00	70.00	67.00	71.00	67.00	64.00	68.33	-4.5%	-6.3%
May	72.00	72.00	67.00	70.00	66.00	68.00	69.17	3.0%	-1.7%
Jun	71.00	69.00	68.00	71.00	68.00		69.40		
Jul	71.00	69.00	68.00	70.00	66.00		68.80		
Aug	69.00	66.00	67.00	68.00	65.00		67.00		
Sep	66.00	64.00	66.00	69.00	63.00		65.60		
Oct	66.00	65.00	66.00	67.00	64.00		65.60		
Nov	67.00	67.00	68.00	68.00	64.00		66.80		
Dec	67.00	68.00	69.00	67.00	63.00		66.80		

Source: USDA

Lamb Yearling Dressed Weights. Monthly. Avg. Pounds per Carcass

Monthly Data. Source: USDA



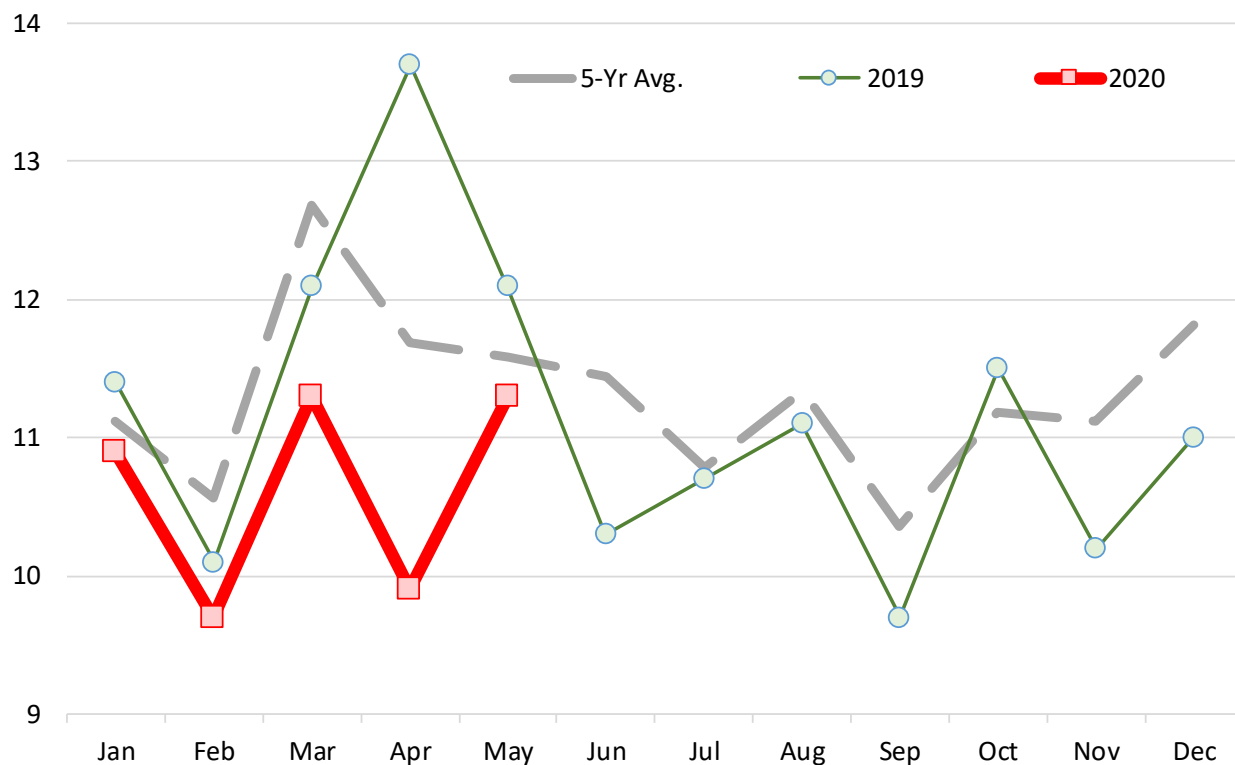
Lamb Yearling Production. Monthly. Carcass Wt. Basis. Million Lb.

	2015	2016	2017	2018	2019	2020	5-Yr Avg.	% ch Yr Ago	% ch 5-Yr Avg.
Jan	11.00	10.30	11.40	11.70	11.40	10.90	11.12	-4.4%	-1.9%
Feb	10.80	11.60	10.40	10.80	10.10	9.70	10.57	-4.0%	-8.2%
Mar	13.50	13.20	12.70	13.30	12.10	11.30	12.68	-6.6%	-10.9%
Apr	12.80	11.80	10.40	11.50	13.70	9.90	11.68	-27.7%	-15.3%
May	11.10	12.00	10.50	12.50	12.10	11.30	11.58	-6.6%	-2.4%
Jun	12.30	12.10	11.30	11.20	10.30		11.44		
Jul	11.80	10.50	9.90	11.00	10.70		10.78		
Aug	10.60	11.50	11.60	11.90	11.10		11.34		
Sep	11.00	10.90	10.10	10.10	9.70		10.36		
Oct	10.90	10.70	10.90	11.90	11.50		11.18		
Nov	10.90	11.30	11.40	11.80	10.20		11.12		
Dec	12.30	12.10	11.80	11.90	11.00		11.82		

Source: USDA

Lamb Yearling Production. Monthly. Carcass Wt. Basis. Million Lb.

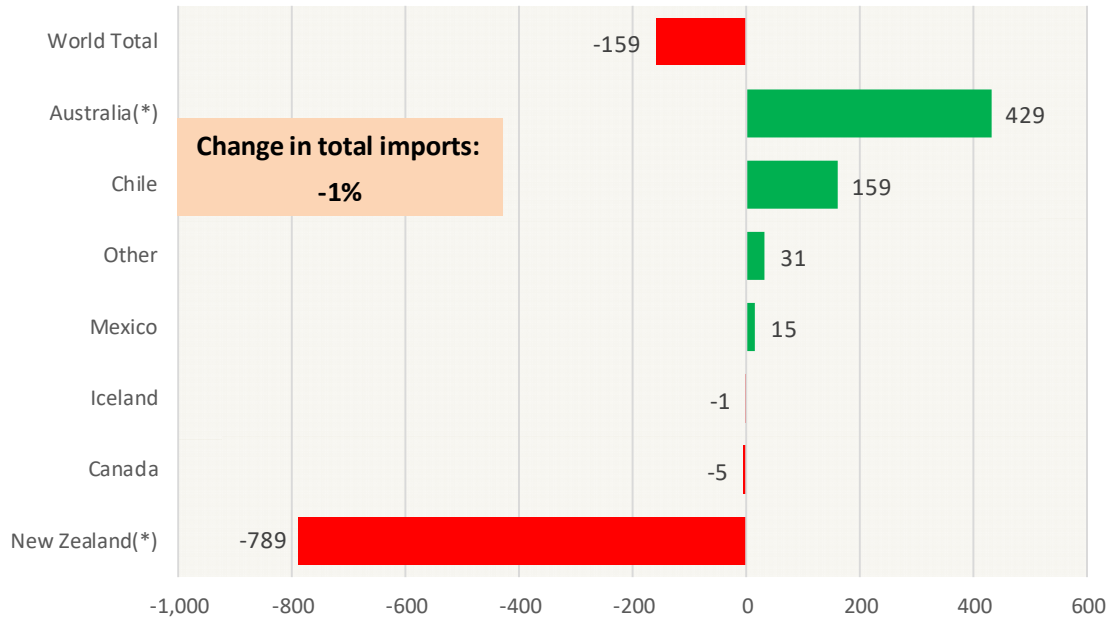
Monthly Data. Source: USDA



Y/Y Ch. in Apr. 20 vs. Apr. 19 US Mutton, Goat, Lamb Imports

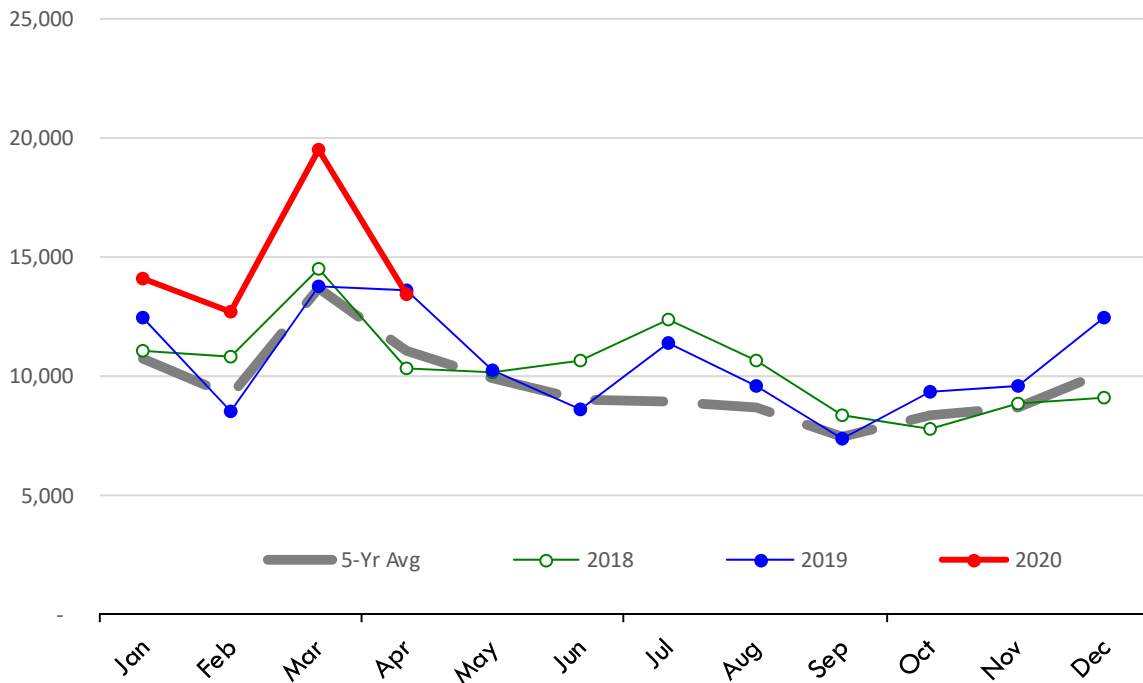
Source: USDA/FAS

Units: Metric Tons



Quantity of US Imports of Fr/Frz Mutton, Goat, Lamb: World Total

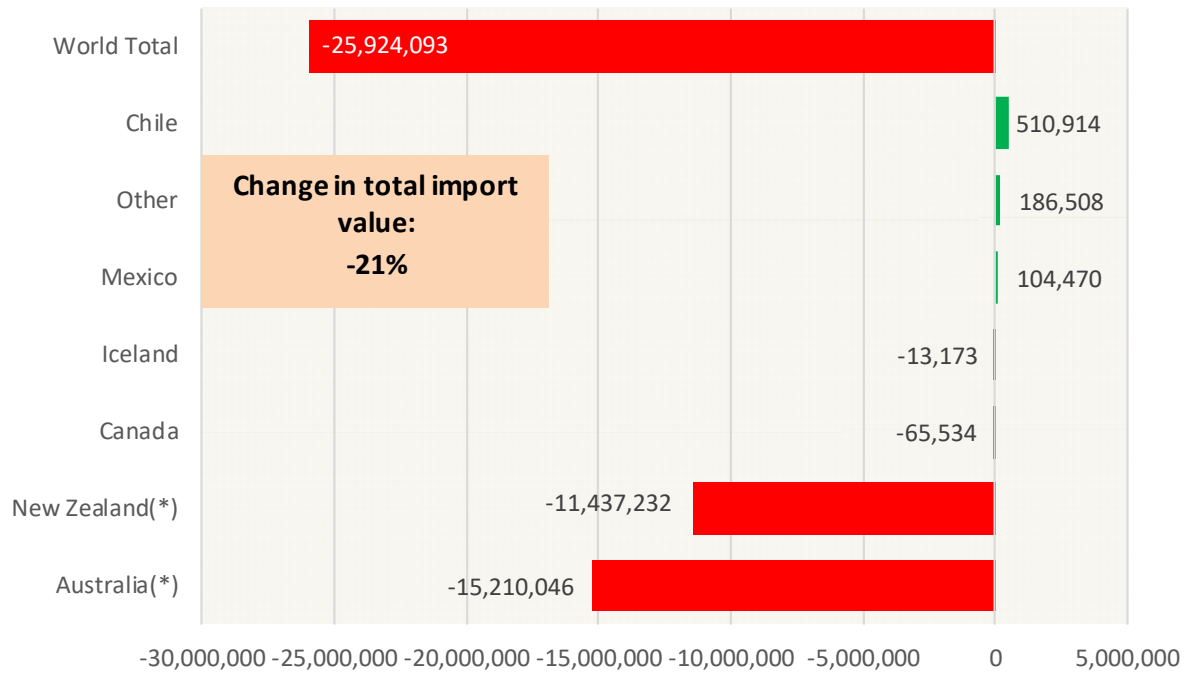
Source: USDA/FAS. Units: Metric Ton. Analysis by: Steiner Consulting (800.526.4612)



Y/Y Ch. in Apr. 20 vs. Apr 19 US Mutton, Goat, Lamb Import Value (\$)

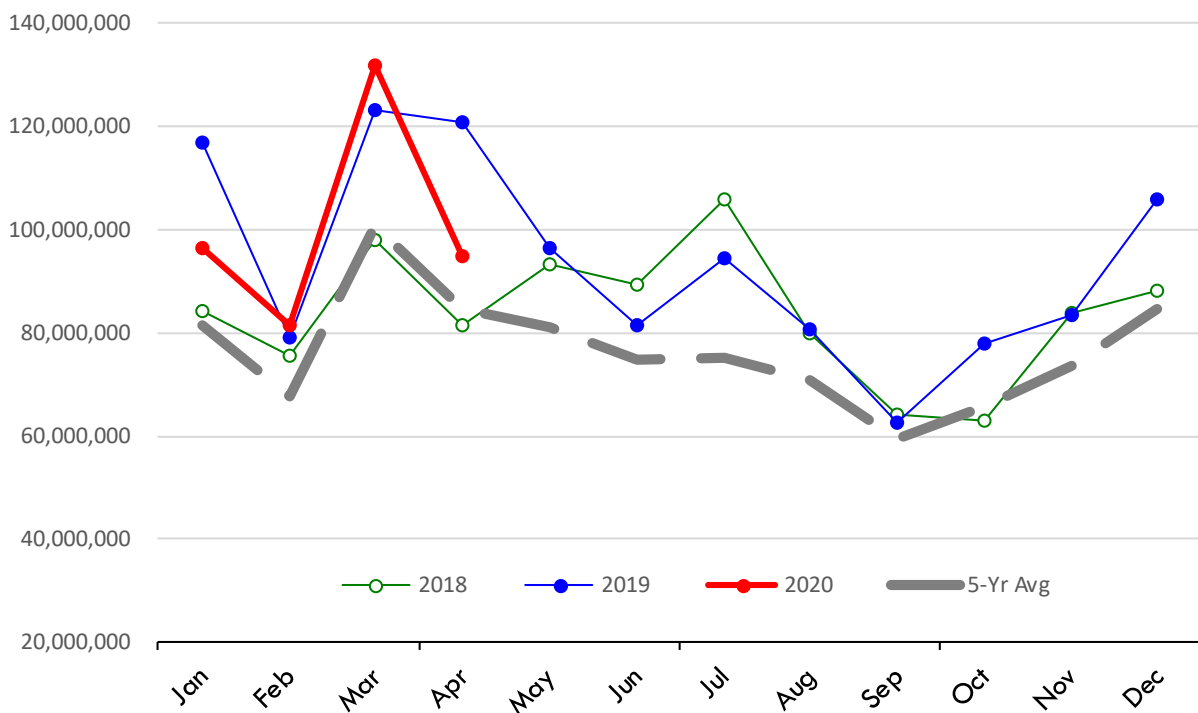
Source: USDA/FAS

Units: US Dollars



\$ Value of US Imports of Fr/Frz Mutton, Goat, Lamb: World Total

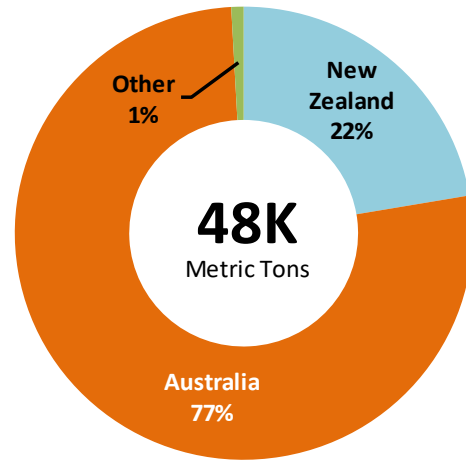
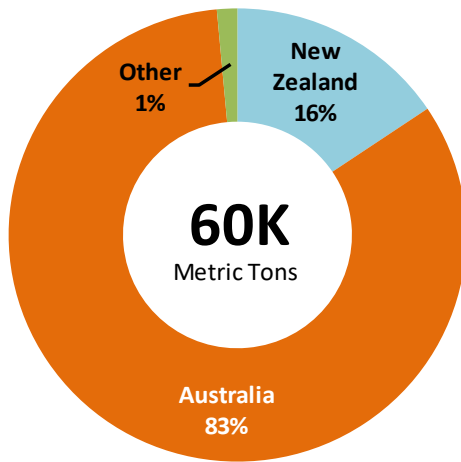
Source: USDA/FAS. Units: US Dollars. Analysis by: Steiner Consulting (800.526.4612)



TOP US LAMB IMPORT MARKETS IN 2020 **TOP US LAMB IMPORT MARKETS IN 2019**

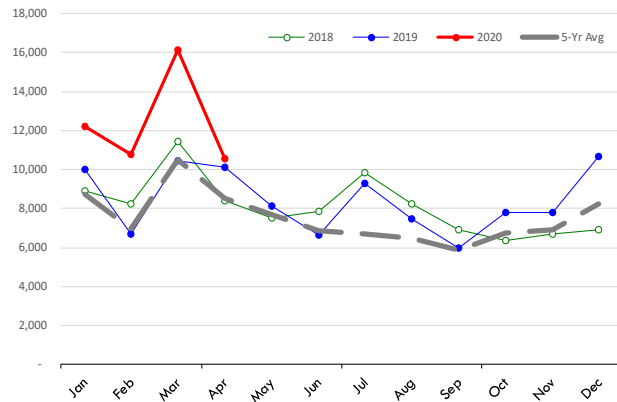
Total Volume and Country Shares for Period Jan - Apr 2020, MT

Total Volume and Country Shares for Period Jan - Apr 2019, MT



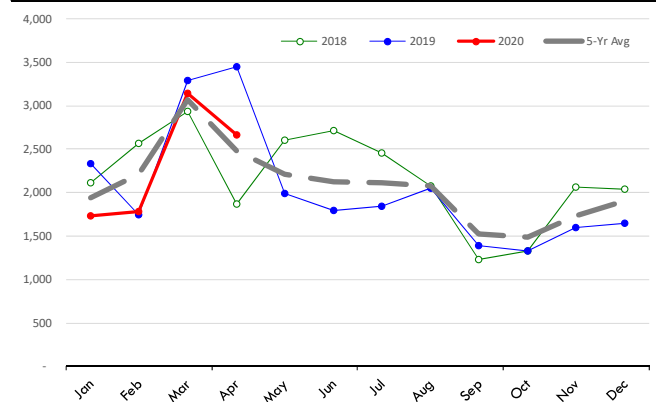
Quantity of US Imports of Fr/Frz Mutton, Goat, Lamb: Australia(*)

Source: USDA/FAS. Units: Metric Ton. Analysis by: Steiner Consulting (800.526.4612)



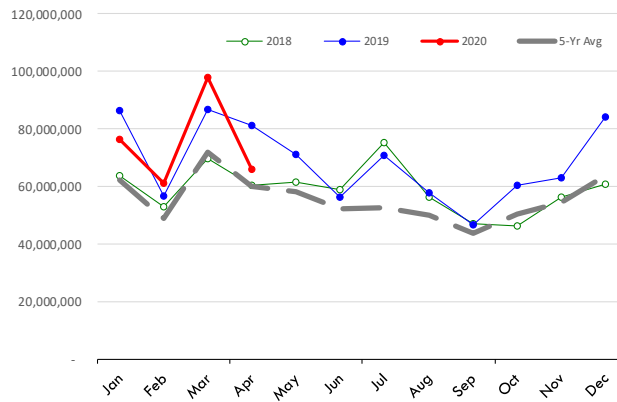
Quantity of US Imports of Fr/Frz Mutton, Goat, Lamb: New Zealand(*)

Source: USDA/FAS. Units: Metric Ton. Analysis by: Steiner Consulting (800.526.4612)



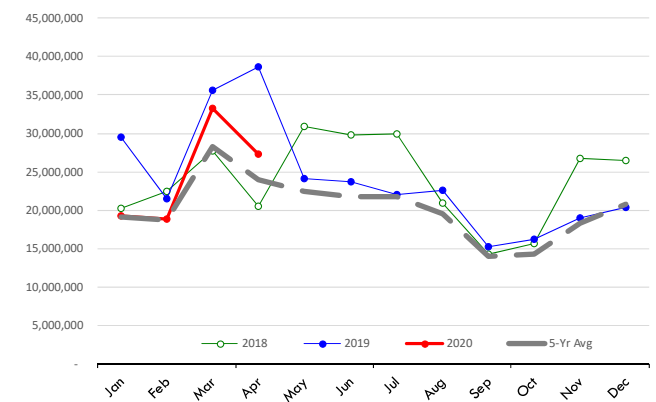
\$ Value of US Imports of Fr/Frz Mutton, Goat, Lamb: Australia(*)

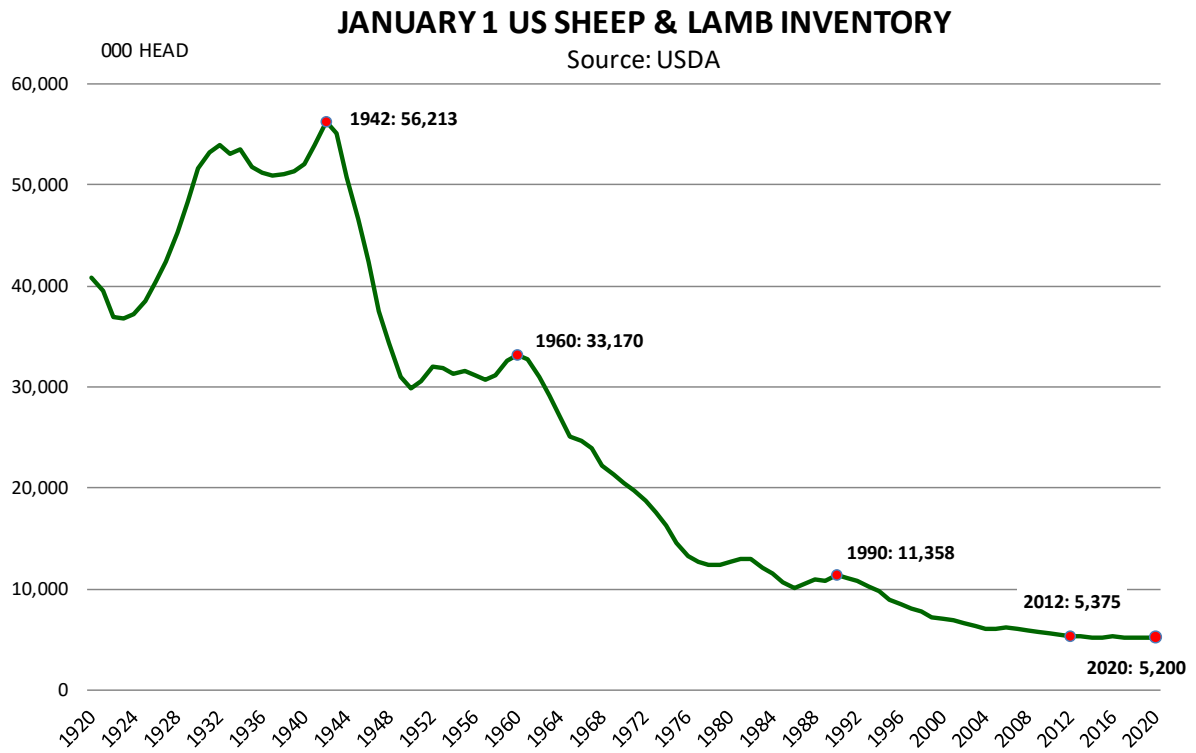
Source: USDA/FAS. Units: US Dollars. Analysis by: Steiner Consulting (800.526.4612)



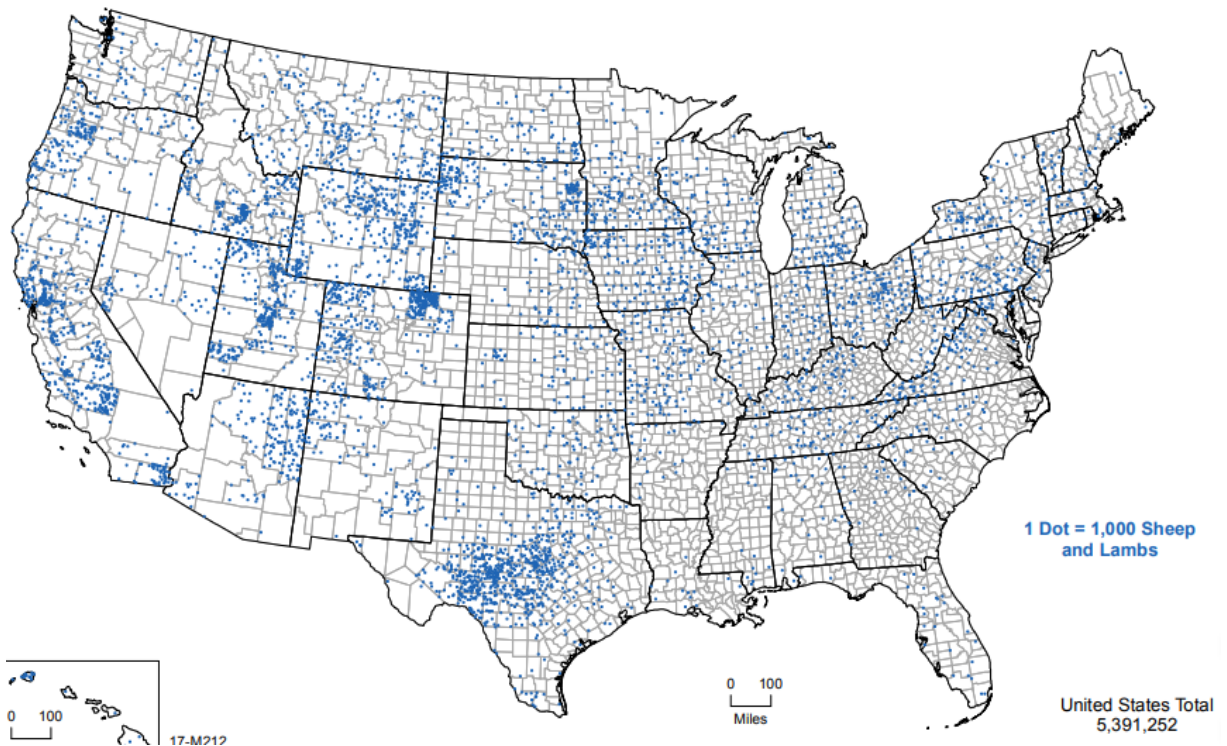
\$ Value of US Imports of Fr/Frz Mutton, Goat, Lamb: New Zealand(*)

Source: USDA/FAS. Units: US Dollars. Analysis by: Steiner Consulting (800.526.4612)

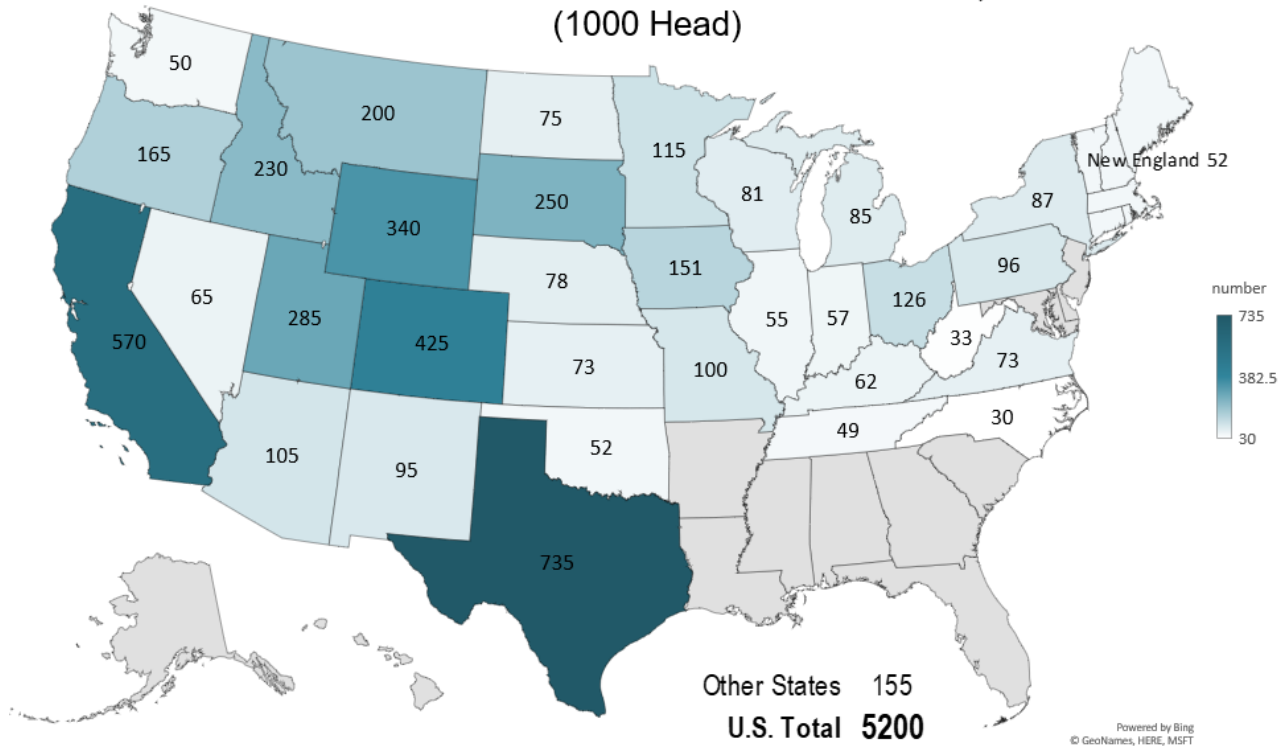




Lamb and Sheep Inventory According to the 2017 Census of Agriculture
Source: USDA-NASS



SHEEP AND LAMB NUMBERS JANUARY 1, 2020 (1000 Head)

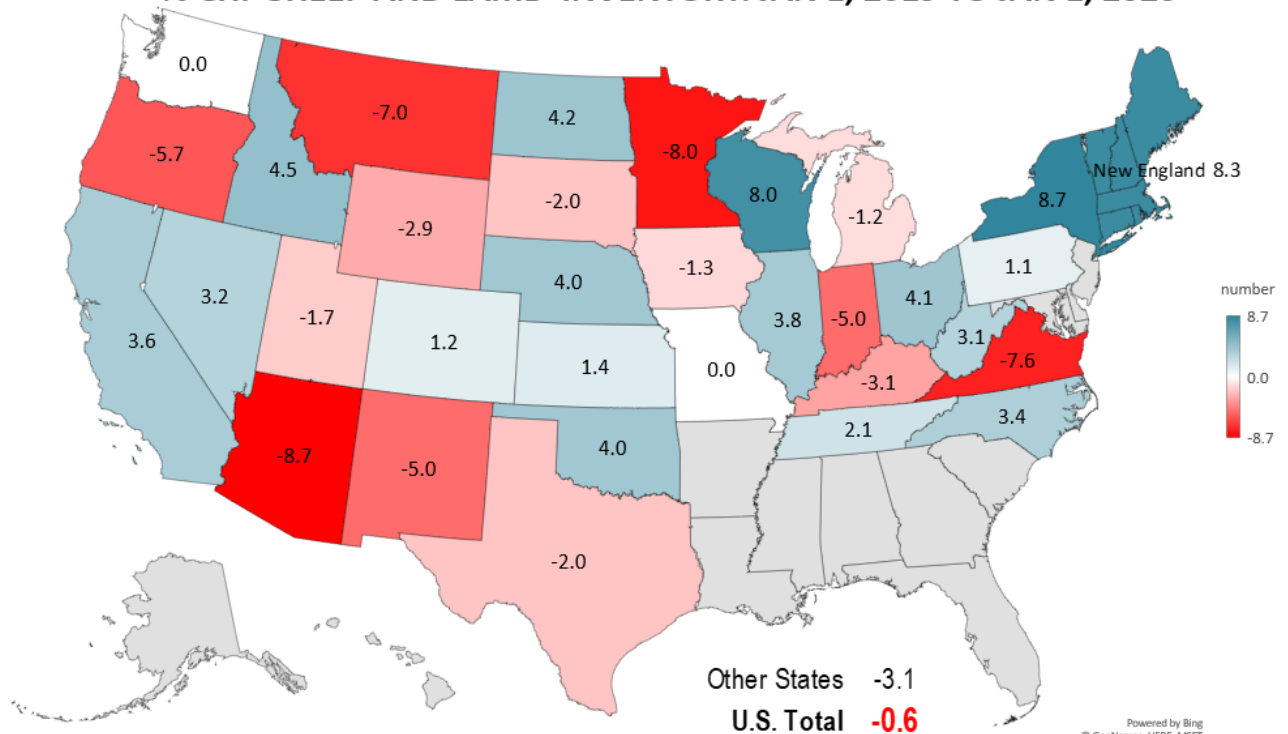


Livestock Marketing Information Center
Data Source: USDA-NASS

Powered by Bing
© GeoNames, HERE, MSFT

S-N-05
02/03/20

% CH. SHEEP AND LAMB INVENTORY: JAN 1, 2019 TO JAN 1, 2020



Livestock Marketing Information Center
Data Source: USDA-NASS

Powered by Bing
© GeoNames, HERE, MSFT

S-N-13
02/03/20

