



AMERICAN LAMB BOARD

FY 2015 | *Annual Report*



## LETTER FROM *the Chairman*



As we look back at the past year, I continue to be amazed at the amount of work the American Lamb Board (ALB) staff and board have done to introduce new consumers to American Lamb while taking steps to encourage our current consumers to eat lamb more often.

This job has become more complex as we enter an era when millennial and ethnic consumers are dominating our customer base. The millennials are not just looking for a high-quality product—they also look forward to an event in which they can include their friends so they can enjoy high-quality food and friendship at the same time. We are learning to use social media to reach these emerging customers.

On the other hand, there are countless ethnic groups that have unique customs they each adhere to. These groups may be quite different, but they have the desire for lamb in common. Some of the new programs the American Lamb Board is launching are designed to reach these two very important and distinct consumer groups.

Adding to this complexity is the fact that the currency exchange rate with the two major importing countries makes their products less expensive than domestic lamb, so we must show that American Lamb is always a superior product. To that end, the ALB has awarded grants to Ohio State University and Colorado State University to study the factors affecting lamb flavor, so American Lamb can continue to be the premier lamb product available to our consumers.

Although all of the aforementioned tasks are difficult, our job is becoming easier because all sectors of the industry have responded to the goals of the Lamb Industry Roadmap and are now working together to ensure a consistent, high-quality product while working to improve production practices to make it affordable.

The ALB uses approximately 70% of the Checkoff dollars annually for marketing and promotion and leverages those funds by teaming up with industry partners to extend the effectiveness of these programs. Your Checkoff dollars are working hard to ensure the viability of this great industry and we encourage your input to make our programs even more effective.

Sincerely,

A handwritten signature in black ink that reads "Wesley Patton". The signature is written in a cursive, slightly slanted style.

Wes Patton  
Chairman



## WHO WE ARE

The American Lamb Board is a 13-member board appointed by the Secretary of Agriculture

- All sectors are represented
- We are a diverse industry and a diverse board
- All activities are overseen by the USDA
- Programs are implemented by staff of four in Denver, CO

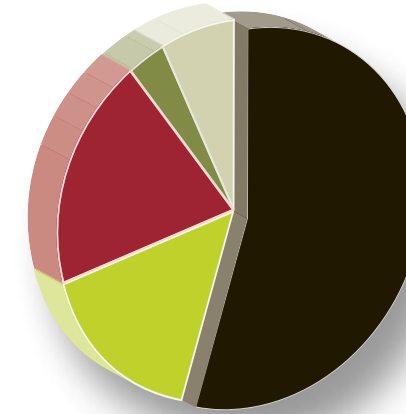
## AMERICAN LAMB BOARD MEMBERS

Wes Patton, Chairman  
 Diane Peavey, Vice Chairman  
 Joanne Nissen, Secretary  
 Butch Theos, Treasurer  
 Greg Ahart  
 Reed Anderson  
 Tammy Doughty  
 Elizabeth Dressler  
 Dan Lippert  
 Jim Percival  
 Betty Sampsel  
 Dale Thorne  
 David Quam

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Consumer website: [www.americanlamb.com](http://www.americanlamb.com)  
 Industry website: [www.lambresourcecenter.com](http://www.lambresourcecenter.com)

# 2015 FINANCIALS



Promotion	\$1,421,093
Communications	\$421,582
Research	\$496,493
USDA	\$80,821
Administration	\$172,431
<b>Total Expenses</b>	<b>\$2,592,420</b>

The American Lamb Board was established in 2002 to build awareness and demand for American Lamb. While the board has consistently worked to allocate the majority of its funds and resources toward promoting American Lamb, they have also learned over the years that it will take more than marketing and advertising to change consumer perceptions and usage. Improving the quality and consistency of our products (ensuring consumers have a great eating experience every time), increasing our industry's productivity and stabilizing our prices are all critical to the success of creating demand for American Lamb and increasing the share of American-produced lamb that is consumed in the United States.

The ALB cannot address lamb quality, market volatility and productivity alone. The ALB helped facilitate the development of the Lamb Industry Roadmap to bring together all industry organizations and sectors to work together on key strategies to build demand for American Lamb. These strategies complement what the ALB does to ensure that the industry produces a consistent, high-quality product in a more efficient and productive way, which increases the opportunity for profitability across all sectors. These strategies are designed to not only build demand for American Lamb but also to increase US market share.

## WHAT DOES IT TAKE TO BUILD DEMAND AND INCREASE US MARKET SHARE?

Greater awareness of lamb

Absolute product consistency

Reduce production costs/no more than a 20% premium to imports

# FY 2015 | *Top 5 List*

- 1** RESEARCH TO DETERMINE HOW AGE AFFECTS LAMB FLAVOR
- 2** SUPPORT FOR NSIP STAFFING AND OUTREACH AND COMMUNICATION ACTIVITIES TO INCREASE USE OF GENETIC IMPROVEMENTS
- 3** TWO NEW WEBSITES: [WWW.AMERICANLAMB.COM](http://WWW.AMERICANLAMB.COM) AND [WWW.LAMBRESOURCECENTER.COM](http://WWW.LAMBRESOURCECENTER.COM)
- 4** 12 LAMB CROP BEST PRACTICES: BEST PRACTICES TO INCREASE YOUR LAMB CROP
- 5** NEW ISSUES REFERENCE GUIDE





### BUILDING AWARENESS

The majority of the American Lamb Board's resources are allocated to promotions and marketing activities designed to build awareness and educate chefs, retailers, media and consumers about the many benefits of American Lamb.

#### Increasing Awareness at the Local Level

One-third of Americans have never tried lamb and the average annual consumption of lamb is less than one pound per year (compared to 65 pounds of beef). The ALB has a tough challenge to expose consumers to a product they are not familiar with and has a much smaller budget than other meat boards like the beef and pork boards—that is why you don't see ads for American Lamb running in your area.

Due to limited resources, the ALB allocates significant resources to building awareness in five key markets vs. a national advertising campaign. The five markets are Austin; Washington, DC; Boston; Seattle and San Francisco. The local market strategy allows the ALB to customize programs, events and

advertising in each market to authentically engage with chefs, media, retailers and consumers at the local level. Some of the local activities include:

- Lamb Jam Tour (brings together local chefs, butchers, shepherds, media and breweries and wineries to celebrate lamb)
- Local farm tours for media and chefs
- Lamb dinners
- Lamb cooking classes and butchery demonstrations
- Custom retail promotions
- Restaurant Week promotions
- Participation at local food festivals and farmers' markets

THE SALES DATA SHOWS  
STRONG SALES GROWTH  
IN SEVERAL MARKETS.  
OVER A 52-WEEK PERIOD  
ENDING JUNE 14, 2015,  
POUNDS SOLD INCREASED:

*9.6% in Washington, DC*

*11.6% in San Francisco*

*26% in Seattle*



# NEW MARKETS

## Building New Markets

### Export Efforts:

The ALB worked with the US Meat Export Federation to promote American Lamb in Mexico, the Middle East and Asia.

### Ethnic Markets:

The ALB developed a new multicultural marketing kit to educate suppliers, retailers and distributors on the importance of Muslim and Hispanic communities in the United States to help increase awareness and sales for American Lamb.

The ALB collaborated with My Halal Kitchen's Yvonne Maffei, expanding blogger outreach to Muslim Americans, and also funded a new project with Michigan State University to help bridge the gap between producers and ethnic buyers in an effort to help the industry better understand how to market to nontraditional lamb consumers in the United States.

The ALB and the Demand Creation Roadmap committee worked with Ohio State University to develop and test new recipes and value added concepts for mutton.

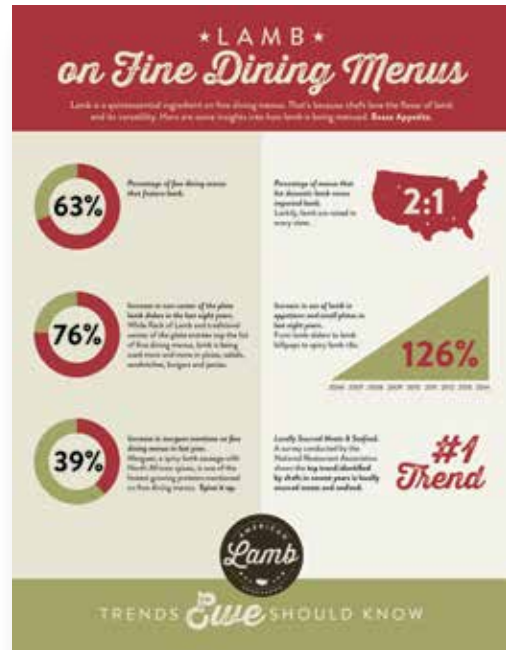


*New* EFFORTS



### Educating and Inspiring Chefs and Consumers to Increase Usage of American Lamb Foodservice

The Foodservice sector is an important one for the lamb industry. This year lamb continued to be a core protein on fine dining menus, and it grew in usage for appetizers and in venues beyond fine dining restaurants in general.



# FOODSERVICE Highlights

More than \$195,000 in foodservice trade publicity was generated, including American Lamb articles and recipes in *Cooking for Profit*, *National Culinary Review*, *Restaurant Business*, *Restaurant Hospitality* and more.

American Lamb e-newsletters were sent to more than 6,000 culinary educators and chefs.

New infographic sheets were developed to share highlights from the American Lamb menu research and to tell the Shepherd to Chef story.

American Lamb information and recipes were shared online in a Lamb Lovers Month promotion with Chefs Feed, a summer promotion with Chef's Roll and a September recipe featured on Recipe Watch.

The ALB shared American Lamb/local lamb messaging with foodservice buyers, restaurateurs, chefs and culinary educators at a number of events including: NY International Restaurant and Foodservice Show, the US Personal Chefs Conference and the Western Foodservice and Hospitality Expo.

Ongoing menu study reported lamb in fine dining showed the strongest menu growth when compared to other top entrée proteins in 2014. In addition, lamb continued to show growth on menus of chain and independent restaurants.



**Consumers**

The ALB educates consumers about American Lamb to inspire them to use lamb in their own cooking through media outreach, lambtastic events, digital and social channels and seasonal promotions throughout the year.

**Media Outreach**—The ALB helps drive consumer awareness of the benefits of American Lamb, with a focus on approachability through ongoing media outreach efforts including activities like:

- Press releases
- Holiday mailing to top food editors
- Demonstrations at magazine test kitchens
- Media engagement at Lamb Jam Finale at the New York James Beard House
- Ongoing sharing of American Lamb key messages, recipes, contests and more



# STATS



**15**  
PRESS RELEASES



**237 MILLION**  
PEOPLE



**700+**  
CONSUMER MEDIA PLACEMENTS





**Digital/Social Media**—The ALB leveraged digital and social media through the traditional channels of Facebook, Twitter, Instagram and Pinterest, and expanded efforts through collaborations with food and lifestyle bloggers, fun seasonal campaigns and contests, partnerships with mobile shopping apps and the coupon app Ibotta, and advertising on YouTube.



The American Lamb Board collaborated for the ninth year with the Tri-Lamb Group on the Nutrition Education Campaign. This summer, the Tri-Lamb Group launched a summer grilling campaign to educate consumers and retailers on the nutritional benefits of lamb while inspiring them to get grilling with this nutrient-rich protein. The integrated campaign consisted of significant social

media activity, blogger partnerships, media relations, retail dietitian outreach and engagement with lamb suppliers.

At the hub of the campaign was Tri-Lamb's "Thrill From the Grill" Facebook sweepstakes, which was launched in partnership with Weber grills. This sweepstakes generated a tremendous amount of engagement on Tri-Lamb's recently launched Facebook page and resulted in almost 9,000 unique entries. Tri-Lamb promoted the sweepstakes through social media and targeted Facebook ads, as well as the efforts of Tri-Lamb members (including the ALB) and lamb suppliers. This sweepstakes helped develop a Facebook community of over 13,000 (and growing!) consumers interested in Tri-Lamb's information, which primarily consists of nutrition information about lamb as well as good-for-you cooking tips and recipes.

Tri-Lamb also developed a number of communications assets to promote grilling lamb and the "Thrill From the Grill" sweepstakes. These included grilling recipes and photography, social media-friendly videos, social media infographics, nutrition messaging and point-of-sale materials that were made available to the industry and shared with lamb suppliers and retail dietitians.

As the trend toward healthier eating continues to grow, programs that position lamb within the context of a balanced diet and healthy lifestyle and reinforce lamb's nutritional benefits and flavor will become increasingly important. Through the "Thrill From the Grill" campaign, we learned that this approach definitely resonates with both consumers and influencers.






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## PRODUCT CONSISTENCY

The Industry Roadmap identified several initiatives that could help improve quality and consistency and ensure that American Lamb is a premier product every time. The American Lamb Board has been able to support several of the following initiatives in 2015 (listed at right):

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1. The ALB helped cover the cost of **installing electronic grading** in the three largest lamb plants (Dixon, Greeley and Denver). This new technology provides the opportunity to presort lamb carcasses and assess grades on a real-time basis, which should help optimize the plant's cooler management, fabrication scheduling and overall efficiency as well as better match product to customer needs and specifications. The processors have agreed to provide useful feedback to the producers and feeders they purchase lambs from, including how their lambs align with the markets they are selling to.

The ALB believes that the use of electronic grading is an important step to ensure consistent and high-quality products for our customers.

2. The ALB funded a **National Lamb Quality Audit** to benchmark perceptions about the quality of American Lamb. The study, entitled "Preferences and Complaints Associated with American Lamb Quality in Retail & Foodservice Markets," was conducted and compiled by the Center for Meat Safety and Quality, Department of Animal Sciences, Colorado State University, and by the Department of Animal Sciences, Ohio State University.

3. The ALB is **funding two studies** that are examining how various production factors, including age, affect the palatability of lamb. Once the studies are complete, the appropriate Roadmap committees, industry sectors and organizations can discuss next steps for how the industry defines and markets lambs vs. yearlings and mutton.

For more detail, reference the "American Lamb Quality Study" on page 24.





## REDUCE COSTS AND INCREASE COMPETITIVENESS

Genetic selection tools are valuable to increasing producers' productivity. The National Sheep Improvement Program (NSIP) is a nonprofit organization established in 1986 by sheep producers and animal scientists to develop a tool that US sheep producers can use to make genetic selection decisions based on commercially important traits. The American Lamb Board has supported projects and resources to help increase NSIP membership and the industry's use of the technology.

### Best Practices to Boost National Lamb Crop

The landmark American Lamb Industry Roadmap Project established productivity improvement as one of four goals that must be accomplished in order to strengthen the short-term and long-term competitive advantage of the American Lamb industry and return it to consistent profitability.

As demand for lamb grows in the United States, additional supply will be necessary. If there isn't sufficient domestic quantity and quality, it could be filled by imported lamb. Increasing the reproductive efficiency of US sheep flocks was identified as the best way to meet supply needs.

This set of Productivity Best Practices has a direct link to producer profitability. The 12 Lamb Crop Best Practices were developed based on sound research and time-tested practical experience. Even though there are many production methods that work across the United States, most sheep producers should be able to identify at least three of the 12 Lamb Crop Best Practices that will help them gain efficiency and recognize higher profits.

### ★ OPTIMAL NUTRITION

At breeding, ewes should be a body condition score of three or slightly less with an increasing plane of nutrition prior to breeding. After breeding, ewes should be on a balanced diet (not too much or too little) through gestation. Maintain ewes on quality feed from lambing to weaning. At any stage of production, consider sorting ewes into groups based on body condition to match feed supply to dietary needs.

### ★ BREED EWE LAMBS AT SEVEN TO NINE MONTHS OF AGE

If managed properly, ewe lambs should be able to lamb at or near their first birthday. Ewes that lamb as ewe lambs tend to be more productive throughout their lifetimes than ewes that lamb as yearlings.

### ★ SELECT FOR PROLIFIC GENETICS

Select for prolific genetics within rams that produce offspring that will be considered for replacements. Estimated breeding values produced by the National Sheep Improvement Program are the best tool to accomplish this goal.

### ★ USE CROSSBREEDING

First-cross lambs tend to have a higher survival rate than straight bred lambs, given genetics are matched with environment. In addition, first-cross ewes tend to be more productive than purebred sheep.

### ★ CULL UNDERPERFORMING EWES

Identify and cull ewes that fail to rear a lamb, rear a single born lamb that is below average, fail to rear twins or lamb outside the first or second heat cycle. Exceptions may be made for reasons outside the ewe's control.

### ★ REDUCE LAMB LOSS

Postnatal lamb loss should be kept below 10% of all lambs born. Identify best management practices for flock health, predator prevention, protection from severe weather conditions and other factors that will improve lamb survival.

### ★ TEST FOR PREGNANCY STATUS

Determine pregnancy status via ultrasound around 60 to 90 days of gestation. Cull open ewes or market ewe lambs prior to lambing season. Strategically manage ewes based on number of lambs or time of lambing.

### ★ DISEASE PREVENTION & TREATMENT

Work with your veterinarian or consultant to develop a health management plan to prevent disease, such as aborting agents or chronic disease, that will have a negative impact on reproductive efficiency.

### ★ MATCH REPRODUCTION TO MANAGEMENT

Reproductive goals will vary among operations depending on nutritional and labor resources. Therefore, reproductive potential should be targeted for management. Regardless, all operations should strive for some gains in reproductive efficiency over time.

### ★ TEST RAMS

Don't overlook ram fertility. All rams should be checked for a general breeding soundness exam 30 to 60 days prior to breeding. Semen testing should be done on all rams or at least rams that are suspect from a general exam. Operators might consider testing or observing rams for vigor.

### ★ MANAGE FOR SEASONAL CHANGES IN REPRODUCTION

Pregnancy and lambing rate are reduced in bred ewes outside the normal breeding season (September to January). Genetics, ram effect, light treatment and/or hormone therapy can help seasonal breeders accomplish their goals.

### ★ ACCELERATE LAMBING CYCLES

For operations that have the management to have more than one lambing season per year, accelerated lambing can improve the reproductive efficiency of a sheep operation. There are multiple accelerated lambing programs. Identify the program that fits the operation.



## INDUSTRY RESOURCES

Everyone who raises, feeds and/or processes lamb in the United States is part of the American Lamb Board. In addition to generic promotions, research and education, the ALB works to provide resources to all of our contributors to help support branded/local promotions and efficiently share the costs of data, recipes, photography and other promotional tools.

### Industry resources provided by your Lamb Checkoff:

- Local market promotional funds
- Supplier cooperative funding for branded promotions
- Market analysis reports
- IRI/FreshLook retail scanner data
- Studies and White Papers on various topics (menu trends, feasibility of a frozen lamb program, antibiotics, demand analysis, nutrient analysis)
- New websites: [www.americanlamb.com](http://www.americanlamb.com) and [www.lambresourcecenter.com](http://www.lambresourcecenter.com)
- Customizable promotional materials
- Retail pricing calculator
- Issues Reference Guide



### *Your Guide to Lamb on the Web*

[www.americanlamb.com](http://www.americanlamb.com)

[www.industryresourcecenter.com](http://www.industryresourcecenter.com)

[www.leanonlamb.com](http://www.leanonlamb.com)

[www.facebook.com/americanlamb](https://www.facebook.com/americanlamb)

[www.twitter.com/fanoflamb](https://www.twitter.com/fanoflamb)

[www.youtube.com/user/americanlamb](https://www.youtube.com/user/americanlamb)

[www.pinterest.com/americanlamb/](https://www.pinterest.com/americanlamb/)

[www.instagram.com/fanoflamb/](https://www.instagram.com/fanoflamb/)

## DID YOU KNOW? *Fun Facts About Lamb Lovers*

THE LAMB CONSUMER SKEWS HIGHER INCOME +  
THE LAMB SHOPPER SPENDS 30% MORE PER YEAR  
ON GROCERIES THAN THE AVERAGE SHOPPER

Source: Dunnhumby USA, May 2014

LAMB IS CONSIDERED A PREMIUM PRODUCT THAT  
IS EXPENSIVE, HARD TO PREPARE AND SOMEWHAT  
DIVISIVE AMONG FRIENDS AND FAMILY

CONSUMERS PRIMARILY ENJOY LAMB AT  
RESTAURANTS AND FOR SPECIAL OCCASIONS

CONSUMERS ARE WILLING TO PAY A PREMIUM  
FOR HIGH-QUALITY FOODS

MORE THAN 1/3 OF AMERICANS HAVE NEVER  
TRIED LAMB

MINORITY POPULATIONS CONSUME MORE  
THAN HALF THE TOTAL LAMB SUPPLY IN THE US

ACCORDING TO CONSUMERS, THE MOST  
IMPORTANT ATTRIBUTES WHEN BUYING LAMB:  
FLAVOR, TENDERNESS, HORMONE-FREE,  
HUMANELY RAISED AND LOCALLY SOURCED



# AMERICAN LAMB QUALITY STUDY

## RESULTS

The American Lamb Board funded a comprehensive study to learn more about perceptions and preferences regarding American Lamb. The study, “Preferences and Complaints Associated with American Lamb Quality in Retail & Foodservice Markets,” was conducted and compiled by the Center for Meat Safety and Quality, Department of Animal Sciences, Colorado State University, and by the Department of Animal Sciences, Ohio State University.

Similar to other research the ALB supports throughout the year, the goal was to acquire a more scientific understanding of the perceptions surrounding lamb, and to share that information industry-wide in order to ensure that we are all working together from the same knowledge base, helping us as an industry to achieve our Roadmap goals.

The results reinforce many things we already knew and also provide some fresh insights. This June, key industry leaders will meet with the research team for a Quality Audit Workshop to digest results and build strategies based on the findings.

### STUDY OVERVIEW

The study’s objective was to determine US lamb retail and foodservice rank, definition and relative preference for the following seven qualities:

1. Origin
2. Sheep Raising Practices
3. Eating Satisfaction
4. Weight/Size
5. Product Appearance/Composition
6. Product Convenience/Form
7. Nutrition/Wholesomeness

Interviews were conducted from May 2014 to March 2015 with 120 protein purchaser reps in the lamb supply chain:

- 60 retail
- 45 foodservice
- 15 purveyors (e.g., restaurants)

Their responses were ranked using a sophisticated quantification process that included a willingness-to-pay assessment as well as must-have quality attributes and their impact on the increased value of lamb.

### THE RESULTS

The seven qualities ranked in this order:

1. Eating Satisfaction (most commonly defined as flavor/taste)
2. Origin (locally raised)
3. Sheep Raising Practices (grass fed)
4. Product Appearance/Composition (of greater importance to purveyors)
5. Weight/Size (of greater importance to purveyors)
6. Nutrition/Wholesomeness
7. Product Convenience/Form

Of these qualities, Origin and Sheep Raising Practices had the greatest likelihood of being a non-negotiable requirement for lamb purchasers. Eating Satisfaction was most likely to return a premium, and product assurance of Eating Satisfaction generated the greatest average willingness-to-pay premium.

### QUALITY IS KING

It’s no surprise that quality ranks high, but defining “quality” is tricky. While quality may be defined as customer satisfaction, several other factors play a role in achieving quality. Since consumers are the ultimate judges of what constitutes a quality lamb product that they are willing to pay a higher price for than other meat products, listening to what elements they most highly value is integral to developing industry standards that consistently deliver a premier, in-demand product.

When asked to define “quality,” over a third of the survey respondents identified lamb flavor and/or taste as part of their definition (although few chose to describe that flavor). American Lamb ranked higher than imported lamb, both for its taste/texture and size. While the flavor of American Lamb was mentioned by 34 respondents as a strength, 14 participants deemed it a weakness, 21 identified it as an opportunity and 11 believe it to be a threat to the industry. Clearly, there is room for improvement and consistency is key.

### OTHER TAKEAWAYS

Contrary to what many sheep producers believe, this study suggests that color, attractiveness and freshness were more important than product composition to those who display lamb in retail settings. Product safety is of far less concern in the lamb industry than in the beef industry. In addition, nearly one-third of the respondents indicated that a Certified American Lamb program would not be a good idea for a variety of reasons—there was little agreement on what traits, if any, would be preferred or required.

### BOTTOM LINE

Developing a strategy around an industry-wide commitment to production standards to ensure that eating satisfaction and lamb flavor are optimized for American Lamb is key to increasing demand and creating lamb-loyal consumers. Those consumers are already willing to pay more for meat that is locally raised. Providing them with a consistently high-quality product will do much to help them choose American Lamb over other lower-priced meat options.





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