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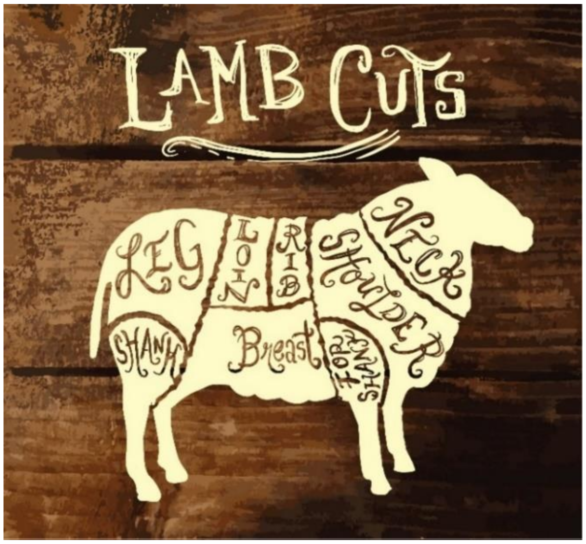



## Slaughter Lamb Markets Higher Monthly

Slaughter lamb prices on formula averaged $263.68 per cwt. on a carcass basis in February, up 1% monthly and up 2% year-on-year. The live-equivalent average was $132.01 per cwt. January and February prices were higher year-on-year, but noticeably lower than the first couple months of 2014, 2015 and 2016 (2017 prices were not reported).

Live, negotiated slaughter lambs averaged $132.52 per cwt., steady monthly and down 2% from a year ago.

Lambs at the Sioux Falls, South Dakota auction weighing 110-130 lbs. averaged $146.38 per cwt. in February, up 9% monthly and down 6% year-on-year. Heavier lambs, 130-160 lbs., brought $138.32 per cwt., up 4% monthly and down 7% year-on-year.

There were no reported trades in the feeder lamb market.

## Meat Market Softened

The wholesale composite averaged $378.29 per cwt., down 1% monthly and up 2% year-on-year. A softening in the wholesale composite in January and February is not uncommon before gaining in late spring. Among the primals, the shoulder, loin, and leg were down monthly, yet the rack gained 1%.

The rack continued its hot streak. In August 2017, the rack, 8-rib, medium, hit a record high, surpassing $9 per lb. It softened marginally in 2018, but has regained its strength, hitting $899.67 per cwt. in February, 8% higher year-on-year.

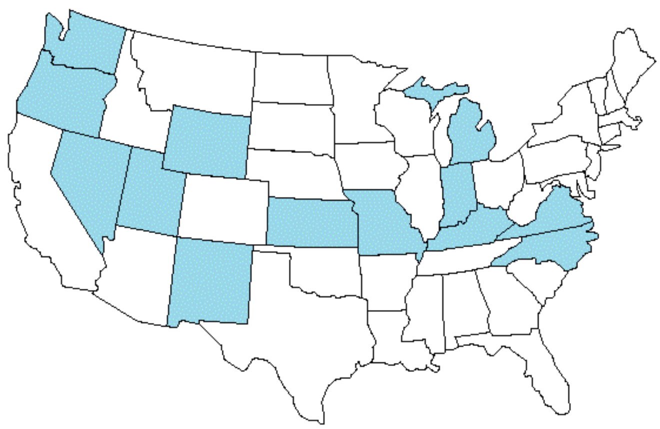
In February, the leg, trotter-off, averaged $360.48 per cwt; the loin, trimmed 4x4, averaged $516.64 per cwt.; and the shoulder, square-cut, averaged $275.88 per cwt.

U.S. pelts remained depressed—cutting into producer and feeder margins. Shorn, Supreme pelts ranged from -$1.50 to $2.25 per piece. The sparser unshorn pelts brought up to $4.00 per pelt in February.

## Sheep Inventory Contracts

Sheep inventory contracted 1% as of January 1, 2019. Thirteen states saw positive growth in breeding ewes (Figure 1.). The West—home to many range flocks—saw scattered growth, as did many Eastern and Midwestern farm-flock states. What is notable is that the two largest states, Texas and California, saw breeding ewe numbers contract. However, Wyoming and Utah, the third and fourth largest states by ewe count, saw flock expansion.

**Figure 1. States with Positive Growth in Breeding Inventory in January 2019**
Source: USDA/NASS, ASI



## 2018 Lamb Imports Higher

In 2018, Australian lamb imports gained 1% to 150.4 million lbs., New Zealand lamb contracted 1% to 52.9 million lbs., and total lamb imports gained a marginal 0.2% to 205.7 million lbs. Domestic lamb and mutton saw a 5% uptick to 152.6 million lbs. Total lamb and mutton availability rose 7% to 425.2 million lbs. (Figure 2.). In early March, the Livestock Market Information Center (LMIC) forecasted lamb imports could be down 7% in 2019.

The domestic share in total lamb and mutton availability was 36% in 2018, down from 44% five years ago, and down from 50% 10 years ago. It is hypothesized that domestic lamb maintains a dominant market share in some markets, for U.S. racks at foodservice, for example.

**Figure 2. Total Lamb & Mutton Supplies**
Source: USDA/ERS, ASI