

What Did We Learn From Economics of Shifting Lamb Production Analysis?

Lamb Council

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TEXAS A&M
AGRILIFE
EXTENSION

Overview

- Difficult to Pull Off
- Seasonality Can Change
- Economic Thoughts



Keys

- Lambs Weaned and Sold
 - Limit lamb losses either in conception or after birth
- Costs
 - Higher costs likely in changing breeding season
- Seasonal Price Difference Do Occur
 - Not great probability of large price increases if those are necessary to offset costs

Foundation

- Aseasonal Breeding to Take Advantage of Seasonal Price Differences Has to be Profitable for Producers
 - Start this research from a baseline of producer profitability

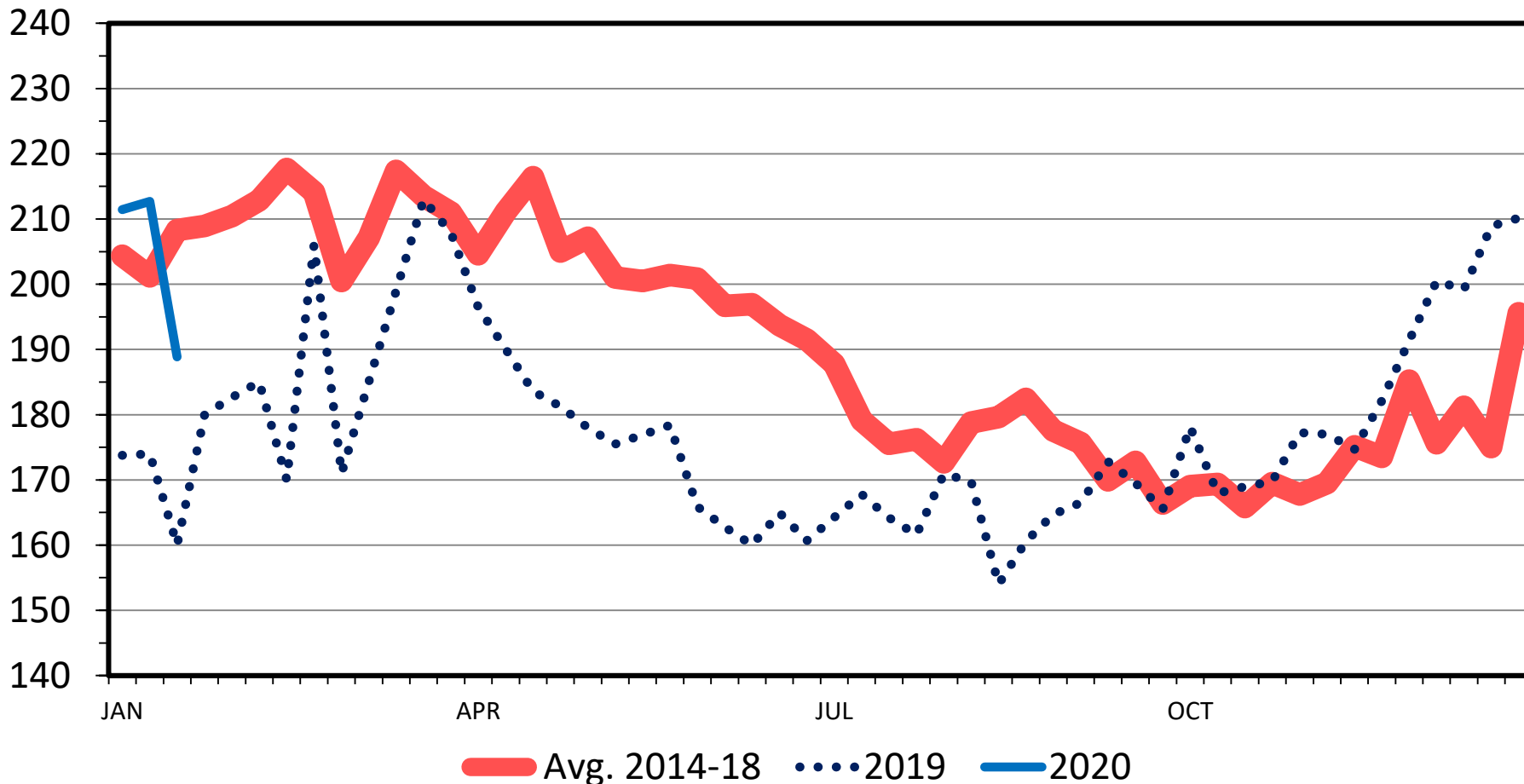
Seasonality

- Supply – Biology
- Demand – Holidays, Seasons
- Markets Work
 - Deal with seasonality using imports, stocks, lamb feeding

FEEDER LAMB PRICES

3-Market Average; CO, TX & SD; Weekly

\$ Per Cwt.



Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

Probability Prices Increase Enough

- Used the 1998-2018 Period
- Observed Number of Times Seasonal Price Change Exceeded 5, 10, and 20 Percent
- Simulation Model of Price Seasonality Based on Historical Price Distribution
- If a 20% Price Increase is Needed, Less Than 50% Prob. Of Occurrence