

LAMB COUNCIL



American Lamb Sales



- Pre covid, more than half of our American Lamb supplies were sold into foodservice/primarily fine dining
 - Many restaurants closed permanently
 - Some restrictions are back in place
 - Chefs turning to less expensive cuts
 - Menu sizes are being reduced and takeout remains strong
 - High food costs, staff shortages
- Retail sales have increased including premium cuts

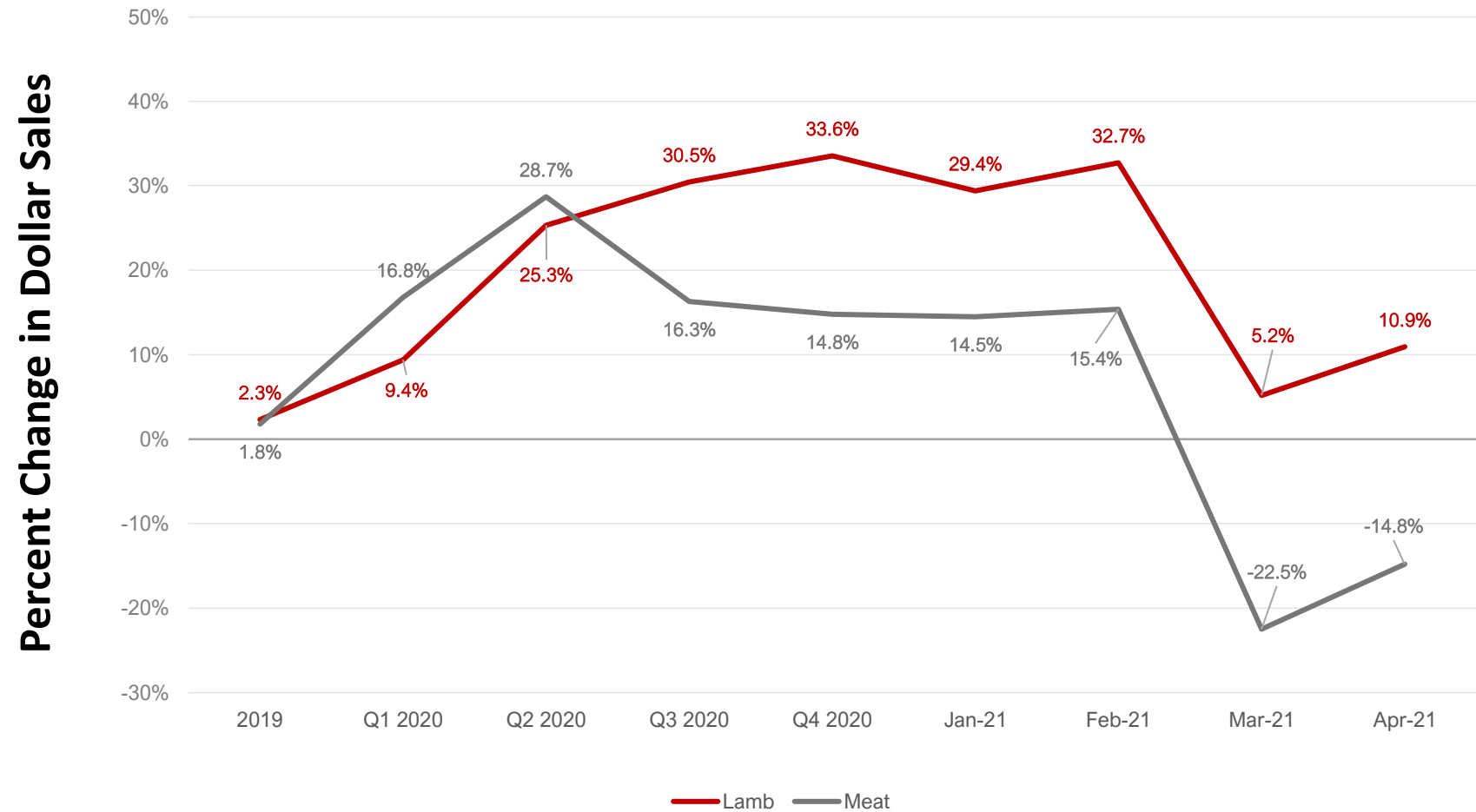
Lamb vs. Meat | Retail Sales

Lamb grew more than total meat sales in 2020

Consumer demand for lamb increased considerably during 2020

- **24.7%** increase in dollar sales vs 2019
- **17.7%** increase in pounds sold vs 2019

\$ Growth vs. Comparable Time Year Ago:
Lamb vs Meat Department

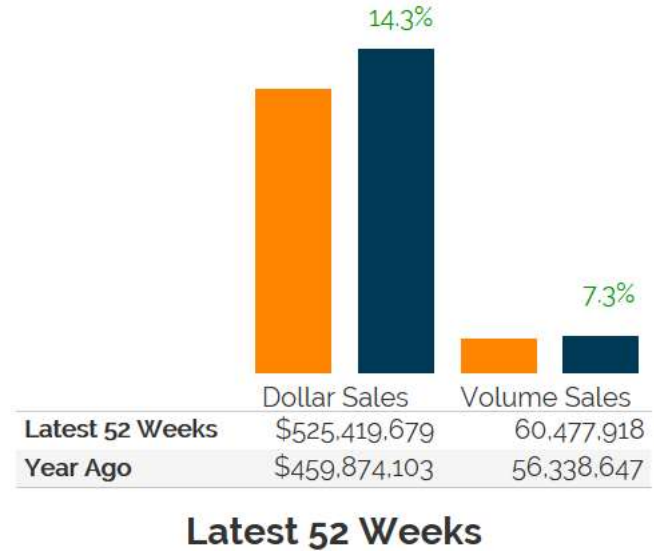
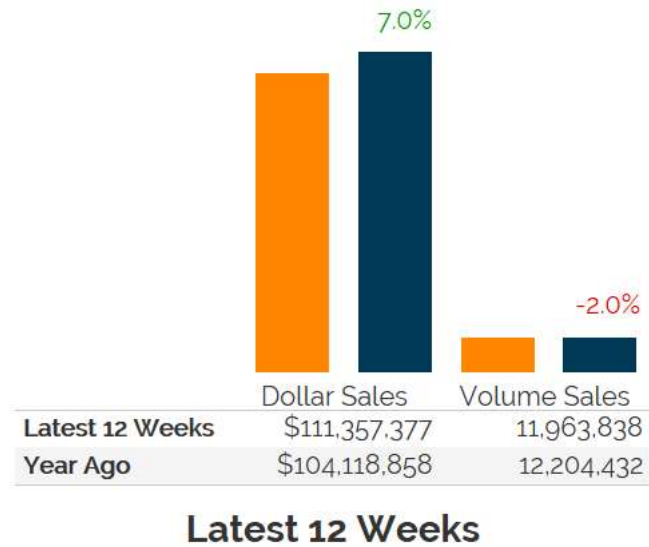


Total U.S.

Dollar and Volume Sales – Period Ending October 2021

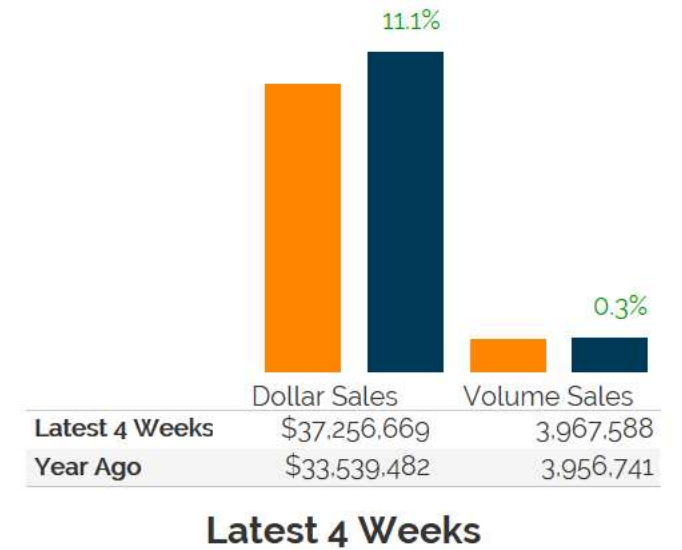
Time Period
■ Latest N Weeks
■ Year Ago

Compared to the same 12-week time period last year, dollar sales of lamb have increased 7% while volume sales have decreased 2%.



Compared to the same 52-week time period last year, dollar sales of lamb have increased 14.3% and volume sales have increased 7.3%.

Compared to the same 4-week time period last year, dollar sales of lamb increased 11.1% and volume sales of lamb remained virtually flat (+0.3%).



Primals – Racks Driving Growth

Ranked by Market Share, 52 Weeks vs. YAGO

Primal	Dollar Sales (Latest 52 Weeks)	Dollar Sales (YAGO)	% Change vs. YAGO	Market Share (52W)	Market Share (YAGO)
Ribeye	\$140,594,684	\$109,611,939	28.3%	27%	24%
Loin	\$138,464,367	\$124,152,681	11.5%	26%	27%
Leg	\$87,261,699	\$78,571,603	11.1%	17%	17%
Shoulder	\$83,331,836	\$75,691,538	10.1%	16%	16%
Ground	\$42,651,563	\$40,617,013	5.0%	8%	9%
Ingredient Cuts	\$32,637,590	\$30,913,731	5.6%	6%	7%
Offal	\$477,940	\$315,599	51.4%	0%	0%
Grand Total	\$525,419,679	\$459,874,103	14.3%	100%	100%

Volume sales of ribeye increased an impressive 34.3% from YAGO – an absolute increase of more than two million pounds.

Sales of lamb racks have grown tremendously from YAGO. Increased demand for racks appears to be what’s driving the growth in dollar sales from YAGO; while cuts such as the loin, leg and shoulder have seen double-digit increases (~11%), each of these is below the percent increase for lamb overall (14.3%).

Primal	Volume Sales (Latest 52 Weeks)	Volume Sales (YAGO)	% Change vs. YAGO	Market Share (52W)	Market Share (YAGO)
Loin	14,021,128	13,870,107	1.1%	23%	25%
Leg	12,874,987	11,729,735	9.8%	21%	21%
Shoulder	11,844,711	11,768,061	0.7%	20%	21%
Ribeye	9,644,485	7,182,647	34.3%	16%	13%
Ingredient Cuts	6,431,821	6,297,251	2.1%	11%	11%
Ground	5,418,226	5,345,355	1.4%	9%	9%
Offal	242,561	145,492	66.7%	0%	0%
Grand Total	60,477,918	56,338,647	7.3%	100%	100%

GELSON'S, LA



New Consumer Research

Sample

National sample of U.S. residents; quota on age to align with U.S. census.

- 18 – 76 years old
- Primary/share responsibility for grocery shopping and food preparation
- Have eaten lamb in the past 12 months (at home or from a restaurant)
- n=1015

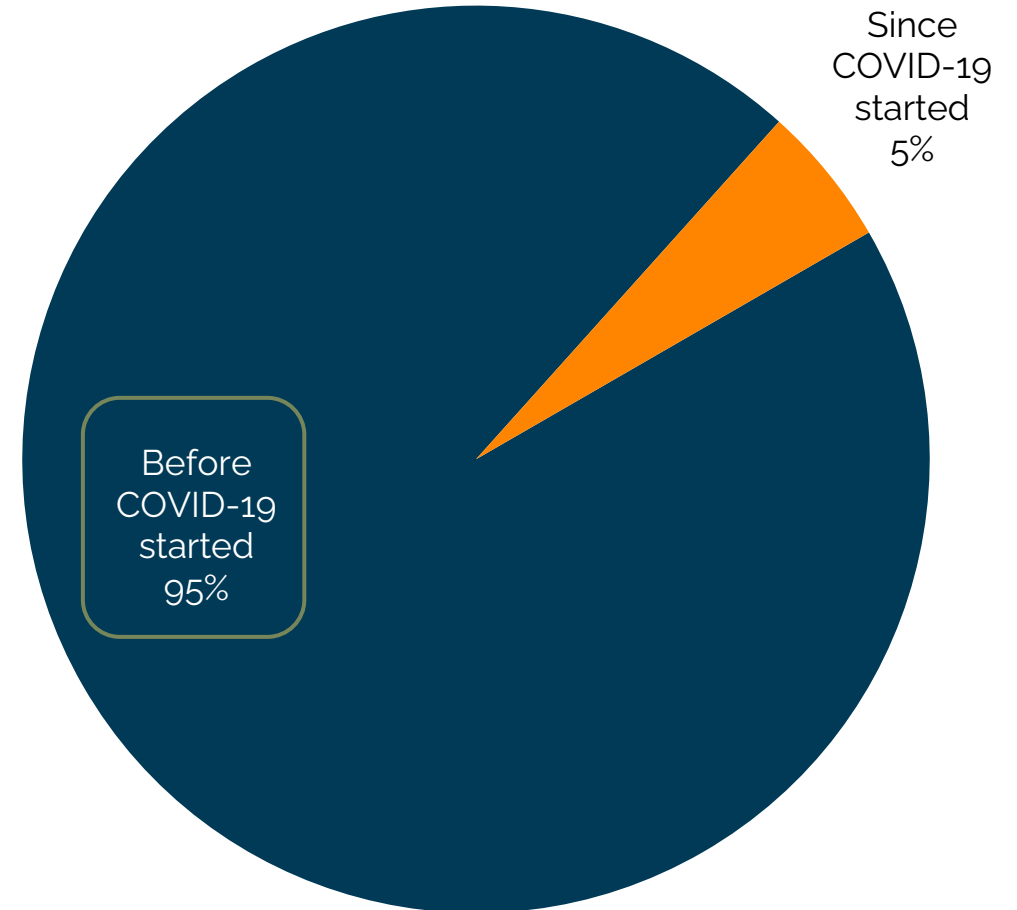
Fielding

August 25-30, 2021

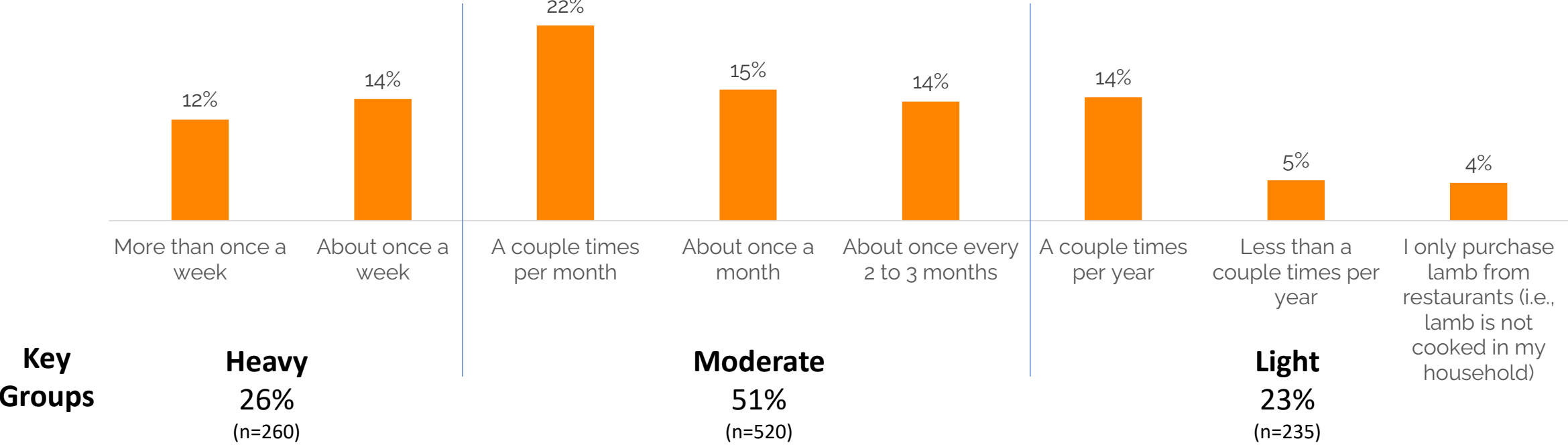
First Trial of Lamb (Before or After COVID)

Nearly all lamb consumers ate lamb for the first time before the pandemic – only 5% have tried it since the COVID-19 pandemic began.

- There is not much difference in the ratio of trial before/after COVID among the lamb purchaser groups.



Lamb Purchase Frequency for Home



Key Purchaser Group Profiles

Heavy lamb purchasers skew toward being college-educated millennials with families. They make over \$100k and live in urban areas.

• Heavy Purchasers

• Gender:

• Male: 71%

• Female: 29%

• Generation:

• Gen z: 12%

• Millennials: 58%

• Gen X: 27%

• Boomers: 3%

• Household Income:

• Under 50K: 11%

• 50K-99K: 40%

• Over 100k: 49%

• Kids in Household: 79%

• College Graduates: 71%

• Area: 68% Urban



• Moderate Purchasers

• Gender:

• Male: 49%

• Female: 51%

• Generation:

• Gen Z: 9%

• Millennials: 28%

• Gen X: 29%

• Boomers: 34%

• Household Income:

• Under 50K: 26%

• 50K-99K: 38%

• Over 100k: 36%

• Kids in Household: 41%

• College Graduates: 62%

• Area: 65% Suburban or Rural



Light Purchasers

Gender:

Male: 37%

Female: 62%

Generation:

Gen z: 9%

Millennials: 12%

Gen X: 30%

Boomers: 49%

Household Income:

Under 50K: 33%

50K-99K: 33%

Over 100k: 34%

Kids in Household: 21%

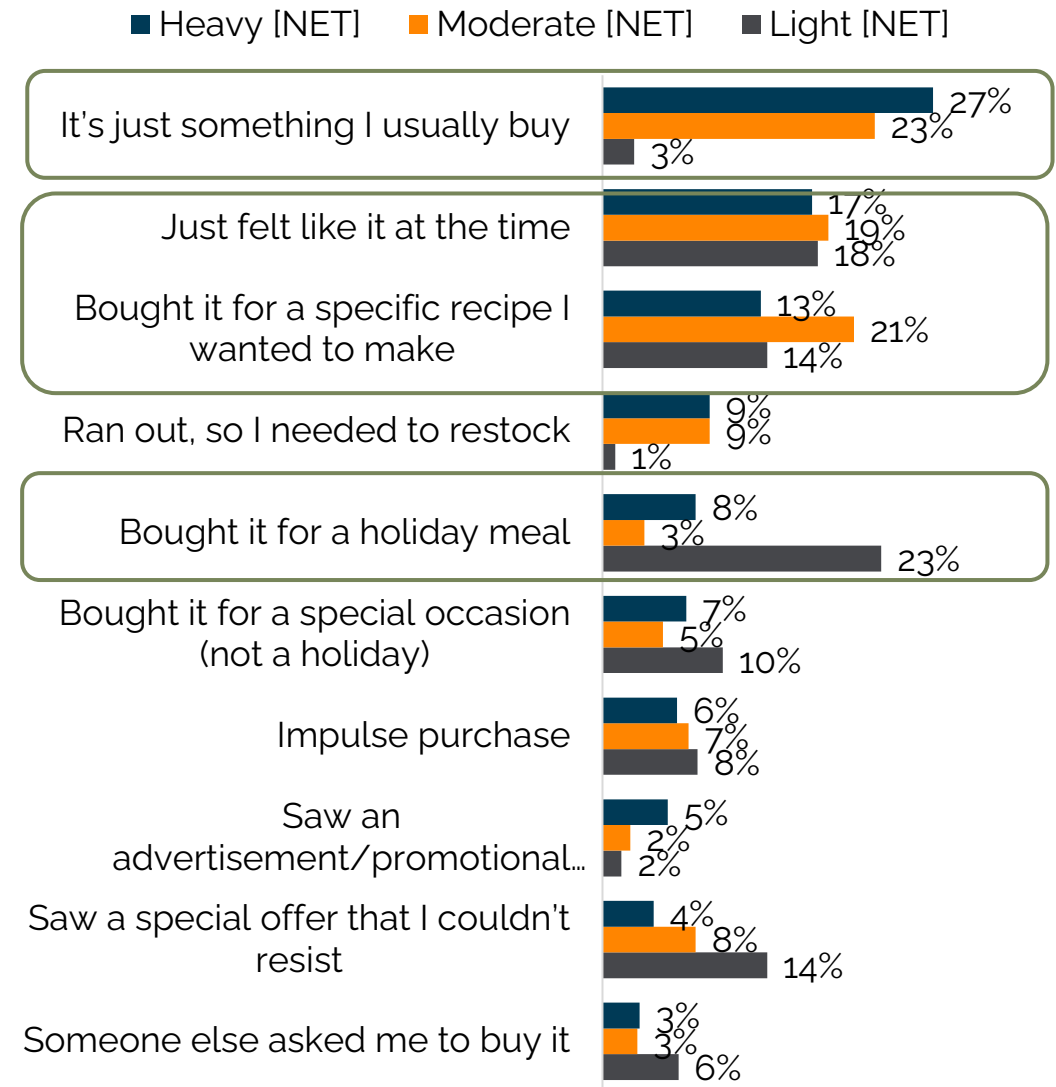
College Graduates: 63%

Area: 77% Suburban or Rural



Primary Reason to Purchase by Groups

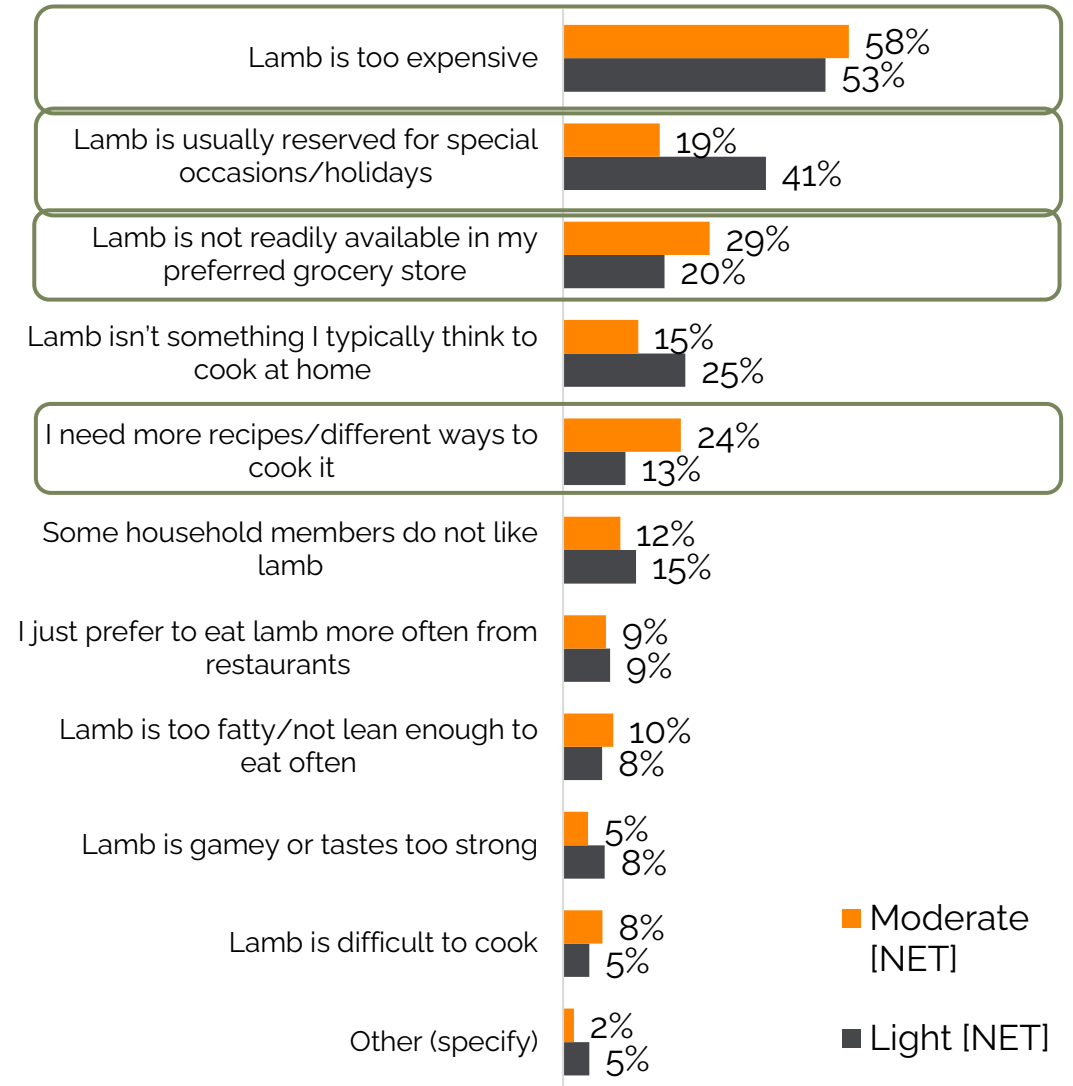
- Over a quarter of heavy purchasers buy lamb routinely and it is habitual for them.
- Around 1 in 4 moderate lamb purchasers purchase due to habit, impulse, or having a specific recipe that calls for lamb.
- A quarter of light lamb purchasers say that their primary reason is a holiday meal.



Barriers to Buying More Among Light and Moderate Purchasers

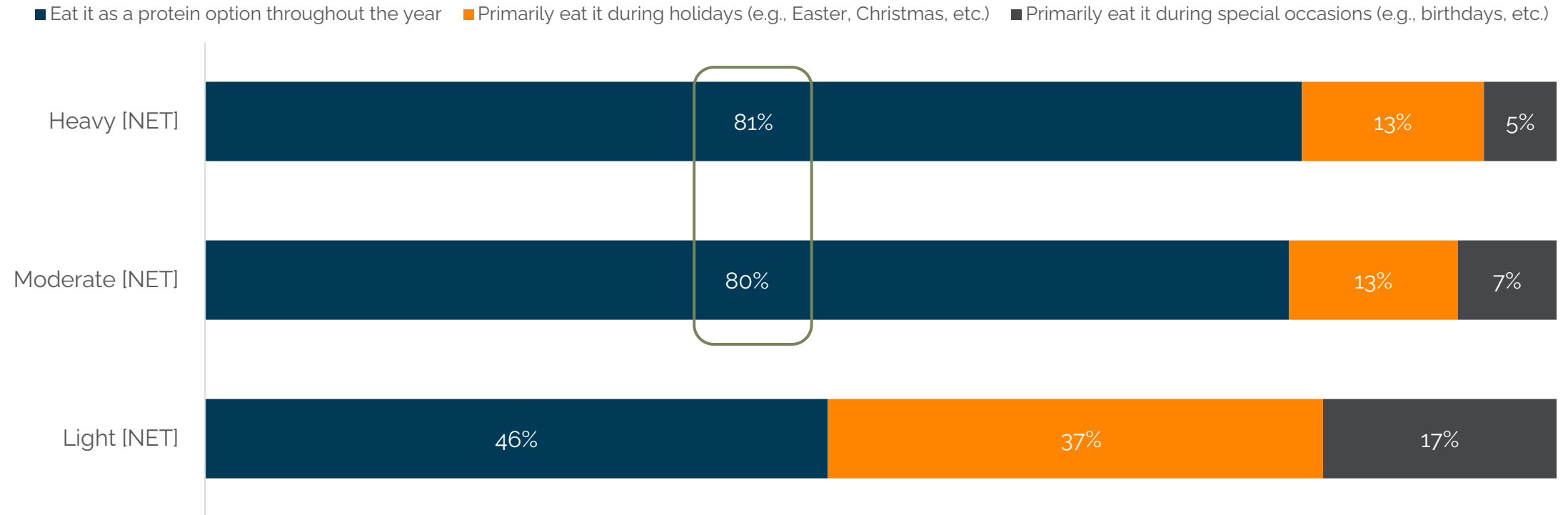
Price is the largest barrier to moderate and light lamb purchasers.

- Moderate lamb purchasers are slightly more likely than light purchasers to say that availability and lack of recipes are barriers.
- Light lamb purchasers are also more likely to reserve lamb for special occasions and holidays.



Primary Lamb Eating Occasions by Group

4 in 5 heavy and moderate lamb purchasers eat lamb throughout the year (not just on holidays and special occasions.)



Positive Perceptions of Lamb

For lamb consumers, lamb conjures up images of special occasions, a reminder of cultural food roots, and a unique flavor that they use to diversify their meals.



“Lamb is a good way of changing things up while still having a good cut of meat. It's also better for you compared to beef and pork, so it's (mostly) guilt free to boot.”

“What I like about eating lamb is it is flavorful, has a unique taste to it which allows for a diversity of thoughts that get me in a mood to be exploratory and insightful about what I eat.”

“It is an expensive cuisine. This is a popular meal in my culture that I do special dishes with lamb.”

“We have lamb burger every now and then, something different from a beef hamburger or a chicken sandwich. I also love a rack of lamb, on special occasions when at a restaurant that does them well.”

“The taste and flavor of lamb is one of the best tasting meats that you can buy. It is usually eaten during special occasions because it is a bit more expensive than other meats, but when we do eat it, everyone enjoys it.”

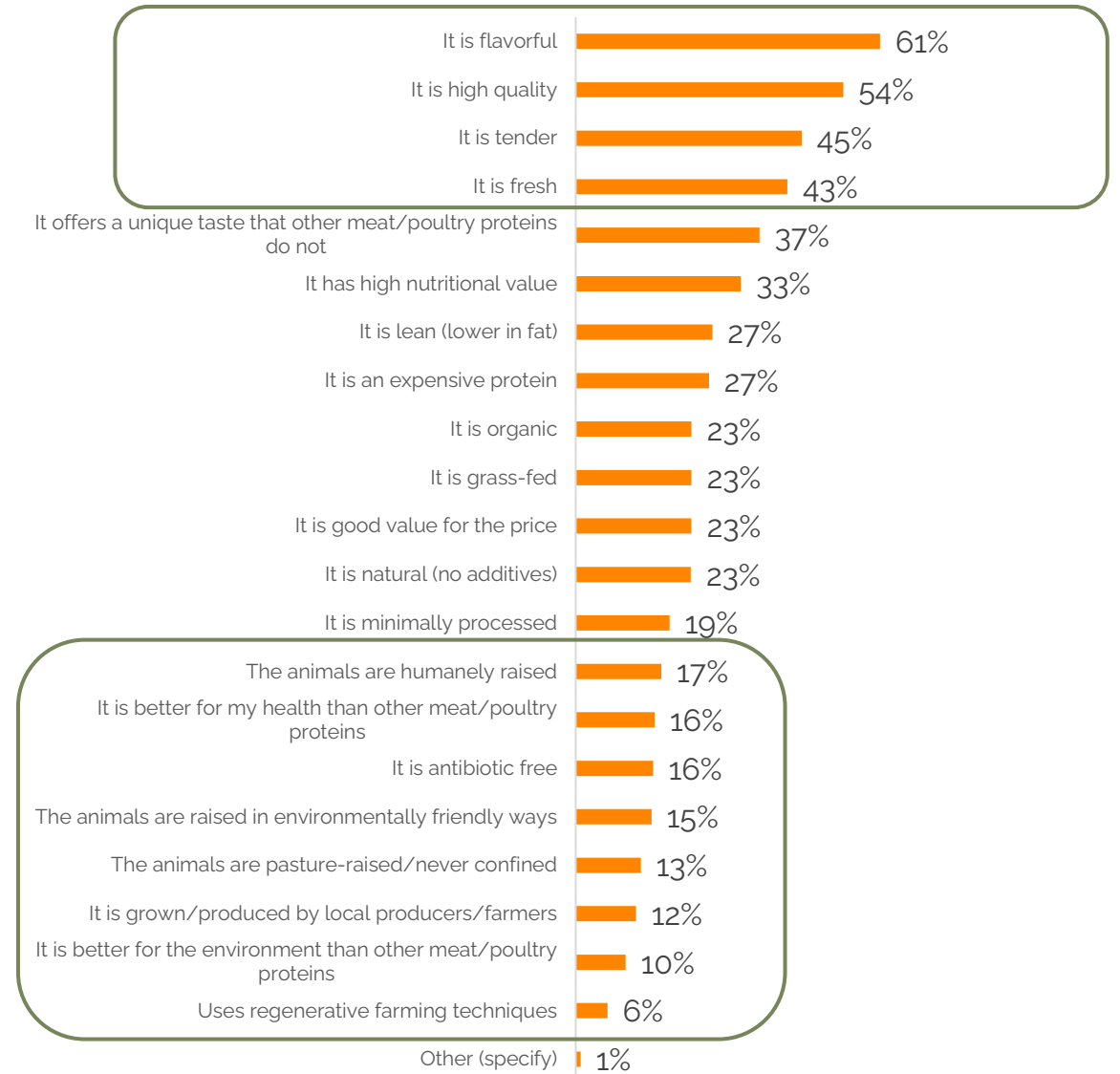
“The way it's prepared. Grew up in a family that cooked lamb on a spit over an open flame. The garlic, lemon and oregano - no better taste.”

“That its proteins are of high biological value, that it is easily digestible and its high content of folic acid and iron.”

“It's chewy and some dishes like kebabs taste good only with lamb.”

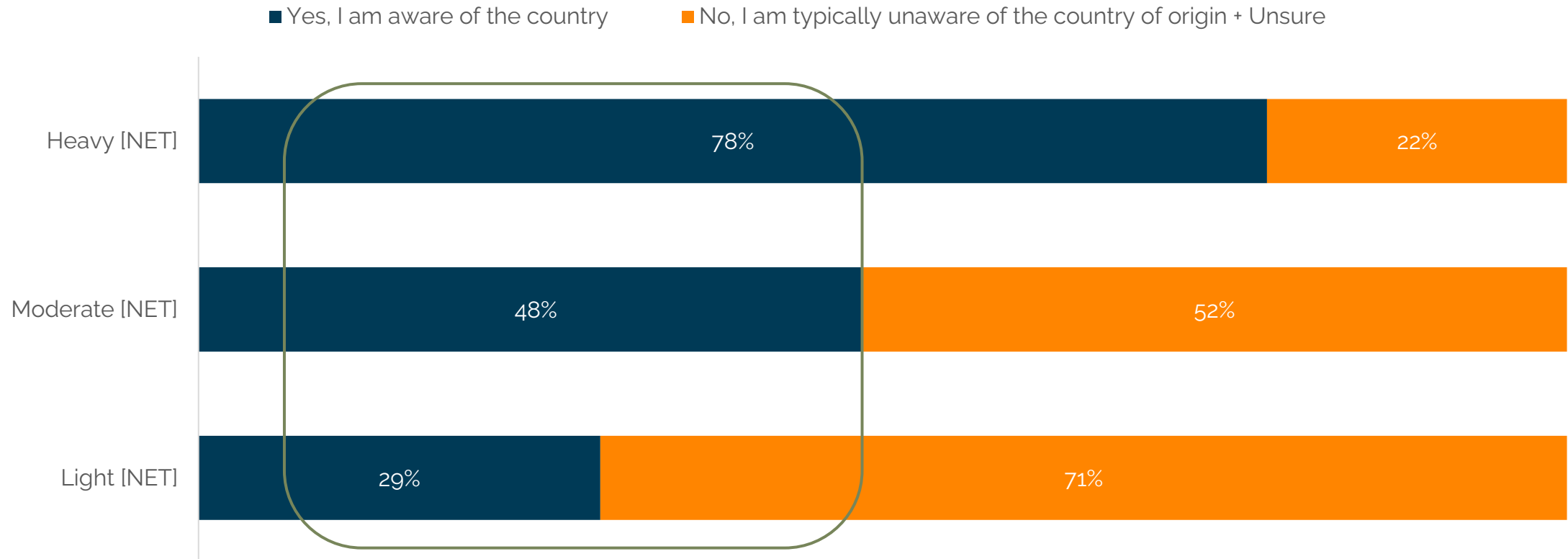
Associations with Lamb

- Lamb is most associated with flavor, quality, tenderness and freshness.
- Lamb is less frequently associated with being environmentally friendly, better for the animal or local.



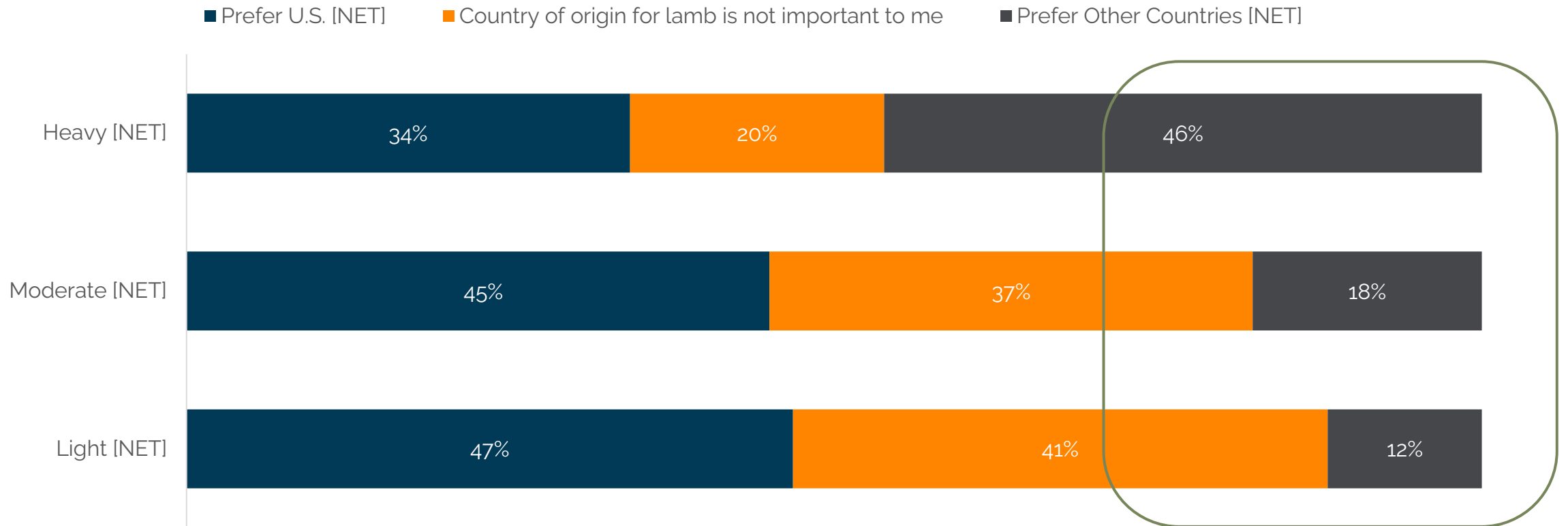
Country of Origin Awareness Among Groups

Over 3 in 4 heavy lamb purchasers are aware of the country of origin their lamb comes from
– awareness decreases with regularity of purchase.



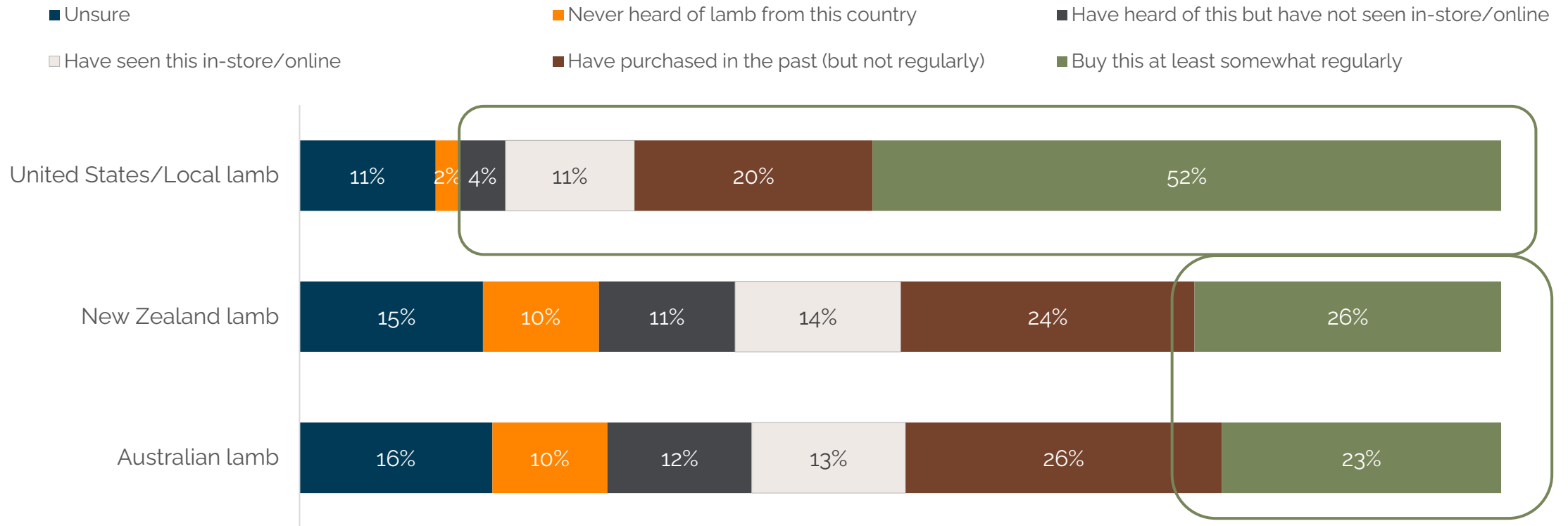
Country of Origin Preference by Group

Heavy lamb purchasers are most likely to prefer lamb from other countries versus the other groups.



Experience with Lamb (U.S., N.Z. and AU.)

A quarter of lamb consumers acknowledge that they buy Australian and New Zealand lamb regularly. However, lamb consumers are more aware of and regularly buy U.S. lamb overall.



Conclusions & Considerations

- 7 in 10 meat eaters have eaten lamb in the past, but only 15% of them have eaten it in the last month.
 - Ensure consumers have access to easy recipes, availability to more lamb cuts in grocers all year round not just near the holidays.
- Heavy users eat lamb one or more times per week. They account for the majority of lamb consumed in the U.S. but only 26% of total lamb eaters.
 - Opportunity to increase moderate users by one or more purchases per month is key, as this is the largest group of lamb eaters at 51% and they are only eating lamb around once a month.
 - Educate moderate lamb users about nutrition benefits, sustainability and cut diversity.

Consumer Trends

Opportunities for American Lamb

Health and Wellness

- Food as medicine
 - Immune health
 - Brain food (mental health)
- 2020 Iowa State Study indicates diet may help reduce cognitive decline
 - Weekly consumption of lamb, but not other red meats, was shown to improve long-term cognitive prowess

EXCELLENT SOURCE

108% of your Daily Value of B12
Vitamin B12 plays a critical role in the production of protein synthesis which is vital to produce immune cells.

31% of your Daily Value Selenium
Selenium has antioxidant properties, protecting immune cells from oxidative stress. It also plays an important role in protein synthesis.

46% of your Daily Value of Protein
Protein provides the body with amino acids. These amino acids act as building blocks to produce immune cells and antibodies.

10% of your Daily Value of Iron
Iron is a fundamental element for the immune response, helping lymphocytes (a type of white blood cell that attacks an infection) grow and mature.

41% of your Daily Value of Zinc
White blood cells require zinc to function and fight infection.

18% of your Daily Value of B6
Vitamin B6 is needed to activate an immune signaling molecule that regulates the activities of white blood cells.

GOOD SOURCE

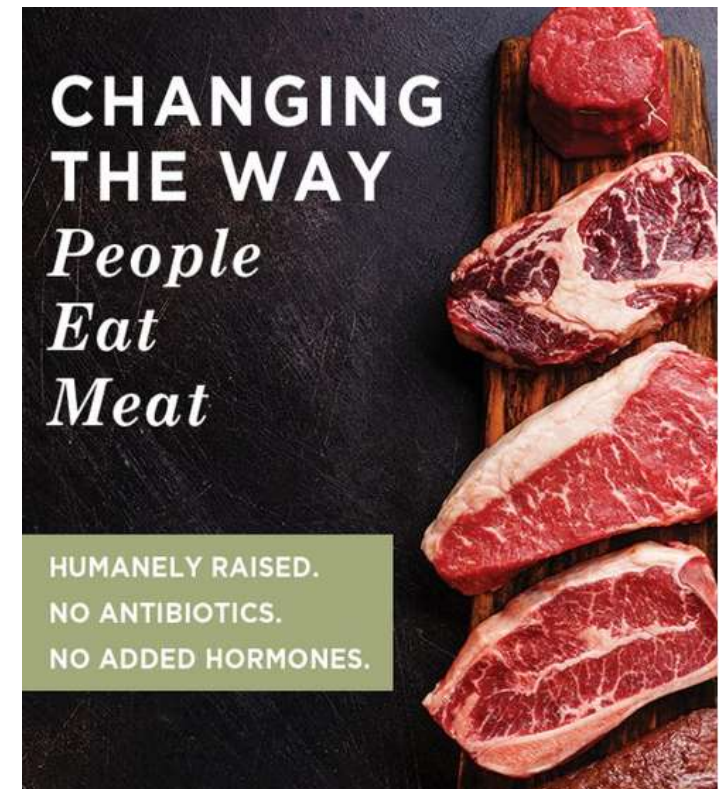
Fe

B6

Sustainability/Plant Based Eating

This trend took a backseat at the beginning of Covid as consumers turned to comfort foods but is now resurging

- Flexitarians – consumers who primarily eat a plant based diet with occasional inclusion of meat, dairy and eggs
- Reducetarians – aim to eat less meat, dairy, eggs for environmental reasons
- Both groups look for meat raised right
 - Animal care
 - Land stewardship
 - Regenerative Agriculture
 - Local – buying direct from a farmer/rancher



Regenerative Agriculture

“Regenerative Agriculture” describes farming and grazing practices that, among other benefits, reverse climate change by rebuilding soil organic matter and restoring degraded soil biodiversity – resulting in both carbon drawdown and improving the water cycle.

- Promote biodiversity (cover crops and crop rotation)
- Eliminate or decrease tillage
- Reduce the use of artificial fertilizers
- Use grazing management practices that mimic the natural grazing patterns of animals like time control grazing to ensure that rangeland has sufficient time to regenerate between grazing periods



Resurgence of Cookbooks, Cooking Classes and the Dinner Party

- Covid gave people the time and desire to experiment in the kitchen and food has become a way to connect with family and friends
- Vaccines give people the ability and desire to safely entertain
- Spending time with friends goes hand in hand with trying new things
- Dinner parties inspire culinary creativity and willingness to spend extra on ingredients to wow guests

