

Lamb Markets and Managing in These Uncertain Times

Presenters:

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Host/Moderator: Jay Parsons
June 16, 2020



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29 US Land Grant Universities:



8 USDA Agencies:

AMS (Market News), APHIS,
ERS, GIPSA (Packers & Stock.),
NASS, FAS, FCA, and WAOB

13 Associate Members:

AFBF
ASI
NCBA
NPB
CME-Group
Canadian Consortium
Noble Research Institute
CoBank
TCFA
TCU
NWFCS
DLR
Agri-Food Canada

Topics: Cattle Market Outlook, Etc. ...

- **Monitoring and Managing in this Environment**
- **Some Big Picture Comments**
 - Domestic U.S. Consumer Sentiment
 - U.S. Lamb & Mutton Imports
 - Competing Meats – Pork and Beef
- **Forage and Crops**
- **Lamb Markets and Prices**
 - Where Prices Are
 - Slaughter and Frozen Stocks
 - National Flock
 - Outlook ????
- **Discussion**

USDA Data Sources – NASS, AMS, FAS, and ERS
Forecasts by – LMIC

Monitoring & Managing



Managing in this Environment

(Perspective from an Economist)

- **Volatility ...**
 - Hand-to-mouth markets
 - Disruptions (packing plants, buyers not showing-up at auction barn, etc.)
 - Commercial slaughter and status of Mountain States Rosen plant in Colorado – **Ominous Dark Cloud**
 - Bunching-up of animals going to market
- **Monitor Forage ...**
 - Re-evaluate on farm/ranch production and needs
 - Look at area, region, and nation
- **Watch ...**
 - Conservation Reserve Program (CRP) developments/announcements
 - Feedstuff costs, especially corn. Least cost options and cost of gain can change quickly

More -- Managing in this Environment

(Perspective from an Economist)

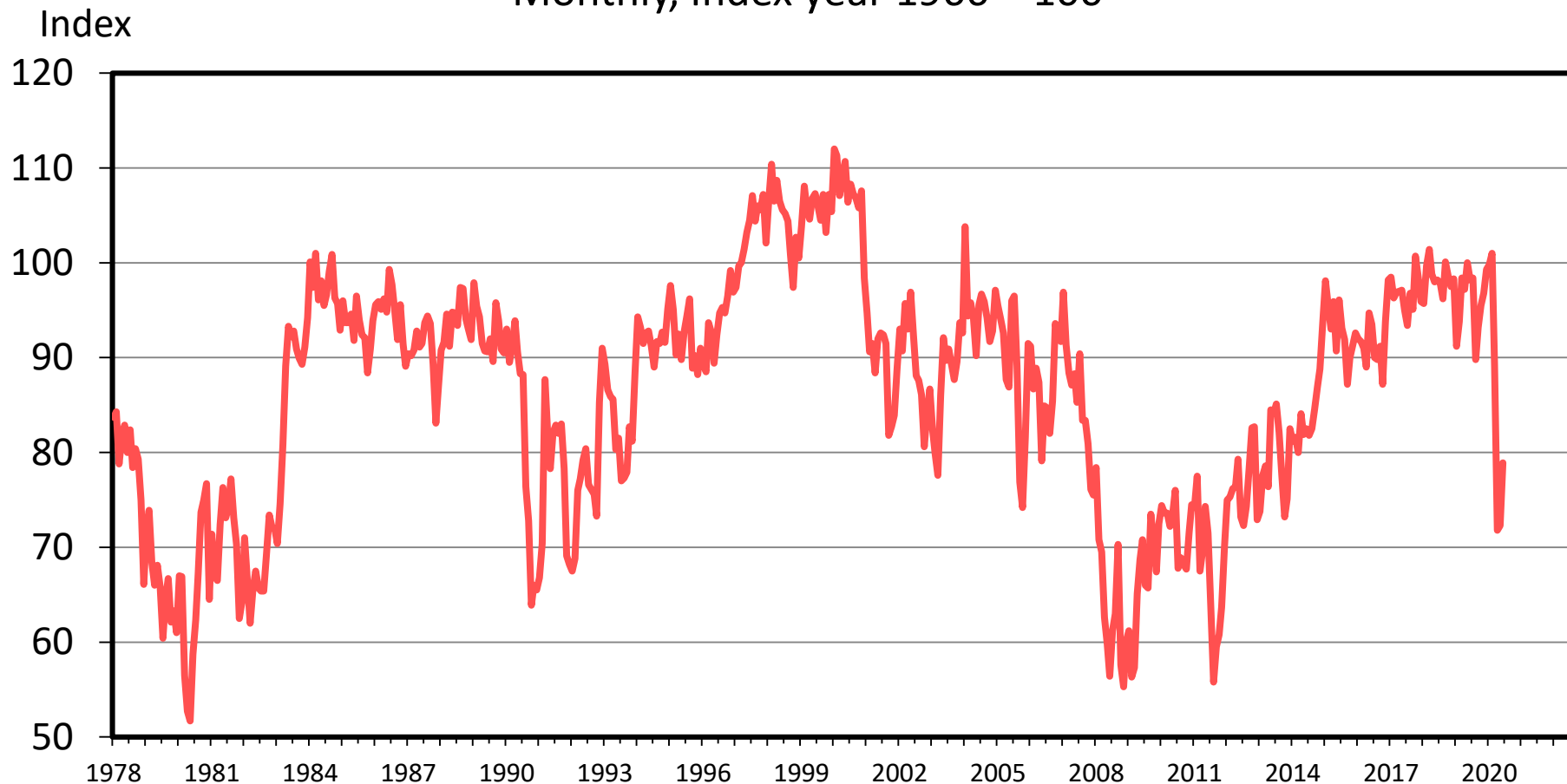
- **Planning ...**
 - Cash flow statement links to marketing plan
 - Develop, adapt, and communicate.
- **View Forage-based Livestock Enterprise Management as a Sequential Decision Process**
 - Drought
 - Black Swan economic events – **Survival = Financial Staying Power (Balance Sheet)**

COVID-19 – Now **Both** Decreasing Demand for Lamb and Increasing Supply of Meat & Poultry



DOMESTIC U.S. CONSUMER SENTIMENT

Monthly, Index year 1966 = 100



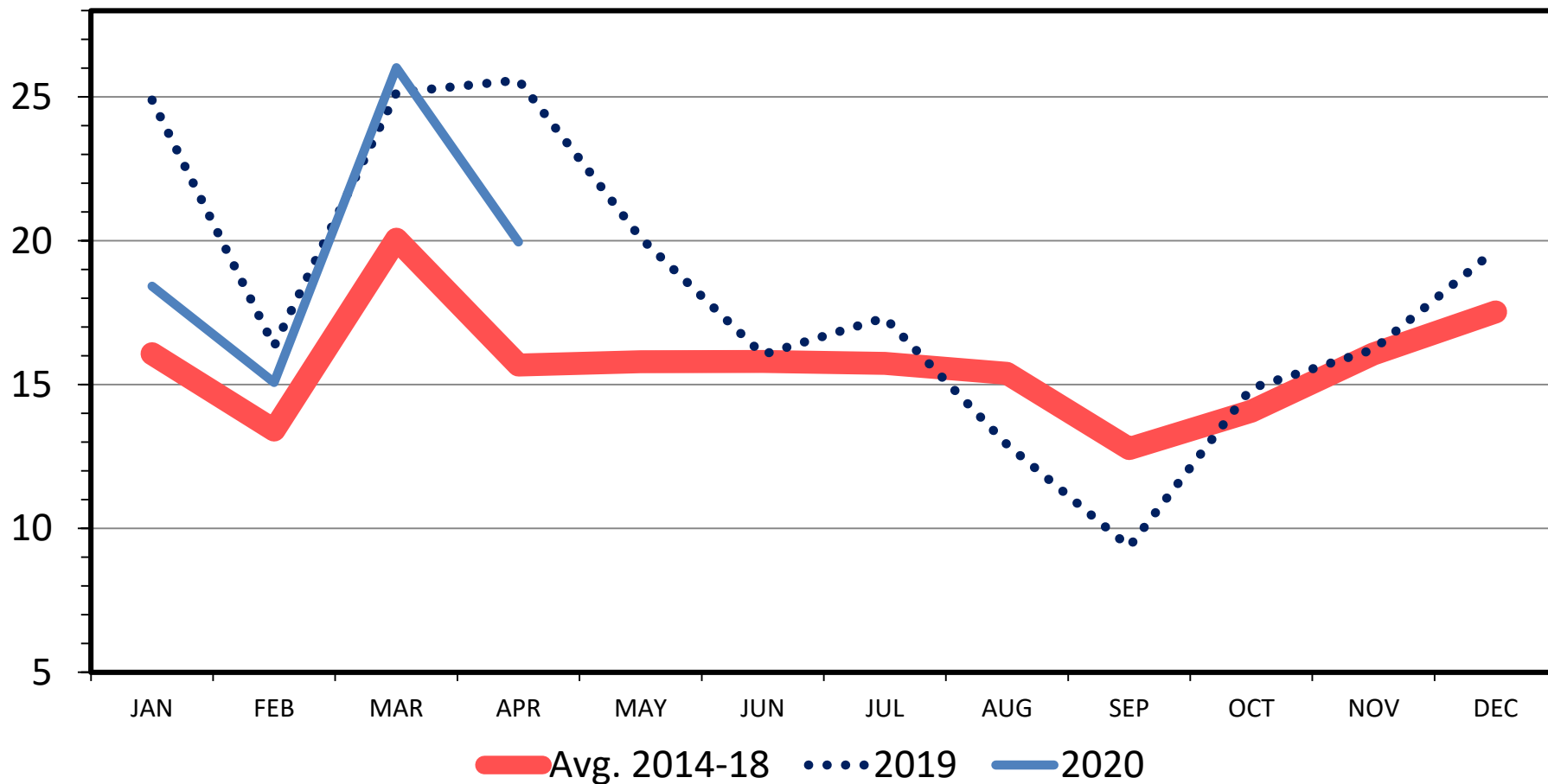
06/14/20

Data Source: University of Michigan

US LAMB IMPORTS

Carcass Weight, Monthly

Mil. Pounds

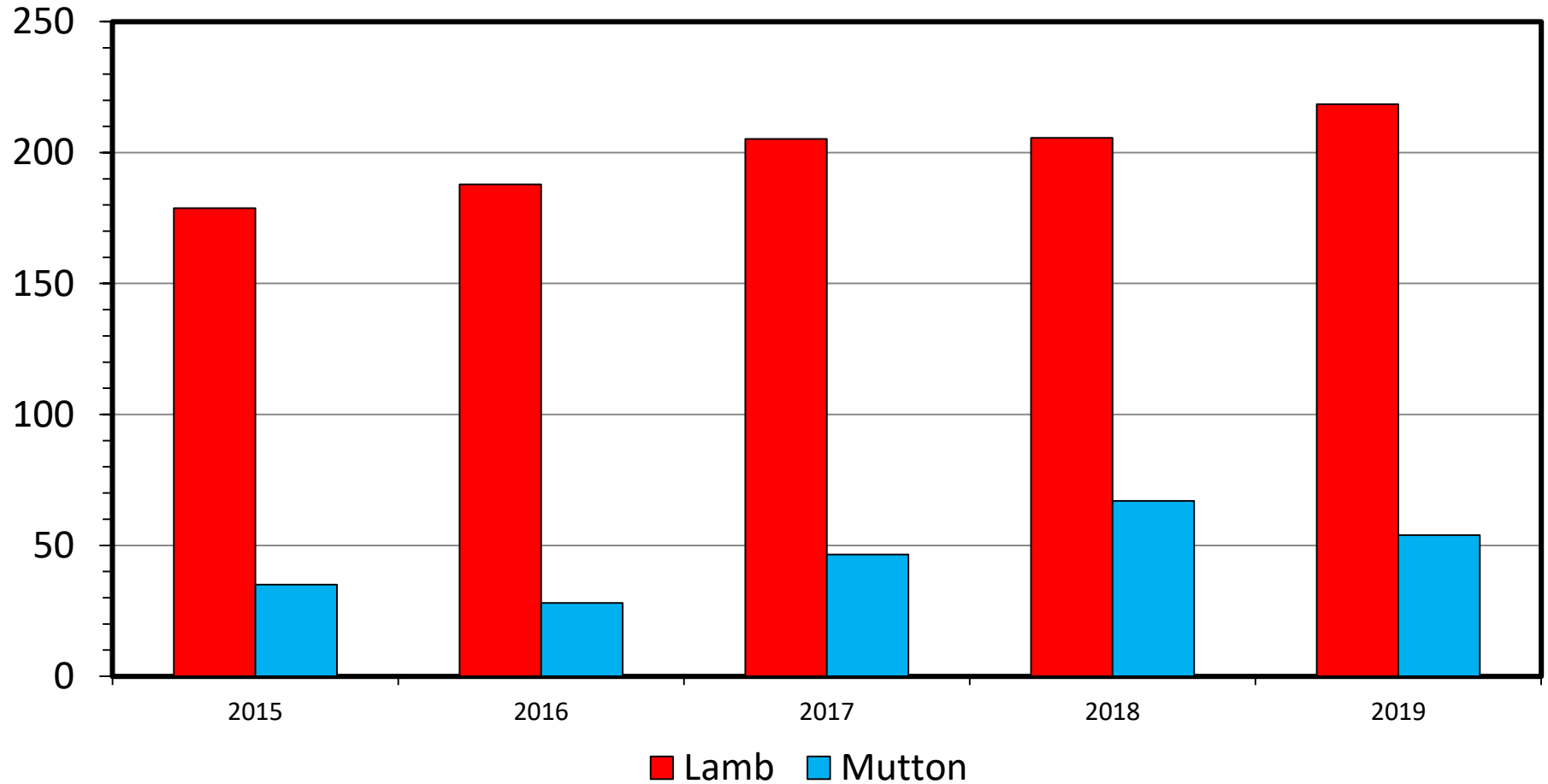


Data Source: USDA-ERS & USDA-FAS

US LAMB & MUTTON IMPORTS

Carcass Weight, Annual

Mil. Pounds

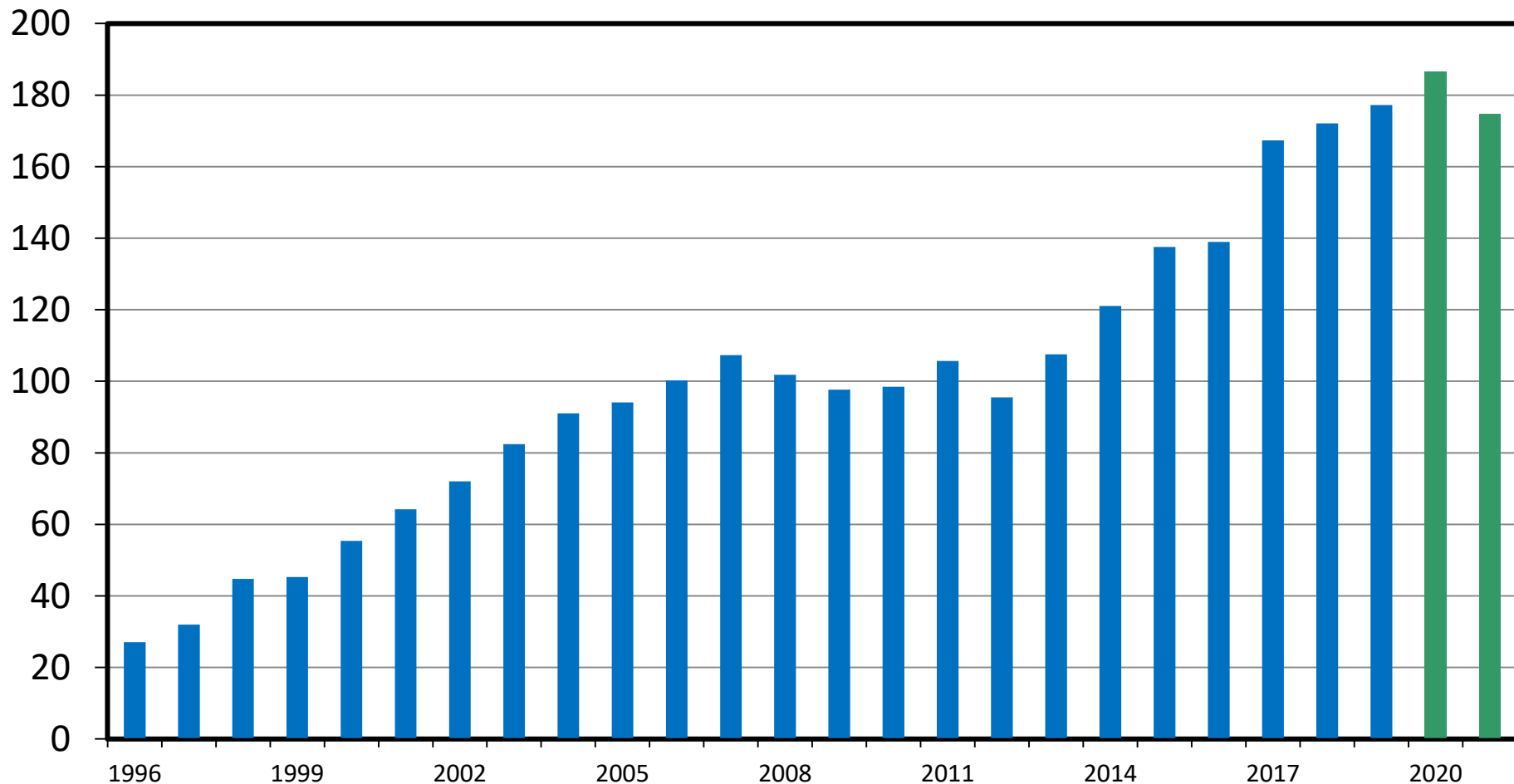


Data Source: USDA-ERS & USDA-ERS, Compiled by LMIC

U.S. LAMB AND MUTTON IMPORTS

As a Percentage of Commercial Production, Carcass Weight , Annual

Percent



Data Source: USDA-ERS & USDA-FAS, Compiled and Forecasts by LMIC

Competition from Pork and Beef



FREE Turkey
Honeysuckle Turkey*
HONEYSUCKLE WHITE

FREE 16-lb. or under Hen Turkey* with \$100 minimum purchase

FREE 16.01-lb. or over Tom Turkey* with \$150 minimum purchase

*Frozen turkey. The purchase requirement does not include the price of the turkey. This offer is not valid on liquor, tobacco, stamps, lottery, pharmacy, gift cards or any items prohibited by law. Limit one free turkey per household.

4.67 lb
Club Price

New York Strip Steak
Bone-in, USDA Choice Beef.
Limit 2 Pkgs., Value Pack or Large
Raw Shrimp
31 to 40-ct.
Sold in a 2-lb. bag for \$9.34 ea.

93% Lean Ground Beef
3-lb. or more

3.77 lb
Club Price

We Will Slice for FREE!

Boneless Pork Loin Roast
Whole, in the bag

1.99 lb
Club Price



Forage and Crops

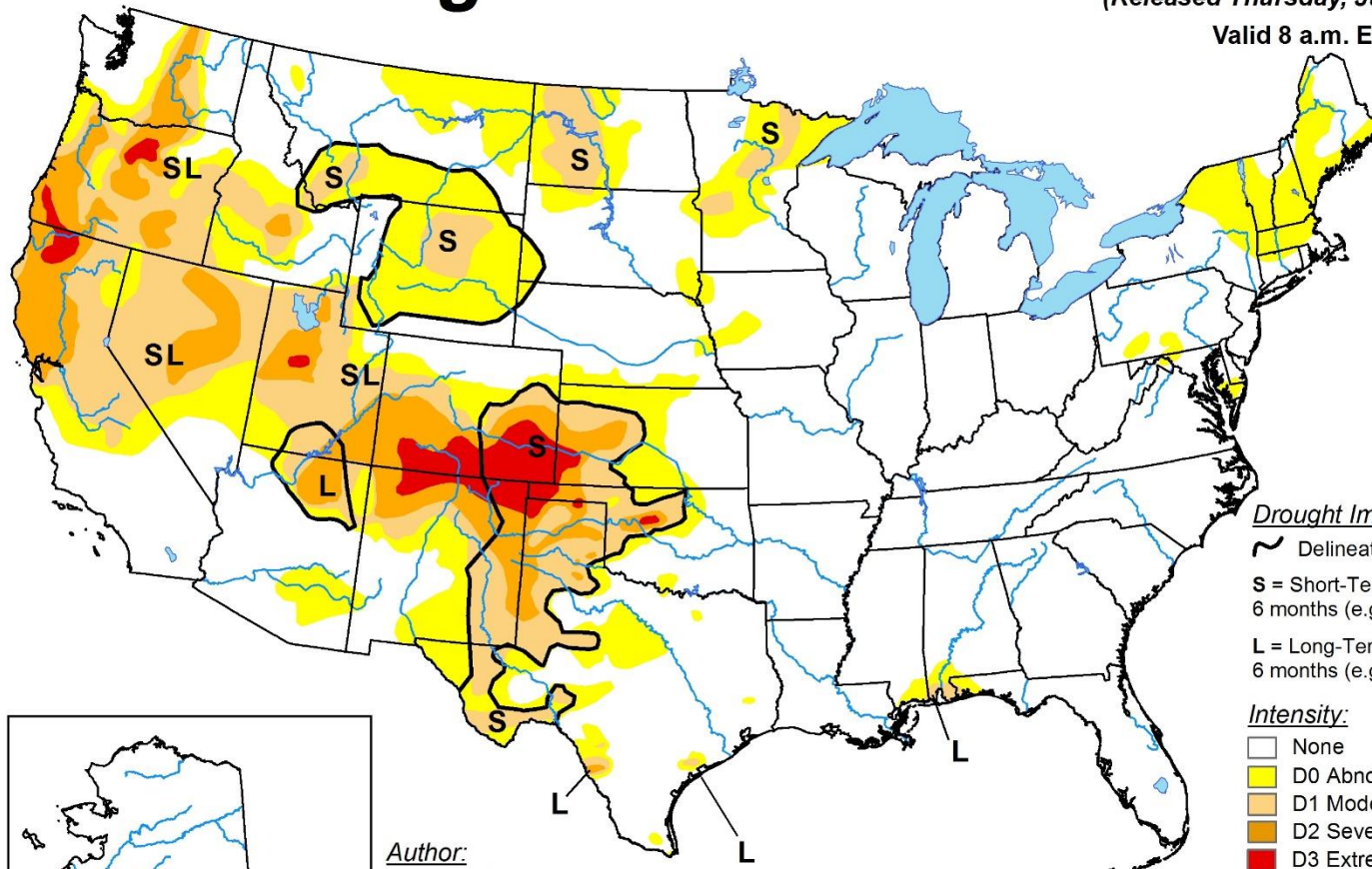


U.S. Drought Monitor

June 9, 2020

(Released Thursday, Jun. 11, 2020)

Valid 8 a.m. EDT



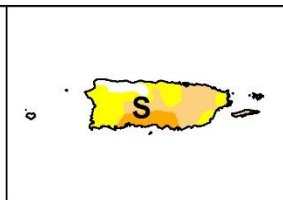
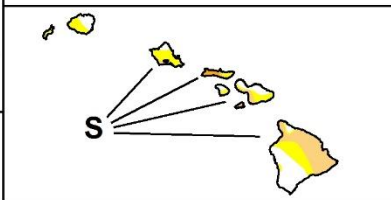
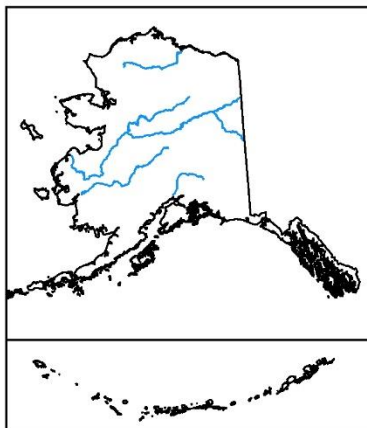
Drought Impact Types:

- ~ Delineates dominant impacts
- S** = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L** = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

Author:
 Brad Pugh
 CPC/NOAA



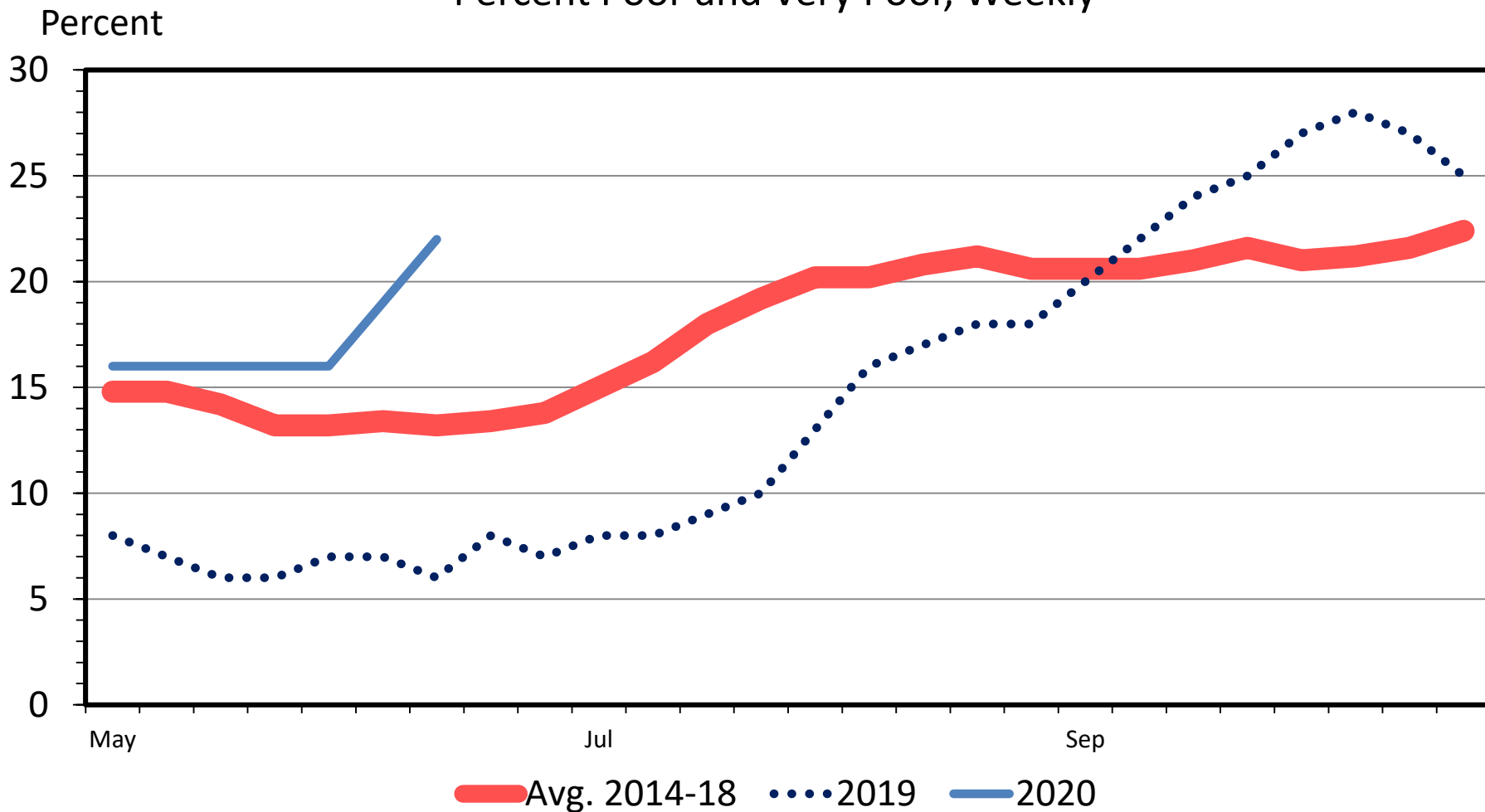
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



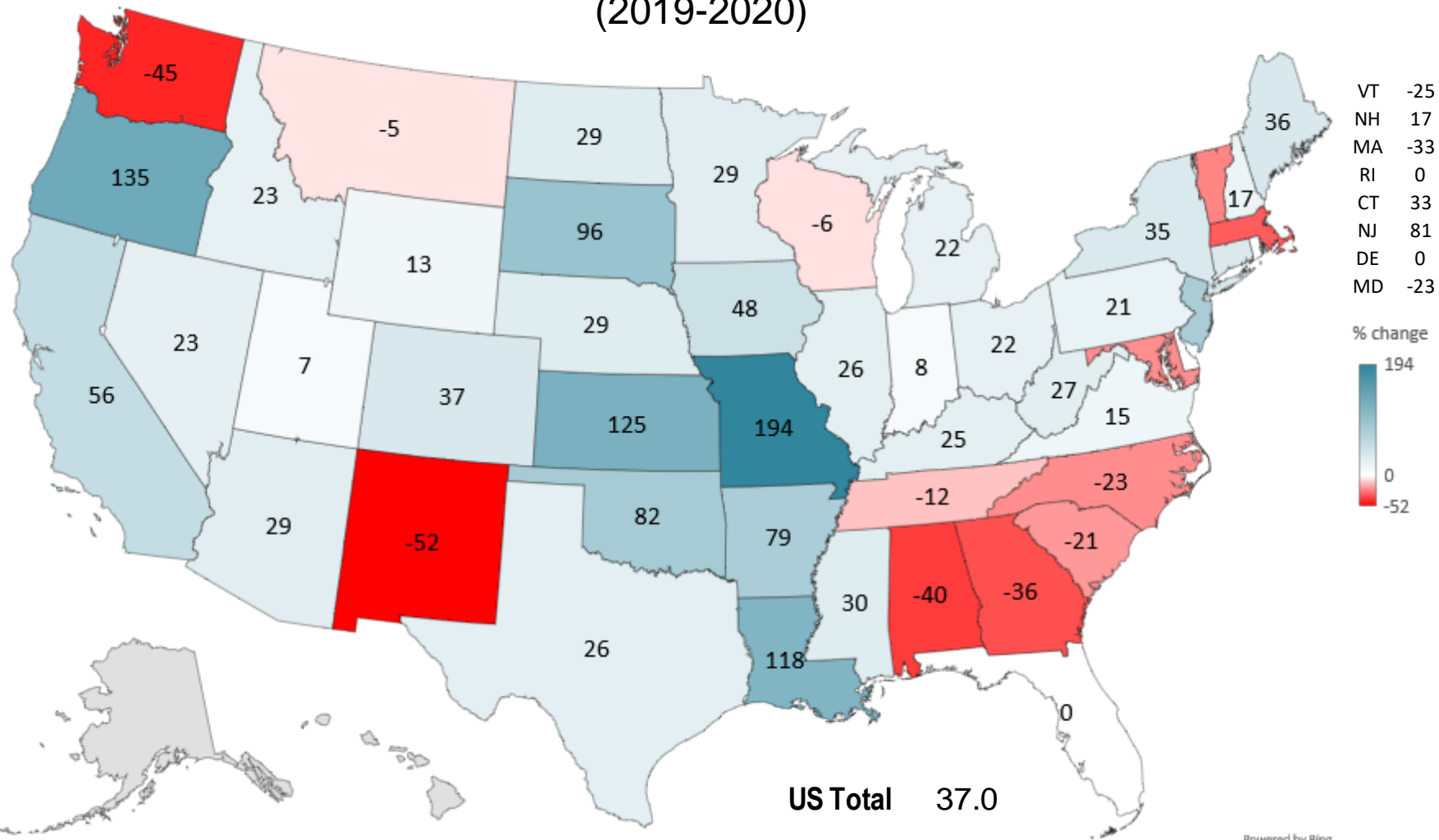
droughtmonitor.unl.edu

US RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly



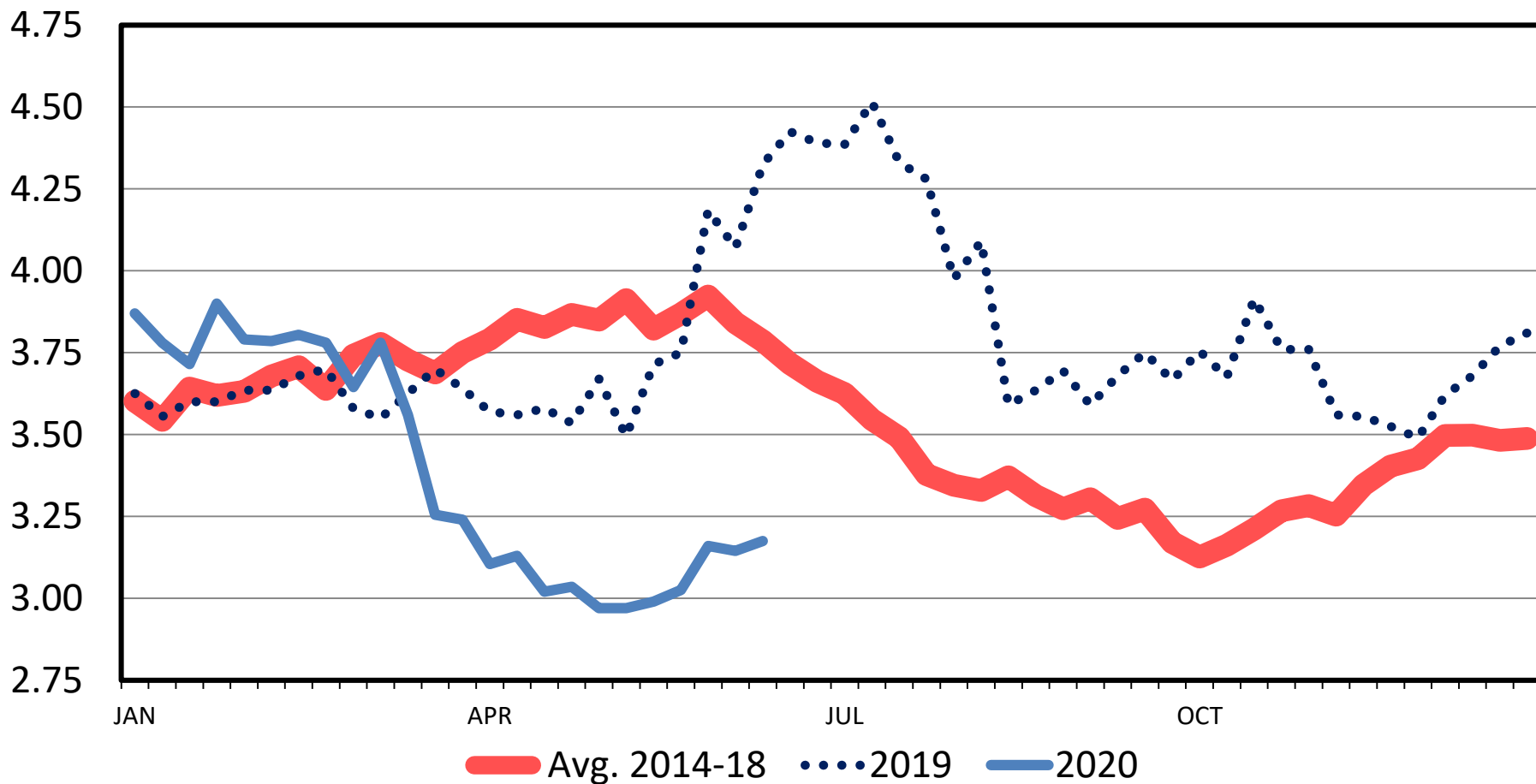
PERCENT CHANGE MAY 1 HAY STOCKS
(2019-2020)



OMAHA CORN PRICES

Weekly

\$ Per Bu.



Data Source: USDA-AMS



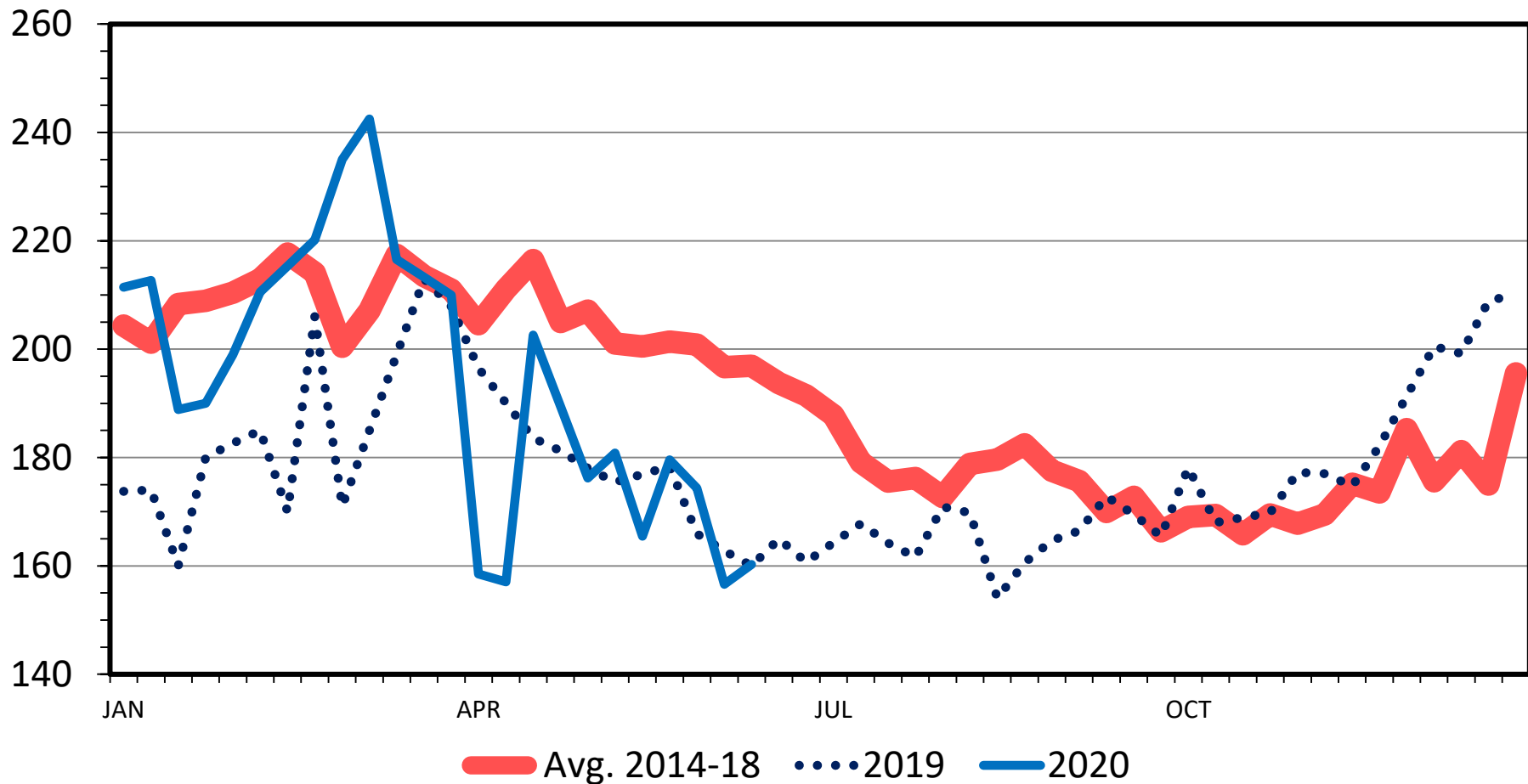
Lamb Markets & Price Outlook



FEEDER LAMB PRICES

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

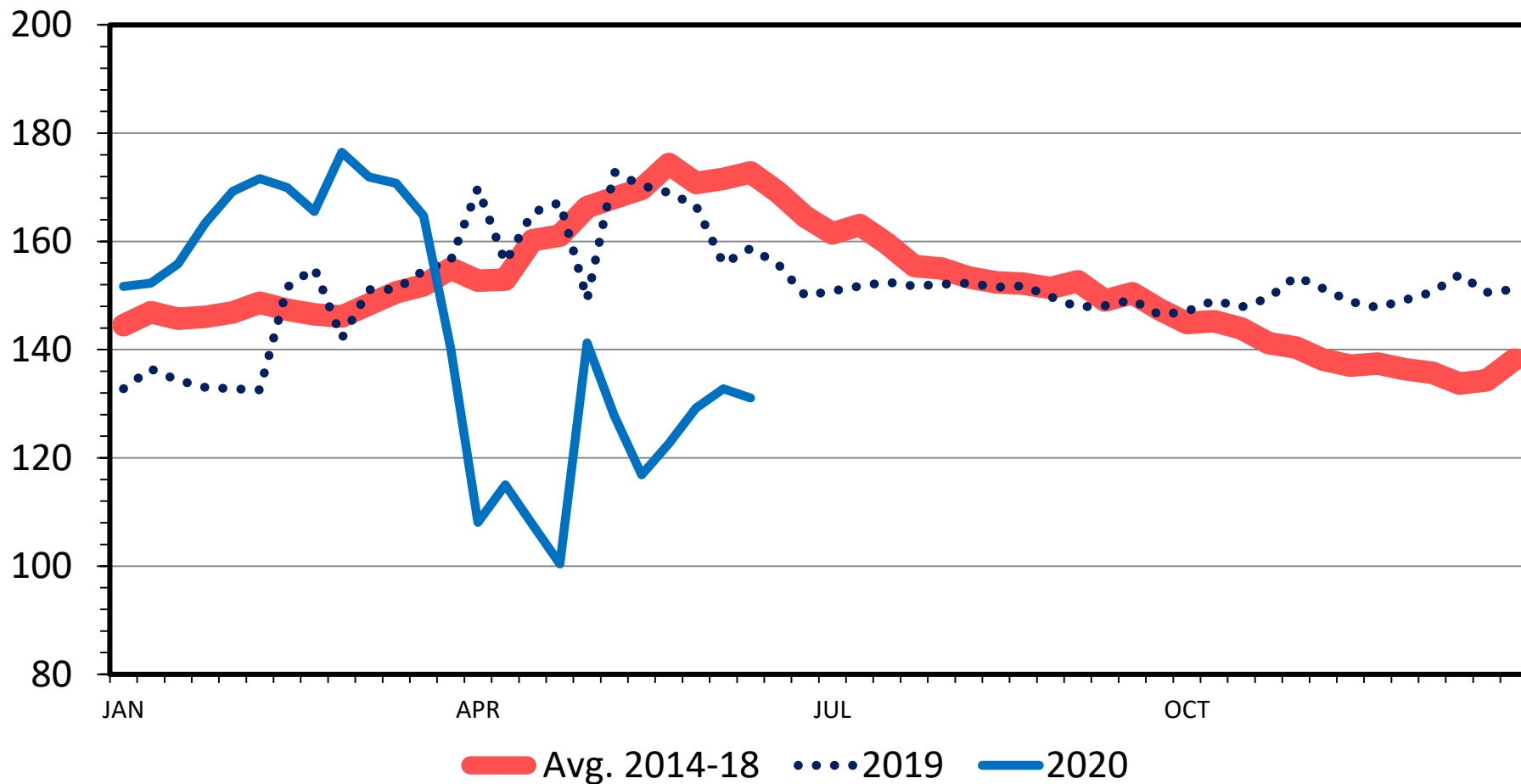
\$ Per Cwt.



SLAUGHTER LAMB PRICES

Wooled, 110-130 lbs, Sioux Falls, Weekly

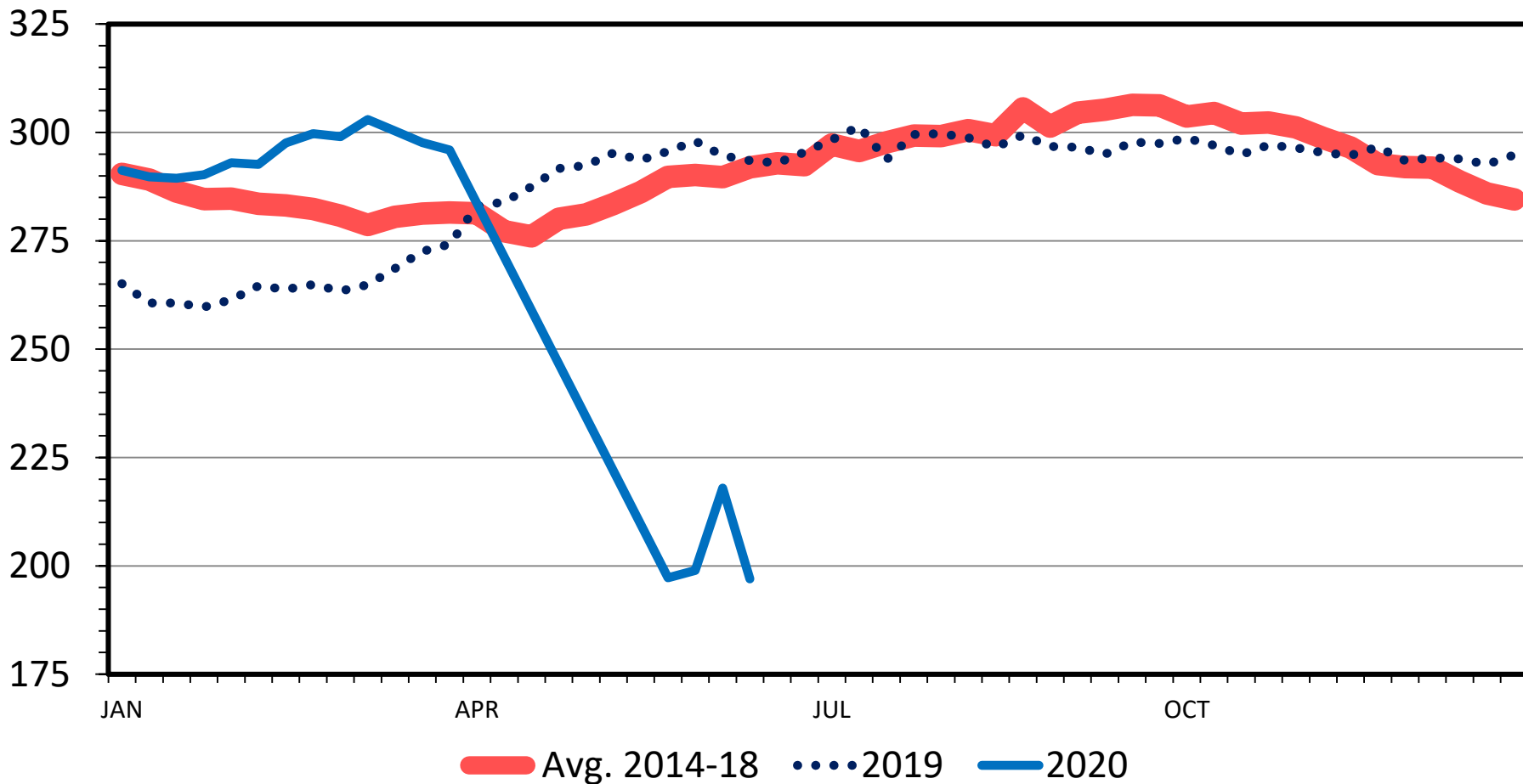
\$ Per Cwt.



SLAUGHTER LAMB PRICES

National Direct, Formula, Hot Carcass, Weekly

\$ Per Cwt.

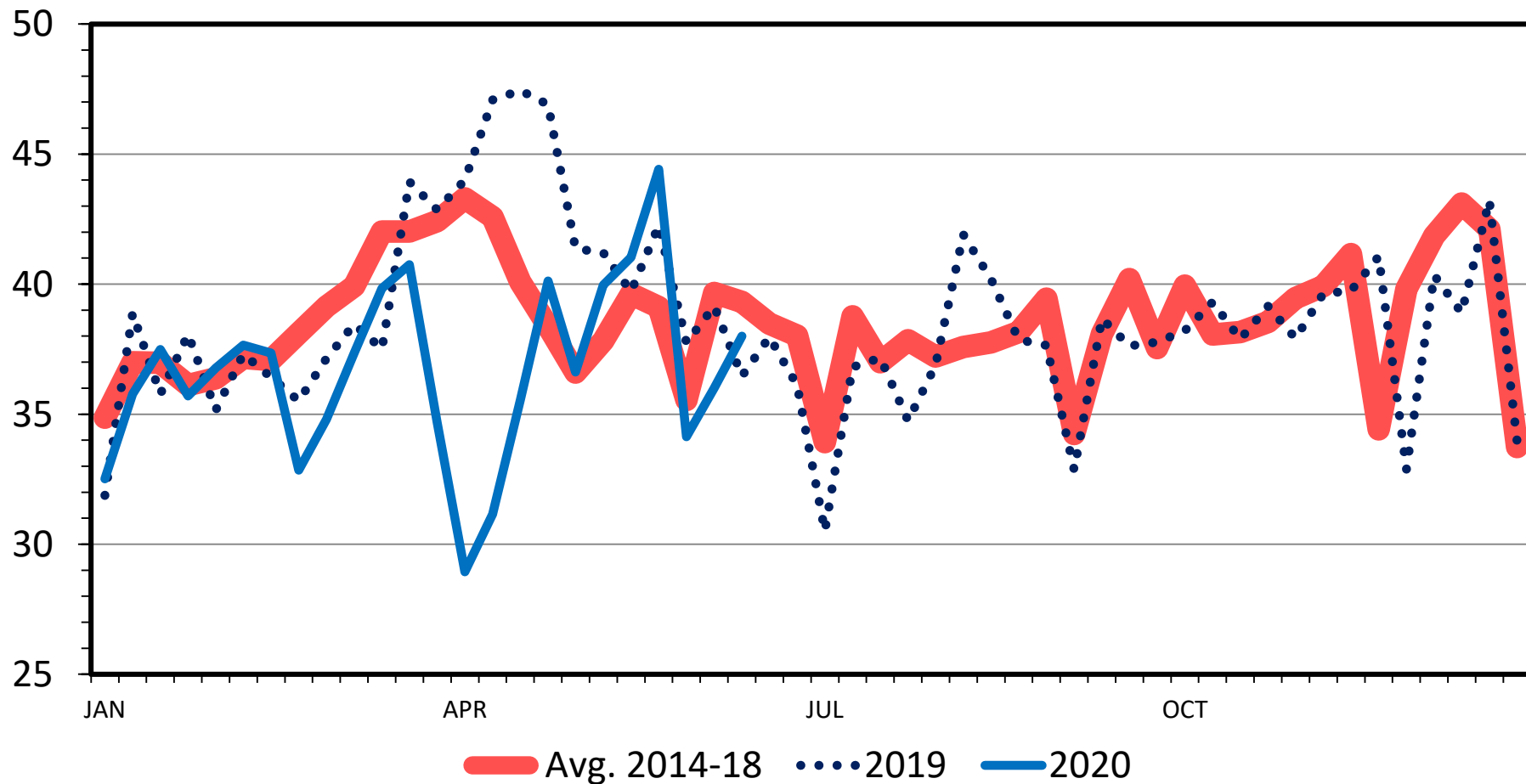


Data Source: USDA-AMS, Compiled by LMIC

SHEEP & LAMB SLAUGHTER

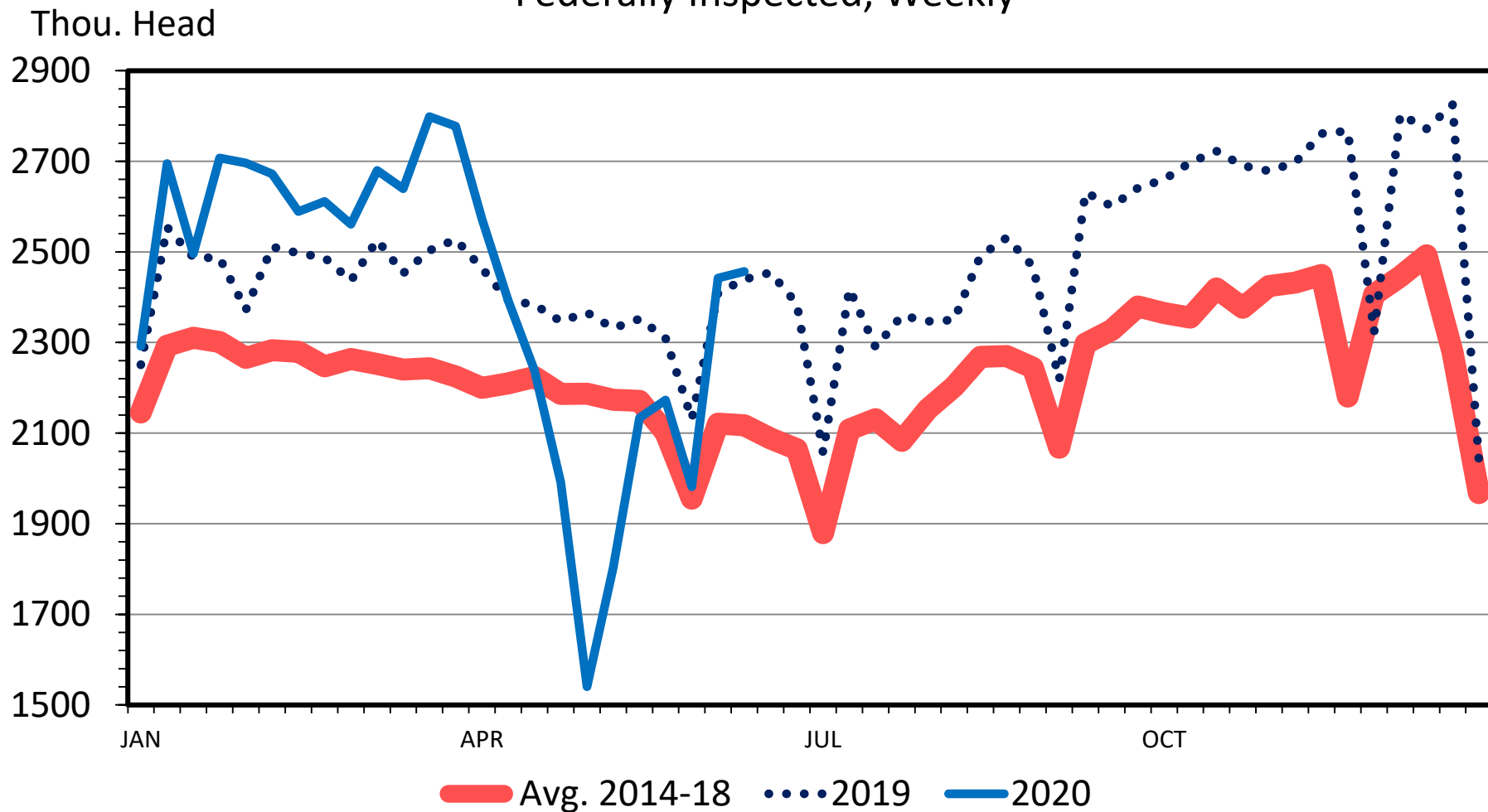
Federally Inspected, Weekly

Thou. Head



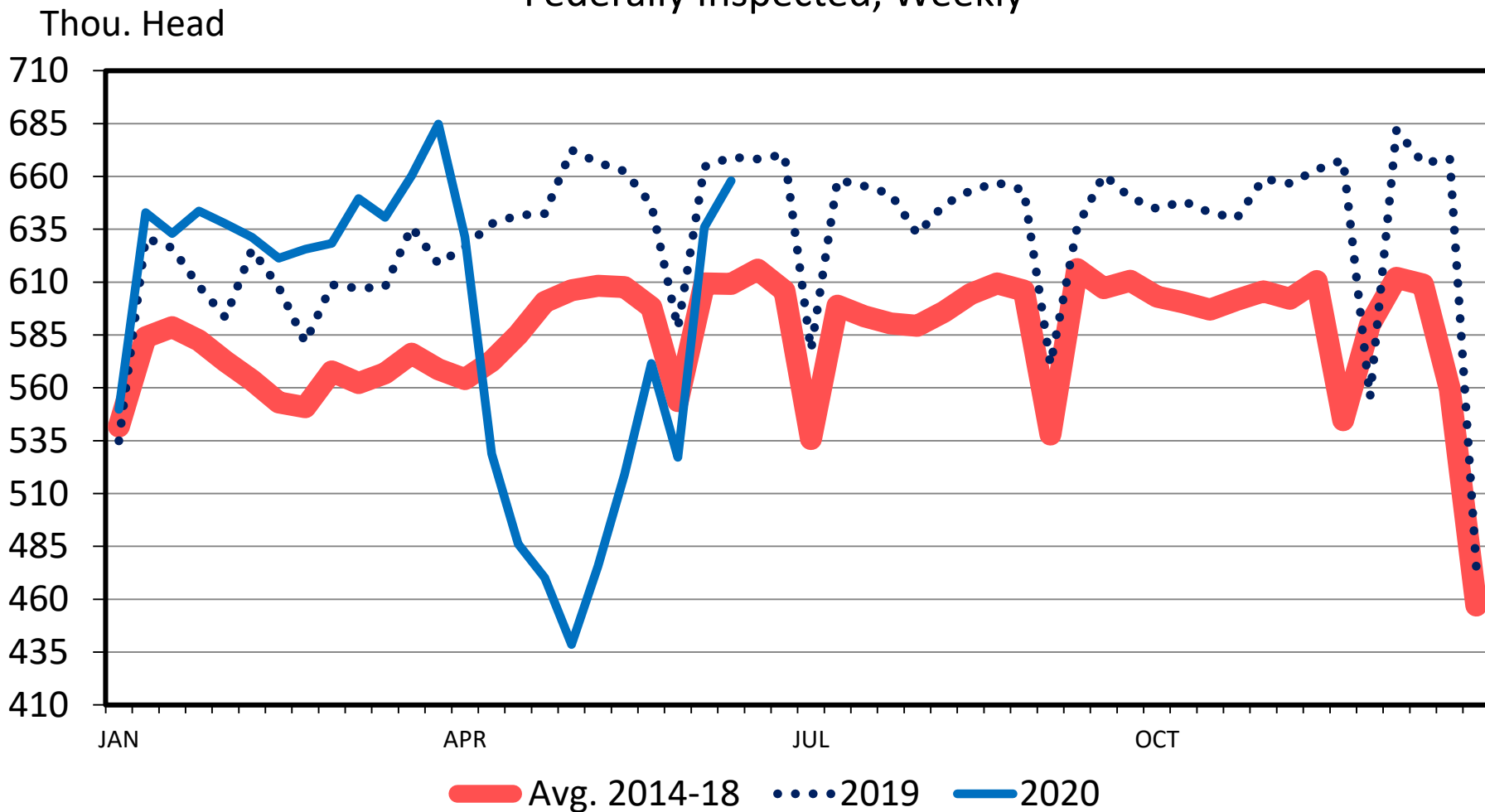
HOG SLAUGHTER

Federally Inspected, Weekly



CATTLE SLAUGHTER

Federally Inspected, Weekly

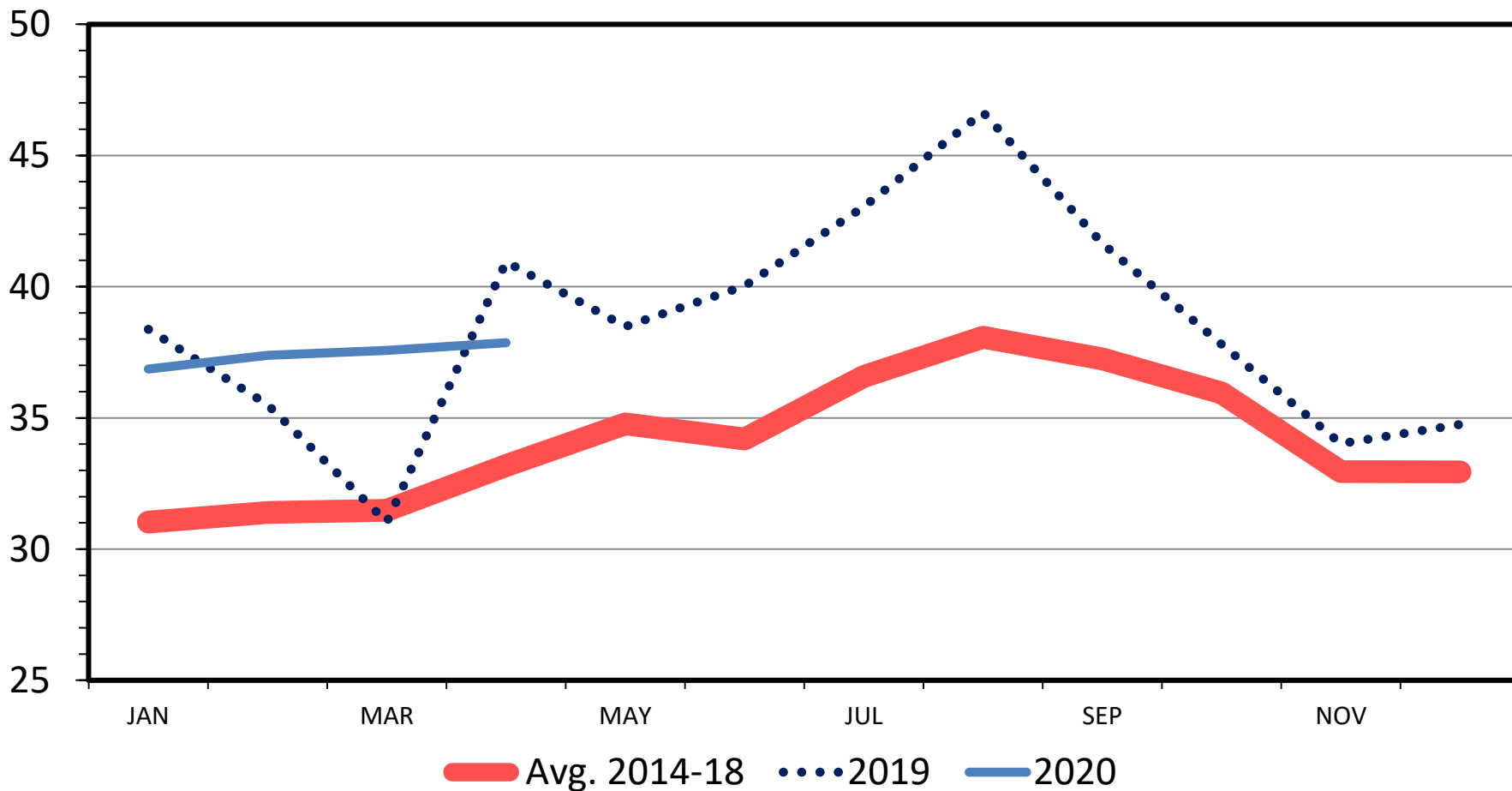


Data Source: USDA-AMS & USDA-NASS

LAMB AND MUTTON IN COLD STORAGE

Frozen, End of the Month

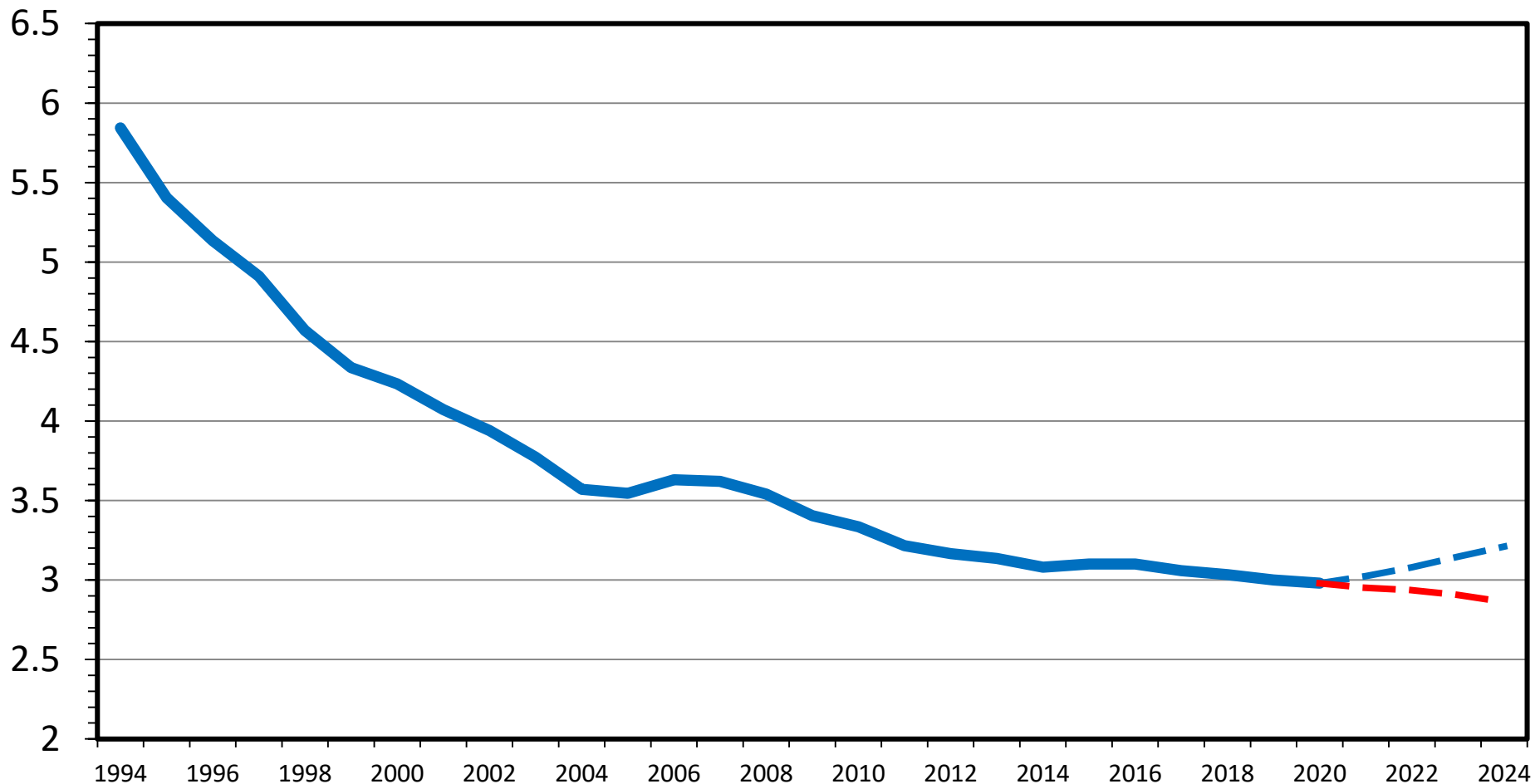
Mil. Pounds



BREEDING EWES 1 YEAR & OLDER

Projections, January 1, U.S., Annual

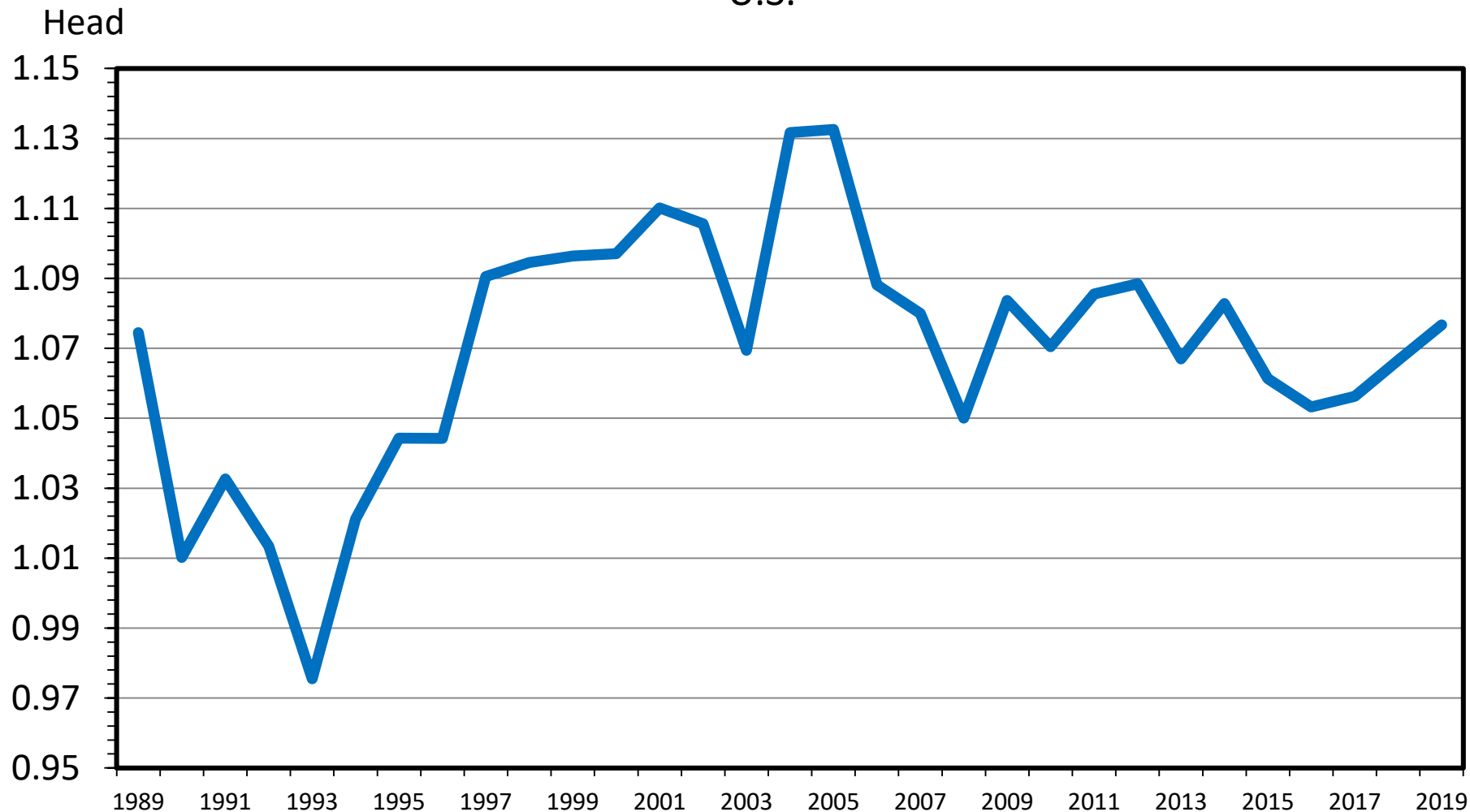
Mil. Head



Data Source: USDA-NASS

LAMBS BORN PER BREEDING EWE 1 YEAR & OLDER

U.S.

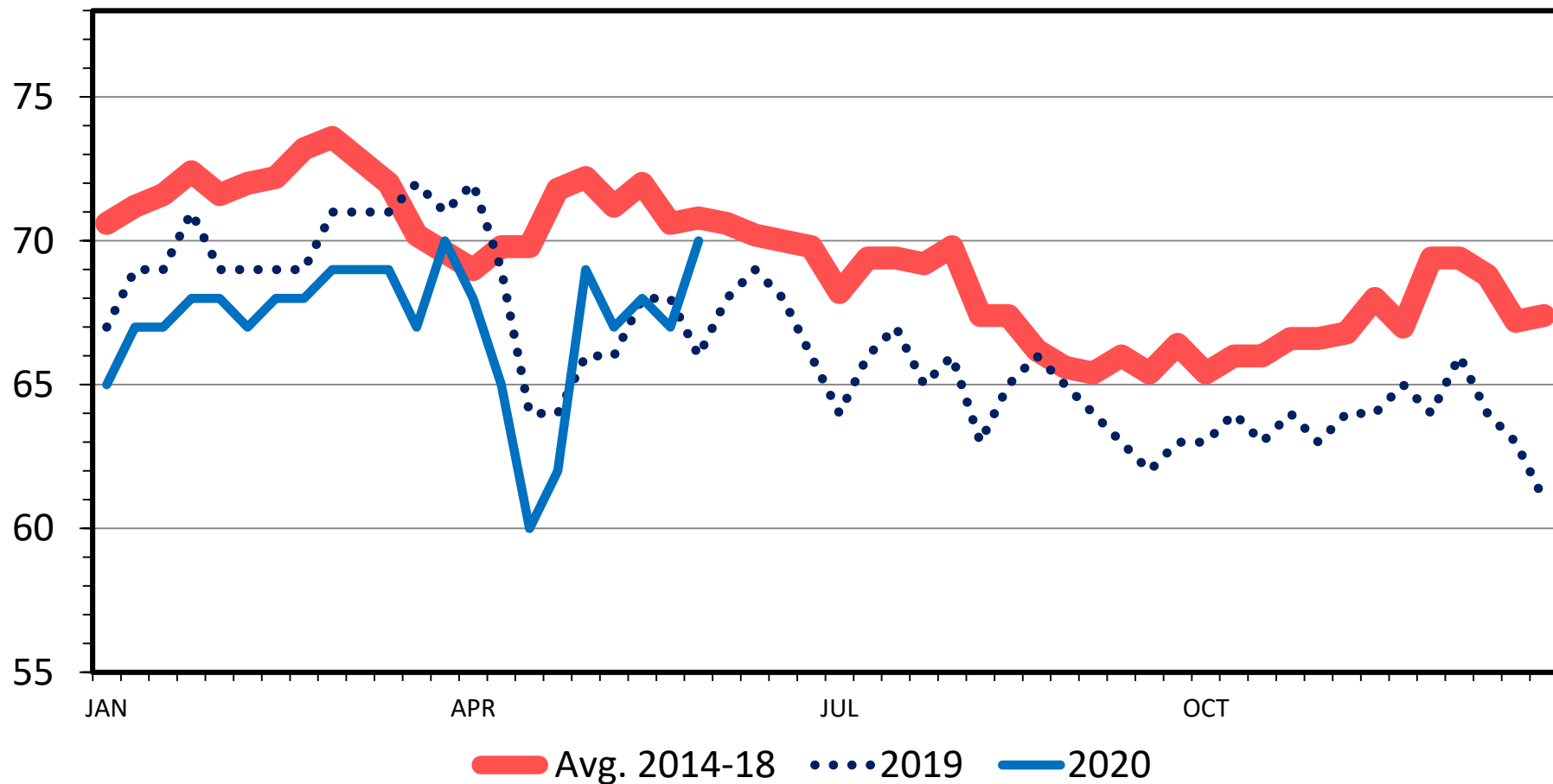


Data Source: USDA-NASS

LAMB AND YEARLING DRESSED WEIGHT

Federally Inspected, Weekly

Thou. Head

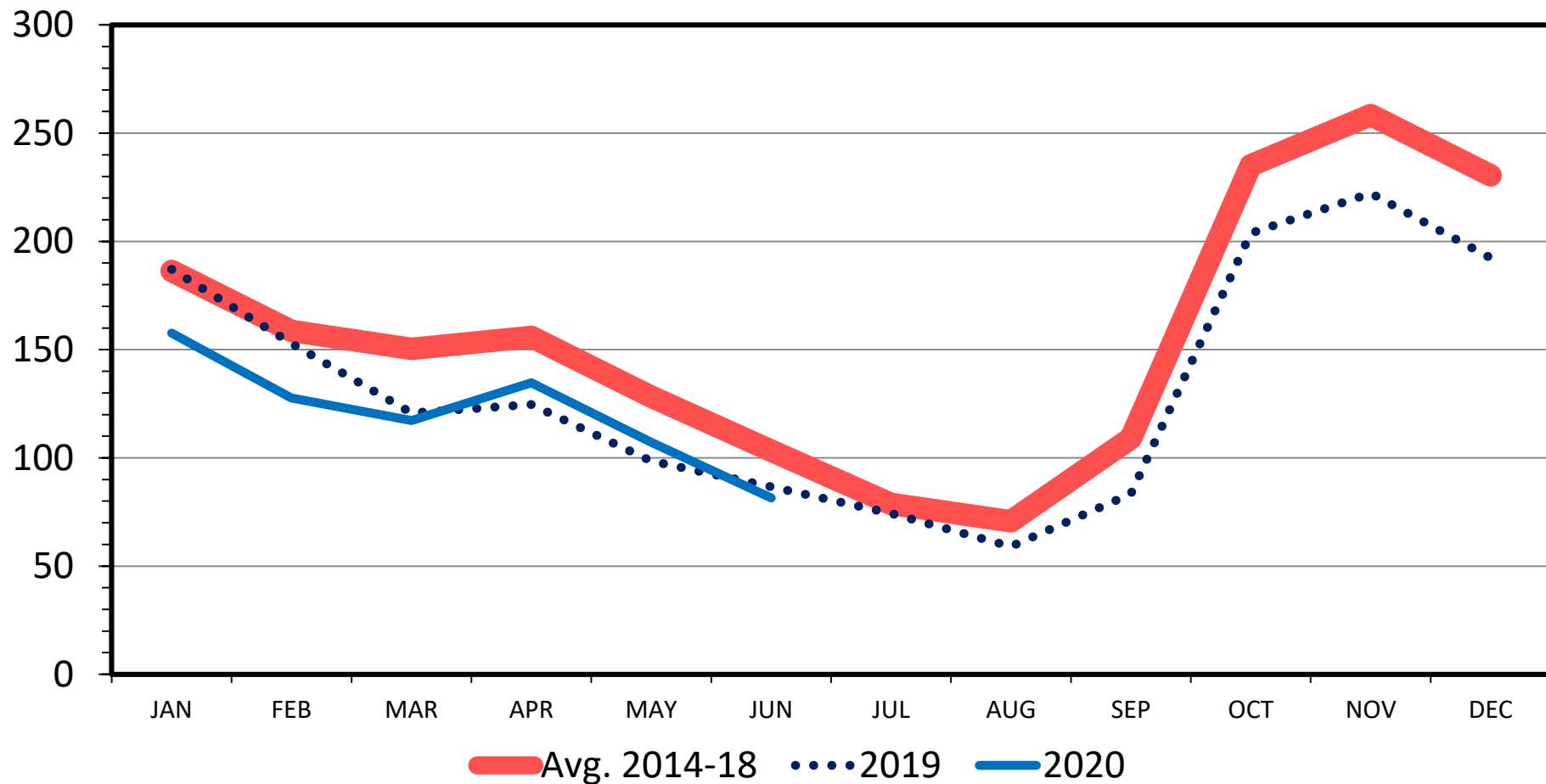


Data Source: USDA-AMS & USDA-NASS

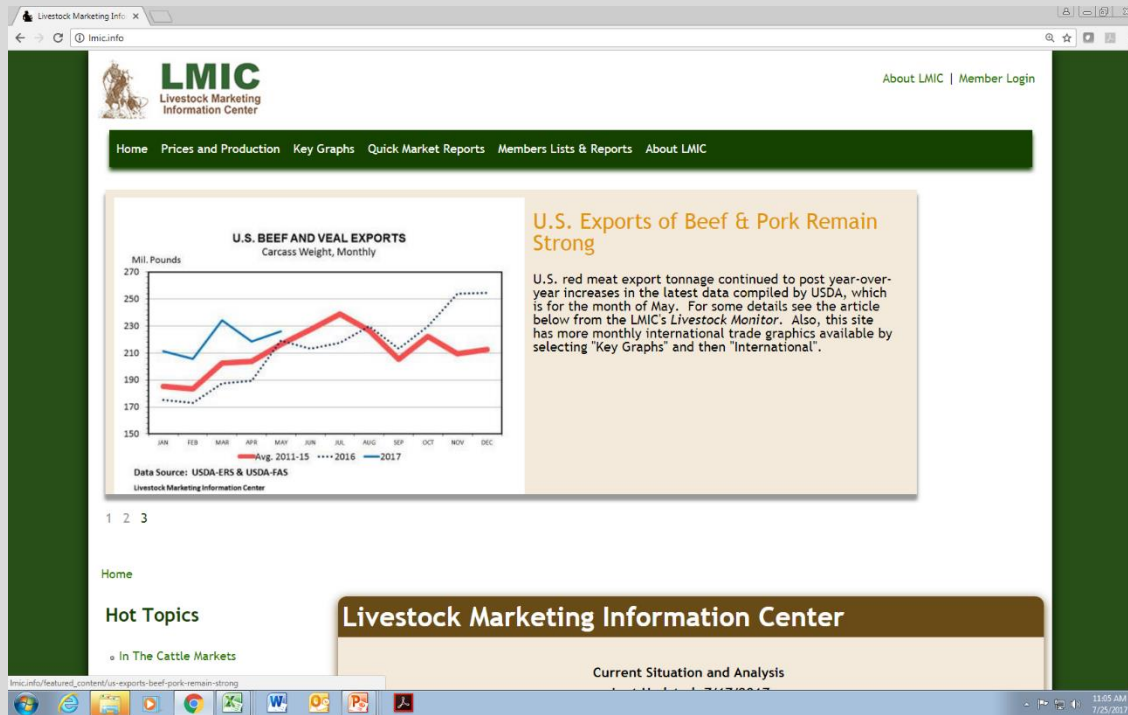
COLORADO LAMBS ON FEED

Monthly

Thou. Head



Data Source: USDA-AMS



www.lmic.info

Thank You!

Discussion and Questions?