



# 2023 Sheep Industry Review

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Prepared by the American Sheep  
Industry Association

February 2024

# Executive Summary

- Lamb supplies adjusted to align with consumer demand for lamb in 2023.
- Imports were smaller in response to softer U.S. consumer demand and lower lamb prices.
- Drought conditions improved across most of the country.
- Feed and production costs continued to decline but remain relatively high.
- Feeder and slaughter lamb prices strengthened in response.
- Consumers faced a higher a cost of living, lower savings rates, and higher debt levels in 2023.
- But, growing GDP, low unemployment, and rising real wages boost demand prospects for American lamb.

# Executive Summary

- Prices recovered in 2023, in response to smaller lamb supplies compared to 2022.
- Feeder lamb prices were 19% lower in 2023, driven by large year-over-year declines from 2022 in the first half of 2023.
- Slaughter lamb prices were slightly lower in 2023, as prices recovered in the second half of the year.
- Wholesale lamb prices were relatively steady, which supported live lamb prices.
- Commercial slaughter was 3% larger, but lamb production was down 2.3% due to lighter lamb weights.
- Total lamb and mutton imports declined 21% in 2023, with lamb imports down 13.7%.
- In 2023, the per capita supply of lamb at the retail level was 1.07 pounds per person.





# Inventory

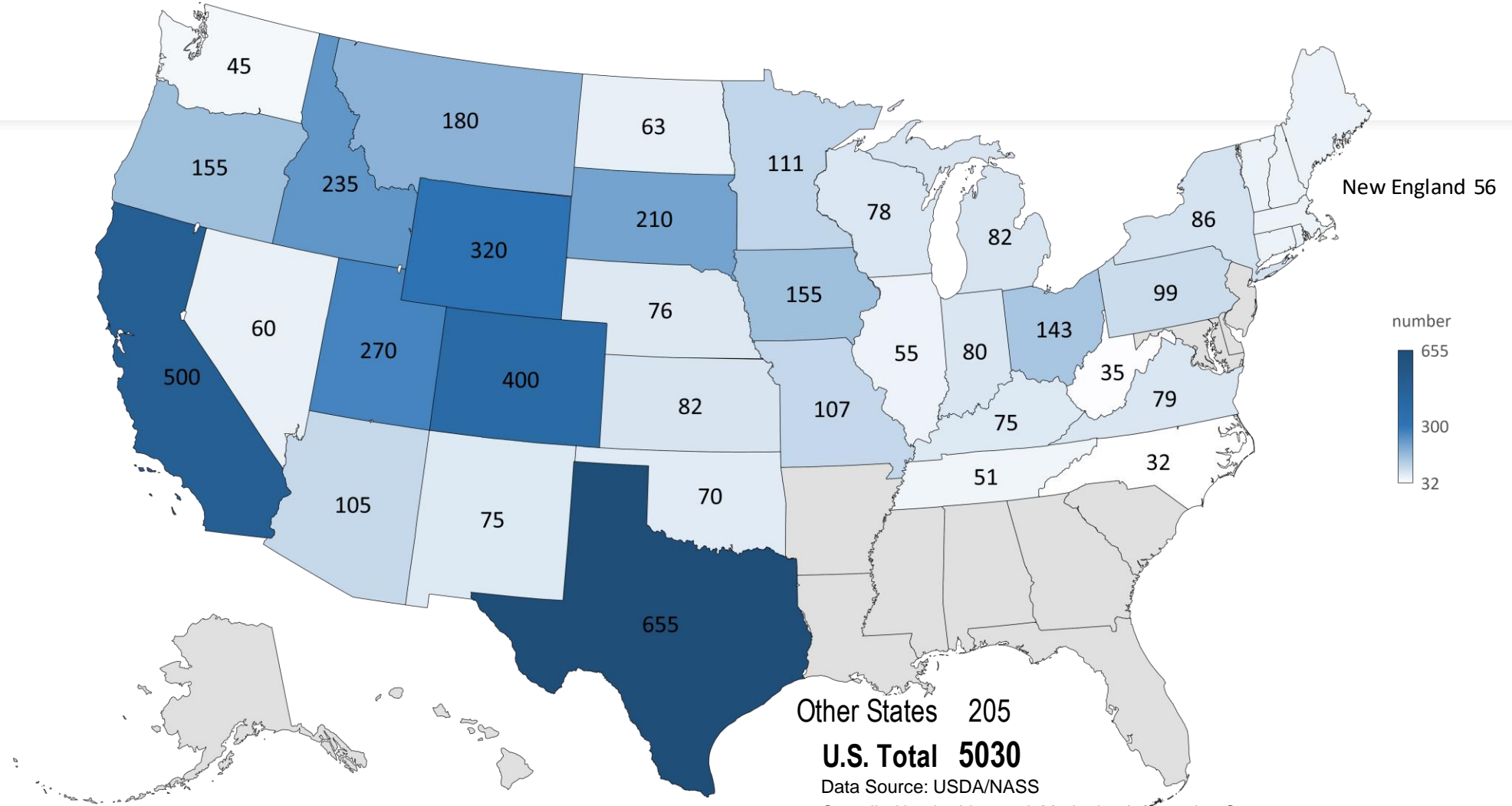
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# January 1 Inventory Trends

- As of January 1, 2024, the sheep & inventory totaled 5.03 million head, down 1.9% from 2023.
- Breeding sheep inventory at 3.67 million head, an annual decline of 2%.
- Market lambs were down 24,000 head to 1.28 million head.
- The 2023 lamb crop at 3.03 million head, is the smallest on record.
- States east of the Mississippi reported increases in flock numbers.
- *The January 1, 2023, sheep & lamb inventory was revised upwards resulting in the U.S. flock being 1.3% larger in 2023 vs. 2022.*

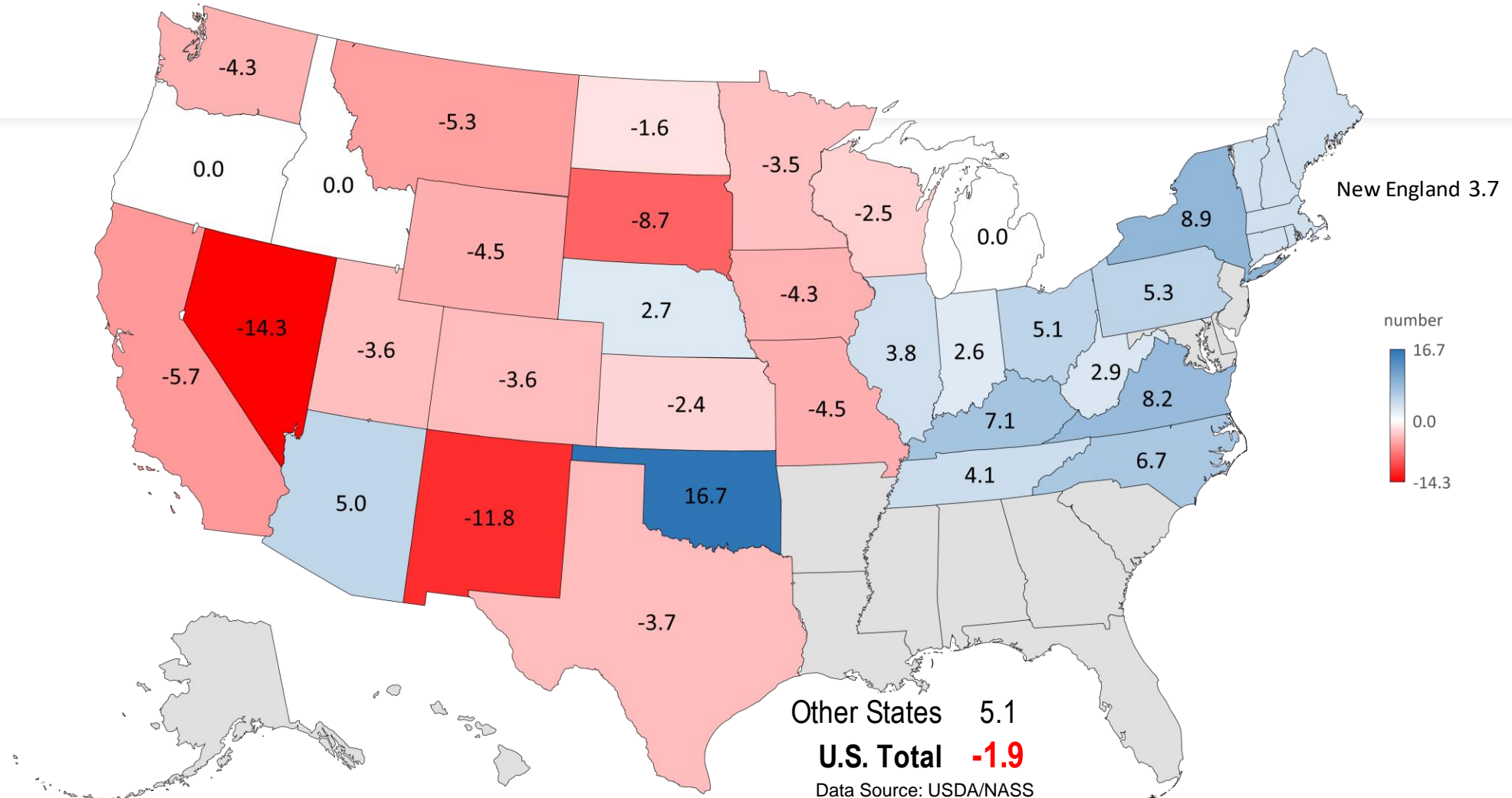
# SHEEP & LAMB NUMBERS JANUARY 1, 2024

(1000 Head)





# PERCENT CHANGE SHEEP & LAMB INVENTORY JANUARY 1, 2023 to JANUARY 1, 2024

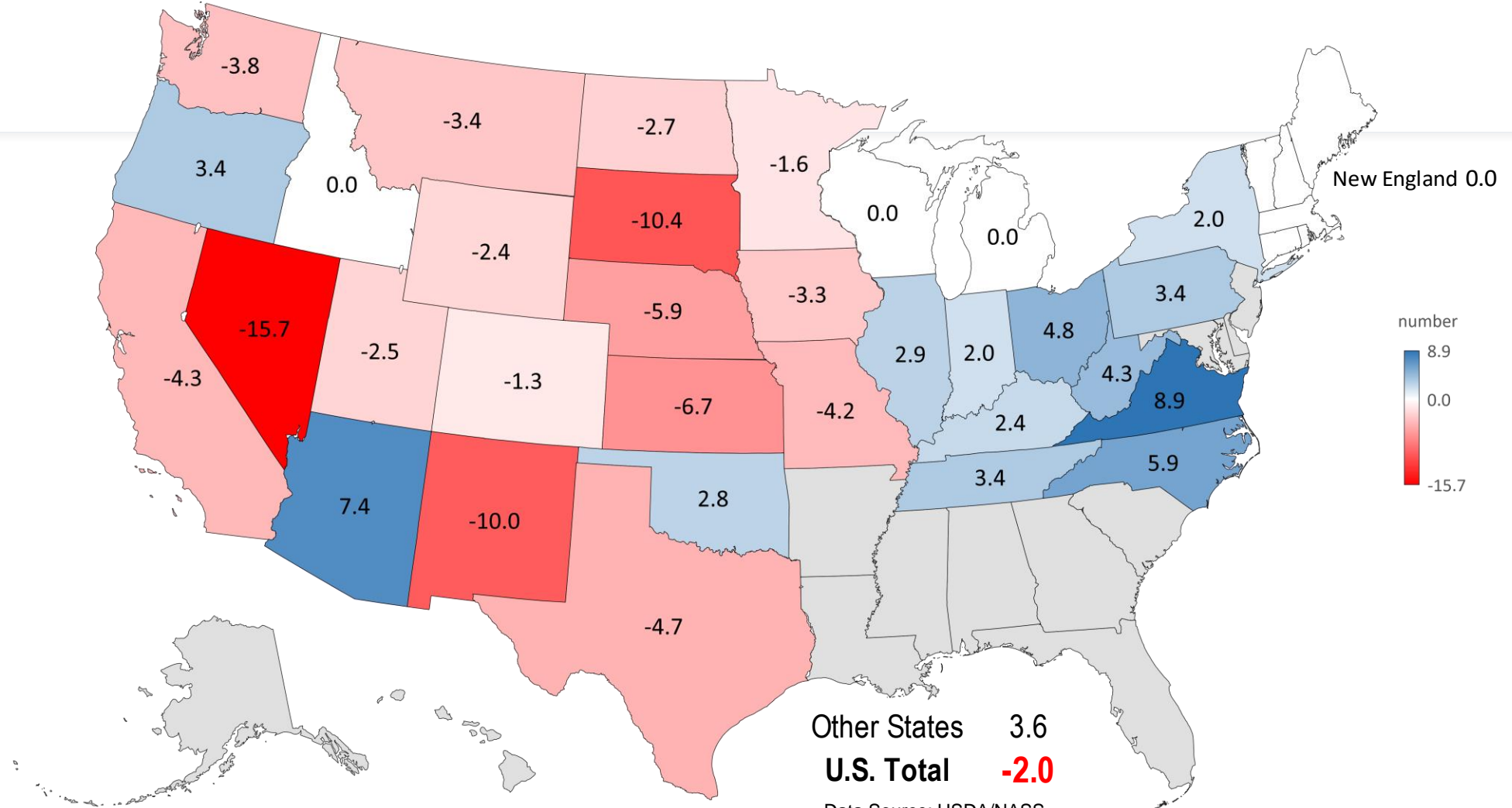


# January 1 Inventory Trends

- Ewes one year & older at 2.87 million head was down 2%.
- Replacement ewe numbers at 635,000 head down 9,000 head from 2023, equivalent to 22% of the ewe flock.
- The U.S. flock has declined by 3.9% or 205,000 head over the past 10 years
- Since 2014, sheep numbers have increased in the Cornbelt, Midwest, Northeast, and Southeast regions. These regions have seen an increasing trend in hair sheep.
- Sheep numbers in the Mountain and Western regions of the U.S. have declined in response to factors such as drought, labor, predation, and availability of federal public grazing lands.



# PERCENT CHANGE BREEDING EWES – ONE YEAR & OLDER JANUARY 1, 2023 to JANUARY 1, 2024



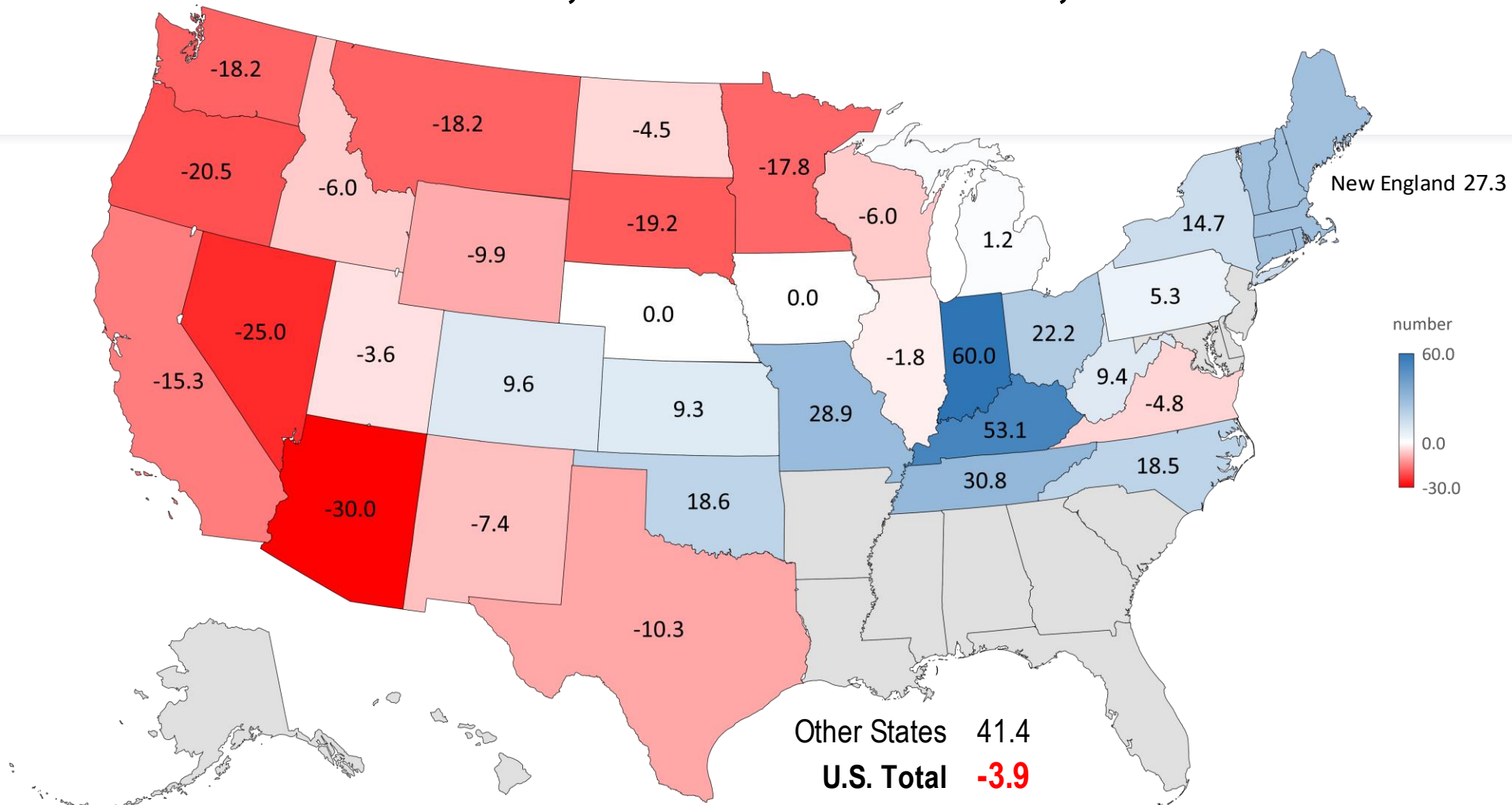
Other States 3.6  
**U.S. Total -2.0**

Data Source: USDA/NASS

Compiled by the Livestock Marketing Information Center

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# PERCENT CHANGE SHEEP & LAMB INVENTORY JANUARY 1, 2014 to JANUARY 1, 2024



Data Source: USDA/NASS  
 Compiled by the Livestock Marketing Information Center  
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# Inventory Top Ten States, Ewes 1 Year & Older

	2020	2021	2022	2023	2024	2024 as % of 2023
Texas	445,000	445,000	430,000	425,000	<b>405,000</b>	<b>-4.7%</b>
California	260,000	250,000	270,000	230,000	<b>220,000</b>	<b>-4.3%</b>
Wyoming	215,000	220,000	215,000	205,000	<b>200,000</b>	<b>-2.4%</b>
Utah	195,000	195,000	194,000	197,000	<b>192,000</b>	<b>-2.5%</b>
Colorado	156,000	169,000	155,000	153,000	<b>151,000</b>	<b>-1.3%</b>
South Dakota	152,000	153,000	146,000	144,000	<b>129,000</b>	<b>-10.4%</b>
Idaho	125,000	120,000	113,000	125,000	<b>125,000</b>	<b>0.0%</b>
Montana	131,000	130,000	122,000	118,000	<b>114,000</b>	<b>-3.4%</b>
Oregon	89,000	85,000	82,000	87,000	<b>90,000</b>	<b>3.4%</b>
Iowa	85,000	90,000	87,000	92,000	<b>89,000</b>	<b>-3.3%</b>

Data Source: USDA/NASS, Compiled by ASI



# Inventory Top Ten Growth States, Ewes 1 Year & Older, Percent of Prior Year

	<b>2023</b>	<b>2024</b>	<b>2024 as % of 2023</b>
Virginia	45,000	49,000	<b>8.9%</b>
Arizona	54,000	58,000	<b>7.4%</b>
North Carolina	17,000	18,000	<b>5.9%</b>
Ohio	84,000	88,000	<b>4.8%</b>
West Virginia	23,000	24,000	<b>4.3%</b>
Oregon	87,000	90,000	<b>3.4%</b>
Pennsylvania	58,000	60,000	<b>3.4%</b>
Tennessee	29,000	30,000	<b>3.4%</b>
Illinois	35,000	36,000	<b>2.9%</b>
Oklahoma	36,000	37,000	<b>2.8%</b>

Data Source: USDA/NASS, Compiled by ASI

# Sheep & Lamb Farms

- In February 2024, USDA/NASS released the 2022 Census of Agriculture.
- As of December 31, 2022, there were 88,853 farms in the U.S. with sheep and lambs.
- This is down 12,534 farms from the 2017 Census of Agriculture.
- The number of farms with 5,000 head or more increased by 4, while all other size farms declined between 2017 and 2022.
- The number of farms with 1 – 24 head accounted for 67% of sheep farms and 11.5% of total inventory.
- Farms with 1,000 head or more represented 42% of the sheep flock inventory.

# Sheep & Lambs Flock Size Inventory Breakdown

Flock Size	Farms	% of Operations	Number	% of Inventory
1 to 24	59,209	66.6%	586,222	11.5%
25 to 99	23,268	26.2%	1,024,898	20.1%
100 to 299	4,376	4.9%	679,638	13.3%
300 to 999	1,418	1.6%	679,958	13.3%
1,000 to 2,499	342	0.4%	526,160	10.3%
2,500 to 4,999	129	0.1%	443,349	8.7%
5,000 or more	111	0.1%	1,164,103	22.8%
<b>All farms as of Dec. 31, 2022</b>	<b>88,853</b>		<b>5,104,328</b>	

Data Source: USDA/NASS USDA/NASS Census of Agriculture (2022), Compiled by ASI





# Slaughter & Production

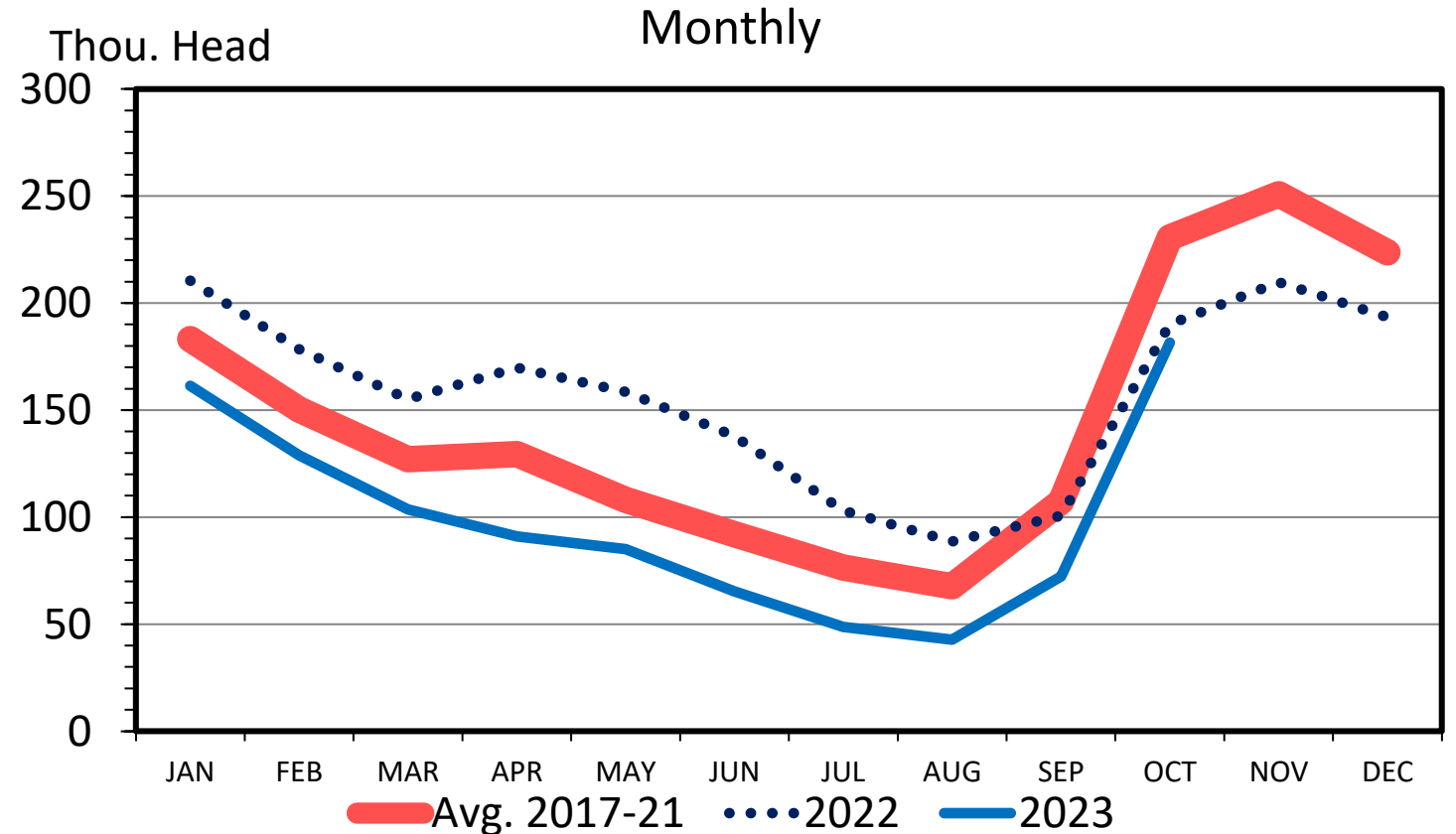
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## Lambs on Feed

- Feedlot supplies lower in 2023 due to:
  - Smaller lamb crop
  - A larger number of lambs marketed as lightweight slaughter lambs
  - High feeding breakevens
- On average, the number of lambs on-feed from January - October was 34% lower in 2022.

## COLORADO LAMBS ON FEED



Note: Current as of the first day of each month. Inventory data is collected from feedlots with a capacity of 5,000 head or greater in Colorado. Data was not reported for October, November, December due to limited participants.

Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center

# Slaughter

- Commercial sheep and lamb slaughter was 3.7% larger at 2.15 million head in 2023.
- Slaughter numbers down 4.5% compared to the 2017 – 2021 average.
- 2023 and 2022 are the smallest slaughter levels on record.
- FI slaughter accounted for 85.6% of commercial slaughter.

	Commercial	% of Previous Year	Federally Inspected (FI)	% of Previous Year	Non-Federally Inspected (NFI) <sup>1</sup>	% of Previous Year
2017	2,178	-2.7%	1,937	-3.6%	241	5.6%
2018	2,265	4.0%	2,000	3.2%	265	10.0%
2019	2,322	2.5%	2,020	1.0%	301	13.6%
2020	2,225	-4.1%	1,895	-6.2%	331	9.7%
2021	2,263	1.7%	1,927	1.7%	336	1.7%
2022	2,072	-8.5%	1,759	-8.7%	313	-6.9%
<b>2023</b>	<b>2,149</b>	<b>3.7%</b>	<b>1,839</b>	<b>4.6%</b>	<b>310</b>	<b>-0.8%</b>

<sup>1</sup>Non-Federally Inspected (NFI) Plants sell and transport only intrastate. State inspectors assure compliance with individual state standards. Mobile slaughtering units are excluded and are considered farm slaughter.

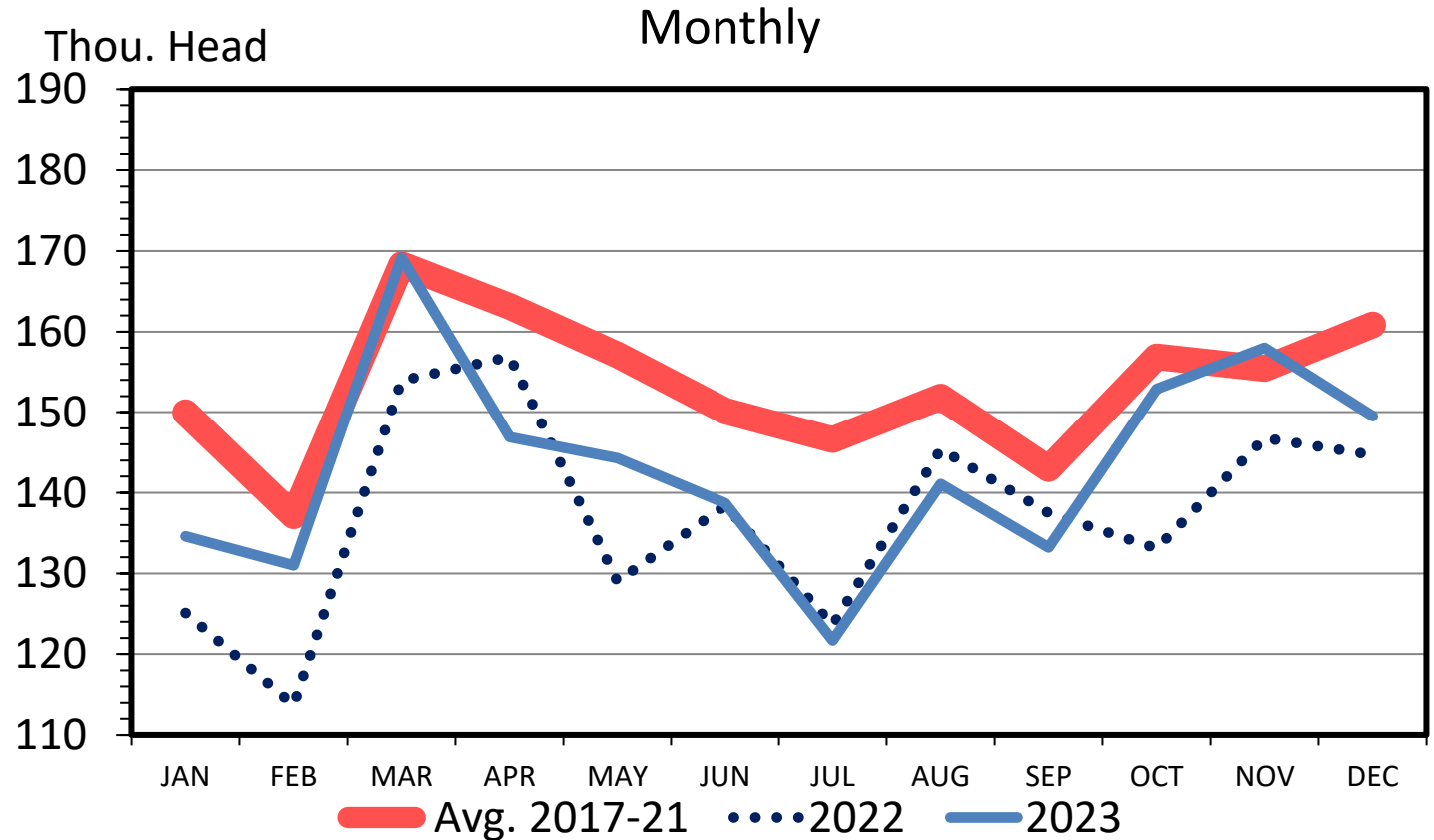
Data Source: USDA/NASS, Compiled by ASI



## Lamb & Yearling Slaughter

- FI lamb & yearling slaughter was up 4.4% at 1.72 million head in 2023.
- Slaughter levels were 6.5% lower than the 2017 – 2021 average.
- Declines in slaughter numbers due to a smaller lamb crop.

### FI LAMB & YEARLING SLAUGHTER

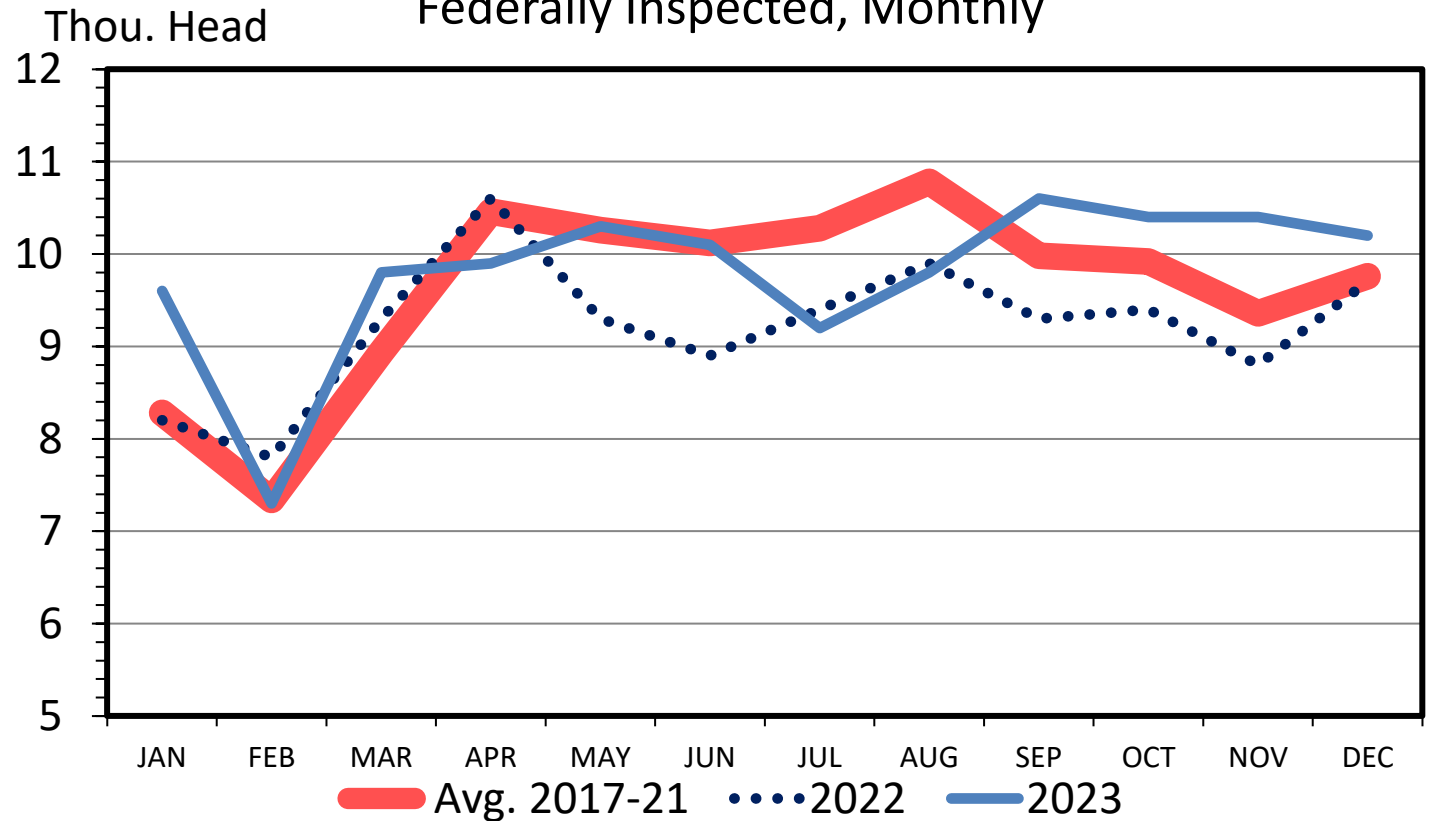


Data Source: USDA/NASS, Compiled by the Livestock Marketing Information Center

# Mature Sheep Slaughter

- FI mature sheep slaughter was 6.3% larger in 2023 but down 17% from 2021.
- Regions with above year ago ewe slaughter were:
  - Region 1 (CT, ME, NH, VT, MA, RI)
  - Region 3 (DE-MD, PA, WV, VA)
  - Region 4 (AL, FL, GA, KY, MS, NC, SC)
  - Region 9 (AZ, CA, HI, NV)
  - Region 10 (AK, ID, OR WA)

## MATURE SHEEP SLAUGHTER Federally Inspected, Monthly



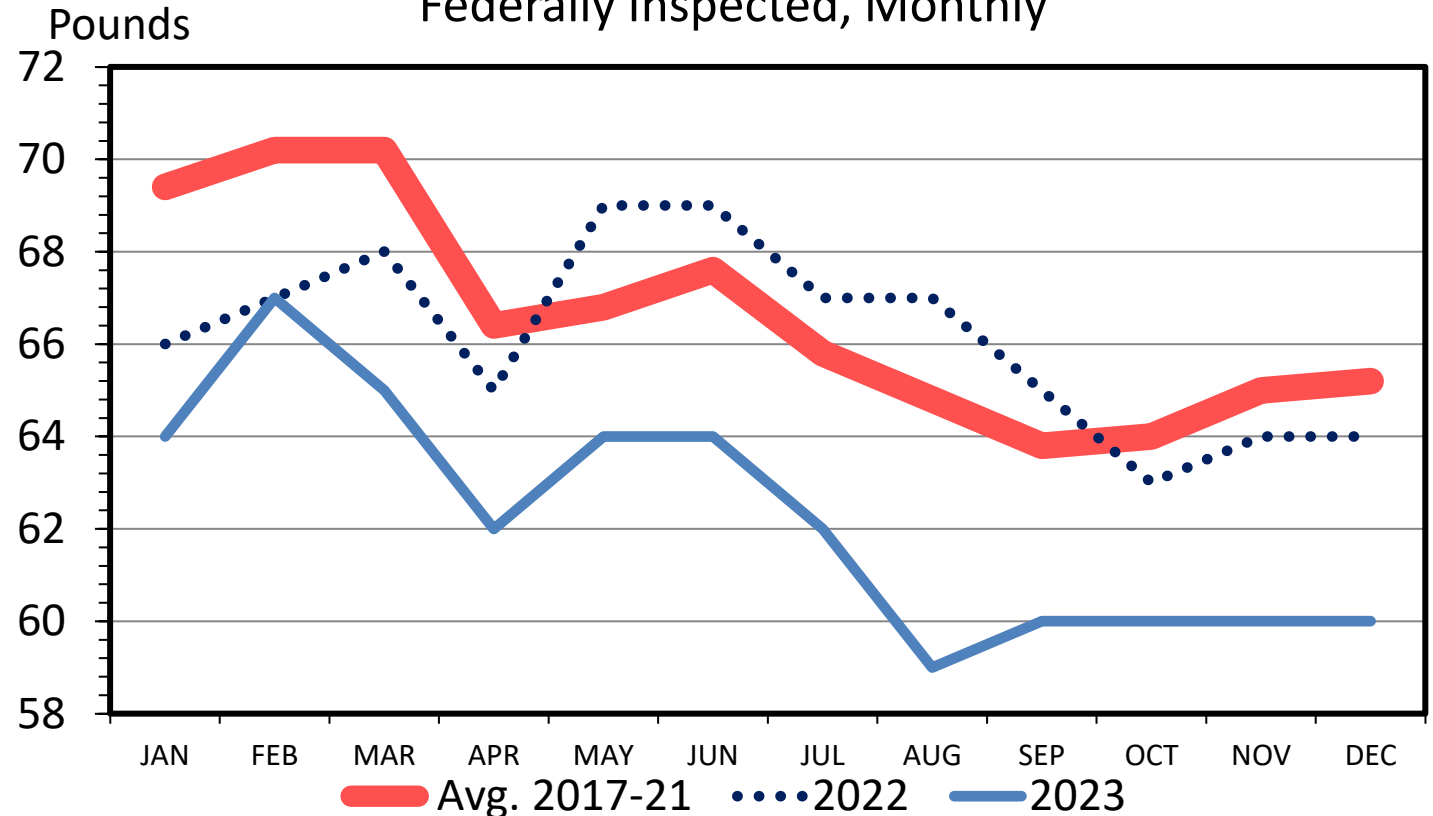
Data Source: USDA/NASS, Compiled by the Livestock Marketing Information Center

## Lamb Weights

- Lamb weights were lighter in 2023 as:
  - Stronger prices encouraged producers to market lambs earlier
  - Strong growth for lightweight slaughter lambs from the ethnic market
  - Lambs on-feed numbers adjusted to demand
- Lighter weights offset larger slaughter numbers.

## AVG. DRESSED WEIGHT - SHEEP & LAMBS

Federally Inspected, Monthly



Data Source: USDA/NASS, Compiled by the Livestock Marketing Information Center

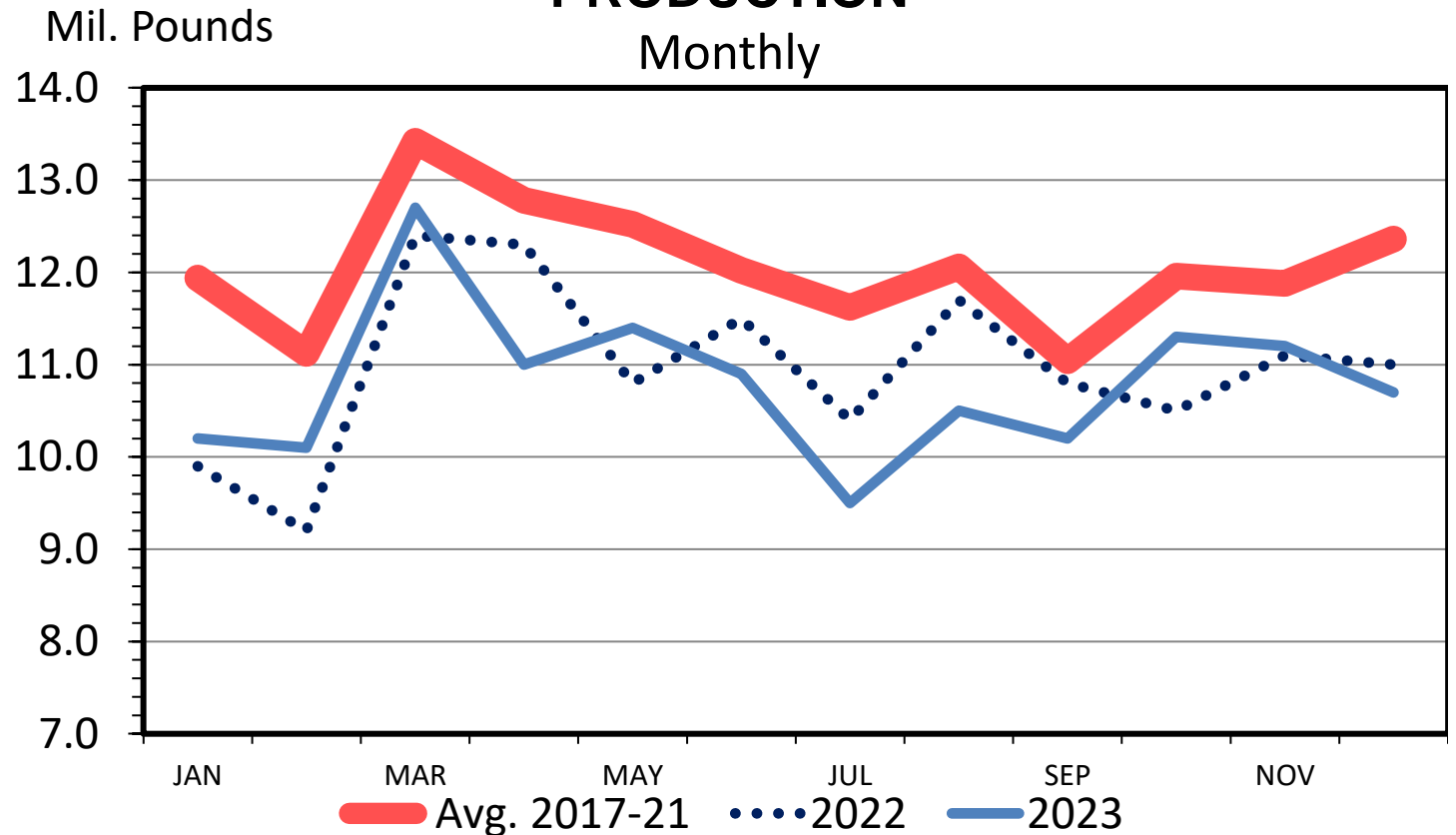


# Production

- Commercial lamb and mutton production down 1.4% in 2023, 10% lower than the 2017 – 2021 average.
- Federally Inspected (FI) lamb production down 1.8% in 2023.
- Lower production driven by lighter lamb weights offsetting higher slaughter numbers.

## COMMERCIAL LAMB AND MUTTON PRODUCTION

Monthly

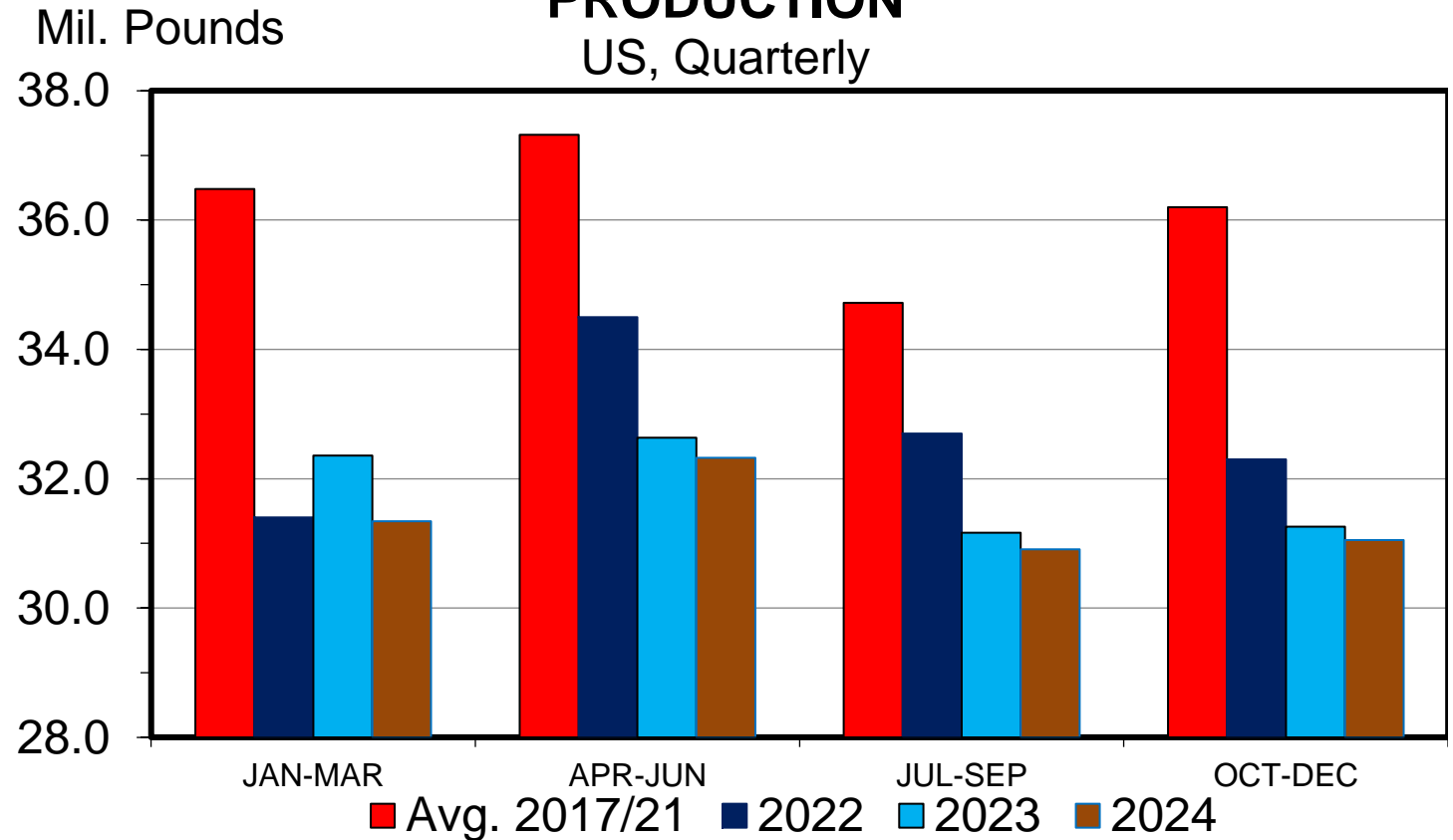


Data Source: USDA/NASS, Compiled by the Livestock Marketing Information Center

# Lamb & Mutton Production

- Lamb and mutton production seasonally largest in the second quarter when spring holiday demand is at its peak.
- Production expected to be down about 3% in 2024.

## COMMERCIAL LAMB AND MUTTON PRODUCTION US, Quarterly

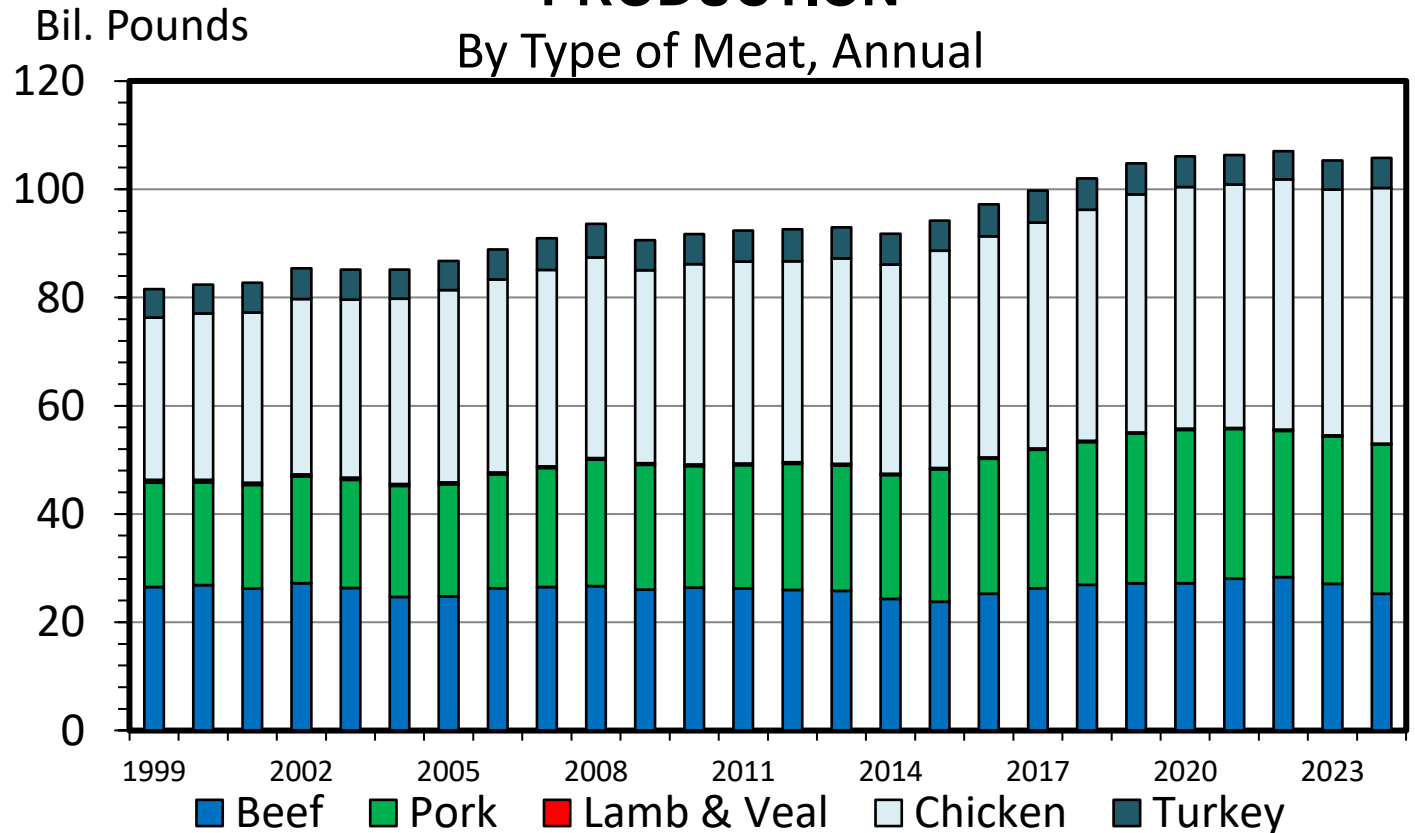


Data Source: USDA/NASS, Compiled & Forecasts by the Livestock Marketing Information Center

# Meat & Poultry Production

- Meat and poultry production has increased over the last 25 years.
- Total meat and poultry supplies were down in 2023.
- Beef supplies are expected to decline in 2024 while pork and poultry supplies will be larger which will impact prices.

## COMMERCIAL MEAT & POULTRY PRODUCTION



Data Source: USDA/NASS, Compiled & Forecasts by the Livestock Marketing Information Center



# Feeder & Slaughter Lamb Prices

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## Feeder Lamb Prices (60 – 90 lbs.)

- 3-Market Average (CO, SD, TX) feeder lamb price averaged \$188.86 per cwt.
- Lower prices were driven by large declines in the first half of 2023 (down 36%).
- Smaller lamb supplies, lower feed costs, along with stronger slaughter lamb and wholesale values supported prices.

	San Angelo, TX (\$/cwt.)	Ft. Collins, CO (\$/cwt.)	Sioux Falls, SD (\$/cwt.)	3-Mkt Avg. (CO, SD, TX) (\$/cwt.)	% of Previous Year
2017	191.27	182.26	204.60	192.71	4.2%
2018	171.09	154.35	186.94	177.46	-7.9%
2019	177.97	165.22	184.77	177.29	-0.1%
2020	191.17	176.08	202.28	191.75	8.2%
2021	267.37	253.53	286.50	271.26	41.5%
2022	223.93	223.86	237.69	233.76	-13.8%
<b>2023</b>	<b>200.60</b>	<b>173.64</b>	<b>195.98</b>	<b>188.86</b>	<b>-19.2%</b>

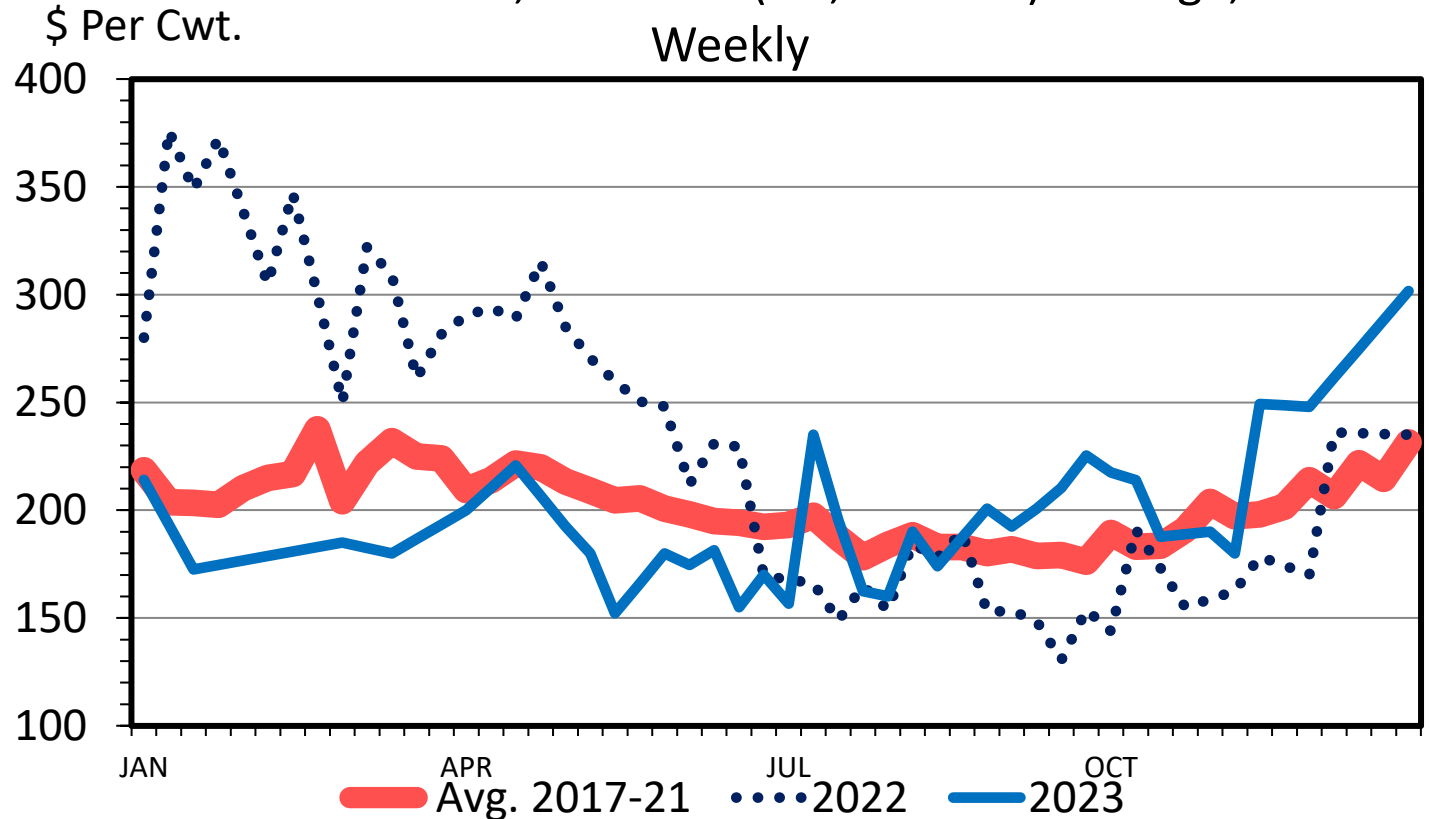
Data Source: USDA/AMS, Compiled by ASI & the Livestock Marketing Information Center

## Feeder Lamb Prices

- Prices recovered during June through December.
- Prices for feeder lambs sold on video markets followed similar trends.
- Annual average prices for lambs sold on video markets ranged from \$182 per cwt. to \$218 per cwt.

## FEEDER LAMB PRICES

60-90 Pounds, 3-Market (CO, TX & SD) Average,



Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center

# Light-Weight Lamb Market Trends

- Characterized by a lighter-weight lamb, based on the preferences of the ethnic market.
- The percentage of lambs marketed as light-weight slaughter lambs continues to increase.
- This has an impact on domestic lamb production, the available supply of lambs for the feeding sector, and the mainstream lamb market.
- Light-weight slaughter lambs are marketed through auction markets, direct trade, and internet/video markets.
- Light-weight slaughter lamb prices follow similar price trends as feeder lambs but often receive a price premium.

## Light-Weight Slaughter Lamb Prices (60 – 90 lbs.)

- Prices at New Holland, PA tend to average higher than other light-weight slaughter lamb auction markets.
- Light-weight slaughter lamb prices in New Holland, PA averaged 20% higher than the average 3-Market (CO, TX, SD) feeder price in 2023.

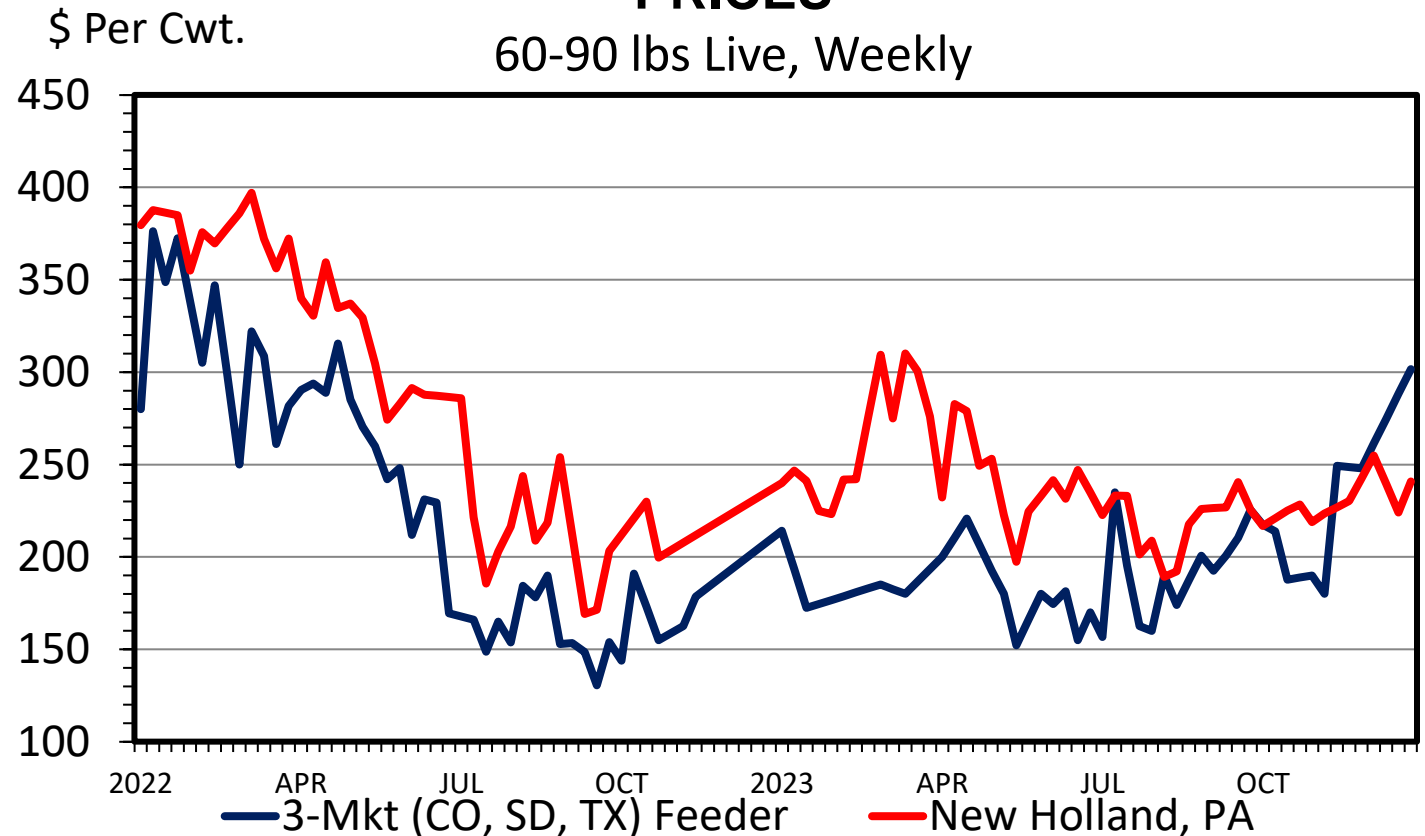
	San Angelo, TX (\$/cwt)	Ft. Collins, CO (\$/cwt)	Sioux Falls, SD (\$/cwt.)	New Holland, PA (\$/cwt)
2019	168.28	165.86	155.13	231.98
2020	206.73	178.28	161.31	256.38
2021	277.77	247.40	266.37	312.86
2022	251.43	211.70	242.88	307.15
<b>2023</b>	<b>214.52</b>	<b>215.58</b>	<b>195.26</b>	<b>262.79</b>
<b>% of Previous Year</b>	<b>-14.7%</b>	<b>1.8%</b>	<b>-19.6%</b>	<b>-14.4%</b>

Data Source: USDA/AMS, Compiled by ASI & the Livestock Marketing Information Center

## Light-Weight Slaughter Lamb Prices (60 – 90 lbs.)

- Light-weight slaughter and feeder lamb prices are correlated.
- The margin between these two markets varies during the year.
- Light-weight slaughter lamb prices in New Holland, PA averaged \$39 per cwt. higher than the average 3-Market (CO, SD, TX) feeder lamb price in 2023.

## TRADITIONAL vs NON-TRADITIONAL LAMB PRICES



Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center



## Slaughter Lamb Prices

- Slaughter lamb prices down 2.3% in 2023 but still stronger than 2020.
- Prices recovered during the second half of 2023 as lamb supplies adjusted to demand.
- Formula Prices on a carcass basis were not reported due to USDA/AMS confidentiality guideline.

	Formula Carcass Basis <sup>1</sup> (\$/cwt.)	% of Previous Year	Formula Live Equivalent (\$/cwt.)	% of Previous Year	Negotiated Live <sup>1</sup> (\$/cwt.)	% of Previous Year
2017	300.21	5.2%	151.05	5.4%	154.96	6.5%
2018	272.95	-9.1%	137.63	-8.9%	143.40	-7.5%
2019	287.63	5.4%	144.06	4.7%	149.68	4.4%
2020	250.93	-12.8%	125.14	-13.1%	150.04	0.2%
2021	NQ	NQ	NQ	NQ	216.24	44.1%
2022	NQ	NQ	NQ	NQ	174.86	-19.1%
<b>2023</b>	<b>NQ</b>	<b>NQ</b>	<b>NQ</b>	<b>NQ</b>	<b>170.82</b>	<b>-2.3%</b>

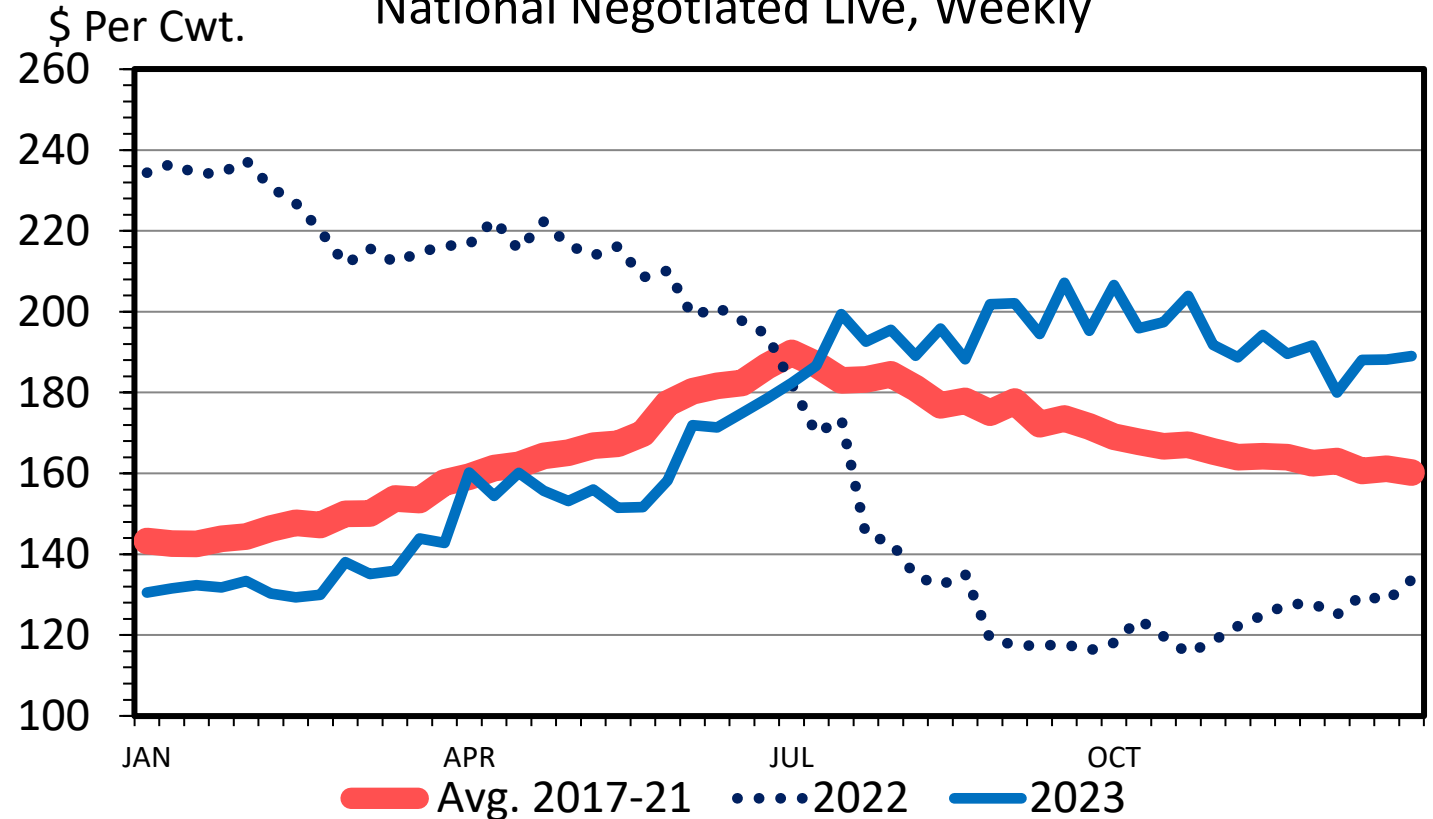
<sup>1</sup>Prices for 2020 are calculated from incomplete weeks of data due to confidentiality.

Data Source: USDA/AMS, Compiled by ASI & the Livestock Marketing Information Center

## Slaughter Lamb Prices

- Slaughter lamb prices were counter seasonally higher in the second half of 2023.
- Stronger slaughter lamb prices were due to tighter lamb supplies (lighter lamb weights and less imports) and stronger wholesale values.
- Slaughter lamb price averaged \$170.82 per cwt. 2023.

## SLAUGHTER LAMB PRICES National Negotiated Live, Weekly

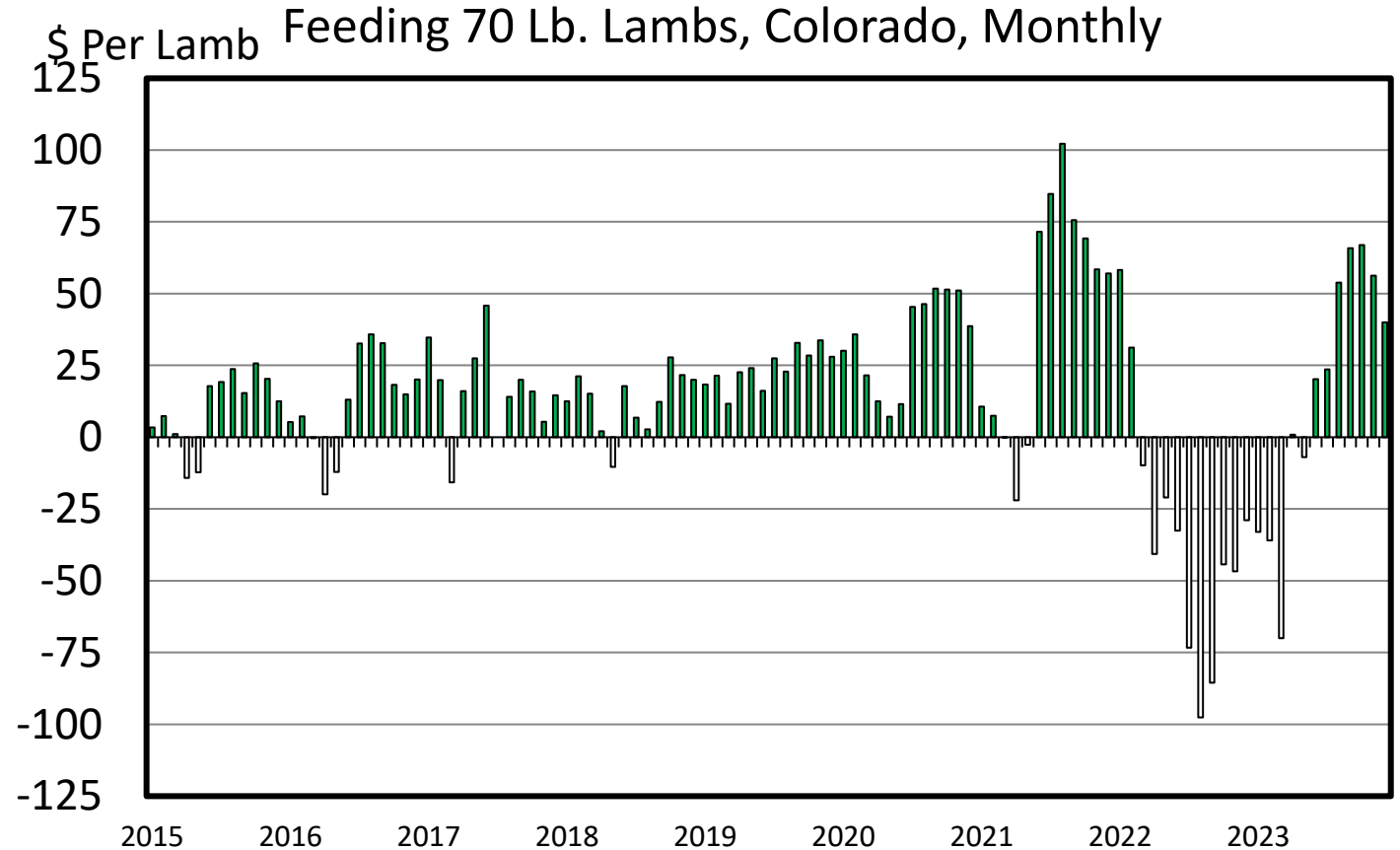


Data Source: USDA/AMS, Compiled by ASI & the Livestock Marketing Information Center

# Feeding Returns

- Lamb feeding returns turned positive in June after 15 consecutive months in the red.
- Averaged \$15.14 per head in 2023 vs. an average loss of \$32.58 per head in 2022.
- Lower feed costs in 2024 will translate into a lower cost of gain.
- Feedlots should have more room to compete for feeder/light-weight lambs.

## AVERAGE RETURNS TO LAMB FEEDERS



Data Source: USDA/AMS & USDA/NASS, Compiled & Analysis by the Livestock Marketing Information Center



# Pelt Values

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## Pelt Prices

- Pelt values were slightly lower in 2023.
- Economic conditions and higher costs continue to weigh on the pelt market.
- Prices are directly correlated to pelt quality as higher quality pelts received above average prices in 2023.
- Export values still stronger than in 2019 and 2020.

	Average Export Value (\$/piece)	% of Previous Year
2017	15.30	7.4%
2018	12.88	-15.8%
2019	8.05	-37.5%
2020	7.80	-3.1%
2021	10.78	38.3%
2022	10.31	-4.4%
<b>2023</b>	<b>10.23</b>	<b>-0.8%</b>

Data Source: USDA/FAS, Compiled by ASI

Note: Estimated pelt credits paid to producers were not reported by USDA/AMS in 2023 due to confidentiality guidelines.





# Replacement Sheep Prices

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## Replacement Sheep Prices

- Replacement sheep prices declined in 2023.
- Prices in 2023 were similar to 2017 – 2022 average prices.

	Ewe Lambs (\$/head)	Yearling Ewes (\$/head)	Young Ewes (\$/head)	Middle Aged Ewes (\$/head)	Aged Ewes (\$/head)
2017	294.50	256.00	181.37	147.60	95.40
2018	275.78	242.07	189.30	141.10	92.09
2019	164.97	234.33	178.25	141.36	95.83
2020	185.26	193.06	181.83	160.03	127.13
2021	284.38	287.34	257.23	212.22	192.77
2022	296.63	311.14	248.52	219.83	198.67
<b>2023</b>	<b>212.54</b>	<b>225.61</b>	<b>188.92</b>	<b>152.83</b>	<b>124.46</b>
<b>% of Previous Year</b>	<b>-28.3%</b>	<b>-27.5%</b>	<b>-24.0%</b>	<b>-30.5%</b>	<b>-37.4%</b>

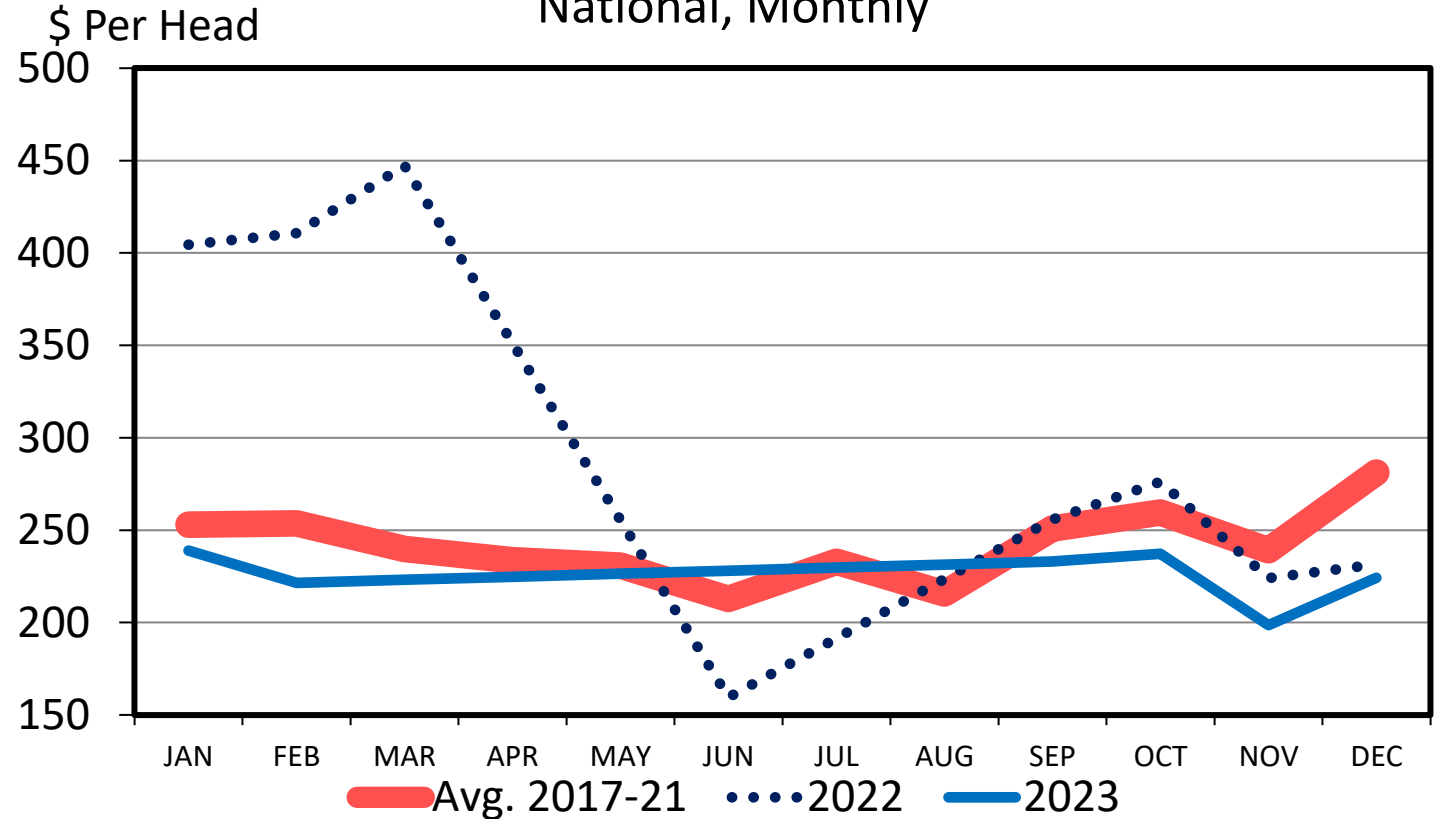
Data Source: USDA/AMS, Compiled by ASI

# Replacement Sheep Prices

- After record high prices in 2021 and 2022 prices retreated in 2023 in response to lower feeder and slaughter lamb prices.

## YEARLING EWE REPLACEMENT PRICE

National, Monthly



Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center



# Wholesale Lamb Values

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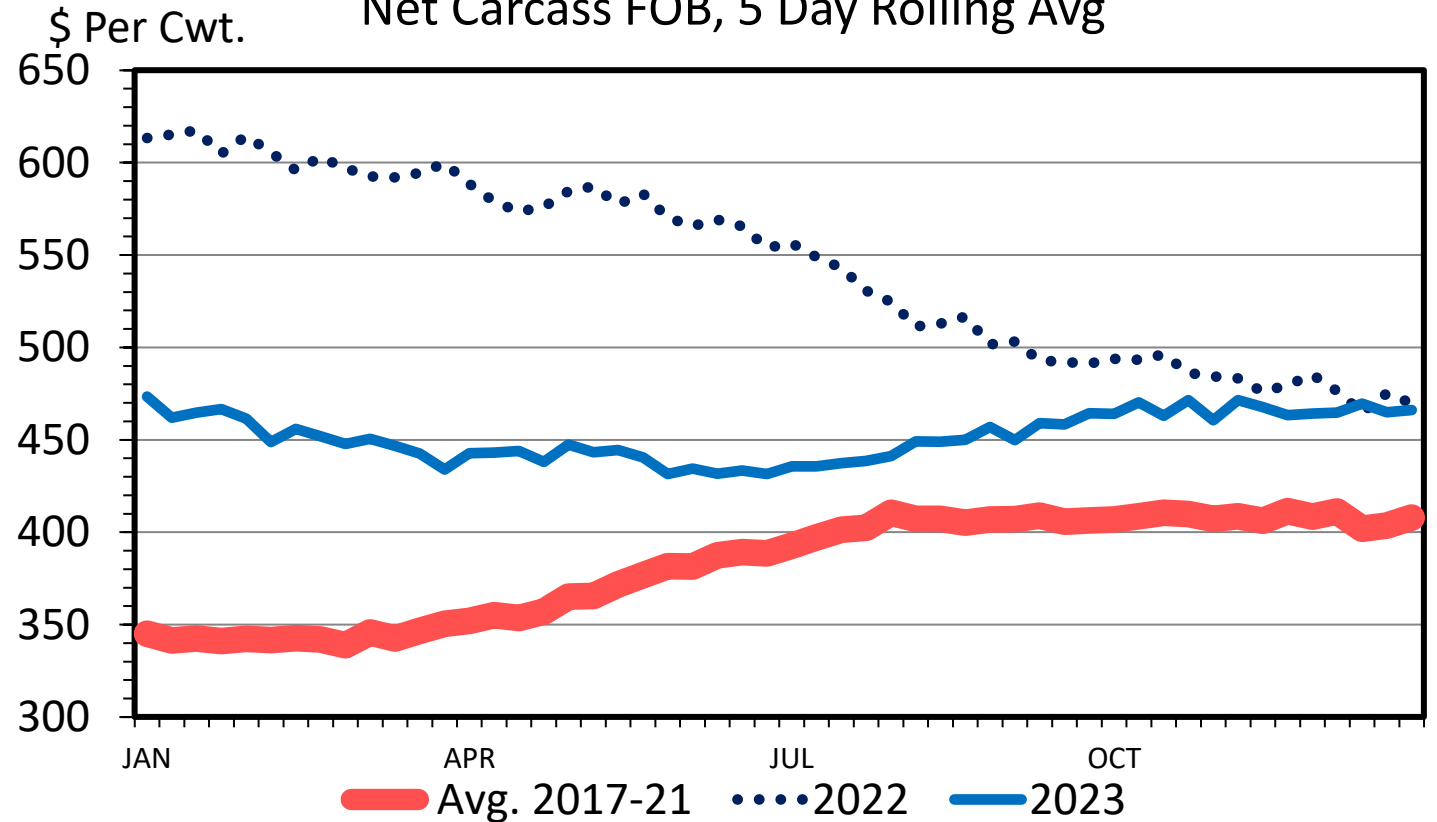


## Lamb Carcass Cutout Value

- Wholesale values declined from the record level seen in 2022.
- Values are still stronger than 2020 and prior.
- The net cutout value averaged \$451.62 per cwt. in 2023, down 17% from 2022.
- On average, the cutout value gained \$10 per cwt. from January to December.

## NATIONAL LAMB CUTOUT VALUE

Net Carcass FOB, 5 Day Rolling Avg



The National Lamb Cutout Value represents the estimated value of a lamb carcass based on the prices paid for individual items. The Net Carcass Cutout Value deducts for processing and packaging based on an average cost paid by firms covered under Livestock Mandatory Reporting (LMR).

Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center



# Lamb Carcass Cutout Values

	Foresaddle Value (\$/cwt.)	% of Previous Year	Hindsaddle Value (\$/cwt.)	% of Previous Year	Net Value <sup>1</sup> (\$/cwt.)	% of Previous Year
2017	413.15	14.7%	404.25	8.7%	340.33	7.5%
2018	406.63	-1.6%	391.92	-3.0%	331.29	-2.7%
2019	430.49	5.9%	395.05	0.8%	342.13	3.3%
2020	453.72	5.4%	400.97	1.5%	368.84	7.8%
2021	593.77	30.9%	579.73	44.6%	524.96	42.3%
2022	628.69	5.9%	583.06	0.6%	544.56	3.7%
<b>2023</b>	<b>565.43</b>	<b>-10.1%</b>	<b>489.03</b>	<b>-16.1%</b>	<b>451.62</b>	<b>-17.1%</b>

<sup>1</sup> The Net Carcass Cutout Value deducts for processing and packaging based on an average cost paid by firms covered under Livestock Mandatory Reporting (LMR).

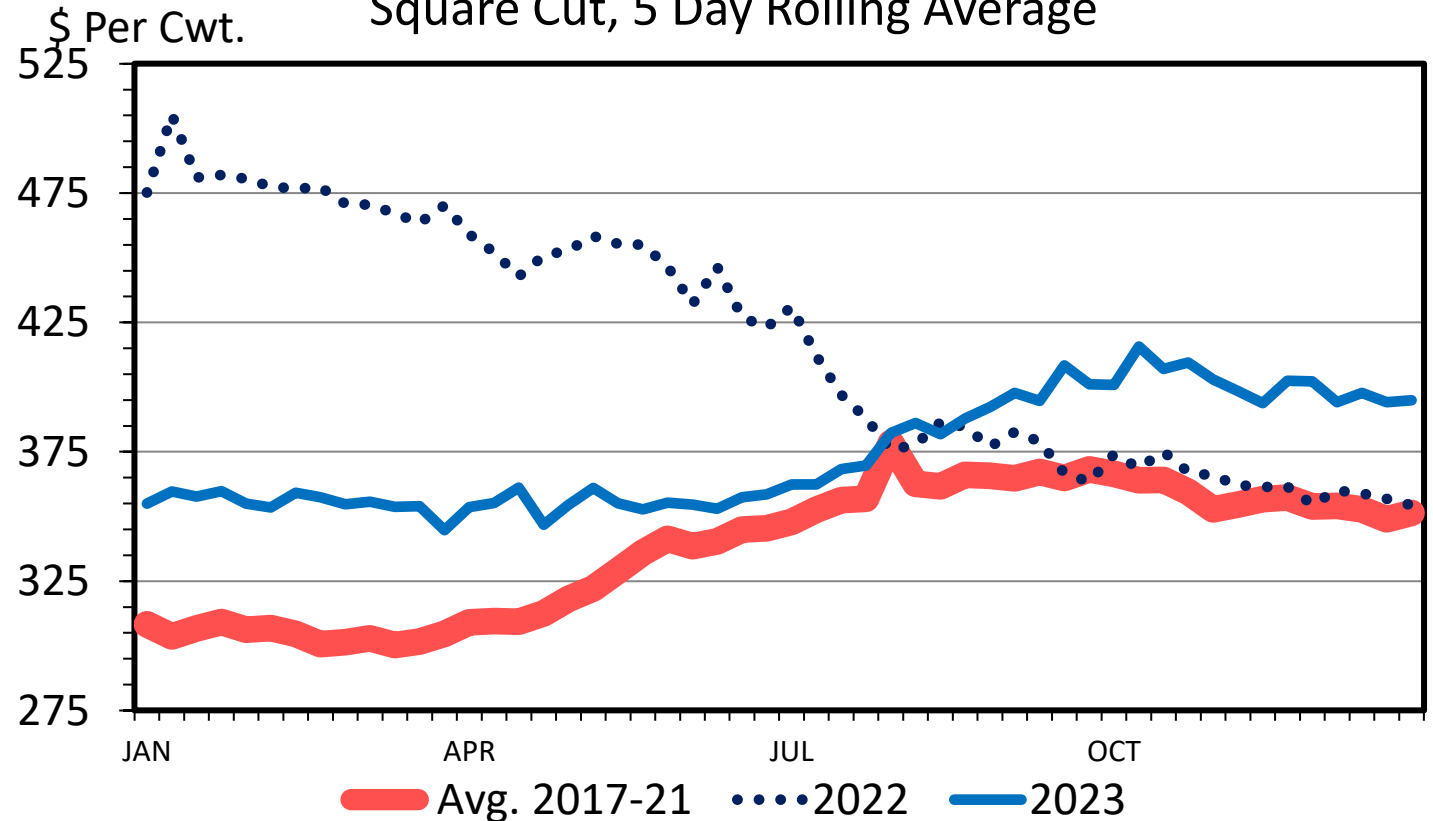
Data Source: USDA/AMS, Compiled by ASI

## Lamb Carcass Values – Shoulder

- Shoulder prices averaged \$374 per cwt., a decline of 11% in 2023.
- Prices were 11% stronger than the 2017 – 2021 average.
- Prices strengthened in the second half of 2023 compared to 2022 when the market was facing a large supply of lamb.

## BOXED LAMB SHOULDER PRICES

Square Cut, 5 Day Rolling Average

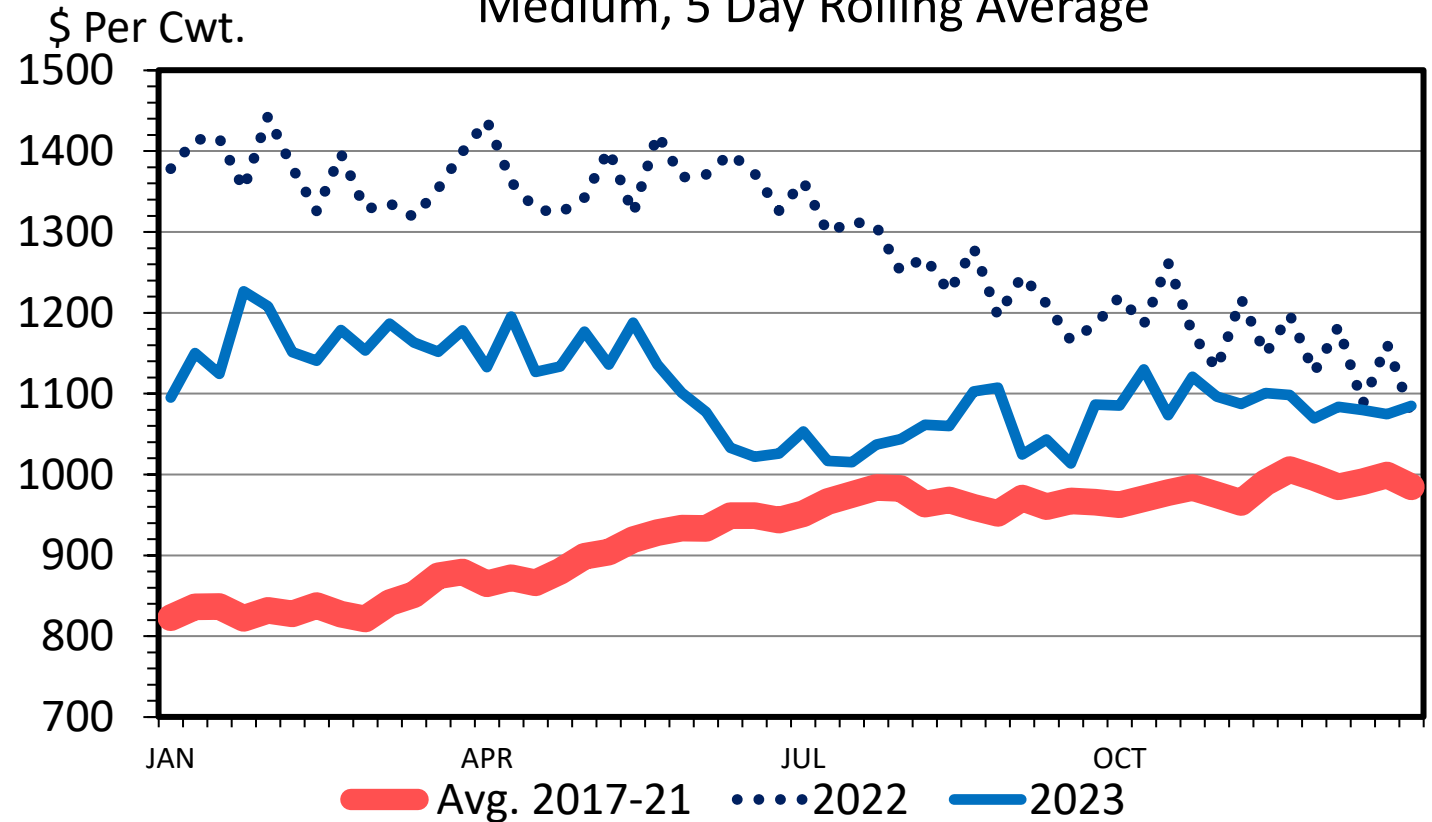


Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center

## Lamb Carcass Values – Rack

- Rack, 8-Rib Medium price averaged \$1,103 per cwt., 15% lower than in 2022.
- Rack, Roast Ready, Frenched prices were down 12% at \$2,262 per cwt. in 2022.
- Rack prices lost, an average, \$80 per cwt. in value between January and December of 2023.

## BOXED LAMB RACK PRICES Medium, 5 Day Rolling Average

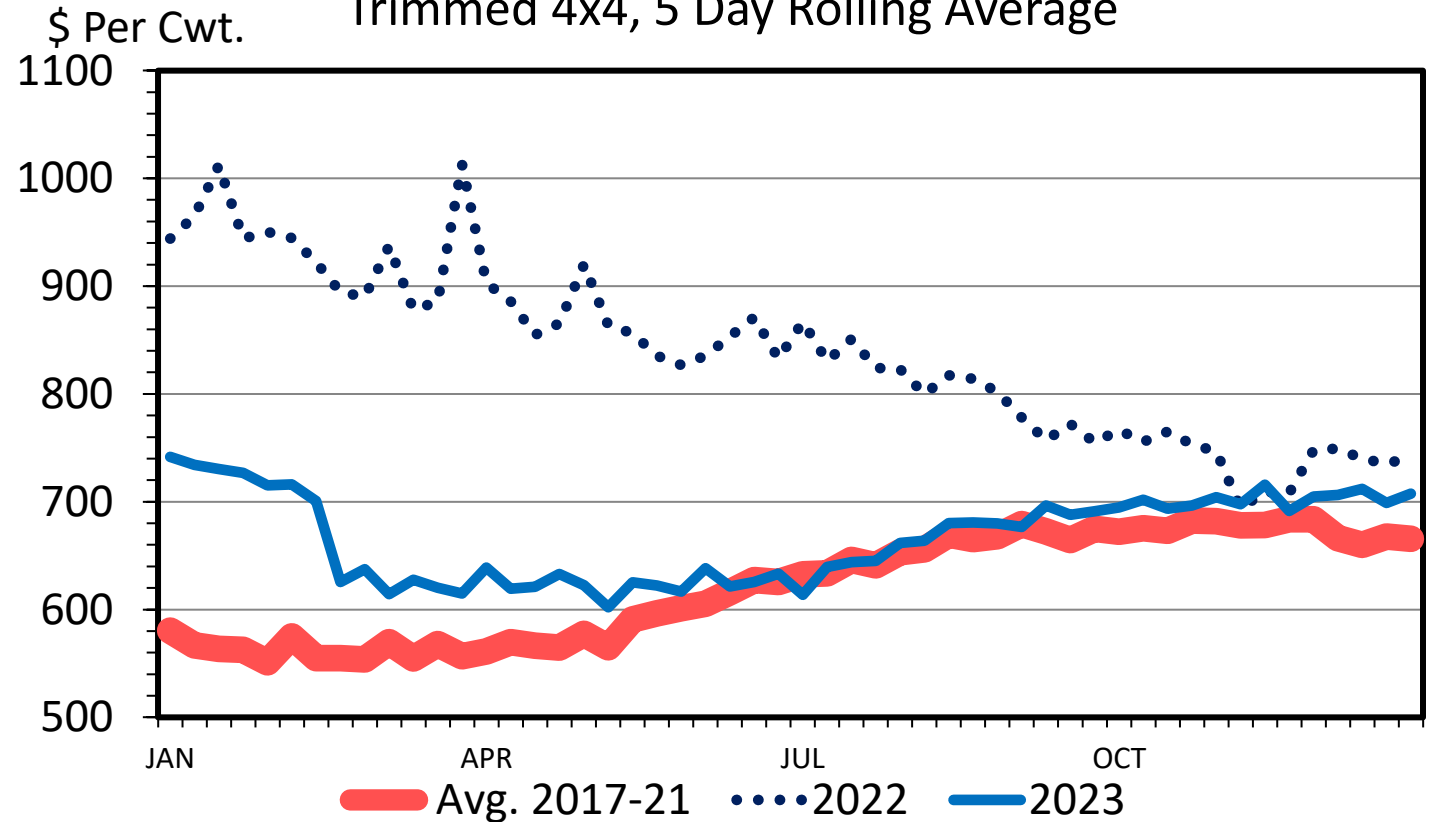


Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center

## Lamb Carcass Values – Loin

- Loin values declined in 2023.
- Loins (4x4) averaged \$667 per cwt., 20% lower than in 2022.
- Prices were still 8% stronger than the 2017 – 2021 average.
- Loins gained about \$25 per cwt. between January and December.

### BOXED LAMB LOIN PRICES Trimmed 4x4, 5 Day Rolling Average



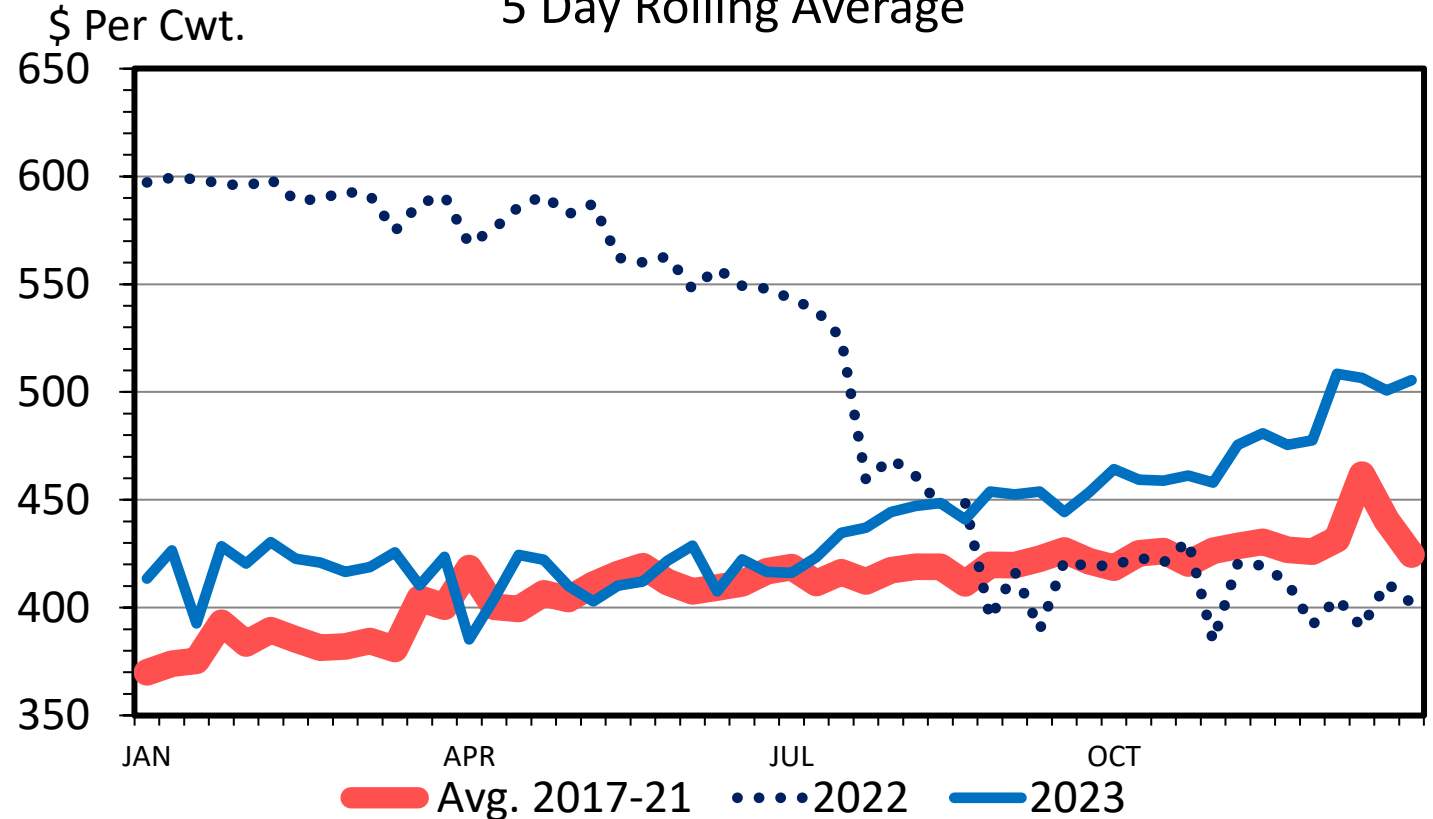
Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center

## Lamb Carcass Values – Leg

- Leg values recovered strongly in the second half of 2023 compared to 2022 when the market was faced with a large supply of lamb product.
- The price for Legs, Trotter Off averaged \$465 per cwt. in 2023 vs. \$529 per cwt in 2022.
- Legs, Boneless Tied price was down 15% in 2023.

## BOXED LAMB SINGLE LEG PRICES

5 Day Rolling Average



Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center



## Summary of Lamb & Mutton Graded

- In 2023, 44.4% of Federally Inspected (FI) lambs were graded.
- Percent Yield Grade 1 & 2's increased.
- Percent Yield Grades 4 & 5's declined.
- 91% of lambs graded Choice
- 9% of lambs graded Prime

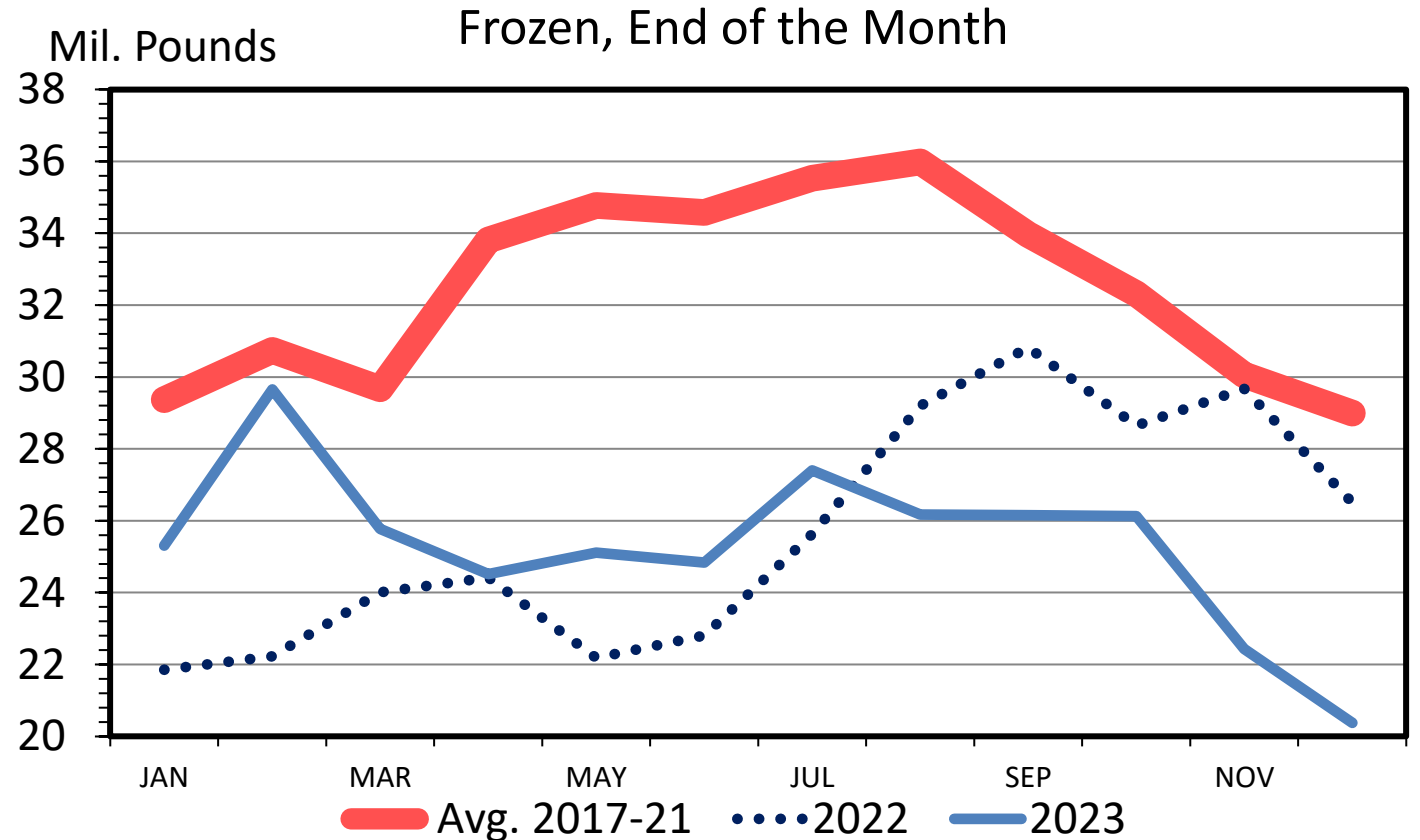
	Yield Grade 1	Yield Grade 2	Yield Grade 3	Yield Grade 4	Yield Grade 5	% Lambs Graded of FI Lamb Slaughter
2017	5.8%	31.1%	41.4%	14.8%	7.0%	58.8%
2018	5.0%	27.1%	39.3%	17.9%	10.7%	57.4%
2019	4.8%	26.6%	41.6%	18.9%	8.2%	56.1%
2020	4.6%	29.1%	44.7%	16.5%	5.1%	50.1%
2021	6.2%	37.4%	40.8%	12.7%	2.9%	50.4%
2022	5.4%	30.8%	36.2%	20.2%	7.4%	44.4%
<b>2023</b>	<b>6.9%</b>	<b>33.5%</b>	<b>36.0%</b>	<b>17.1%</b>	<b>6.5%</b>	<b>44.4%</b>

Data Source: USDA/AMS, Compiled by ASI

## Cold Storage

- Stocks of lamb and mutton in cold storage declined in 2023.
- Lower cold storage stocks was driven by lower domestic production, industry efforts to balance supplies with demand, and smaller imports.
- Smaller cold storage stocks was a factor in supporting lamb prices in 2023.

## LAMB AND MUTTON IN COLD STORAGE



Note: Cold storage data is reported on a total basis for product stored for 30 days or longer.

Data Source: USDA/NASS, Compiled by the Livestock Marketing Information Center



# Imports & Exports

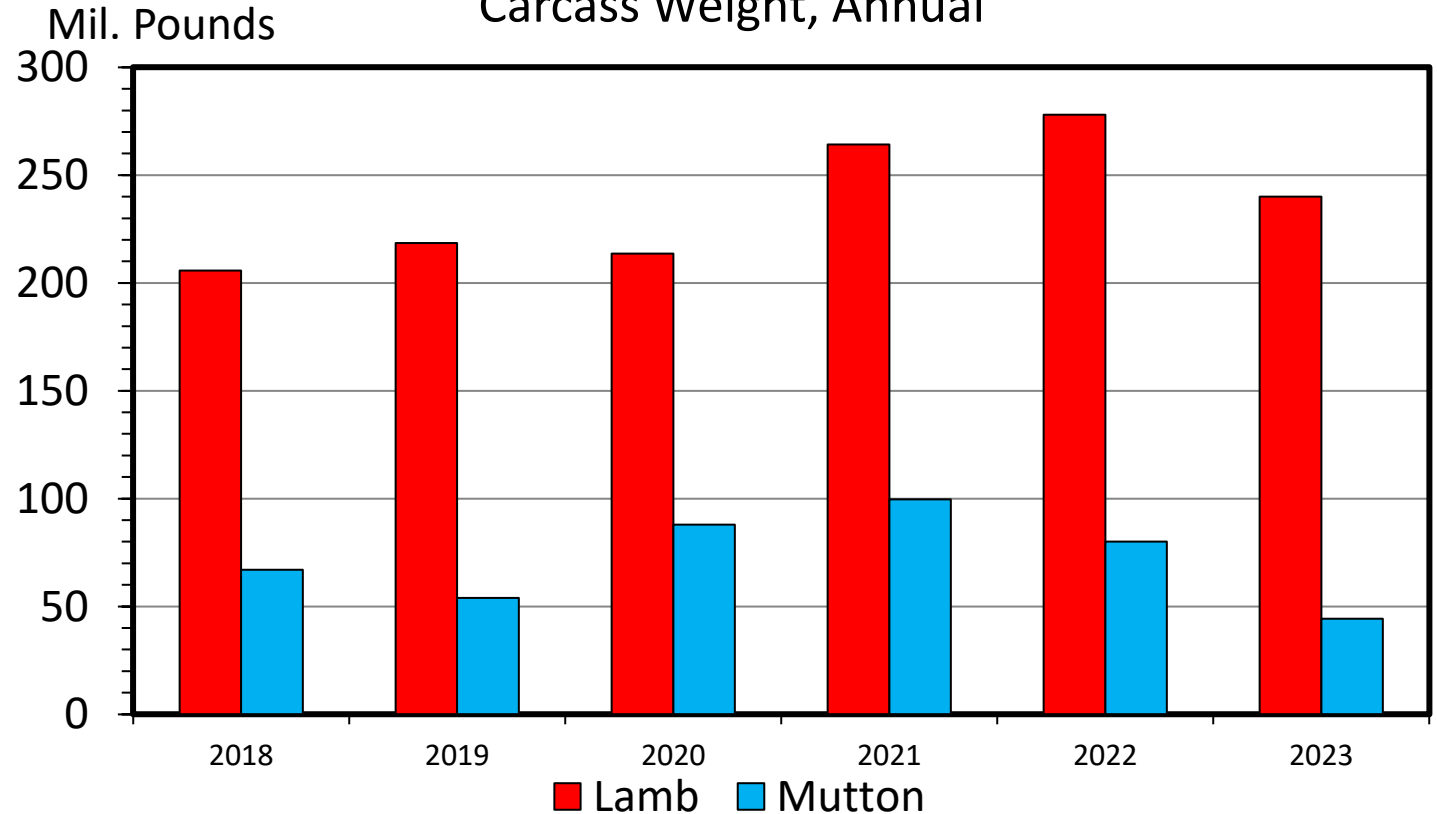
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## Lamb & Mutton Imports

- Lamb imports down 13.7% at 239.9 million pounds in 2023.
- Mutton imports down 44.6% to 44.4 million pounds.
- Total lamb and mutton imports at 284.3 million pounds, down 21% from 2022 and 22% lower than in 2021.
- Softer U.S. demand and lower prices limited imports in 2023.

## US LAMB & MUTTON IMPORTS

Carcass Weight, Annual



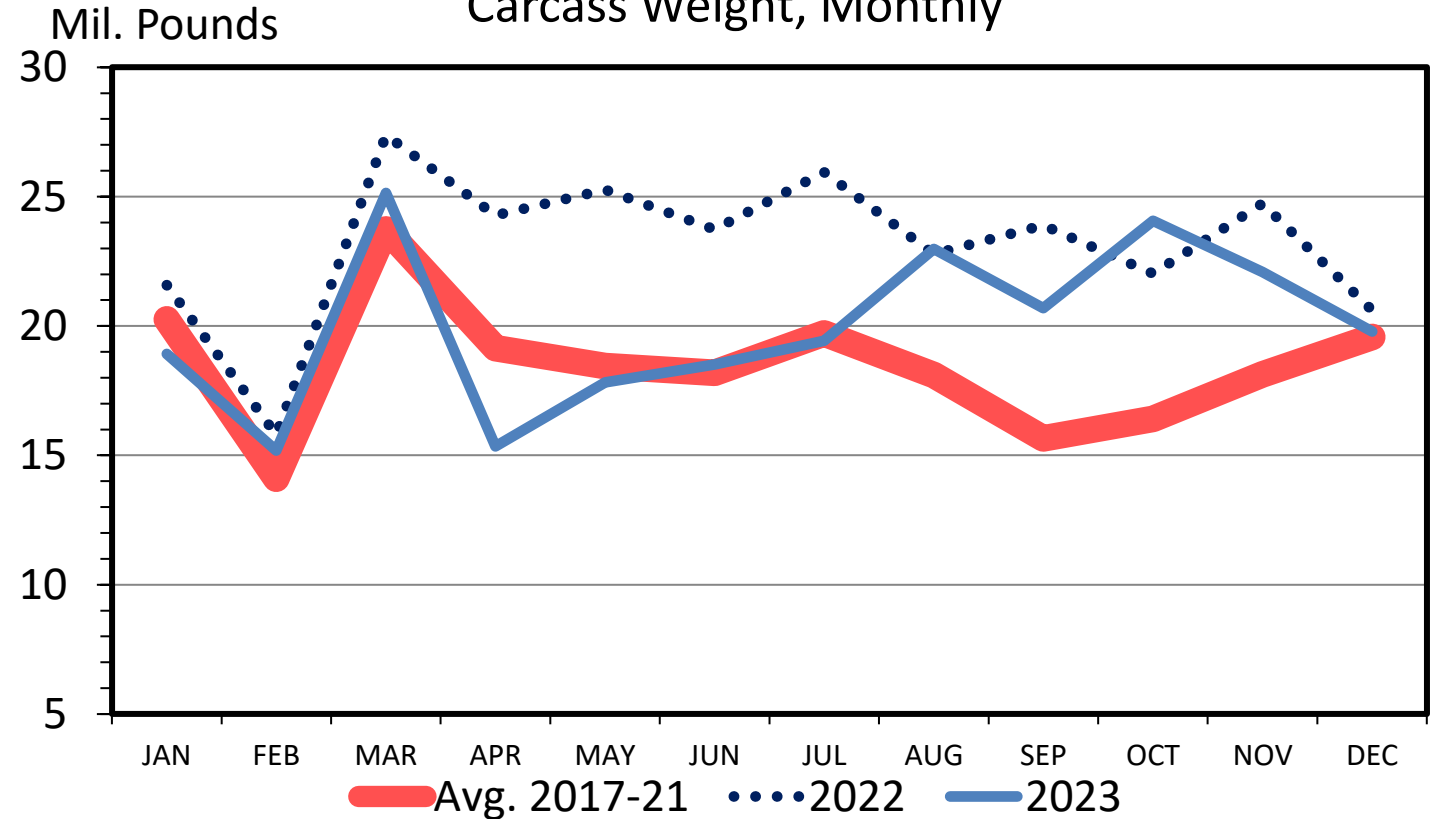
Data Source: USDA/ERS & USDA/FAS, Compiled by the Livestock Marketing Information Center

## Lamb Imports

- Lower U.S. wholesale prices and softer demand led to a decline in lamb imports in 2023.
- Imports from Australia at 178.8 million pounds were down 14% in 2023.
- Imports from New Zealand were 10% lower at 58.5 million pounds.
- More Australian lamb found its way to China and the Middle East in response to lower U.S. demand in 2023.

## US LAMB IMPORTS

Carcass Weight, Monthly



Data Source: USDA/ERS & USDA/FAS, Compiled by the Livestock Marketing Information Center



# Lamb & Mutton Imports

(1,000 lbs. carcass weight basis)

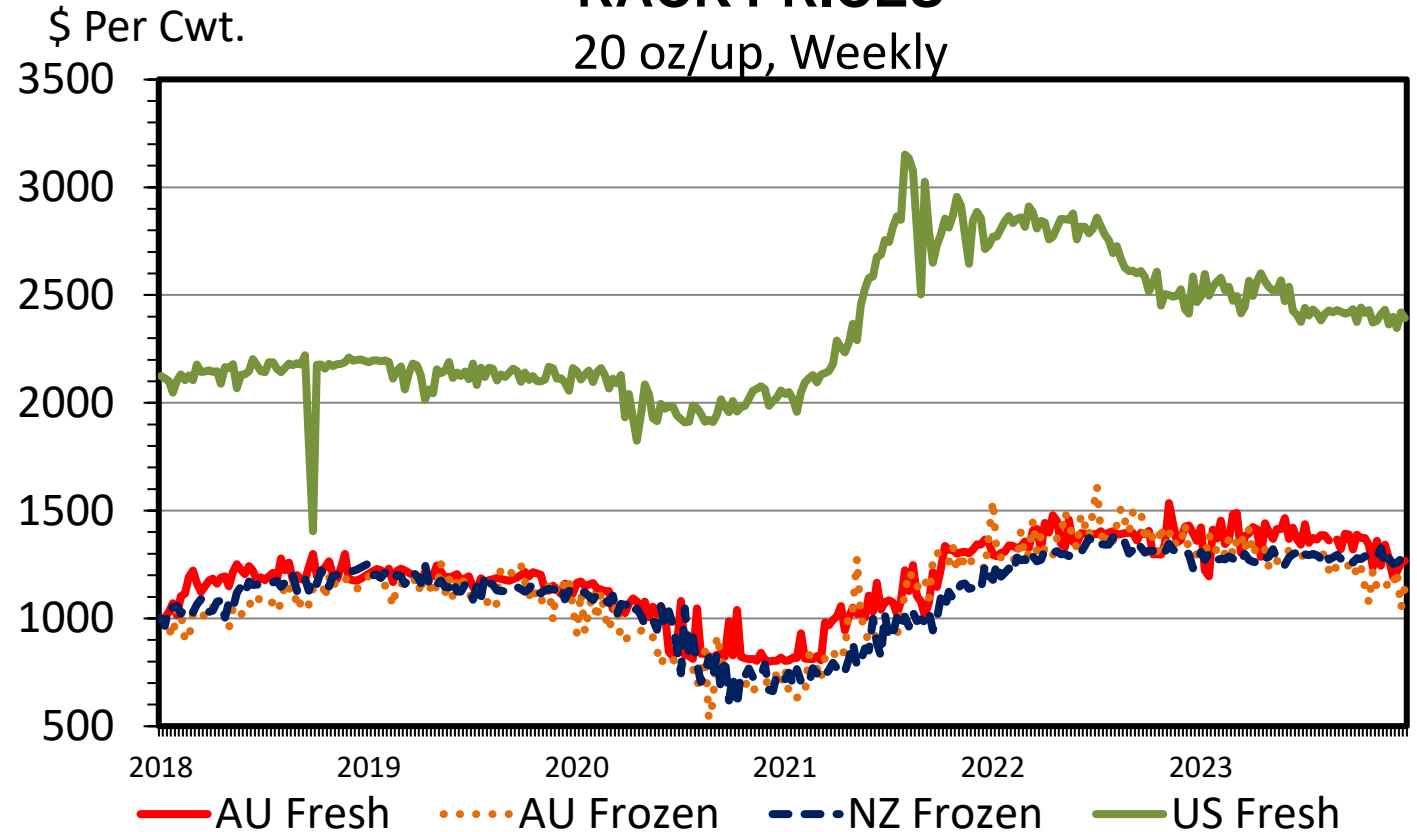
	Lamb	% of Previous Year	Mutton	% of Previous Year	Total Lamb & Mutton	% of Previous Year
2017	205,222	9.2%	46,494	65.9%	251,716	16.6%
2018	205,678	0.2%	66,961	44.0%	272,639	8.3%
2019	218,510	6.2%	53,911	-19.5%	272,421	-0.1%
2020	213,634	-2.2%	87,916	63.1%	301,550	10.7%
2021	264,241	23.7%	99,664	13.4%	363,905	20.7%
2022	278,003	5.2%	80,133	-19.6%	358,135	-1.6%
<b>2023</b>	<b>239,948</b>	<b>-13.7%</b>	<b>44,380</b>	<b>-44.6%</b>	<b>284,328</b>	<b>-20.6%</b>

Data Source: USDA/ERS & USDA/FAS, Compiled by ASI

## Lamb Imports

- The price spread between domestic and imported prices moved closer to pre-pandemic levels.
- The retail sector is a primary market for imported lamb.
- Australia accounted for 75% of lamb imports in 2023.
- New Zealand's share of lamb imports in 2023 was 24%.

## AUSTRALIA vs. NEW ZEALAND vs. U.S. RACK PRICES

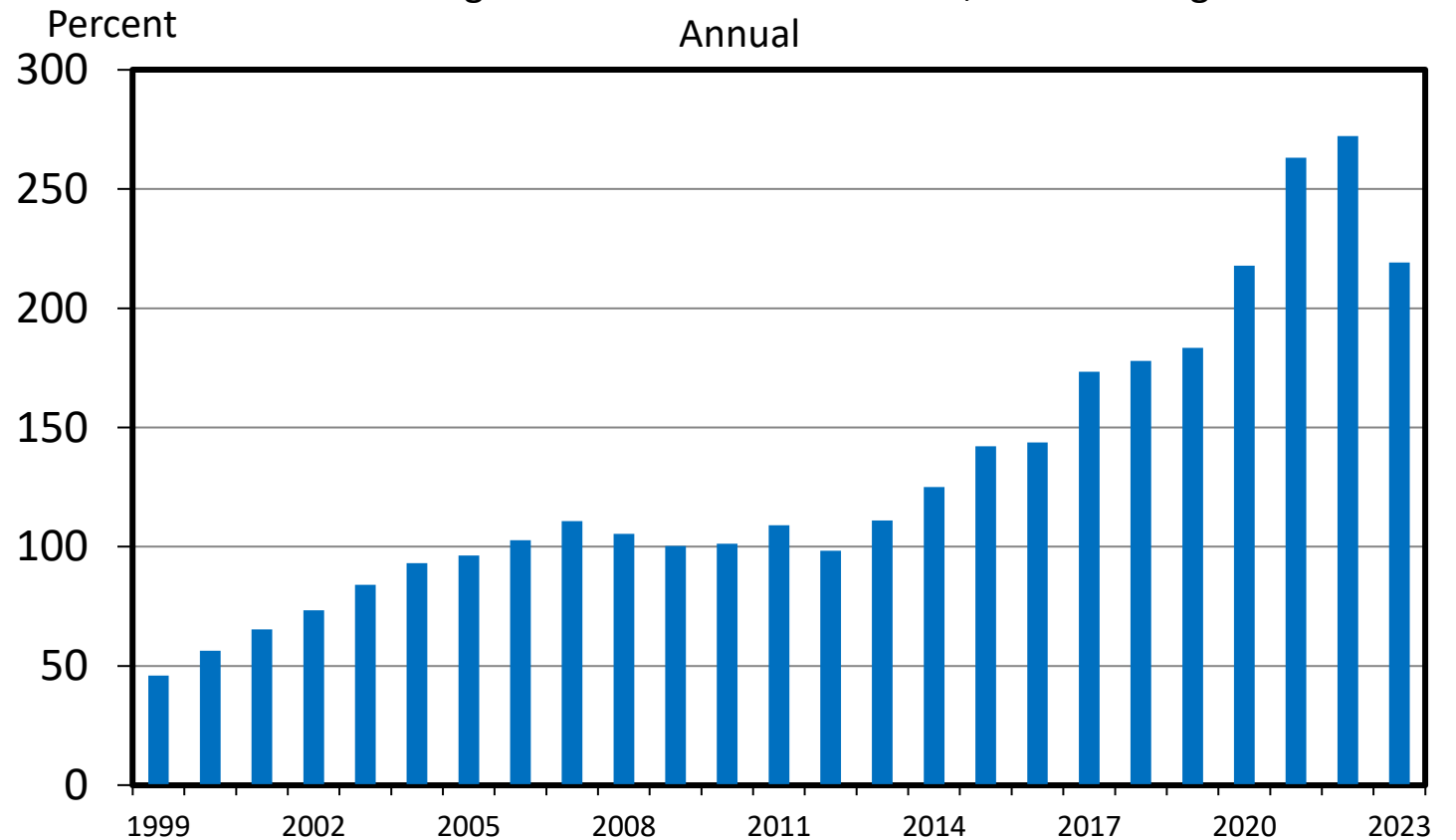


Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center

# Lamb & Mutton Imports

- Total imports as a percent of U.S. commercial production declined in 2023.
- Imports accounted for about 68% of total U.S. lamb and mutton disappearance in 2023.
- Lower U.S. wholesale prices and softer demand for lamb led to a decline in lamb imports in 2023.

**U.S. LAMB AND MUTTON IMPORTS**  
As a Percentage of Commercial Production, Carcass Weight



Data Source: USDA/ERS, USDA/FAS & USDA/NASS, Compiled & Forecasts by the Livestock Marketing Information Center

# Lamb & Mutton Exports

- Lamb and mutton exports totaled 5.05 million pounds, 13% lower than in 2022 but higher than in 2021 and 2020.
- Exports increased to Central America, the Netherlands Antilles, and the Bahamas, but declined to Mexico and Canada in 2023.
- Export value declined 15% to \$12.6 million but was 28% higher than in 2021.
- In 2023, exports as a percent of lamb and mutton production was 3.9% compared to 4.4% in 2022.

# Lamb & Mutton Exports

(1,000 lbs. carcass weight basis)

	Lamb	% of Previous Year	Mutton	% of Previous Year	Total Lamb & Mutton	% of Previous Year
2017	922	11.4%	4,982	8.5%	5,905	8.9%
2018	785	-14.9%	5,111	2.6%	5,896	-0.1%
2019	737	-6.1%	4,958	-3.0%	5,695	-3.4%
2020	537	-27.2%	2,701	-45.5%	3,237	-43.2%
2021	477	-11.1%	3,002	11.2%	3,479	7.5%
2022	530	11.2%	5,304	76.6%	5,834	67.7%
<b>2023</b>	<b>664</b>	<b>25.2%</b>	<b>4,389</b>	<b>-17.2%</b>	<b>5,053</b>	<b>-13.4%</b>

Data Source: USDA/ERS & USDA/FAS, Compiled by ASI





# Consumer Market

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# Consumer Market Trends

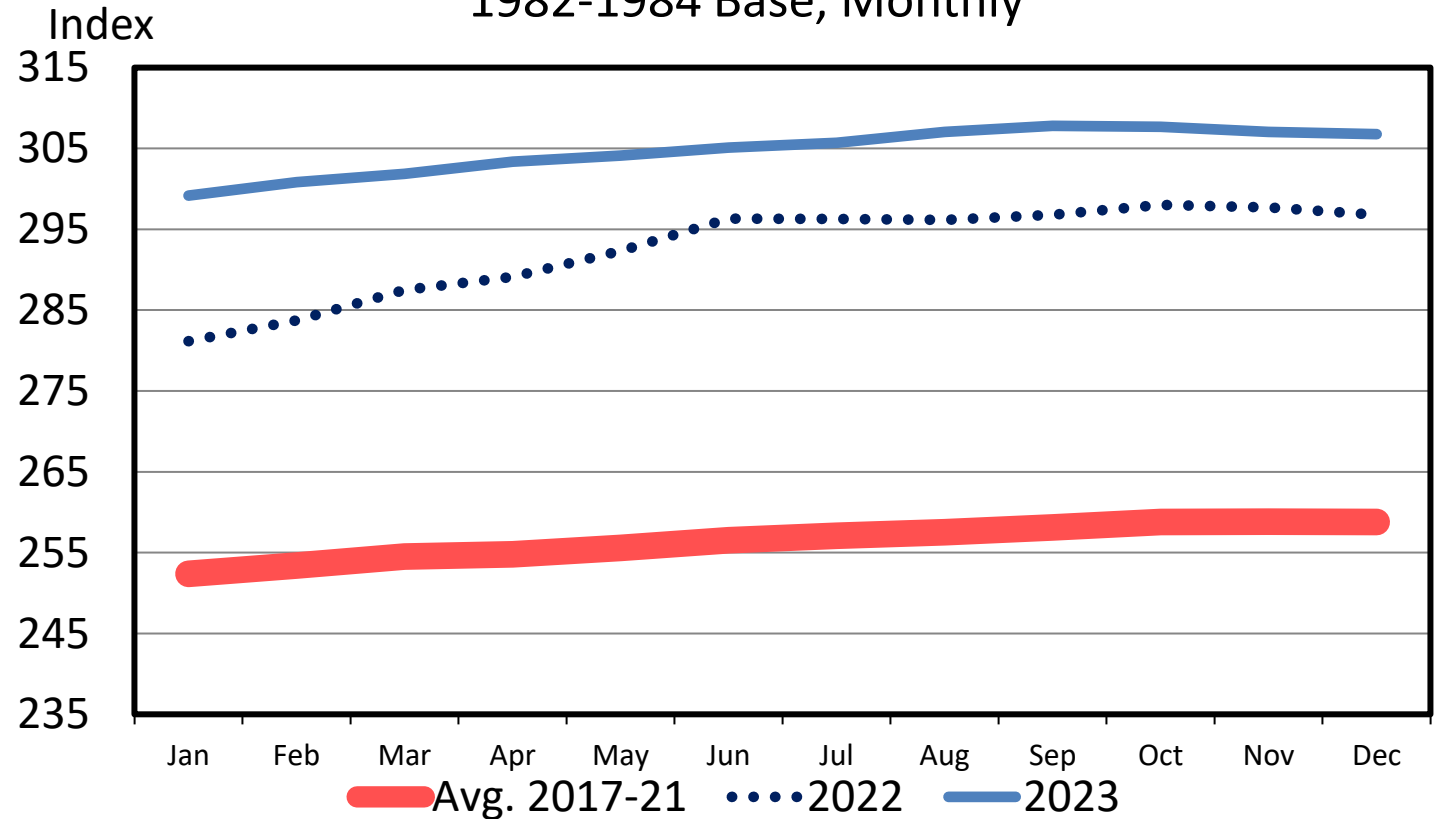
- Consumers are facing tighter budgets and trying to stretch their dollar in response to high prices and interest rates.
- Consumer purchasing habits for proteins continue to change in response.
- The shift to pre-pandemic patterns continued with consumers prioritizing convenience and ease in meal preparations.
- Many are redefining what value means at grocery/retail and restaurants.
- Demand for more diverse and globally influenced flavors continues to increase, benefiting American lamb.

# Inflation

- The Consumer Price Index (CPI) averaged 4% higher in 2023.
- While the rate of inflation moderated in 2023, consumer prices remained elevated.
- Inflation reduces consumer incomes and impacts their willingness-to-pay or demand for items.

## CONSUMER PRICE INDEX– ALL ITEMS

1982-1984 Base, Monthly

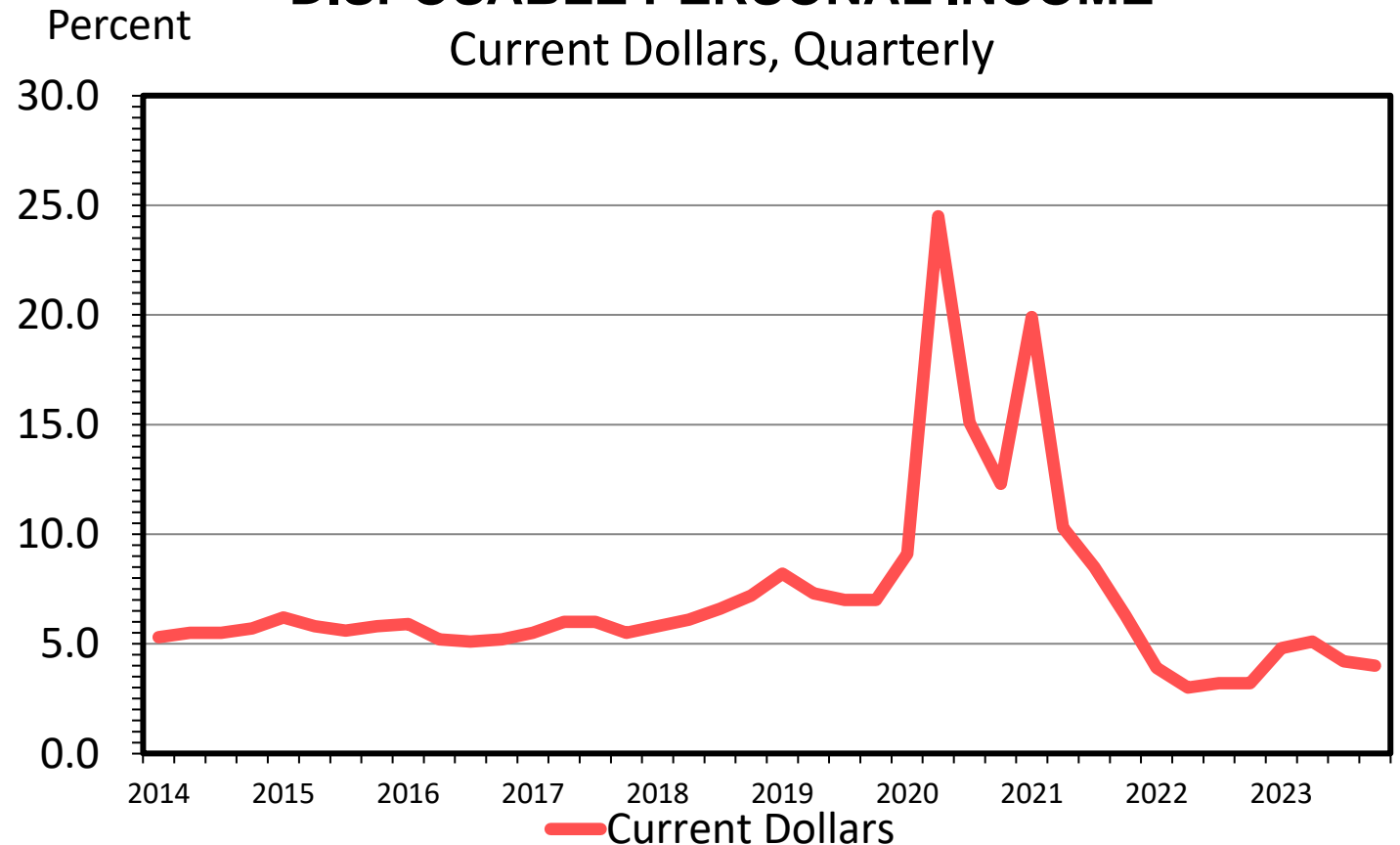


Data Source: Bureau of Labor Statistics, Compiled by the Livestock Marketing Information Center

## Consumer Income

- Consumer savings rates declined due to higher prices and interest rates.
- Debit levels rose in response to higher interest rates.
- Credit card purchases have increased, and consumers are taking longer to pay off their bills than before the pandemic.

## PERSONAL SAVINGS AS A PERCENT OF DISPOSABLE PERSONAL INCOME

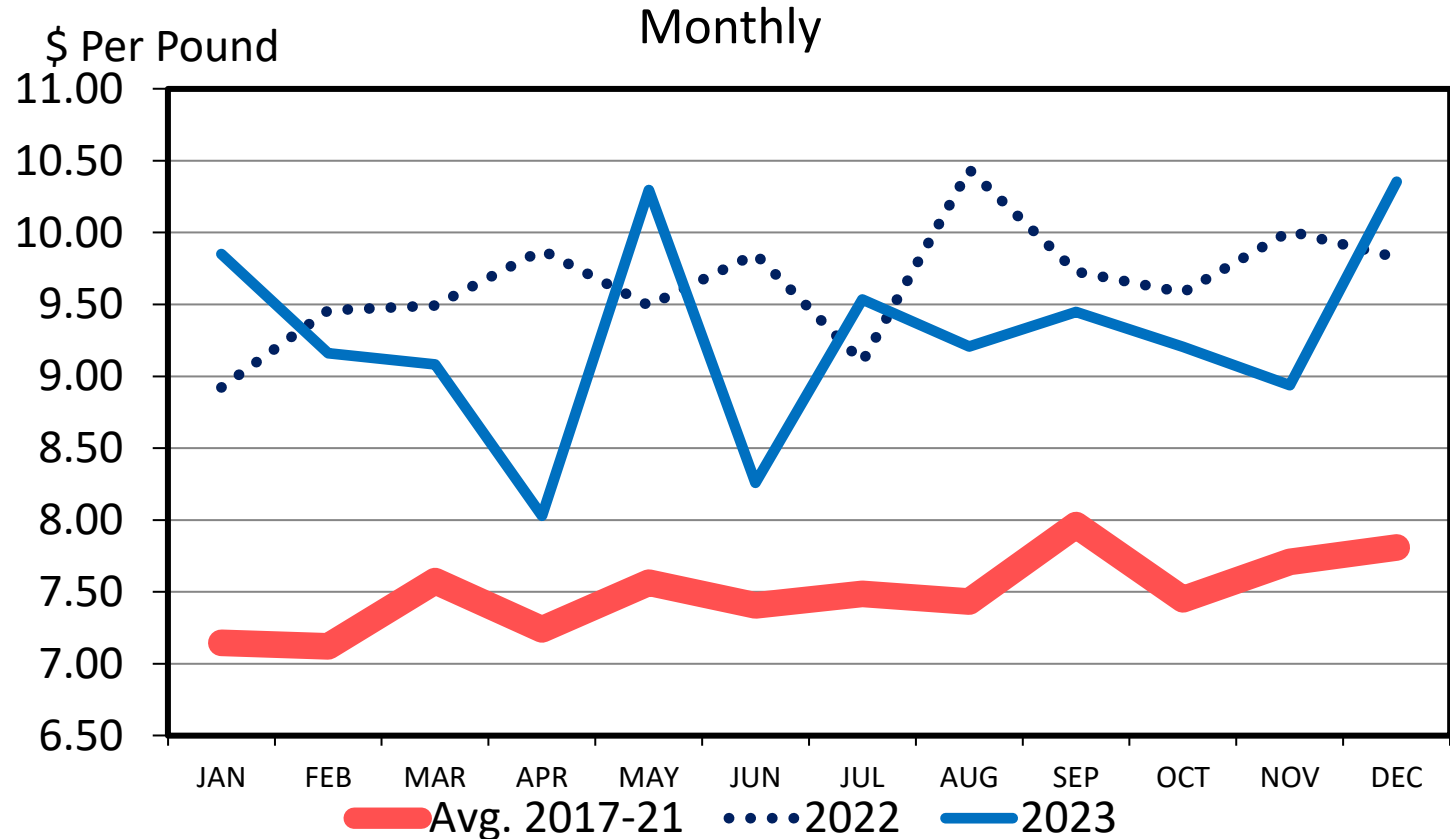


Data Source: Bureau of Economic Analysis, Compiled by the Livestock Marketing Information Center

## Retail Feature Activity

- Retail prices declined in 2023 but were still high compared to pre-pandemic levels.
- Prices averaged 4% lower than in 2023 but \$2.00 per lb higher than in 2020.
- The percentage of lamb featured in retail store weekly circulars declined in 2023.

## RETAIL ALL LAMB FEATURE PRICE



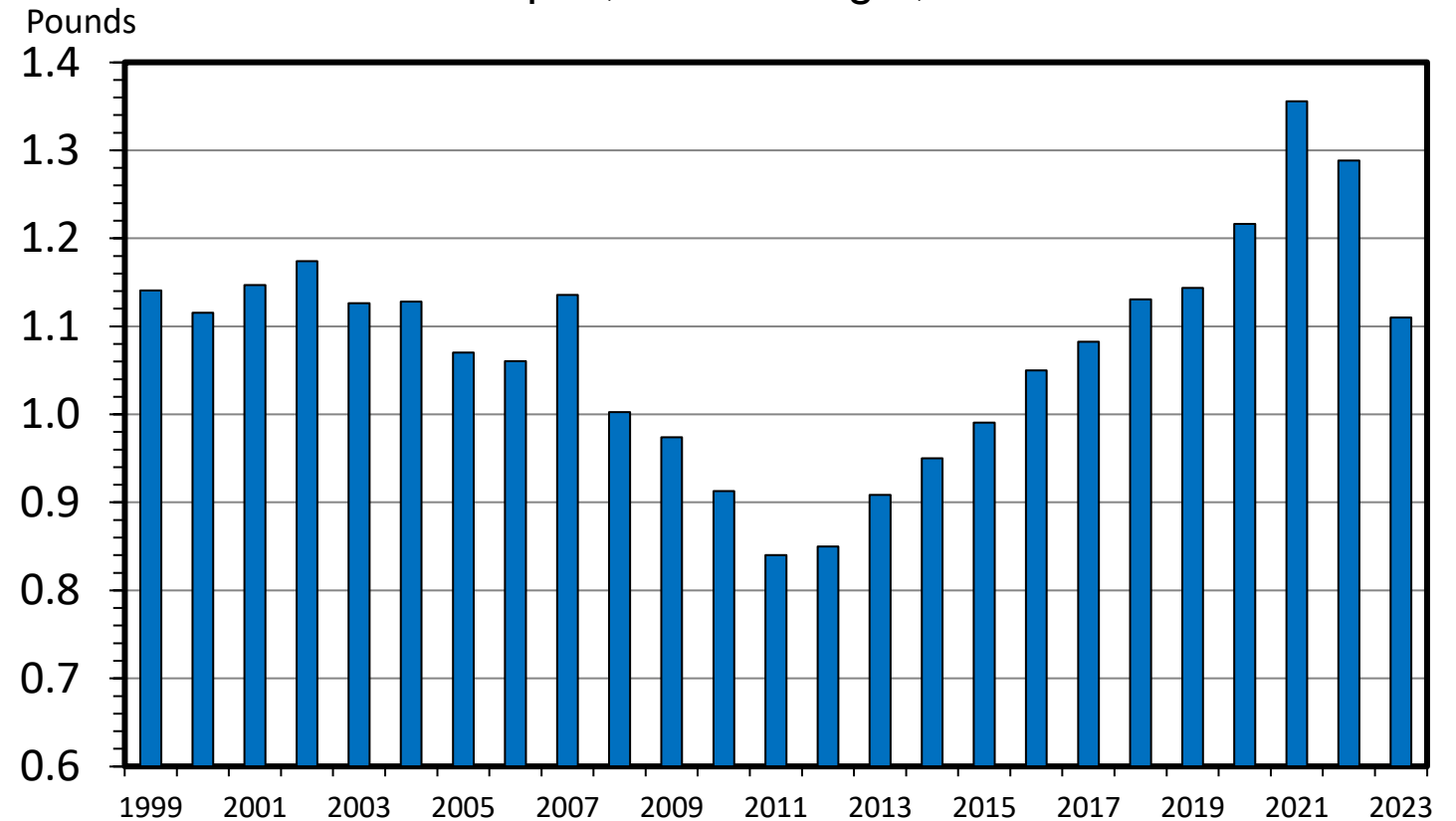
Note: Advertised Prices for Lamb and Veal at Major Retail Supermarket Outlets.

Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center

# Lamb Consumption

- Per capita lamb consumption or the available supply of lamb per person was 1.1 pounds in 2023.
- The decline is due to a smaller supply of lamb available.
- Lamb prices relative to supplies suggest consumer demand in 2023 was similar to 2020.

## US LAMB & MUTTON CONSUMPTION Per Capita, Retail Weight, Annual



Data Source: USDA/NASS, Compiled & Forecasts by the Livestock Marketing Information Center





# Sheep & Lamb Market Outlook

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# Sheep & Lamb Market Outlook

- There is optimism for higher lamb prices in 2024.
- Strong live lamb prices and reduced feeding costs should help to improve producer margins.
- Wholesale lamb prices will be supported by tighter lamb supplies and continued demand for American lamb.
- Food price inflation is expected to be on a downward trend, but prices will remain elevated.
- Consumers are expected to continue adjusting to higher prices and tighter budgets.
- Consumer demand will be critical to the lamb price outlook in 2024.

# Sheep & Lamb Market Outlook

- For 2024, the Livestock Marketing Information Center is forecasting:
  - Tighter lamb supplies in 2024 due to lower flock numbers.
  - Lamb production to decline 1 – 2% in 2024.
  - Dressed weights will be a key factor on lamb production in 2024.
  - Smaller supplies will be supportive to prices.
  - Feeder and slaughter lamb prices to strengthen, increasing 3% and 6%, above 2023 levels.
- *Forecasts as of February 12, 2024, and subject to change.*



# Thank You

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*\* All data is subject to revision.*