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Lamb And Sheep Market Update

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Alberta Agriculture and Irrigation

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Summary

The 2025 spring season has supported strong lamb prices, but higher breeding stock values have contributed to the decline in flock size since 2023. Alberta sheep producers do not export but will be monitoring for any impacts that recent tariff threats may have on input supplies, cost of production and retail prices. Robust market demand through Easter and upcoming ethnic religious holidays in June and September suggest stable market conditions throughout the rest of 2025.

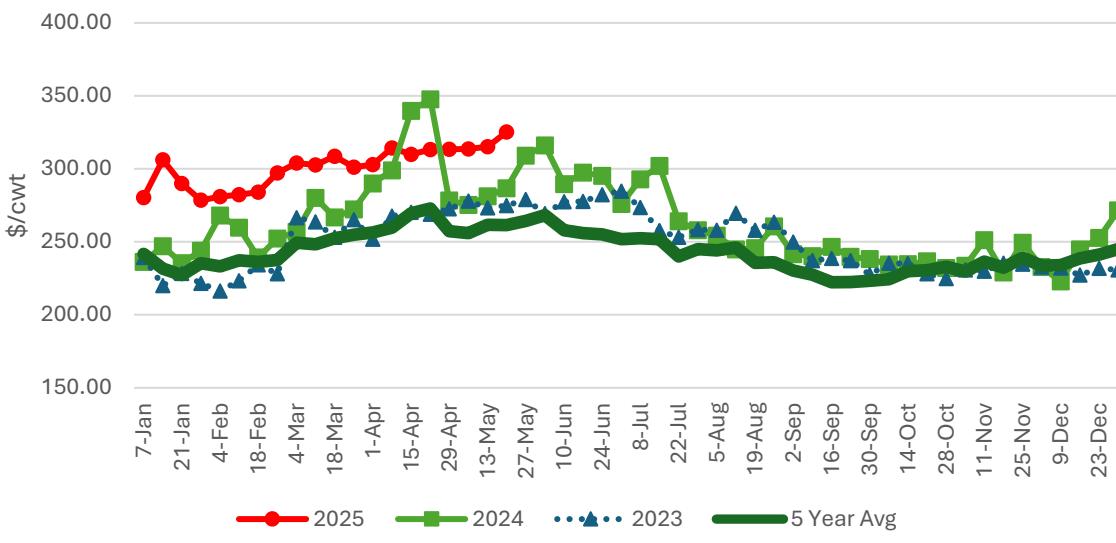
Sheep and Lamb Inventories

According to inventory estimates from Statistics Canada, the January 1, 2025 survey reported a smaller ewe supply in Alberta (down 2.0 per cent from 2024) and an overall decline in total sheep and lamb inventory of 3.3 per cent compared to last year.

Market Prices

Alberta weekly slaughter lamb prices have performed well in 2025. Figure 1 shows market lamb prices on a live weight equivalent basis to May 16, 2025. With a year-to-date average price of \$301.21 per hundredweight (cwt), the market is up 10.3 per cent over the same period in 2024 and is 9.5 per cent above the 5-year average. Slaughter lamb prices have been on an increasing trend for a number of years.

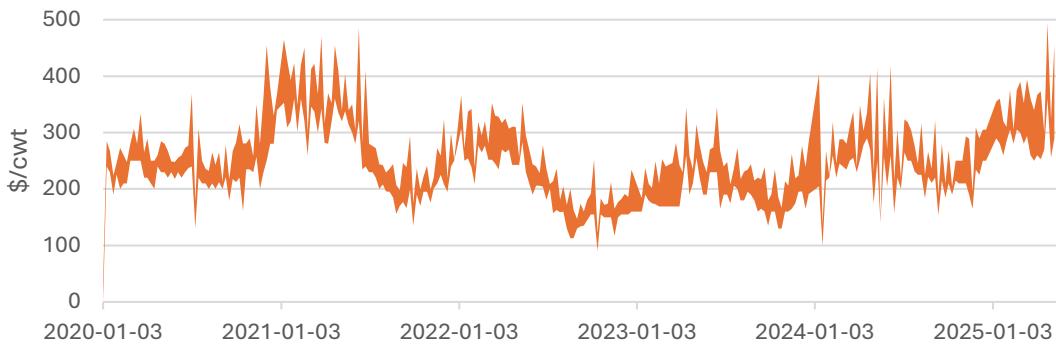
Figure 1. Alberta Estimated Live Weight Price Equivalent



Source: Alberta Agriculture and Irrigation

Auction market prices have been rising as well as shown in Figure 2. Market lamb prices based on selected auction results ranged from a weekly average of \$280.42 per cwt to \$295.16 per cwt year-to-date to May 16, 2025. These prices are over 22 per cent higher than those reported in 2024 during the

Figure 2. Difference Between Weekly High and Low Alberta Market Lamb Cash Price (Selected Auction Markets)

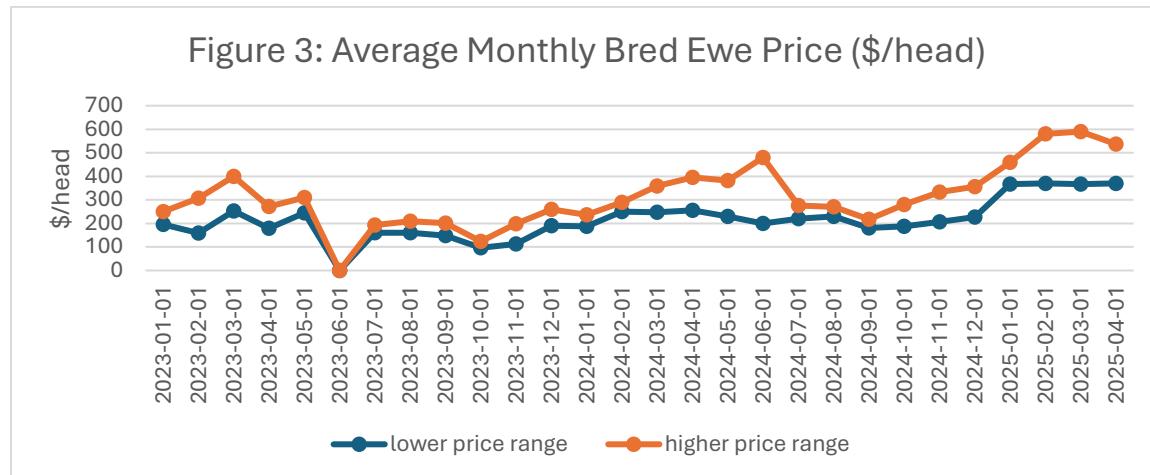


same period. Average year-to-date feeder lamb prices have ranged from \$335.68 per cwt to \$439.42 per cwt, a comparable 20 to 22 per cent increase over 2024 auction prices. The spread between the high and low price range has widened in 2025 compared to 2024, which is an indication of increasing market volatility.

Source: Alberta Agriculture and Irrigation

A similar trend of increasing value but greater price variability is evident in the average monthly bred ewe market as shown in Figure 3. For the first four months of 2025, average monthly bred ewe prices ranged from \$369 per head to \$542 per head, reflecting an increased price range over the same period in 2024. The price spread between low and high increased from \$85 per head in 2024

to \$173 per head in 2025 in these four months. Alberta producers have taken advantage of higher lamb prices by marketing more ewe lambs that has contributed in part to lower ewe inventories.



Source: Alberta Agriculture and Irrigation

Ontario is the leading province in sheep production and serves as a good market for price comparisons. Price differences between the two jurisdictions can result from factors such as drought as well as local market conditions, but historic trends are evident between the two provinces.

Figure 4 shows data from Statistics Canada on both markets for the first quarter of 2025. Alberta and Ontario both reported strong monthly prices for lamb. The average lamb price in Alberta for this period was \$279.81 per hundredweight (cwt), which is 14.7 per cent higher than the same period last year and nearly 21.9 per cent higher than the Alberta five-year average for the first quarter.

The price spread between the two markets has widened slightly. The difference in average monthly lamb prices for the first three months of 2025 was \$98.07 per cwt as compared to \$86.32 per cwt for the same period in 2024. The price spread in 2024 had already increased in comparison to the 5-year average (\$71.55 per cwt versus \$58.98 per cwt, respectively). The following graph illustrates a widening spread in prices.

Figure 4. Alberta and Ontario Monthly Lamb Prices, 2025, 2024 and Five-Year Average

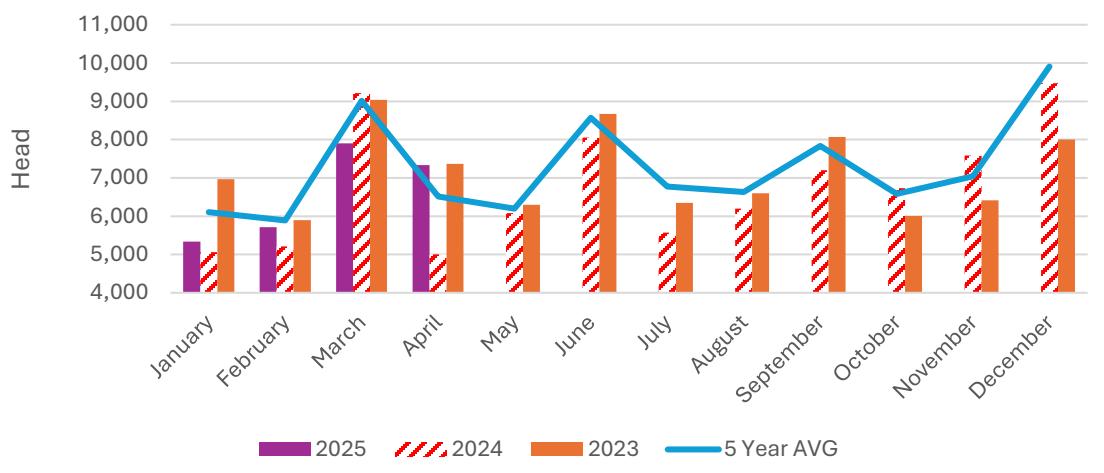


Source: Statistics Canada. Table 32-10-0077-01 Farm product prices, crops and livestock

Slaughter

For the first four months of 2025, the Canadian Food Inspection Agency reported 26,293 head of lamb and sheep slaughtered in federally inspected packing plants in the West (including Ontario), a 7.4 per cent increase from the same period in 2024. Western Canadian slaughter volume represented 54 per cent of the total Canadian federally inspected slaughter for this period.

Figure 5. Monthly Sheep & Lamb Slaughter in Federally Inspected Establishments (West Including Ontario)



Source: Canadian Food Inspection Agency

The Easter season has supported the spike in slaughter in March and several other upcoming religious celebrations should support lamb demand as well. These include Eid al Adha (June 6-8); Muharram (Islamic New Year - June 26); Mawlid al-Nabi (Prophet Mohammad Birthday -September 5) and Rosh Hashanah (Jewish New Year - September 22-24).

Global situation

The global market has witnessed some turbulence in the aftermath of tariff threats. The Alberta sheep and lamb industry remains relatively unscathed. The global sheep meat production reached 19.1 million tonnes in 2024, a modest 0.6 per cent increase year-over-year.

Global AgriTrends reports strong United States (U.S.) demand for lamb meat in their May 2025 report. Production was steady to lower, but prices tracked higher. Fresh lamb sales in the U.S., including seasonal adjustments, were up nine per cent in value and total lamb volume was up 11.5 per cent in April.

USDA reported production of 133.6 million pounds of lamb and mutton in 2024, a 2.4 per cent increase from 2023, with a projected production of 135 million pounds in 2025. The price of U.S. National choice and prime slaughter lambs are projected at US\$177.44 per cwt for 2025 and are forecast to rise to an average of US\$178.75 per cwt in 2026. Strong U.S. prices combined with lower feed cost should lead to improved profitability.

U.S. lamb imports of 73 million pounds increased by 2.0 per cent in the first quarter of 2025. The growth in imports were primarily from Australia.

China remains the country with the largest sheep population in the world with 194 million head in 2025. It is also the world's largest producer of wool with an estimated production of 356,200 tonnes (a 2022 estimate). India has the second largest flock at 75.3 million sheep, followed by Australia at 70.2 million head, then Iran with 55.6 million sheep and rounding of the top five producing regions is Nigeria with an estimated 50.3 million.

The Australian Government reports lamb meat export volume for the first four months of 2025 with total shipments of 514,840 tonnes. Canada received 2.5 per cent of the shipments whereas the U.S. received over 16 per cent. Asian countries (other than Japan, South Korea and Taiwan) received the greatest share at 36.5 per cent. As of May 2025, Australia has experienced prolonged dryness and poor pasture conditions, which led to a reduction of their ewe herd.

Keeping Foot-and-Mouth Disease, New World Screwworm and HPAI on the radar

Highly pathogenic avian influenza (HPAI) H5N1 has raised concerns about potential cross-species exposure. This virus had been primarily associated with poultry, but the virus now affects wild birds, mammals, cattle and companion animals. United Kingdom (U.K.) has confirmed the first case of H5N1 of avian origin in a sheep in Yorkshire.

On January 10, 2025, Foot-and-Mouth disease (FMD) was detected in a German water buffalo farm; however, Germany has since resumed its FMD-free status. Hungary and Slovakia have also had outbreaks that continue to persist. The U.K. banned imports of meat and dairy products from European countries where the virus has been detected.

Prevention of New World Screwworm (NWS) northward movement from South America is critical. The pest can cause deadly damage to livestock. In December 2024, NWS was detected in southern Mexico. USDA is addressing the emerging threat with sterile fly production. NWS is endemic in Cuba, Haiti, the Dominican Republic and South America.

Conclusion

Strong lamb prices in 2025 should provide optimism for Alberta's Sheep industry. Weather and feed costs likewise are working to producers' benefit. While remaining vigilant with disease surveillance and the potential economic turbulence, producers appear well situated for a prosperous year.