

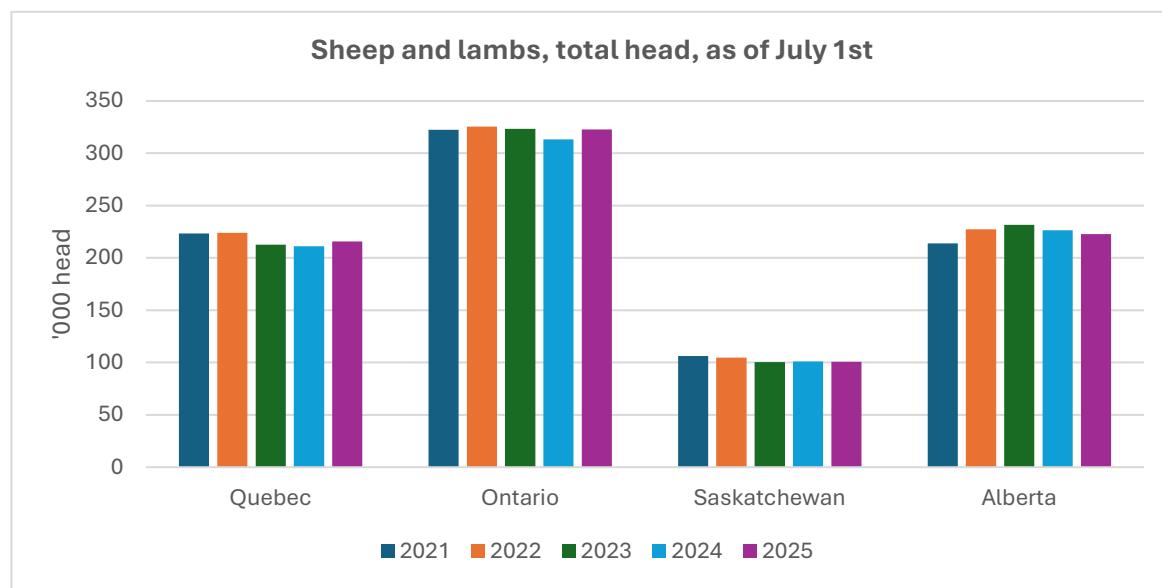
Lamb And Sheep Market Update

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Sheep and Lamb Inventories

Alberta lamb inventories continue to decline despite strong prices. This update looks at the current size of Alberta's sheep sector, the price trends it faces and some of the global dynamics influencing the industry.

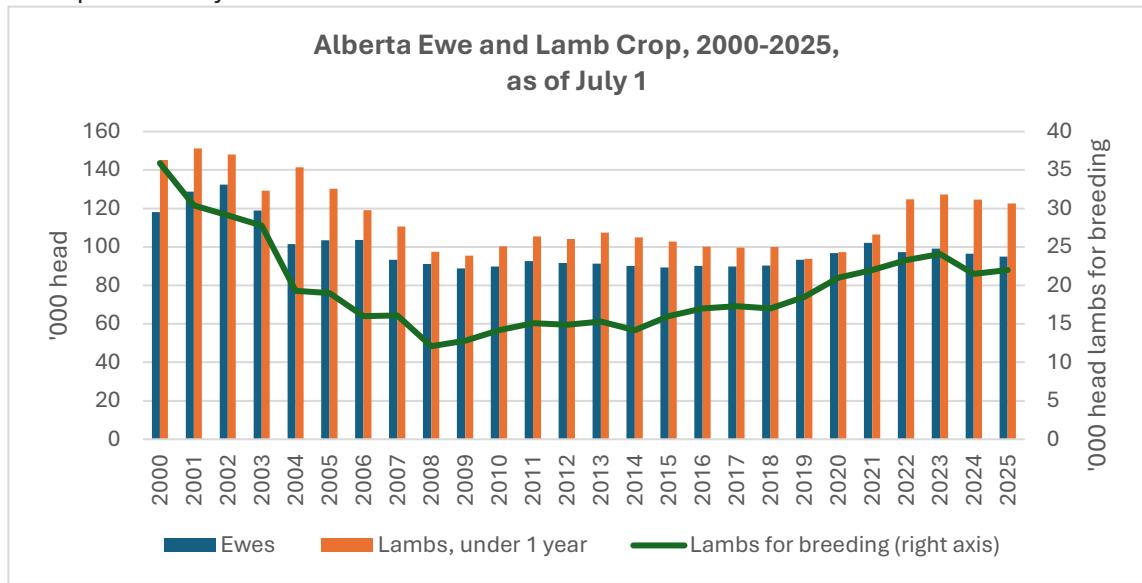
Recently published Statistics Canada data on the number of sheep and lamb on farms, as of July 1, 2025, reports the national inventory at 1.037 million head, a one per cent increase over July 1, 2024. The growth in the total inventory is attributed to increases in Ontario and Quebec, 3.0 per cent and 2.2 per cent, respectively. Alberta still maintained its position as the second largest producing province with 222,700 head, however total inventory declined by 1.6 per cent from last year. This marks the second consecutive year of contraction in the Alberta sheep sector.



Source: Statistics Canada. Table 32-10-0129-01 Number of sheep and lambs on farms

Over the last twenty-five years, the Alberta ewe flock and the lamb crop have experienced a slight decline from their peak in the early 2000s. Productivity however has increased from 1.22 lambs per ewe to between 1.28 and 1.29 lambs in the last four years. A greater proportion of ewe lambs are being retained for breeding (nearly 18 per cent) resulting in accelerated genetic

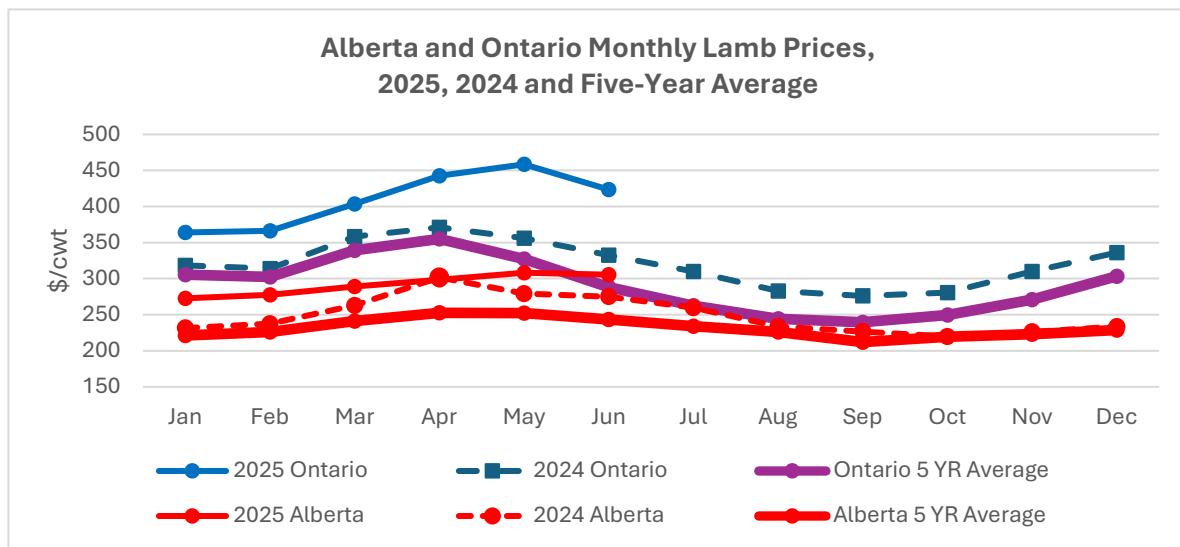
progress and improved performance. These replacement lambs will continue to impact future flock productivity.



Source: Statistics Canada. Table 32-10-0129-01 Number of sheep and lambs on farms

Prices

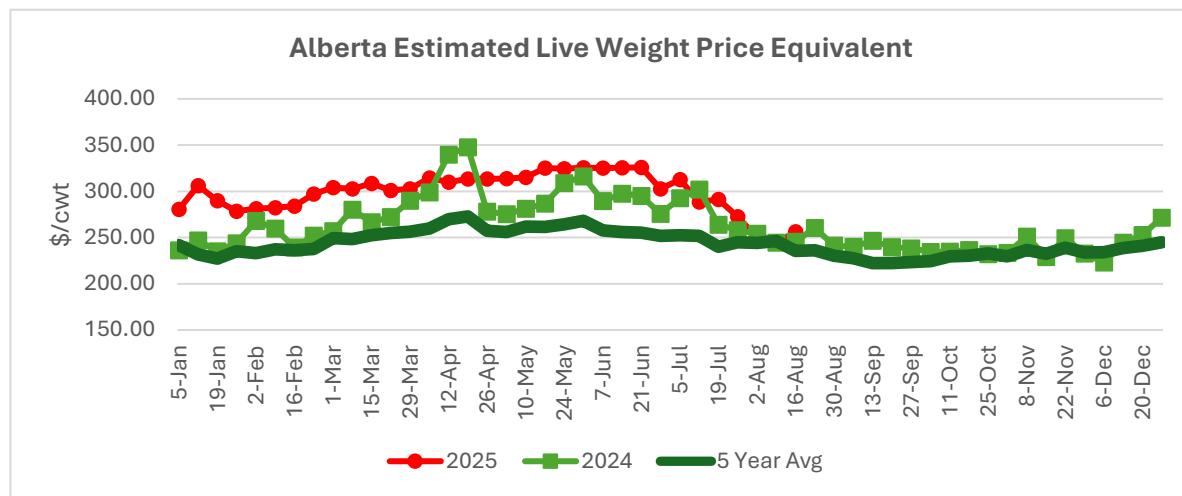
Lamb prices in 2025 have exceeded those of last year and the five-year average. Data from Statistics Canada shows an average Alberta lamb price of \$291.92 per hundredweight (cwt) for the first half of the year, which was over ten per cent higher than the same period 2024. Ontario, Canada's largest lamb market, reported an average of \$409.70 per cwt, nearly 20 per cent higher over same period. Lamb prices typically spike around Easter, however strong demand continued to support prices later into Spring.



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

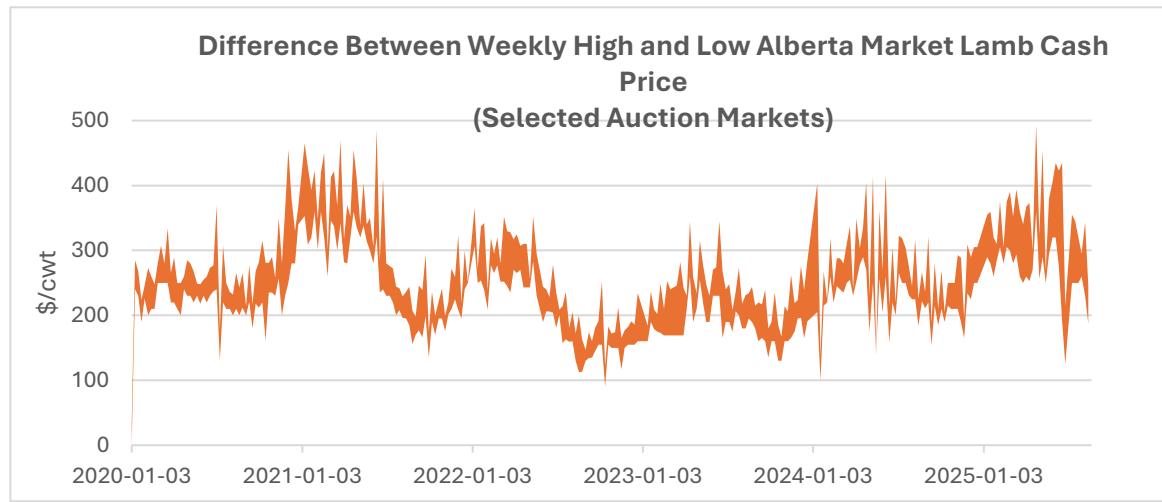
Alberta's estimated weekly live price equivalent for lamb continued its strong performance through the first half of 2025 but has now returned to average seasonal prices comparable to that of last year and the five-year average. The average year-to-date (Aug. 15, 2025) price of

\$299.08 per cwt remains 8.5 per cent higher than the same period last year. Market volatility is less evident in 2025 than in 2024 but prices have trended down since early June to the current price of \$256.26 per cwt for the week of Aug. 15, 2025.



Source: Alberta Agriculture and Irrigation

Prices at the auction markets also show greater volatility. Market lamb estimates based on the average at select Alberta auction markets ranged from a weekly average of \$266.59 per cwt to \$353.70 per cwt over the year-to-date (Aug. 15, 2025). The spread, or difference in the low and high range price, was an average of \$87.11 per cwt over this period. The average low weekly price for feeder lamb was \$315.94 per cwt and the average high price was \$416.55 per cwt, year-to-date.

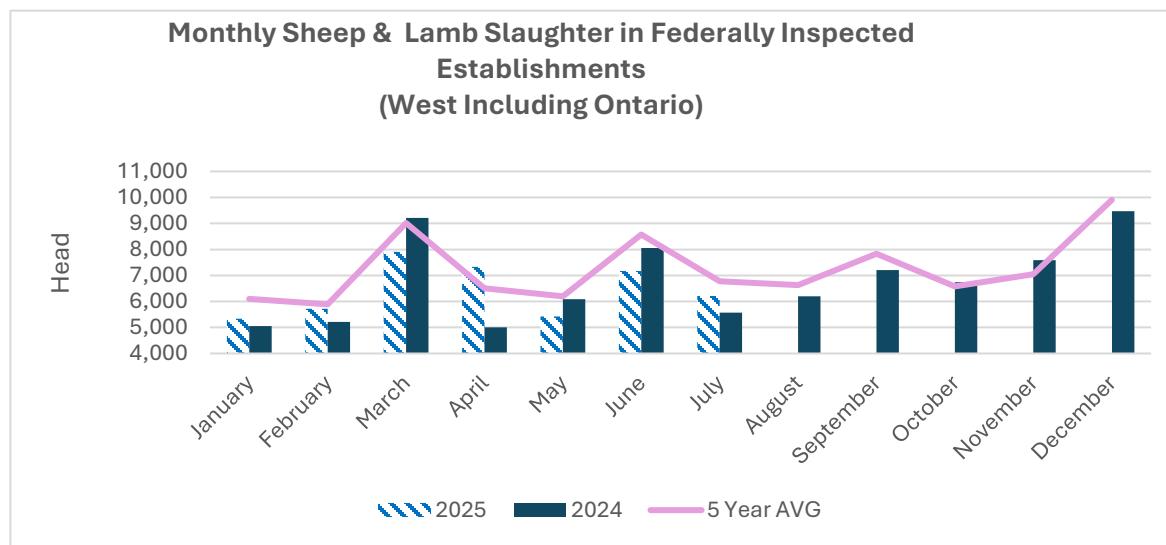


Source: Alberta Agriculture and Irrigation

Slaughter

For the first seven months of 2025, the Canadian Food Inspection Agency reported 45,098 head of lamb and sheep slaughtered in federally inspected packing plants in the West (including

Ontario), a 2.1 per cent increase from 2024 for the same period. Of note, the Canadian International Merchandise Trade Database indicates that Alberta imported 4,718 live sheep from the United States (U.S.) in the first half of 2025, the greater share of which were in March and April. No live sheep were imported into Alberta for the same period in 2024. Sourcing live lamb from the U.S. helps to meet the seasonal demand. Data indicates that January to June imports from U.S. ranged from 6,900 head in 2023 to 13,300 head in 2022.



Source: Canadian Food Inspection Agency

Global situation

Despite greater uncertainty in the global economy stemming from rising trade tensions demand for lamb meats remained strong. As of August 1, 2025, U.S. retaliatory tariffs on Australia, Uruguay and Argentina stayed at ten per cent, while Brazil's tariff rate rose to 50 per cent. New Zealand red meat exports to the U.S. face a 15 per cent tariff. The U.S. and China agreed to extend a pause on higher tariffs until November 10, keeping the lower rate of 30 per cent in place. Under the United States-Mexico-Canada Agreement, most Canadian agricultural goods including live sheep and lamb and sheep products are tariff-free.

Australia and New Zealand continue to lead global sheep meat markets and have focused efforts on the higher value markets of Europe and North America. Australian lamb exports are expected to decline in upcoming years as the Australian Government is phasing out live sheep exports by sea. According to the Agriculture and Horticulture Development Board of the United Kingdom, European sheep meat imports are forecast to rise by six per cent in 2025. Meat and Livestock Australia reports that for the first half year of 2025, Australian sheep meat exports were 305,556 tonnes with China as the main market (69,403 tonnes), followed by U.S. (46,570 tonnes). Over this same period, Beef + Lamb New Zealand reports lamb exports of 181,224 tonnes.

There are about one million sheep producers in the European Union (EU) producing over 67 million sheep and goats, but the EU is only 85 per cent self-sufficient in sheep meat. The major producing states are Spain, Greece, France and Ireland. The European Commissions summer outlook forecasts a two per cent year-over-year decline in sheep meat production to 518

thousand tonnes for 2025. Heavier carcass weights will help offset the reduced slaughter numbers. Lamb prices have been strong due to the tight supplies of lamb.

In the U.S., sheep and lamb slaughter and meat production are larger than last year, and prices are forecast to be lower. The United States Department of Agriculture (USDA) outlook for lamb and mutton production (as of August 2025) estimates an annual production of 137 million pounds for 2025, an increase of 2.2 per cent over 2024. The 2025 forecast price of Choice-Prime slaughter lambs of US\$180.30 per cwt represents a 5.8 per cent decrease from 2024 prices.

Market access is a major concern to the global sheep industry and incidences of contagious animal diseases have resulted in greater trade restrictions. News of New World Screwworm in Central America and Mexico and its continued spread northward, resulted in the U.S. closing its border with Mexico for the second time on July 10th. Bovine tuberculosis discovered in a Manitoba herd also raises concerns due to the susceptibility of sheep to the disease. The CFIA is conducting an investigation. Globally, diseases like Foot-and Mouth Disease and lumpy skin disease are present worldwide. Cache Valley Virus in Western Canada (a mosquito-borne zoonosis), although not a reportable disease in Canada, also threatens the gestating ewe population. With a continually evolving disease landscape, it is ever important that industry and government collaborate to enhance biosecurity, develop surveillance capabilities and ensure emergency response plans are readied.