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Lamb And Sheep Market Update

Ann Boyda, Provincial Livestock Market Analyst
Alberta Agriculture and Irrigation
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This market update looks at the current lamb and sheep market trends with a focus on what is driving current demand and supply dynamics.

Demand for Alberta lamb is strong and growing

According to United States Department of Agriculture (USDA), lamb per capita consumption is expected to remain constant in 2026 at 1.3 pounds per person in the U.S., in comparison to 59 pounds of beef per person.

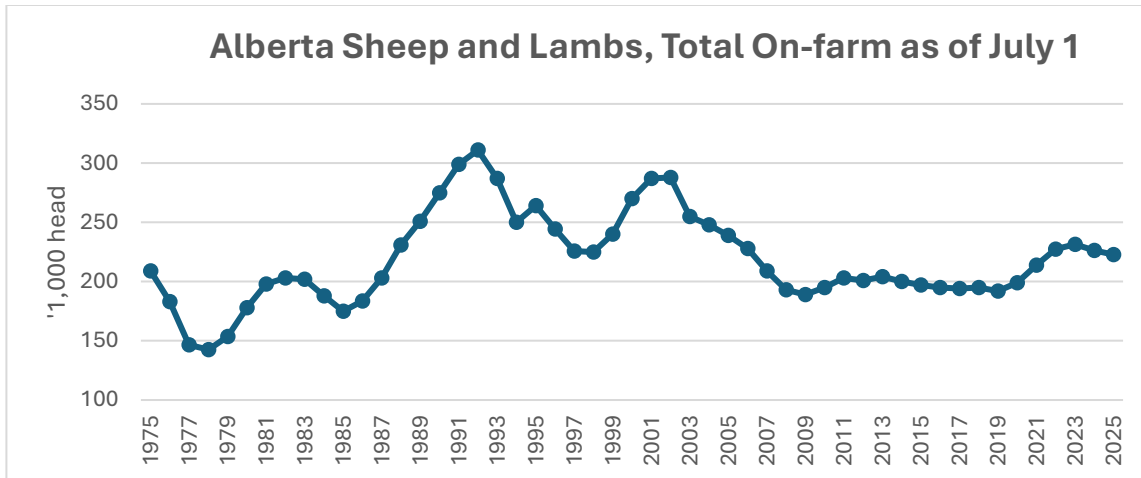
Per capita lamb consumption in Canada was estimated at 2.4 pounds of retail yield per person in 2024, an increase of 16 per cent from 2023. This level of consumption is still relatively low in comparison to Mongolia which consumes 145 pounds per person annually, followed by Bahrain and Iceland which consume 54.3 and 44.5 pounds per person, respectively. Factors that influence consumption include consumers' preferences and the rate of population growth.

Alberta has the highest population growth rate in Canada. As of July 1, 2025, Alberta's population exceeded five million and represented a 2.5 per cent increase over 2024. Between July 2024 and June 2025, Alberta welcomed more than 73,000 international migrants. Many newcomers traditionally eat lamb as a staple in their diet. Lamb holds a cultural and religious significance in many regions, including the Middle East, North Africa and parts of India and Europe. Alberta's population is expected to continue to grow for decades to come, but at a slower rate. This growth is expected to drive increased demand.

Lamb sales have traditionally peaked during festive season, but as more consumers begin to seek lamb in their everyday meals, it is important to ensure that there is enough lamb available in the store showcase to meet the demand.

Limited domestic supply

Over the last 50 years, Alberta lamb and sheep on-farm inventory has varied from the peak production in 1992 of 311,000 head, to current level of 222,700 head as of July 1, 2025, which suggests that Alberta does have capacity for greater production.



Source: Statistics Canada

The Ontario government estimated that Canada produced 43 per cent of its own lamb consumption in 2023. Nationally, Canada doesn't produce a sufficient amount of lamb product to meet its domestic needs. When supplies are limited, the opportunity for imports to capture market share exists.

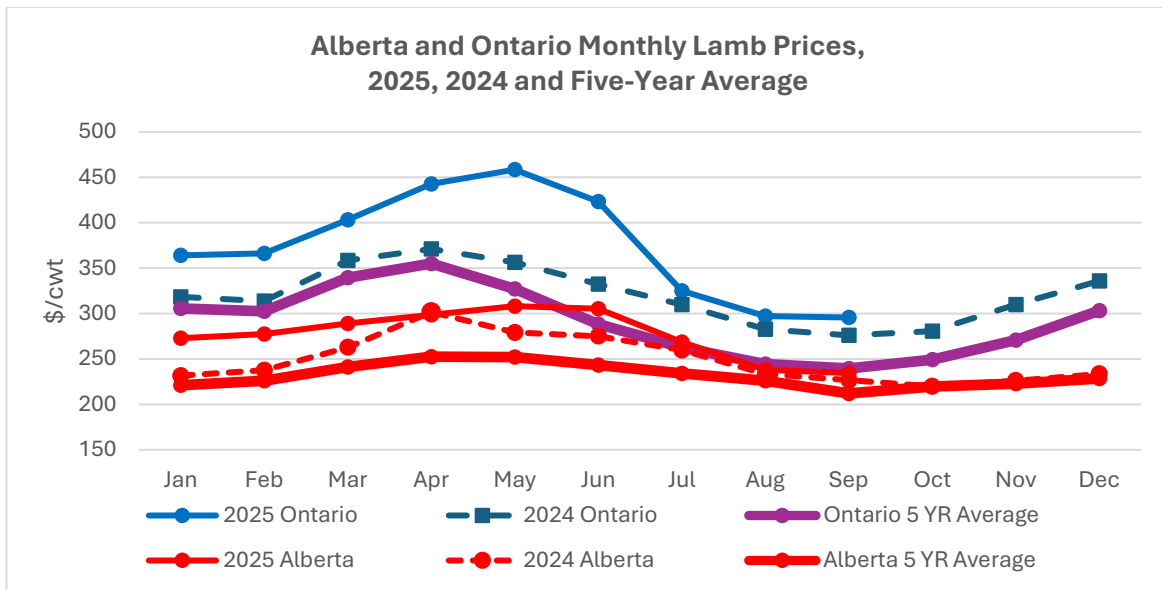
Statistics Canada reports that for the first eight months of 2025, Canada imported over 20,700 tonnes of lamb meat, valued at \$242.7 million. Alberta imported 4,852 live lambs valued at \$1.853 million and over 52.9 tonnes of lamb carcasses and half-carcasses valued at \$509,734 over this period from the U.S. The carcasses were imported over the last four months. No lamb carcasses were imported in 2023 or in 2024.

The U.S. have made concerted efforts to increase their lamb crop. USDA projects lamb and mutton production at 137 million pounds in 2025, up 2.2 per cent from 2024. U.S. lamb slaughter from January through October rose 2.8 per cent over the same period in 2024.

The American sheep industry is advocating for further protection of their sheep producers. On October 31, 2025, the U.S. sheep industry formally requested that the U.S. Trade Representative initiate a Section 201 investigation into imported lamb, citing economic injury to American sheep producers because imported lamb meat was being sold below domestic market prices, displacing U.S. products. Australia dominates U.S. lamb imports at 74 per cent, followed by New Zealand at 25 per cent. The request alleges imported lamb products are pressuring U.S. lamb producers to lower prices.

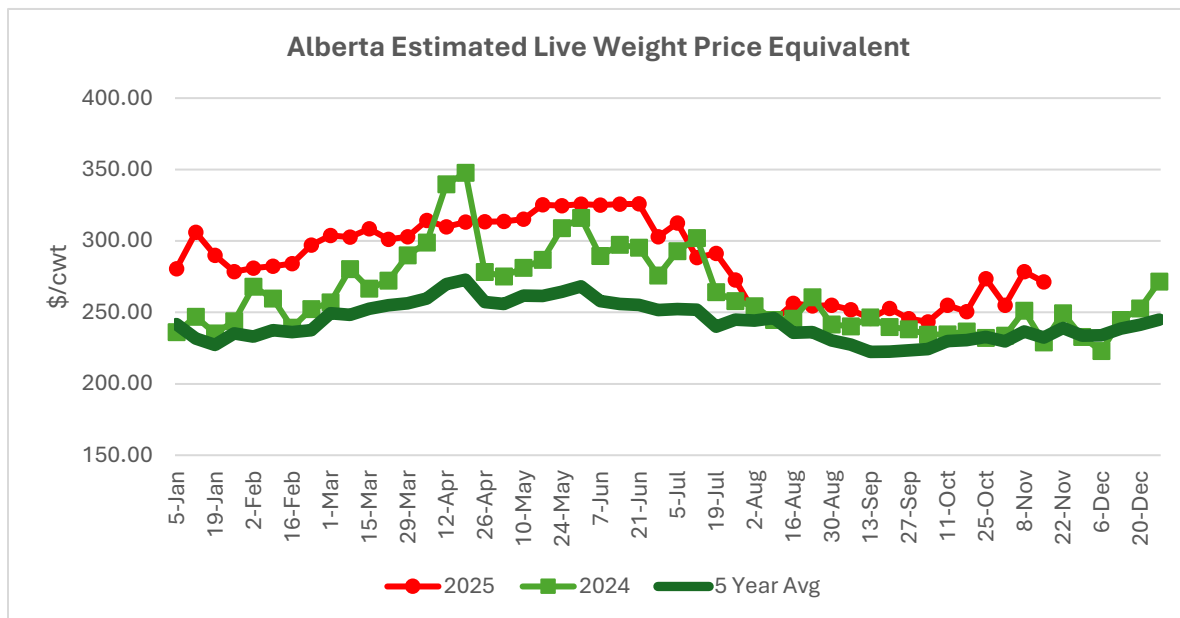
Higher prices needed to simulate expansion

Lamb prices within Canada, in 2025, continue to exceed those of last year and the five-year average. Data from Statistics Canada shows an average Alberta lamb price of \$276.95 per hundred weight (cwt) for the first nine months of the year, which was over eight per cent higher than the same period 2024. Ontario, Canada's largest lamb market, reported an average of \$375.14 per cwt, nearly 16 per cent higher over same period. The Ontario market lamb prices exhibit greater variability than that of Alberta market prices.



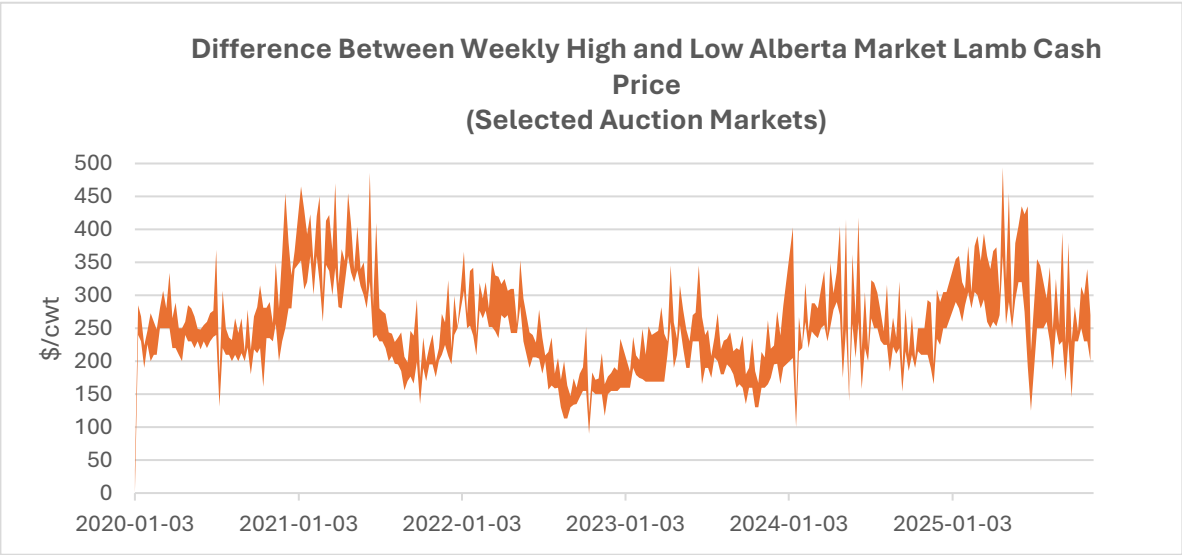
Source: Statistics Canada. Table 32-10-0077-01 Farm product prices, crops and livestock

More recent estimates of Alberta weekly live price equivalent for slaughter lamb reinforces the stability of prices year-to-date (November 14, 2025). The average year-to-date price of \$287 per cwt remains over eight per cent higher than the same period last year.



Source: Alberta Agriculture and Irrigation

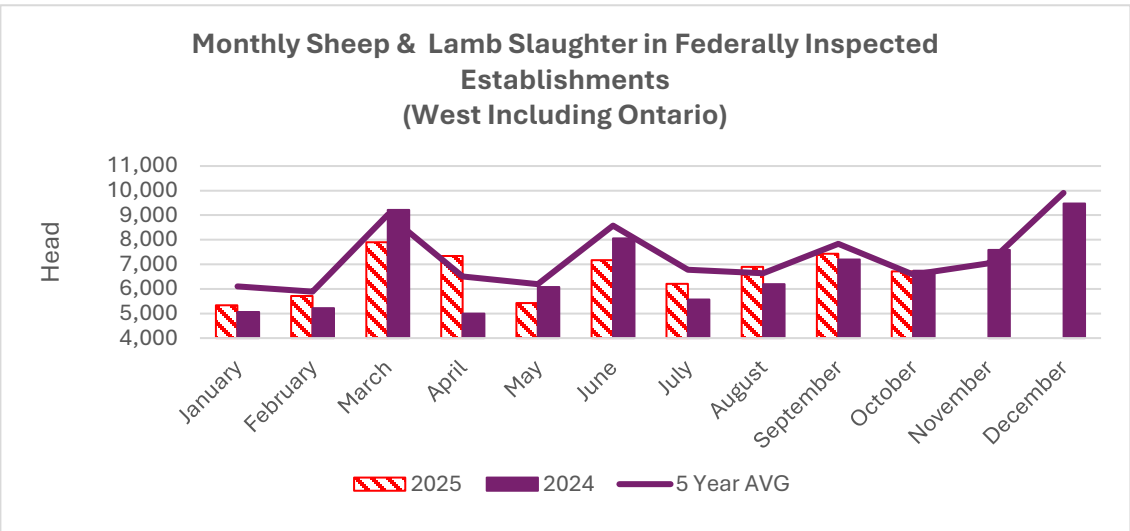
Prices at the auction markets show greater volatility. Market lamb estimates based on the average at select Alberta auction markets, ranged from a weekly average of \$253 per cwt to \$338 per cwt year-to-date up to November 14, 2025. The spread, or difference in the low and high range price, was an average of nearly \$85 per cwt over this period. The average low weekly price for feeder lamb was \$301 per cwt and the average high price was \$399 per cwt, year-to-date.



Source: Alberta Agriculture and Irrigation

Slaughter levels track the five-year average

For the first 10 months of 2025, the Canadian Food Inspection Agency reported 66,131 head of lamb and sheep slaughtered in federally inspected packing plants in the West (including Ontario), a 2.8 per cent increase from 2024 for the same period. Alberta imported 4,852 live sheep from the U.S. Sourcing live lamb from the U.S. helps to meet the seasonal market demand.



Source: Canadian Food Inspection Agency

Outlook is promising

As 2025 draws to a close, lamb prices are looking stable. With feed costs easing and strong retail demand, the prospect of profits for producers is brighter. Demand for lamb in Alberta remains high and the potential for increasing lamb production is strong. Consumers are realizing more and more that lamb is a nutrient-rich food, an excellent source of vitamin B12, selenium, zinc and niacin. In combination with the sustainable environmental benefits from grazing, Canadians may be enticed to choose lamb for dinner more often.