What Did We Learn From Economics of Shifting Lamb Production Analysis?

Lamb Council
Scottsdale, AZ
January 24, 2020

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Overview

• Difficult to Pull Off
• Seasonality Can Change
• Economic Thoughts
Keys

- Lambs Weaned and Sold
  - Limit lamb losses either in conception or after birth
- Costs
  - Higher costs likely in changing breeding season
- Seasonal Price Difference Do Occur
  - Not great probability of large price increases if those are necessary to offset costs
Aseasonal Breeding to Take Advantage of Seasonal Price Differences Has to be Profitable for Producers

- Start this research from a baseline of producer profitability
Seasonality

• Supply – Biology
• Demand – Holidays, Seasons
• Markets Work
  – Deal with seasonality using imports, stocks, lamb feeding
FEEDER LAMB PRICES
3-Market Average; CO, TX & SD; Weekly

$ Per Cwt.

Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center
Probability Prices Increase Enough

- Used the 1998-2018 Period
- Observed Number of Times Seasonal Price Change Exceeded 5, 10, and 20 Percent
- Simulation Model of Price Seasonality Based on Historical Price Distribution
- If a 20% Price Increase is Needed, Less Than 50% Prob. Of Occurrence