2020 Lamb Cutout Update
USDA ESTIMATED NATIONAL LAMB CARCASS CUTOUT

Based on 5-Day Rolling weighted average FOB plant prices collected under Mandatory Price Reporting and industry yields. Values reflect U.S.
dollars per 100 pounds.

<table>
<thead>
<tr>
<th>CUTS</th>
<th>FOB PRICE</th>
<th>CHANGE</th>
<th>%CARCASS</th>
<th>LBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FORESADDLE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>204 RACK, 9-RIB MEDIUM</td>
<td>876.79</td>
<td>-0.59</td>
<td>5.65%</td>
<td>3.69</td>
</tr>
<tr>
<td>204C RACK, ROAST-READY, FR</td>
<td>1,633.95</td>
<td>8.22</td>
<td>3.24%</td>
<td>2.11</td>
</tr>
<tr>
<td>209 BREAST **</td>
<td>269.76</td>
<td>-1.67</td>
<td>7.74%</td>
<td>5.03</td>
</tr>
<tr>
<td>207 SHOULDERS, S-Q-CUT</td>
<td>322.43</td>
<td>1.43</td>
<td>22.96%</td>
<td>14.92</td>
</tr>
<tr>
<td>210 FORESHANK</td>
<td>425.94</td>
<td>-1.91</td>
<td>3.24%</td>
<td>2.11</td>
</tr>
<tr>
<td>210 NECK **</td>
<td>203.00</td>
<td>2.75</td>
<td>2.38%</td>
<td>1.55</td>
</tr>
<tr>
<td>210 FAT and BONE</td>
<td>10.00</td>
<td>0.00</td>
<td>3.44%</td>
<td>2.24</td>
</tr>
<tr>
<td>296 GROUND LAMB</td>
<td>568.55</td>
<td>-1.78</td>
<td>1.92%</td>
<td>1.25</td>
</tr>
<tr>
<td>SHRINK</td>
<td></td>
<td></td>
<td>0.33%</td>
<td>0.23</td>
</tr>
<tr>
<td>HINDSADDLE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>232 LOINS, TRIMMED 4X1</td>
<td>543.80</td>
<td>23.52</td>
<td>5.73%</td>
<td>3.72</td>
</tr>
<tr>
<td>232 LOTNS, TRIMMED 1X1</td>
<td>581.64</td>
<td>7.25</td>
<td>3.55%</td>
<td>2.31</td>
</tr>
<tr>
<td>232E FLANK, UNTRIMMED **</td>
<td>131.98</td>
<td>-3.98</td>
<td>2.86%</td>
<td>1.86</td>
</tr>
<tr>
<td>232A LEG, TROTTER OFF</td>
<td>532.25</td>
<td>2.10</td>
<td>15.52%</td>
<td>10.28</td>
</tr>
<tr>
<td>234 LEG, BONELESS, TIED</td>
<td>460.08</td>
<td>-3.47</td>
<td>11.78%</td>
<td>7.40</td>
</tr>
<tr>
<td>296 GROUND LAMB</td>
<td>568.55</td>
<td>-1.73</td>
<td>1.93%</td>
<td>1.25</td>
</tr>
<tr>
<td>SHRINK</td>
<td></td>
<td></td>
<td>0.35%</td>
<td>0.23</td>
</tr>
</tbody>
</table>

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GROSS CARCASS VALUE: 422.99 1.78 100.00% 65.00

FORESADDLE VALUE 451.07 0.75 50.85% 33.12

HINDSADDLE VALUE 393.62 2.84 49.05% 31.88

Carass value less process/packaging per cut cost of $59.00

NET CARCASS VALUE 363.89 1.78

* Fat and Bone an industry survey value for LM XL502 calculation
* Based on Actual Federally Inspected Slaughter Carcass Weight
  of 65.00 lbs. for W/E 01/04/2020 , 4.00 lbs heavier than last week.
**Includes Fresh and Frozen Product
Background

• Cutout value first published after LMR began
• Fabrication yield values an industry average collected voluntarily
• Individual packer yield info held in strict confidence, same as LMR data
• Cutout component pricing derived from LM_XL500 report
• Gross cutout, net cutout, foresaddle, and hindsaddle values calculated
Reasons to Update Cutout

• Several popular high value items were not included

• Adding items provided the opportunity for the cutout to represent 100% of the carcass (consistent with AMS beef and pork cutouts)
Until 2020 the cutout was composed of these eight "base" items:

- Rack, 8-Rib Medium (IMPS 204)
- Breast
- Shoulders, Square Cut (IMPS 207)
- Foreshank (IMPS 210)
- Neck
- Loins, Trimmed 4X4 (IMPS 232)
- Flank, Untrimmed (IMPS 232E)
- Leg, Trotter Off (IMPS 233A)

Above items represent approximately 95% of the carcass
Added Items:

- Rack, Roast-Ready, Frenched (IMPS 204C)
- Loin, Trimmed 1X1 (IMPS 232)
- Leg, Boneless, Tied (IMPS 234)
- Ground Lamb (IMPS 296)
- Fat and Bone
- Shrink
### Math in Detail

#### Imps, Items, Price per Cwt, Percent of Carcass, Revenue per Cwt, Fore/Hind Calculation

<table>
<thead>
<tr>
<th>Imps</th>
<th>Items</th>
<th>Price cwt</th>
<th>Percent of Carcass</th>
<th>Revenue cwt</th>
<th>Fore/Hind Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>204</td>
<td>RACK, 8-rib medium</td>
<td>865.07 X</td>
<td>5.68%</td>
<td>49.14</td>
<td>49.14</td>
</tr>
<tr>
<td>204C</td>
<td>RACK, ROAST-READY, FR</td>
<td>1642.50 X</td>
<td>3.24%</td>
<td>53.22</td>
<td>53.22</td>
</tr>
<tr>
<td>209</td>
<td>BREAST **</td>
<td>247.58 X</td>
<td>7.74%</td>
<td>19.16</td>
<td>19.16</td>
</tr>
<tr>
<td>207</td>
<td>SHOULDERS, SQ-CUT</td>
<td>325.48 X</td>
<td>22.96%</td>
<td>74.73</td>
<td>74.73</td>
</tr>
<tr>
<td>210</td>
<td>FORESHANK</td>
<td>414.61 X</td>
<td>3.24%</td>
<td>13.43</td>
<td>13.43</td>
</tr>
<tr>
<td></td>
<td>NECK **</td>
<td>187.16 X</td>
<td>2.38%</td>
<td>4.45</td>
<td>4.45</td>
</tr>
<tr>
<td></td>
<td>FAT and BONE</td>
<td>10.00 X</td>
<td>3.44%</td>
<td>0.34</td>
<td>0.34</td>
</tr>
<tr>
<td>296</td>
<td>GROUND LAMB</td>
<td>565.14 X</td>
<td>1.92%</td>
<td>10.85</td>
<td>10.85</td>
</tr>
<tr>
<td></td>
<td>SHRINK</td>
<td>0.00 X</td>
<td>0.35%</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**FORESADDLE VALUE:**

- 232 LOINS, TRIMMED 4X4: 529.83 X 5.73% = 30.36 30.36
- 232 LOINS, TRIMMED 1X1: 659.17 X 3.55% = 23.40 23.40
- 232E FLANK, UNTRIMMED **: 137.28 X 2.86% = 3.93 3.93
- 233A LEG, TROTTER OFF: 387.60 X 15.82% = 61.32 61.32
- 234 LEG, BONELESS, TIED: 528.91 X 11.38% = 60.19 60.19
- 234 FATT and BONE: 10.00 X 7.43% = 0.74 0.74
- 296 GROUND LAMB: 565.14 X 1.93% = 10.91 10.91
- 296 SHRINK: 0.00 X 0.35% = 0.00 0.00

**GROSS CARCASS VALUE:**

\[100.00\% \times 416.17 = 416.17\]

**HINDSADDLE VALUE:**

\[
\frac{442.25}{50.95\%} = 87.06
\]

\[
\frac{416.17}{49.05\%} = 84.66
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\[
\frac{87.06 + 84.66}{100.00\%} = 171.72
\]

\[
\frac{171.72}{50.95\%} = 337.65
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\[
\frac{171.72}{49.05\%} = 350.13
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\[
\frac{337.65 + 350.13}{100.00\%} = 687.78
\]

\[
\frac{687.78}{50.95\%} = 1353.98
\]

\[
\frac{687.78}{49.05\%} = 1398.52
\]
Future upgrades may include:

- Composite primal value methodology for rack, shoulder, loin and leg

- Merging the LM_XL502 cutout and LM_XL500 cut items into a single report such as the beef (LM_XB403) and pork (LM_PK602) reports
Helpful Weblinks

• LM_XL502 Cutout Overview Document

• DataMart link to LMR historical data
  https://mpr.datamart.ams.usda.gov/

• LMR gateway link to general information
Questions or comments?

Thank you!

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