

Seasonality Issues of Kentucky's Lamb and Goat Industry

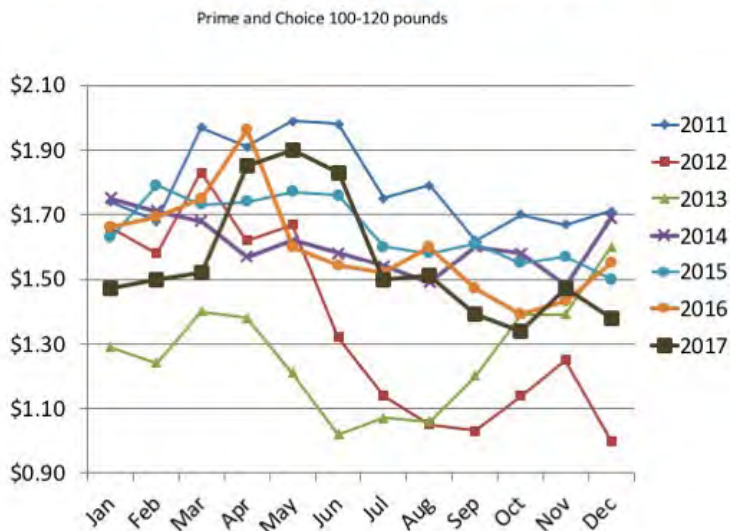
by Tess Caudill

I recently read an article from the United States Lamb Resource Center titled, "Seasonality of the US Lamb Industry". It is always interesting to me to hear the seasonality of our industry explained, as I see the tremendous volatility of our markets working on the "front lines" of Kentucky's sheep and goat industry. Finding ourselves in the winter months, there seems to be a sense of excitement at each and every sale as supply lessens, buyer demand peaks, and prices climb higher and higher each week. Even after many years grading and reporting markets, high prices for the producers still makes me as happy as a kid in a candy store. Unfortunately, what goes up must come down. I dread the late spring and summer markets where all I hear from buyers is how full they are and how they really don't need any lambs. Then, I sadly report lower prices week after week. I hate to see the faces of producers that have brought in high quality animals that maybe would have been worth several cents more per pound just a few weeks or even days ago. But this seasonal price cycle is reality in our industry. Learning about it and making farm management decisions based on it is key to the success of any sheep or goat enterprise. Here are some highlights from the article "Seasonality of the US Lamb Industry" and how, in my opinion, they relate to Kentucky's industry.

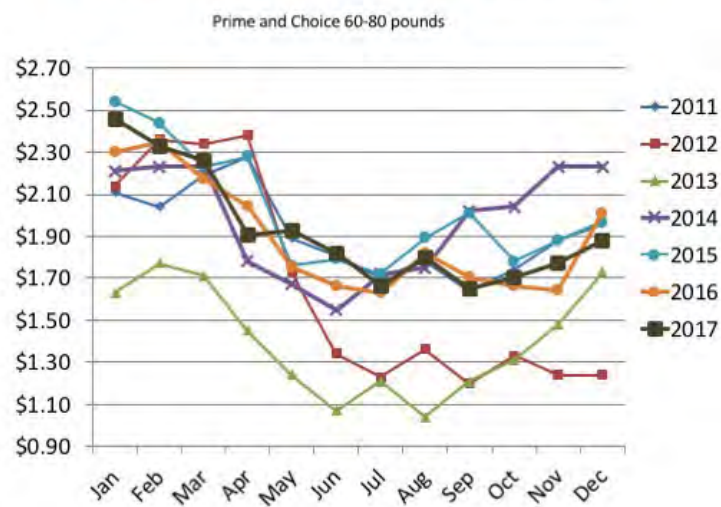
Seasonality of Production: Production seasonality is the biggest contributor to market seasonality. According to this article, 80% of the US lamb crop is born in the first 5 months of the year. While the article did not discuss goat production, I would venture to say this number is very similar for goats. Sheep and goats are seasonal breeders. Yes there are breeds and individuals that will breed out of season, but the reality is that sheep and goats will most readily breed in the fall, as the days are getting shorter which translates to them lambing in the first 5 months of the year. In addition to the natural tendencies of the sheep or goats, some producers choose to lamb in the spring to avoid lambing or kidding in bad weather, or to avoid feeding lambs and kids through the winter. The Lamb Resource Center article discussed in depth the market incentives for altering production systems and different ways to alter production in lambs. While there are no doubt price advantages for having lambs and kids ready for market in the winter and early spring, I still think it is up to each farm manager to make this decision for his or her farm. Yes, those high prices we see in the winter and early spring are wonderful, but here in Kentucky we primarily rely on stored feeds in the winter, thus each farm manager must weigh the added costs of feed and hay versus the added returns. Furthermore, the extra time and energy of feeding stored feeds to both mature females and lambs or kids in the winter months must be considered. Add to that extra barn space needed, extra bedding, and occasional frozen water, I would say most producers could talk themselves right out of feeding through the winter! All this being said, there are advantages (both personal and industry wide) and disadvantages to out of season kidding and lambing. Each producer should put pencil to paper, weigh the other factors mentioned above as well as other personal factors, and make the best management decision they can for their operation.

Traditional Markets: Traditional markets mainly describe wool sheep that are marketed heavier and fatter at 120 to 160 pounds, or anything over 100 pounds for the eastern states. According to this article, it usually takes 8 to 14 months to produce lambs for the traditional

Historical Kentucky Heavy Lamb Prices – 2011 to 2017

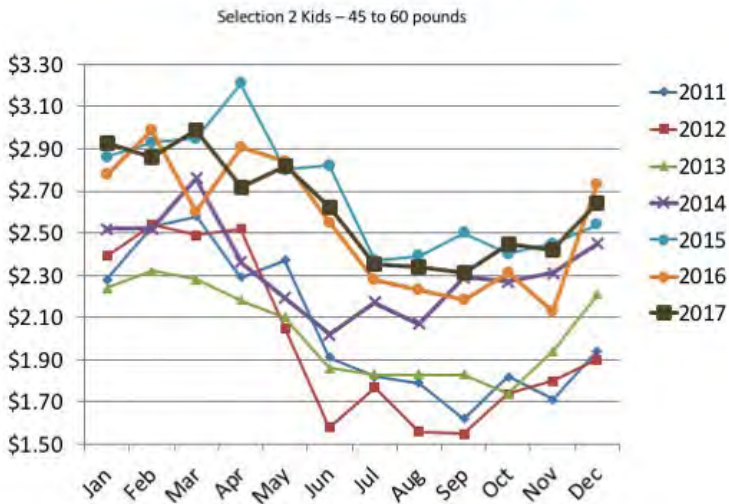


Historical Kentucky Light Lamb Prices – 2011 to 2017



market. Therefore most lambs born in the first 5 month of the year don't hit the market until winter, spring and early summer of the following year (November to June). Most of these lambs are produced out west and often end up in feedlots. In the winter and spring when lambs are plentiful, sometimes they stay in the feedlots too long and we end up with larger than desired carcass sizes. According to this article, it is when the feedlots run out of lambs in the summer and early fall (July to October), that we see stronger traditional lamb prices. However, this is not the pattern we typically see in Kentucky. Our traditional lamb prices are fairly consistent for most of the year with the exception of a peak in April and May when prices may jump as much as \$0.30- \$0.40 cents per pound. In my opinion, this late spring peak is because the buyers are simply tired of the overweight, overaged lambs coming out of the western feedlots and are willing to pay a premium for our young (primarily winter born), more

Historical Kentucky Goat Prices – 2011 to 2017



moderate sized lambs. Any Kentucky traditional lamb producers that are winter lambing should consider the advantages to pushing lambs to try to get them to market during this price peak.

Non-Traditional Markets: Non-Traditional markets describe goats and lambs that are marketed at lighter weights (40 to 90 pounds) and typically end up in ethnic market channels. According to the Lamb Resource Center article, the supply of most winter and spring born lambs in the non-traditional market occurs from April through October which accurately describes the situation we see in Kentucky with our seasonal summer slump in prices. Because lambs and kids are marketed at a lighter weight, it is harder to spread out the supply throughout the year without

lambing/kidding out of season. One interesting tidbit from the article is that in the past 10 years, approximately half of the sheep producers in Texas have shifted to raising hair sheep breeds for the non-traditional market. This has no doubt contributed to some of the oversupply issues we see with lambs during the late spring and summer months.

Non-Traditional markets are where the majority of kids and lambs produced in Kentucky, as well as other southern and eastern states, end up. As hair sheep breeds become more and more popular, I think this oversupply issue from April through October is likely to get worse and we may see summer prices drop even lower than we have the past several years. Fortunately, many hair sheep breeds seem willing to breed out of season. This gives producers more options if they want to try to hit the market during the winter or early spring. However, as mentioned above, there are many factors that need to be considered when making this management decision.

In summary, the seasonality of sheep and goat production and the resulting seasonality in prices is not an issue that is likely to be resolved any time soon. As producers, we must educate ourselves about these issues and make our best management decisions. I encourage producers that want to explore alternatives to winter and spring kidding/lambing to do lots of research to determine if it is a good fit for their operations. The market could sure use these out of season kids and lambs if you determine this production system is right for you.

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