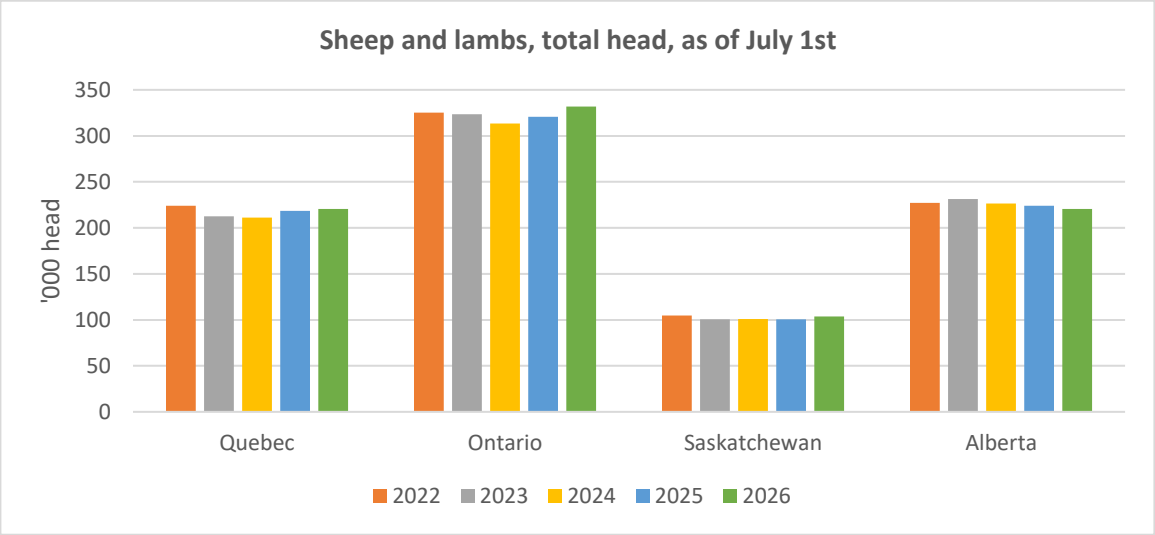
Lamb And Sheep Market Update

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Alberta Agriculture and Irrigation
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This lamb and sheep market update looks at Alberta lamb inventories and the market forces influencing production.

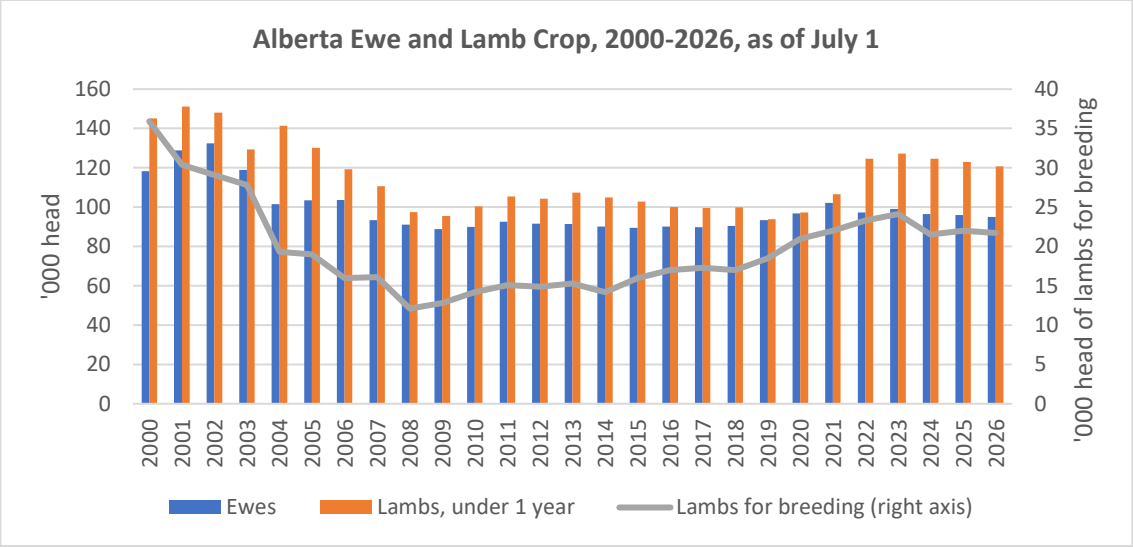
Sheep and Lamb Inventories

Alberta's sheep sector is in its third consecutive year of modest contraction. Recently published Statistics Canada data on the number of sheep and lamb on farms, as of July 1, 2026, reports the national inventory at 1.048 million head, a 1.0 per cent increase over July 1, 2025. The growth in the total inventory is attributed to increases in Ontario, Saskatchewan and Quebec, 3.6 per cent, 3.1 per cent and 1.0 per cent, respectively. Alberta's position as the second largest producing province with 220.7 thousand sheep is being challenged by Quebec with 220.5 thousand sheep.



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

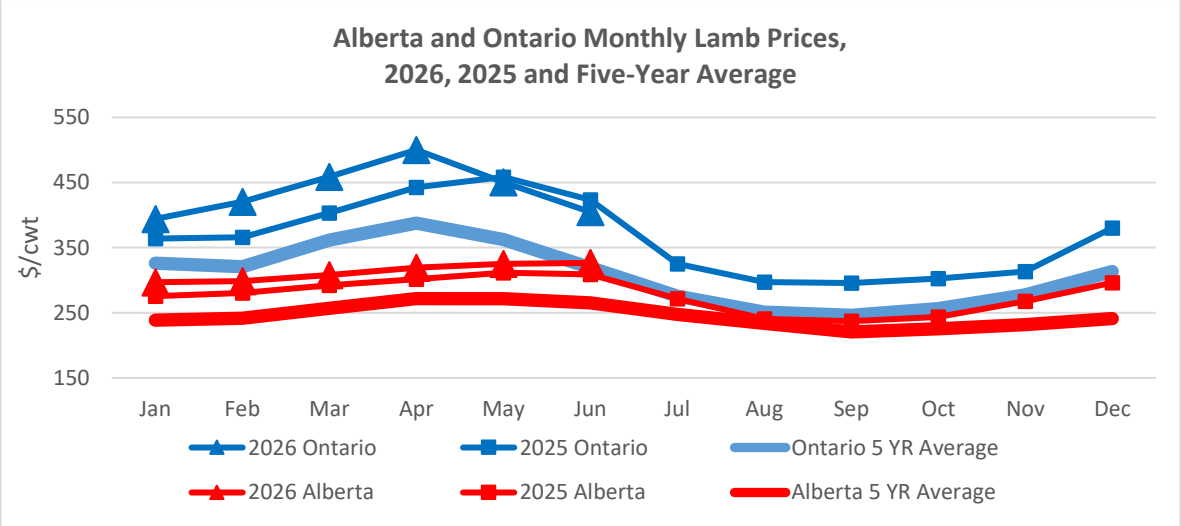
At the peak of Alberta's ewe flock numbers in the early 2000s, productivity was near 1.22 lambs per ewe. The rate has risen to between 1.27 to 1.29 in recent years. The lamb crop declined from a high of 151.2 thousand head in 2001 to a low in 2009 of 95.5 thousand head and to 93.9 thousand head in 2019; regaining strength by 2021 and 2022. Lambs retained for breeding were reaching the rate of nearly 20 per cent of total lambs under one year of age. Although superior genetics has improved productivity, higher lamb prices, in combination with recurrent unfavourable weather and drought conditions, have tempted the sale of market-ready animals impacting the number of ewe lambs retained for breeding.



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

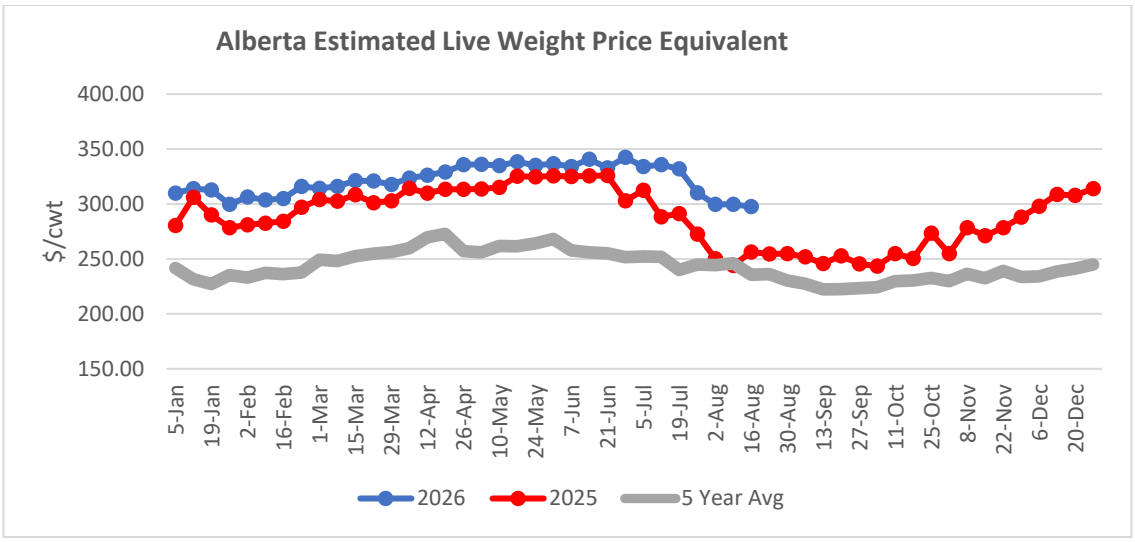
Prices

Strong lamb prices continue in 2026 supported by tight supplies and steady consumer demand. Data from Statistics Canada shows an average Alberta lamb price of $312.38 per hundredweight (cwt) for the first half of the year, which was 5.9 per cent higher than the same period 2025. Ontario, Canada's largest lamb market, reported an average of $438.20 per cwt, 7 per cent higher than over same period.



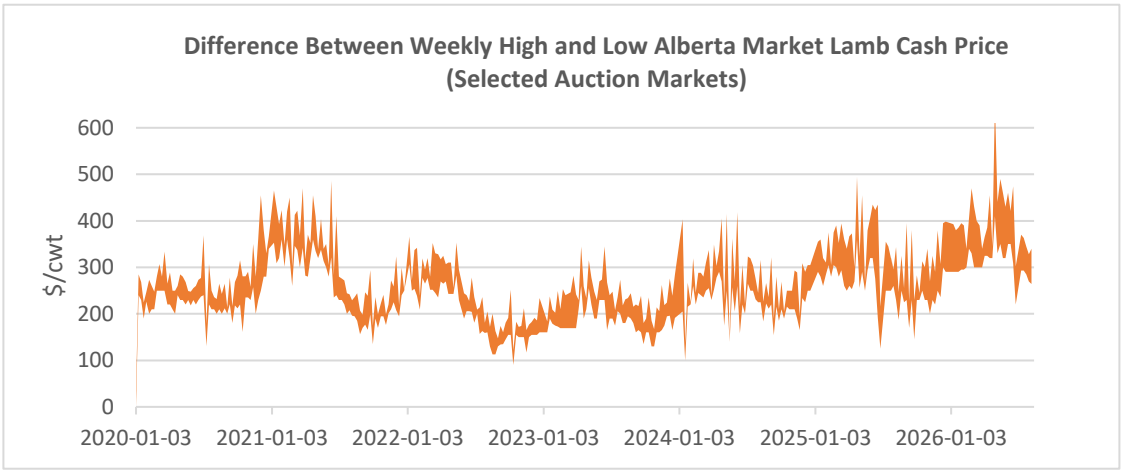
Source: Statistics Canada. Table 32-10-0077-01 Farm product prices, crops and livestock

Alberta's estimated weekly live price equivalent for lamb held its strong performance through the first 7 1/2 months of 2026 compared to that of last year and the five-year average. The average year-to-date (Aug. 14, 2026) price of $321.63 per cwt remains 7.5 per cent higher than the same period last year. Market volatility has been less evident in 2026 through the summer months than in 2025.



Source: Alberta Agriculture and Irrigation

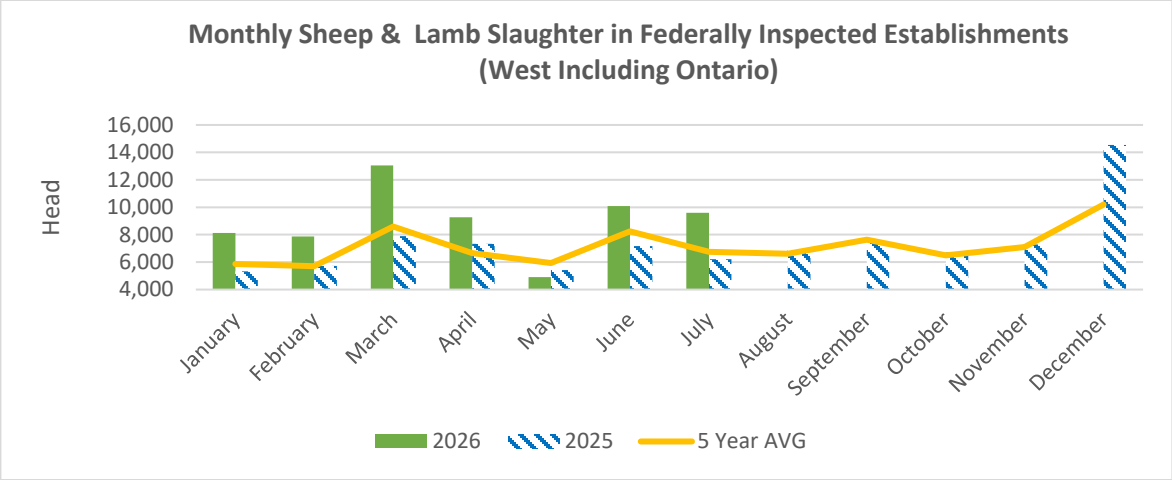
The range between low and high lamb prices at the auction markets increased in 2026 compared to prior years. Market lamb estimates based on the average at select Alberta auction markets ranged from a weekly average of $308 per cwt to $403.81 per cwt over the year-to-date (Aug. 14, 2026). The spread, or difference in the low and high range price, was an average of $95.81 per cwt over this period. The average low weekly price for feeder lamb was $381.77 per cwt and the average high price was $479.29 per cwt, year-to-date.



Source: Alberta Agriculture and Irrigation

Slaughter

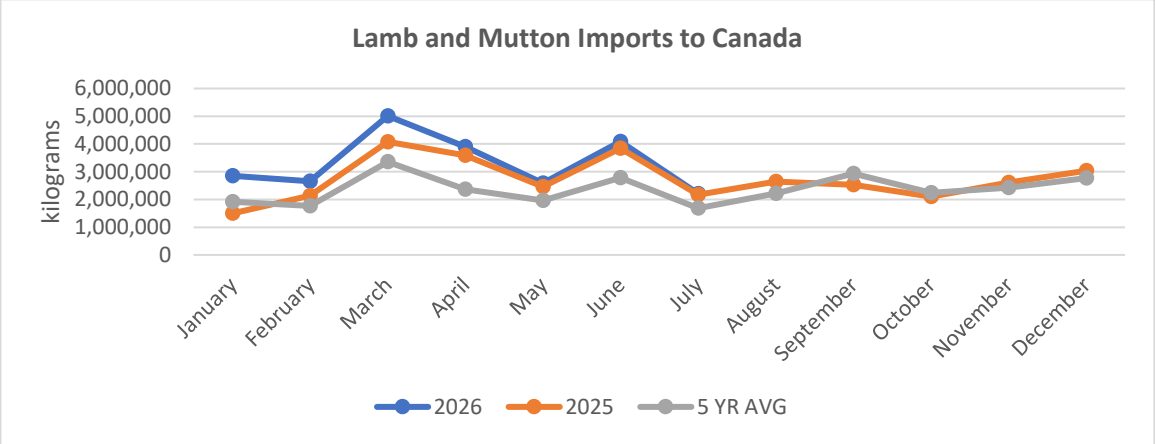
Federally inspected sheep and lamb slaughter in the West (including Ontario) through July was reported to be 62,906 head, up 39.5 per cent from the same period in 2025 and nearly 32 per cent higher than the five-year average. Spring is the key seasonal market for lambs in preparation for ethnic holidays. To help meet that demand, Alberta imported more than 3,000 head of lamb from January to March, 2026.



Source: Canadian Food Inspection Agency

Lamb and Mutton Imports

Canadian imports of lamb and mutton have increased over the last five years. For the period of January to July 2026, Canada imported approximately 23.3 thousand tonnes of lamb and mutton, 19.7 per cent more than the same period 2025. The majority of the product was in the form of frozen bone in cuts (43 per cent) and frozen boneless cuts (nearly 20 per cent). Fresh or chilled product represented over 25 per cent of total imported lamb and mutton. The imported product came primarily from New Zealand (over 50 per cent) and Australia (45 per cent). The remainder of the imports were from the United Kingdom, United States, Uruguay, Ireland and other countries.



Source: Canadian Food Inspection Agency

Global situation

Tighter global sheep meat supply continues to support demand for sheep products. As of June 30, 2026, the Australian sheep flock declined by 2.7 per cent to 67.1 million head due to three years of consecutive dry production conditions. Australian lamb slaughter is forecast to fall by 11 per cent in 2026. Australia's resilience will rest on the ability of the export markets to absorb higher value product.

New Zealand faces a smaller breeding flock in 2026. Productivity gains have helped export performance but are constrained by lower supply and are reported to be adding pressure to the

meat processing sector. New Zealand exports between 90 to 95 per cent of its production. Shifts in market access show a diversion out of markets like China toward the European Union.

The U.S. lamb sector similarly is facing tight supplies which have driven lamb prices up. Challenges of drought and higher production costs have been contributing factors in the first half of 2026. The first half of 2026 witnessed a 3 per cent decline in federally inspected slaughter compared to the same period in 2025. The American Lamb Board reports that in combination with lighter carcass weights, lamb production has declined by an estimated 8 per cent. Consumer demand for lamb has supported strong market prices which in turn has led to increased imports, primarily from Australia and New Zealand.

The U.S. recently announced two new policies that could have an impact on lamb trade. The first, implemented in July, involves new tariffs applied to 60 countries that were imposed following an investigation on concerns related to trade in goods produced with forced labour. While products compliant with the Canada-U.S.-Mexico Agreement will be exempted from these tariffs, Australian and New Zealand lamb being imported to the U.S. is covered by the new tariff and will be subject to a 12.5 per cent U.S. import tariff, up from 10 per cent. Global AgriTrends analysis suggests that the extra 2.5 per cent tariff will not significantly change the market for North America.

The second U.S. action could potentially have a greater competitive harm on lamb importers. A new safeguard investigation is to be carried out by the U.S. International Trade Commission to examine whether increased imports have caused “serious injury” to the U.S. sheep industry. The Australian Meat Industry Council and Meat & Livestock Australia have indicated that Australia’s lamb industry is preparing to respond.

The U.S. sector now faces an additional threat from New World Screwworm (NWS). USDA’s Animal and Plant Health Inspection Service (APHIS) confirmed 46 cases of NWS in the U.S., with a new case on August 16 in Texas in sheep. There have been four confirmed cases in sheep in Texas.

Overall, constrained global production and weather challenges will continue to underpin strong market prices. Consumer demand has remained steady. Imports still highlight the ongoing opportunity facing our producers. Differentiating Alberta lamb based on its high quality and milder, sweeter flavour may provide a competitive advantage against the lower-cost international alternatives.