Lamb And Sheep Market Update

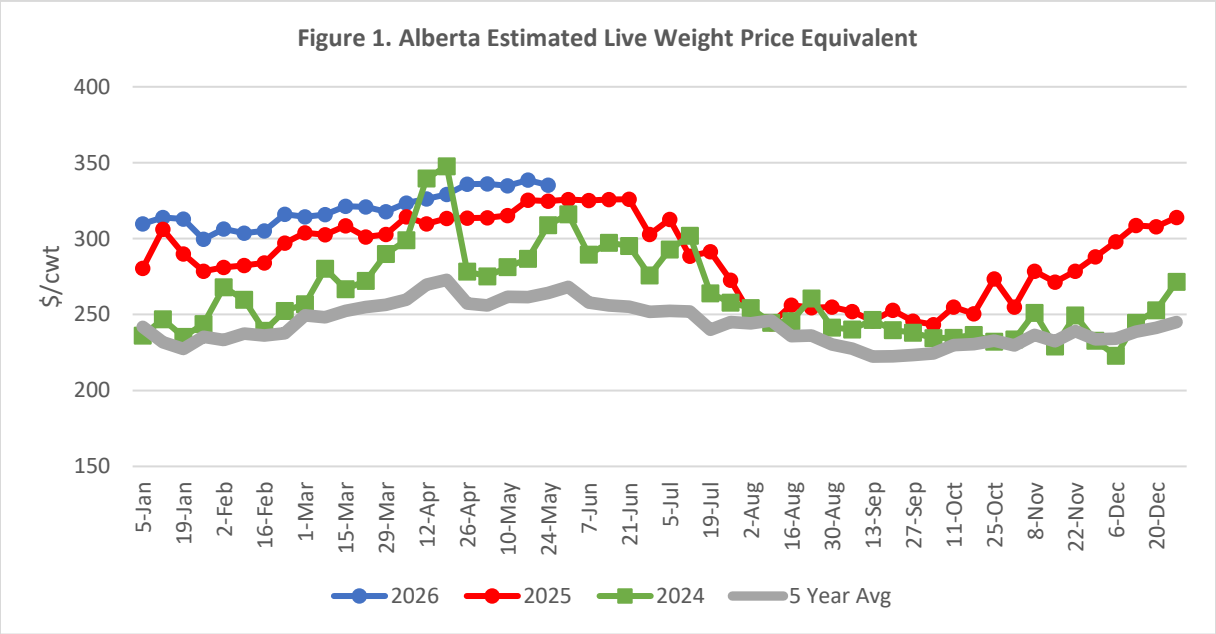
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Alberta Agriculture and Irrigation
May 29, 2026

Summary

Lamb and sheep production is driven by resource conditions and market factors. Despite cooler-than-average weather in April and May, recent rains in June are seeing improved pasture conditions across the province. In combination with strong prices and stable demand, an optimistic sector outlook prevails. This sector remains resilient in the face of global geopolitical disruptions.

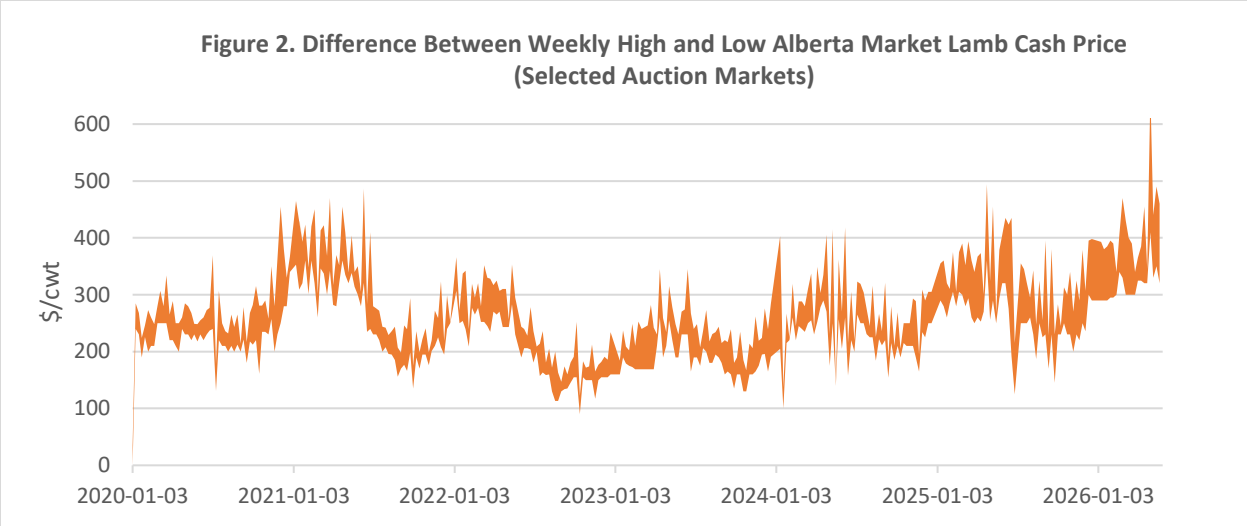
Market Prices

Alberta weekly slaughter lamb prices continue to be strong into 2026. Figure 1 shows slaughter lamb prices on a live weight equivalent basis to May 22, 2026. With a year-to-date average price of nearly $320 per hundredweight (cwt), the market price is nearly 6.0 per cent higher than the same period in 2025 and nearly 20 per cent above the 5-year average.



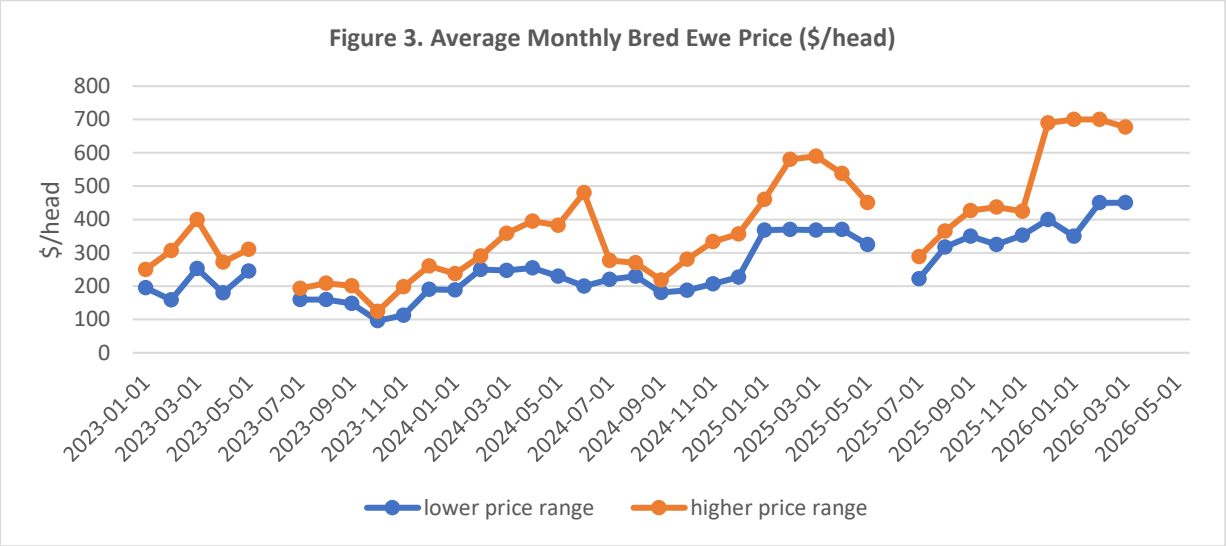
Source: Alberta Agriculture and Irrigation

As of May 29, 2026, weekly auction prices for market lamb ranged from average low of $317 per cwt to average high of $416 per cwt, over 12 per cent higher than same period 2025. Average feeder lamb prices ranged from $406 per cwt to $501 per cwt, nearly 14 per cent higher than last year.



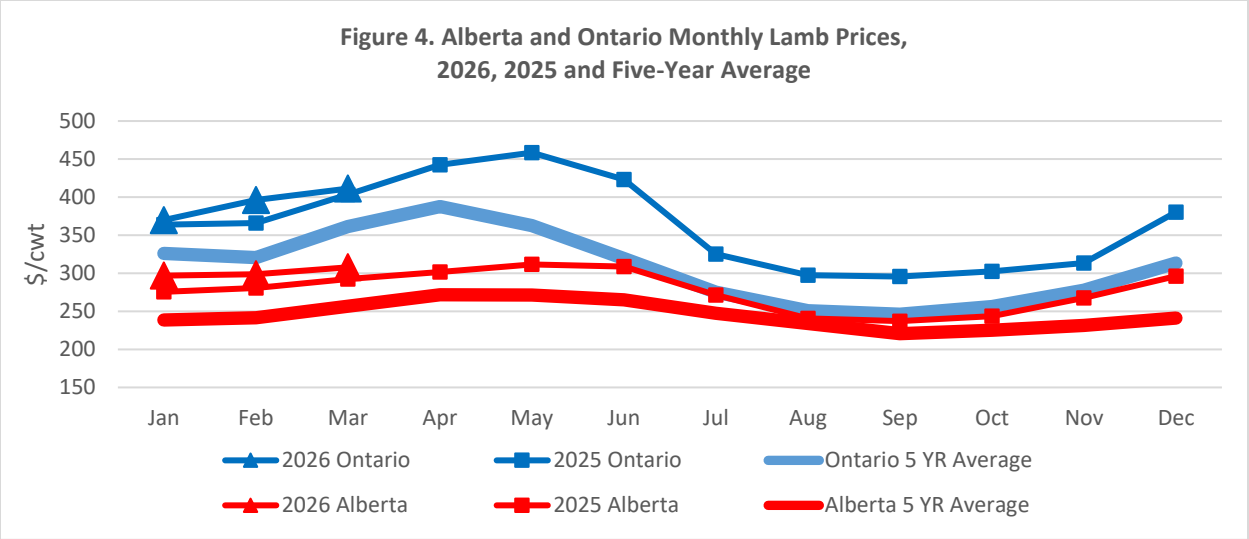
Source: Alberta Agriculture and Irrigation

Figure 3 reports average monthly bred ewe prices. Note the increased value per head and the larger spread in prices between the high and low range. Seasonally, spring tends to bring stronger prices, but higher bred ewe values may be an indicator that the Alberta flock is entering an expansion phase. Strong demand for lamb from ethnic markets may support longer term breeding investments.



Source: Alberta Agriculture and Irrigation

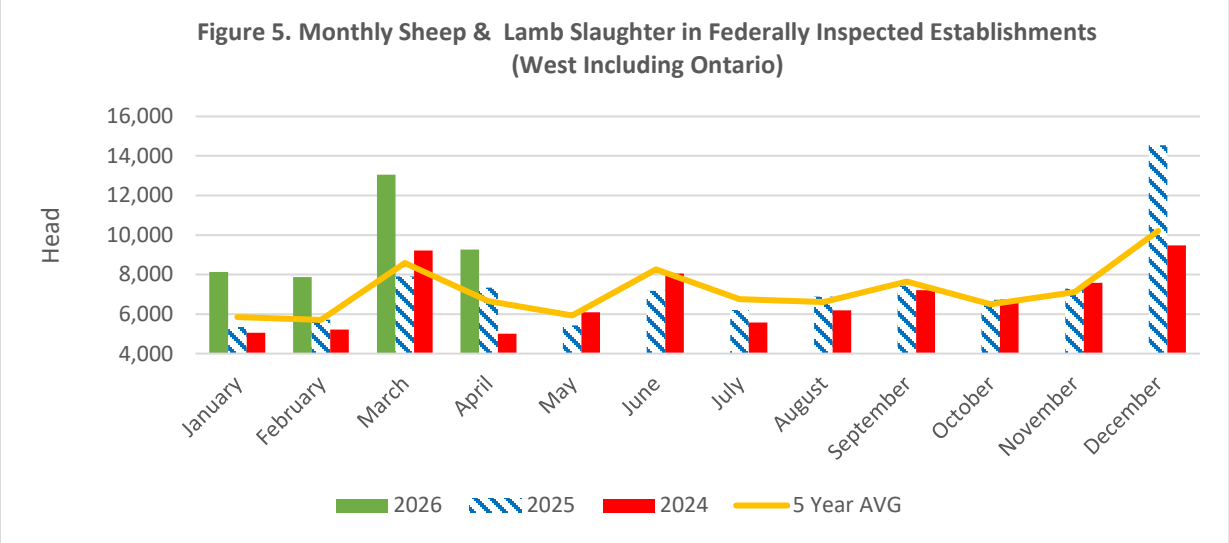
Ontario, the province with the largest breeding flock, processes nearly 54 per cent of Canadian sheep and lambs, the majority of which are processed in provincially inspected plants. Figure 4 represents Statistics Canada data for Alberta and Ontario monthly lamb prices for the first quarter of 2026, as well as for 2025 and monthly average of last five years. Both markets show strong price performance for the first quarter of 2026. The average lamb price in Alberta for first quarter period was $301 per hundredweight (cwt), which was 6.4 per cent higher than the same period last year and nearly 23 per cent higher than the Alberta five-year average for the first quarter.



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

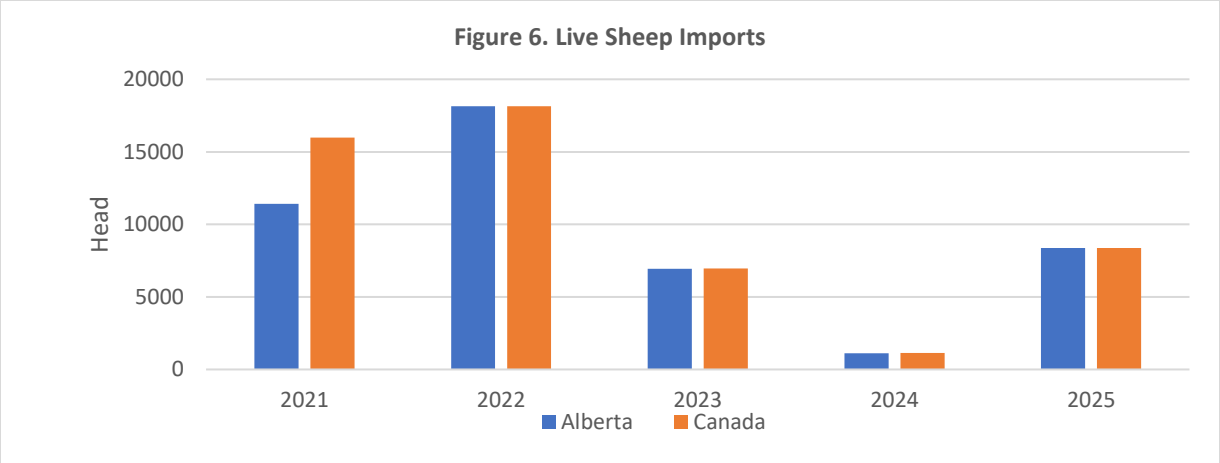
Slaughter

Lamb slaughter in federally inspected plants for the West (including Ontario) for the first four months of 2026 was 36,312 head, up 46 per cent over last year. High slaughter volume in March 2026 is attributed to increased demand to meet Easter, end of Ramadan, Persian/Iranian New Year, and Passover holidays.



Source: Canadian Food Inspection Agency

Live sheep imports have increased to satisfy demand. In the first quarter of 2026, Alberta live sheep imports of 3,659 head were more than 25 per cent higher than first quarter imports in 2025. Live sheep import volumes have varied over years, but interprovincial and international imports help meet processing capacity utilization. Nationally, Alberta accounts for most of the imported stock.



Source: Statistics Canada

Global Situation

U.S. lamb production is based on small-scale operations, and the U.S. flock continues to decline. Domestic supply cannot meet local demand, so the U.S. relies on imports. USDA lamb and mutton production estimates for 2026 are 133 million pounds, down from 134 million pounds in 2025.

U.S. lamb prices have trended substantially higher due to shrinking inventories and insatiable consumer demand. Choice and prime slaughter lambs are estimated by USDA to be US$234.52 per cwt, up from the average price of US$192.89 per cwt in 2025.

With per capita lamb and mutton consumption expected to remain steady at 1.3 retail pounds per person, imports have offset the decline in domestic production. USDA estimates that lamb and mutton imports will increase to 387 million pounds in 2026 from 373 million pounds in 2025. To protect producers from this influx, the American Sheep Industry Association has formally asked the U.S. Trade Representative to initiate a safeguard investigation into whether rising lamb imports are causing injury to U.S. producers.

According to NutriNews.com, forecasts for 2026 production across key European (EU) livestock sectors is expected to decline, with sheep and goats facing the steepest reductions (more than 17 per cent in 2026). The decline is attributed to growing environmental compliance requirements, changing consumer trends and reduced profitability. Tighter lamb supplies in the EU triggered lamb prices to reach record highs in March, ahead of Easter. EU imports of sheep meat increased 12.5 per cent in 2025, and high prices are expected to attract further imports in 2026.

The Australian sheep industry is also faced with tighter supply. Meat & Livestock Australia (MLA) expects the national flock to decline by 2.7 per cent to 67.1 million head by June 2026. The decline is a result of three years of low rainfall. The anticipated rebuild of the flock has been delayed. In 2025, lamb slaughter decreased by 6.9 per cent and is forecast to decline a further 11 per cent in 2026.

Australian exporters have found a way to deliver meat product to the Middle East, despite the closure of the Strait of Hormuz. According to Global AgriTrends, by mid-April 2026, lamb and mutton exports to the Middle East adjusted to nearly two-thirds of the pre-war levels. In March, shipments to Iran fell to zero and alternative routes were needed to get product to Qatar, UAE, Saudi Arabia, Kuwait and Oman.

Lower Chinese import demand is also posing additional challenges for the Australian and New Zealand sheep meat market. China was New Zealand's largest sheep meat market, with a market share of 51 per cent (according to MLA).

Animal Disease Surveillance

China's livestock sector is on heightened risk level due to detection of a South African strain of foot-and-mouth detected in the provinces of Xinjiang and Gansu. Current vaccines do not protect against this strain. China had experienced foot-and-mouth and are responding quickly. The cases were found in two herds of cattle, confirmed March 28, 2026.

Highly pathogenic avian influenza (HPAI) H5N1 has raised concerns about potential cross-species exposure. In March 2025, the UK confirmed the first global case of H5N1 in sheep. While this appears to have been an isolated incident, it underscores the importance of restricting exposure of grazing sheep near outbreak areas.

The U.S. southern border remains closed to livestock trade due to New World Screwworm (NWS) in Mexico. On May 19, 2026, the U.S. Food and Drug Administration issued an Emergency Use Authorization for Dectomax/Dectomax-CA1 injectable solution for the prevention and treatment of NWS in cattle (except calves), swine, horses, sheep and deer. NWS was detected in Texas in early June.

Conclusion

The sheep industry faces supply constraints globally, disease risks and volatile trade conditions. Strong prices and demand signal potential for flock rebuilding. Growth in the Alberta lamb sector will require continued monitoring of markets, animal health, input costs and consumer preferences to capitalize on future opportunities. Fortunately, the Alberta Lamb Producers website houses tools (flock management, cost benchmarking, financing options and market information) to assist producers in these critical areas.