

21 October 2005

North American Sheep Industries Meet

An initial meeting between members of the American Sheep Industry Association (ASI), the Mexico Sheep Producers Association (MSPA) and the Canadian Sheep Federation (CSF) took place last weekend in San Angelo, Texas, to discuss the potential of establishing a North American Sheep Coalition.

An update of the status of the sheep industry in each country was presented, providing a comparison of their sheep markets, lamb prices and inventories.

Juan de Dios Arteago, president of the MSPA, and Javier Lara-Pastor, Ph.D., reported that sheep numbers in Mexico have increased to 6.8 million head over the last 10 years.

Frozen meat imports into Mexico come mainly from Australia and New Zealand, accounting for 47 percent and 44 percent, respectively. Mexico provides a cost-share payment to producers who purchase breeding rams and ewes, ranging from \$50 for a commercial ewe to \$200 per registered ram or ewe.

Slaughter lamb prices in Mexico were reported as currently US\$1.10 per lb. and approximately 90 percent of their slaughter is done in small shops for weekend sales. Producers typically keep ewes in their flocks for three lamb crops and then cull them to take advantage of a higher market price for animals of this age.

In contrast, Andre Trepanier, chairman of the CSF, stated that 13,000 Canadian sheep producers held an inventory of one million head of sheep in 2004, a 59-percent increase over the last 10 years. The majority of Canada's sheep, 67 percent, are processed in provincial plants which prevents meat from trading from one province to another due to federal regulations. In 2004, Canada imported 13 million metric-tons of lamb and mutton, primarily from New Zealand.

Slaughter-lambs are currently selling at US\$1.06 to \$1.15 per lb. Since the re-opening of the border between the U.S. and Canada, only a few loads of Canadian lambs, less than 12 months-of-age, have been moved into the U.S. market for processing.

Burdell Johnson, vice president of ASI, emphasized the growth the U.S. sheep flock experienced last year despite drought conditions in many areas of the United States. This increase, the first since 1990, provides optimism for continued growth for the U.S. industry.

Imports of lamb and mutton into the United States from Australia and New Zealand increased between 1992 and 2004, but are projected to decrease in 2005 and 2006.

It was proposed that a Memorandum of Understanding (MOU) be developed to assist with the direction of the communications for this three-country group. The objectives that could likely be addressed include sheep identification and traceability programs, animal health and sustainable sheep industries of the three counties.

"We learned a great deal about the production and marketing of sheep in the neighboring countries at this meeting," commented Paul Frischknecht, ASI president. "There is value in having continued discussions among the North American sheep industries aimed at improving communications and working together on united goals."

This meeting, held in conjunction with the fall meeting of the ASI executive board, provided an opportunity for the international representatives to take-part in industry tours to: the Glen Fisher Ranch, Bollman Wool Scouring Plant, Producers Livestock Auction, Angelo State University Meat Lab, Texas A&M Agricultural Research and Extension Center and Producers Lamb and Goat LP.

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