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Study Completed on Benefits of LMR

A study, completed by John March, Professor in the Department of Agricultural Economics and Economics at Montana State University, and Tom McDonnell, analyst for the American Sheep Industry Association, has concluded that with the Livestock Mandatory Reporting Act (LMR) of 1999 and the subsequent implementation of livestock mandatory price reporting (MPR) in 2001, the standard deviation of lamb-carcass prices from 2001 to 2005 has declined precipitously. The report states: "since implementation of Livestock Mandatory Reporting in 2001, the effects have been to reduce lamb carcass price risk and increase stability in market price."

The authors further conclude that: "regardless of marketing method, producer returns are affected by risk in lamb carcass prices. In the livestock and meat marketing channel, the variance in lamb wholesale prices affects the relative volatilities of demand prices for slaughter lambs and feeder lambs."

Unfortunately, the LMR act expired at the end of September, although legislation to continue the program has passed the House and Senate and is awaiting resolution through conference. Reporting has continued through voluntary compliance except for sales of imported lamb and domestic wholesale cuts.

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