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## **Prehearing Brief of R-CALF USA**

Before the United States International Trade Commission

Lamb Meat

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## **Increased lamb imports have substantially harmed the domestic industry**

R-CALF USA, on behalf of its Sheep Committee and participating sheep and lamb producers, submits that increased imports of lamb meat are a substantial cause of present serious injury to the domestic industry producing like or directly competitive products. The evidence connects rising import supplies with lost domestic sales opportunities, curtailed feeding activity, and reduced returns to ranchers. R-CALF USA requests an affirmative serious-injury determination, with threat of serious injury as an alternative ground. [2, 5–7, 9]

Producer accounts identify the commercial connection. Etcheverry described buyers' import options constraining packer prices and ranch returns. The Buskohls reduced purchases after losing dependable marketing arrangements. The Auzas stopped buying feeder lambs while meat from their prior crop remained unsold. These accounts connect meat-market competition to curtailed domestic livestock purchases. [2, pp. 23, 31, 33]

USDA ERS lamb-category import volume, measured in carcass-weight equivalents, increased 14.3 percent between 2021 and 2025 and another 5.0 percent in January–July 2026 compared with the same months of 2025. Meanwhile, the domestic breeding flock fell from 3.66 million head in January 2025 to 3.61 million in January 2026. Import growth is reaching an industry with a reduced production base. [5, 7]

## **The investigation addresses lamb imports and their effects on domestic production**

USTR's July 13, 2026 request is the instrument initiating this investigation. R-CALF USA's August 2023 petition and subsequent submissions document its request for relief and the producer experiences supporting that request. The October 19, 2023 letter reported additional producer support, and the December 5 letter supplied a further supplement. The September 5, 2024 letter described continued contraction and urged prompt action. This brief draws on that history and the accompanying producer statements. [1–4]

The imported product under investigation is fresh, chilled, or frozen lamb meat. Australia and New Zealand supplied 99.3 percent of U.S. lamb-category imports on the ERS carcass-weight-equivalent basis in 2025; the investigation covers all sources. This brief uses USDA’s lamb-category trade series to track lamb-designated import volumes. Its historical supply-and-disappearance comparisons cover lamb and mutton together, consistent with the coverage of that USDA series. Each chart identifies its product coverage, units, and period. The combined lamb-and-mutton value exhibit covers 2020–2025 and excludes live animals and offal. [1, 5–6, 8; Charts 2–4]

### **The statutory standard reaches injury transmitted through the production chain**

Under 19 U.S.C. §2252, imports are a substantial cause when they are an important cause and no less important than any other cause. The comparison is with each other cause, rather than all other causes combined. Serious injury means significant overall impairment in the industry’s position. The statute identifies increased imports and a declining domestic share of the market as relevant to substantial causation, and requires consideration of industry conditions over the relevant business cycle. Its legislative history makes clear that the Commission need not apply a mathematical test when weighing causes. [9, §2252(b)(1)(B), (c); 18]

Domestic lamb production connects breeding-flock owners, lamb feeders, and slaughterers and processors. Market lambs are raised for slaughter to produce lamb meat. Live lambs are the unprocessed article from which lamb meat is produced. [11, pp. I-11, I-20] When a purchaser replaces domestic meat with imported meat, the lost order can reduce the packer’s demand for slaughter-ready lambs and the feeder’s demand for ranch lambs. The Etcheverry, Buskohl, and Auza accounts describe that connection in practice. [2, pp. 23, 31, 33] R-CALF USA submits that their evidence supports inclusion of growers and feeders under 19 U.S.C. §2481(5), which expressly places the unprocessed article at an earlier stage of processing and treats articles at



different processing stages as directly competitive when imports have the required comparable economic effect on domestic producers. [10] The Commission included growers and feeders in its 1999 lamb investigation and reached an affirmative threat determination. [11, pp. I-1, I-11–I-12]

The WTO Appellate Body subsequently rejected that industry definition under the WTO Safeguards Agreement and identified deficiencies in the earlier safeguard analysis. [12] The domestic statutory inquiry remains governed by U.S. law, including 19 U.S.C. §2481(5). Under 19 U.S.C. §3512(a)(1), U.S. law prevails in the event of conflict with the Uruguay Round agreements; subsection (c) separately restricts private remedies based on those agreements. [10] R-CALF USA’s argument rests on the commercial relationships and economic effects described in the evidence presented here. Under any formulation of the domestic industry, grower and feeder conditions bear directly on the domestic meat industry’s input supply, production prospects, and exposure to import competition. [2, pp. 23, 31, 33; 11, pp. I-11–I-12]

The relevant business is domestic production. For a domestic producer that also imports, §2252(c)(4)(A) includes only its domestic production in the industry to the extent information is available. Import-related earnings can improve a diversified firm’s results while its domestic slaughter and procurement business contracts. The producer evidence therefore concerns the health of the domestic production chain and the returns that sustain it. [9]

### **The industry has lost production, larger operations, and major slaughter outlets**

The domestic industry enters this investigation with a substantially smaller production base. The petition’s historical series records approximately 13.0 million sheep and lambs in 1982; USDA reported 4.99 million on January 1, 2026. The recent decline in breeding sheep, from 3.66 million in January 2025 to 3.61 million in January 2026, continued that contraction. The lamb crop also declined slightly, from 3.04 million head in 2024 to 3.03 million in 2025, a decrease of

10,000 head, or 0.3 percent. These inventories define the biological base available for future domestic production. [2, 7; Chart 1]

Larger sheep operations have also diminished. Farms with at least 100 sheep and lambs fell from 17,341 in the petition's 1982 census series to 6,376 in the 2022 Census of Agriculture, a decline of approximately 63 percent. Between 2017 and 2022 alone, the count fell from 6,843 to 6,376. This defined inventory-size category documents a sustained loss of larger operations. [2, 13; Chart 1]

Domestic production contracted while the combined lamb-and-mutton market expanded. Between 1999 and 2025, commercial production fell from 244.0 million to 134.6 million pounds, while combined imports rose from 112.3 million to 348.6 million pounds. Disappearance rose from 358.0 million to 483.6 million pounds, and imports divided by disappearance rose from 31.4 percent to 72.1 percent. The 2025 disappearance and ratio are R-CALF USA calculations using the complete ERS balance, with the dated production, stocks, and revised trade components identified in source [6]. This combined-product history shows how the domestic industry lost market position even as American consumption grew. [5–6; Chart 4]

The Commission staff's questionnaire-based lamb-market measure is distinct from this historical combined-product ratio. In 2025, staff reported an import-shipment share of 78.9 percent and a 21.1-percent share for U.S. producers using non-imported product. These measures use questionnaire shipment quantities and an in-scope lamb-market denominator; the 72.1-percent ratio above uses combined lamb-and-mutton carcass-weight-equivalent imports and disappearance. They are not interchangeable estimates of the same market share. [40, Table 4.1, pp. 4.2–4.3]

In that combined lamb-and-mutton series, imports first exceeded total domestic production in 2006. Domestic production exceeded imports again in 2009, 2010, and 2012; imports exceeded

total domestic production in every year from 2013 through 2025. Total domestic production in 2025 was 139.1 million pounds, comprising 134.6 million commercial and 4.5 million farm production. Chart 4 uses total production consistently. [6]

USDA's plant series show fewer reporting plants and fewer plants slaughtering at the largest scale. The Packers and Stockyards annual-reporting series counted 81 sheep-and-lamb slaughter plants in 2012 and 58 in 2021, a decline of 28.4 percent within that reporting population.

Separately, NASS counted eight federally inspected plants slaughtering at least 100,000 sheep and lambs annually in 1999 and four in 2025. All federally inspected plants slaughtering sheep and lambs increased from 561 to 693, but 584 of the 2025 plants slaughtered fewer than 1,000 head each and together handled 3.7 percent of federally inspected slaughter. The growing number of small plants thus coexisted with fewer plants operating at the largest scale. [33–34]

The contraction has been pronounced in established western slaughter centers. Federally inspected sheep-and-lamb slaughter in Colorado fell from 741,567 head in 2019 to 413,387 in 2025, a 44.3-percent decline; California fell from 296,325 to 230,369 head, a 22.3-percent decline. Together, those states lost 38.0 percent of their slaughter volume, compared with a 3.2-percent national decline. Texas and Pennsylvania gained volume, and Colorado improved in 2025 from its 2024 level. These plant-location data show that national totals encompass substantial regional changes in where animals move through slaughter. [34]

USDA has documented the marketing consequences of losing a regional outlet. Its 2013 investigation reported that the May 2011 closure of Superior Farms' Hawarden, Iowa, slaughter plant increased marketing difficulty for Iowa and South Dakota producers. Feeders shipped animals to Colorado and Chicago while Hawarden continued as a buying station; Superior attributed the closure to insufficient lamb supplies. In Colorado, USDA's 2020 report recorded the bankruptcy sale of the Greeley lamb plant to JBS for conversion to beef and pork, along with

the September opening of Colorado Lamb Processors in Brush, initially providing slaughter without fabrication. These developments illustrate why the location and services of an outlet matter to producers as well as the national plant count. [14, pp. 8–9; 35, p. 18]

The National Research Council’s 2008 findings place these losses in economic context. U.S. lamb consumption had grown slightly while domestic production declined. Lost infrastructure and pricing problems impeded sustainable growth, and domestic packers faced a bargaining disadvantage against large retail and foodservice buyers. Those conditions weakened the industry’s ability to rebuild. [17, pp. 1–3]

Recent output gains coexist with continued erosion of the breeding base. Combined lamb-and-mutton commercial production rose from 130.5 million pounds in 2023 to 133.8 million in 2024 and 134.6 million in 2025. Those increases improved current supply, while breeding-sheep numbers fell between January 2025 and January 2026. Current meat output and future productive capacity are different measures: slaughter contributes to today’s output, while retained breeding animals support future lamb crops. The smaller breeding flock therefore remains a material sign of weakness despite the recent production increase. [6–7]

The production figures above retain the dated ERS supply-and-use series identified in source [6]. Staff’s NASS commercial-production series differs slightly in earlier years: 138.4 million pounds in 2021, 130.4 million in 2023, and 133.9 million in 2024, compared with 138.3, 130.5, and 133.8 million in the ERS series used here. Both sources report 134.6 million pounds of commercial production in 2025. [6; 40, Appendix F]

The Commission’s supplemental Wheat Gluten findings illustrate the importance of lost market opportunities: imports captured consumption growth in 1996–1997 while domestic production and shipments fell. Here, the lamb evidence likewise combines an expanding historical market, a

diminished domestic contribution, and producer accounts identifying lost outlets to competing imports. [2, 6; 19, pp. 11–15]

### **Lamb imports increased across the period and resumed growth in 2026**

The lamb-only series shows increased imports across the period despite intervening declines. Imports were 264.2 million pounds in 2021, 278.0 million in 2022, 239.9 million in 2023, 309.1 million in 2024, and 302.1 million in 2025, all in carcass-weight equivalent. The 2.3-percent decline in 2025 left imports 14.3 percent above 2021. January–July 2026 imports then rose 5.0 percent over the same months of 2025. The case for increased imports thus encompasses the 2025 dip and the subsequent renewed increase. [5; Charts 3, 10–11]

The staff report uses different import measures. Questionnaire quantities increased 31.8 percent between 2021 and 2025, 4.0 percent in 2025, and 4.1 percent in January–June 2026 compared with the same months of 2025. [40, Table 2.2, p. 2.8] Official lamb-category product-weight quantities increased approximately 14.7 percent between 2021 and 2025, declined approximately 0.6 percent in 2025, and increased approximately 5.2 percent in January–June 2026. [40, Table F.2, pp. F.8–F.9] The ERS comparisons above cover January–July and use carcass-weight equivalents. Lamb-designated tariff categories may omit lamb entered as other sheep meat. These differences in coverage, units, and periods explain why the series should be identified separately; the 2025 decline in the ERS series does not describe every import measure. Imports entering the country also differ from importers' U.S. shipments: imported meat may be held in inventory before it is shipped to a U.S. customer. [5; 40, Part 4 and Appendix F]

Both principal suppliers contributed to the latest increase. Australia supplied 226.0 million pounds and New Zealand 73.9 million pounds of lamb in 2025. In January–July 2026, their volumes reached 135.3 million and 46.4 million pounds, respectively, compared with 128.8

million and 43.9 million in the same seven months of 2025. These matched periods establish renewed growth from the countries supplying nearly all imported lamb. [5]

### **Import competition reaches ranchers through meat sales and livestock purchases**

Henry Etcheverry's 2023 statement explains the commercial link between a meat buyer's import option and a rancher's returns. His longstanding Idaho operation had marketed approximately 10,000 slaughter lambs annually through its cooperative. He described downstream buyers' ability to switch to imported lamb as a constraint on the price domestic packers could obtain and on the returns available to his operation. He also described consequences for succession and the ability to sell an operating sheep business. In his account, import competition impaired both current income and the prospect of continuing production under the next owner. [2, p. 23]

David and Donna Buskohl described injury at the feeding stage. Their operation could supply 18,000 or more market lambs annually, but their 2023 statement reported the loss of dependable marketing agreements and purchases reduced to approximately 15 percent of normal capacity. They attributed those conditions to imported lamb displacing outlets for domestically raised animals. Curtailing feeder purchases also removes customers for ranchers' lambs, extending the consequences of lost meat-market access upstream. [2, p. 33]

The Auzas described that interruption directly. Their 2023 statement reported that Martin Auza Sheep Company purchased no feeder lambs in fall 2022 because meat from its prior feeder crop remained in freezers without buyers, a condition they attributed to lamb imports. They also reported reducing their operation's sheep numbers from 53,000 to fewer than 25,000 over the preceding decade. Their account connects unsold domestic meat to the cessation of feeder purchases and identifies the production decisions through which lost sales opportunities can shrink the domestic industry. [2, p. 31]

Scott Stubbs's experience shows how the price reversal impaired an investment in expansion. After favorable prices in 2021, he increased his flock from 2,000 to 3,000 sheep. His 2023 statement reported receipts of \$286 per lamb in 2021 and \$106 in 2022, with approximately \$200,000 less in total lamb receipts despite the larger flock. He attributed the deterioration to import competition. These are reported gross receipts; the account documents a sharp revenue loss after the producer committed resources to supplying more lamb. [2, p. 27]

John Espil Sheep Company described the added burden when lost business is accompanied by diminished services. Its 2023 statement reported the loss of a West Coast marketing outlet as packing options diminished and, in its account, imported lamb replaced domestic business. The closure of a major regional livestock hauler left the operation dependent on out-of-state trucks and more distant markets at added expense. That experience gives practical meaning to the infrastructure losses identified by the National Research Council: a producer's ability to sell lambs depends on buyers, transportation, and functioning slaughter outlets. [2, p. 29; 17, pp. 2–3]

The effects also reach breeding-stock enterprises. Sentel Schreier, a third-generation ram producer, explained in 2023 that customers' low returns from market lambs constrained what they could pay for breeding rams while her own production costs increased. Her account links poor slaughter-lamb returns to weaker demand for the breeding stock needed for flock improvement and continued production. [2, p. 28]

USDA's 2013 investigation provides independent historical corroboration of this transmission mechanism. Examining the 2010–2012 price swing, GIPSA found that several market factors interacted and identified the cost of imported lamb as likely the most important factor. Import prices and fed-lamb prices rose and subsequently declined. GIPSA also described delayed slaughter, overfinished animals, and difficulty marketing the next crop while older lambs

remained on feed. Its findings document how competition from imported meat can reach domestic livestock prices and disrupt successive production cycles. [14, pp. i–ii, 7, 9–10]

A domestic packer has described the same commercial connection. In its April 18, 2016 submission to USDA, Superior Farms identified imported lamb as its largest competitor and explained that delivery schedules with producers and feeders respond to sales and customer demand, alongside animal performance, plant capacity, weather, and other operating conditions. A USDA-commissioned RTI study using annual 1970–2003 data also estimated substitution between imported and domestic lamb. These historical sources corroborate competition in meat sales and the link between those sales and purchases of domestic animals. [30–31]

The staff’s current purchaser and producer responses also show that domestic and imported lamb are not universally interchangeable. Responses vary by supplier, cut, size, flavor, and specifications, with many respondents reporting interchangeability only sometimes or never. R-CALF USA’s argument concerns the competing sales opportunities and procurement effects documented by particular producers; it does not assume one-for-one substitution across every product and buyer. [40, Table 5.21, p. 5.25]

### **Producer survey results connect import competition to serious injury throughout the domestic production chain**

The August 2026 grower and feeder survey distributed by the American Sheep Industry Association and the Protect American Lamb Project corroborates the connection between imported lamb meat, lost domestic marketing opportunities, and impaired productive capacity. The revised compilation contains 124 usable responses: 100 growers and 24 feeders or combined feeder/growers. Responding growers’ 2025 lamb marketings represented 8.1 percent of 2025 U.S. commercial sheep-and-lamb slaughter; responding feeders’ marketings represented 10.0 percent, stated separately because animals may pass through both stages. Response counts vary



by question, and the results describe participating operations rather than a national census or a statistically representative national sample. Six findings reinforce R-CALF USA’s substantial-cause argument: [39]

- **Buyers expressly linked reduced prices and purchases to imports.** Fifty-three of 111 respondents (47.7 percent) reported that a buyer reduced a bid, price, or purchase volume while referencing imported lamb meat or import prices. Among feeders, 15 of 23 respondents (65.2 percent) reported this conduct. [39]
- Imports received substantially more severe profitability ratings than other specified causes. Eighty-nine of the 117 recorded ratings (76.1 percent) of import competition classified its impact as severe, compared with 31.0 percent for drought or forage conditions, 22.8 percent for feed costs, 22.3 percent for labor availability, and 20.5 percent for predation. The compilation reports 119 respondents for this item, but its classified ratings total 117; the percentage above uses the recorded ratings pending the compiler’s clarification. [39]
- Import-related harm was widespread and transmitted quickly to livestock prices. Of 115 respondents, 106 (92.2 percent) reported actual negative operational effects attributable to lamb imports. Separately, 78 of 114 respondents (68.4 percent) reported that, in their experience, a fall in imported-lamb prices reaches the price they receive for live lambs within weeks or a season. [39]
- **Feeding activity contracted sharply.** Feeders and combined feeder/growers reported annual lamb marketings falling from 415,190 head in 2021 to 226,736 in 2025—a 45.4-percent decline. This contraction reduced an important outlet for domestically raised lambs. [39]
- Breeding capacity and continued participation deteriorated. Responding growers’ breeding-ewe inventory increased from 187,055 head in January 2021 to 206,010 in January 2025, then fell 7.0 percent between January 1, 2025, and January 1, 2026, from 206,010 to 191,512 head. The

2026 drop erased about three-quarters (76.5 percent) of that rebuilding. Of 114 respondents answering the exit question, 25 had partially or fully exited sheep production since 2021, and another 35 had seriously considered exiting. [39]

- **Investment needed to sustain domestic production was curtailed.** Sixty-seven of 102 respondents (65.7 percent) reported postponed or cancelled sheep-enterprise investments totaling approximately \$9.77 million. In the separate import-effects question, 66 respondents identified cancellation, postponement, or rejection of expansion projects. [39]

The survey results are consistent with the producer experiences documented in R-CALF USA's 2023 petition. Etcheverry described import competition constraining domestic prices and ranch returns; the Buskohls and Auzas described curtailed feeder purchases and lost marketing opportunities. The August 2026 responses corroborate those same commercial effects across participating operations and document accompanying reductions in breeding capacity, producer participation, and investment. Read together with the national import trends, this evidence supports R-CALF USA's position that increased imports are an important cause of serious injury and no less important than any other cause. [2, pp. 23, 31, 33; 39]

The revised annual financial aggregates show different outcomes across production stages. In 2025, the 64 growers providing usable financial data reported a combined \$4.31 million net loss before income taxes, while the 15 feeders and feeder/growers reported \$5.45 million in net income, producing combined net income of \$1.14 million. The combined aggregates show losses in 2022–2024. These figures include wool and pelt revenue and government payments and describe the financial respondents, not all survey participants or the national industry. [39]

### **Slaughter-ready lambs bear added costs when market access is delayed**

The biological characteristics of slaughter-ready lambs magnify the consequences of losing a timely buyer. The Commission recognized in 1999 that lambs reaching the desired weight and

maturity cannot be held for long without impairing their meat quality. Producers have limited flexibility to postpone slaughter once market lambs reach that stage. Continued feeding adds expense, while excessive finish can reduce carcass value through trimming and related quality effects. A displaced domestic order can therefore harm a producer through both weaker sale proceeds and the cost of holding animals beyond their intended marketing date. [11, pp. I-20–I-21; 26]

In its review of 2022, the American Lamb Board described weaker consumer demand, longer feeding, old-crop overfinished lambs, heavier weights, and high feeding costs in Colorado feedlots with capacity for 5,000 or more head. These conditions describe a backlog of lambs awaiting timely marketing and slaughter. [27, p. 13] The 2022 backlog demonstrates the setting in which these costs arise. The Auzas’ account identifies the interruption in their business: unsold meat from one crop prevented purchases for the next, and they attributed that loss of market access to imports. Together, the sources explain how import competition for already-weakened demand can add to the burden on animals awaiting slaughter and on the ranchers seeking to sell the next crop. [2, p. 31; 27, p. 13]

Feeding economics underscore the vulnerability of this stage of production. A January 2026 University of Nebraska–Lincoln analysis using LMIC estimates found negative margins in 35 of 60 months during 2020–2024 for a hypothetical operation feeding lambs from 70 to 140 pounds over 90 days. The modeled margin is value of gain less feed expense, before other operating costs. These results describe the pressure from feed costs and market volatility within which curtailed sales and longer holding periods affect feeders. [28]

## **The evidence supports imports as an important cause no less important than any other**

R-CALF USA submits that import competition meets the substantial-cause standard because its effects extend beyond a temporary price fluctuation. Imports increased, the domestic industry lost market position, and producers described purchasing decisions that reduced their access to buyers, receipts, and subsequent production. The comparative case rests on the timing and persistence of that competition and the commercial effects described above. The Commission's 1999 lamb analysis likewise considered financial deterioration across production segments and separately examined wool-support termination, competing proteins, input costs, overfeeding, and packer concentration. The statutory inquiry concerns the demonstrated importance of each cause over the business cycle. [2, 5–6; 9; 11, pp. I-17–I-23]

The 2021–2022 cycle illustrates why demand conditions and import displacement require distinct explanations. The national negotiated live slaughter-lamb price rose from \$158.24 per hundredweight in January 2021 to \$264.04 in July, then fell to \$117.20 in September 2022. Meanwhile, in the combined lamb-and-mutton balance, disappearance increased from 451.1 million pounds in 2020 to 506.0 million in 2021, then declined to 484.2 million in 2022. Domestic commercial production was 138.4, 138.3, and 131.6 million pounds in those years. The expansion in apparent consumption coincided with a substantial live-price increase, while domestic annual meat output remained essentially flat and then fell. [6, 15; Charts 8–9]

Imports gained combined-market share during both phases. Combined lamb-and-mutton imports divided by disappearance rose from 66.9 percent in 2020 to 71.9 percent in 2021 and 74.0 percent in 2022. Combined imports declined in 2022, from 363.9 million to 358.1 million pounds, but by less than the decline in disappearance. Separately, lamb-only imports increased 5.2 percent to 278.0 million pounds in 2022. Thus, imports gained market position when demand

expanded and retained a growing proportion of the combined market when demand weakened. The Stubbs and Auza accounts supply a producer-level explanation of the harm during that reversal: lower receipts after expansion and feeder purchases halted by unsold meat. [2, pp. 27, 31; 5–6]

Demand weakness explains pressure on total sales in 2022; import competition bears on which suppliers retained those sales. High feed costs and drought affect the cost and availability of domestic animals. The producer accounts identify an additional commercial cause: competition from imported meat constrained packer returns and displaced outlets for animals already being raised. In the Auza account, the obstacle to new feeder purchases was unsold meat from the prior crop. In the Buskohl account, curtailed feeding followed the loss of dependable marketing arrangements. These accounts support R-CALF USA’s position that imports aggravated other pressures by taking sales opportunities and weakening returns needed to carry production costs. [2, pp. 23, 31, 33; 27–28]

Processing constraints can compound that harm by reducing outlets and increasing the cost of reaching buyers. USDA’s Hawarden account attributed the closure to insufficient lamb supplies, while the Espil statement attributed its lost outlet in part to import substitution. The causes identified by those sources differ; the resulting marketing difficulties show how weakness at one stage affects the others. R-CALF USA’s import-causation argument is grounded in the specific substitution and procurement accounts, with the national and regional data documenting the industry’s diminished operating position. [2, p. 29; 14, pp. 8–9; 33–35]

Recent improvements are part of the same business-cycle evidence. USDA’s national negotiated live-price series rose substantially in 2025 and the first half of 2026. In November 2025, NDSU Extension described stronger Northern Plains fed-lamb prices alongside roughly unchanged domestic supplies, lower imports, lower cold-storage stocks, and strong demand. This

combination is consistent with competing import supplies being one influence on producer prices. The American Lamb Board's June 2026 summary also reported domestic lamb gains of 5.7 percent in volume and 12.4 percent in dollars over the latest 52 weeks at participating retailers; its July assessment described strong prices, tight domestic supplies, and imports helping meet demand. These are meaningful improvements in the markets and periods covered. At the industry level, however, the January 2026 breeding flock remained smaller, and the domestic production base remained diminished. Higher prices and selected retail gains therefore coexist with the structural impairment on which R-CALF USA's serious-injury argument rests. [7, 15, 29, 36]

Staff's processor financial data likewise show recovery: the aggregate operating margin increased from 0.3 percent in 2024 to 3.4 percent in 2025, and from 0.8 percent in January–June 2025 to 2.3 percent in January–June 2026. [40, Table 3.28, p. 3.57] Processor responses concerning injury also differed by size: seven small processors reported injury and 31 did not, while five large processors reported injury and four did not; two additional small processors did not respond. [40, Appendix E, Tables E.1 and E.3, pp. E.3, E.5] Those processor responses and operating-income measures are distinct from the grower/feeder survey and its net-income figures. R-CALF USA does not characterize every sector or respondent as experiencing losses; its claim rests on the overall impairment and specific causal evidence described above. [39–40]

The latest import increase also occurred during Australian-dollar appreciation. The currency strengthened from an average of approximately US\$0.637 in January–July 2025 to US\$0.702 in January–July 2026, while lamb-only imports increased 5.0 percent. Renewed import growth thus occurred alongside a stronger Australian dollar. [5, 16; Charts 7 and 11]

Taken together, the evidence supports R-CALF USA's contention that imports were an important cause of the industry's impairment and no less important than any other cause.

Demand and cost pressures explain important parts of the cycle. Import competition additionally explains the lost domestic outlets and curtailed purchases described by producers, and its effects persisted through changing demand conditions. Its reach from meat sales to feeding and flock decisions gives it significance throughout the domestic production chain. [2, 5–7, 14, 27–28]

### **Organized foreign market development sustains competition for U.S. sales**

Australian and New Zealand industry publications describe sustained efforts to expand U.S. sales. MLA’s 2009 account outlines a coordinated U.S. lamb strategy involving buyer preferences, market access, personnel, and funding. Its Summer 2024 magazine describes Australia as the leading lamb provider to the United States and reports further product development. MLA subsequently reported record Australian lamb exports in 2024 and identified the United States as the leading destination. B+LNZ’s 2020 report announced plans to expand beyond California across the United States. A 2026 industry history reports that New Zealand’s sheepmeat exports increased alongside U.S. lamb consumption and attributes that growth to efforts to expand the overall market rather than compete for market share. These accounts show organized, continuing efforts to develop the U.S. market. [20–21, 37]

Specified promotion programs support those efforts. MLA’s 2025–2026 Market Development Partnerships guide offers up to 50-percent co-funding for eligible retail and foodservice promotions, subject to approval and available funding, with sheepmeat included in a broader red-meat program. B+LNZ and Silver Fern Farms reported a U.S. collaboration involving paid digital promotion and an Easter lamb offer in 2021. [22–23]

The foreign industries also receive government support for specified activities. Australia’s agriculture department identifies A\$3 million over three years for MLA to promote sheepmeat and sheep products in domestic and international markets. MLA separately reports government R&D matching revenue across its wider activities. B+LNZ reports government co-funding and

participates in a seven-year research program addressing facial eczema, a livestock disease that affects animal health and productivity, with an NZ\$8.3 million government commitment.

American producers therefore face competition from foreign industries whose market-development, research, and productivity activities receive public support. These documented programs form part of the conditions under which imported lamb competes. [24–25]

### **Continued import pressure also supports the alternative threat claim**

R-CALF USA's primary claim is present serious injury. In the alternative, the renewed increase in lamb imports is reaching an industry with a smaller breeding flock and impaired marketing relationships. Losses of breeding operations and feeding outlets affect successive seasons because replacement animals, facilities, financing, and buyer relationships take time to develop. Those conditions leave domestic producers exposed to further displacement before they can rebuild. [2, 5, 7, 17; 11, p. I-20]

USDA's September 2026 outlook forecasts combined lamb-and-mutton imports of 364 million pounds in 2026 and 370 million in 2027, alongside commercial production of 129 million and 131 million pounds. Those annual, combined-product forecasts complement the observed 5.0-percent increase in January–July 2026 lamb-only imports. MLA's March 2026 forecast of tighter Australian sheep supplies and lower lamb production tempers the foreign-supply outlook; the USDA forecasts nonetheless anticipate sustained high U.S. imports. Staff's foreign-producer projections are mixed: responding Australian producers project lower production and direct exports to the United States in 2026–2027, while responding New Zealand producers project higher direct U.S. exports than in 2025. Projected resale export quantities are not supplied, so those forecasts do not establish a complete comparable total of future U.S. imports. R-CALF USA relies on that near-term supply outlook, observed import growth, and the industry's reduced



production base in support of its alternative claim of clearly imminent serious injury. [5, 7, 32, 38; 40, Tables 4.13 and 4.20, pp. 4.22–4.24, 4.34–4.36]

## **Conclusion**

The domestic industry has lost production, larger operations, and major marketing outlets while imported supplies have gained a dominant position in the historical combined lamb-and-mutton market. Lamb-only imports rose over 2021–2025 and increased again in the comparable months of 2026. Producer accounts explain the consequences: lost meat sales reduce livestock purchases, weakened returns undermine expansion, and impaired outlets increase the difficulty and cost of marketing lambs. R-CALF USA submits that this evidence supports a finding that increased lamb imports are a substantial cause of present serious injury—an important cause no less important than any other cause. [2, 5–7, 33–34]

R-CALF USA respectfully requests an affirmative present-serious-injury determination, with an affirmative threat determination in the alternative. Such a determination would permit consideration of effective relief and adjustment measures that restore commercial opportunities for viable domestic enterprises to retain breeding animals, rebuild dependable outlets, and invest in supplying the American market. [2, 9, 17]

Respectfully submitted,

R-CALF USA • Sheep Committee

William Bullard, Chief Executive Officer

R-CALF USA

Signature:

A handwritten signature in black ink, appearing to read "Bill Bullard", written in a cursive style.

Date:

October 8, 2026

## Sources and authorities

[1] USITC, Lamb Meat, Inv. No. TA-201-80, notice of institution, 91 Fed. Reg. 45283 (July 20, 2026), and investigation fact sheet. <https://www.govinfo.gov/content/pkg/FR-2026-07-20/pdf/2026-14602.pdf>

[2] (Exhibits B, C) R-CALF USA Sheep Committee, Petition for Relief, August 2023, file “230803 Sheep Petition.pdf,” with August 3 cover letter. Main analysis pp. 3–18; source notes pp. 19–21; producer statements pp. 22–33. Original chart numbers are retained in the appendix to facilitate comparison.

[3] (Exhibits D-1, D-2) R-CALF USA follow-up letters to USTR, October 19 and December 5, 2023, files “231019 Letter to Ambassador Tai, Petition Followup.docx” and “231205 Letter to Ambassador Tai, Petition Supplement.docx”. Endorsement counts are historical representations in those submissions.

[4] (Exhibit E) R-CALF USA, September 5, 2024 follow-up letter to USTR, “240905 Followup Letter to USTR re Sheep Petition.docx.”

[5] USDA ERS, Livestock and Meat International Trade Data, annual and monthly lamb and mutton CSV files, September 4, 2026 release, downloaded and checked September 28, 2026. Carcass-weight equivalents; separate commodity categories. Lamb-only observations used here agree with the previously retained files. <https://www.ers.usda.gov/data-products/livestock-and-meat-international-trade-data>

[6] USDA ERS, Meat Supply and Disappearance, historical workbook, “WASDE\_LambMutton-Full,” August 27, 2026 release; revised imports and exports from source [5]. All balance series combine lamb and mutton. R-CALF USA recalculated 2024–2025 disappearance as beginning stocks + total production + revised imports – revised exports – ending stocks, retaining the workbook’s production and stocks. For 2025, the components are  $19.774 + 139.100 + 348.584497 - 6.666298 - 17.232 = 483.560199$  million pounds; imports/disappearance = 72.1%. For 2024, recalculated disappearance is 495.146142 million pounds and the ratio is 72.9%. These are R-CALF calculations using the dated USDA components; earlier years retain the published workbook balance. Total production includes commercial and farm production. Source [32], p. 1, explains the Census correction to Australian frozen-sheep carcass imports.

<https://ers.usda.gov/media/5531/meat-supply-and-disappearance-tables-historical.xlsx>

[7] USDA NASS, Sheep and Goats, January 30, 2026, pp. 1–3.

[https://www.nass.usda.gov/Publications/Todays\\_Reports/reports/shep0126.pdf](https://www.nass.usda.gov/Publications/Todays_Reports/reports/shep0126.pdf)

[8] USDA Foreign Agricultural Service, Global Agricultural Trade System (GATS), U.S. Census Bureau Trade Data, January–December U.S. imports for consumption, World Total, 2020–2025, downloaded October 5, 2026, retained in “261005 GATSPublish Lamb Imports for USITC.xls,” worksheet “GATS Data.” Combined lamb-and-mutton meat basket: HTS 02041000, 02042100, 02042220, 02042240, 02042320, 02042340, 02043000, 02044100, 02044220, 02044240, 02044320, and 02044340; excludes live animals and offal. Values are nominal U.S. dollars.

Annual values use the export’s reported Grand Total, in thousands of dollars, divided by 1,000 to express millions; chart labels are rounded to the nearest million.

[9] Trade Act of 1974, §202, 19 U.S.C. §2252, especially subsections (b) and (c).

<https://www.law.cornell.edu/uscode/text/19/2252>

[10] 19 U.S.C. §2481(5), directly competitive articles at different stages of processing; 19 U.S.C. §3512(a), (c), relationship of the Uruguay Round agreements to U.S. law.

<https://www.law.cornell.edu/uscode/text/19/2481> ;

<https://www.law.cornell.edu/uscode/text/19/3512>

[11] USITC, Lamb Meat, Inv. No. TA-201-68, Publication 3176 (April 1999), affirmative threat determination p. I-1; industry discussion pp. I-6–I-12, especially pp. I-11–I-12 (inclusion of growers and feeders and economic relationships among industry segments); sector analysis p. I-14 n.61; financial and comparative-cause analysis pp. I-17–I-23; marketing constraints pp. I-20–I-21. For subsequent WTO proceedings, see source [12]; for the relationship of the Uruguay Round agreements to U.S. law, see source [10].

<https://www.usitc.gov/publications/docs/pubs/201/pub3176.pdf>

[12] WTO Appellate Body, United States — Safeguard Measures on Imports of Fresh, Chilled or Frozen Lamb Meat from New Zealand and Australia, WT/DS177/AB/R and WT/DS178/AB/R, adopted May 16, 2001; Panel Reports WT/DS177/R and WT/DS178/R, adopted as modified by the Appellate Body. See also WTO Analytical Index, Agreement on Safeguards, discussion of US — Lamb under Articles 4.1(c) and 4.2 (industry definition, threat, and non-attribution).

[https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds177\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds177_e.htm) ;

[https://www.wto.org/english/res\\_e/booksp\\_e/analytic\\_index\\_e/safeguards\\_01\\_e.htm](https://www.wto.org/english/res_e/booksp_e/analytic_index_e/safeguards_01_e.htm) ;

[https://www.wto.org/english/res\\_e/booksp\\_e/analytic\\_index\\_e/safeguards\\_02\\_e.htm](https://www.wto.org/english/res_e/booksp_e/analytic_index_e/safeguards_02_e.htm)

[13] USDA NASS, 2022 Census of Agriculture, U.S. Table 27, sheep and lamb inventory by flock size; historical counts from “2023/230603 Sheep Nos and Operations.xlsx.”

[https://www.nass.usda.gov/Publications/AgCensus/2022/Full\\_Report/Volume\\_1%2C\\_Chapter\\_1\\_US/st99\\_1\\_024\\_027.pdf](https://www.nass.usda.gov/Publications/AgCensus/2022/Full_Report/Volume_1%2C_Chapter_1_US/st99_1_024_027.pdf)

[14] USDA GIPSA, U.S. Lamb Market in 2010, 2011, and 2012 (December 2013), pp. i–ii, 7–10; pp. 8–9 discuss the Hawarden closure, marketing difficulty in Iowa and South Dakota, and regional shifts. [https://www.r-calfusa.com/wp-](https://www.r-calfusa.com/wp-content/uploads/sheep/131217LambInvestigationPublicReport.pdf)

[content/uploads/sheep/131217LambInvestigationPublicReport.pdf](https://www.r-calfusa.com/wp-content/uploads/sheep/131217LambInvestigationPublicReport.pdf)

[15] USDA ERS, Livestock Prices workbook, Historical sheet, national domestic slaughter lambs, Choice and Prime, live negotiated purchases. Monthly observations through June 2026. <https://ers.usda.gov/media/5536/livestock-prices.xlsx>

[16] Federal Reserve, DEXUSAL, U.S. dollars per Australian dollar, downloaded through August 2026. Chart 7 uses monthly arithmetic means of available daily observations. The January–July comparison in the text uses the arithmetic mean of all available daily observations in each seven-month period: 0.6372308 in 2025 and 0.7020781 in 2026.

<https://fred.stlouisfed.org/series/DEXUSAL>

[17] (Exhibit F) National Research Council, Changes in the Sheep Industry in the United States (2008), four-page report brief summarizing Changes in the Sheep Industry in the United States: Making the Transition from Tradition. Citations above refer to pages of the report brief, retained as “2023/2008 National Academies of Science Report on Sheep Industry.pdf.” Full report:

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[18] Senate Finance Committee discussion of substantial cause, reproduced in USITC, Television Receivers, Inv. No. TA-201-19, Publication 808 (March 1977), pp. 16–18; see also Wrapper Tobacco, Publication 746 (November 1975), pp. 4–6 (views of Chairman Leonard and Vice Chairman Minchew distinguishing the prior all-other-causes-combined standard).

<https://www.usitc.gov/publications/safeguards/pub808.pdf> ;

<https://www.usitc.gov/publications/safeguards/pub746.pdf>

[19] USITC, Wheat Gluten, Inv. No. TA-201-67, Publication 3423 (May 2001), supplemental findings under section 129, pp. 11–15, especially p. 13 (market growth and domestic sales) and p. 15 (comparison with capacity expansion). The original affirmative serious-injury determination was in 1998. <https://www.usitc.gov/publications/docs/pubs/201/PUB3423.PDF>

[20] (Exhibits M-1, M-2) Meat & Livestock Australia, Building the Australian Prime Lamb Industry: The Industry Impact (October 2009), pp. 11–12; MLA, Feedback, Summer 2024, “Lamb proves a deli-cious choice,” p. 48 (Michael Lee’s description of Australia’s position; product-development discussion). Attributed industry accounts of strategy and market position. <https://www.mla.com.au/globalassets/mla-corporate/generic/about-mla/mla-lamb-021209.pdf> ; <https://www.mla.com.au/globalassets/mla-corporate/news-and-events/documents/publications/mla-feedback-summer-2024-web-a.pdf>

[21] (Exhibits N-1, N-2) Beef + Lamb New Zealand, Unlocking Market Potential—Collaboration Within the Sector (March 2020), pp. 1, 3 (U.S. expansion plans and contemporaneous COVID-related pause); Ali Spencer and Mick Calder, Trusted, Lean and Long-Game: 100 Years of New Zealand Meat Exports to North America (2026), p. 20 (category-growth explanation), hosted by B+LNZ. <https://beeflambnz.com/sites/default/files/news-docs/Market-Dev-collab-March2020.pdf> ; <https://beeflambnz.com/sites/default/files/2026-05/100-NZ-Meat-Exports.pdf>

[22] (Exhibit O) MLA, Market Development Partnerships Program: 2025–26 Activity Application and Reporting Guide, updated February 2026, pp. 3–5. Worldwide program covering several red meats; cited for eligible activities, approval requirements, and funding ceilings. The PDF’s internal title and date identify this version.

[https://www.mla.com.au/globalassets/mla-corporate/marketing-beef-and-lamb/documents/international-markets/mdp/mdp-application-process.pdf?v=20%3A32\\_14042026](https://www.mla.com.au/globalassets/mla-corporate/marketing-beef-and-lamb/documents/international-markets/mdp/mdp-application-process.pdf?v=20%3A32_14042026)

[23] (Exhibit P) B+LNZ, “Beef + Lamb New Zealand and Silver Fern Farms Collaboration Increases Sales in U.S. Market,” December 6, 2021, issuer press release describing the company’s U.S. e-commerce promotion and reported sales results.

<https://www.prnewswire.com/news-releases/beef--lamb-new-zealand-and-silver-fern-farms-collaboration-increases-sales-in-us-market-301437372.html>

[24] (Exhibit Q) Australian Department of Agriculture, Fisheries and Forestry, “Transition assistance package,” Enhancing market demand—Meat and Livestock Australia (accessed September 25, 2026); MLA Annual Report 2024–25, pp. 61, 66, 76. A\$3 million sheep-market-development allocation covers domestic and international markets; A\$87.527 million R&D matching revenue covers MLA’s broader activities. <https://www.agriculture.gov.au/biosecurity-trade/export/controlled-goods/live-animals/livestock/live-sheep-exports-phase-out/transition-assistance> ; <https://www.mla.com.au/globalassets/mla-corporate/about-mla/documents/planning-reporting/mla-annual-report-2024-25.pdf>

[25] (Exhibits R-1, R-2) B+LNZ Annual Report 2025, pp. 22–23 (government co-funding); AgResearch, “Bridging knowledge gaps to combat facial eczema,” May 8, 2024 (seven-year research/productivity program, including NZ\$8.3 million from MPI).

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<https://www.agresearch.co.nz/news/bridging-knowledge-gaps-to-combat-facial-eczema/>

[26] (Exhibit I) Penn State Extension, “Factors Affecting Lamb Quality and Value,” updated January 27, 2025, discussion of finish, trimming, and carcass value.

<https://extension.psu.edu/factors-affecting-lamb-quality-and-value>

[27] (Exhibit G) American Lamb Board, 2022 Sheep Industry Review, p. 13 (extended feeding and overfinish), p. 17 (weight comparisons), pp. 24–26 (price and demand conditions), p. 45 (imports). The PDF internally identifies the 2022 review despite older search metadata.

[https://lambboard.com/s/ALBSheepIndustryReview2022\\_FINAL.pdf](https://lambboard.com/s/ALBSheepIndustryReview2022_FINAL.pdf)



[28] (Exhibit J) Jay Parsons and Tyler Cozzens, “Is Lamb Feeding Profitable?,” University of Nebraska–Lincoln Center for Agricultural Profitability, January 21, 2026. LMIC hypothetical Colorado feeding-cost model and three-market price series; 35 of 60 monthly margins negative in 2020–2024. Margin measures value of gain less feed expense, before other operating costs. <https://cap.unl.edu/news/lamb-feeding-profitable/>

[29] (Exhibits L-1, L-2) American Lamb Board, “Quarterly Circana Lamb Report,” June 18, 2026 (latest-52-week domestic results at participating ALB retailers); “Strong Lamb Prices Continue Despite Drought and Economic Pressures,” July 31, 2026 (prices and supply constraints). Retail and livestock measures have different coverage and periods. <https://lambboard.com/weekly-news/quarterly-circana-lamb-report> ; <https://lambboard.com/weekly-news/strong-lamb-prices-continue-despite-drought-and-economic-pressures>

[30] (Exhibit U) Rick R. Stott, Superior Farms, April 18, 2016 comment to USDA, docket AMS-LPS-15-0070, pp. 1–2. Packer account of import competition and delivery scheduling, submitted in opposition to proposed livestock-reporting requirements. [https://downloads.regulations.gov/AMS-LPS-15-0070-0011/attachment\\_1.pdf](https://downloads.regulations.gov/AMS-LPS-15-0070-0011/attachment_1.pdf)

[31] (Exhibit H) RTI International, GIPSA Livestock and Meat Marketing Study, Volume 5: Lamb and Lamb Meat Industries (January 2007), p. iv; pp. 6-30–6-32, 6-36, 6-40. Authors’ historical substitution estimates use annual 1970–2003 data, imputed prices, and a wholesale import-price proxy combining lamb, mutton, and goat meat. Cited to corroborate competition in that historical market. [https://webdoc.agsci.colostate.edu/koontz/lmms/LMMS\\_Vol\\_5.pdf](https://webdoc.agsci.colostate.edu/koontz/lmms/LMMS_Vol_5.pdf)

[32] USDA ERS, Livestock, Dairy, and Poultry Outlook, LDP-M-387 (September 17, 2026), p. 1 (Census corrections to HS 0204410000 Australian imports for January 2024–June 2026), p. 23 (annual lamb-and-mutton production and import forecasts, million pounds). September forecasts supersede the August outlook. <https://www.ers.usda.gov/media/29662/ldp-m-387.pdf>

[33] USDA AMS, Packers and Stockyards Division 2021 & 2022 Annual Report, Table 4, p. 12 (sheep-and-lamb reporting plants, 2012–2021); USDA GIPSA, 2016 Annual Report, p. 10 (reporting coverage and the role of livestock prices in crossing the \$500,000 annual-purchase threshold). Reporting applies to qualifying packers’ purchases across livestock species; counts describe reporting plants. [https://www.ams.usda.gov/sites/default/files/media/](https://www.ams.usda.gov/sites/default/files/media/PackersandStockyards2021_2022ReporttoCongress.pdf)

[PackersandStockyards2021\\_2022ReporttoCongress.pdf](https://www.ams.usda.gov/sites/default/files/media/PackersandStockyards2021_2022ReporttoCongress.pdf) ;

[https://www.ams.usda.gov/sites/default/files/media/2016\\_psp\\_annual\\_report.pdf](https://www.ams.usda.gov/sites/default/files/media/2016_psp_annual_report.pdf)

[34] USDA NASS, Livestock Slaughter 1999 Summary, p. 86 (plant-size distribution); Livestock Slaughter 2020 Summary, p. 59 (2019 state and U.S. slaughter); Livestock Slaughter 2025 Summary, pp. 57, 59–60 (2025 and 2024 state slaughter; 2025 plant-size distribution). Counts and head slaughtered cover sheep and lambs together under federal inspection; state totals identify plant location. Size classes measure actual annual slaughter. Percentage changes calculated by R-CALF USA. [https://esmis.nal.usda.gov/usda-](https://esmis.nal.usda.gov/usda-esmis/files/r207tp32d/jh343w124/bk128d48x/LiveSlauSu-03-03-2000.pdf)

[esmis/files/r207tp32d/jh343w124/bk128d48x/LiveSlauSu-03-03-2000.pdf](https://esmis.nal.usda.gov/usda-esmis/files/r207tp32d/jh343w124/bk128d48x/LiveSlauSu-03-03-2000.pdf) ;

[https://www.nass.usda.gov/Publications/Todays\\_Reports/reports/lsan0421.pdf](https://www.nass.usda.gov/Publications/Todays_Reports/reports/lsan0421.pdf) ;

[https://www.nass.usda.gov/Publications/Todays\\_Reports/reports/lsan0426.pdf](https://www.nass.usda.gov/Publications/Todays_Reports/reports/lsan0426.pdf)

[35] USDA AMS, Packers and Stockyards Division 2020 Annual Report, p. 18, lamb-market developments: Greeley plant bankruptcy sale and planned conversion; Brush slaughter-plant opening.

<https://www.ams.usda.gov/sites/default/files/media/PackersandStockyardsAnnualReport2020.pdf>

[36] (Exhibit K) Tim Petry, NDSU Extension, “Meat Demand and Competing Livestock and Meat Prices,” Agriculture By the Numbers (November 2025), pp. 6–7. Northern Plains prices discussed alongside domestic supply, imports, stocks, and demand.

[https://www.ndsu.edu/agriculture/sites/default/files/2025-](https://www.ndsu.edu/agriculture/sites/default/files/2025-11/Agriculture%20By%20the%20Numbers%20Nov.%202025.pdf)

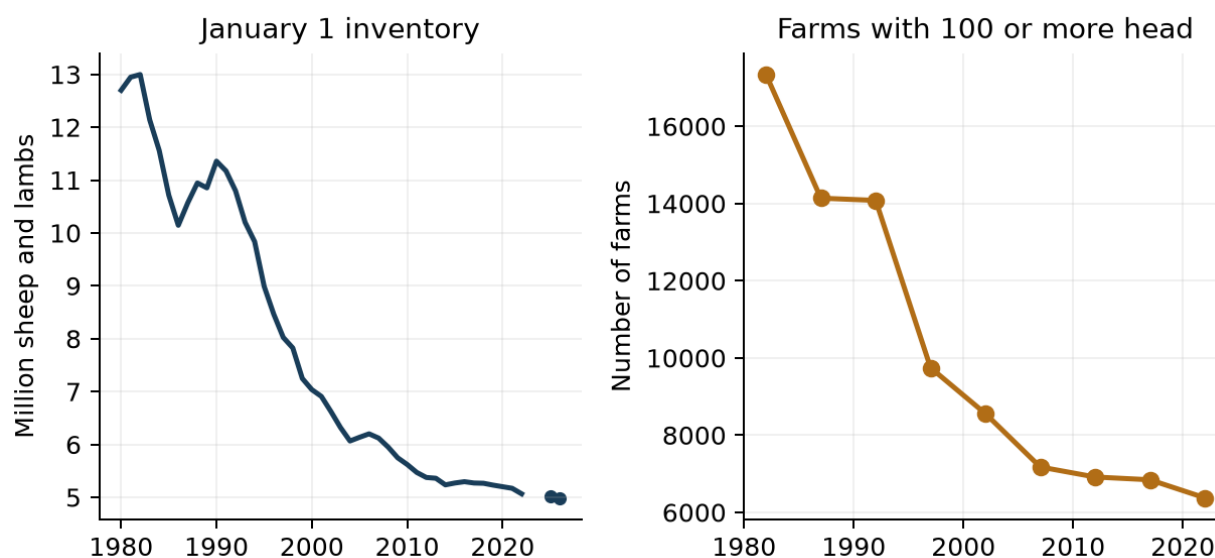
[11/Agriculture%20By%20the%20Numbers%20Nov.%202025.pdf](https://www.ndsu.edu/agriculture/sites/default/files/2025-11/Agriculture%20By%20the%20Numbers%20Nov.%202025.pdf)

[37] (Exhibit S) MLA, “Australian red meat exports set records across the board in 2024,” January 10, 2025. Cited for record Australian lamb exports and the United States’ position as leading destination in 2024. <https://www.mla.com.au/news-and-events/industry-news/australian-red-meat-exports-set-records-across-the-board-in-2024/>

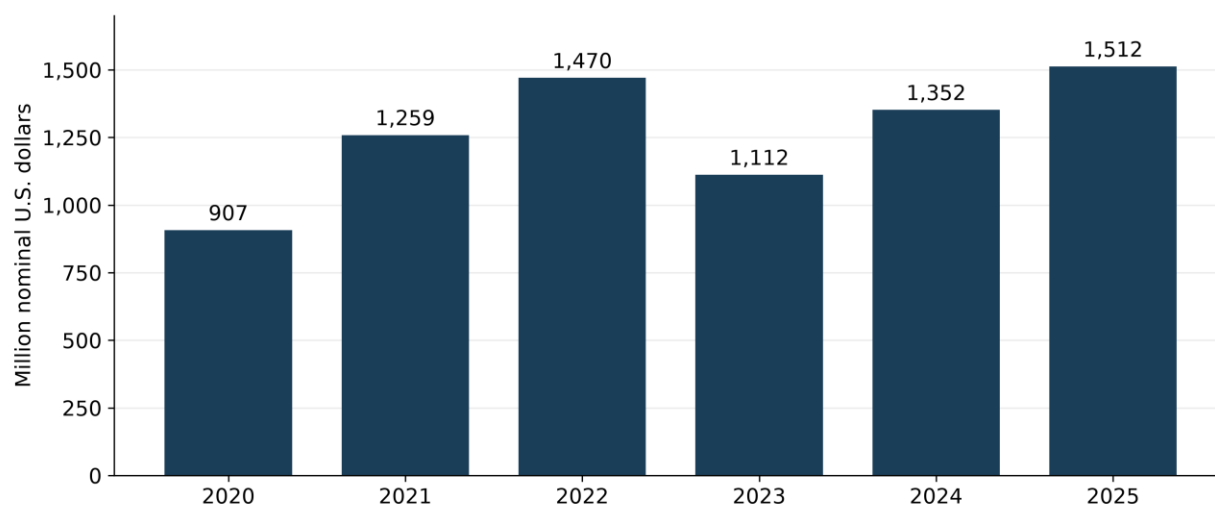
[38] (Exhibit T) MLA, “Tighter supply expected as national sheep flock set to decline in 2026: MLA Sheep Industry Projections 2026,” March 27, 2026. Forecast of tighter Australian supply and lower lamb production. <https://www.mla.com.au/news-and-events/industry-news/tighter-supply-expected-as-national-sheep-flock-set-to-decline-in-2026-mla-sheep-industry-projections-2026/>

[39] (Attachment A) American Sheep Industry Association and Protect American Lamb Project, August 2026 grower and feeder survey, “Lamb Grower+Feeder Survey Aggregates - FINAL VERSION.xlsx,” Methodology, All Aggregates, Growers, and All Feeders worksheets (revised compilation received October 6, 2026). Of 134 responses received, 124 firms provided usable data: 100 growers and 24 feeders/feeder-growers; 122 provided usable inventory and production data and 79 provided usable financial data. Seventeen feeders also had growing operations; their combined data are included in the feeder aggregation. Percentages and changes are calculated from reported aggregates using the valid response count for each question or factor. Annual marketings cover 2021–2025; breeding-ewe inventories are January 1 observations. The compiler deemed January–June 2026 aggregate financial results unusable because many firms had not fully captured revenues and costs for that period. The final spreadsheet is provided as Attachment A. These participating-operation aggregates are not a national census or a statistically representative national sample. The import-severity percentage uses the 117 classified ratings; the reported respondent total of 119 remains subject to compiler clarification.

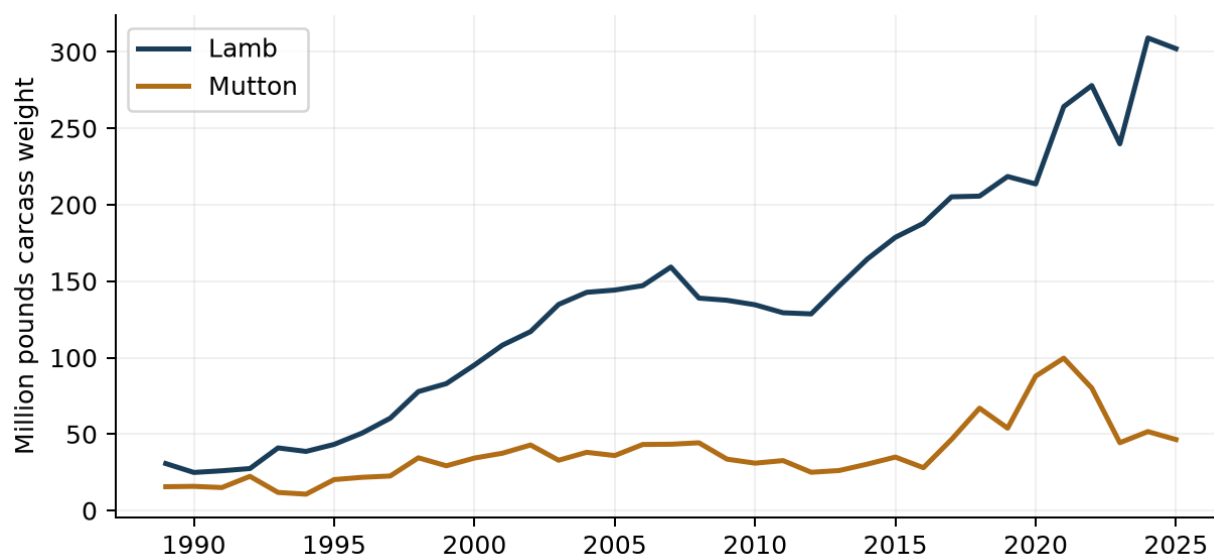
[40] USITC, Lamb Meat, Inv. No. TA-201-80, public staff prehearing report, October 1, 2026, retained as “896447-2629844 USITC Prehearing Report.pdf,” Parts 2–5 and Appendices E and F. Pinpoints refer to the report’s printed page numbers. Questionnaire quantities, official product-weight trade data, and ERS carcass-weight-equivalent data are distinguished in the text.

**Chart 1 Sheep inventory and farms with 100 or more head**

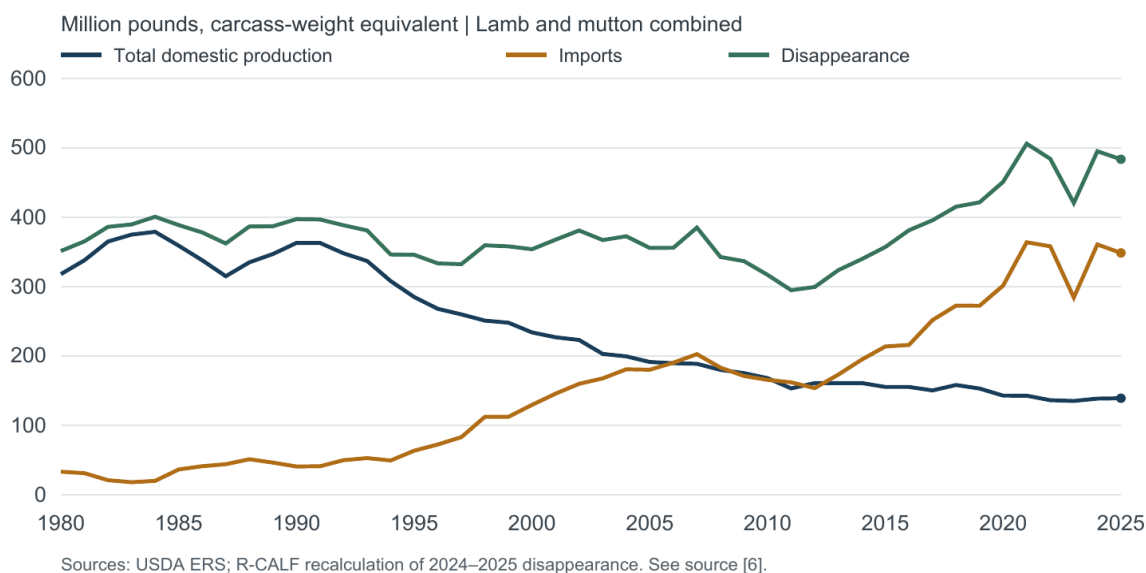
Historical inventory and census counts from the petition workbook; current inventory endpoints from NASS January 2026. The inventory line ends in 2022; separate points identify 2025 and 2026 observations. Farm counts end at the latest census, 2022. NASS inventory observations refer to January 1; Census farm counts refer to December 31. [7, 13]

**Chart 2 Value of combined lamb and mutton imports**

Combined lamb and mutton imports, 2020–2025, in nominal dollars, all countries. Imports for consumption; GATS sheep-meat categories exclude live animals and offal. Downloaded October 5, 2026. [8]

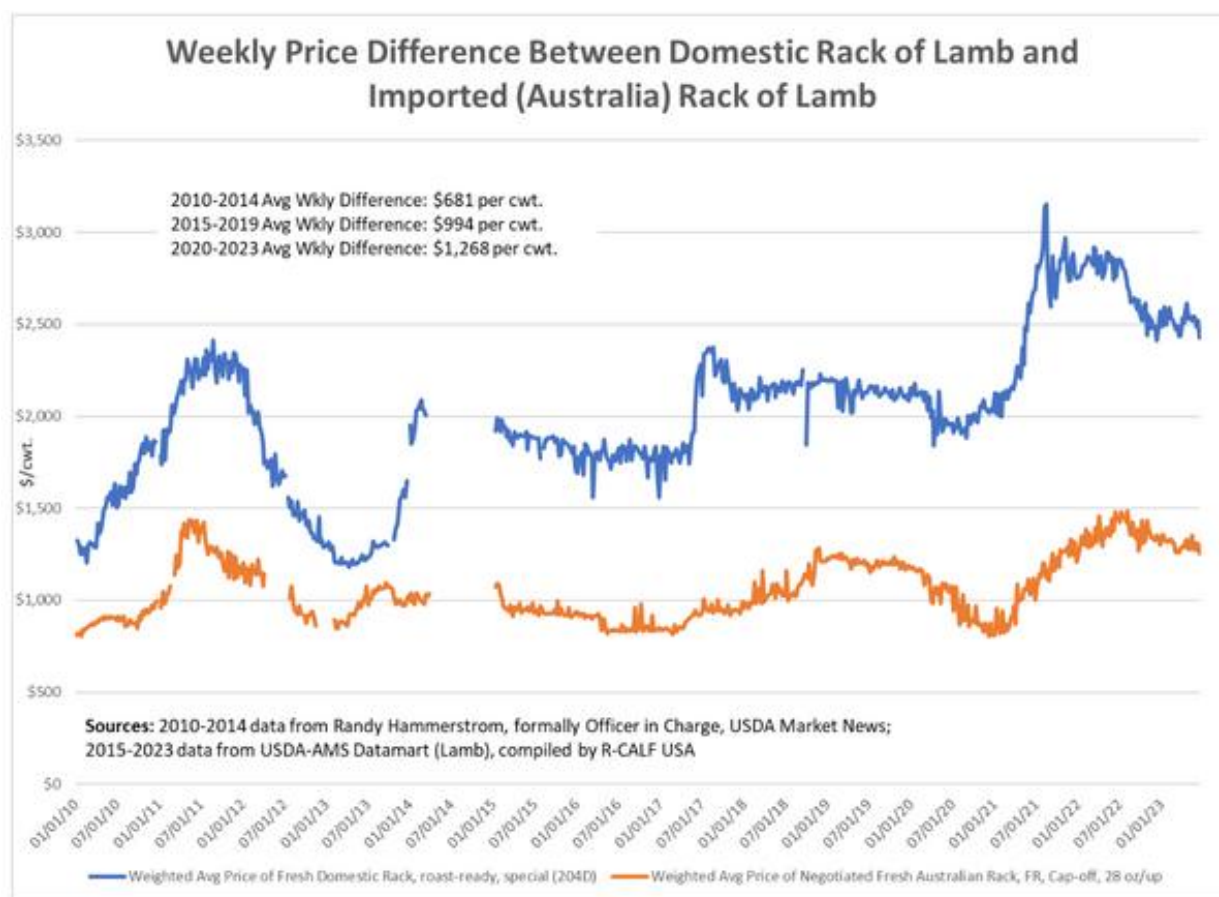
**Chart 3 Lamb and mutton import volumes reported separately**

Separate lamb and mutton import series, 1989–2025, in ERS carcass-weight equivalents. Both series use the September 2026 trade-file definitions and observations. [5]

**Chart 4 Lamb and mutton: total production, imports and disappearance**

Combined lamb and mutton, 1980–2025, million pounds carcass-weight equivalent. Total production includes commercial and farm production:  $134.6 + 4.5 = 139.1$  million pounds in 2025. Disappearance measures apparent consumption. R-CALF recalculated 2024–2025 disappearance using the full balance with revised imports and exports; production and stocks retain the August ERS vintage. See source [6] for the calculation and source dates.



**Chart 5 Historical domestic and imported rack prices**

Historical petition exhibit, 2010–2023, showing the petition’s domestic and Australian wholesale rack-price comparison and calculated differences for that period. [2, p. 9] This reproduced exhibit is a historical comparison and does not report current-period underselling.

**Chart 6 Historical international lamb price comparison****Global lamb prices**

Source: Source: MLA, USDA, AHDB, Agri HQ

Prices are OTH figures, averaged monthly and most recently available as of 27 April

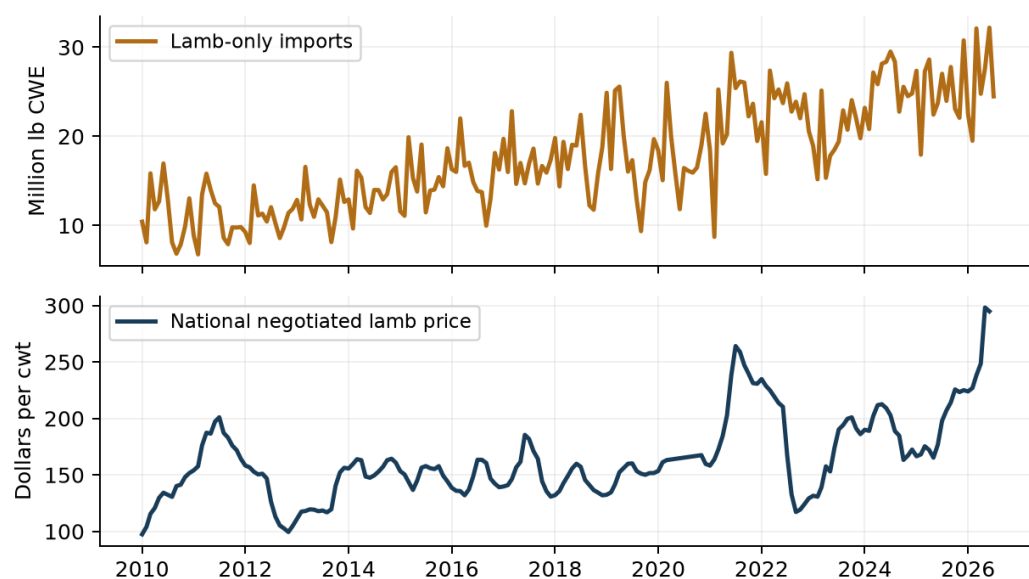
Historical Meat & Livestock Australia comparison, 2010–2020, dated April 2020 and reproduced in the petition. Australian cents per kilogram carcass weight. [2, p. 10] This reproduced exhibit is a historical comparison, not a current international price series.

**Chart 7 Historical Australian dollar exchange rates through August 2026**

Historical exchange rates through August 2026. Monthly arithmetic means of available Federal Reserve daily DEXUSAL observations, in U.S. dollars per Australian dollar. Lower values indicate a weaker Australian dollar in this quotation. [16]

**Chart 8 Domestic negotiated slaughter lamb prices**

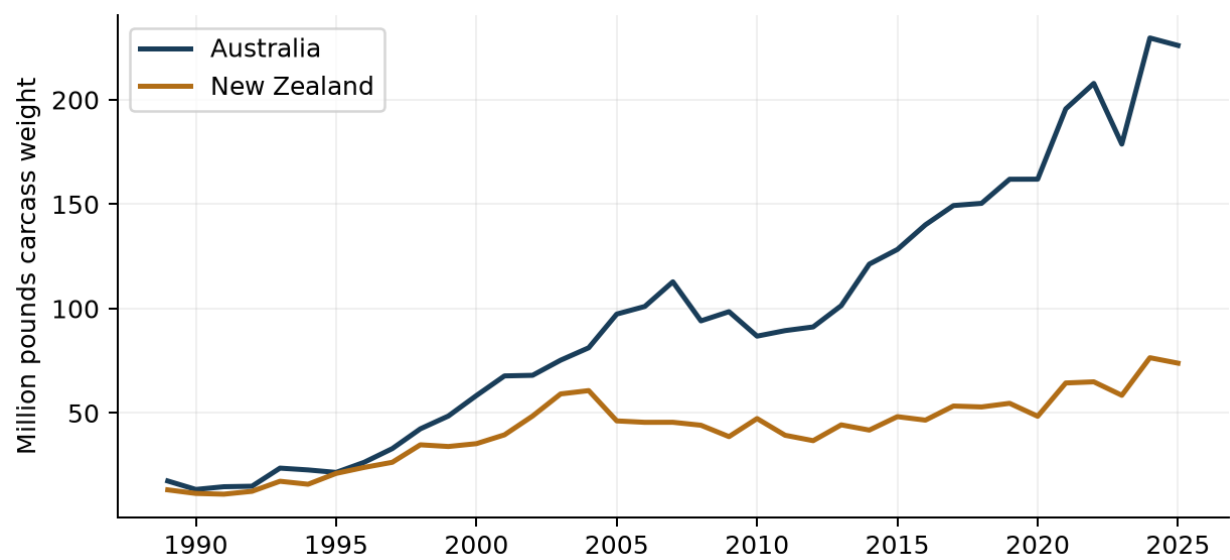
ERS national series, January 2010–June 2026. Choice and Prime domestic slaughter lambs, live negotiated purchases, nominal dollars per hundredweight. These observations describe producer-market price conditions. [15]

**Chart 9 Monthly lamb imports and domestic lamb prices**

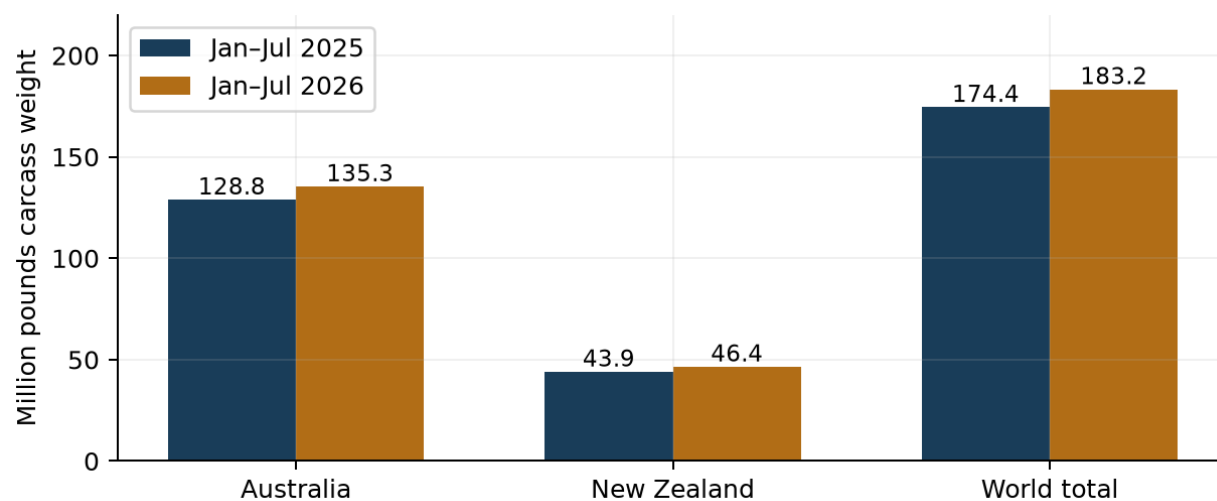
Lamb-only imports and national domestic live slaughter-lamb prices in separate aligned panels.

Imports extend through July 2026; prices through June 2026. The panels show the timing of import supplies and producer-market prices. [5, 15]

Chart 10 Lamb imports from Australia and New Zealand



Annual lamb-only imports from Australia and New Zealand, 1989–2025, in carcass-weight equivalents. [5]

**Chart 11 Current year lamb imports for comparable months**

January–July 2025 compared with January–July 2026, lamb only. World total includes all origins. Both periods cover the same seven months. [5]

**Factual-information certification**

I certify that the factual information submitted in this prehearing brief, Attachment A, and Exhibits B–U is accurate and complete to the best of my knowledge.

William Bullard, Chief Executive Officer

R-CALF USA

Signature:

A handwritten signature in black ink, appearing to read "Bill Bullard", written over a horizontal line.

Date:           October 8, 2026



UNITED STATES INTERNATIONAL TRADE COMMISSION  
Lamb Meat | Investigation No. TA-201-80

CERTIFICATE OF SERVICE

I hereby certify that on October 8, 2026, a true and correct copy of the Public Version of R-CALF USA's foregoing Prehearing Brief, including Attachment A and Exhibits B–U, was served by electronic mail on the following, constituting all other parties on the Secretary's public service list generated October 8, 2026, pursuant to 19 C.F.R. § 201.16(f):

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## **ATTACHMENT A — FINAL LAMB GROWER AND FEEDER SURVEY**

R-CALF USA | Lamb Meat, Inv. No. TA-201-80 | October 8, 2026

Source [39] of the prehearing brief. Revised compilation received October 6, 2026.

Readable PDF transcription of all four worksheets of “Lamb Grower+Feeder Survey Aggregates - FINAL VERSION.xlsx.” Question wording, respondent counts, and methodology are retained. Empty spreadsheet rows are omitted and tables are reflowed for legibility. Original row ranges appear above each table. Blank data cells remain blank. Noninteger numbers with General formatting are displayed to two decimal places; the original workbook retains full precision. No responses or discrepancies have been corrected.

The original workbook accompanies this PDF. As discussed in the brief, the import-severity classifications total 117 while the compiler reports 119 respondents; both original figures are retained.

## Methodology

### Description of Methodology

- The data collected in this report are based on surveys that were sent to U.S. growers and feeders of lamb meat in August 2026 by two trade associations - the American Sheep Industry Association and the Protect American Lamb Project. 134 survey responses were received, and the data collected are based on the survey responses of 100 growers and 24 feeders and feeder/growers that submitted usable data. Of the 124 firms, 122 submitted usable inventory and production data and 79 submitted usable financial data.
- The feeder data collected in this report are based on 24 survey responses of the feeders and feeder/growers. Feeder/growers are feeders that also have growing operations. 17 feeders reported also having growing operations. Each of the feeders that reported both feeding and growing operations submitted one survey that combined the production/financial data for the growing and feeding operations. Those data are included in the feeder aggregations.
- The aggregate financial data for January-June 2026 for all firms were determined to be unusable as most firms had not fully captured their revenues and costs for that period due to growing seasons not conforming to the half-calendar year period, resulting in distortive financial results.
- The 100 responding growers accounted for 8.1 percent of U.S. production in 2025 (i.e., 182,306 head reported by the responding growers compared to the total U.S. commercial production of 2.26 million head as reported by USDA).
- The 24 responding feeders and feeder/growers accounted for 10.0 percent of U.S. production in 2025 (i.e., 226,736 head reported by the responding feeders compared to the total U.S. commercial production of 2.26 million head as reported by USDA).
- While 124 surveys were determined to be usable, not all responding firms answered all questions. The total responding column in each question reflects the total number of firms that responded to each specific question.

## All Aggregates

### U.S. Lamb Growers / Feeders Questionnaire Aggregates

#### Contact and Operation Profile -- Type of operation (enter X for all that apply):

Original worksheet rows 6–7

| Producer | Producer / grower (ewe and lamb operation) | Feeder (feedlot operation) | Total Responding |
|----------|--------------------------------------------|----------------------------|------------------|
| Total    | 117                                        | 24                         | 124*             |

\* Seventeen feeders reported also having growing operations. Each of the feeders that reported both feeding and growing operations submitted one survey that combined the production/financial data for the growing and feeding operations.

#### Contact and Operational Profile -- Approximate share of total operation revenue from sheep and lambs (enter one: <25%, 25–50%, 50–75%, >75%)

Original worksheet rows 13–15

| Producer | <25% | 25-50% | 50-75% | >75% | Total Responding |
|----------|------|--------|--------|------|------------------|
| Total    | 13   | 30     | 19     | 52   | 114              |

#### Contact and Operational Profile -- Does your operation raise lambs under an exclusive/dedicated supply arrangement with a packer or breaker? (Yes/No; if Yes, name the firm)

Original worksheet rows 22–24

| Producer | No  | Yes | Total Responding |
|----------|-----|-----|------------------|
| Total    | 115 | 7   | 122              |

Contact and Operational Profile -- Does your operation sell LAMB MEAT from its own lambs — through its own slaughter facility, or through custom/contract processing where you keep ownership of the lambs and the meat? (Yes/No; if Yes, approximate head per year)

Original worksheet rows 31–33

| Producer | No  | Yes | Total Responding |
|----------|-----|-----|------------------|
| Total    | 103 | 18  | 121              |

**INVENTORY AND PRODUCTION (number of head; for “2026 to date”, report breeding ewes on hand January 1, 2026, and other items for the year so far)**

Original worksheet rows 40–45

| Producer | Item                                                        | 2,021     | 2,022     | 2,023     | 2,024     | 2,025     | 2,026     | Total Responding |
|----------|-------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| Total    | Breeding ewes (January 1 inventory)                         | 224,744   | 223,766   | 227,839   | 234,781   | 240,026   | 227,776   | 122              |
|          | Lambs marketed (sold)                                       | 586,134   | 555,509   | 524,187   | 455,551   | 409,042   | 225,895   |                  |
|          | Lambs retained for breeding                                 | 39,115.22 | 39,617.22 | 38,806.22 | 41,373.22 | 41,471.22 | 25,548.20 |                  |
|          | Ewes culled or sold (total)                                 | 24,602.08 | 21,627.08 | 19,608.08 | 20,477.08 | 23,110.08 | 13,175.08 |                  |
|          | of which: culled beyond normal replacement (herd reduction) | 1,479     | 1,562     | 2,299     | 1,109     | 4,010     | 3,256     |                  |

**INVENTORY AND PRODUCTION -- Have you exited, partially exited, or seriously considered exiting sheep production since 2021? (No / Considered / Partially exited / Exited — briefly explain, with year)**

Original worksheet rows 50–52

| Producer | No | Considered | Partially Exited | Exited | Total Responding |
|----------|----|------------|------------------|--------|------------------|
| Total    | 54 | 35         | 18               | 7      | 114              |

MARKETING AND PRICES -- Since January 1, 2021, has any buyer (feeder, packer, or sale barn) reduced a bid, price, or purchase volume and referenced imported lamb meat or import prices in doing so? (Yes/No — if Yes, give approximate date(s), buyer type, and what was said; do not name the buyer)

Original worksheet rows 59–61

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 58 | 53  | 111              |

MARKETING AND PRICES -- In your experience, when the price of imported lamb meat falls, how quickly is the price you receive for live lambs affected? (Within weeks / Within a season / Within a year / Little or no effect / Don't know)

Original worksheet rows 68–70

| Producer | Within Weeks | Within a Season | Within a Year | Little to no Effect | I Don't Know | Total Responding |
|----------|--------------|-----------------|---------------|---------------------|--------------|------------------|
| Total    | 52           | 26              | 8             | 1                   | 27           | 114              |

**FINANCIAL DATA (sheep/lamb enterprise only; actual dollars; consistent with Schedule F or farm records; reasonable allocations acceptable)**

Original worksheet rows 77–86

| Producer | Item                                                                                                                             | 2,021          | 2,022          | 2,023         | 2,024         | 2,025         | Total Responding |
|----------|----------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|---------------|---------------|------------------|
| Total    | U.S. sales quantity — lambs sold (head)                                                                                          | 371,869        | 319,857        | 286,914       | 266,472       | 264,293       | 79               |
|          | U.S. sales value — market lamb sales (\$)                                                                                        | 101,003,049.96 | 82,603,566.20  | 66,589,426.28 | 71,200,632.60 | 73,261,481.07 |                  |
|          | U.S. sales value — cull ewe and mature sheep sales (\$)                                                                          | 2,600,192      | 1,812,036.86   | 1,786,940.59  | 1,621,279.06  | 1,890,110.87  |                  |
|          | Total sales value — lambs and sheep (\$) [calculated]                                                                            | 103,603,241.96 | 84,415,603.06  | 68,376,366.87 | 72,821,911.66 | 75,151,591.94 |                  |
|          | Average value per lamb sold (\$) [calculated]                                                                                    | 271.61         | 258.25         | 232.09        | 267.20        | 277.20        |                  |
|          | Revenue — wool and pelts (\$)                                                                                                    | 2,256,381.97   | 2,498,232.73   | 2,325,211.20  | 2,149,078.08  | 2,419,114.16  |                  |
|          | Government program payments for sheep (LDP, ELAP, etc.) (\$)                                                                     | 5,480,876.36   | 6,461,618.89   | 3,523,750.26  | 2,838,222.97  | 4,019,599.41  |                  |
|          | Total lamb operation expenses (\$) (feed, vet, shearing, hired labor, pasture/lease, hauling, predator control, interest, other) | 97,261,261.43  | 111,941,202.88 | 74,774,582.17 | 82,473,474.17 | 80,452,073.92 |                  |
|          | Net income or (loss) before income taxes (\$) [calculated]                                                                       | 14,079,238.86  | -18,565,748.20 | -549,253.84   | -4,664,261.46 | 1,138,231.59  |                  |

**FINANCIAL DATA -- Since 2021, have you been denied, or offered reduced, operating credit where the lender cited lamb market conditions? (Yes/No — briefly describe)**

Original worksheet rows 91–93

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 87 | 15  | 102              |

**FINANCIAL DATA -- Since 2021, have you postponed or cancelled investment in the sheep enterprise (genetics, fencing, water, facilities)? (Yes/No — approximate value \$)**

Original worksheet rows 100–102

| Producer |  | No | Yes | Approximate Value | Total Responding |
|----------|--|----|-----|-------------------|------------------|
| Total    |  | 35 | 67  | 9,769,659         | 102              |

**EMPLOYMENT (sheep/lamb enterprise)**

Original worksheet rows 109–110

| Producer | Item                                                      | 2,021  | 2,022  | 2,023  | 2,024  | 2,025  | Total Responding |
|----------|-----------------------------------------------------------|--------|--------|--------|--------|--------|------------------|
| Total    | Hired workers (full-time equivalents), including yourself | 618.55 | 616.55 | 619.05 | 605.30 | 619.30 | 115              |

**EFFECTS OF IMPORTS -- Since January 1, 2021, has your firm experienced any actual negative effects on its operations as a result of imports of lamb meat? (Yes/No)**

Original worksheet rows 115–117

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 9  | 106 | 115              |

**EFFECTS OF IMPORTS -- If Yes — enter X for as many as appropriate, and describe in the space at right:**

Original worksheet rows 124–134

| Producer | Item                                                            | Count | Total Responding |
|----------|-----------------------------------------------------------------|-------|------------------|
| Total    | Lower prices received for lambs sold                            | 106   | 107              |
|          | Reduction in sales due to packer closures / purchase reductions | 61    |                  |
|          | Reduction in the size of the breeding flock                     | 49    |                  |
|          | Inability to generate adequate capital to finance operations    | 53    |                  |
|          | Cancellation, postponement, or rejection of expansion projects  | 66    |                  |
|          | Reduction in the size of capital investments                    | 58    |                  |
|          | Return on investment negatively impacted                        | 69    |                  |
|          | Rejection of bank loans / lowering of credit rating             | 17    |                  |
|          | Exit or partial exit from sheep production                      | 27    |                  |
|          | Other (describe)                                                | 10    |                  |

Of the 27 that Selected "Exit or partial exit from sheep production" above, Contact and Operational Profile -- Approximate share of total operation revenue from sheep and lambs (enter one: <25%, 25–50%, 50–75%, >75%)

Original worksheet rows 139–140

| Producer | <25% | 25-50% | 50-75% | >75% | Total Responding |
|----------|------|--------|--------|------|------------------|
| Total    | 1    | 6      | 5      | 11   | 23               |



**ALL FACTORS (answer candidly) -- Rate the impact of each factor on your operation's profitability since 2021 — enter one of: None / Minor / Moderate / Severe**

Original worksheet rows 145–151

| Producer | Item                         | None | Minor | Moderate | Severe | Total Responding |
|----------|------------------------------|------|-------|----------|--------|------------------|
| Total    | Imported lamb meat           | 2    | 8     | 18       | 89     | 119              |
|          | Drought or forage conditions | 5    | 32    | 41       | 35     |                  |
|          | Predation                    | 13   | 43    | 33       | 23     |                  |
|          | Feed costs                   | 1    | 33    | 54       | 26     |                  |
|          | Labor availability           | 13   | 44    | 23       | 23     |                  |
|          | Other (name it)              | 1    | 1     | 4        | 21     |                  |

**LOOKING FORWARD -- If import competition were addressed by a quota or tariff for four years, what would your operation realistically do? Enter X for all that apply:**

Original worksheet rows 156–162

| Producer | Item                                  | Count | Total Responding |
|----------|---------------------------------------|-------|------------------|
| Total    | Retain more ewe lambs / rebuild flock | 102   | 121              |
|          | Invest in facilities or genetics      | 99    |                  |
|          | Hire additional labor                 | 60    |                  |
|          | No change                             | 7     |                  |
|          | Still likely to exit                  | 8     |                  |
|          | Other (briefly explain)               | 19    |                  |

## Growers

### U.S. Lamb Growers Questionnaire Aggregates

#### Contact and Operation Profile -- Type of operation (enter X for all that apply):

Original worksheet rows 6–7

| Producer | Producer / grower (ewe and lamb operation) | Feeder (feedlot operation) | Total Responding |
|----------|--------------------------------------------|----------------------------|------------------|
| Total    | 100                                        | 0                          | 100              |

#### Contact and Operational Profile -- Approximate share of total operation revenue from sheep and lambs (enter one: <25%, 25–50%, 50–75%, >75%)

Original worksheet rows 12–14

| Producer | <25% | 25-50% | 50-75% | >75% | Total Responding |
|----------|------|--------|--------|------|------------------|
| Total    | 13   | 23     | 14     | 42   | 92               |

#### Contact and Operational Profile -- Does your operation raise lambs under an exclusive/dedicated supply arrangement with a packer or breaker? (Yes/No; if Yes, name the firm)

Original worksheet rows 21–23

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 96 | 2   | 98               |

#### Contact and Operational Profile -- Does your operation sell LAMB MEAT from its own lambs — through its own slaughter facility, or through custom/contract processing where you keep ownership of the lambs and the meat? (Yes/No; if Yes, approximate head per year)

Original worksheet rows 30–32

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 86 | 11  | 97               |

**INVENTORY AND PRODUCTION (number of head; for “2026 to date”, report breeding ewes on hand January 1, 2026, and other items for the year so far)**

Original worksheet rows 39–44

| Producer | Item                                                        | 2,021     | 2,022     | 2,023     | 2,024     | 2,025     | 2,026     | Total Responding |
|----------|-------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| Total    | Breeding ewes (January 1 inventory)                         | 187,055   | 188,142   | 192,281   | 202,526   | 206,010   | 191,512   | 98               |
|          | Lambs marketed (sold)                                       | 170,944   | 173,567   | 169,859   | 178,031   | 182,306   | 97,957    |                  |
|          | Lambs retained for breeding                                 | 32,358.22 | 33,200.22 | 33,058.22 | 35,736.22 | 36,098.22 | 21,422.20 |                  |
|          | Ewes culled or sold (total)                                 | 19,375.08 | 17,825.08 | 15,109.08 | 16,562.08 | 19,031.08 | 10,519.08 |                  |
|          | of which: culled beyond normal replacement (herd reduction) | 1,474     | 1,558     | 791       | 801       | 3,815     | 3,252     |                  |

**INVENTORY AND PRODUCTION -- Have you exited, partially exited, or seriously considered exiting sheep production since 2021? (No / Considered / Partially exited / Exited — briefly explain, with year)**

Original worksheet rows 49–51

| Producer | No | Considered | Partially Exited | Exited | Total Responding |
|----------|----|------------|------------------|--------|------------------|
| Total    | 44 | 31         | 14               | 3      | 92               |

MARKETING AND PRICES -- Since January 1, 2021, has any buyer (feeder, packer, or sale barn) reduced a bid, price, or purchase volume and referenced imported lamb meat or import prices in doing so? (Yes/No — if Yes, give approximate date(s), buyer type, and what was said; do not name the buyer)

Original worksheet rows 58–60

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 50 | 38  | 88               |

MARKETING AND PRICES -- In your experience, when the price of imported lamb meat falls, how quickly is the price you receive for live lambs affected? (Within weeks / Within a season / Within a year / Little or no effect / Don't know)

Original worksheet rows 67–69

| Producer | Within Weeks | Within a Season | Within a Year | Little to no Effect | I Don't Know | Total Responding |
|----------|--------------|-----------------|---------------|---------------------|--------------|------------------|
| Total    | 37           | 23              | 8             | 1                   | 25           | 94               |

**FINANCIAL DATA (sheep/lamb enterprise only; actual dollars; consistent with Schedule F or farm records; reasonable allocations acceptable)**

Original worksheet rows 76–85

| Producer | Item                                                                                                                             | 2,021         | 2,022         | 2,023         | 2,024         | 2,025         | Total Responding |
|----------|----------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|------------------|
| Total    | U.S. sales quantity — lambs sold (head)                                                                                          | 124,628       | 121,038       | 123,329       | 125,344       | 127,143       | 64               |
|          | U.S. sales value — market lamb sales (\$)                                                                                        | 30,624,826.06 | 23,799,190.17 | 27,893,093.90 | 28,224,496.81 | 29,179,591.85 |                  |
|          | U.S. sales value — cull ewe and mature sheep sales (\$)                                                                          | 2,216,741     | 1,518,685.86  | 1,460,416.59  | 1,434,715.06  | 1,632,307.87  |                  |
|          | Total sales value — lambs and sheep (\$) [calculated]                                                                            | 32,841,567.06 | 25,317,876.03 | 29,353,510.49 | 29,659,211.87 | 30,811,899.72 |                  |
|          | Average value per lamb sold (\$) [calculated]                                                                                    | 245.73        | 196.63        | 226.17        | 225.18        | 229.50        |                  |
|          | Revenue — wool and pelts (\$)                                                                                                    | 1,799,147.97  | 2,005,288.67  | 1,827,662.36  | 1,783,529.77  | 1,816,178.14  |                  |
|          | Government program payments for sheep (LDP, ELAP, etc.) (\$)                                                                     | 4,925,415.60  | 5,669,961.82  | 3,157,795.26  | 2,667,119.91  | 3,698,595.04  |                  |
|          | Total lamb operation expenses (\$) (feed, vet, shearing, hired labor, pasture/lease, hauling, predator control, interest, other) | 34,136,496.43 | 34,161,339.38 | 33,120,954.17 | 36,063,099.67 | 40,636,480.92 |                  |
|          | Net income or (loss) before income taxes (\$) [calculated]                                                                       | 5,429,634.20  | -1,168,212.86 | 1,218,013.94  | -1,953,238.12 | -4,309,808.02 |                  |

**FINANCIAL DATA -- Since 2021, have you been denied, or offered reduced, operating credit where the lender cited lamb market conditions? (Yes/No — briefly describe)**

Original worksheet rows 90–92

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 72 | 10  | 82               |

**FINANCIAL DATA -- Since 2021, have you postponed or cancelled investment in the sheep enterprise (genetics, fencing, water, facilities)? (Yes/No — approximate value \$)**

Original worksheet rows 99–101

| Producer |  | No | Yes | Approximate Value | Total Responding |
|----------|--|----|-----|-------------------|------------------|
| Total    |  | 28 | 55  | 7,636,000         | 83               |

**EMPLOYMENT (sheep/lamb enterprise)**

Original worksheet rows 108–109

| Producer | Item                                                      | 2,021  | 2,022  | 2,023  | 2,024  | 2,025  | Total Responding |
|----------|-----------------------------------------------------------|--------|--------|--------|--------|--------|------------------|
| Total    | Hired workers (full-time equivalents), including yourself | 481.55 | 488.55 | 499.05 | 491.30 | 505.30 | 93               |

**EFFECTS OF IMPORTS -- Since January 1, 2021, has your firm experienced any actual negative effects on its operations as a result of imports of lamb meat? (Yes/No)**

Original worksheet rows 114–116

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 7  | 85  | 92               |

**EFFECTS OF IMPORTS -- If Yes — enter X for as many as appropriate, and describe in the space at right:**

Original worksheet rows 123–133

| Producer | Item                                                            | Count | Total Responding |
|----------|-----------------------------------------------------------------|-------|------------------|
| Total    | Lower prices received for lambs sold                            | 88    | 88               |
|          | Reduction in sales due to packer closures / purchase reductions | 46    |                  |
|          | Reduction in the size of the breeding flock                     | 39    |                  |
|          | Inability to generate adequate capital to finance operations    | 46    |                  |
|          | Cancellation, postponement, or rejection of expansion projects  | 58    |                  |
|          | Reduction in the size of capital investments                    | 46    |                  |
|          | Return on investment negatively impacted                        | 58    |                  |
|          | Rejection of bank loans / lowering of credit rating             | 14    |                  |
|          | Exit or partial exit from sheep production                      | 18    |                  |
|          | Other (describe)                                                | 6     |                  |

Of the 18 that Selected "Exit or partial exit from sheep production" above, Contact and Operational Profile -- Approximate share of total operation revenue from sheep and lambs (enter one: <25%, 25–50%, 50–75%, >75%)

Original worksheet rows 138–139

| Producer | <25% | 25-50% | 50-75% | >75% | Total Responding |
|----------|------|--------|--------|------|------------------|
| Total    | 1    | 4      | 2      | 8    | 15               |

**ALL FACTORS (answer candidly) -- Rate the impact of each factor on your operation's profitability since 2021 — enter one of: None / Minor / Moderate / Severe**

Original worksheet rows 144–150

| Producer | Item                         | None | Minor | Moderate | Severe | Total Responding |
|----------|------------------------------|------|-------|----------|--------|------------------|
| Total    | Imported lamb meat           | 2    | 7     | 15       | 71     | 97               |
|          | Drought or forage conditions | 3    | 29    | 31       | 30     |                  |
|          | Predation                    | 10   | 34    | 27       | 22     |                  |
|          | Feed costs                   | 0    | 27    | 46       | 19     |                  |
|          | Labor availability           | 10   | 38    | 19       | 18     |                  |
|          | Other (name it)              | 0    | 1     | 3        | 14     |                  |

**LOOKING FORWARD -- If import competition were addressed by a quota or tariff for four years, what would your operation realistically do? Enter X for all that apply:**

Original worksheet rows 155–161

| Producer | Item                                  | Count | Total Responding |
|----------|---------------------------------------|-------|------------------|
| Total    | Retain more ewe lambs / rebuild flock | 85    | 99               |
|          | Invest in facilities or genetics      | 81    |                  |
|          | Hire additional labor                 | 48    |                  |
|          | No change                             | 6     |                  |
|          | Still likely to exit                  | 6     |                  |
|          | Other (briefly explain)               | 18    |                  |

## All Feeders

### U.S. Lamb Feeders and Feeder/Growers Questionnaire Aggregates

#### Contact and Operation Profile -- Type of operation (enter X for all that apply):

Original worksheet rows 6–7

| Producer | Producer / grower (ewe and lamb operation) | Feeder (feedlot operation) | Total Responding |
|----------|--------------------------------------------|----------------------------|------------------|
| Total    | 17                                         | 24                         | 24               |

\* Seventeen feeders reported also having growing operations. Each of the feeders that reported both feeding and growing operations submitted one survey that combined the production/financial data for the growing and feeding operations.

#### Contact and Operational Profile -- Approximate share of total operation revenue from sheep and lambs (enter one: <25%, 25–50%, 50–75%, >75%)

Original worksheet rows 13–15

| Producer | <25% | 25-50% | 50-75% | >75% | Total Responding |
|----------|------|--------|--------|------|------------------|
| Total    | 0    | 7      | 5      | 10   | 22               |

#### Contact and Operational Profile -- Does your operation raise lambs under an exclusive/dedicated supply arrangement with a packer or breaker? (Yes/No; if Yes, name the firm)

Original worksheet rows 22–24

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 19 | 5   | 24               |

Contact and Operational Profile -- Does your operation sell LAMB MEAT from its own lambs — through its own slaughter facility, or through custom/contract processing where you keep ownership of the lambs and the meat? (Yes/No; if Yes, approximate head per year)

Original worksheet rows 31–33

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 17 | 7   | 24               |



**INVENTORY AND PRODUCTION (number of head; for “2026 to date”, report breeding ewes on hand January 1, 2026, and other items for the year so far)**

Original worksheet rows 40–45

| Producer | Item                                                        | 2,021   | 2,022   | 2,023   | 2,024   | 2,025   | 2,026   | Total Responding |
|----------|-------------------------------------------------------------|---------|---------|---------|---------|---------|---------|------------------|
| Total    | Breeding ewes (January 1 inventory)                         | 37,689  | 35,624  | 35,558  | 32,255  | 34,016  | 36,264  | 24               |
|          | Lambs marketed (sold)                                       | 415,190 | 381,942 | 354,328 | 277,520 | 226,736 | 127,938 |                  |
|          | Lambs retained for breeding                                 | 6,757   | 6,417   | 5,748   | 5,637   | 5,373   | 4,126   |                  |
|          | Ewes culled or sold (total)                                 | 5,227   | 3,802   | 4,499   | 3,915   | 4,079   | 2,656   |                  |
|          | of which: culled beyond normal replacement (herd reduction) | 5       | 4       | 1,508   | 308     | 195     | 4       |                  |

**INVENTORY AND PRODUCTION -- Have you exited, partially exited, or seriously considered exiting sheep production since 2021? (No / Considered / Partially exited / Exited — briefly explain, with year)**

Original worksheet rows 50–52

| Producer | No | Considered | Partially Exited | Exited | Total Responding |
|----------|----|------------|------------------|--------|------------------|
| Total    | 10 | 4          | 4                | 4      | 22               |

MARKETING AND PRICES -- Since January 1, 2021, has any buyer (feeder, packer, or sale barn) reduced a bid, price, or purchase volume and referenced imported lamb meat or import prices in doing so? (Yes/No — if Yes, give approximate date(s), buyer type, and what was said; do not name the buyer)

Original worksheet rows 59–61

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 8  | 15  | 23               |

MARKETING AND PRICES -- In your experience, when the price of imported lamb meat falls, how quickly is the price you receive for live lambs affected? (Within weeks / Within a season / Within a year / Little or no effect / Don't know)

Original worksheet rows 68–70

| Producer | Within Weeks | Within a Season | Within a Year | Little to no Effect | I Don't Know | Total Responding |
|----------|--------------|-----------------|---------------|---------------------|--------------|------------------|
| Total    | 15           | 3               | 0             | 0                   | 2            | 20               |

**FINANCIAL DATA (sheep/lamb enterprise only; actual dollars; consistent with Schedule F or farm records; reasonable allocations acceptable)**

Original worksheet rows 77–86

| Producer | Item                                                                                                                             | 2,021         | 2,022          | 2,023         | 2,024         | 2,025         | Total Responding |
|----------|----------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|---------------|---------------|---------------|------------------|
| Total    | U.S. sales quantity — lambs sold (head)                                                                                          | 247,241       | 198,819        | 163,585       | 141,128       | 137,150       | 15               |
|          | U.S. sales value — market lamb sales (\$)                                                                                        | 70,378,223.90 | 58,804,376.03  | 38,696,332.38 | 42,976,135.79 | 44,081,889.22 |                  |
|          | U.S. sales value — cull ewe and mature sheep sales (\$)                                                                          | 383,451       | 293,351        | 326,524       | 186,564       | 257,803       |                  |
|          | Total sales value — lambs and sheep (\$) [calculated]                                                                            | 70,761,674.90 | 59,097,727.03  | 39,022,856.38 | 43,162,699.79 | 44,339,692.22 |                  |
|          | Average value per lamb sold (\$) [calculated]                                                                                    | 284.65        | 295.77         | 236.55        | 304.52        | 321.41        |                  |
|          | Revenue — wool and pelts (\$)                                                                                                    | 457,234       | 492,944.06     | 497,548.84    | 365,548.31    | 602,936.02    |                  |
|          | Government program payments for sheep (LDP, ELAP, etc.) (\$)                                                                     | 555,460.76    | 791,657.07     | 365,955       | 171,103.06    | 321,004.37    |                  |
|          | Total lamb operation expenses (\$) (feed, vet, shearing, hired labor, pasture/lease, hauling, predator control, interest, other) | 63,124,765    | 77,779,863.50  | 41,653,628    | 46,410,374.50 | 39,815,593    |                  |
|          | Net income or (loss) before income taxes (\$) [calculated]                                                                       | 8,649,604.66  | -17,397,535.34 | -1,767,267.78 | -2,711,023.34 | 5,448,039.61  |                  |

**FINANCIAL DATA -- Since 2021, have you been denied, or offered reduced, operating credit where the lender cited lamb market conditions? (Yes/No — briefly describe)**

Original worksheet rows 91–93

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 15 | 5   | 20               |

**FINANCIAL DATA -- Since 2021, have you postponed or cancelled investment in the sheep enterprise (genetics, fencing, water, facilities)? (Yes/No — approximate value \$)**

Original worksheet rows 100–102

| Producer |  | No | Yes | Approximate Value | Total Responding |
|----------|--|----|-----|-------------------|------------------|
| Total    |  | 7  | 12  | 2,133,659         | 19               |

**EMPLOYMENT (sheep/lamb enterprise)**

Original worksheet rows 109–110

| Producer | Item                                                      | 2,021 | 2,022 | 2,023 | 2,024 | 2,025 | Total Responding |
|----------|-----------------------------------------------------------|-------|-------|-------|-------|-------|------------------|
| Total    | Hired workers (full-time equivalents), including yourself | 137   | 128   | 120   | 114   | 114   | 22               |

**EFFECTS OF IMPORTS -- Since January 1, 2021, has your firm experienced any actual negative effects on its operations as a result of imports of lamb meat? (Yes/No)**

Original worksheet rows 115–117

| Producer | No | Yes | Total Responding |
|----------|----|-----|------------------|
| Total    | 2  | 21  | 23               |

**EFFECTS OF IMPORTS -- If Yes — enter X for as many as appropriate, and describe in the space at right:**

Original worksheet rows 124–134

| Producer | Item                                                            | Count | Total Responding |
|----------|-----------------------------------------------------------------|-------|------------------|
| Total    | Lower prices received for lambs sold                            | 18    | 19               |
|          | Reduction in sales due to packer closures / purchase reductions | 15    |                  |
|          | Reduction in the size of the breeding flock                     | 10    |                  |
|          | Inability to generate adequate capital to finance operations    | 7     |                  |
|          | Cancellation, postponement, or rejection of expansion projects  | 8     |                  |
|          | Reduction in the size of capital investments                    | 12    |                  |
|          | Return on investment negatively impacted                        | 11    |                  |
|          | Rejection of bank loans / lowering of credit rating             | 3     |                  |
|          | Exit or partial exit from sheep production                      | 9     |                  |
|          | Other (describe)                                                | 4     |                  |

Of the 9 that Selected "Exit or partial exit from sheep production" above, Contact and Operational Profile -- Approximate share of total operation revenue from sheep and lambs (enter one: <25%, 25–50%, 50–75%, >75%)

Original worksheet rows 139–140

| Producer | <25% | 25-50% | 50-75% | >75% | Total Responding |
|----------|------|--------|--------|------|------------------|
| Total    | 0    | 2      | 3      | 3    | 8                |

**ALL FACTORS (answer candidly) -- Rate the impact of each factor on your operation's profitability since 2021 — enter one of: None / Minor / Moderate / Severe**

Original worksheet rows 145–151

| Producer | Item                         | None | Minor | Moderate | Severe | Total Responding |
|----------|------------------------------|------|-------|----------|--------|------------------|
| Total    | Imported lamb meat           | 0    | 1     | 3        | 18     | 22               |
|          | Drought or forage conditions | 2    | 3     | 10       | 5      |                  |
|          | Predation                    | 3    | 9     | 6        | 1      |                  |
|          | Feed costs                   | 1    | 6     | 8        | 7      |                  |
|          | Labor availability           | 3    | 6     | 4        | 5      |                  |
|          | Other (name it)              | 1    | 0     | 1        | 7      |                  |

**LOOKING FORWARD -- If import competition were addressed by a quota or tariff for four years, what would your operation realistically do? Enter X for all that apply:**

Original worksheet rows 156–162

| Producer | Item                                  | Count | Total Responding |
|----------|---------------------------------------|-------|------------------|
| Total    | Retain more ewe lambs / rebuild flock | 17    | 22               |
|          | Invest in facilities or genetics      | 18    |                  |
|          | Hire additional labor                 | 12    |                  |
|          | No change                             | 1     |                  |
|          | Still likely to exit                  | 2     |                  |
|          | Other (briefly explain)               | 1     |                  |

# **UNITED STATES INTERNATIONAL TRADE COMMISSION**

## **LAMB MEAT**

### **Investigation No. TA-201-80**

## **R-CALF USA**

### **EXHIBITS TO PREHEARING BRIEF**

October 8, 2026

Attachment A (the final grower and feeder survey) precedes this exhibit index in the brief. The original workbook is supplied separately. Exhibits B–U follow this index.

Government statistical releases and the Commission staff prehearing report are omitted from these exhibits to avoid duplication of government material already relied on in the staff report.

# EXHIBIT INDEX

| Exhibit | Document / brief source                                                                        | Exhibit pages  |
|---------|------------------------------------------------------------------------------------------------|----------------|
| A       | Final grower and feeder survey — [39]                                                          | Precedes index |
| B       | August 3, 2023 petition cover letter — [2]                                                     | EXH-003–005    |
| C       | Protect American Lamb: Petition for Relief by America’s Sheep Producers — [2]                  | EXH-006–039    |
| D-1     | October 19, 2023 follow-up letter to USTR — [3]                                                | EXH-040–041    |
| D-2     | December 5, 2023 petition supplement letter to USTR — [3]                                      | EXH-042–044    |
| E       | September 5, 2024 follow-up letter to USTR — [4]                                               | EXH-045–048    |
| F       | National Research Council: Changes in the Sheep Industry (2008) report brief — [17]            | EXH-049–053    |
| G       | American Lamb Board: 2022 Sheep Industry Review — [27]                                         | EXH-054–061    |
| H       | RTI International: Livestock and Meat Marketing Study, Volume 5 — [31]                         | EXH-062–070    |
| I       | Penn State Extension: Factors Affecting Lamb Quality and Value — [26]                          | EXH-071–074    |
| J       | University of Nebraska–Lincoln: Is Lamb Feeding Profitable? — [28]                             | EXH-075–080    |
| K       | NDSU Extension: Meat Demand and Competing Livestock and Meat Prices — [36]                     | EXH-081–083    |
| L-1     | American Lamb Board: Quarterly Circana Lamb Report — [29]                                      | EXH-084–086    |
| L-2     | American Lamb Board: Strong Lamb Prices Continue Despite Drought and Economic Pressures — [29] | EXH-087–088    |
| M-1     | MLA: Building the Australian Prime Lamb Industry (2009) — [20]                                 | EXH-089–092    |
| M-2     | MLA Feedback, Summer 2024: Lamb proves a deli-cious choice — [20]                              | EXH-093–095    |
| N-1     | B+LNZ: Unlocking Market Potential—Collaboration Within the Sector — [21]                       | EXH-096–100    |
| N-2     | Trusted, Lean and Long-Game: 100 Years of New Zealand Meat Exports — [21]                      | EXH-101–104    |
| O       | MLA Market Development Partnerships Program: 2025–26 Guide — [22]                              | EXH-105–109    |
| P       | B+LNZ / Silver Fern Farms: U.S. market collaboration press release — [23]                      | EXH-110–112    |
| Q       | MLA Annual Report 2024–25 — [24]                                                               | EXH-113–117    |
| R-1     | B+LNZ Annual Report 2025 — [25]                                                                | EXH-118–121    |
| R-2     | AgResearch: Bridging knowledge gaps to combat facial eczema — [25]                             | EXH-122–124    |
| S       | MLA: Australian red meat exports set records in 2024 — [37]                                    | EXH-125–127    |
| T       | MLA: Tighter supply expected in 2026—Sheep Industry Projections — [38]                         | EXH-128–130    |
| U       | Superior Farms: April 18, 2016 comment to USDA — [30]                                          | EXH-131–134    |

## **EXHIBIT B**

### **August 3, 2023 petition cover letter**

Prehearing brief source [2]

Complete document.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.





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August 3, 2023

The Honorable Katherine Tai  
U.S. Trade Representative  
Office of the U.S. Trade Representative  
600 17th Street NW  
Washington, DC 20508

TRANSMITTED ELECTRONICALLY

**Re: U.S. Sheep Industry's Request for Immediate Relief from Injurious Imports of Lamb and Mutton from Australia and New Zealand**

Dear Ambassador Tai:

As set forth in the attached *Protect American Lamb: Petition for Relief by America's Sheep Producers*, full-time U.S. sheep producers, who continue suffering serious injury, are facing the prospect of near total extinction due to the unrestrained and ever-increasing importation of foreign lamb and mutton that do not meet the United States more stringent production standards.

These lower-cost imports originate from Australia and New Zealand and are displacing U.S. production of lamb and mutton at an alarming pace; and creating what soon will be an irreversible dependency on foreign supply chains for an important American staple. As revealed by the charts and data in the petition, this is by no means an exaggeration. Only with immediate intervention by the Administration and Congress can the impending, catastrophic outcome be averted.

Since the time the U.S. entered its first major free trade agreement – the 1994 North American Free Trade Agreement – lamb and mutton imports have increased over 543% in quantity and 2,363% in value. These imports have displaced domestic lamb and mutton production, which has declined 60% during this period. And despite America's marked increase in lamb and mutton consumption that began in earnest a decade ago, all the increase has been captured by foreign supply chains while domestic production continually declines. These foreign supply chains have now captured 74% of the domestic market – away from full-time U.S. sheep producers.

The petition describes the serious injury mounting imports are having on our domestic sheep industry and the Addendum to the petition includes numerous testimonials from our nation's full-time sheep producers that explicitly describes the untenable market conditions they continually face.

The Honorable Katherine Tai  
August 3, 2023  
Page 2

We respectfully request the Administration and Congress carefully review this petition and initiate immediate action to protect America's lamb producers. Thank you for your consideration and please contact me at your earliest convenience to discuss how we may assist you in achieving the corrective actions needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Bullard", with a stylized, cursive script.

Bill Bullard, CEO  
406-670-8157  
[billbullard@r-calfusa.com](mailto:billbullard@r-calfusa.com)

Attachment: Petition for Relief

## **EXHIBIT C**

### **Protect American Lamb: Petition for Relief by America's Sheep Producers**

Prehearing brief source [2]

Complete 33-page petition, including source notes and producer statements.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

# PROTECT AMERICAN LAMB

**Petition for Relief**  
by America's Sheep Producers



★★★  R-CALF USA ★★★

**Presented by**  
The R-CALF USA Sheep Committee



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This paper is the collaborative work of R-CALF  
USA CEO Bill Bullard and the R-CALF USA  
Sheep Committee, Bill Kluck, Chair.



# Purpose of the Petition

The United States sheep industry is being decimated. Protect American Lamb, a project under the auspices of the R-CALF USA Sheep Committee, respectfully petitions the Administration and Congress to deploy all available resources to provide immediate and subsequent lasting relief to America's full-time sheep producers whose industry is being destroyed by the unrestrained importation of substantially lower-cost foreign lamb and mutton.<sup>1</sup>

## Introduction

### History of Sheep in America

Sheep are among the world's first livestock species to be domesticated, with estimates indicating domestication around 8500 BC.<sup>2</sup> Sheep also are the most prominent animal mentioned in Scripture, with "sheep" and "flocks" mentioned hundreds of times in the Bible.<sup>3</sup> In fact, sheep and shepherding are traditional symbols for many religious traditions, with "God, in the Jewish, Christian, and Muslim traditions, [] referred to as the Good Shepherd."<sup>4</sup> Unsurprisingly, domestic sheep accompanied mankind throughout history and are believed to have first arrived in America during the second voyage of Columbus in 1493.<sup>5</sup>

Recognizing sheep were a valuable source of food and clothing, early colonists sought to expand America's sheep industry as exemplified by Connecticut's 1666 exemption of sheep from taxation, and its requirement that young men spend one day each week to clear underbrush to extend the area of sheep pasture.<sup>6</sup>

Soon after their arrival in America, sheep colonized the West, arriving so early their presence seemed "ubiquitous and timeless."<sup>7</sup> Historians place this westward movement around the 1840s, likening it to a "tornado."<sup>8</sup> But historians may have missed earlier westward movements as the teachings of the Navajo's Blessingway ceremony of the Diné suggest that even before humans arrived, sheep helped to "create and define their homeland."<sup>9</sup>

Sheep numbers increased dramatically in the wake of the Civil War due to a significant increase in the demand for wool.<sup>10</sup> Their westward movement coincided with their increase in numbers and sheep were soon deemed a "frontier enterprise."<sup>11</sup> By the turn of the 20th century, over 60% of the United States' approximately 40 million sheep resided in the Far West.<sup>12</sup>



## Importance to U.S. Economy and Culture

The United States sheep inventory reached a historical high in 1942 at 56.2 million sheep and lambs.<sup>13</sup> For centuries, before and during and after this time, the sheep industry was and is intrinsically interwoven in America's rural fabric, particularly now in western states. It provided then and provides now the economic cornerstones for western states' rural economies supporting schools, churches, Main Street businesses, hospitals, civic organizations, and the social infrastructure comprised of people engaged in meaningful enterprises.

## Importance to Ecological Balance

Sheep also perform an important environmental purpose when grazing in the West and elsewhere as they graze and browse on noxious and other undesirable and invasive weed species, such as leafy spurge, reducing, if not eliminating the need for chemical control. For example, sheep are recognized as a non-chemical but effective biological control of leafy spurge with studies estimating that sheep reduced leafy spurge density about 90% when infested range was grazed by sheep for only 10 days in July over a period of five years.<sup>14</sup>

Further, sheep are an important and effective biological fire suppression tool when grazed in and around forested areas. For example, in a 2022 news story by ABC News titled "Flocks of sheep are the firefighting solution we never knew we needed," the story explains how sheep offer a "powerful secret weapon" in controlling fires and how some researchers believe sheep can prevent flames from spreading after a fire starts.<sup>15</sup> According to the article, the role sheep play in fire suppression is twofold: first the sheep effectively reduce the fire's fuel, i.e., ground vegetation, thus creating a "burn break" that stops a fire's movement; and second, the manure left behind by sheep in grazed areas acts as a fire retardant.<sup>16</sup>



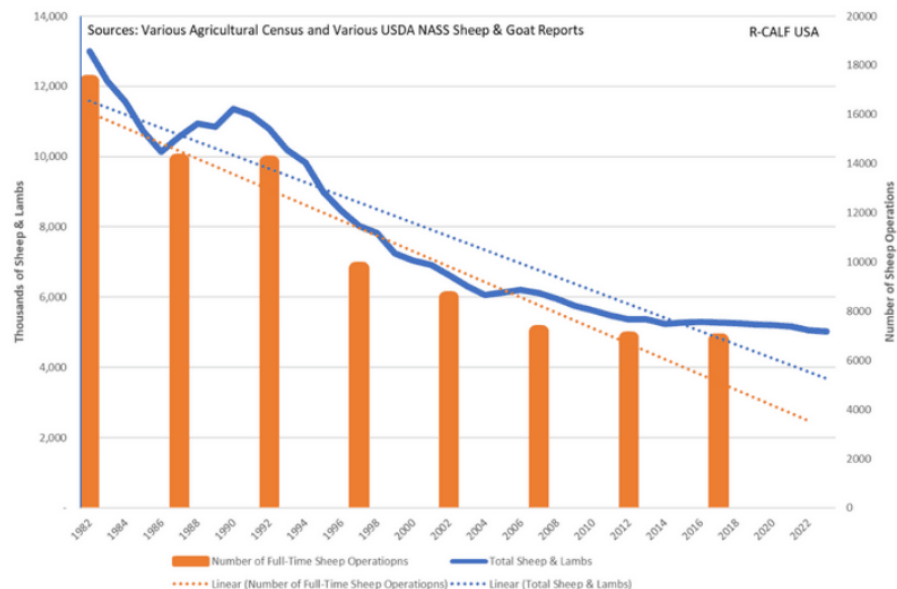
# Drastic and Abrupt Changes in the U.S. Sheep Industry

But all those intrinsic economic, social, and environmental benefits associated with the U.S. sheep industry are in peril today. The U.S. sheep industry, particularly in the western United States and particularly with respect to the western United States' full-time sheep operations, is being indiscriminately ravaged.<sup>17</sup> The U.S. sheep and lamb inventory is now at the lowest level in history, as are the numbers of full-time sheep operations. What remains of today's beleaguered U.S. sheep industry is only 5.02 million head of sheep and lambs, with nearly 72% (3.61 million) of all sheep and lambs located in the 17 western states<sup>18</sup> and only 6,843 full-time U.S. sheep operations to shepherd them.<sup>19</sup>

Contrast this with the U.S. sheep industry of just four decades ago, in 1982. At that time there were 13.12 million sheep and lambs in the U.S, with about 81% (10.66 million) of all sheep and lambs located in the 17 western states<sup>20</sup> and there were 17,341 full-time U.S. sheep operations to shepherd them.<sup>21</sup>

In other words, the ravaging of the U.S. sheep industry is marked by nearly a 62% decrease in the number of sheep and lambs in the United States, with about a 66% decrease occurring in the 17 western states, and a decrease of more than 60% of the full-time sheep operations in the U.S. to shepherd them. Alarming, these drastic reductions occurred during just the past four decades as depicted in Chart 1.

*Chart 1*  
**Decline of Total Sheep and Lamb Inventory and Number of Sheep Operations**





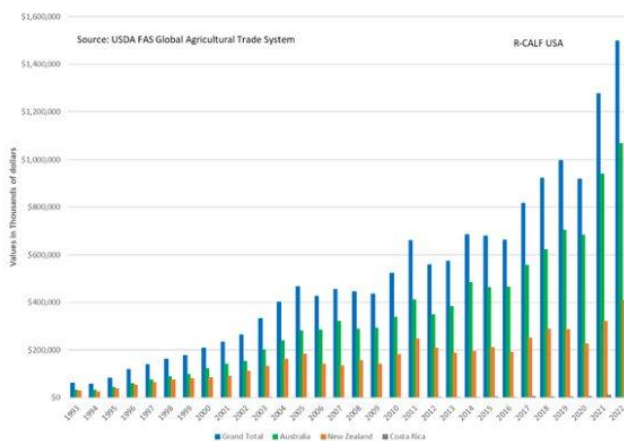
# Import Penetration and Surges

## Quantity- and Value-based Import Surges

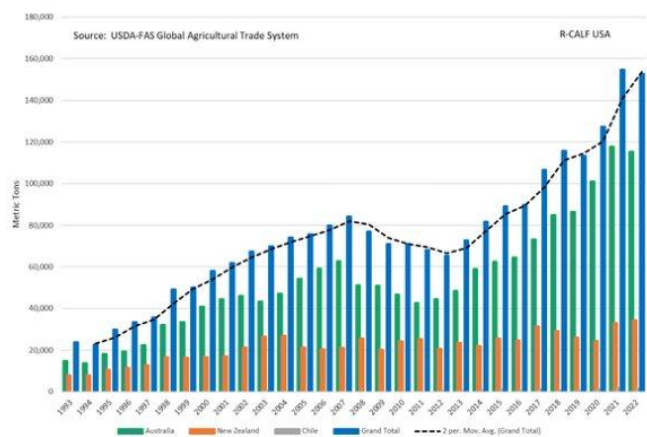
The dramatic increase in U.S. imports of lamb and mutton since the North American Free Trade Agreement (NAFTA) entered force is undeniable. These imports arrived primarily from Australia; to a lesser extent New Zealand; but also from Canada, Mexico, and several other countries. As revealed in Chart 2,<sup>22</sup> the United States imported approximately \$61 million in lamb and mutton in 1993. By 2022, imports had increased 2,363%, to approximately \$1.5 billion.

As revealed below in Chart 3, the quantity of imported lamb and mutton likewise exploded. The United States imported approximately 23,723 metric tons from these countries in 1993. By 2022, imports had increased 543%, to 152,646 metric tons. To put this in perspective, the quantity of lamb and mutton imports in 2022 was roughly the equivalent of importing 4.5 million live lambs.<sup>23</sup>

In addition to the overall increase in lamb and mutton imports from 1993 through 2022 depicted in Charts 2 and 3 above, also revealed are two distinct import surges, again originating primarily from Australia, as elucidated by the two-year moving average trendline added in Chart 3.<sup>24</sup> The first distinct surge occurred between NAFTA's implementation and 2007, with the total volume of imports nearly quadrupling, representing an increase of 272% during the period. However, the quantity of imports began to temporarily decline after 2007, due in large part to Australia's multi-year drought,<sup>25</sup> and hit an 11-year low in 2012. Then, since 2012 the second distinct import surge occurred, this time more than doubling, increasing 134% from 2012 through 2022 (from 65.4 to 152.6 thousand metric tons).



**Chart 2**  
**Value of Imports from Top 3 Lamb and Mutton Importers and World Total**



**Chart 3**  
**Quantity of Imports from Top 3 Lamb and Mutton Importers and World Total**



### Primary Source of Import Surges

Australia is both the primary source of imports, comprising over 75% of total 2022 imports, and the primary cause of the two distinct import surges occurring since NAFTA. Australian imports exploded by 356% during the first surge and by 160% during the second surge.

The U.S. Australian Free Trade Agreement (U.S.-Australia FTA) facilitated both post-NAFTA period import surges. The U.S.-Australia FTA was implemented on January 1, 2005. Unfortunately, the United States Department of Agriculture (USDA), in its evaluation of the potential impacts the U.S.-Australia FTA would have on U.S. livestock industries, ignored completely the agreement's potential impact on the U.S. sheep industry. This neglect is evidenced by the complete omission of any discussion regarding the sheep industry or its terms "sheep," "lamb," or "mutton" in the USDA's March 2004 Report of the Agricultural Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products.<sup>26</sup> In sharp contrast to its lack of consideration for the domestic sheep industry, the agreement contains both a quantity and a price safeguard for beef.<sup>27</sup> As of January 1, 2022, all goods imported from Australia became duty-free.<sup>28</sup>

As revealed in Charts 2 and 3, New Zealand is the second largest source of lamb and mutton imports in the United States and has and continues to play a significant role in the displacement of U.S. sheep and full-time U.S. sheep operations. Therefore, and although the remainder of this petition focuses primarily on imports from Australia for the purpose of brevity, the concerns of the Petitioners include imports of lamb and mutton from New Zealand and the relief sought by Petitioners applies also to imports from New Zealand.

# Injuries to the Domestic Sheep Industry Caused by Excessive Import Penetration

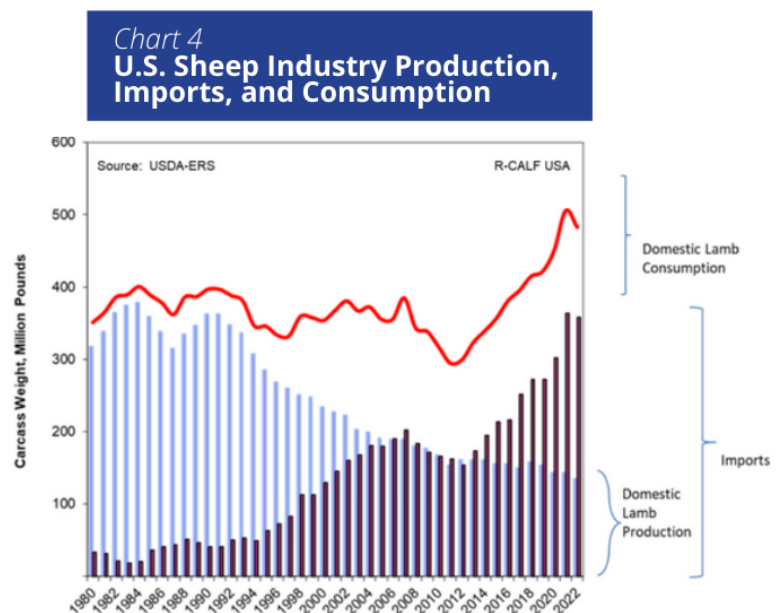
The dramatic surges in lamb and mutton imports continues to cause serious injury to the domestic sheep industry as measured by significantly lower industry output – an alarming 60% reduction since 1993,<sup>29</sup> drastic reductions in sheep numbers, exodus of 60% of all full-time domestic sheep operations, and a protracted lack of profitability for remaining sheep men and women.

To illustrate the injury to the domestic sheep industry, Chart 4 below reveals the historical correlation between domestic lamb and mutton consumption, production, and imports.<sup>30</sup> As shown, domestic lamb and mutton production varied synchronously with domestic consumption during the pre-NAFTA period (1980 through 1993) when imports represented about 11% of domestic production. However, as domestic consumption generally increased from 1994 through 2007, there was an inverse relationship between the decline in domestic production and increase in imports. In fact, in year one after implementation of the U.S.-Australia FTA, the U.S. sheep industry became the first livestock sector to be offshored – imports exceed domestic production – and U.S. consumers became more dependent on imports to satisfy their appetite for lamb and mutton than the beleaguered U.S. sheep industry could anymore produce.

The production/import relationship turned congruous during the 2007-2012 period as Australia was emerged in a widespread drought,<sup>31</sup> with both data series declining, though imports and production maintained roughly equal shares of domestic consumption. In 2012, imports equaled about 96% of domestic production. But since 2012, though domestic consumption has trended sharply upward, imports have far eclipsed and outpaced the downward trending domestic production. By 2022, imports captured 74% of the domestic market. The United States is now dependent on imports for the vast majority of lamb and mutton consumed in America.

Particularly during the past decade, the manifest inverse relationship between fast rising imports and declining domestic production, in the face of historically large consumption that has increased at an unprecedented rate in recent years, leaves the question of determining causation a perfunctory exercise.

By way of the personal letters contained in the Addendum attached hereto, numerous full-time U.S. sheep producers provide testimony describing the explicit injuries they continue to suffer as a result of the sheer flood of unrestrained, lower-cost imports of lamb and mutton.





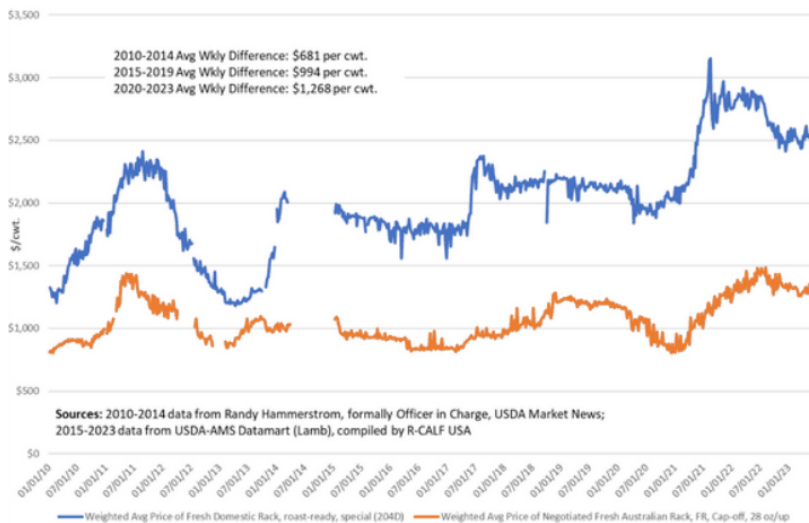
# Principal Cause of Excessive Import Penetration

In a December 2013 investigative report concerning the U.S. sheep industry, the USDA principal factors causing the demise of the U.S. sheep industry was “low cost imports,”<sup>32</sup> which the PSA determined was “likely the most important factor,” and it found that those low cost imports came from Australia and New Zealand.<sup>33</sup>

Indeed, the report found that about half the lamb consumed in the United States from 2010-2012 was imported from Australia and New Zealand, with Australia providing the largest share and New Zealand providing most of the remainder.<sup>34</sup> As indicated above, the share of the U.S. lamb market captured primarily by Australia but also New Zealand has increased substantially since 2013 as about 74% of the lamb consumed in the United States is now imported (2022).<sup>35</sup>

Australian lamb, which according to the above-mentioned report, has displaced the largest share of domestic lamb and mutton production, is imported duty-free into the United States under the U.S.-Australia Free Trade Agreement that took effect in 2005.<sup>36</sup> Currently, and in contrast to duty-free Australian imports, New Zealand lamb and mutton imports are subject to minuscule U.S. tariffs ranging from only .7 cents per kilogram to just 2.8 cents per kilogram.<sup>37</sup>

The most obvious reason that Australian lamb and mutton imports have displaced such a large share of domestic lamb and mutton (and, as stated above, the reason the USDA believes is the most important factor) is because Australian imports are delivered into the U.S. market at a significantly lower cost than what domestic lamb can be produced for in the United States. As Chart 5 shows, regardless of the presence or absence of any extenuating factors (e.g., differences in exchange rates or drought), racks of lamb imported from Australia have been consistently priced lower than domestic racks of lamb for well over a decade.

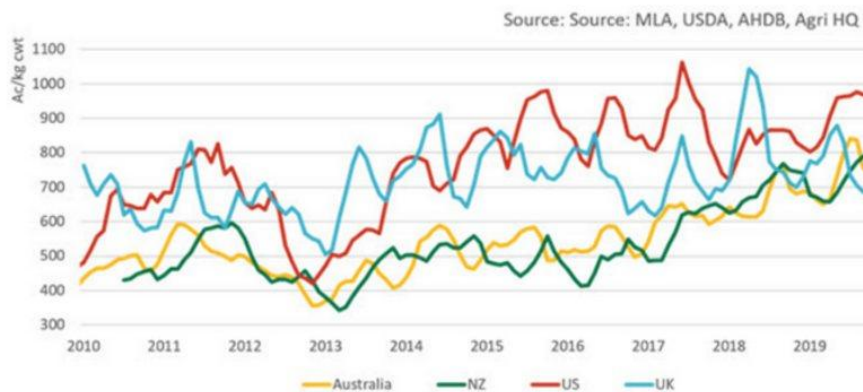


*Chart 5*  
**Weekly Price Difference Between Domestic Rack of Lamb and Imported (Australia) Rack of Lamb**

It is no wonder that the U.S. sheep industry is being decimated by imports when import prices are consistently pegged below prices needed by domestic sheep producers to remain profitable. In 2014 the USDA stated that imported lamb “is substantially cheaper than domestic [lamb]” and explained that a 65-75 lb. domestic lamb carcass was valued at about \$255.00, whereas a comparable imported lamb carcass can be delivered to the U.S. for less than \$200.00.<sup>38</sup>

Chart 4 provides an illustrative depiction of the alarming contraction of the domestic sheep industry since the early 90s (in terms of production output), which is essentially the mirror image of the unprecedented rise in Australian and New Zealand lamb and mutton imports.

That the discounted price of Australian and New Zealand lamb distorts the global market and renders the United States noncompetitive domestically and in the global marketplace is evident by the data compiled by Meat & Livestock Australia depicted in Chart 6.<sup>39</sup> The chart reveals that for at least the past decade, Australian and New Zealand lamb trade at a substantial discount to both United States and United Kingdom lamb.



**Chart 6  
Global Lamb  
Prices**  
Prices are OTH  
figures,  
averaged  
monthly and  
most recently  
available as of  
27 April



# Factors Contributing to Australia's Distortion of the Domestic and Global Lamb Market

## Inattention to Environmental and Wildlife Concerns

Death losses of sheep and lambs significantly increase the cost of lamb production in the United States. In 2020 the USDA reported annual death losses of 210,000 and 370,000 sheep and lambs, respectively.<sup>40</sup> For lambs, this represented approximately a 12% death loss for lambs in 2020.<sup>41</sup> The USDA further reports that in 2020, predation caused 32.6% (71,440 animals) of those sheep death losses and 40.1% (155,470 lambs) of those lamb deaths, with estimated loss values of \$16 million and over \$29 million for sheep and lambs, respectively.<sup>42</sup> In addition, the number of sheep and lambs injured but not killed by predators was 17,540 and 18,130, respectively.<sup>43</sup>

The use of sodium fluoroacetate (compound 1080), a chemical compound once widely and effectively used as a poisonous bait in the United States by the sheep industry to control predators and thus reduce predation, was prohibited in 1972 and later reauthorized with severe restriction in 1985 for the exclusive use in livestock protection collars to control coyotes.<sup>44</sup> So limited is its use in the U.S. that the USDA reports that for the 10-year period prior to 2020, there were on average only 23 livestock protection collar projects administered by the agency in only five states, and only about 12 coyotes were controlled on average during each of those years.<sup>45</sup>

However, according to Meat & Livestock Australia, the lethal baiting with compound 1080 is: "considered the most effective available method of controlling foxes and is cost effective over large areas. Ground baiting tends to be more effective and has a decreased risk of baiting non-target species than aerial baiting. There are strict restrictions on the availability and use of 1080 and persons using 1080 must ensure they meet appropriate state requirements and follow instructions."<sup>46</sup>

Compound 1080 is also available in Australia to control feral pigs.<sup>47</sup>

The Australian government confirms that compound 1080 is "widely used in Australia to protect agricultural production from the impacts of pests" and considers compound 1080 "the most efficient, humane and species-specific pesticide currently available for declared pest control in Australia."<sup>48</sup> The declared pests in Queensland includes wild dogs, feral pigs, foxes, and rabbits and is approved to be used as a poisonous bait.<sup>49</sup>

Thus, while the U.S. sheep industry largely refrains from using compound 1080, which is known to cause environmental harm and indiscriminate wildlife deaths,<sup>50</sup> its competition in Australia continues the widespread use of the poisonous compound. As a direct result, U.S. sheep producers face a distorted global market because the widespread use of compound 1080 allows Australia to incur fewer death losses (thus lower production costs) with its more effective means of predator control.



## **The Global Sheep Market Is Distorted by Global Industry Concentration**

There were 71 sheep slaughtering plants reporting to the USDA Packers & Stockyards Division (P&S Division) in 2019, and the four largest slaughtering companies controlled 53% of the U.S. sheep market.<sup>51</sup> A method used to measure industry concentration by the U.S. Department of Justice/Federal Trade Commission (DOJ/FTC) is the Herfindahl-Hirschman Index (HHI).<sup>52</sup> The current DOJ/FTC Horizontal Merger Guidelines consider an HHI below 1,500 to be unconcentrated; an HHI between 1,500 and 2,500 to be moderately concentrated; and an HHI above 2,500 to be a highly concentrated market.<sup>53</sup> In 2019, the P&S Division found the HHI in the U.S. sheep industry to be unconcentrated, with an index of 1,059.<sup>54</sup>

However, researchers found that in the global sheep market the HHI was over 2,500 for half of the period from 2003-2013, thus indicating the global sheep market was highly concentrated during half of that period.<sup>55</sup> Given the mergers and acquisitions occurring after 2013, it is highly likely that the global sheep market remains highly concentrated.<sup>56</sup>

Exacerbating this high concentration in the global sheep market is the fact that the world's largest meat packer, JBS,<sup>57</sup> which is also among the four largest meat packers in the United States,<sup>58</sup> owns and operates JBS Foods Australia, which is Australia's largest meat and food processing company.<sup>59</sup> JBS Australia exports lamb and other meat products and expressly cites North America as its principal, if not exclusive export destination.<sup>60</sup> JBS Australia is also vertically integrated, operating six feedlots in Australia.<sup>61</sup> This globe-dominating, vertically integrated behemoth is uniquely positioned to benefit from its Australian-produced, low-cost lamb (which cost is lowered further by the significant monetary foreign exchange advantage discussed below) by exporting it to the United States while leaving U.S. domestic producers with depressed prices for their products or even without a buyer.

## **The Domestic Sheep Market Is Distorted by Currency Misalignment**

According to a report by the Reserve Bank of Australia, Australia's currency exchange rate plays an important role in the country's exports, stating a lower exchange rate "makes Australian exports more competitive in world markets, as exported goods and services become relatively cheaper in foreign currency terms."<sup>62</sup> It further estimates that if all else is equal, then a 10% reduction in the exchange rate will result in an increase of total Australian exports by about 4% over the long-term.<sup>63</sup> More specifically, a low Australian dollar benefits Australian sheep farmers because their exports are cheaper in foreign markets, which means foreign buyers can purchase more of Australia's lamb and mutton.<sup>64</sup>

The Reserve Bank of Australia also discloses that most Australian commodity exports, which presumably include lamb and mutton, are typically priced in U.S. dollars.<sup>65</sup> Therefore, as the Australian dollar depreciates relative to the U.S. dollar, the Australian dollar price received by commodity exporters (i.e., lamb and mutton exporters) increases, thus encouraging more exports to the United States. Added to Australia's exchange rate advantage is the advantage born by many Australian commodity exporters by virtue of their low production costs when compared to international standards.<sup>66</sup> Indeed, the report suggests that Australia's increased supplies of lower cost commodities has contributed to lower commodity prices (i.e., world commodity prices).<sup>67</sup>

The USDA has long known of the pricing distortions created by changes in Australia's exchange rate. In its December 2013 investigative report discussed above on the U.S. lamb market in 2010-2012, during which period prices for domestic lambs doubled and then fell back to previous levels realized in early 2010, the USDA stated that "[e]xchange rates would affect the price of imported lamb."<sup>68</sup> The USDA included a graph depicting import prices for Australian lamb in U.S. dollars that varied by over \$300 per cwt during the period 2010-2012 and explained that "[c]hanges in the exchange rate for Australian dollars would appear as changes in price in the graph."<sup>69</sup>

Those changes in the exchange rate and their impact on import volumes were further documented by the USDA in slide presentations describing the state of the U.S. sheep industry during the mid-to late 2000s. The presentations explained that lamb and mutton imports to the United States prior to 2013 had been on a decline since 2007.<sup>70</sup> And it was 2013 when the appreciating Australian dollar peaked.<sup>71</sup> The U.S. dollar was weakening through all or part of this period – thus reducing the amount that the Australian dollar was undervalued when compared to the U.S. dollar, and this effectively, though temporarily, slowed the volume of imported lamb and mutton.<sup>72</sup>

The USDA expressly stated that the weakening U.S. dollar through the fall and winter of 2010 slowed imported product and that the U.S. dollar weakened further in early 2011,<sup>73</sup> which weakening corresponded to both reduced import volumes and increasing domestic lamb prices.<sup>74</sup> The USDA then stated the U.S. dollar began strengthening around July 2011, strengthened further in late 2011, and remained stronger in 2012, which the USDA stated had initially opened up imports and then spurred increased lamb imports.<sup>75</sup> This opening up of imports in the latter half of 2011 coincides with a long, steady decline in domestic lamb prices following the July 2011 peak in the price of imported lambs.<sup>76</sup>

Chart 7<sup>77</sup> looks at trade from Australia's export perspective. Since February 29, 2012, when \$1 Australian dollar (AUD) equaled \$1.0816 U.S. dollar (USD), and through today, the Australian dollar has been depreciating, with \$1 AUD equaling only \$0.7037 USD in January 2023.<sup>78</sup> Consequently, since the 2012 depreciation of the AUD, Australian exporters are incentivized to increase their production and export more lamb and mutton to the United States. And, as shown in Chart 4, imports of lamb and mutton indeed exploded.

When looking at the exchange rate imbalance from a U.S. domestic importer's perspective, the value of Australia's currency relative to the strength of the U.S. dollar entices them to procure as much lamb and mutton from Australia (and New Zealand) as possible. During the past 10 years, the relative strength of the U.S. dollar has increased from \$1 USD equaling approximately \$1.1 AUD in July 2013 to \$1 USD equaling approximately \$1.5 AUD on June 27, 2023.<sup>79</sup>

**Chart 7**  
**AUD Exchange Rates: 2010-2023**  
Data shows what \$1 AUD equals for USD

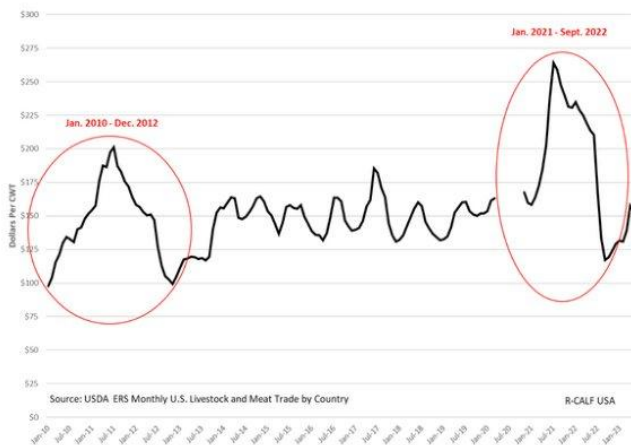




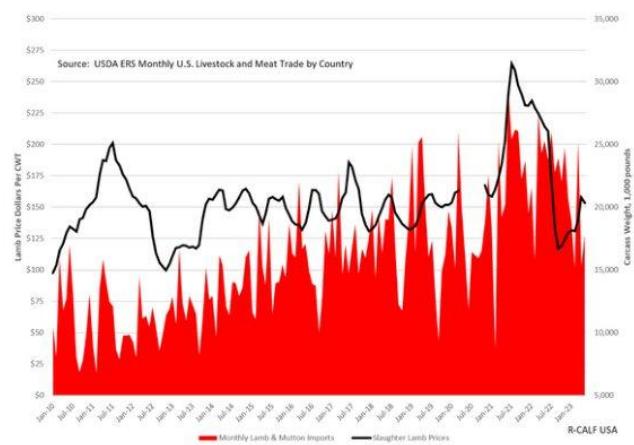
The rise in domestic lamb prices from January 2010 through their peak in July 2011 and subsequent collapse through 2012, which the USDA correlated with a weakening U.S. dollar that slowed imports from 2010 through July 2011; and thereafter a strengthening U.S. dollar that spurred imports from around July 2011 through 2012 is illustrated in Chart 8.

Also revealed in Chart 8 is that the 2010-2012 phenomenon (i.e., rising prices during the first half of the period and falling prices during the second half) was repeated a decade later, but this time the price movements were more drastic and both the rise and fall in prices were steeper (i.e., they occurred in a more compressed timeframe). This second phenomenon replete with rising prices that began in January 2021 and peaked in July 2021, and then suddenly collapsed through September 2022 is likewise correlated with an initial weakening of the U.S. dollar and ensuing strengthening of the U.S. dollar.

That the correlated price movements and exchange rate changes are associated with increased imports is revealed in Chart 9, which depicts both slaughter lamb prices and correlated monthly import volumes.



**Chart 8**  
**St. Joseph, MO Slaughter lamb Prices, Choice/Prime**



**Chart 9**  
**Relationship Between Monthly Import Volumes and Slaughter Lamb Prices**

The U.S. dollar had been weakening beginning in the fall and winter of 2020 and by January 2021, when the phenomenal price movement began, the exchange rate was \$1 USD equaled about \$1.3 AUD. And through about mid-June 2021 the U.S. dollar hovered around this weakened state. But the U.S. dollar began strengthening after mid-June (with some volatility) and by September 30, 2022, the exchange rate was \$1 USD equaled about \$1.5 AUD. During this rapid strengthening of the U.S. dollar relative to the Australian dollar, U.S. lamb producers experienced the fastest and farthest price collapse in their industry's history. Slaughter lamb prices fell \$146.84 per cwt in a matter of just 14 months, representing about a 56% reduction in the price they received for their lambs. In addition, unlike the 2010-2012 price rise and collapse in which the collapsed price was similar to the price when the increase started, during this latest price collapse, the collapsed price settled well below the price at which the increase started.

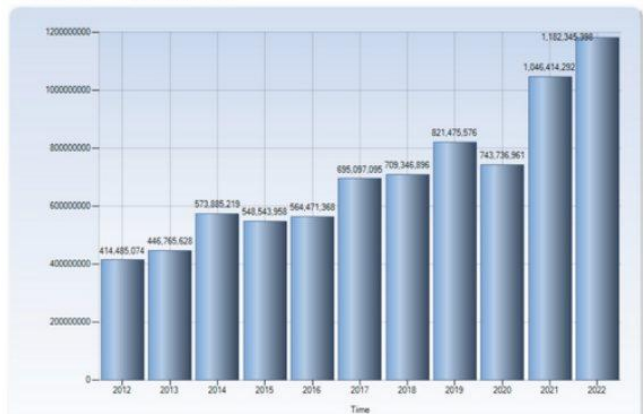
Thus it is that Australian lamb and mutton exporters have a distinct and inequitable, twofold advantage over U.S. lamb and mutton producers. First, Australian exporters do not have to meet the United States' more stringent production standards as exemplified in Section VII(a) above regarding their inattention to environmental and wildlife concerns (discussing their more liberal use of compound 1080). Second, Australian exporters gain a profound pricing advantage over the U.S. sheep industry when the Australian dollar weakens relative to the U.S. dollar as this further lowers the price of Australian lamb and mutton imports, which greatly exacerbates the production-cost advantage Australia already enjoys.

## Relief Requested

Tariffs on imported sheep and lamb products have been far too low to prevent the U.S. sheep industry from being overrun and all but destroyed by much cheaper products produced under lax production standards. There are zero tariffs on Australian lamb and mutton and as shown above in Charts 2, 3 and 4, and in Chart 10, those Australian imports have exploded in recent years.

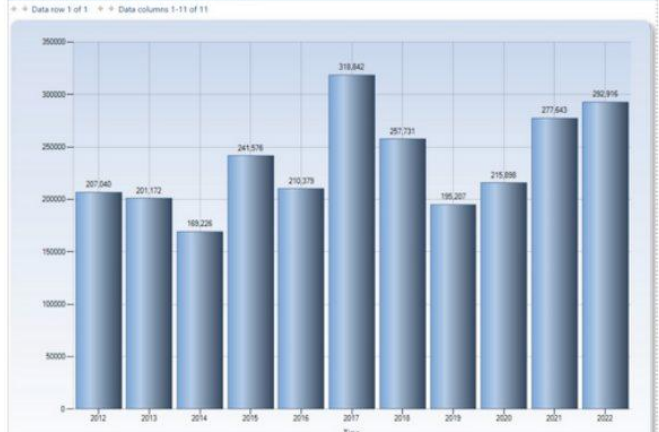
The minuscule tariffs on imported lamb and mutton from New Zealand have been ineffectual at curbing increases in imported product as shown below in Chart 11. Based on data regarding the quantity of lamb and mutton imports obtained through the USDA Foreign Agricultural Service's Global Agricultural Trade System (GATS) database, and the U.S. Census Bureau data depicted below, the effective tariff rate on the 75.68 million pounds of New Zealand lamb and mutton imports in 2022 was less than 0.4 cents per pound (less than four tenths of a cent per pound).

Author: U.S. Census Bureau Economic Indicators Division USA Trade Online. Source: U.S. Import and Export Merchandise trade statistics. For information on confidentiality protection, nonsampling error, and other information, see the U.S. Census Bureau's <https://www.census.gov/data/tables/releases/otherpublic/imports.html>.  
Current date: 07/10/2023 2:06 PM (Eastern Daylight Time)  
Rate Provision: All Rate Provisions  
Country: Australia  
Commodity: 0204 Meat Of Sheep Or Goats, Fresh, Chilled Or Frozen  
Data row 1 of 1 Data columns 1-11 of 11



**Chart 10**  
**Standard Report - Imports**

Author: U.S. Census Bureau Economic Indicators Division USA Trade Online. Source: U.S. Import and Export Merchandise trade statistics. For information on confidentiality protection, nonsampling error, and other information, see the U.S. Census Bureau's <https://www.census.gov/data/tables/releases/otherpublic/imports.html>.  
Current date: 07/10/2023 2:08 PM (Eastern Daylight Time)  
Rate Provision: All Rate Provisions  
Country: New Zealand  
Commodity: 0204 Meat Of Sheep Or Goats, Fresh, Chilled Or Frozen  
Data row 1 of 1 Data columns 1-11 of 11



**Chart 11**  
**Standard Report - Imports**



The U.S. sheep industry is in dire need of both tariffs and Tariff Rate Quotas (TRQs) that will preserve an opportunity for the nation's remaining commercial sheep producers to remain economically viable and competitive; and that will provide an opportunity for the full-time U.S. sheep producers to begin the process of rebuilding the nation's sheep flock and increase production to reduce the American consumer's dependency on imported product for such a valuable protein source as lamb and mutton.

Petitioners specific request for relief is twofold: First, Petitioners urge the Office of the United States Trade Representative to request the U.S. International Trade Commission to conduct a global safeguard (escape clause) and market disruption investigation under the Trade Act of 1974 (section 201 of the Trade Act of 1974). As discussed herein, lamb and mutton primarily from Australia are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic sheep industry.

Second, we urge the U.S. Congress to establish a phased-in TRQ over ten years. During the ten-year phase-in period, the TRQ would be used to encourage the growth in production of the U.S. sheep industry to achieve a 50% market share in the United States by year 10.<sup>80</sup>

The sheep industry estimates that domestic sheep packing plants are operating at only one-third to one-half of available capacity.<sup>81</sup> This factor suggests that the domestic sheep producers could quickly increase production except for the untenable weight upon their markets caused by the unrelenting influx of lower-cost Australian and New Zealand lamb and mutton imports.



## Urgency of Requested Relief Heightened by Inflation

The sheep industry is particularly hard-hit by inflationary input costs as evidenced by the USDA's projections for farm business average net cash income for producers of "other livestock," (i.e., the commodity category wherein sheep and lambs would be included) in forecasted years 2022 and 2023.<sup>82</sup> The USDA forecasts an average net cash income for this category of only \$2,400 per farm in 2022, which is the lowest net cash income recorded over the previous eight years, and the lowest of any other listed commodity.<sup>83</sup> The forecast for 2023 is even worse, with a projected net cash income per farm of a negative \$1,300 per farm, making it the only commodity category expected to be unable to recover even its production costs.<sup>84</sup>

The contributing inflation hit a 40-year high in 2022 and attendant production-cost spikes including nearly a 23% increase in fuel costs and a 13.5% increase in feed costs during 2021 have burdened sheep producers with an untenable economic cost/price squeeze.<sup>85</sup>

As a result, the Administration and Congress must act swiftly to preserve those who remain in the United States sheep and lamb industry.





## Conclusion

For the reasons set forth above, we, the R-CALF USA Sheep Committee, urge the Administration and Congress to take immediate steps to halt the ongoing injury to the U.S. sheep industry caused by excessive imports. We specifically request the establishment of tariffs and a tariff rate quota system that will ensure the competitiveness of the domestic sheep industry and encourage an increase in domestic lamb and mutton production to reduce America's dependency on foreign supply chains for their protein-rich lamb and mutton needs.



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11. See *id.* at 136.
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16. See *id.*
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56. *See, e.g.*, JBS acquires Mountain States Rosen lamb plant: Rancher seeks anti-trust intervention, Carrie Stadheim Editor, Tri-State Livestock News, July 29, 2020, available at [JBS acquires Mountain States Rosen lamb plant: Rancher seeks anti-trust intervention | TSLN.com](#).
57. *See, e.g.*, JBS, the world's largest meat supplier, hit by cyberattack, Jeff Pegues, CBS Evening News, June 2, 2021, available at [JBS, the world's largest meat supplier, hit by cyberattack - CBS News](#).
58. *See, e.g.*, Explainer: How four big companies control the U.S. beef industry, Reuters, June 17, 2021, available at <https://www.reuters.com/business/how-four-big-companies-control-us-beef-industry-2021-06-17/>.
59. JBS Foods Australia, Company Website, available at [JBS Foods Australia — JBS Foods \(jbsfoodsgroup.com\)](#).
60. *Id.* (stating "the Imports team markets JBS Australia meat products to retail, foodservice, wholesale, and further processor customers across North America).
61. *Id.*
62. Sensitivity of Australian Trade to the Exchange Rate, Duke Cole and Samuel Nightingale, Reserve Bank of Australia, Bulletin: September Quarter 2016, at 1, available at [Sensitivity of Australian Trade to the Exchange Rate \(repec.org\)](#).
63. *See id.* at 14.
64. *See* What does a weak Aussie dollar mean for your hip pocket, Emma Duffy and Harry O'Sullivan, Savings.com.au, updated Feb. 20, 2023, available at [How will a weak Aussie dollar impact me? \(savings.com.au\)](#).
65. *See id.* at 17.
66. *See id.*
67. *See id.*
68. U.S. Lamb Market in 2010, 2011, and 2012, *supra* note 32, at 7; *see also* at i.
69. *Id.*

## References continued

70. Emerging Entrepreneurs, *supra* note 38, at slide 29; *see also supra* Chart 4.
71. *See* Sensitivity of Australian Trade to the Exchange Rate, *supra* note 62, at 14.
72. *See* Tri-State Wool Growers, USDA AMS Livestock and Grain Market News, Presentation by Randy Hammerstrom, at Slides 58, 59, available at [Tri-state wool growers 12.pptx](#).
73. *See id.* at slides 58-63.
74. *See* U.S. Lamb Market in 2010, 2011, and 2012, *supra* note 32, at 6 (chart depicting rising lamb prices from 2010 through July 2011 and declining lamb prices thereafter with July 2011 identified as the peak of imported lamb prices).
75. *See* Tri-State Wool Growers, *supra* note 72, at slides 60, 62, 63.
76. *See* U.S. Lamb Market in 2010, 2011, and 2012, *supra* note 32, at 6.
77. *See id.*
78. *See* AUD Exchange Rates: 2010-2023, Interactive chart contained in "What does a weak Aussie dollar mean for your hip pocket?", Emma Duffy and Harry O'Sullivan, *Savings.com.au*, updated Feb. 20, 2023, available at [How will a weak Aussie dollar impact me? \(savings.com.au\)](#).
79. *See* US Dollar to Australian Dollar Exchange Rate Chart, Xe Historical Currency Exchange Rates Chart, 10 years, available at [US Dollar to Australian Dollar Exchange Rate Chart | Xe](#).
80. *See* Lamb and mutton: Supply and disappearance (carcass weight, million pounds) and per capita disappearance (pounds), *supra* note 29 (data show the U.S. produced only 135 million pounds of the 483 million pounds of lamb and mutton consumed in the United States. To encourage an increase in domestic production to enable the domestic sheep industry to maintain at least a 50% U.S. market share after year ten, the quota for imported product would be set at approximately 242 million pounds).
81. Based on the author's personal conversation with Jeff Hasbrouck, Partner, Double J Lamb, Texas, and other members of the R-CALF USA sheep committee.
82. Farm Business Average Net Cash Income, USDA-ERS (describing net cash incomes for the period 2014-2023 for various commodities including cattle and calves, hogs, poultry, dairy and other livestock), available at [Farm business average net cash income \(usda.gov\)](#).
83. *See id.*
84. *See id.*
85. *See* New Economic Report: A Glimpse into the 2022 Agricultural Economy, AgAmerica Lending, March 8, 2022, available at [A Glimpse into the 2022 Agricultural Economy | AgAmerica/](#).



# Addendum

To Those Concerned,

I was one of eight children from Lawrence and Butte County, SD, raised on a sheep ranch. Back then, sheep were very numerous. Numbers have steadily gone down as imports have gone up. The law of supply and demand is not in effect as apparently foreigners can raise them cheaper than we can.

We need some stability in the market or more sheep operations will continue to go out of business.

For the sake of our posterity, there must be protection of the sheep industry in America.

Thanks for reading.

God Bless,  
Gene Johnson  
605-641-4314  
19610 US Hwy 85, Belle Fourche, SD 57717

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I graduated from The University of Nevada Reno in 1971. Took a job on a ranch in Eastern Oregon for three hundred a month board and room. The caveat was I could run some livestock. I had seven sheep and two cows by that fall. Today, I have a few more of both. I have seen the ups and down of the markets more than once. I have managed to stay in business with due diligence. I thought we may have had established a new era this last peak only to have record imports show up from Australia and New Zealand. With modern transportation they can flood our market very rapidly. They have many advantages over our domestic production. Their sheep are run under wire and little labor is needed. They have trucks that can haul almost twice as many animals as we can. They have an effective predator control program keeping predation losses low. Their money is worth sixty-eight cents to our dollar, giving them a huge incentive to dump lamb and mutton here.

Nevada has some of the best sheep range in the nation. Sheep are browsers and prefer plants that cattle avoid. We can consume lite fuels to mitigate fire. We can balance the ranges. We can graze unfenced areas to limit invasive species. We produce both meat and fiber. We can flash graze. There are lots of advantages to having public land grazing. The runaway inflation and labor cost are about to put us out of business. I ask for help in leveling the playing field with sky rocketing imports.

My Kindest Personal Regards,

Hank Vogler  
DBA Need More Sheep Company LLC  
HCR33 Box 33920 Ely, Nevada 89301  
775-591-0404

## Addendum continued

I am Henry Etcheverry, owner of Etcheverry Sheep Company in Rupert, Idaho. My father came to the United States in 1929 at the age of 16, from the Basque country of southwestern France. He went to Ely, Nevada to herd sheep for eight years, followed by four more years in Utah. Herders at that time were paid \$50.00 / month. It was always his desire to have his own sheep outfit.

In 1947 my dad, Jean Pierre, purchased 1200 ewes and started his own business. With hard work and patience, he built up the operation to 7000 breeding ewes and 1500 yearlings as well as ranges to support them. I joined the business after graduation from college in 1972.

Always producing some of the best lambs in the west, we have gotten top lamb prices. We were members of Mountain States Lamb Co-op from its inception until its end, sending approximately 10,000 slaughter lambs annually. In those years and today we have seen our market share diminish along with our price per pound. Presently I sell our lambs to Double J Lamb. They are sold on the hook, so to speak, which is at the end of the chain.

We need more money for our lambs, simply a fair price. The US industry packers are told if they ask for more of a carcass price, the meat purveyors, chain stores, jobbers, etc. will switch to imported lamb. It is inferior to domestic lamb but the price is consistently under our U.S. price. We are held hostage. The Australians have lower costs and less regulations than we U. S. producers do.

The long and short of this is I am 74 years old. I have a top-notch range sheep outfit and someday, sooner than later, will need to sell it. No young person in his/her right mind will take it on. It's a very satisfying business and has been profitable but as of late the imports are killing us. We need tariffs or some type of help that would put us on a level playing field.

We contribute to our local communities: buying goods, groceries and services; providing work to shearers, truckers, herders; buying feed and pasture. We pay taxes as do our herders. We participate in the U.S. system. The importers don't even pay a tariff. They have total free trade. Imports are overwhelming us. Any help for the U. S. sheep industry will be greatly appreciated.

Thank you,  
Henry Etcheverry

## Addendum continued

To whom it may concern,

I am a 6th generation sheep rancher. My family raised sheep in Europe before emigrating to the United States in 1860. They traveled here in search of the American Dream, which they found. As the story is told, my 3rd Great Grandfather, Andrew Aagard, traveled to what is now Sanpete County, Utah from Scandinavia. With him he carried nothing but a gold watch given to him by his grandfather and hope in starting his own ranch in the west. When he reached Utah he parted with the watch and used the money to buy his sheep, then helped others do the same. This was the catalyst for what would become a "Sheep Gold Rush" in the west. Sanpete County soon became the epicenter of the sheep industry, and at its peak our county alone would hold over 2.5 million sheep. To put that into perspective, there are roughly 4 million sheep in the entire US today. Which brings us to the point. Where have all of the sheep gone?

Prior to WW2, there were 49 Million sheep in our country. The industry was thriving. During the war effort and as a result of many ranchers fighting in the war, the sheep population plummeted, destroying nearly half of the industry. By the time the war ended there were 29 million sheep in the US and the industry has never recovered.

Consumption of lamb is on an ever-increasing rise, yet the American rancher has done nothing but struggle. 72% of lamb consumed in the United States is coming from other countries. If that is not market capture, I don't know what is. The thing about having the strongest economy and the strongest dollar in the world is that we have nowhere to export to and no way to increase our profitability via trade. This is not true for the rest of the world. Australia, New Zealand, and South America have found that the US is the place to make their money on exports. These countries, who are not bound by the same regulations, not contributing to American communities, and not paying American taxes, nearly double their money just because of the exchange rate. They are undermining the American rancher to the point of unsustainability. We are on the verge of losing the American Rancher, not just sheep but cattle as well. This is affecting everyone.

The food supply should be considered a matter of national security and yet we continue to outsource our food production to different countries. This is a dangerous game we are playing. Once the agricultural infrastructure is gone, it is gone. It is not something easily rebuilt or replaced. Less than 1% of the population feeds the other 99%. As of the last agricultural census the average debt for the American Farmer and Rancher is \$1.7 Million and studies show the average suicide rate for farmers and ranchers is 3x the national average. Every farmer or rancher I know would be tickled to death to break even every year. Show me another industry, where someone toils 365 days a year, hot or cold, rain or snow, and is ecstatic to break even. We are not in this to get rich, but not many can sustain losing money year after year nor should they have to.

To put this to summation, American Agriculture needs intervention. Those who wish to import to the US must meet or exceed the same high standards we are expected to meet as well as pay their fair share to have access to our market. We don't want handouts, we don't need bailouts. We need a level playing field on which to compete with the rest of the world.

Alongside those who came before, now my grandfather, my father, my brother, myself, and our children pour into the same ground and the same dream our blood, sweat, and tears. We breathe in the same dust and that same clear mountain air as Andrew did nearly 200 years ago. Though this life is tough, we want nothing more than the opportunity to feed America and pass this on to our children, their children, and their children's children. Family is what binds us together through time and it is that heritage that binds us all together as a nation.

Over the last few years many American Farmers and Ranchers have said goodbye to their family legacy. They have been the last to work their family farm. They have been forced to be the one to lock the gate on the family ranch for the last time. The livestock grazing these "fruited plains", bearing the brands of multi generational American dynasties are fading away. Some of these families date back further than our Country itself. It is time we protect those who have served us and fed us all of these years. It is time to demand fair trade in the sheep industry and American agriculture as a whole! Let us do all in our power to assure that there are always 3 meals a day on American tables and that these legacies can be passed on to our children and theirs beyond them. God Bless you all and God Bless the United States of America.

Carson Jorgensen  
6th Generation Sheep Rancher  
Sanpete County, Utah

R-CALF USA Sheep Committee

## Addendum continued

To whom it may concern,

My name is Jared Cornelius. I'm writing you today. To express my worries of the future of the US sheep industry. I am the soul family member still involved in agriculture. My wife and I have been running around 900 range ewes. In iron county Utah since November of 1997 .in 1997 lambs sold \$1.06 per pound. Wool was around 80 cents. Times were good. Three years ago I sold lambs for \$2.78 per pound. Wool around \$1.80 per pound. Again Times were great. Then we had to use our earnings to try and stay in business. Do to a depressed lamb price of . 97 cents. Wool at 88 cents. The government needs to be mindful of this when they are over flooding our markets with imports of lamb and wool. They are killing a multi million dollar industry.

Sincerely,  
Jared Cornelius

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I have been in the sheep business since 1975 and I feel like the lamb markets are not being fair dealings on the lambs I sell. We cannot get a steady market so we end up in limbo every Fall, waiting to hear what the price is. When I get after the buyers they all have the same story: it's the imports coming in, you have to change your operation to compete. I am not able to raise and market lambs at a 1.20 a pound. I feel like that the imports need to be scaled back to less than 40% coming in. We do not need them to pay a minimum tariff fee, they'll just pay it, what's another 10 to 20 dollars a lamb? That will not fix it. They have to be limited to what time they come and the level of percentage that's my take on it.

My regards,  
John D. Bown  
bownlivestock@yahoo.com  
435-610-6544



## Addendum continued

Chance and Leissa Allred  
PO Box 359  
Fountain Green, UT 84632

To whom it may concern:

This is a letter that expresses our deep concern for the future of the sheep industry in America.

In the past five years or so we have had a great struggle with selling the American lambs for what they're worth. Imported lambs are taking over the market.

We are 6th generation sheep ranchers. Our children are learning and growing to keep the American lamb system running, but with imported lamb ,that has a strong negative impact on our family.

In order for the American lamb industry to continue and have the next generation take over we think there should be tariffs and some restrictions of imported lamb allowed.

Let our industry continue to serve the American people, and family farms like ours before imports make it so we can't raise domestic lamb. It's an important part of Americans taking care of Americans. Why are we supporting other countries before our own?

Thank you for reading our feelings about the negative impact that the imports have had on our industry

Chance & Leissa Allred

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To whom it may concern,

I am very concerned with the sheep industry. We are running a sheep operation as the 5th generation and would like to continue with a 6th with our children to be able to move forward. We are running on the same private land and same federal permits that we have for generations, helping control fire suppression, noxious weed control, and water shed restoration. We love our life and would love to see it passed down, but it is hard to encourage our children to take this on when there is no security for the future.

Lamb consumption in the U.S is up, you would think that would make our lamb more valuable. But other country's produce lambs a lot cheaper because of our high input costs, we can't compete with them. So as a result imports are 70% of U.S lamb consumption and I feel if there was a tariff to help stabilize our industry we could supply the lambs to the consumer.

Thanks,  
Michael Hansen

## Addendum continued

To whom it may concern:

I would like to express my concerns about the future of the US Sheep Industry. Our numbers have dropped to an all-time low. Due to cheap imports, we have reached the tipping point.

I'm a fifth-generation producer. My family has run sheep here in Utah since the 1880's. Today we still run on most of the same Federal Land as our ancestors. We have provided control of noxious weeds, reduction of fuel load to aid in wildland fire containment, as well as watershed restoration projects. We have protected and managed this land for sustainability because our future depends on it. For generations we have put all our effort into providing food, fiber, and national security for our county.

My kids (sixth generation) and I for the last five years have been expanding to meet the rising demand of lamb. My son also started a sheep shearing business to help where we were struggling to get our sheep shorn. We are all-in in this industry. We need help to level the playing field. In 2021 we had good prices. We made the decision to purchase another herd of 1000 sheep, growing from 2000 head to 3000 head. By the spring of 2022 the market was flooded by imports. In 2021, we received \$286 per head. In 2022 we received only \$106 per head. With a third more sheep we received \$200,000 dollars less for our lambs. Over 70% of the U.S. lamb supply is coming from imports.

To stabilize and grow the US Sheep Industry, there needs to be tariffs and tariff rate quotes on imported lamb. Among producers, feeders and packers, there is a strong desire and passion to produce lamb and wool for the United States. The American sheep industry is a vital part of our country.

Thank you for your consideration and action in this matter.

Sincerely,  
Scott Stubbs

## Addendum continued

Sentel Schreier  
1125 9th Ave  
Belle Fourche, SD 57717

To Whom It May Concern,

I am writing this letter to support the Protect American Lamb Petition for America's Sheep Producers. I am a 3rd generation shepherd. My Grandpa started selling rams from his flock in 1924, my dad has continued this bloodline, and now I do the same. Because the checks our customers receive for their lambs at market are miniscule, the price of our rams has changed very little in the last decade. We cannot ask our customers for a price that ignores the market. In this inflationary economy, we are finding it difficult to break even with the production costs of raising sheep. Like lamb, wool prices continue to fall and barely cover the price of shearing.

It is very uncommon to see sheep grazing in South Dakota and surrounding states. Fewer sheep in our nation is a social and environmental loss. Sheep sequester carbon in their wool, graze invasive weeds that cattle do not, and provide organic fabric that will not pollute our oceans and air with microplastics like synthetics do. More and more sheep men and women sell off their flocks in exchange for cattle, or simply sell their family operations entirely. I believe this is to the detriment of the nation.

Without tariffs on imported lamb, our industry will continue to dwindle. Generations of shepherds are finding work elsewhere. Please consider the futures of young producers like myself who do not see a viable way to make a living under current economic conditions but desire to continue on in their family legacy of growing USA lamb.

Truly,  
Sentel Schreier  
605-210-3467

**Addendum continued**

To Whom It May Concern:

Imported lamb has taken away the west coast market. When there were three packers in California, competition among them gave western producers a ready outlet for their lambs, including those of John Espil Sheep Company. Over the last several years lamb slaughter and processing on the west coast has been drastically reduced, primarily through the actions of the one remaining packer, which has bought and then closed its competition leaving producers with little choice in marketing, at least marketing close at hand. This same packer has filled the void by importing cheaper, poorer quality lamb, primarily from Australia.

In our experience, once the reliance on imported lamb was established, we lost all leverage for our product and, indeed, completely lost access to the once-available west coast market. Locally, there was a domino effect on supportive companies. For example, the largest, regional livestock hauler closed its doors when its business was supplanted by refrigerated carriers loaded with imported lamb from the Port of Oakland. This left us dependent on out-of-state trucks and far-flung markets. The efficiency of production to market access was lost, causing added expense and unnecessary stress for humans and animals alike.

Ours is a hundred-year-old, fifth-generation sheep and cattle ranch. Although fluctuations in marketing and pricing have always been inherent in ranching, the uncontrolled manipulation of the import market is largely without precedent or remedy for the American producer. Unreasonable policies which give preference to foreign interests have precipitated a dire situation for the sheep industry which also reflects upon those businesses and communities supported by production of food and fiber. Recovery depends upon the recognition of the problem and immediate remedial action. Quotas and tariffs must be implemented if we are to rebuild. This will benefit the country, the consumer, and the natural resources.

John Espil Sheep Co., Inc.



**Addendum continued**

To Whom It May Concern:

We are writing this letter to ask for your help to keep the American lamb industry from becoming extinct. Although it is a very small industry in comparison to some agriculture, it is a part of our heritage and our country's history. Lamb has been a source of protein for as long as every other protein grown and harvested in the United States but seems to be the only source that is gravely affected by imports. The United States is also the only country able to provide lamb that is antibiotic free as this is not possible for Australia due to their feeding capabilities.

Our family has a long history in the lamb business- four generations- and has been leaders in the lamb feeding industry for over two decades. The family also owns one of the nation's largest feeding operations specializing in all natural practices- Double J Lamb Feeders located in Ault, CO. This operation holds 65,000 head and can feed up to 200,000 head annually. Numbers have decreased in recent years as the import lamb market continues to grow and domestic lamb sales decrease.

In September 2020, our family purchased Double J Lamb - Texas (DJL- TX); a lamb and goat processing facility located in San Angelo, TX. The facility had been abandoned for years and we completely renovated it to become a fully functioning processing plant after the nation's largest lamb plant was purchased by JBS, Inc. and turned into a ground beef facility. The loss of this plant put the lamb industry at high risk of becoming extinct in the United States and the Hasbrouck family felt compelled to find a solution using industry knowledge as well as success owning and operating a beef and bison packing plant in Colorado. The city of San Angelo and surrounding communities welcomed us with enthusiasm, looking forward to us employing hundreds of people in the area. DJL - TX currently harvests and processes 1500 - 2000 head per week but has capacity to process up to 7500 per week. However, due to imports, the number of sales only allows the plant to run at 20 - 25 percent capacity. Employment at the plant is extremely challenging because the number of employees needed to run all the machinery and jobs necessary sometimes equates to less than full-time employment (hours).

The lamb industry is in dire need of help in managing imports that are killing our industry. Studies show that 70 percent or more of lamb sold in the U.S. is imported. Our industry can no longer support the consumption of lamb in the U.S. because imports have caused it shrink dramatically. However, we would like the opportunity to build our industry back and without the use of tariffs or quotas, we will continue to watch its extinction. Thank you for our time and consideration of this request for help.

Sincerely,  
Jeff Hasbrouck  
Double J Lamb

## Addendum continued

1173 La Valencia Ct.  
Brawley, CA 92227

To Whom It May Concern:

My grandfather immigrated to the US and worked in the sheep industry in 1910. Through hard work and financial sacrifice, he brought his brother and immediate family to the US to all work in the US sheep industry. My father worked for various sheep companies and once again through hard work and financial sacrifice bought his own sheep company. All of his 8 children either worked or were married to individuals who worked in the sheep resulting in 113 years of employment and ownership in the American sheep business.

Martin Auza Sheep Company (MASC) is a family company that is diversified in that individuals have eventually had to get additional jobs to supplement their economic independence. This is due in large part to the effect the deluge of lamb imports in the US especially the last 20 years. Pre-pandemic the economy was improving and whenever that happens, other countries immediately flood the US with lamb in order to take advantage of the US economy resulting in the decrease of meat prices and the American lamb producer losing an increasing share of the market and making it more difficult to retain their stock numbers.

During the 1930s, there were 30,000 head of lambs in Coconino County, in Arizona; today there are between 5-10,000. During the 1990s there were 300,000 head of sheep feeding on the Imperial Valley forage fields; today there are less than 65,000 head. MASC has bought and raised feeder lambs every year but 1 since 1966-56 years. In the fall of 2022 MASC did not purchase feeder lambs as our 2021 feeder crop is in freezers across the US as there is no market due to the lamb imports and no one will buy our lamb. In addition, every year for the past 10 years we have had to reduce our herd from 53,000 to less than 25,000. While some companies have been able to sell their lamb at below profit margins, creating horrendous losses, many have not and many have had to either stop raising lambs entirely or have switched to other agricultural products. Once again this is a result of the loss of market share due to the enormous influx of imports into the US.

Reliance on other countries to produce food is a huge risk just as depending on other companies to produce medication and other products is a risk that is all too well known by American citizens. Without tariffs and quota limits on imported lamb meat, the American Sheep Industry will collapse except for the producers who raise under 100 head per year.

Thank you for your consideration and future action to assist the American sheep producer to remain an integral part of producing a safe and consistent level of food for American citizens. It is important to the success of America that we take care of our own country first.

Sincerely,  
Martin Auza & Shirley Auza

## Addendum continued

To Whom It May Concern,

My family has been in the sheep business for about 100 years. Although I don't think anybody thinks they will get rich raising sheep, it has helped many of us provide for our families and helps support many other people and businesses such as vets, IFA Farming Supply, grocery stores (to feed our help), farm trucks and equipment, fuel power, fencing supply, and payroll tax to name a few. Our power bills are on the commercial level.

The US gets 73% of its Lamb from import, which is cheaper to the processing houses, where import is subsidized. What happened to supporting the U.S.?

Little by little, more and more Farming and Ranching businesses are selling out to subdivisions because they can't keep up with the struggle. Do we want to depend on our food sources to be primarily imported? It should be the US FIRST, then an outside source, if needed! With a dollar a pound Lambs and low wool prices, farmers are falling one by one. While Imports get subsidized?

Even though farmers' numbers are small compared to large cities, they are responsible for SAFELY feeding America. Do we really want to put ourselves in a position where other Countries can control us through our food? We need help!!

Our business's percentage pays way more out than others, with less profit in the end. bottom line.

Price of hay is high, fuel is high, and all of our costs have risen when our price for lamb is down, but the price of meat in the store is at an all-time high?!

We have to deal with many things. Grasshoppers are eating the feed, drought and predators are killing our Lambs. Areas we could trail our sheep to graze are now filled with honking horns, and the cost of trucking our lambs has gone up, along with everything it takes to raise our animals. Not ONE thing has gone down except our lamb and wool prices. Our food chain is in trouble and needs HELP!

This is just a small outlook on a huge problem for our sheep industry.

Thank you,  
Clark Webster  
C&R FARMS  
702-600-2399

## Addendum continued

David and Donna Buskohl  
7585 Highway 18  
Wyndmere, ND 58081

To whom it may concern,

This letter is to address our dire concerns with the future of the American lamb producers and lamb feeders primarily with the inundation of imported lamb. Buskohl Farms is a multigenerational sheep operation that started in 1970. Presently, Buskohl Farms has the capacity to supply 18,000 or more market lambs annually. As imports have negatively affected our American industry over time since our beginnings, the most detrimental changes have occurred for us over the past 5 years and will continue to worsen without intervention for producers and feeders of American lamb. This is due to lamb imports.

Prior to the last 5 years, Buskohl Farms was able to secure agreements with several lamb processing facilities for our market lambs. Without these agreements in place to market these lambs, it has been financially devastating to us as lamb feeders. If the lamb producers of the industry are unable to purchase lambs due to this, then that also takes out the lamb producers of the industry as they will not have outlets to sell their lambs. The processors have lost interest in offering agreements because they are able to get 70% or more of their supply from cheap, imported lamb.

Over the last few years, Buskohl Farms has only purchased approximately 15% of normal capacity because of imports overtaking our outlets for our lambs. Our over 50 years family operation is eroding away and the opportunity for our grandchildren will be nonexistent. We cannot stress enough how imperative timely action is given to this matter.

For the lamb industry in America to survive and thrive again, there needs to be tariffs and quotas on imported lamb. The lamb producers and lamb feeders of the United States of America have the tremendous desire and passion to continue this timeless tradition and service to our country and our families. American lamb and its whole industry is a vital part to our whole country and it is past time for our country to take care of its own.

Thank you for your consideration and future action with the negative impact of lamb imports.

David and Donna Buskohl  
701-640-5411

## **EXHIBIT D-1**

### **October 19, 2023 follow-up letter to USTR**

Prehearing brief source [3]

Complete text converted from the supplied Word original; pagination differs from the original.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

## **October 19, 2023 follow-up letter to Ambassador Tai**

Complete text converted from the original Word file; see Source [3].

October 19, 2023

The Honorable Katherine Tai

U.S. Trade Representative

Office of the U.S. Trade Representative

600 17th Street NW

Washington, DC 20508

TRANSMITTED ELECTRONICALLY

Re: Follow-up to U.S. Sheep Industry's Request for Immediate Relief from Injurious Imports of Lamb and Mutton from Australia and New Zealand

Dear Ambassador Tai:

As your Agency continues its consideration of our August 3, 2023 letter and accompanying Protect American Lamb: Petition for Relief by America's Sheep Producers urging you to request the U.S. International Trade Commission initiate a safeguard investigation under Section 201 of the Tariff Act of 1974, I wish to inform you that we will be submitting additional information to you by early November.

Since our submission, American sheep producers have worked to apprise industry participants, local and state governments, and Congress regarding the plight of the American sheep industry and how a safeguard investigation represents a critical step toward the formulation of a meaningful solution.

Measurable progress has been made in this regard as evidenced by the joinder of over 100 sheep producers, lamb feeders, and lamb processors, which together control approximately 22 percent of the sheep and lamb inventory in the 17 western states, to our petition; the passage of seven county commission resolutions in four states seeking import relief for the sheep industry; and the circulation of a joint congressional letter in support of our request.

We will provide you with updates in each of these areas by early November that will serve to supplement our original petition.

Sincerely,

Bill Bullard, CEO

406-670-8157

billbullard@r-calfusa.com

## **EXHIBIT D-2**

### **December 5, 2023 petition supplement letter to USTR**

Prehearing brief source [3]

Complete document.

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December 5, 2023

The Honorable Katherine Tai  
U.S. Trade Representative  
Office of the U.S. Trade Representative  
600 17th Street NW  
Washington, DC 20508

TRANSMITTED ELECTRONICALLY

**Re: Supplement to the U.S. Sheep Industry's August 3, 2023 Request for Immediate Relief from Injurious Imports of Lamb and Mutton from Australia and New Zealand**

Dear Ambassador Tai:

Please incorporate the following supplemental information as your office continues its consideration of our August 3, 2023 letter and accompanying *Protect American Lamb: Petition for Relief by America's Sheep Producers* urging you to request the U.S. International Trade Commission initiate a safeguard investigation under Section 201 of the Tariff Act of 1974.

**Bipartisan Congressional Letter:**

On October 27, 2023, you received the accompanying bipartisan letter signed by 14 Members of Congress representing 8 states respectfully urging you to give full consideration of the request by American sheep producers who have asked you to request that the United States International Trade Commission initiate a safeguard investigation under Section 201 of the Trade Act of 1974. Among other things, the letter highlights the anomalous response by the domestic sheep industry of decreasing domestic production in the face of increasing domestic lamb and mutton consumption as justification for a careful, probing analysis into the effect of imports on the domestic sheep industry.

**Official County Commission Resolutions/Proclamation/letter, and Conservation District Resolutions:**

County commissions representing 15 county governments in the 7 states of California, Colorado, Idaho, Montana, Nevada South Dakota, and Utah have passed formal county resolutions and/or a proclamation generally urging the Administration and Congress to halt the injury to the U.S. sheep industry caused by excessive imports and several further urge the establishment of tariffs and tariff quotas, or some other form of quantity controls that will ensure the viability and competitiveness of the domestic sheep industry, or some similar variation thereof. In addition to the formal county

The Honorable Katherine Tai  
December 5, 2023  
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resolutions, the Fall River County Commission from South Dakota wrote a letter to their state's congressional delegation urging action to address the plight of the domestic sheep industry. Also included in the Supplement is a resolution from Utah's E&I Conservation Districts in support of the Utah sheep industry.

**Official Resolutions from County Farm Bureau Organizations:**

Included in the Supplement are resolutions from two county Farm Bureau organizations in Utah urging the Administration and Congress to halt the injury to the U.S. sheep industry caused by excessive imports.

**115 Sheep Producers, Feeders, and Packers Endorse Request for Investigation (due to confidentiality concerns, no names or contact information is included):**

Since your office received our August 3, 2023 request, and through today, 115 sheep producers, including ewe/lamb producers, feeders and packing operations in 16 states, have endorsed the request that your office call upon the USITC to conduct a Section 201 investigation. Together, these 115 sheep operations possess or control approximately 800,000 sheep and lambs, which represent about 22% of the total sheep inventory in the 17 western states (note that about six producers from the states of Iowa, Missouri, New York, and Minnesota are included as endorsers).

We trust your office will find this supplemental information helpful. We respectfully urge your favorable consideration of our request. If you need any additional information, please contact me using the information below.

Sincerely,



Bill Bullard, CEO  
On Behalf of Protect American Lamb Project  
406-670-8157  
[billbullard@r-calfusa.com](mailto:billbullard@r-calfusa.com)

Attachments: Supplement

## **EXHIBIT E**

### **September 5, 2024 follow-up letter to USTR**

Prehearing brief source [4]

Original letter pages 1–3. Separately enclosed material is omitted to avoid duplication.

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September 5, 2024

The Honorable Katherine Tai  
U.S. Trade Representative  
Office of the U.S. Trade Representative  
600 17th Street NW  
Washington, DC 20508

TRANSMITTED ELECTRONICALLY

**Re: Request for Determination Regarding R-CALF USA's *Protect American Lamb: Petition for Relief by America's Sheep Producers* submitted August 3, 2023.**

Dear Ambassador Tai:

Over a year ago, on August 3, 2023, we submitted to you a *Protect American Lamb: Petition for Relief by America's Sheep Producers* in which we asked you to request the U.S. International Trade Commission to initiate a global safeguard (escape clause) and market disruption investigation under the Trade Act of 1974 (section 201 of the Trade Act of 1974). As described in our petition, we firmly believe that lamb and mutton, primarily from Australia, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic sheep industry.

Data from the U.S. Department of Agriculture show that the volume of imported lamb and mutton have increased by more than 38% during January-June 2024 when compared to the same period in 2023.<sup>1</sup> On August 14, the UI-USU-SDSU Extension Sheep & Goat Monthly Webinar was held and slides presented by Tyler Cozzens, Ph.D., Livestock Marketing Information Center, substantiated the ongoing and rapid contraction of our nation's domestic sheep industry.

In particular, Cozzens presented slides showing 2024 inventory declines in all classes of domestic sheep; a 12% increase in mature sheep slaughter in 2024, corresponding to a 3% increase in lamb and mutton production (meaning fewer sheep will be available for breeding); a 33 million pound (38%) increase in lamb imports; and a 2025 forecast depicting falling production (up to a 2% decline over 2024) and falling lamb prices (up to a 5% decline over 2024). Notably, also, was Cozzens' depiction of the weakening Australian dollar compared to the U.S. dollar since 2012.

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<sup>1</sup> See Lamb and mutton: annual and cumulative year-to-date U.S. trade (carcass weight, 1,000 pounds), USDA ERS, accessed Aug. 19, 2024, available at [https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.ers.usda.gov%2Fwebdocs%2FDataFiles%2F81475%2FLambMutton\\_YearlyFull.xlsx%3Fv%3D5014.5&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.ers.usda.gov%2Fwebdocs%2FDataFiles%2F81475%2FLambMutton_YearlyFull.xlsx%3Fv%3D5014.5&wdOrigin=BROWSELINK).



In the Aug. 13, 2024, article, “Some Nasty Lamb Spreads” by Matt Dalgleish and published in *Episode 3*, is a chart depicting, *inter alia*, the average monthly spread between Australian lamb prices and U.S. lamb prices.<sup>2</sup> The chart and attendant narrative reveal that from 2019–2024 (partial) Australian lamb was substantially discounted in price compared to U.S. lamb for most of the period, with nearly a 40% discount during much of 2021 and 2022, and a nearly 60% discount in late 2023. Australia’s substantial price discounts compared to the U.S. gives Australia an outsized advantage in our domestic sheep market and helps explain how Australia continually undercuts our domestic lamb production.

In a previous, Aug. 7, 2024, article in *Episode 3*, “Exports are in Sheep Shape,” also by Matt Dalgleish, is a chart depicting the substantial increase in Australian sheep meat exports to the United States that during July 2024 were running 35% above the five-year seasonal average for July.<sup>3</sup> Indeed, the chart reveals that during the first half of 2024, Australian sheep meat exports to the United States were consistently well above 2023 levels and well above the five-year seasonal average.

The combination of Australia’s substantial lamb-price discounts and its substantial increase in sheep meat export volumes is resulting in increased supplies in the domestic market that are putting downward pressure on domestic lamb prices. Although domestic lamb prices began rebounding in April 2024 over 2023 and early 2024 prices, the increased volumes of lower-cost foreign lamb have contributed to steadily declining lamb prices from May through July, with USDA data depicting a 4% drop in prices during that period.<sup>4</sup>

Lower domestic lamb prices, should they continue into 2025 as forecasted by Cozzens and discussed above, will certainly result in the exodus of even more domestic lamb producers than the 12,534 additional sheep operations that had recently exited the industry between the 2017 and 2022 Agriculture Censuses,<sup>5</sup> leaving the U.S. with a mere 6,376 domestic sheep operations with a flock size of at least 100 head.

In sum, the dire condition of our domestic sheep industry described to you in our August 2023 petition continues to worsen and we are disappointed that our petition, which represents a first meaningful step in mitigating this ongoing crisis, appears to have been ignored.

For purposes of supplementing the existing record associated with our petition and my December 5, 2023, letter, I am attaching additional support letters from the Idaho Wool Growers Association and the Utah Wool Growers Association, along with additional resolutions passed by county commissions in the states of California, Montana, Nevada, Texas and Utah that further demonstrate the profound concern for the viability of America’s lamb producers and the keen desire

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<sup>2</sup> See <https://episode3.net/livestock/some-nasty-lamb-spreads/>

<sup>3</sup> See <https://episode3.net/livestock/exports-are-in-sheep-shape/>

<sup>4</sup> See Livestock and Meat Domestic Data, Livestock Prices, USDA-ERS, available at <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.ers.usda.gov%2Fwebdocs%2FDataFiles%2F104360%2FLivestockPrices.xlsx%3Fv%3D8545.3&wdOrigin=BROWSELINK>.

<sup>5</sup> Compare Table 27. Sheep and Lambs Flock Size by Inventory, Sales, and Wool Production: 2017, available at [https://www.nass.usda.gov/Publications/AgCensus/2017/Full\\_Report/Volume\\_1\\_Chapter\\_1\\_US/](https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1_Chapter_1_US/) to Table 27. Sheep and Lambs Flock Size by Inventory, Sales, and Wool Production: 2022, available at [https://www.nass.usda.gov/Publications/AgCensus/2022/Full\\_Report/Volume\\_1\\_Chapter\\_1\\_US/st99\\_1\\_024\\_027.pdf](https://www.nass.usda.gov/Publications/AgCensus/2022/Full_Report/Volume_1_Chapter_1_US/st99_1_024_027.pdf).

The Honorable Katherine Tai  
September 5, 2024  
Page 3

that your office favorably considers our petition and acts expeditiously to address this serious American crisis.

We recently received anecdotal information indicating that at least some employees in your office do not believe that imported lamb and mutton are causing injury to our domestic sheep industry. If this is the case, we would greatly appreciate word from you regarding whether your office intends to call for an investigation into this matter. If not, then we will pursue other options as it is our mission to take the necessary steps to rebuild and revitalize this important domestic industry.

We respectfully request that you inform us as quickly as possible as to whether the Office of the United States Trade Representative will request the U.S. International Trade Commission to conduct a global safeguard (escape clause) and market disruption investigation under the Trade Act of 1974 (section 201 of the Trade Act of 1974), for the purpose of determining if lamb and mutton are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic sheep industry.

Thank you for your consideration of our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Bullard", with a stylized, cursive script.

Bill Bullard, CEO, R-CALF USA  
406-670-8157  
[billbullard@r-calfusa.com](mailto:billbullard@r-calfusa.com)

Attachments:

## **EXHIBIT F**

### **National Research Council: Changes in the Sheep Industry (2008) report brief**

Prehearing brief source [17]

Complete document.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.



## Changes in the Sheep Industry in the United States

During the past 60 years, the number of sheep and lamb in the United States have been declining, a fact that has been attributed to a confluence of forces. Despite the downward trend, the domestic sheep industry has taken steps toward transforming itself into a more efficient and competitive industry. This report examines the current and future challenges and opportunities that the sheep industry faces and concludes that, with a concerted industry effort and focus on new technologies, products, and markets, the downward trend can be stopped and possibly reversed.

The United States sheep industry is rooted in history and tradition, dating back to the second voyage of Columbus in 1493. Domesticated sheep were used by colonists primarily for wool for home-produced textiles and, to a lesser extent, meat. Today the U.S. sheep industry is one of the most complex industries in animal agriculture. Sheep provide lamb and mutton (mature sheep) meat for consumption, wool and pelts for textiles, and milk from the emerging dairy sheep industry.

Despite the sheep industry's long history and versatility, the dominant feature has been the steady decline in the number of sheep and lamb since the mid-1940s. (Figure 1) From a record high of 56 million head in 1942, inventories have declined to 6.2 million head as of January 1, 2007, the lowest level in recorded history. No one factor, event, or policy change is responsible for the industry's steady decline, but rather a confluence of forces against which U.S. sheep producers have had to struggle. Although producers have little control over many of the forces affecting the industry—from globalization to the growing competition from other meat and fiber industries in the United States and competition abroad with large lamb and wool producers, such as Australia and New Zealand, who provide 50% of the U.S. consumer lamb supply—the prosperity of the industry is not entirely dependent on external forces. Various components of the sheep industry have made adjustments, invested in new technologies, and improved efficiency. These



U.S. sheep including black and white faced wool producing sheep (left) and hair sheep (right). Photos courtesy USDA

changes are transforming the industry toward a more efficient and competitive future. This report concludes that a better description of the current U.S. sheep industry is “an industry in transition.”

In response to a Congressional request in the Agricultural Appropriation bill and with support from the Economic Research Service of the U.S. Department of Agriculture (USDA), the National Research Council assembled a committee of experts to review the development and current status of the sheep industry in the United States and to examine challenges and opportunities of the future.

### Structure of the U.S. Sheep Industry

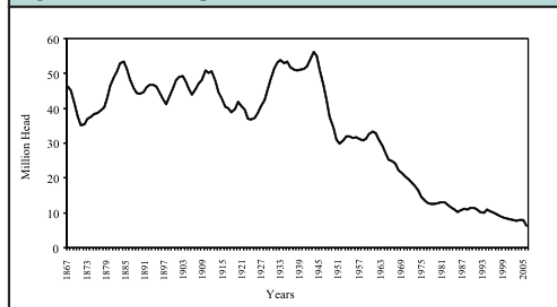
In the United States, commercial sheep production consists of two main types of operations: (1) range sheep operations, which consist of relatively large flocks that graze on native or unimproved pasturelands, common

in the western states, and (2) farm flock operations, characterized by smaller flocks (often less than 50 head) and raised on smaller improved pastures or in feedlots, common in the midwestern and eastern states. Sheep production from these operations provides lamb meat and wool and pelts for textiles, but also other emerging sheep products including milk for sheep cheeses and yogurts, purebred sheep for shows, specialty wools, high-quality lighter-weight and younger lambs, and organic and natural lamb and wool products.

The current foundation of the industry, lamb meat, is primarily marketed through a traditional channel, in which lambs move from pastures to higher-quality feeding systems to grow to harvest weight and then are commercially harvested. However, increasing numbers of lambs are being sold as early harvest lamb to meet the demand for better quality, lighter-weight lambs and/or are being sold directly from the farm gate to individual consumers. Official government data capture information about the traditional channel, but provide incomplete information about the other channels.

Wool production, once the mainstay of the U.S. sheep industry, has declined more rapidly than lamb production. Much of the current U.S. wool production is exported to countries with expanding textile industries, such as China and India. Sheep pelts

Figure 1: U.S. Sheep and lamb Inventories, 1867-2007



enter industrial markets and are either used for various consumer products or are exported. The growing dairy sheep industry is made up of a small number of farm flock operations located in the Midwest and East. Sheep milk cheeses and yogurts are sold at the farm or cooperative level, as well as at farmers markets and small commercial outlets.

### OPPORTUNITIES AND CHALLENGES

Despite the decline in the sheep industry since World War II, data show that in recent years the sheep numbers have leveled off significantly and even reversed in some regions of the country. One contributing factor is that the sheep industry has begun

to incorporate hair sheep in place of traditional wool-producing sheep because they are easier to care for and are more adaptable to humid climates (see photo). They are short-haired sheep that shed, eliminating the need for shearing. Productivity increases have also been achieved through genetic progress and improved nutrition, health, and management practices.

The future well being of the U.S. sheep industry depends on the potential for profitability, which is affected by various challenges and opportunities. Challenges that need to be overcome to ensure sustainable growth and economic competitiveness include the loss of infrastructure due to decades of decline in volume

Although specific events, such as the end of World War II and the repeal of the National Wool Act, are often given as the cause of the decline of the industry, in fact many events and issues have contributed. Some of the more often cited factors are:

- Labor loss during World War II;
- A negative American G.I. experience with mutton during World War II;
- Changes in regulations and permits for grazing on public lands and endangered species regulations;
- Competition from other meats and other fibers;
- Changes in consumer preferences;
- Losses from predator kills;
- Loss of the National Wool Act and the Incentive Payment programs;
- Foreign wool production subsidies;
- Competition from imports along with an appreciation of the U.S. dollar against Australian and New Zealand currencies in the 1990s; and
- Concentration in the U.S. packing and feeding industries.

Despite the continuing decline in the U.S. sheep industry, there are reasons for optimism about the future. Developments have occurred that have made the sheep industry more profitable for some. These developments include the following:

- Improvements in production efficiency;
- Leaner lamb;
- Development of further processing of lamb and new packaging techniques;
- Decline in Australian and New Zealand sheep numbers;
- Depreciation of the U.S. dollar; and
- Emergence of new and niche markets.



of sheep production; problems in pricing and price determination; the decline in the share of public and private support for new technology development and education activities; and an increased problems with predators, which is currently the largest cause of sheep/lamb deaths. Coyotes account for 60% of all confirmed predator losses; other predators include domestic and feral dogs, wolves, vultures, and hogs.

The U.S. sheep industry has many opportunities for enhanced industry efficiency and competitiveness, despite these challenges. Productivity gains can be made by further advances in genetics, nutrition, health, and management programs; by getting lambs to their final weigh on forage or pasture in order to off set the rising price of grain and concentrate feeds; and by direct marketing of high-quality and lighter-weight lambs to the rapidly expanding ethnic markets.

### **Sheep Health Issues**

A healthy flock is imperative for successful sheep operation. Disease reduces sheep viability, overall growth rate, immunity, and reproductive performance. In the United States, making and prioritizing recommendations regarding research needs and control measures for sheep disease is difficult because the data related to the economic impacts and the true prevalence of most disease conditions affecting the sheep industry are lacking.

Currently, stomach and intestinal parasites (worms) cause substantial economic losses, and they are increasingly drug resistant. In addition, the United States has a shortage of approved animal drugs intended for less common animal species, such as sheep. The shortage of large-animal veterinarians in many areas of the country is a challenge to the sheep industry as well as to other livestock industries. Other diseases that could have significant economic impacts on the U.S. sheep industry include Johne's disease, foot rot, and foreign animal diseases, such as foot and mouth disease. Although rare in the United States, scrapie is a degenerative disease that affects the central nervous system of sheep and has led to some concern over the public health risk. An outbreak of scrapie may also impede or restrict the U.S. sheep exports, which could have serious economic effects.

Progress has been made and there are more viable opportunities to minimize the economic impacts of disease. As a result of nationwide efforts (including the National Scrapie Eradication Program and others), there have been substantial strides in the effort to eliminate scrapie from the United States. Improvements in the use of the identification systems to monitor animal

movement as the foundation for an overall flock health program and improvements in biosecurity practices could further minimize economic impacts of disease.

### **The U.S. Lamb Industry**

Marked by its distinct flavor, lamb meat is a relatively minor product in most food stores. But despite the decline in U.S. production, lamb consumption has grown slightly in the United States. An increase in consumer demand is good news for the U.S. lamb industry, which has an opportunity to further increase its demand and better compete with Australian and New Zealand lamb.

Given this opportunity, there are many challenges that the domestic lamb industry continues to face. Because lamb is a relatively minor meat product, packers have a disadvantage in bargaining on price with large retailers and large foodservice buyers. In addition to pricing issues driven by the market structure, the current pricing system rewards producers for weight rather than value of the lamb meat, which leads to a persistent problem of excess fat on lamb carcasses. Numerous modern tools exist to improve the assessment of the value of lamb carcasses, but they require an investment by the industry. Data on different types of consumption of lamb meat and consumer preference are lacking.

### **The U.S. Wool Industry**

At one time, wool was considered the primary product of sheep production, with lamb and mutton as byproducts. Today, the situation is reversed. Wool is sometimes even considered a "liability." The growth of hair sheep production is a reflection of the decline in the relative profitability of wool production vs. lamb production. Wool currently accounts for 10 to 30 percent of the sheep production income in range production systems and less than 5 percent in farm flock production systems.

The decline of wool has been a result of many forces. The number of natural fibers (e.g., cotton and silk) and synthetic fibers (e.g., nylon, rayon, acrylic, and polyester) that compete with wool has increased. From 1995 to 2005, wool accounted for only about 0.6 percent of all fiber use in the U.S. mills. Furthermore, the domestic mill use of all fibers has been on a downward trend as a result the globalization of the textile industry. The loss of the National Wool Act and other legislation that provided price support to the U.S. wool industry has also contributed to the decline in U.S. wool.

Despite these challenges, the wool industry has made some progress responding to the pressures it is under. Better preparation of wools by producers can

obtain higher prices, and new wool fabrics and garments can overcome some of the challenges of wool use (e.g., not machine washable, prickly on skin, shrinking in hot water, flammable). Survival of the U.S. wool industry depends on continued progress overcoming challenges in domestic wool as well as potentially increasing exports to meet foreign demand for wool in China and other developing countries.

### The U.S. Dairy Sheep Industry

Although the dairy sheep industry makes up a relatively small segment of the U.S. sheep industry, it has the potential to become an economically important agricultural industry. The United States is the world's largest importer of sheep milk cheese, accounting for about half of the world's sheep milk cheese in international commerce. The growth of the domestic industry is the result of production in high-quality cheeses, and promotion of sheep cheeses by both national and state organizations. A lack of local commercial processing factories has led many U.S. sheep producers to make cheese on their farms in small batches for direct marketing to individuals, food stores, and restaurants. For the dairy sheep industry to continue to develop, advancement in sheep genetics to improve the dairy sheep traits, research and support for dairy production and sheep milk processing, and increased competitiveness with lower-priced sheep milk cheese imports need to be overcome.

### Alternative and Emerging Markets

Much of the recent development in the U.S. sheep industry can be attributed to the rise of alternative markets such as ethnic and religious markets. Sheep and lamb inventories indicate

growth in Eastern and Mid-Atlantic States and in the Midwest, where alternative and emerging markets are particularly important. The number of lambs moving to these emerging markets come directly from the farms or from small slaughterhouses, especially during religious holidays (Muslim holidays and Christian and Orthodox Easter), and this is not captured in official USDA slaughter data. In addition to ethnic and religious lamb markets, specialized products such as organic and "locally grown" markets are on the rise. Other "niche" sheep products include specialty wools for hand spinners, yarn and other naturally colored wools.

Although these markets provide new opportunities to the U.S. sheep industry, there are still challenges to the expansion of alternative and emerging markets. The lack of information, product pathways, and regulatory systems, make it difficult to determine current and future market opportunities and to sustain growth.

### Conclusion

Although continuing declines can be expected in some areas of the U.S. sheep industry, the changes currently taking place offer ground for optimism. The emergence of new and alternative markets for sheep products signifies that the industry may be on the brink of a transition from traditional practices and marketing channels to new markets, new technologies, new products, and a new consumer base. This offers the potential to arrest the decline experienced over the last several decades. Expanding alternative and emerging markets will create considerable challenges to the industry and to policy makers. However, all these challenges can be addressed by a concerted effort from within the industry.

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**Committee on the Economic Development and Current Status of the Sheep Industry in the United States:** Gary W. Williams (*Chair*), Texas A&M University, College Station; DeeVon Bailey, Utah State University; Oral Capps, Jr., Texas A&M University, College Station; Linda A. Detwiler, Virginia-Maryland College of Veterinary Medicine; Hudson A. Glimp, University of Nevada, Reno (*Emeritus*); Timothy Hammonds, Food Marketing Institute, Washington, DC; Douglas D. Hedley, Canadian Faculties of Agriculture and Veterinary Medicine; Helen H. Jensen, Iowa State University; Paul S. Kuber, The Ohio State University; David L. Thomas, University of Wisconsin, Madison; Austin J. Lewis (*Study Director*); Ruth S. Arieti (*Senior Project Assistant*).

**This report brief was prepared by the National Research Council based on the committee's report. For more information or copies,** contact the Board on Agriculture and Natural Resources at (202) 334-3062 or visit <http://dels.nas.edu/banr>. Copies of *Changes in the Sheep Industry in the United States* are available from the National Academies Press, 500 Fifth Street, NW, Washington, D.C. 20001; (800) 624-6242; [www.nap.edu](http://www.nap.edu).



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## **EXHIBIT G**

### **American Lamb Board: 2022 Sheep Industry Review**

Prehearing brief source [27]

Title page and cited pages 13, 17, 24–26, 45. Original PDF page numbers correspond to report pages.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.



# 2022 Sheep Industry Review

Prepared by the American Sheep  
Industry Association

February 2023

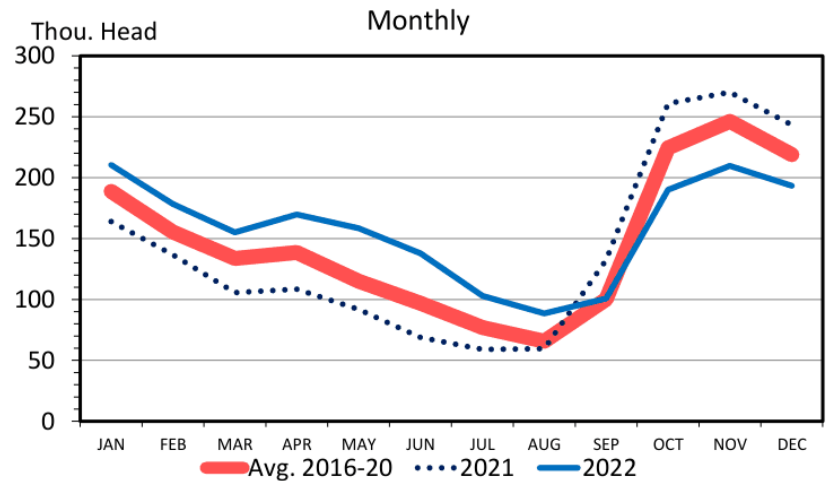




## Lambs on Feed

- Weaker consumer demand reduced the demand for live lambs.
- This resulted in:
  - Lambs on-feed longer than normal
  - Large supply of old crop, over-finished lambs
  - Heavier lamb weights
  - High feeding costs
- On average, the number of lambs on-feed was 11% larger in 2022.

## COLORADO LAMBS ON FEED



Note: Current as of the first day of each month. Inventory data is collected from feedlots with a capacity of 5,000 head or greater in Colorado.

Data Source: USDA/AMS, Compiled by the Livestock Marketing Information Center

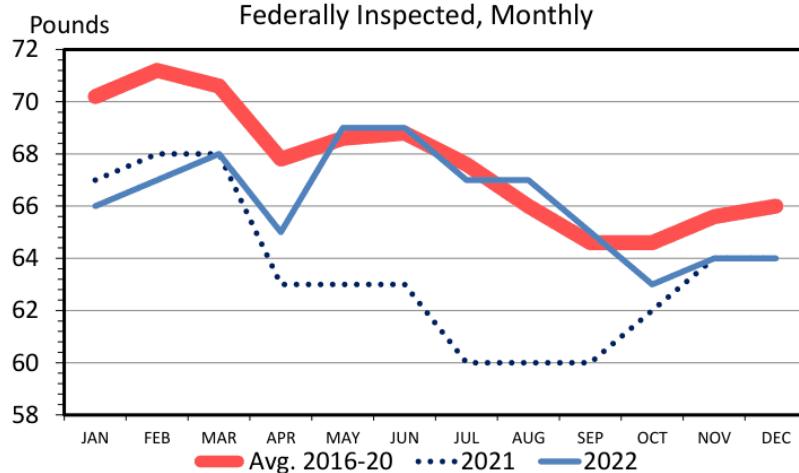


## Federally Inspected Slaughter

- Lamb weights were 4% heavier in 2022 due to a slowdown in slaughter lamb marketings.
- Compared to the 2016 – 2020 average, weights were 2% lower in 2022.
- Heavier weights compensated for the smaller lamb supply in 2022.

## AVG. DRESSED WEIGHT - SHEEP & LAMBS

Federally Inspected, Monthly



Data Source: USDA/NASS, Compiled by the Livestock Marketing Information Center

## Slaughter Lamb Prices

- Slaughter lamb prices down 20% from the record levels of 2021.
- Prices declined in 2022 due to:
  - High lamb prices and inflation resulting in a decline in consumer demand for lamb
  - Large supply of slaughter-ready lambs in feedlots
- Formula Prices on a carcass basis were not reported due to USDA/AMS confidentiality guideline.

|             | Formula Carcass Basis <sup>1</sup><br>(\$/cwt.) | % of Previous Year | Formula Live Equivalent<br>(\$/cwt.) | % of Previous Year | Negotiated Live <sup>1</sup><br>(\$/cwt.) | % of Previous Year |
|-------------|-------------------------------------------------|--------------------|--------------------------------------|--------------------|-------------------------------------------|--------------------|
| 2016        | 285.25                                          | -4.6%              | 143.37                               | -4.7%              | 145.50                                    | -3.3%              |
| 2017        | 300.21                                          | 5.2%               | 151.05                               | 5.4%               | 151.81                                    | 4.3%               |
| 2018        | 272.95                                          | -9.1%              | 137.63                               | -8.9%              | 143.05                                    | -5.8%              |
| 2019        | 287.63                                          | 5.4%               | 144.06                               | 4.7%               | 149.70                                    | 4.7%               |
| 2020        | 250.93                                          | -12.8%             | 125.14                               | -13.1%             | 150.04                                    | 0.2%               |
| 2021        | NQ                                              | NQ                 | NQ                                   | NQ                 | 217.25                                    | 44.8%              |
| <b>2022</b> | <b>NQ</b>                                       | <b>NQ</b>          | <b>NQ</b>                            | <b>NQ</b>          | <b>173.72</b>                             | <b>-20.0%</b>      |

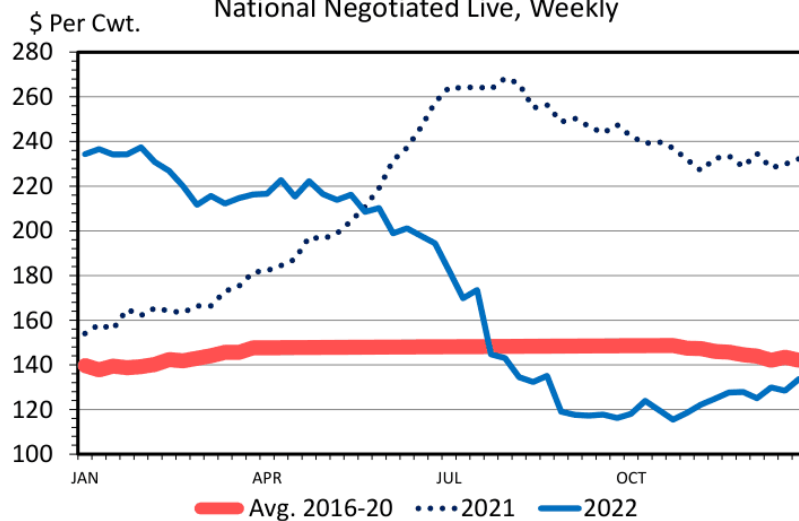
<sup>1</sup>Prices for 2020 are calculated from incomplete weeks of data due to confidentiality.

Data Source: USDA/AMS, Compiled by ASI & the Livestock Marketing Information Center

## Slaughter Lamb Prices

- Slaughter lamb prices declined in 2022.
- Lack of demand drove prices down during the second half of the year.
- Slaughter lamb price averaged \$173.72 per cwt. 2022.

## SLAUGHTER LAMB PRICES National Negotiated Live, Weekly



Data Source: USDA/AMS, Compiled by ASI & the Livestock Marketing Information Center

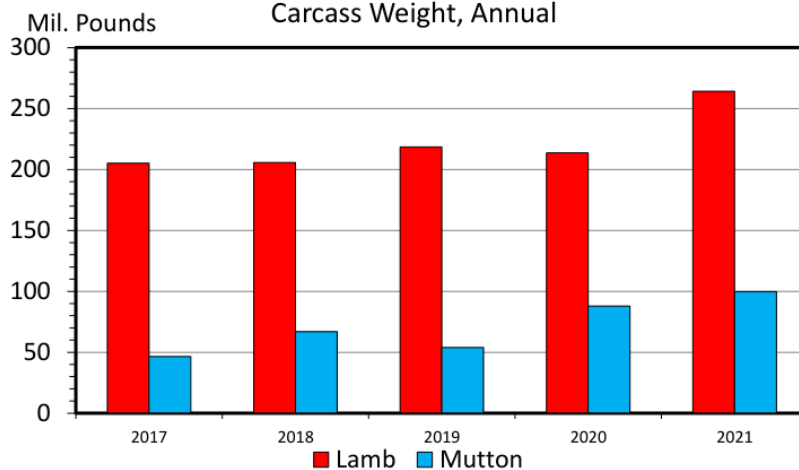
## Light-Weight Lamb Market Trends

- Characterized by a lighter-weight lamb, around 100 lbs. based on the preferences of the ethnic market.
- The number of wool-breed lambs sold into this marketing channel increased in 2022 in response to market demand, price, and supply conditions.
- Largest auction markets are New Holland, PA & San Angelo, TX, but markets exists in all regions of the U.S.
- Lambs are processed by State Inspected & Federally Inspected processing plants.
- The number of lambs sold as light-weight slaughter lambs continued to impact the available supply of lambs for the feeding sector and the mainstream lamb market.

## Lamb & Mutton Imports

- Strong U.S. lamb prices provided an attractive market for lamb imports.
- Lamb imports up 5.2% at 278.0 million pounds in 2022.
- Mutton imports down 19.6% to 80.13 million pounds.
- Total lamb and mutton imports at 358.1 million pounds, down 1.6% from 2021.

**US LAMB & MUTTON IMPORTS**  
Carcass Weight, Annual



Data Source: USDA/ERS & USDA/FAS, Compiled by the Livestock Marketing Information Center

## **EXHIBIT H**

### **RTI International: Livestock and Meat Marketing Study, Volume 5**

Prehearing brief source [31]

Title page; printed p. iv; pp. 6-29–6-32, 6-36, 6-40. Page 6-29 supplies preceding methodological context. Historical study; qualifications stated in the brief remain applicable.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

January 2007

# **GIPSA Livestock and Meat Marketing Study**

Contract No. 53-32KW-4-028

## **Volume 5: Lamb and Lamb Meat Industries Final Report**

Prepared for

**Grain Inspection, Packers and Stockyard Administration**  
U.S. Department of Agriculture  
Washington, DC 20250

Prepared by

**RTI International**  
Health, Social, and Economics Research  
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RTI Project Number 0209230





producers. Results of analyses of the estimated effects of hypothetical restrictions on AMAs also are presented.

The principal contributors to this volume of the final report are the following:

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$$\beta Y_t + \Gamma Z_t = \mu_t, \quad (6.83)$$

where  $Y_t$  is a  $G \times 1$  vector of endogenous variables,  $Z_t$  is a  $K \times 1$  vector of exogenous variables,  $\mu_t$  is a  $G \times 1$  vector of disturbance terms,  $\beta$  is a  $G \times G$  matrix of coefficients for the  $Y_t$  vector, and  $\Gamma$  is a  $G \times K$  matrix of coefficients for the  $Z_t$  vector. The model assumes zero off-diagonal terms for the  $\beta$  matrix, rank identification of the  $\Gamma$  matrix, and a nondiagonal covariance matrix for  $\mu_t$ , or contemporaneously correlated errors (Johnston and DiNardo, 1997). The  $\mu_t$ 's within each equation are assumed to be normally distributed with zero mean and constant variance; however, their time-series properties may be autoregressive (Greene, 2003).

Assuming cointegrated relationships allows the model to be estimated in data-level form by a system's GLS estimator, or Seemingly Unrelated Regressions (SUR). The estimator yields consistent and asymptotically efficient coefficient distributions (Greene, 2003). However, if  $\beta$  is characterized by nonzero off-diagonals (i.e., joint dependency), then 3SLS estimates are appropriate.

The presence of biological lags, technical production constraints, and buyer and seller expectations likely generate dynamics in livestock and meat supply and demand behavior (Brester and Marsh, 1983; Marsh, 2003; Rucker, Burt, and LaFrance, 1984; Tomek and Robinson, 1990; Whipple and Menkhous, 1989). Thus, Eq. (6.83) is modified to account for partial adjustment processes in the behavioral relations through autoregressive distributed lags (ARDL) or ARMAX (ARDL with autocorrelated errors) (Greene, 2003; Marsh, 2003). In this context, the model can be rewritten as

$$\beta(L)Y_t + \Gamma(L)Z_t = \mu_t, \quad (6.84)$$

where  $\beta(L)$  and  $\Gamma(L)$  are polynomial lag operators that impose finite lag structures on the endogenous ( $Y_t$ ) and exogenous ( $Z_t$ ) vectors. The lag operators are given as

$$\beta(L) = 1 - \beta_1 L - \beta_2 L^2 - \beta_3 L^3 \dots \beta_p L^p \quad (6.85)$$

and

$$\Gamma(L) = \Gamma_0 + \Gamma_1 L + \Gamma_2 L^2 + \Gamma_3 L^3 \dots \Gamma_q L^q. \quad (6.86)$$

Thus, the polynomial form  $\beta(L)Y_t$  of Eq. (6.85) gives  $L^p Y_t = Y_{t-p}$ , and the polynomial form  $\Gamma(L)Z_t$  of Eq. (6.86) gives  $L^q Z_t = Z_{t-q}$ . Solving for the  $Y_t$  vector of Eq. (6.84) gives

$$Y_t = \frac{\Gamma(L)}{\beta(L)} Z_t + \frac{1}{\beta(L)} \mu_t, \quad (6.87)$$

which conceptually gives  $Y_t$  as an infinite distributed lag function of  $Z_t$  and  $\mu_t$  (Greene, 2003). The implied set of polynomial coefficient weights for  $Z_t$  are formed by the rational generating function,  $\Gamma(L)/\beta(L)$ . The infinite moving average (MA) error structure for  $\mu_t$  is restricted by the polynomial weights of  $\beta(L)$ . The rational generating function allows for short-run flexibility in the distributed lag patterns of the exogenous variables. However, the long-run behavior of each  $Z$  variable is conditioned by  $\beta(L)$  (Greene, 2003).

Pragmatically, the empirical lags on the dependent variables ( $p$  in Eq. [6.85]) and the independent variables ( $q$  in Eq. [6.86]) for livestock and meat are usually of order 1 or 2 (Marsh, 2003). Van Tassell and Whipple (1994) found cyclical lengths in breeding sheep inventories and lamb prices (1924 to 1993 annual data) that averaged between 8 and 13 years. However, they indicated that cycle lengths have shortened in recent years. Thus, for the supply side of the lamb market,  $p$  is initially specified in the polynomial denominator as order 2 (permitting complex roots or cycling), and  $q$  is initially specified as order 1 in the polynomial numerator. For the demand side of the market,  $p$  and  $q$  of the polynomials are initially set at lag order 1, which implies geometric distributed lags.

The number of parameters for empirical estimation is relatively large using these initial specifications of lag orders. To achieve a more parsimonious set of parameters and improve estimation efficiency, higher order lags are truncated if they are found to be statistically insignificant. However, for any given variable, if contemporaneous and lag values are all found to be insignificant, the parameter value with the largest t-statistic is retained in the model to maintain theoretical consistency.

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### 6.3 DATA CONSIDERATIONS

The sample period consists of annual data for the years 1970 to 2003. As noted by Capps, Byrne, and Williams (1995), the dearth of published work in the lamb industry can be attributed,

in part, to data deficiencies. For the current study, market-level price and quantity data specific to live lamb, lamb meat, wool production, wool and pelt prices, food marketing and labor costs, meat prices, corn and hay prices, and trade data were obtained from various USDA sources. They include the *Agricultural Statistics; Livestock, Dairy and Poultry Situation and Outlook* reports; *Red Meats Yearbook; Dairy, Livestock, and Poultry: U.S. Trade and Prospects*; and the American Sheep Industry Association. Other data were obtained from the *Economic Report of the President*, international financial statistics of the International Monetary Fund (various issues), and USDA, GIPSA (2002).

Complete data series were available for most of the variables identified in the model. However, a few variables lacked a consistent data series; therefore, missing observations were imputed. These variables included retail lamb and lamb import prices, wholesale lamb import price, lamb pelt price, and wholesale lamb cut-out-value.

The retail lamb price series was the most problematic because it contained several missing observations. The USDA's ERS published average (retail cut) price data for the years 1970 to 1980 and the American Sheep Industry Association (2003–2004) provided average (retail cut) price data for the years 1987 to 1996 and 2001 to 2003. Missing observations for the years 1981 to 1986 and 1997 to 2000 were imputed using least squares regression. Following Capps, Byrne, and Williams (1995), available data on retail lamb prices were initially regressed onto a constant term, lamb carcass price, trend, and trend squared. However, the trend variables were deleted from the model because they were found to be statistically insignificant. The retail lamb import price series was constructed by adding the domestic wholesale-retail basis (retail price less wholesale price) for lamb to the wholesale import price of lamb.

The wholesale price of imported lamb was calculated by dividing the U.S. import value of lamb, mutton, and goat meat (fresh and frozen) by import quantities (carcasses and primals on a carcass equivalent basis) (*USDA Dairy, Livestock, and Poultry: U.S. Trade and Prospects*). This import price measure is quite aggregate but was included because the American Sheep Industry Association could provide only cost, insurance,

and freight (c.i.f.) price data for Australia and New Zealand lamb carcasses and primals from 1998 to the present. The correlation between calculated import prices and American Sheep Industry Association's c.i.f. data for the years 1998 to 2003 was relatively high.

Data for lamb pelt prices (a proxy for lamb by-product values) was reported for the years 1976 to 2003 (American Sheep Industry Association). The use of econometrically backcasted pelt prices for the 1970 to 1975 period resulted in poor empirical results. Consequently, the shorn wool market price was used as a proxy for pelt price in the appropriate regression equations.

Prices of lamb carcasses (East Coast) are used as measures of domestic wholesale prices in the model. Lamb cut-out values may be a better measure for this series. However, cut-out values have only been reported since 2001. All price and value variables were deflated by the CPI (CPI, 1982–84=100) obtained from the *Economic Report of the President*.

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## 6.4 STATISTICAL AND ESTIMATION PROCEDURE CONSIDERATIONS

A series of diagnostic tests were conducted to ensure appropriate statistical properties of the data. For example, unit root and cointegration tests were used to examine the time-series properties and stationarity of the data. If the data are found to be nonstationary and not cointegrated, then subsequent regression results could yield spurious results and misleading inferences. ADF unit root tests indicated unit roots (or nonstationarity) in many of the lamb model variables. Unit roots may cause spurious regression results (i.e., unreliable asymptotic t-values and inconsistent parameter estimators) if the equations to be estimated are not cointegrated (Johnston and DiNardo, 1997). However, ADF tests of OLS residuals of each lamb equation rejected the null hypothesis of unit roots at the  $\alpha = 0.05$  level. Thus, the model was estimated in data-level form (but with all variables in natural logarithms).

Wu-Hausman tests were conducted to identify potential joint endogeneity in the right-hand-side variables (Johnston and DiNardo, 1997). The rational lag structure of Eq. (6.83) resulted in insignificant coefficients for several contemporaneous prices, leaving only lag orders of  $t-1$  as

**Table 6-4. SUR (Double Log) Estimates of Domestic and Imported Retail Lamb Demand**

| Regressors                                             | Dependent Variables                           |                                               |
|--------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
|                                                        | Domestic Retail Lamb Demand<br>( $Q_L^{dr}$ ) | Imported Retail Lamb Demand<br>( $Q_L^{ir}$ ) |
| Constant                                               | 5.109<br>(2.038)                              | -24.485<br>(-3.765)                           |
| Domestic retail lamb price ( $P_L^{dr}$ )              | -0.523<br>(-3.277)                            | 0.775<br>(2.352)                              |
| Imported retail lamb price ( $P_L^{ir}$ )              | 0.293<br>(2.516)                              |                                               |
| Retail beef price ( $P_b^r$ )                          | -0.041<br>(-0.352)                            | 0.576<br>(1.490)                              |
| Retail pork price ( $P_K^r$ )                          | -0.201<br>(-1.489)                            | 0.309<br>(0.773)                              |
| Retail poultry price ( $P_Y^r$ )                       | 0.350<br>(2.033)                              | 0.600<br>(1.200)                              |
| Per capita expenditures ( $Y$ )                        | -0.567<br>(-1.390)                            | 1.667<br>(1.861)                              |
| Meat binary variable ( $MD$ )                          | 0.254<br>(4.707)                              | 1.524<br>(7.852)                              |
| Import binary variable ( $ID$ )                        | 0.054<br>(2.324)                              |                                               |
| Lagged domestic retail lamb demand ( $Q_{Lt-1}^{dr}$ ) | 0.528<br>(6.913)                              |                                               |
| Lagged imported retail lamb price ( $P_{Lt-1}^{ir}$ )  |                                               | -0.407<br>(-1.549)                            |
| Lagged imported retail lamb demand ( $Q_{Lt-1}^{ir}$ ) |                                               | 0.355<br>(4.209)                              |
| Trend ( $T$ )                                          | 0.003<br>(0.307)                              | 0.043<br>(1.826)                              |
| <i>Regression Statistics:</i>                          |                                               |                                               |
| Adjusted R <sup>2</sup>                                | 0.958                                         | 0.911                                         |
| Standard error of the regression                       | 0.051                                         | 0.176                                         |
| Log mean of the dependent variable                     | 0.351                                         | -3.970                                        |

appropriate lagged dependent variables. The short-run and long-run retail demand elasticities for lamb are  $-0.523$  and  $-1.108$ , respectively. This estimate is similar to other elasticities in the literature with the exception of Whipple and Menkhaus (1989), who reported a retail lamb demand elasticity of  $-3.96$ . The TAMRC industry study (1991) reported a retail lamb demand elasticity of  $-0.62$ , while the ITC (1999) used retail demand elasticities for lamb ranging from  $-0.75$  to  $-1.25$  for assessing the impact of lamb imports. Babula (1997) reported a similar estimate of  $-0.78$ . The cross elasticity of retail import price on retail domestic lamb consumption was inelastic at  $0.293$  in the short run and  $0.621$  in the long run. Other studies did not report this cross effect at the retail level. However, Babula (1997) reported a cross elasticity of domestic wholesale lamb demand with respect to the price of New Zealand lamb imports of  $0.017$ .

The short-run and long-run demand elasticities at the wholesale level were  $-0.350$  and  $-1.032$ , respectively. Both were more inelastic than the retail demand elasticities, which is consistent with Gardner's (1975) relative price spread theory. Whipple and Menkhaus (1989) reported a wholesale elasticity also consistent with margin theory, but the elasticity was highly elastic at  $-3.78$ . Our estimate is similar to that of Babula (1997), who reported a wholesale demand elasticity estimate of  $-0.78$ .

At the slaughter level, the short-run and long-run derived demand elasticities were both inelastic. For fed slaughter lambs, the elasticities were  $-0.333$  and  $-0.865$ . For culled ewes, the short-run and long-run slaughter demand elasticities were  $-0.245$  and  $-0.398$ . Whipple and Menkhaus (1989) reported a slaughter-level demand elasticity of  $-3.28$ , while Babula (1996) used simulated multipliers from a VAR model and obtained a slaughter demand elasticity of  $-0.699$ . The derived demand for feeder lambs represents the major input demanded by lamb finishers. The short-run and long-run demand elasticities at this level are relatively inelastic ( $-0.112$  in the short run and  $-0.285$  in the long run). Note that the lamb slaughter price/corn price ratio (a proxy for lamb finishing profitability) is also quite inelastic at  $0.055$  (see Table 6-7). The inelasticity of these coefficients suggests lamb feeders attempt to fully use feedlot capacities and feed lambs to specific slaughter weights and grades required by meat packers.



## **EXHIBIT I**

### **Penn State Extension: Factors Affecting Lamb Quality and Value**

Prehearing brief source [26]

Complete document.

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## Factors Affecting Lamb Quality and Value

Source webpage reproduced as readable text; website navigation and decorative graphics omitted. Analytical figures are retained. Retrieved October 8, 2026.

<https://extension.psu.edu/factors-affecting-lamb-quality-and-value>

Sheep producers constantly strive to improve lamb quality and value within their flock in order to produce an acceptable commodity for their buyers. These buyers could be either lamb packers or lamb consumers from the general public. Acceptability of the finished product can have a major impact on the profitability of the sheep operation. Here are a few tips to consider that may improve the quality and value of lambs produced by a flock.

First, let's start with an understanding of what quality is. Eating quality is a perception by the consumer based on some key characteristics such as tenderness, juiciness, flavor, and overall acceptability of the product. Basically, we want all lamb consumers to have a good eating experience, which may add more value. We can help to ensure this good eating experience for consumers by considering the main factors that affect lamb quality and value.

There are several points that producers can control to manage lamb quality. Aspects such as genetics, feed, growth rates, body condition, and husbandry practices can greatly impact lamb quality.

### Genetics

Genetic impacts start with selecting breeding stock with appropriate muscling. Consumers certainly prefer larger loin eyes when selecting lamb chops. However, producers may want to avoid genetics that carry the Callipyge gene, a genetic mutation responsible for increasing muscle size and appearance in sheep. Although this appearance may look attractive to some individuals, the Callipyge mutation can also greatly decrease the tenderness of meat produced from Callipyge carcasses. In other words, Callipyge genetics produce lamb chops with larger loin eyes, but those lamb chops tend to be very unacceptable to consumers from a tenderness standpoint.

### Feeds

Feeds can impact lamb flavor profiles. Lambs finished on a high-forage diet produce a more intense flavor than lambs finished on a grain diet. This flavor may sometimes be referred to as "gamey" to some individuals not accustomed to lambs finished on forages. In contrast, meat from lambs produced with extended periods of high-grain diets can result in off flavors and soft fats, leading to higher rancidity and decreased shelf life. The decision to finish lambs on grain or grass should be made based on customer preferences. Know what your customer wants you to produce.

### Growth Rate

Rations can certainly impact lamb growth rate, but tenderness remains similar between fast and slow growth rates. Regardless of the growth rate (fast or slow), lambs must maintain a consistent growth rate from weaning to harvest. This is especially critical during the last two weeks of finishing just prior to slaughter.

Rations will also impact the amount of time it takes for lambs to develop intramuscular fat, also known as marbling, found in the meat. However, meat quality differences can be minimal if lambs are fed to a particular endpoint (harvest) weight. At this endpoint, collagen degradation rates will be greater in lambs with high growth rates. In terms of lamb quality, this means that the collagen tissues break down more quickly in lambs fed to gain weight faster, thus resulting in more tender meat.

## **Body Condition or Finish**

Lambs should be marketed when they reach a desired body condition or finish. Lambs fed to a yield grade 2 or 3 are often the most ideal for packers and consumers. A lamb with a yield grade 2 will have 0.16 to 0.25 inches of backfat at the 12<sup>th</sup> rib, while a lamb with a yield grade 3 will have 0.26 to 0.35 inches of backfat. This is an important consideration when producing lambs because animals with an adequate amount of finish should yield a high-quality carcass with enough fat to produce meat with desirable sensory qualities. These qualities should provide the consumer with a good eating experience. Adequate fat cover also provides enough insulation over the carcass to prevent cold shortening, a quality defect caused by chilling small or lean carcasses too rapidly. Whenever a carcass is hanging in a cooler for chilling, the muscle tissues can shorten if the chill rate is too fast. "Cold shortening" can lead to extremely tough meat because the "shortening" effect causes the muscle structure to remain constantly contracted. However, the amount and extent of shortening can be lessened whenever the carcass has an adequate finish because it chills more slowly. Very small and/or lean lamb carcasses may need a two-step chilling process to avoid excessive cold shortening.

Appropriate amounts of finish impact the value of lambs to packers. Lamb carcasses exhibiting excessive fat cover will have a lower value because it costs the packer time and money to trim the excess fat. Lamb meat with appropriate amounts of fat will also be more acceptable to most consumers. In contrast, under-finished lambs can develop quality defects due to excess meat drying while hanging in the cooler.

## **Husbandry Practices**

Husbandry practices can also affect meat quality due to various stressors at the farm, stress caused by transport, and the pre-slaughter environment. Always seek to minimize stress when handling or transporting lambs by reducing noise and gently handling animals. Do not mix lambs from different groups into one pen or lairage, check loading ramps and trailers for any areas that could cause bruising, and avoid overloading the trailer. Also, be sure to move animals slowly and avoid vigorous exercise. Chasing lambs around the pen can be quite stressful for sheep at any age.

Whenever an animal is stressed or has vigorous exercise prior to slaughter, glycogen becomes depleted in the muscle tissues. Animals store glycogen, a form of sugar or energy, in muscle tissues. This impacts the pH level of the muscle tissue after slaughter, which can impact meat quality. Once an animal is harvested, the stored glycogen is converted to lactic acid, decreasing the meat pH from about 7.2 to 5.5.

The meat derived from stressed animals with depleted glycogen levels maintains a high pH (> 6.0), negatively impacting meat quality. The meat color will remain dark upon cutting into chops or roasts, produce a more intense flavor, and have a decreased shelf life.

Pre-slaughter husbandry practices can help to manage glycogen reserves in muscle tissue. Lambs that have not been appropriately weaned prior to slaughter should be processed immediately upon arrival at the processing facility to minimize stress. Weaned lambs that have been hauled a long distance should receive an adequate rest period prior to slaughter. All lambs should have access to water to prevent dehydration, which could lead to issues with meat quality, such as dark-colored meat. Dehydration also leads to decreased carcass weights and dressing percentages.

Finished lambs should be held off feed for a 12-hour period prior to slaughter. This allows the GI tract to empty, which decreases the likelihood of fecal contamination on the carcass. Feeding additional hay may stop the scouring for lambs that may be scouring prior to shipment. However, avoid feeding hay at high enough levels or for extended periods that may result in lambs losing weight within the two weeks before slaughter.

Overall, increasing the quality and value of lambs begins with paying close attention to nutrition, selecting animals with adequate muscling, feeding them to an appropriate body condition, keeping lambs clean, and making sure that lambs are gaining weight throughout the finishing phase, especially during the last two weeks before harvest. Minimizing stress to the lambs will also positively impact meat quality. Paying close attention to these few simple

production aspects can result in higher-quality meat and more satisfied consumers.

For more information on improving lamb quality and value, check out [Quality Sheep Meat: Achieving a Brilliant Finish to Your Lambs \(PDF\)](#) or [Lamb Eating Quality Summary of Good Practice \(PDF\)](#).

Written by Melanie Barkley Reviewed by Dr. Jonathan Campbell

## **EXHIBIT J**

### **University of Nebraska–Lincoln: Is Lamb Feeding Profitable?**

Prehearing brief source [28]

Complete document.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

## Is Lamb Feeding Profitable? | Center for Agricultural Profitability | Nebraska

Source webpage reproduced as readable text; website navigation and decorative graphics omitted. Analytical figures are retained. Retrieved October 8, 2026.

<https://cap.unl.edu/news/lamb-feeding-profitable/>

This article was first published as part of the Cornhusker Economics series by the Department of Agricultural Economics on Jan. 21, 2026.

### At a Glance

Net lamb feeding margins were negative in 58% of months from 2020–2024.

Feed costs peaked in 2022 and were a major driver of widespread losses.

Value of gain averaged about \$1.55 per pound but was highly volatile, including negative periods in 2022.

Late-summer feeding months showed the weakest margins on average.

Lower feed costs and lamb prices above \$2.00 per pound are needed for sustained profitability.

Nebraska regularly ranks with Texas as one of the top two states in the U.S. for cattle on feed. Yet, few realize that more than a century ago, Nebraska was also a leading lamb-feeding state. In the late 1800s, over half a million sheep were on feed in Nebraska. In the 1880s, significant feeding occurred near Fremont and Columbus, but by 1890, it was concentrated in sheep feedlots operating along the Platte River valley between Grand Island and Kearney (Wentworth, 1948). Most sheep were trailed in from New Mexico, Colorado, Wyoming, Idaho, and Oregon. Nebraska feedlots offered access to abundant feed and convenient rail shipping to both coasts for consumption.

Recently, there have been some inquiries about the economics of lamb feeding. Does it provide a viable return? The key metric is the “net feeding margin,” calculated as the value of gain (VOG) minus feed costs. In livestock production economics, this figure represents the difference between the value added through weight gain and the cost of feed during the feeding period. It is commonly calculated on a per-head basis, allowing for practical decision-making based on enterprise budgeting and profitability. However, calculating it on a per-pound-of-gain basis offers a clearer economic signal for comparing feeding strategies and cost of gain efficiencies.

The feeding margin is critical because it indicates whether feeding the animal was profitable after accounting for feed expenses. Most producers also include other costs (like yardage, health, and interest) to calculate a more comprehensive feeding return based on the total cost of gain.

Here’s a quick breakdown of net feeding margin:

The formula for calculating the VOG on a per-pound-of-gain basis is:

This calculation provides the value added to the animal per pound of gain while they are on feed. This makes a fair comparison to the cost of gain calculated on a per-pound basis. For example, suppose lambs are purchased at 70 pounds for \$2.20 per pound (or \$154 per head). They are fed to double their size at 140 pounds and are sold at \$2.10 per pound for a value of \$294 per head. The VOG is \$140 per head ( $140 = 294 - 154$ ) or \$2.00 per pound of gain ( $2.00 = (294 - 154) / (140 - 70)$ ). If feed costs amount to \$100 per head, or \$1.43 per pound of gain ( $1.43 = 100 / 70$ ), then the net feeding margin is \$40 per head ( $40 = 140 - 100$ ) or \$0.57 per pound of gain ( $0.57 = 2.00 - 1.43$ ). This is the amount available in the feedlot to cover other costs (yardage, etc.) and provide a profit. Suppose those other costs are calculated to be \$35 per head, or \$0.50 per pound of gain. Then, the total cost of gain is \$1.93 per pound, and the profit margin is \$0.07 per pound of gain or \$5 per head.

## Lamb Feeding Margins 2020-24

The Livestock Marketing Information Center (LMIC) estimates lamb feed costs per month for a hypothetical lamb feeding operation in Colorado (Figure 1). Most of the lambs on feed in the U.S. are in Colorado. Assumptions underlying the LMIC estimated cost are that lambs are bought and placed on feed at 70 pounds, fed for 90 days, and then sold at a market weight of 140 pounds. This equates to an average daily gain of 0.78 pounds, which is adapted from Knuth, Ryan M., et al. (2020). The total feed ration is 4.50 pounds of feed fed per day, consisting of corn (3.55 pounds per day), alfalfa hay (0.90 pounds per day), and supplements (0.05 pounds per day). Corn and alfalfa hay prices are based on USDA-NASS's reported prices for Colorado. The feeding costs range from a high of \$52.42 per head per month in 2022 to a low of \$25.60 in 2017.

Figure 1. Average Total Feed Costs for Lamb Feeders

The LMIC also maintains a three-market (CO, SD, TX) average lamb market price series for both 60 to 90-pound lambs and 100 to 150-pound lambs. Using these two-price series, Figure 2 shows the VOG per pound of gain for lambs fed from 70 to 140 pounds over 90 days from 2020 through 2024. The average VOG over that period was \$1.55 per pound. Calculated on a weekly basis, the VOG exceeded the \$1.55 per pound average 57% of the time, indicating values below the average are less likely to occur but occur over a larger range of values. In fact, the VOG was negative for over eight weeks during the summer of 2022, making it impossible for any lamb feeders to make money.

Figure 2: Value of Gain per pound of gain for Lambs Harvested at 140 pounds, fed from 70 pounds to harvest weight over 90 days from 2020-24. Prices obtained from Livestock Market Information Center 3-market average price for CO, SD, and TX for 60 to 90-pound lambs and 100 to 150-pound lambs.

From the perspective of a practical discussion of profitability, lamb feeding margins are best calculated on a per head basis. We convert the annual estimates for 2020-2024 for monthly cost per head in Figure 1 into a 90-day cost per head for each year. We also convert the weekly VOG per pound of gain in Figure 2 into a monthly average VOG per head based on the feeding end date and 70 pounds of gain per head. The net feeding margin per head can then be calculated for each month by subtracting the 90-day feed cost per head from the VOG per head, resulting in Figure 3. The net feeding margins for lamb feeding over the five-year period from 2020 – 2024 were negative 58% of the time (35 out of 60 months).

Moreover, the five-year monthly averages (shown in red in Figure 3) are only positive in January and December. Those averages are lowest in August (-\$14.45 per head) and highest in January (+\$3.40 per head). The late summer low of the average feeding margins is largely due to the volatile year of 2022, when feeding margins reached a low close to negative \$60 per head in July and August. That was followed by losses of almost \$50 per head for lambs finishing in September and October.

However, about 80% of the U.S. lamb crop is born in the first five months of the calendar year (Redden, et al., 2018). These lambs would reach traditional market weight from November through April. This would avoid the late summer losses exhibited in 2022 and, on average, match better with the months of higher net feeding margins. Interestingly, despite all of the negative monthly averages, only 2022 and 2023 averaged a negative net feeding margin across all twelve months (-\$28.87 and -\$14.58, respectively). The other three years all averaged about \$5 per head positive net feeding margin across all twelve months.

Figure 3: Monthly net feeding margin in dollars per head for lambs harvested at 140 pounds, fed from 70 pounds to harvest weight over 90 days. Feeding costs and market prices obtained from Livestock Market Information Center.

Positive feeding margins in the lamb feeding industry have been difficult to achieve since 2020. This is one of many factors putting pressure on the industry. However, 2024 showed marked improvement over 2022 and 2023 when feeding margins were highly negative for all but January 2022. A continuance of lower feed costs and lamb market prices above \$2.00 per pound is needed for positive margins to persist.



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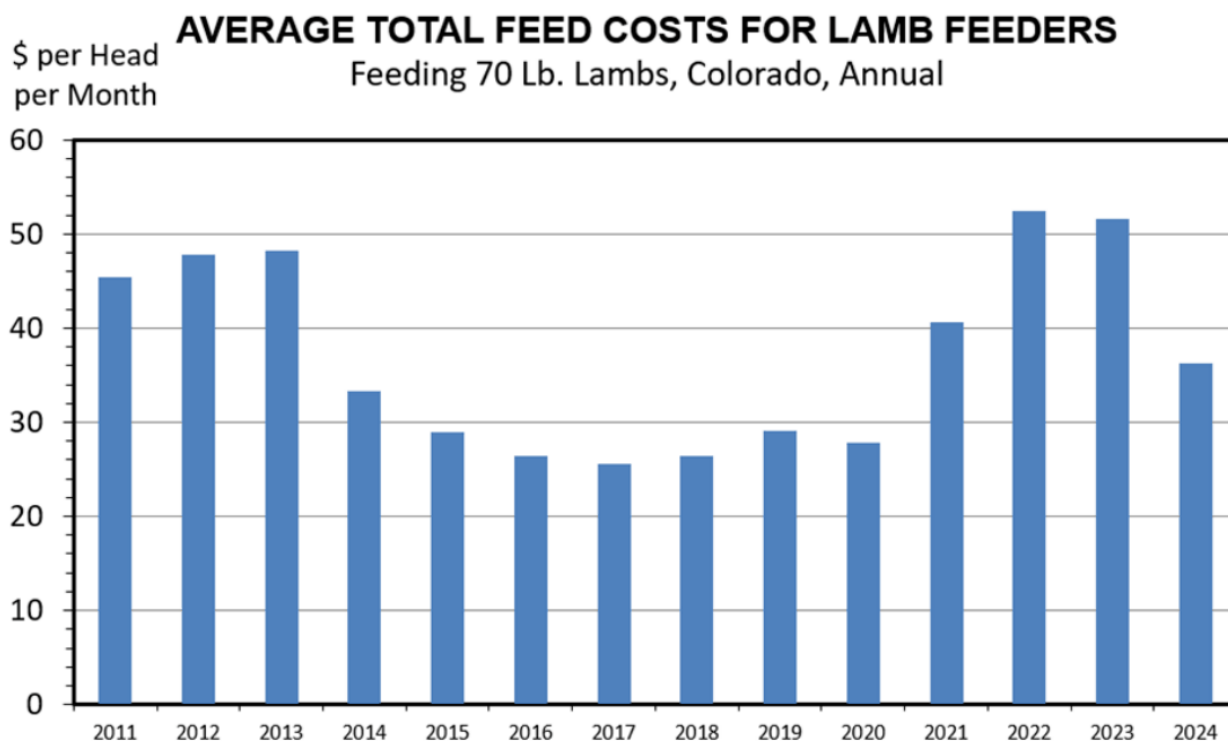
Jay Parsons, Professor Director, Center for Agricultural Profitability Department of Agricultural Economics University of Nebraska-Lincoln [jparsons4@unl.edu](mailto:jparsons4@unl.edu)

Tyler Cozzens Livestock Marketing Information Center <https://lmic.info/>

Printable Article

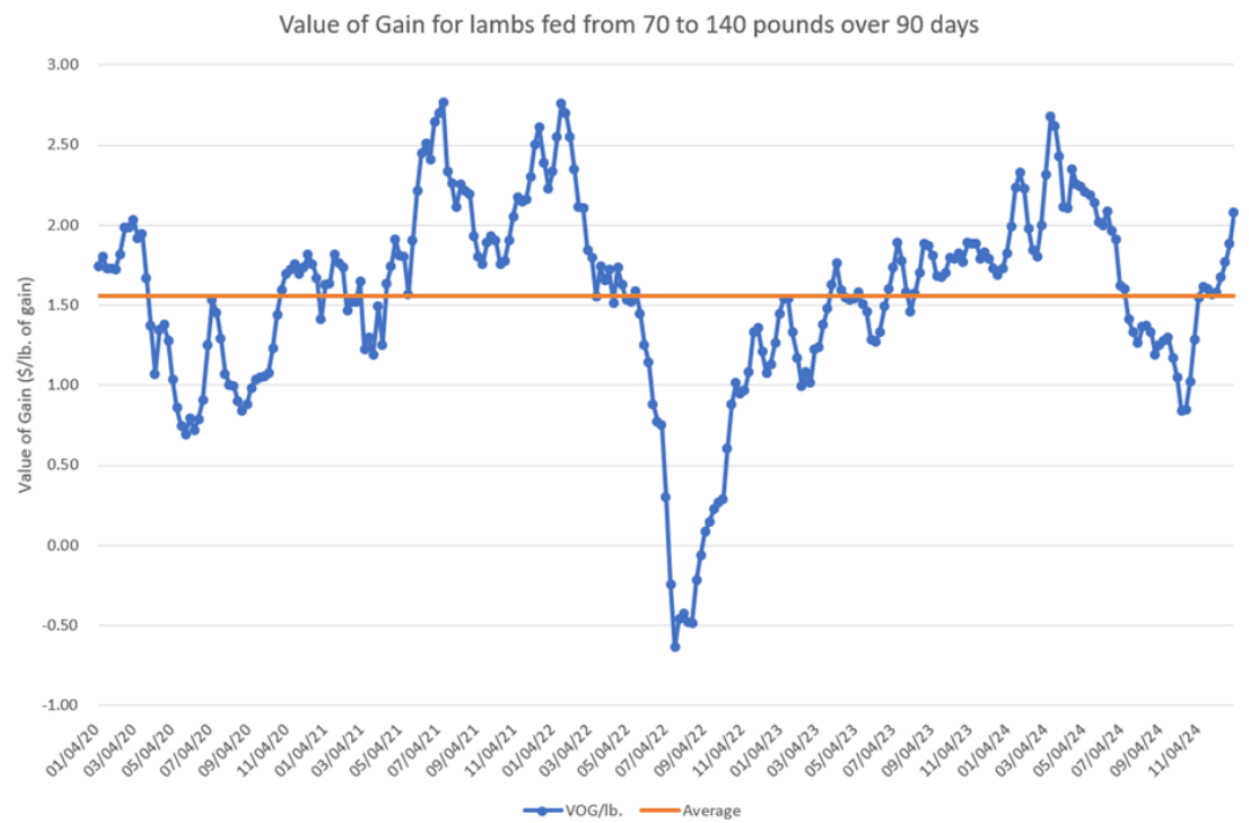
$$\text{Value of Gain} = \frac{(\text{Ending weight} * \text{Ending price}) - (\text{Starting weight} * \text{Starting price})}{(\text{Ending weight} - \text{Starting weight})}$$

Screenshot of the following equation: "Value of Gain = (Ending weigh times ending price) minus (starting weight times starting price), all divided by (Ending weight - Starting weight)

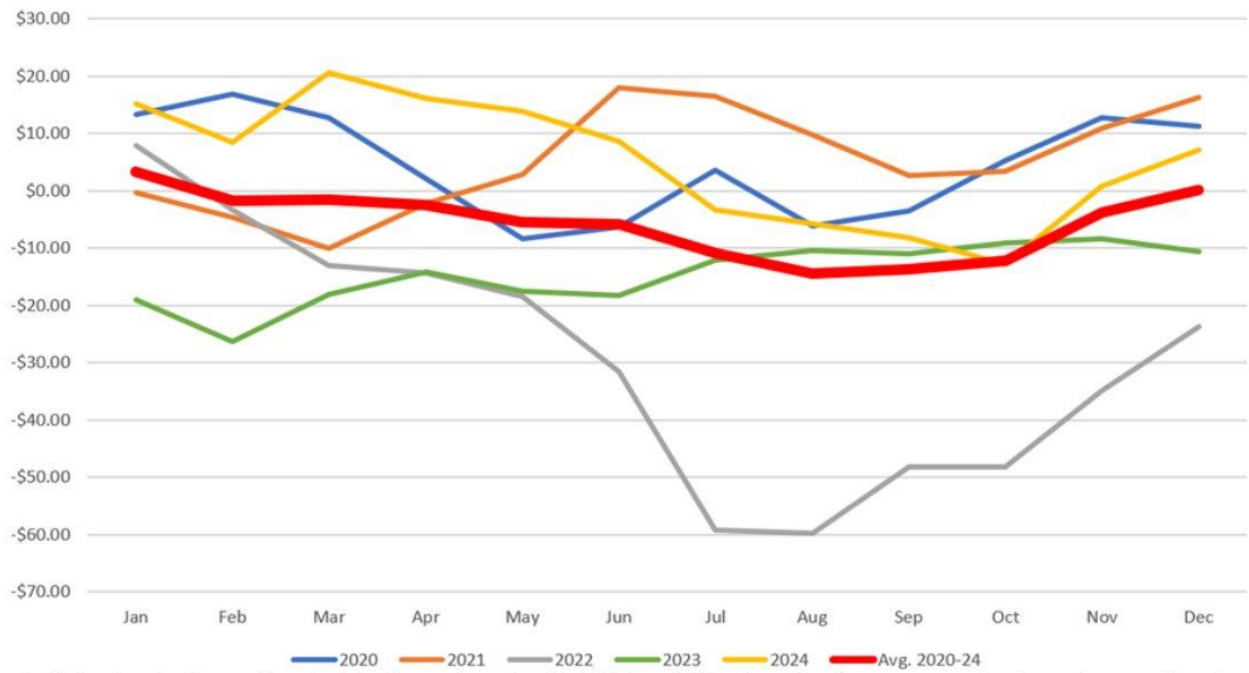


Data Source: USDA-NASS, LMIC Calculations  
Livestock Marketing Information Center

Bar chart showing average total feed costs per head per month for feeding 70-pound lambs in Colorado, annually from 2011 to 2024. Costs range from about \$25 to \$52 per head, with lower feed costs from 2014–2019, sharp increases in 2021–2023 peaking in 2022, and a decline in 2024. Data source: USDA-NASS and Livestock Marketing Information Center.



Line chart showing weekly value of gain per pound for lambs fed from 70 to 140 pounds over 90 days from 2020 to 2024. Values fluctuate widely around a long-term average of about \$1.55 per pound, with strong peaks in 2021 and 2024 and a sharp decline in mid-2022, when value of gain briefly turned negative.



Multi-line chart showing monthly net lamb feeding margins per head for 2020 through 2024, along with a five-year average. Margins vary by year, with mostly positive values in 2020 and 2021, sharply negative losses in mid-2022 reaching around negative \$60 per head in summer, continued but smaller losses in 2023, and partial recovery in 2024. The five-year average is negative most months, with the lowest average margins in late summer and modest positives in winter months.

## **EXHIBIT K**

### **NDSU Extension: Meat Demand and Competing Livestock and Meat Prices**

Prehearing brief source [36]

Complete cited article, original pages 6–7.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

# Meat Demand and Competing Livestock and Meat Prices

Tim Petry, Extension Livestock Marketing Specialist

“A rising tide lifts all boats” is a phrase attributed to speeches about the economy given by former U.S. President John F. Kennedy. It is a figure of speech associated with the idea that an improved economy will benefit all participants.

It has also been associated with prices of competing commodities or products. Economic theory suggests that a high price for a commodity could increase demand, and therefore prices, for competing commodities due to the substitution effect. In other words, consumers could substitute lower-priced substitutes for the higher-priced commodity.

However, there are other determinants of demand, such as tastes and preferences, as well as the incomes of consumers, that affect prices. The supply of individual competing commodities also affects prices.

That being said, let’s look at how competing livestock and meat prices have been doing compared to the record-high cattle and beef prices.

Retail demand for beef, lamb, pork, chicken and turkey has been strong in 2025, positively impacted by several factors, including GLP-1, high-protein and keto diets.

Prices for cattle, hogs, lambs, turkeys and chickens (until recently) have been higher than last year.

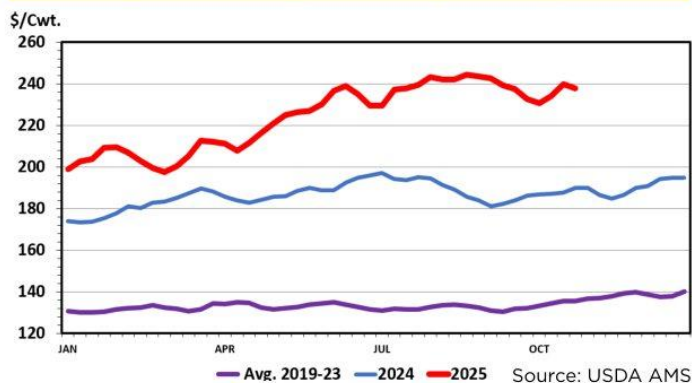
Cattle and beef prices have been increasing cyclically since 2020, driven by a decline in the beef cow herd, reduced supply and strong demand. Prices reached record-high levels in 2023 and have continued at that pace through 2025.

USDA projects fed cattle prices to average a record \$228.50 per hundredweight (cwt.) in 2025, with an increase to \$248.50/cwt. in 2026. Calf and feeder cattle prices are at record levels, buoyed by strong fed cattle prices, smaller supplies and moderating feed prices. Retail prices for all fresh beef have risen to a record \$9 per pound (lb.).

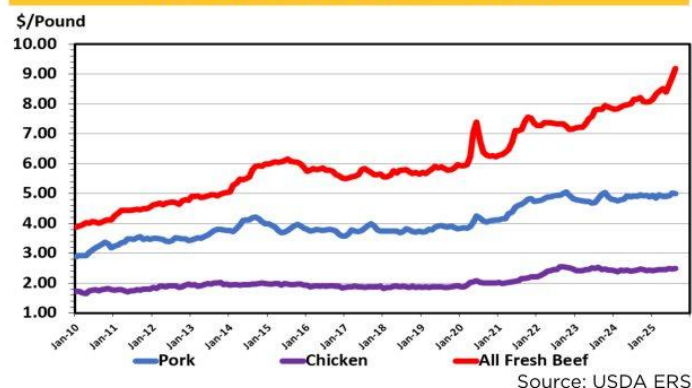
Hog prices have been fueled by strong domestic pork demand and shorter supplies. National base hog carcass prices are currently at \$90/cwt. compared to \$85 at this time last year.

Continued on page 7.

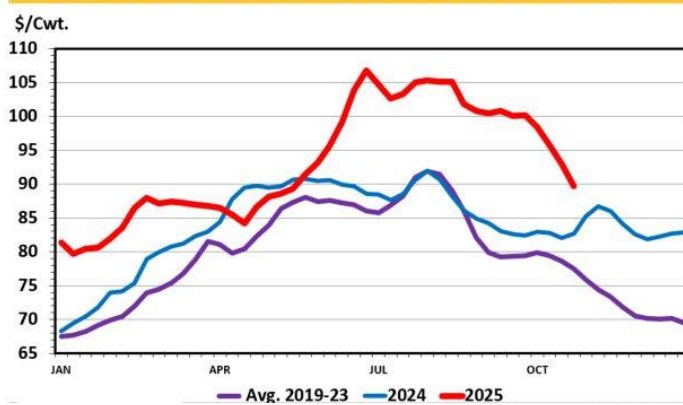
## Slaughter Steer Prices 5 Market Weighted Average, Weekly



## Retail Price Comparison — Monthly



## Base Slaughter Hog Prices National, Weighted Average Carcass Price, Weekly





# Meat Demand and Competing Livestock and Meat Prices — continued from page 6

The USDA is forecasting pork production to decline 1% this year. The USDA Hogs and Pigs quarterly report issued on Sept. 25 confirmed shorter supplies. Market hogs at 68.5 million head were down 1.3%.

Seasonal hog price weakness is expected for the rest of the year, but the lower supplies will likely support prices above last year's levels.

Lamb prices are significantly above last year's depressed prices. Fed lamb prices in the Northern Plains at \$229/cwt. are \$70/cwt. above the \$159/cwt. seasonally low prices in 2024. Domestic lamb supplies are about equal to last year, lamb imports are running below last year, cold storage stocks of lamb and mutton are down and lamb demand is strong. That is supportive to lamb prices.

Chicken prices were above last year until midsummer, but have declined from \$1.37/lb. to \$1.07/lb. The chicken industry has responded quickly to high prices and low feed costs with increased production. Increased chick placements, improved egg fertility rates and additional slaughter have caused a 2% increase in 2025 production. That has pressured chicken prices and is causing new product introductions in the fast-food sector to stimulate demand.

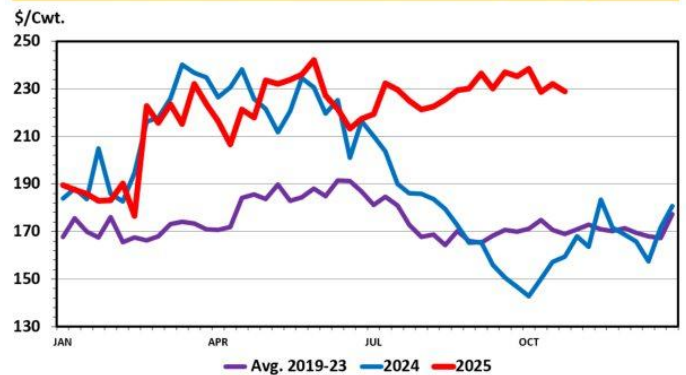
Whole hen turkey prices this year have steadily increased from about \$0.90/lb. to \$1.68/lb. Continuing avian influenza cases have resulted in a 6% decline in 2025 turkey production, and frozen hen turkey inventories are down approximately 2% from last year. That has supported prices, which usually peak right before Thanksgiving.

Strong domestic consumer demand has supported livestock prices this year. Economic theory suggests that higher prices stimulate more production where possible. Of course, weather, reproductive biology and other factors come into play as many supply and demand factors are dynamic.

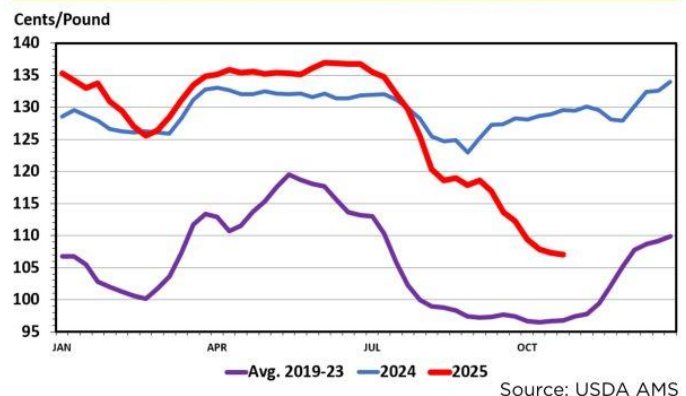
The USDA predicts that beef production in 2026 will decline, with increased heifer retention and reduced cow slaughter. The USDA also expects lamb production to decline slightly, with increases in pork, chicken and turkey.

The total 2026 red meat and poultry supplies are expected to increase to a record high level, so maintaining strong meat demand will be important.

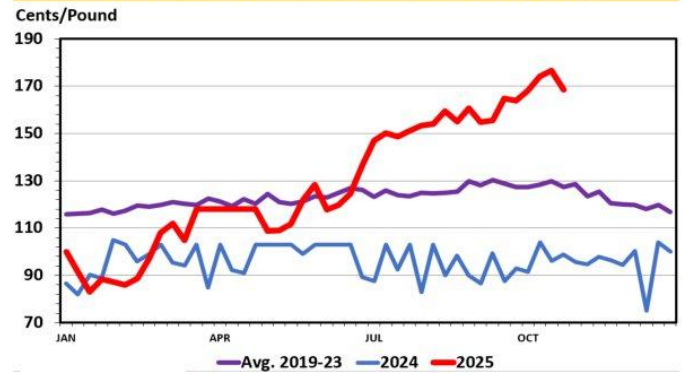
**Fed Lamb Prices — Northern Plains, Weekly**



**Chicken Prices — Whole Bird, Weekly**



**Turkey Prices**  
National, Whole Hen, 8-16 Pounds, Weekly



## **EXHIBIT L-1**

### **American Lamb Board: Quarterly Circana Lamb Report**

Prehearing brief source [29]

Complete document.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.



## Quarterly Circana Lamb Report — American Lamb Board

Source webpage reproduced as readable text; website navigation and decorative graphics omitted. Analytical figures are retained. Retrieved October 8, 2026.

<https://lambboard.com/weekly-news/quarterly-circana-lamb-report>

The U.S. lamb category delivered another strong quarter at retail, with dollar sales posting robust gains despite continued pressure on volume. The latest American Lamb Board retail analysis shows consumers are spending more on lamb than ever before, even as higher prices temper pounds sold.

### Key Takeaways

Dollar sales climbed nearly 10% in Q1.

During the first quarter of 2026, U.S. retail lamb dollar sales increased 9.8% compared with Q1 2025. Over the latest 52 weeks, dollar sales were up 10.2%, reaching nearly \$981 million nationally.

While revenue growth remains strong, volume sales told a different story. Pounds sold declined 2.5% during Q1 and slipped 0.6% over the latest 52 weeks, highlighting the ongoing impact of rising retail prices.

### Lamb Prices Return to 2022 Levels

The primary driver of sales growth continues to be pricing. Average retail lamb prices increased 12.6% year-over-year in Q1, rising from \$8.13/lb. to \$9.15/lb. Every U.S. region experienced price increases, with the Southeast posting the largest jump and becoming the highest-priced region at \$9.74/lb.

Despite inflationary pressures and broader consumer concerns about household spending, lamb has demonstrated remarkable resilience, maintaining strong dollar performance nationwide.

### Domestic Lamb Continues to Gain Ground

One of the most encouraging trends for American producers is the continued momentum behind domestic lamb.

For the fifth consecutive quarter, domestic lamb outperformed both imported lamb and the overall category. Over the latest 52 weeks, domestic lamb sales increased 12.4% in dollars and 5.7% in volume at participating ALB retailers.

This stands in sharp contrast to the broader lamb category, where volume remained essentially flat.

Domestic lamb's growing market share suggests consumers are increasingly seeking American-produced product, even in a higher-priced environment.

### Ground Lamb and Racks Lead Category Growth

Several cuts delivered standout performances during the quarter.

Racks (rib roast) were the clear category leader, generating an 18.4% increase in dollar sales during Q1 and accounting for nearly half of the category's overall dollar growth.

Ground lamb continued its multi-year growth trajectory, posting a 12.0% increase in dollar sales despite a decline in pounds sold. Demand remains exceptionally strong, with ground lamb reaching a new weekly sales record of \$1.68 million during January.

Other notable winners included:

Ingredient cuts (+15.0% dollar sales)

Whole leg (+12.8%)

Blade chops (+10.2%)

Ingredient cuts were especially noteworthy, recording a remarkable 29.3% increase in volume sales compared with Q1 2025.

#### Regional Growth Remains Broad-Based

Every major U.S. region recorded dollar growth during Q1.

Leading regions included:

South Central: +17.2%

Southeast: +14.0%

Plains: +13.4%

The South Central and Plains regions also posted meaningful volume growth, demonstrating that consumer demand remains strong in several developing lamb markets.

#### Houston Continues Its Rise

Among major metropolitan markets, Houston remains one of the industry's strongest growth stories.

Q1 dollar sales surged 20.6% year-over-year, while pounds sold increased 12.8%—one of only two major markets to post volume gains.

Seattle also delivered impressive results, with dollar sales up 14.3% and volume increasing 4.9%.

Meanwhile, traditional high-consumption markets such as San Francisco and Boston continued to generate sales growth but experienced significant declines in volume, reflecting the effects of higher prices.

#### Holiday Performance: Easter Strong, Christmas Mixed

The report highlights the continued importance of seasonal demand.

Easter remains the largest selling period for lamb, and Easter 2025 was the strongest Easter performance on record. Christmas 2025, however, produced mixed results. Dollar sales matched the previous year, but volume declined noticeably.

As the quarter closed, sales activity was already building in anticipation of Easter 2026, positioning the industry for another important holiday selling season.

#### Looking Ahead

The Q1 results reinforce a trend that has defined the lamb category for much of the past two years: consumers continue to value lamb enough to absorb higher prices.

The challenge for the industry moving forward will be sustaining demand while navigating elevated retail pricing and broader economic uncertainty.

Still, the continued growth of domestic lamb, record-setting ground lamb performance, and expanding opportunities in markets for example, Houston and Seattle provide strong signals that the category's long-term fundamentals remain healthy.

Bottom Line: Lamb continues to outperform expectations at retail. While higher prices are driving much of the category's dollar growth, domestic lamb is capturing market share, innovative cuts are finding new consumers, and key growth markets are delivering encouraging volume gains.

## **EXHIBIT L-2**

### **American Lamb Board: Strong Lamb Prices Continue Despite Drought and Economic Pressures**

Prehearing brief source [29]

Complete document.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

## **Strong Lamb Prices Continue Despite Drought and Economic Pressures — American Lamb Board**

Source webpage reproduced as readable text; website navigation and decorative graphics omitted. Analytical figures are retained. Retrieved October 8, 2026.  
<https://lambboard.com/weekly-news/strong-lamb-prices-continue-despite-drought-and-economic-pressures>

The U.S. lamb industry continues to demonstrate resilience in 2026, with strong live lamb and lamb meat prices supported by tight supplies and steady consumer demand. While sheep producers continue to face significant challenges from widespread drought, higher production costs, and broader economic uncertainty, the lamb market has remained remarkably strong through the first half of the year.

Federally inspected sheep and lamb slaughter through June declined nearly 3% compared to the same period in 2025, while lighter average dressed weights have reduced overall lamb production by an estimated 8%. Strong market prices and drought conditions have encouraged producers to market lighter-weight lambs, contributing to lower production volumes.

Despite reduced domestic supplies, consumer demand for lamb has remained steady. Lamb imports from Australia and New Zealand have increased modestly to help meet demand, while total lamb and mutton imports are approximately 9% higher than one year ago.

Market prices have reached some of the strongest levels seen in recent years. During the first half of 2026, feeder lamb prices averaged \$380 per hundredweight—40% higher than the same period last year. Lightweight slaughter lamb prices increased 27%, while negotiated slaughter lamb prices climbed nearly 30% since the beginning of the year. The National Lamb Cutout Value also strengthened significantly, averaging more than \$651 per hundredweight during the first six months of the year.

"Drought continues to challenge sheep producers across the country, but the resilience of our industry has been remarkable," said David Fisher, Chairman of the American Lamb Board. "Strong consumer demand and historically favorable market prices are providing important opportunities for producers. While we remain mindful of rising input costs and ongoing weather concerns, these market conditions reinforce the value consumers place on American lamb and the dedication of the producers who raise it."

Drought remains one of the industry's greatest concerns. Approximately 45% of the U.S. sheep inventory is currently located in drought-affected areas, with nearly 40% of U.S. pastures rated in poor to very poor condition. Reduced forage availability and higher feed costs continue to pressure producers across many sheep-producing regions.

Looking ahead, the Livestock Marketing Information Center (LMIC) forecasts strong live lamb and lamb meat prices through the remainder of 2026, supported by lower sheep numbers and constrained lamb production. However, inflation, higher input costs, and continued pressure on consumer spending remain important factors to watch. Even with these challenges, the outlook suggests the U.S. lamb industry is well positioned to benefit from continued consumer demand and historically strong market fundamentals.

\* The quarterly report is produced by the American Sheep Industry Association and paid for by your Lamb Checkoff.

## **EXHIBIT M-1**

### **MLA: Building the Australian Prime Lamb Industry (2009)**

Prehearing brief source [20]

Title page and printed pages 11–12 (PDF pages 11–12).

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# evaluation series |

3.1 Increasing cost efficiency & productivity – on-farm

2.6 Aggressive promotion in the market place



## **Building the Australian prime lamb industry**

### **The industry impact**

Meat & Livestock Australia acknowledges the matching funds provided by the Australian Government to support the research and development detailed in this publication.



■ Australian lamb exports quadrupled between 1994 and 2007, and now represent 45 per cent of industry production – up from 15 per cent in 1990.

■ Australia has emerged as the world's largest exporter of red meat and livestock and the US remains Australia's dominant lamb export destination.



## The growth of a dominant lamb export destination

Strong industry marketing differentiated Australian lamb in export markets by emphasising Australia's clean, natural image and reputation as a reliable supplier of safe, quality meat.

AMLC then MLA, together with producers and exporters, developed a strategy to expand lamb sales to the US based on research and industry consultation that showed US consumers preferred cuts from large, lean lambs.

Under the AMLC co-funded Market Access program, MLA worked with government and industry to remove barriers to key international markets and defend the industry against economic and technical issues threatening existing access conditions (see evaluation brochure 1.2 *Maintaining and liberalising access to world meat markets*).

Australia is the world's largest exporter of red meat and livestock, exporting to more than 100 countries. The US remains Australia's dominant lamb export destination.

Growth in overseas demand for Australian lamb has predominantly been driven by:

- increased production of heavier, leaner meat breed lambs designed primarily to meet the needs of the US market
- improved market access – reduced US import restrictions since 2002 and a reduction of tariffs in Japan, China and Taiwan
- falling lamb production in the US and EU.

Australian lamb exports have increased four-fold from \$A190 million in 1994 to \$A823 million in 2007, and represent 45 per cent of industry production – up from 15 per cent at the beginning of the past decade.<sup>1</sup>

Global diversification/international marketing and market access are tackled by separate MLA evaluation reports: 2.3 *Developing new markets and products* and 1.2 *Maintaining and liberalising access to world meat markets* respectively.

<sup>1</sup> DAFF volumes, ABS values, MLA forecasts - 2007

## REACHING \$2 BILLION BY 2000: FARL

### Overseas key to vibrant lamb industry

While growing demand in the domestic market was fundamental to the Australian lamb industry's revitalisation in the late 1980s, MLA, SCA and exporters also recognised significant export potential.

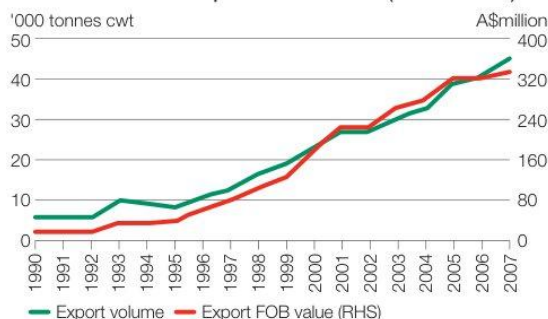
Traditional European lamb eating markets were restricted by tariff rate quotas, however the higher per capita disposable income and expanding consumer base in the US represented a strong untapped market.

Targeted efforts to build a substantial market for Australian lamb in the US took advantage of market conditions:

- The US lamb industry was in terminal decline due to production constraints and failure to meet customer preferences.
- Surging sheep numbers in Australia triggered concerns about market prospects for increased sheepmeat production.
- The New Zealand sheepmeat industry focused on the EU market where it enjoyed preferential access. Small carcass size and seasonal production restricted its capacity to seize US opportunities.

Since developing the initial strategy to build the US market, AMLC then MLA have provided ongoing funding and on-ground personnel who have worked closely with supply chains to support marketing activities in the US.

### Australian lamb exports to the US (1990-2007)



“FARL focused on providing a premium quality product – chilled, cut, trimmed to minimum basic specifications and branded only by accredited Australian exporters. It kicked off the industry's strong growth of value-added, fresh lamb exports to the US.”

– Craig and Neville Newton, Southern Meats



## US LAMB MARKETING (1990-2007)

- The US lamb marketing program boosted awareness of Australian lamb's quality and safety attributes.
- A heightened commitment from producers and processors to provide more consistent quality and supply, strengthened Australia's market share.

In-store tasting and education is a key tactic to increase awareness of Australian lamb in the US.



### Marketing lamb to the US

#### REACHING \$2 BILLION BY 2000: FARL

##### Research informs marketing plan

The 1980s strategy to expand lamb sales to the US was based on market research and industry consultation that found:

- US consumers preferred cuts from large, lean lambs but were unfamiliar with how to cook lamb
- a lack of retail availability and high prices had limited demand
- a consistent, regularly available lamb product had a lot of potential
- retailers required a chilled product.

Recommendations to undertake trade and consumer education and promotion; implement quality assurance; establish a more consistent supply; and develop a product tradename were adopted. The 'Fresh Australian Range Lamb' (FARL) program was launched in 1988 to accredit exporters, importers and retailers to use the FARL quality assurance mark. FARL was a precursor to US-based trade development, merchandising support and sales growth.

#### REACHING \$2.8 BILLION BY 2005: Easy. Any Day.

##### Strategy adapts to changing times

Legal advice determined that 'range' implied Australian lambs were raised only on pasture. Grain finishing was not common, but not all lambs raised for the US were entirely pasture fed. In 2000 the FARL logo was adapted in response to enforcement of US truth in labelling laws and 'Premium' was substituted for 'Range'. In 2003, stakeholders claimed the 'Fresh Australian Premium Lamb' (FAPL) brand elevated Australian lamb as an 'elite', expensive product, and a 2004 MLA review concluded that the FAPL program should enter a new phase.

##### A new era for US lamb marketing

In 2005 the FAPL logo was replaced with the 'Australian lamb' logo – a country of origin mark that is used in all generic marketing campaigns. Today the North American program balances generic marketing and promotion of company brands through the Industry Collaborative Agreement (ICA) program. Generic marketing aims to increase consumption by positioning Australian lamb as an 'Easy. Any Day.' meal option, while the ICA program focuses on growing sales through established channels with costs split between MLA and suppliers. It promotes loyal supply chains, builds brands through targeted promotion and in-store advertising, and fosters business development.



A new tradename/logo was developed to differentiate Australian lamb in the US market.

### Collaboration = market development

The Australian lamb program in the US has historically relied on collaboration between producers, processors and exporters, the US trade and AMLC/MLA. Today collaboration is embodied in the ICA program, whereby exporters and importers consult with MLA and work with US retailers to market Australian lamb.

### US export performance

Australian lamb exports to the US have increased in carcase weight terms from around 6,000 tonnes in 1990 to about 57,000 tonnes in 2007 – an average annual increase of 14 per cent. Over this time, the value of lamb exports to the US has increased from about A\$18 million to US\$335 million, or an average of 22 per cent per year. Between 1990 and 2007, Australia's share of total US lamb imports grew from 53 per cent to more than 72 per cent.

There was a significant compositional shift in Australian lamb exports to the US between 1990 and 2007:

- Chilled lamb accounted for about 44 per cent of total exports in 1990 and exceeded 70 per cent by 2007.
- Prices for chilled lamb rose between 1990 and 2007, and are now almost 80 per cent higher than frozen product.
- The Australian share of the boneless lamb market rose from 11 per cent in 1990 to 26 per cent in 2007.
- Average free on board (FOB) prices received by exporters increased from A\$3.10 per kilogram in 1990 to \$7.43 in 2007 in nominal terms (almost seven per cent per year on average).

While prices in recent times have been tempered by the appreciating Australian dollar, a key driver for increased prices in the US has been the move to chilled product, along with a shift from a largely carcase-based trade to a cuts-based trade.

### Export marketing strategy boosts confidence

The comprehensive marketing strategy developed by AMLC in the 1980s attracted attention from distributors and introduced specifications that established reliable quality standards, giving potential customers confidence to stock Australian lamb.

Coordinated partnerships between AMLC, and exporters and importers such as the Australian Lamb Company, Foodcomm International and Superior, were instrumental in securing access to prospective US clients and developing the distribution capability to provide continuity of supply. FARL lamb sales expanded as new retail chains emerged as a result of cooperation between AMLC staff in the US and participating exporters.

Under Industry Collaborative Agreements (ICAs), which now account for about 50 per cent of the US lamb marketing program's expenditure, exporters and importers work with collaborating US retailers to promote consumer awareness of Australian lamb brands through targeted advertising and promotion.

## **EXHIBIT M-2**

### **MLA Feedback, Summer 2024: Lamb proves a deli-cious choice**

Prehearing brief source [20]

Issue cover and printed page 48 (PDF page 50).

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

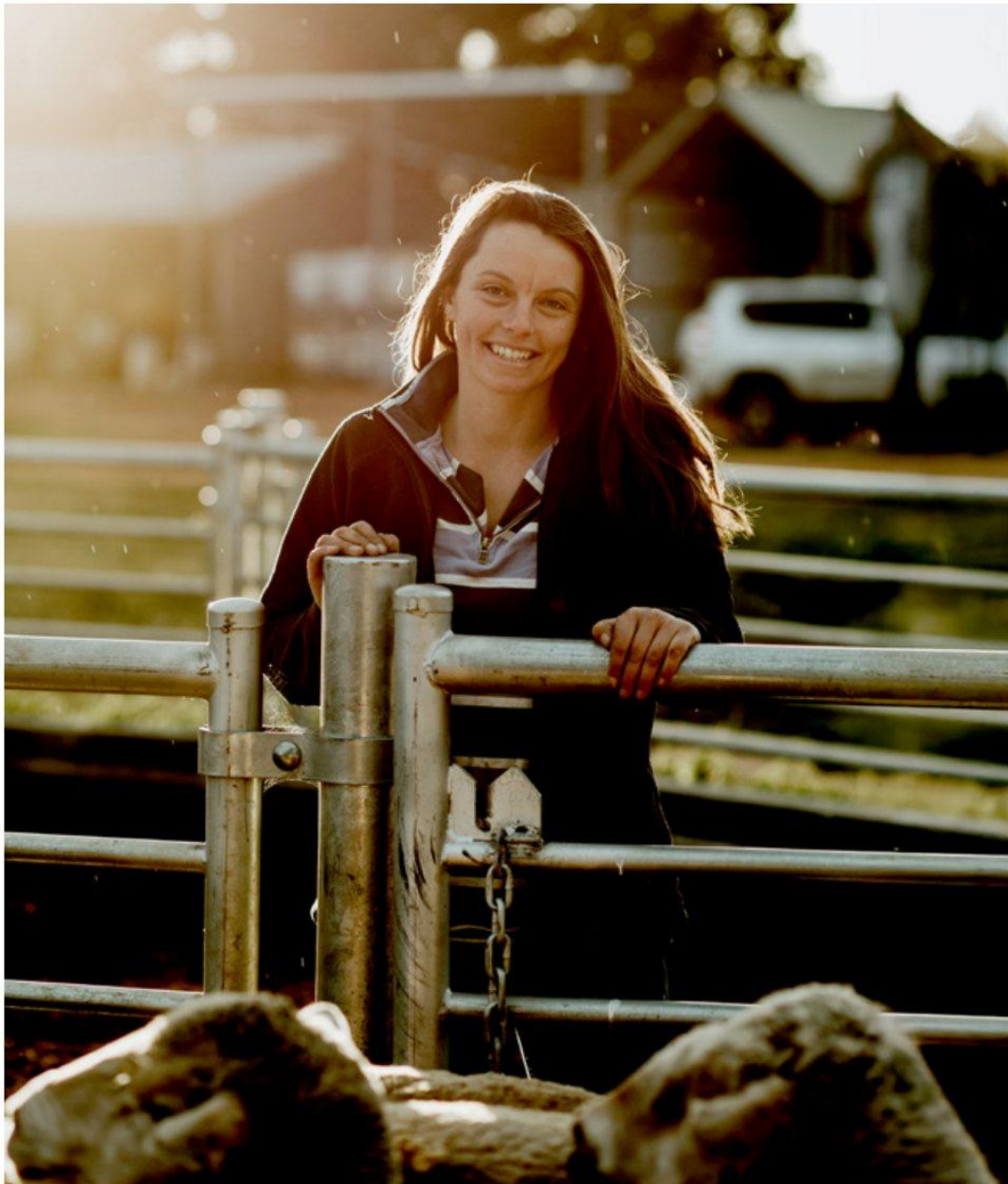


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# FEEDBACK

MLA – FOSTERING PROSPERITY

SUMMER 2024



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## Irresistible beef serves up greatness

**M**LA recently launched a new advertising campaign reminding Australians why Australian beef is 'The greatest'.

The campaign, which ran through October and November and will run again in March 2025, showed beef at its best, and how the irresistible taste and flavour leads to some irreversible yet humorous decisions.

MLA's General Manager for Marketing and Insights, Nathan Low, said this Australian Beef marketing campaign invoked a slightly different type of greatness for beef than previous ads.

"After focusing on beef's nutritional greatness and value for money for the past few years,

the new campaign is shifting to remind consumers how much they desire beef by highlighting its superior flavour and eating satisfaction," Nathan said.

"This underpins beef's position as a premium protein choice and is one of the main reasons why beef remains good value for money across the price spectrum."

### Australians love beef

MLA's latest research shows 92% of Australian households purchased beef in 2023.

Australians are the third largest consumers of beef, with per capita consumption averaging 23.4kg.

"Australians have a strong affinity for the sensory experience of consuming beef, knowing that nothing else quite delivers the same level of satisfaction," Nathan said. "It's a choice you can always feel great about, a sentiment heavily emphasised in this campaign."

The campaign appeared across mass media channels, reaching a broad audience that



The latest Australian Beef campaign showcases the irresistible protein.

reflects beef's iconic position within the protein category. These channels included free-to-air TV, on-demand TV, large-format billboards, online video and social. There were also in-store retail activations to drive beef sales along the path to purchase.

Domestic demand for beef was strong throughout 2024, with cattle slaughter and production at historically high levels.

Adult cattle slaughter is forecast to rise by 16% over 2024 to 8.2 million head, which is the highest figure since 2019.

Beef production is forecast to rise by 18% in 2024 to 2.53 million tonnes, which will be the highest production volume since 2015, meaning there will be plenty of beef on the shelves ahead of the new year. ■



The Greatest - Kitchen: Scan or click the QR code to watch on YouTube.



australianbeef.com.au Nathan Low nlow@mla.com.au

## Lamb proves a deli-cious choice

**A**ustralian lamb is making waves in the American charcuterie market, with 'lamb pastrami' now available in the deli section of 73 Costco stores across the south-eastern US.

A project between MLA and Aussie Select – a company specialising in handcrafted, modern charcuterie – developed and tested ready-to-eat deli meats featuring premium Australian lamb, to grow demand for value-added products.

MLA's Group Manager – Science and Innovation, Michael Lee, said American retailers had seen a 154% increase in weekly ready-to-eat or deli meat purchases, but there were no lamb products on offer.

"Research indicated US consumers spent \$7.7 billion a year on deli meats, including ready-to-eat or ready-to-heat foods," Michael said.

"Turkey, pork, chicken and to a lesser extent beef dominate the deli. Yet, lamb, particularly lamb from Australia, is growing in popularity in the US.

"American consumers indicated pressures around cooking time and that they have little confidence in cooking lamb. As the number one provider of lamb to the US market, the Australian industry has a massive opportunity to break into this market as the first to market ready-to-eat lamb products."

Aussie Select developed four handcrafted, modern charcuterie offerings – agave rosemary lamb, tikka masala lamb, lamb pastrami and lamb prime rib.

Aussie Select's Chief Executive Officer, Jaclyn Glatzer, said it was exciting to see the lamb products rolled out through Georgia, Florida, Alabama, Tennessee, North Carolina, South Carolina and Puerto Rico.

"Based on the research, current tonnage projections to meet the demand for Aussie Select show a potential for 3,700,000-plus pounds of exclusively Australian raw product over the next five years," she said.

"The initial products in the Aussie Select line only scratch the surface – there is exciting growth opportunity for lamb in the ready-to-heat, ready-to-eat and snack-kit categories." ■



mla.com.au/international-markets Michael Lee mlee@mla.com.au  
Scan or click the QR code to read the project report:



## **EXHIBIT N-1**

### **B+LNZ: Unlocking Market Potential—Collaboration Within the Sector**

Prehearing brief source [21]

Complete four-page publication; includes contemporaneous COVID-related qualifications. The last page prints “March 2030”; source is cited as March 2020 in the brief.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.



# Unlocking market potential- Collaboration within the sector

*Championing our world class farmers and unlocking the sector's full market potential*

## Taste Pure Nature

### Launching in California and China

B+LNZ is celebrating a successful year of launching the sector's country of origin brand Taste Pure Nature (TPN) in California. The campaign has stayed strong since launching in March 2019 with extensive media coverage, strong advertising results and engagement on social media. Considering the success in California, we will continue to develop this market across the United States.



TPN launched in Times Square New York. The campaign gained extensive media coverage including 176 pieces of coverage, generating 134,700,000+ impressions. A US website was launched and it has had over 6 million brand views so far. A range of digital display and video advertisements had 327,000+ people click to find out more and see where to buy our products.



B+LNZ and Atkins Ranch promoted grass-fed lamb availability at Whole Foods Market locations nationwide during the traditional Icelandic lamb supply period with an investment in influencer engagement, local market broadcast segments, editorial content (print & digital), recipe photography, website content and social media.



Chef George Duran appeared on Good Morning America, demonstrating how to prepare and plate his New Zealand grass-fed lamb nacho recipe. This leveraged the show's 3.5m daily audience. Duran says, "That's not just any lamb, that is lamb from New Zealand, my friend!... You can tell the difference when the lamb is from New Zealand... It has leaner meat, more flavour - this is where you want to get your lamb from."



In partnership with other meat companies, TPN launched a retail pilot in China ahead of Chinese New Year. This launch was done in partnership with Silver Fern Farms, Greenlea and ANZCO and driven by the importance of product origin for the Chinese Conscious Foodie. An in-store presence was created to generate impact and drive sales during a key buying period for consumers (Chinese New Year). We will continue to develop partnerships with New Zealand exporters and their in-market partners to further expand the TPN brand. This includes building a digital platform to enhance our position and connect consumers with our brand.

Further activities are currently put on hold as we assess the impacts of COVID-19.





### US influencer visit to NZ

In December 2019, B+LNZ, in partnership with Firstlight Foods, Atkins Ranch and Silver Fern Farms, hosted six US influencers to learn about our TPN country of origin brand and experience some of New Zealand's sheep and beef farms first-hand. The influencers' social media posts documenting their experiences have gained more than 11.8 million impressions combined so far.



What was your biggest takeaway/learning about grass-fed beef and lamb from New Zealand?



Fiona Tapp

"Just how much care, effort and love goes into every meal made with NZ grass fed meat. That every animal has had a good life and you often can't say that in mass meat production. I felt that it's a more ethical way to eat meat and of course it's delicious."



Ben Hon

One of the influencers, Food Photographer Ben Hon from New York, shared his culinary journey with his nearly 56,000 followers.

"I've been blown away by what I've seen New Zealand farmers and meat companies doing here. It's amazing how much love and care farmers put into raising their animals and how they are fed on a simple and nutritious grass-fed diet, resulting in some of the tastiest beef and lamb I've ever had"





## Cross-sector collaboration

Collaboration within the sector is proving to be essential to the success of TPN. In parallel to the partnership activities in California and China, B+LNZ is working with three initial partners: the Lamb Company (a joint venture between Alliance, Silver Fern Farms, and ANZCO), Atkins Ranch, and First Light Foods to develop marketing plans that will leverage off the brand by partnering with them on specific initiatives such as influencer events, digital marketing campaigns, and retail promotions. The TPN brand logo will appear on the packaging of some products.



TASTE PURE NATURE | NEW ZEALAND BEEF & LAMB

The Taste The Life Recipes & Tips

### RECIPES & TIPS

#### NEW ZEALAND GRASS-FED LAMB AND BARLEY SOUP RECIPE

SERVINGS: 8    PREP TIME: 70 MINUTES  
COOK TIME: 3 HOURS

Packed full of vegetables and tender New Zealand grass-fed lamb, this delicious soup is convenient, versatile and full of flavor. Leave it to simmer on the stove top and enjoy, or freeze and re-heat when you don't have time to cook.

#### INGREDIENTS:

**FOR THE LAMB:**  
1 lb. New Zealand grass-fed lamb shoulder, diced (1 1/2 cups) Look for the Taste Pure Nature logo  
2 onions, finely chopped  
2 cloves garlic, roughly chopped  
4 cups beef stock  
4 cups water (more if needed during cooking)  
14 oz can of chopped tomatoes with juice  
1 bay leaf, plus a sprig each of

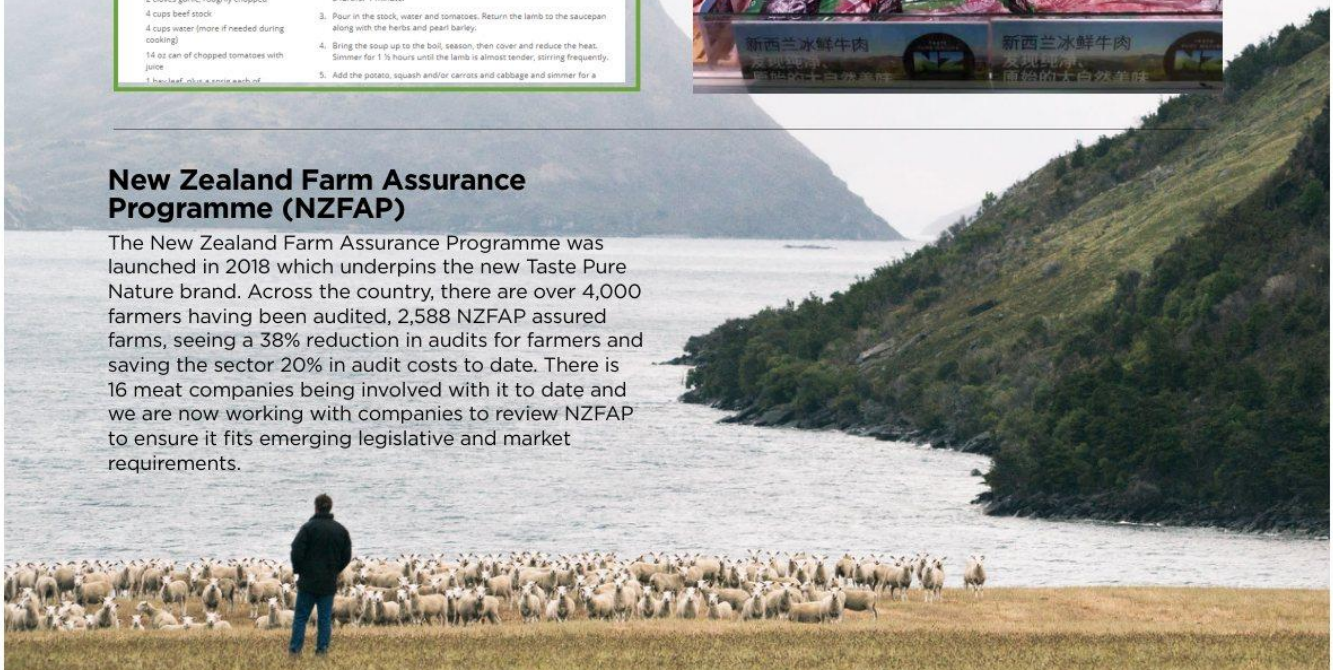
#### DIRECTIONS:

**FOR THE LAMB:**  
1. Heat a dash of oil in a large heavy-based saucepan over medium heat. In batches, add the lamb and brown on both sides.  
2. Transfer lamb to a plate. Lower the heat, add another dash of oil and the onions and cook until soft, about 5 minutes. Add the garlic and cook for a further 1 minute.  
3. Pour in the stock, water and tomatoes. Return the lamb to the saucepan along with the herbs and pearl barley.  
4. Bring the soup up to the boil, season, then cover and reduce the heat. Simmer for 1 1/2 hours until the lamb is almost tender, stirring frequently.  
5. Add the potato, squash and/or carrots and cabbage and simmer for a



## New Zealand Farm Assurance Programme (NZFAP)

The New Zealand Farm Assurance Programme was launched in 2018 which underpins the new Taste Pure Nature brand. Across the country, there are over 4,000 farmers having been audited, 2,588 NZFAP assured farms, seeing a 38% reduction in audits for farmers and saving the sector 20% in audit costs to date. There is 16 meat companies being involved with it to date and we are now working with companies to review NZFAP to ensure it fits emerging legislative and market requirements.







## Market intelligence and research

B+LNZ's Market Development team are researching into the threats and opportunities of the future ensuring that we're ahead of the curve when it comes to seeing and responding to the challenges facing our sector in the future and that we support farmers to be successful in the changing market.

### Shaping the Future of New Zealand's Red Meat Sector

In December 2019, B+LNZ launched its "Futures Research", which looks at the megatrends facing the sector and how to position the sector to face them, along with a "Pathways Project" which will help develop new pathways to market and increase collaboration across the red meat sector. The research generated a global view of trends and then brought views across B+LNZ, the red meat sector, and the wider primary sector, involving farmers, government, scientists, processors, and marketers.

This research has been published into a summary report called '[Shaping the Future of New Zealand's Red Meat Sector](#)'.

The report had, and continues to have significant media interest and uptake, and has fed into a variety of other workstreams across the business - specifically fed into decision to take a market view of the potential for regenerative agriculture for the sector.



## Study into Regenerative Agriculture

In 2020, B+LNZ is undertaking a significant global study into regenerative agriculture to understand its similarities and differences to New Zealand farming practices, the opportunities for farmers, and a global consumer perspective to understand what potential there is for New Zealand's red meat exports to extract more value from sheep and beef products.

The research will look at the market potential of regenerative agriculture; what it means to experts and the wider industry as well as Government, consumer and expert perceptions of regenerative agriculture as a practice.

The study will tie together three perspectives; a consumer / market view, the expert views of those working in Government and/or in relevant NGOs, combined with B+LNZ's farmer and processors' views with the aim of releasing a final report by the end of 2020.



## Market Innovation

Over the last 12 months the main focus of the Innovation programme has been on identifying potential areas for sector collaboration; specifically with regards to new pathways to market. B+LNZ, working in close partnership with the MIA, along with 15 processing company leaders, have identified four potential areas of collaboration which are now being taken forward. While we are in early stages of working through the next steps for the four areas, a major outcome for the programme has been a significant, quantifiable increase in trust and transparency among those involved, enabling the sector to work more effectively on challenges and opportunities where it makes sense to do so.

## **EXHIBIT N-2**

### **Trusted, Lean and Long-Game: 100 Years of New Zealand Meat Exports**

Prehearing brief source [21]

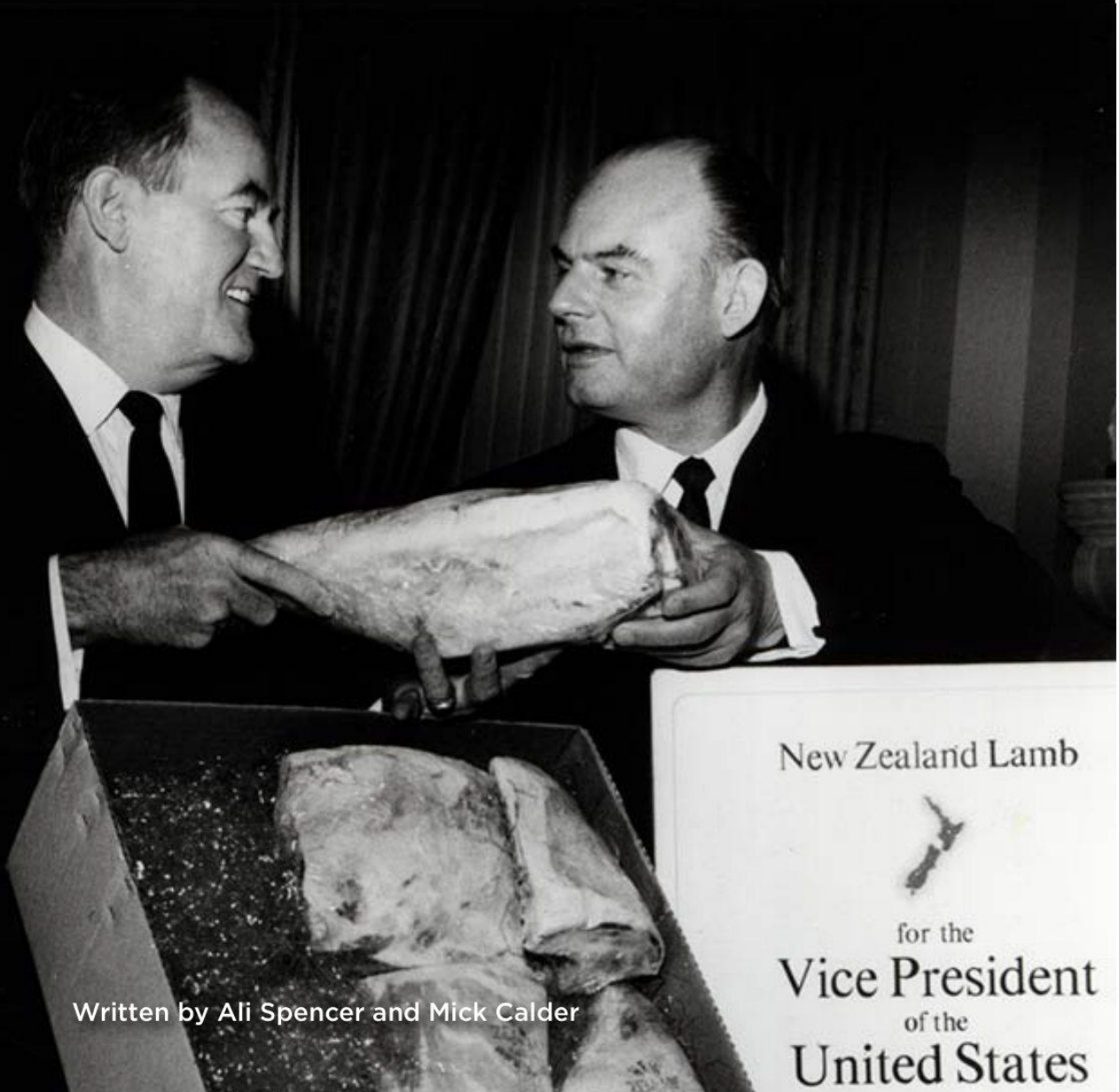
Title page, appendix methodology p. 18, and cited p. 20.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

# TRUSTED, LEAN AND LONG-GAME

100 years of New Zealand Meat Exports  
to North America

*Celebrating a Century of Innovation, Resilience and  
Market Partnership (1926-2026)*



Written by Ali Spencer and Mick Calder

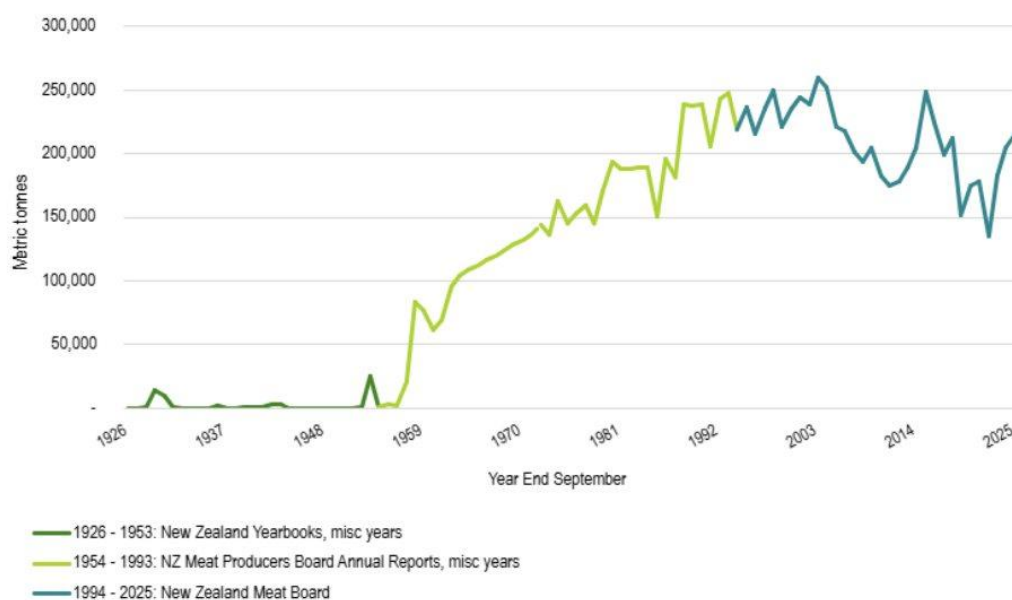


## Appendix: 100 years of red meat exports in graphs

This appendix uses graphs to illustrate the development of New Zealand's red meat exports to North America over the last 100 years, highlighting the changes in export volumes, product mix, and market dynamics over time.

### New Zealand Beef & Veal Exports to North America

For the past 100 years (1926 to 2025)



The vast majority of New Zealand's beef exports to North America over the past 33 years have been frozen. Volume has declined somewhat since the early 1990s as new markets have demanded the New Zealand product. *Source: B+LNZ Economic Service.*

*Data for 1926-1953 represent total frozen meat exports to North America, rather than beef and veal exclusively. These figures are included for historical context, as export volumes during this period were relatively small. Beef and veal specific data starts from 1954. Where data were unavailable or uncertain, values were linearly interpolated between adjacent time points. These estimates may not capture short-term season variation.*



## New Zealand Sheepmeat Exports to North America

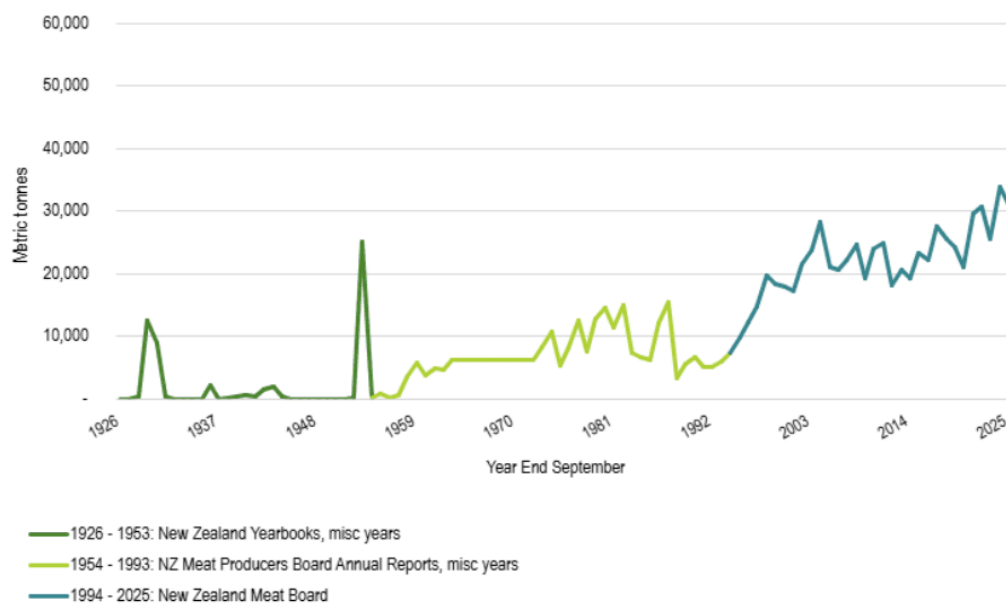
For the past 100 years (1926 to 2025)



New Zealand's sheepmeat exports to North America represent a small proportional of total exports over the past 33 years, fluctuating from six percent to 15 percent. *Source: B+LNZ Economic Service.*

## New Zealand Sheepmeat Exports to USA

For the past 100 years (1926 to 2025)



New Zealand's sheepmeat exports to the US are relatively small and stable, increasing gradually in line with rising US lamb consumption. This growth reflects efforts to expand the overall market rather than compete for market share. *Source: B+LNZ Economic Service.*

## **EXHIBIT O**

### **MLA Market Development Partnerships Program: 2025–26 Guide**

Prehearing brief source [22]

Title page and cited pages 3–5; version updated February 2026.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.



# Market Development Partnerships Program: 2025-26 Activity Application and Reporting Guide

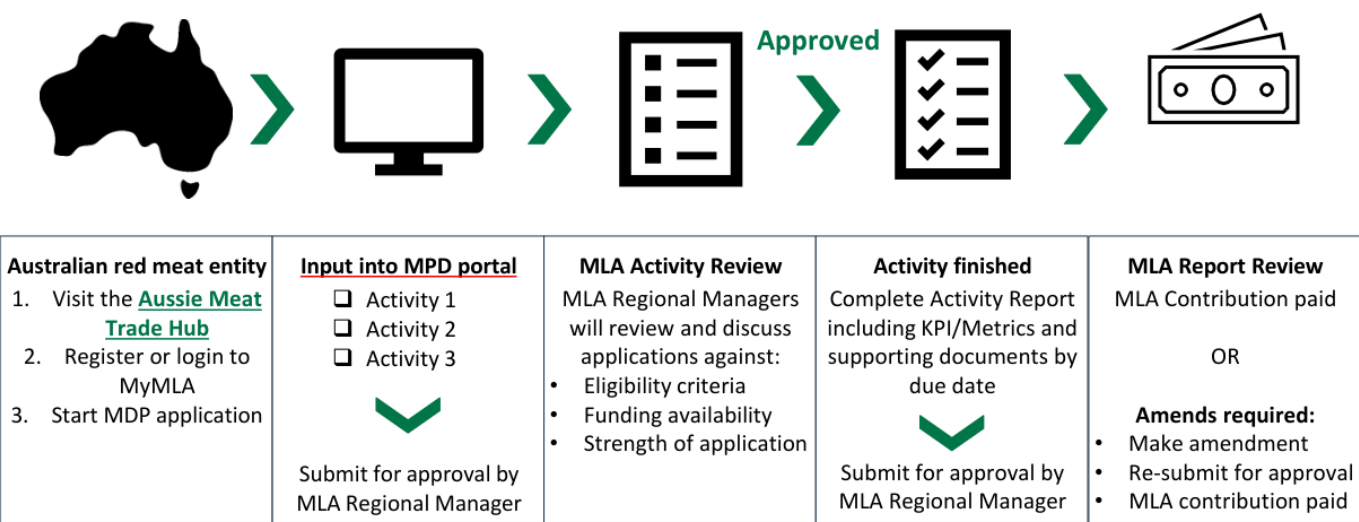
Updated February 2026



## Introduction

- The **Market Development Partnerships (MDP)** program collaborates with Australian red meat businesses and their customers to build and promote Australian red meat brands and to educate consumers and trade partners globally to:
  - Build awareness of and preference for Australian red meat products,
  - Create customer loyalty and sustainable brand growth, and
  - Align and leverage MLA's International Marketing initiatives.
- The program offers co-contribution funding and access to MLA staff support through regional offices.
- **Foodservice promotions, Retail promotions, and Aussie Meat Academy** continue to be eligible for co-funding of up to 50%, while **Trade Shows** are eligible for co-funding of up to 25%.
- Funding contributions (as a percentage of total spend) depend on value for the Australian red meat industry, available funds, and distribution of funds amongst eligible activities (we are looking for a portfolio of activities).
- From 2025-26, activities in the Australian **Domestic Market** will be eligible for inclusion in the MDP Program.

# MDP Activity Application & Reporting Flowchart



## Creating a strong application: Eligibility

### Eligibility Criteria

Open to Australian companies (with an ABN) who are:

1. Responsible for organising and paying for the marketing of Australian beef, sheepmeat and/ or goatmeat; and
2. Are an MLA member (levy-paying producer) and/or a licensed red meat exporter or processor/exporter.

### Eligible Activities

- **Trade Shows** - where centralised industry representation by MLA is not established.
- **Retail promotions** - involving new customers, territories, or products.
- **Foodservice promotions.**
- Education/training seminars under the **Aussie Meat Academy** banner (including Aussie Beef Mate or Lambassador activities).

### Assessment Criteria

- Potential growth in (or defence of) the value of Australian red meat sales – such as a new customer or consumer segment, new market, or improved market share vs competitor in established market.
- Improvement in the position/reputation of Australian red meat – such as by building a stronger country of origin position, provenance perceptions or introducing new products.
- Likelihood of success, judged by factors including clear insight, strategy and evaluation metrics, evident capability to execute, a positive track record.
- Alignment to MLA's strategy and marketing initiatives such as the Aussie Meat Academy and category brand marketing and funding availability



## **EXHIBIT P**

### **B+LNZ / Silver Fern Farms: U.S. market collaboration press release**

Prehearing brief source [23]

Complete document.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

## **Beef + Lamb New Zealand and Silver Fern Farms Collaboration Increases Sales in U.S. Market**

Source webpage reproduced as readable text; website navigation and decorative graphics omitted. Analytical figures are retained. Retrieved October 8, 2026.

<https://www.prnewswire.com/news-releases/beef--lamb-new-zealand-and-silver-fern-farms-collaboration-increases-sales-in-us-market-301437372.html>

### **Beef + Lamb New Zealand and Silver Fern Farms Collaboration Increases Sales in U.S. Market**

#### **News provided by**

Dec 06, 2021, 08:00 ET

#### **Share this article**

LOS ANGELES , Dec. 6, 2021 /PRNewswire/ -- Beef + Lamb New Zealand (B+LNZ) and Silver Fern Farms are celebrating another year of successful joint marketing efforts in the United States . The partnership, which included a series of seasonal marketing campaigns, outdoor advertisements and creative brand programs, resulted in significant sales growth and increased awareness.

American appetite for grass-fed sustainably raised New Zealand beef and lamb is growing. Lamb and beef exports to the US have lifted by 41% and 5% respectively compared to the 2019-2020 season, with chilled beef lifting by 62%. To build on the momentum in the U.S., B+LNZ and Silver Fern farms crafted several campaigns designed to capture the hearts and appetite of 'Conscious Foodie' consumers.

In October, the organizations wrapped a three-week joint campaign designed to promote New Zealand grass-fed beef via the Silver Fern Farms direct-to-consumer e-commerce platform . Promotional tactics included curated 100% Grass-Fed New Zealand beef bundles, a product offer, paid digital media, social media, email marketing and an online influencer campaign. As a result of the collaborative campaign, Silver Fern Farms saw a 247% increase in website traffic, a 291% increase in beef products sold and a 254% increase in beef revenue.

"The beef-focused e-commerce campaign is a prime example of how B+LNZ can add value and provide support to brands looking to break through in the U.S.," said Michael Wan , B+LNZ's Global Manager – New Zealand Red Meat Story. "By working together and combining resources, we can reach even more consumers, building increased awareness and preference as well as sales of New Zealand grass-fed beef and lamb in a key market."

Beyond the September-October e-commerce campaign, B+LNZ and Silver Fern Farms collaborated on several U.S. marketing campaigns in 2021:

**Paid Digital Media Support Timed to Easter** B+LNZ invested in a paid digital media campaign timed with the Easter holiday to promote a special deal on Silver Fern Farms 100% Grass-Fed New Zealand lamb products. The media campaign generated more than 9 million media impressions, 186,000 video views, 29,000 clicks to the website and nearly half of the total Silver Fern Farms transactions over its duration. Silver Fern Farms' e-commerce sales were up 470% on the previous period and almost 1,000 new subscribers joined the email database. The most popular products sold during the campaign period were Lamb Medallions and Lamb Steaks.

**"Get Seconds on Summer" Sweepstakes** The organizations worked together on a summer grilling sweepstakes campaign, in which consumers could enter to win a trip to New Zealand , with the goal of driving increased brand awareness and retail and e-commerce sales for Silver Fern Farms products. B+LNZ supported the campaign through a paid digital media campaign and engaged social media influencers to develop recipes featuring Silver Fern Farms 100% Grass-Fed New Zealand beef and lamb. The campaign generated more than 18,000 engagements on influencer recipe content, 13,000 sweepstakes entries, a 278% increase in website visits for Silver Fern Farms, and the e-commerce database grew by 125% during the period. This promotion assisted further discussions for Silver Fern Farms to grow their retail distribution.



Outdoor Media Advertisements Starting in September, B+LNZ invested in an outdoor advertising campaign in Los Angeles , featuring 18 billboards in high traffic areas and near retailers that carry New Zealand grass-fed beef and lamb. The outdoor campaign includes billboards highlighting New Zealand grass-fed beef and lamb availability at JONS Fresh Marketplace stores, a key retail partner for Silver Fern Farms. The outdoor campaign is running through the end of 2021 and is expected to deliver nearly 50 million impressions.

Strategic Campaign with Spiceology B+LNZ also engaged in a co-op campaign with Spiceology, a leading spice and flavor company in the United States , to launch its new Blackberry Balsamic Signature Blend and brought in Silver Fern Farms as the branded product partner. The campaign included influencer engagement, recipe creation and content for social media and the website, all highlighting Silver Fern Farms 100% Grass-Fed New Zealand beef and lamb as the recommended protein pairing for Spiceology's Blackberry Balsamic Signature Blend.

"We've seen an increased appetite for grass-fed, sustainably raised red meat in the U.S., as evidenced by a 36% increase in our retail presence on the West Coast, compared to the year prior, and an 26% increase in overall branded sales year-over-year," said David Patragnoni , U.S. Director of Sales at Silver Fern Farms. "By partnering with Beef + Lamb New Zealand, we're able to extend and truly maximize the impact of our programming – we can't wait to see what's in store for the year ahead."

B+LNZ and Silver Fern Farms have more exciting U.S. programs and activations planned for 2022, including the launch of Silver Fern Farms' Toitū Certified Net Carbon Zero Angus Beef product range and exciting retail and ecommerce promotions.

This collaboration is one of many between B+LNZ and meat processing and marketing companies under the Taste Pure Nature marketing umbrella.

About Beef + Lamb New Zealand Beef + Lamb New Zealand is an industry organization representing and supporting New Zealand's beef and sheep farmers. One of B+LNZ's key priorities is to raise awareness for New Zealand's grass-fed beef and lamb, with a focus on delivering information and education on its benefits under the Taste Pure Nature® origin brand. When consumers see the Taste Pure Nature® logo, they can expect the best of New Zealand grass-fed beef and lamb. For more information, visit [www.beefandlambnz.com](http://www.beefandlambnz.com) and follow us on social media, including Facebook , Instagram , Pinterest , and Twitter at @beefandlambnz.

About Silver Fern Farms Silver Fern Farms is New Zealand's largest grass-fed lamb, beef and venison producer, supplying the United States from the rolling pastures of New Zealand and striving to set the world standard in red meat. Starting as a small farm cooperative in 1948, Silver Fern Farms produces 30% of all New Zealand lamb, beef and venison in partnership with 16,000 farmers, and exports to over 60 countries and regions.

SOURCE Beef + Lamb New Zealand

**21 %**

**Modal title**

## **EXHIBIT Q**

### **MLA Annual Report 2024–25**

Prehearing brief source [24]

Title page and printed pages 61, 66, 76 (PDF pages 63, 68, 78).

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

Annual Report / 2024-25



**/ Creating value  
across the supply chain**

## / Financial summary

Table 3: Revenue and expenditure summary (\$m)

| Status                                | 2020–21      | 2021–22      | 2022–23      | 2023–24      | 2024–25      | % change 2024–25 compared with 2023–24 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|----------------------------------------|
| Grassfed cattle levies                | 52.8         | 49.0         | 47.3         | 53.7         | 61.6         | 14.7%                                  |
| Grainfed cattle levies                | 12.8         | 11.6         | 12.7         | 13.5         | 15.4         | 14.1%                                  |
| Lamb/mutton levies                    | 35.2         | 36.6         | 37.1         | 40.7         | 43.0         | 5.7%                                   |
| Goat levies                           | 0.4          | 0.6          | 0.6          | 0.9          | 1.3          | 44.4%                                  |
| <b>Total producer levies</b>          | <b>101.2</b> | <b>97.8</b>  | <b>97.7</b>  | <b>108.8</b> | <b>121.3</b> | <b>11.5%</b>                           |
| Government contributions              | 85.7         | 98.8         | 94.3         | 85.4         | 87.5         | 2.5%                                   |
| Other                                 | 73.1         | 91.5         | 95.8         | 88.8         | 104.3        | 17.5%                                  |
| <b>Total revenue</b>                  | <b>260.0</b> | <b>288.2</b> | <b>287.9</b> | <b>283.1</b> | <b>313.1</b> | <b>10.6%</b>                           |
| Marketing, market access and insights | 103.0        | 104.8        | 111.4        | 101.1        | 98.9         | (2.2%)                                 |
| Research and development              | 179.5        | 205.9        | 196.6        | 175.2        | 183.3        | 4.6%                                   |
| <b>Total expenditure</b>              | <b>282.5</b> | <b>310.7</b> | <b>308.0</b> | <b>276.3</b> | <b>282.2</b> | <b>2.1%</b>                            |

### Revenue

MLA's total income of \$313.1 million for 2024–25 was \$30.0 million or 10.6% higher than the previous corresponding period (PCP).

Total levy income of \$121.3 million increased \$12.5 million or 11.5% compared to the PCP, with all levy streams increasing year on year. The increase in levies was largely a function of record supply coupled with strong export demand.

Government contributions of \$87.5 million increased by \$2.1 million or 2.5% during the period, which is largely the result of an increase in the Government matching cap budget. 'Other' income of \$104.3 million was \$15.5 million or 17.5% above the PCP, which was primarily attributable to Government grant income used to fund the digital transformation of the 'National Livestock Information Service' platform.

### Expenditure

Total investment increased by 2.1% in 2024–25 to \$282.2 million. The increase stemmed mainly from research and development investment, which increased by \$8.1 million or 4.6% as additional MDC funds were allocated to fund livestock genetics projects in the Productivity (on-farm) program after the Government matching cap increased in the first quarter. Marketing, market access and insights investment of \$98.9 million decreased by \$2.2 million or 2.2%.

### Retained earnings

MLA returned a surplus of \$30.9 million in 2024–25, which increased the Group's retained surplus as at 30 June 2025 to \$82.5 million. The surplus was underpinned by an increase in levy income receipts during the period, with all species exceeding PCP. Integrity Systems Company returned a surplus of \$12.0 million, which was primarily attributable to grant income in relation to the NLIS Uplift project. Grant income relating to the software development phase of the project (\$12.3 million) was recognised in FY25 whilst the accompanying investment will be amortised later over 10 years once the new platform is ultimately completed. MLA Donor Company returned a deficit of \$593,000 largely because of subdued access fees.

### Cash flow

MLA's cash balance increased by \$19.8 million in 2024–25 to \$90.9 million which was primarily attributable to the uplift in levy receipts coupled with grant income received in relation to the rebuild of the NLIS database platform.

Figure 3: Revenue summary

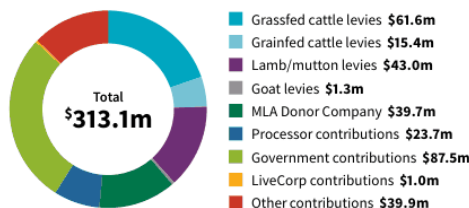


Figure 4: Expenditure summary

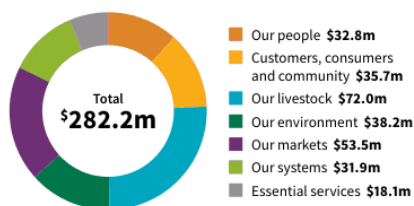
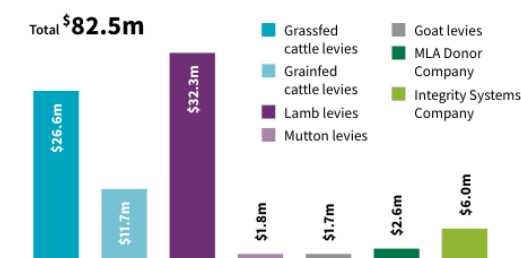


Figure 5: Retained earnings by funding source 2024–25





## Review and results of operations

### Operating result for the period

The result of the Group for the financial year was a net surplus from continuing operations of \$30,921,000 (2024: net surplus of \$6,772,000). The surplus is primarily attributable to levy income, with all levy streams exceeding the previous corresponding period. The increase in levy receipts was largely underpinned strong supply, which serviced elevated export demand in key markets. The surplus was also elevated in relation to a significant Government grant to fund the digital transformation of the 'National Livestock Identification System' platform. Grant income relating to the software development phase of the project (\$12,288,000) was recognised in FY25 whilst the accompanying investment will be amortised later over 10 years once the new platform is ultimately completed.

### Group overview

The Group earned total revenue of \$313,134,000 (2024: \$283,060,000) which is comprised of the following:

- Transaction levies \$121,260,000 (2024: \$108,824,000)
- Research and development matching grants \$87,527,000 (2024: \$85,412,000)
- Research and development contributions and grants (unmatched) \$14,944,000 (2024: \$6,173,000)
- Other income and revenues \$89,404,000 (2024: \$82,651,000)

Total income received/receivable was more than total expenditure, which resulted in a net surplus from continuing operations of \$30,921,000 for the year.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group.

## Significant events after the balance date

No significant events after balance date.

## Environmental regulation and performance

The Group does not have a material exposure to any environmental regulations.

## Indemnification and insurance of directors and officers

Under its constitution, the Company may indemnify each director and each executive officer against any claim or any expenses or costs which may arise as a result of work performed in their respective capacities.

The Company paid an insurance premium in respect of a contract insuring all the directors, secretaries and executive officers of the group entities against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The terms of that policy prohibit disclosure of the premium paid or the monetary limit of this indemnity.

## Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

## Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) where noted (\$000) under the option available to the Company under ASIC Corporation (Rounding in Financial/ directors' Reports) Instrument 2016/191. The company is an entity to which this legislative instrument applied.

## Registered office and principal place of business

Level 1, 40 Mount Street,  
North Sydney NSW 2060  
(02) 9463 9333

## Auditor independence

The auditor's independence declaration which forms part of the Directors' report for the financial year ended 30 June 2025 has been received and can be found following this report.

This report has been made in accordance with a resolution of directors.



John Lloyd  
Chair

24 September 2025



Michael Crowley  
Managing director

## / Notes to the financial statements *continued*

### 2. Summary of significant accounting policies *continued*

#### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### (t) Fit-out contribution and rent-free period

The Company negotiated the lease of new premises in North Sydney in November 2023 which included incentives that involved a combination of a fit-out contribution and rent-free period. These incentives are treated as per AASB 16 lease standard.

#### (u) Investment in associate

The Group's investment in its associate is accounted for by using the equity method of accounting in the consolidated financial statements. The associate is an entity over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates.

Pursuant to the constitution of the associate (AUS-MEAT), the Group has no entitlement to a share of the associate's net results. The Group is also not entitled to the net assets of the associate except in the event of a winding up of the associate.

The reporting dates of the associate and the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Interests in associated entities are included in non-current assets at the recoverable amount. Detailed equity accounting information concerning the Group's material interests in its associate is provided in Note 9.

#### (v) Leasehold make good provision

The Company has entered into a number of office premises lease agreements which include make good clauses. A make good clause requires the Company to restore the premises to its original condition at the conclusion of the lease. The provision has been calculated as the present value of the expected cost, which has been based on management's best estimate.

#### (w) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period.

A liability is current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period.

Or:

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other assets and liabilities as non-current.

### 3. Revenue from continuing operations

|                                                                           |       | Consolidated \$ '000 |         |
|---------------------------------------------------------------------------|-------|----------------------|---------|
|                                                                           | Notes | 2025                 | 2024    |
| Revenues from contracts with customers                                    |       |                      |         |
| Transaction levies                                                        | 4     | 121,260              | 108,824 |
| R&D Commonwealth matching payments                                        |       | 87,527               | 85,412  |
| R&D contributions and grants (unmatched)                                  |       | 14,944               | 6,173   |
| Other income                                                              | 5     | 84,726               | 78,970  |
| Total revenues from operating activities                                  |       | 308,456              | 279,379 |
| Revenues from non-operating activities                                    |       |                      |         |
| Bank interest                                                             |       | 2,322                | 2,122   |
| Unrealised gain from financial asset at fair value through profit or loss |       | 2,356                | 1,559   |
| Total revenues from non-operating activities                              |       | 4,678                | 3,681   |
| Total revenues from continuing operations                                 |       | 313,134              | 283,060 |



## **EXHIBIT R-1**

### **B+LNZ Annual Report 2025**

Prehearing brief source [25]

Title page and cited pages 22–23.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.



# Annual Report 2025

*Nā ngā kai pāmu. Mā ngā kai pāmu.  
By farmers. For farmers.*

# Statement of Service Performance

For the year ended 30 September 2025

Beef + Lamb New Zealand Limited (B+LNZ) exists under the Commodity Levies Act 1990. No later than every six years sheep and beef producers vote to support B+LNZ's industry good mandate and continue paying red meat levies.

The last farmer referendum was held in 2021 and the Commodity Levies (Meat) Order 2021 regulation approved which provides levy funding from sheep (75 cents per head) and beef (\$5.20 per head) production at point of slaughter for investment in the strategic priorities, as set out in the referendum levy proposal.

B+LNZ's vision is sustainable and profitable farmers, thriving rural sustainable farming communities, valued by New Zealanders.

Working with our farmers our priorities are:



## **Supporting farming excellence. Our farmers run sustainable, profitable, farming systems.**

We do this by supporting farmers to achieve this by delivering the world's best research, innovation and extension.



## **Championing the sector. Our farmers are celebrated as the world's best red meat producers.**

We do this by positioning the sector to be respected and supported by New Zealanders and advocating for policies that enable our farmers.



## **Increasing market returns. Our farmers receive increased value from our sustainable farming systems and natural grass-fed beef and lamb.**

We do this by identifying and creating market opportunities, dismantling barriers, and growing consumer preference for New Zealand beef and lamb.

In 2024 the B+LNZ strategy was refreshed as reported in the annual report and this will be reported in future financial years' Statement of Service Performance.

## **Our farmers**

Partnerships are a key enabler to our strategy, and engagement with farmers is central to what we do, across our teams, programmes, events and advisory groups. Our priority is face-to-face contact where possible, but we reach farmers in a range of ways.

We track key indicators to better understand how our engagement is working and how farmers are feeling about the sector. Surveys are conducted by an independent third-party provider on a quarterly basis using well established methodology.

Farmer awareness of B+LNZ and satisfaction with B+LNZ are key measures of success for B+LNZ and represent farmer perception of overall performance.

## **Investment**

B+LNZ's investment in industry good activities is allocated across the strategic priority areas, as approved by farmers during the referendum process, and third-party income and Government funding is sought to leverage the levy funds invested.

The strategic priority areas are broken into programme areas and reported against the budget targets set for the 2025 year to provide transparency where the levy investment is made on behalf of farmers.

## **Farmer metrics**

|                                                                    | Target | 2025   | 2024   |
|--------------------------------------------------------------------|--------|--------|--------|
| Farmer awareness of B+LNZ (12 month rolling average)               | >80%   | 79%    | 79%    |
| Farmers neutral or satisfied with B+LNZ (12 month rolling average) | >90%   | 84%    | 79%    |
| Farmer events                                                      | 450    | 543    | 351    |
| Event attendees                                                    | 13,000 | 18,953 | 12,676 |



Farmer awareness and satisfaction with B+LNZ is summarised from the average of the surveys conducted on a quarterly basis from the October 2024 to September 2025 period. This is a representative sample of 495 farmers from across all regions chosen by an independent research provider from the B+LNZ farmer database.

The target is to achieve awareness levels more than 80%. Awareness levels have remained similar over the year at 79% but within ranges seen in previous quarterly surveys. Farmers are asked how much they know about B+LNZ and what it does with reference to the strategic priorities.

Farmers satisfaction includes both satisfied and neutral responses returned in the survey. In 2024 the target was increased to reflect the inclusion of neutral responses. Farmers are asked to rate satisfaction (a score of 1-2), neutral (3) and dissatisfied (4-5). Over the last twelve months the rolling average for neutral and satisfied farmer responses has increased to 84% with a big shift from dissatisfied to satisfied. The improvement is the result of the increased focus behind the gate with the new extension delivery model, B+LNZ's advocacy approach to Government and the Government's policy reset.

Farmer events summarise the farmer events run by B+LNZ and includes joint events with partner organisations. The number of events has increased over the year with a new extension strategy, increased regional roles and collaboration with partner organisations resulting in the 2025 target being exceeded. The number of attendees has also increased across some of our larger events (over 100 attendees) in the 2025 year.

## Investment by strategic priority \$,000

|                                          | Target 2025   | Actual 2025   | Actual 2024   |
|------------------------------------------|---------------|---------------|---------------|
| <b>Championing Farming Excellence</b>    | <b>20,421</b> | <b>18,284</b> | <b>15,780</b> |
| Research                                 | 5,543         | 4,842         | 3,052         |
| Genetics                                 | 5,472         | 4,577         | 4,540         |
| On Farm Extension                        | 8,094         | 7,711         | 7,172         |
| People and Capability                    | 1,312         | 1,154         | 1,016         |
| <b>Advocacy</b>                          | <b>5,691</b>  | <b>5,378</b>  | <b>6,019</b>  |
| Environment                              | 3,422         | 3,302         | 4,461         |
| Technical                                | 743           | 613           | 355           |
| Trade                                    | 1,526         | 1,463         | 1,203         |
| <b>Energising the Sector</b>             | <b>4,221</b>  | <b>3,617</b>  | <b>2,781</b>  |
| Farmer Story Telling Campaign            | 2,490         | 1,945         | 1,845         |
| Celebrating Success                      | 1,228         | 994           | 732           |
| Scanning for the future                  | 503           | 678           | 204           |
| <b>Market Development</b>                | <b>692</b>    | <b>674</b>    | <b>2,452</b>  |
| Taste Pure Nature Transition             | 692           | 674           | 2,452         |
| Third party income as a % of levy income | 22%           | 19%           | 19%           |

The major movements compared to Target (budget) were:

**Research:** Due to a change with an external contract provider leading the Facial Eczema discovery workstream there were delays in delivery for this financial year.

**Genetics:** The Informing New Zealand Beef programme undertook a financial prioritisation review as the programme entered the final two years, and expenditure was re-prioritised within total programme budget (across the seven year programme).

**Telling the Farmer Story:** Trust and Reputation project was postponed until 2025-2026, and

**Celebrating Success:** Event delivery was coordinated with the Out the Gate event which created efficiencies within the B+LNZ team.

**Third Party Income as a % of levy income:** The Facial Eczema and Informing New Zealand Beef programmes are co-funded through the Ministry for Primary Industries Sustainable Farming Fund. Reduced expenditure incurred on these programmes resulted in a corresponding reduction in co-funding income being received.

## **EXHIBIT R-2**

### **AgResearch: Bridging knowledge gaps to combat facial eczema**

Prehearing brief source [25]

Complete document.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

## Bridging knowledge gaps to combat facial eczema — AgResearch

Source webpage reproduced as readable text; website navigation and decorative graphics omitted. Analytical figures are retained. Retrieved October 8, 2026.

<https://www.agresearch.co.nz/news/bridging-knowledge-gaps-to-combat-facial-eczema/>

### Bridging knowledge gaps to combat Facial Eczema

08 May 2024

Opinion piece by AgResearch chief scientist Axel Heiser:

Facial Eczema (FE) in cattle and sheep represents a long-standing challenge for New Zealand's agricultural sector, undermining the health and productivity of livestock while imposing significant economic and emotional burdens on farmers.

The recent announcement (external link) of an \$8.3 million commitment by the Ministry for Primary Industries through the Sustainable Food and Fibre Futures Fund, alongside a \$9 million contribution from Beef + Lamb New Zealand and additional funding from other industry partners – totalling \$20.75 million over a seven-year period – marks a pivotal moment in the fight against this disease.

This collective effort, encapsulated in the Eliminating Facial Eczema Impacts (EFEI) programme, promises to address the critical knowledge gaps and management challenges that have hampered progress for over a century.

FE, caused by the toxin-producing fungus *Pseudopithomyces chartarum*, leads to liver damage, reduced animal productivity, and severe animal welfare issues. Traditionally, management strategies have included the application of fungicides and zinc supplementation, methods that are not sustainable due to environmental and health concerns.

While selective breeding for resistance presents a promising avenue, it requires a long-term commitment to realise its potential as a viable solution. The economic toll of FE on the New Zealand agricultural sector is profound, with estimated impacts reaching \$332 million annually due to reduced livestock growth rates and stock losses during severe outbreaks.

The knowledge gaps surrounding FE are profound and multifaceted. This is a critical barrier to the development of strategies to address the problem. Despite decades of concerted research efforts, our understanding of FE remains fragmented, particularly in areas critical for its control and eventual eradication.

The challenge of detecting the fungus *Pseudopithomyces chartarum* in pasture is one of these critical knowledge gaps in our fight against FE. The accurate measurement of spore counts in pasture, a crucial indicator of FE risk, is fraught with difficulties. Current methodologies may not accurately reflect the true risk of FE to livestock because not all spores contain the toxin sporidesmin, which is responsible for the disease. This discrepancy means that even with high spore counts, the actual risk of toxicity could be over or underestimated, depending on the proportion of spores carrying sporidesmin.

This issue complicates the development of risk management strategies for farmers, who rely on spore counts as a key metric for deciding when to implement disease mitigation practices such as moving animals to safer pastures or beginning zinc treatment protocols. The variability in sporidesmin presence within spore populations necessitates a more nuanced approach to measuring FE risk, one that goes beyond simple spore counts to assess the actual toxic potential of pastures.

Understanding the factors that influence sporidesmin production by *Pseudopithomyces chartarum*, including environmental conditions, fungal genetics, and interactions with the host plant, is essential for developing more accurate predictors of FE risk. Research into these areas could lead to the development of diagnostic tools that not only count spores but also measure the concentration of sporidesmin or identify spore variants more likely to produce the toxin. Such tools would represent a significant advancement in FE management, providing farmers with the information needed to make informed decisions about protecting their livestock from this debilitating disease.



The need for more effective diagnostic tools stands as a primary concern. Current approaches often fail to detect the disease in its early stages, particularly when animals are asymptomatic or presenting signs that are not easily recognised, leading to underestimations of prevalence and severity.

Another significant knowledge void is our depth of understanding of genetic resistance against FE.

While there is awareness that some genetic lines in livestock exhibit greater resilience to the disease, the specific genetic markers associated with resistance are not well defined. This hinders the ability to put in place targeted breeding programmes that could mitigate the impact of FE over the long term. The complexity of genetic interactions with environmental factors further complicates this issue. It suggests that resistance may not be solely determined by single mutations in the genes but rather by a complex interplay of multiple genetic and environmental factors.

We also know that sustainable management practices for FE are inadequately developed. The reliance on fungicides and zinc, while providing some level of disease control, raises concerns about environmental sustainability, animal health, and the potential for resistance development. These methods do not address the root causes of FE or offer long-term solutions. Sustainable practices that could prevent the conditions conducive to the growth of the fungus, *Pseudopithomyces chartarum*, or reduce the exposure of animals to toxic spores are poorly understood and under-researched. The interactions between the fungus, the host (livestock), and the environment also represent a substantial area of incomplete knowledge. Factors such as climate change, farming practices, and landscape alterations are likely to influence the epidemiology of FE, yet how these factors affect one another and can be managed for FE prevention remains unclear. Furthermore, the potential for other disease-causing organisms to contribute to, or exacerbate, the FE disease complex has not been thoroughly investigated. This leaves open the question of whether we are addressing all aspects of what causes the disease and its spread.

Bridging these knowledge gaps requires a commitment across different areas of expertise that encompasses advanced research into genetics, diagnostic development, epidemiology, environmental science, and sustainable agricultural practices.

The EFEI programme represents a holistic and ambitious effort by government, industry and scientists to not just manage but eliminate the impacts of FE. Addressing the knowledge and management gaps, the programme focuses on several key areas: improving diagnosis of the disease, understanding its genetic basis, and exploring new management strategies. The economic, environmental, and social benefits of the EFEI programme are far-reaching. Economically, the programme promises to reduce the annual cost of FE to the agricultural sector by developing more effective management tools and practices. Environmentally, it seeks to reduce the reliance on zinc and fungicides, which have adverse effects on soil and water quality. Socially, the programme has the potential to significantly improve farmer well-being by reducing the stress and emotional burden associated with managing FE.

All of this gives me cause for optimism that together we may finally be able to turn the tide on this costly and debilitating livestock disease.

**\*\*This piece was previously published in an abbreviated form on the Stuff website\*\***

## **Project partners**

### **Funder**

### **Related People**

#### **Axel Heiser**

Principal Scientist

## **EXHIBIT S**

### **MLA: Australian red meat exports set records in 2024**

Prehearing brief source [37]

Complete document.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

## Australian red meat exports set records across the board in 2024 | Meat & Livestock Australia

Source webpage reproduced as readable text; website navigation and decorative graphics omitted. Analytical figures are retained. Retrieved October 8, 2026.

<https://www.mla.com.au/news-and-events/industry-news/australian-red-meat-exports-set-records-across-the-board-in-2024/>

Last year was the largest year for red meat exports in history, with records set for beef, lamb, mutton and goatmeat, according to Meat & Livestock Australia (MLA). In 2024, Australia exported 2.24 million tonnes of red meat to 104 countries, representing the largest volume of red meat ever exported. High volumes were exported across all red meat categories:

Beef exports reached 1.34 million tonnes.

Lamb exports reached 359,229 tonnes.

Mutton exports reached 255,098 tonnes.

Goatmeat exports reached 51,489 tonnes.

Global Supply Analyst at MLA Tim Jackson said the latest data from the Department of Agriculture, Fisheries and Forestry highlighted Australia's strong reputation as a reliable supplier of high-quality red meat, with overseas demand remaining strong as domestic supply rose. "In 2024, the cattle herd and sheep flock both reached maturity, and slaughter lifted substantially," Mr Jackson said. "At the same time, the global supply landscape was favourable for Australia, with beef exports from the United States easing as the American cattle herd reached a 72-year low following years of drought. "Global economic pressures continue to affect consumer confidence. However, high levels of trust and an industry-wide dedication to quality has driven demand for Australian red meat internationally." Australia's market access position was also important in driving exports. 87% of exports went to countries with which Australia has a free trade agreement, including 95% of our beef exports. The United States was the largest market for beef, lamb and goatmeat, while China was the largest market for mutton in 2024.

### **Beef:**

Beef exports reached 1.34 million tonnes, 22% higher than 2023 exports and 4% higher than the previous record of 1.29 million tonnes set in 2014. The strongest growth was seen in the United States, where exports lifted 60% to 394,716 tonnes, and Southeast Asia, where exports lifted 33% to 177,684 tonnes. Exports of Australian grainfed beef also broke records with 375,195 tonnes of grainfed beef exported last year. Record high capacity and numbers of cattle on feed have translated into strong turnoff figures over 2024, leading to strong supply and high exports.

### **Lamb:**

Australian exports of lamb exports rose to 359,299 tonnes, 10% higher than the previous record set in 2023. The United States was the largest market for lamb at 85,133 tonnes, followed by China at 53,478 tonnes and the United Arab Emirates at 27,268 tonnes. Strong growth was also seen in exports to the United Kingdom, rising 44% in the first year of the full implementation of the Australian-United Kingdom free trade agreement to 13,668 tonnes.

### **Mutton:**

Mutton exports rose to 255,098 tonnes, which is 22% higher than the previous record set in 2023. China remained the largest market for Australian mutton, taking 95,622 tonnes. Malaysia was the second largest market, with exports at 26,953 tonnes, followed by the United States with exports of 19,077 tonnes. Overall, sheepmeat exports rose 15% from 2023 to 614,396 tonnes, which is the highest sheepmeat export figure from any single country on record.

**Goatmeat:**

Exports of goatmeat totalled 51,489 tonnes, which is the highest figure on record. The United States was the largest market for Australian goatmeat, with exports totalling 27,599 tonnes, followed by South Korea at 8,639 tonnes and China at 5,161 tonnes. Australian goatmeat exports were 44% higher in 2024 than the previous record, set in 2014.

## **EXHIBIT T**

### **MLA: Tighter supply expected in 2026—Sheep Industry Projections**

Prehearing brief source [38]

Complete document.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

## **Tighter supply expected as national sheep flock set to decline in 2026: MLA Sheep Industry Projections 2026 | Meat & Livestock Australia**

Source webpage reproduced as readable text; website navigation and decorative graphics omitted. Analytical figures are retained. Retrieved October 8, 2026.

<https://www.mla.com.au/news-and-events/industry-news/tighter-supply-expected-as-national-sheep-flock-set-to-decline-in-2026-mla-sheep-industry-projections-2026/>

Australia's sheep industry is entering a lower supply phase in 2026, with Meat & Livestock Australia's (MLA) latest Australian Sheep Industry Projections forecasting a further decline in flock numbers after several years of elevated turnoff and challenging seasonal conditions. The national sheep flock is estimated to fall 2.7% to 67.1 million head by 30 June 2026, reflecting the cumulative impact of below average rainfall across key southern production regions including Victoria, South Australia, Tasmania and southern New South Wales. While some late summer rainfall has provided short term relief, soil moisture and pasture conditions remain under pressure in many areas. MLA Senior Market Information Analyst Emiliano Diaz said three consecutive years of difficult seasonal conditions have weighed heavily on the flock. "Producers have been managing through sustained seasonal pressure, and the high levels of turnoff over recent years have reduced flock size and constrained the potential for a rebuild if the seasonal outlook improves," Mr Diaz said. Lamb and mutton availability is expected to tighten further in 2026 as producers retain more breeding stock where possible.

### **Production and slaughter**

Lamb slaughter is forecast to decline 11% in 2026 to 21.86 million head, following an estimated 6.9% fall in 2025, as the effects of several years of heavy turnoff continue to flow through the system. Mutton slaughter is expected to contract more sharply, falling 30% to 7.13 million head, reflecting the tighter supply dynamic. Despite lower slaughter volumes, productivity gains and heavier carcase weights are continuing to support output. Average lamb carcase weights are forecast to lift to 24.6kg, supported by ongoing genetic improvement, grain feeding and processor demand for heavier stock. As a result, lamb production is expected to decline 10% in 2026 to around 537,000 tonnes carcase weight, which would still rank among the stronger production years on record. Mr Diaz said the figures highlight how productivity gains are underpinning supply even as numbers tighten. "While lamb turnoff is forecast to be lower in 2026, improvements in genetics, feeding systems and carcase weights mean production remains relatively resilient by historical standards," Mr Diaz said. Mutton production is forecast to fall 29% as the effects of earlier heavy ewe and wether turnoff further reduced supply.

### **Exports and global demand**

Export conditions for Australian sheepmeat remain mixed in 2026. Tighter supply is expected to limit exportable volumes, although reduced global availability continues to support underlying demand, particularly as New Zealand's flock remains constrained. Australia continues to benefit from its reputation as a reliable supplier of high quality sheepmeat into global markets. "Global sheepmeat supply remains tight and Australian product continues to be well regarded across key export markets. However, higher livestock prices, freight costs and currency movements are expected to influence competitiveness and trade flows through the year," Mr Diaz said. Live sheep exports also face ongoing uncertainty. Volumes declined in 2025 due to lower supply, vessel availability and high domestic prices, and trade conditions remain influenced by shipping disruptions and geopolitical instability in the Middle East. Despite this, demand for Australian sheep persists across the region, reflecting Australia's strong animal health and quality reputation.



## **Looking ahead**

Price forecasts point to relatively stable conditions across sheep indicators through 2026, with prices remaining well above long term averages despite some mixed movements. The National Heavy Lamb Indicator is forecast to lift 1%, the Trade Lamb Indicator to rise 0.5%, while the Restocker Lamb Indicator is forecast to ease 4% by 30 June 2026. “Lower flock numbers and reduced turnoff are expected to support prices, but conditions remain finely balanced. The pace of any potential flock rebuild in the future will depend heavily on seasonal improvement and producer confidence,” Mr Diaz said. While slaughter and production are expected to stabilise over the medium term, MLA expects 2026 to be a year of adjustment rather than expansion for the sheep industry, as producers manage through constrained supply, ongoing cost pressures and variable seasonal conditions. To find out more, MLA’s Market Information Team will run through the key findings of the report and answer questions during the Cattle and Sheep Industry Projections 2026 Webinar.

Register here: Cattle and Sheep Projections Webinar – Tuesday, 31 March at 11:30am (AEDT)

To view the full report, visit: Sheep Industry Projections 2026

## **EXHIBIT U**

### **Superior Farms: April 18, 2016 comment to USDA**

Prehearing brief source [30]

Complete public docket letter reproduced as text. Original PDF downloading was blocked; this is not a facsimile. Pagination differs from the three-page original.

Original source pagination is retained on reproduced pages where available. Supplement pagination is added in the lower margin.

## Superior Farms — April 18, 2016 comment

### Source [30] | AMS-LPS-15-0070-0011

Complete text reproduction of the three-page letter as retrieved from the public docket PDF on October 8, 2026. The original PDF download was blocked; this is a text reproduction, not a facsimile. Original line order and wording are retained; pagination differs.

[https://downloads.regulations.gov/AMS-LPS-15-0070-0011/attachment\\_1.pdf](https://downloads.regulations.gov/AMS-LPS-15-0070-0011/attachment_1.pdf)

2530 River Plaza Dr · Suite 200 · Sacramento, CA 95833 Main (530) 758-3091 · Customer Service (800) 228-5262 · Fax (530) 758-3152 [www.superiorfarms.com](http://www.superiorfarms.com)

April 18, 2016 Michael Lynch Livestock, Poultry, and Grain Market News Division Livestock, Poultry, and Seed Program AMS, USDA, Room 2619-S, STOP 0252 1400 Independence Avenue SW., Washington, DC 20250-0251 RE: Livestock Mandatory Reporting – Docket Number AMS-LPS-15-0070, RIN 0581- AD45

Dear Mr. Lynch,

Superior Farms (Superior) is an employee owned company with more than 400 employee-owners nationwide who take pride in their individual roles and contributions to the company's success. Superior Farms sources lambs from more than one-thousand family farms and ranches, who we are committed to working with to bring quality American raised product to markets around the globe. As an industry leader, Superior is dedicated to the American lamb producers and their families who raise their livestock with care.

Superior Farms has participated in the Mandatory Price Reporting program since its inception. While we acknowledge the value of this reporting program, Superior Farms has several significant concerns with the proposed language and notable differences between this proposal and the statutory language enacted by Congress. Additionally, we are concerned about the lack of communication within the industry and the portrayal, to USDA, that Superior was an active participant in the Livestock Marketing Information Center (LMIC) study as well as these proposed requirements – this is not the case. If we had, Superior Farms would have strongly objected and raised the concerns expressed below. For these reasons and the reasons below, we request our concerns be considered.

Part 59 – Mandatory Weekly Reporting for Lambs: 59.302 )(6): “The quantity (quoted in number of head) and delivery period for all committed lambs.”

This additional reporting requirement would be unnecessarily burdensome and ultimately requires a change in how contracts are written and lambs are purchased. The term “committed” is undefined, ambiguous and would be subject to a broad and changing interpretation; contracts and commitments both formal and informal evolve and change to meet constantly evolving market conditions. Additionally, this requirement would put US sheep producers at a price and marketing risk by allowing importing competitors access to sensitive domestic market information. Competitors, particularly foreign competitors, would be able to use this information to determine the amount of lambs “committed” in the near term and long term; and, relatively easily determine the price pressure, or lack thereof, to market prices in both near term and more significantly long term. This puts the American lamb industry at a significant price discovery and market position disadvantage to our largest competitor – import lamb. Requiring a packer to report this type of detailed information is unduly onerous and exceeds the scope of the reporting program. The following points further illustrate our concerns with this requirement:

- o More than 50% of lamb sold in the US is imported from Australia and New Zealand. Reporting

future lamb commitments will allow for the importing companies to monitor the US lamb production, and ultimately make marketing decisions that would influence the amount and price of lamb imported into this country, which would have a negative effect on US sheep producers. The US sheep industry has been in decline and continues to lose market share to Australia and New Zealand imports. By creating a report that would provide this type of detailed information, accessed by our biggest importing competitors, would allow them to make strategic decisions that would put the US sheep industry at a further disadvantage.

o Superior Farms works with our producer and feeder partners to develop a projection of when lambs will be delivered. These “commitments” are both formal and informal, priced and unpriced, as well as number of animals for delivery fixed and flexible. The schedule is a moving target based on live animal performance, plant capacity, weather, transportation constraints, feed availability, producer management, when producers deem their lambs to be market ready, as well as sales and customer demand changes. The delivery dates and total head count are constantly changing until the day of delivery. While projections are made for future weeks, the numbers fluctuate, and would not be accurate if reported for long term forecasting. The fact that these “commitments” will always be wrong to some degree, because they are constantly being adjusted by both Superior Farms and the producer, this data would inevitably be subjected to the hindsight judgment of regulatory scrutiny. This would invariably require a significant amount of record keeping of the changes, the reasons for the change, and who instigated the change.

o Contracts are extended to producers for up to 5 years both priced and unpriced, with floors and without floors, and with profit/loss sharing factors. The contracts vary, both in price and quantity (often a range of deliverable numbers) and are based upon the variety of production practices, risk tolerance, and producer’s preference. Due to the variables producers are faced with the timeline for delivery is often stated in 3, 6 or even 12 month increments. Because of this, we would be unable to report this information on a monthly or weekly basis.

□ For example Producer X has a contract with Superior Farms to deliver 6,000 head of lambs each year for 3 years, but the contract doesn’t state which month the lambs will be delivered. Therefore, it would be inaccurate to report that Producer X would deliver 500 head on the first of every month. When in reality the producer will work with procurement as those lamb are ready for harvest, which can often be weeks if not day prior to actual delivery.

o Livestock, Poultry and Grain Market News of USDA publishes a Colorado Feedlot report on a monthly basis using voluntary information from lamb feeders. This report allows for the industry to see how many lambs are in the pipeline and destined for slaughter. This voluntary report provides the industry with the insight needed to measure the number of lambs that are on feed and will ultimately be destined for slaughter. We believe this provides our foreign competitors with market information that they use to their benefit and the American lamb industry’s detriment.

- 59.302 (a)(9)(i-iii): Pelts. Currently, Superior Farms voluntarily reports the requested information in subsections (iii – v) and understands the value of providing this information. However, requiring Superior to comply with subsections (i-ii) would pose several challenges to our production process and the way in which pelt information is collected for the following reasons:

o Pelts are removed on the kill floor and sent elsewhere (to an inedible environment) for sorting and grading, making it virtually impossible to comply with the new proposed requirement that pelt information be matched with a specific animal. We pay producers for their pelts, as a whole, based on the lot of lambs delivered, not the individual animal.

o The pelt reporting parameters have changed within the last 6 months, Superior Farms has made these changes in the reporting system. The information reported weekly, is the pricing that is used to price pelt to producers the following week. It is extremely redundant to duplicate these reporting requirements when this information is already being collected on a voluntary basis.

o Identifying whether a pelt is derived from a lamb that was packer owned or producer owned would not reflect any differences in pricing. Therefore this requirement is redundant and unnecessary.

As stated above, Superior recognizes and understands the importance of Livestock Marketing Reporting. The proposed rules, however, would place additional and unwarranted burdens on reporting entities without providing any valuable market information to the industry or producers.

We rely on the farmers and ranchers who produce lamb across the country to provide a consistent supply year round and we are committed to assisting them in that effort. These proposed regulations not only place a burden on our reporting requirements, but also hinders the success of the American lamb farmer and rancher. These regulatory changes go beyond the statutory language, inconsistent with the voluntary nature of the reporting statute, and were

not discussed nor agreed to by Superior Farms. Superior encourages the United States Department of Agriculture to promulgate regulations consistent with the legislative mandate in the statutory language as enacted last year and not the unduly burdensome and complicated requirements proposed.

We are available, as always, to further discuss as to why these proposed regulations should not be promulgated in any form.

Respectfully submitted, Rick R Stott CEO/ President Transhumance Holding Company, Inc. dba Superior Farms