

BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION

Lamb Meat
Investigation No. TA-201-80 (Injury)

POSTHEARING BRIEF OF R-CALF USA

PUBLIC VERSION
No confidential version filed

William Bullard
Chief Executive Officer
R-CALF USA
P.O. Box 30715
Billings, Montana 59107
billbullard@r-calfusa.com

October 23, 2026

R-CALF USA requests grower and feeder inclusion and an affirmative injury determination. Increased imports displaced available domestic lamb, constrained grower bids, and impaired production. This brief answers the Commission’s three questions.

“Tr.” cites the October 16, 2026 hearing transcript; “Staff Report,” the October 1 public prehearing report. R-CALF’s prehearing brief was filed October 8.

I Growers and feeders belong in the domestic industry

A The statute expressly covers articles at different stages of processing

The domestic-industry definition covers producers of like or directly competitive articles. 19 U.S.C. § 2252(b)(1)(A), (c)(6)(A)(i). Section 2481(5) expressly provides that “the unprocessed article is at an earlier stage of processing.” Live market lambs raised and fed for slaughter are that unprocessed article; lamb meat is the product of slaughter and processing. The legislative history illustrates the statute with “a live lamb and dressed lamb meat”: the animal before slaughter and its meat after slaughter are different stages of processing. On this record, live lambs and imported lamb meat are directly competitive under § 2481(5) because of the comparable economic effect on growers, even though consumers would not buy one in place of the other.¹

B Current testimony establishes the comparable economic effect on growers

The investigation excludes live-lamb imports, but § 2481(5) expressly addresses competition between products at different stages of processing. An imported slaughter lamb

¹ H.R. Rep. No. 1818, 87th Cong., 2d Sess. 24 (1962) (explaining the predecessor provision); see [Lamb Meat, USITC Pub. 3176, at I-7 n.8](#) (Apr. 1999) (Crawford concurrence). See also [Western Conference of Teamsters v. Brock, 709 F. Supp. 1159, 1167 \(Ct. Int’l Trade 1989\)](#) (applying § 2481(5)’s economic test to different processing stages in a trade-adjustment-assistance case).

could replace an American lamb purchased by a domestic processor. Imported lamb meat can produce a comparable effect when it replaces sales of meat from American lambs, causing processors to purchase fewer domestic lambs or reduce their bids to growers. This comparison determines grower inclusion without expanding the investigation to cover live-lamb imports. 91 Fed. Reg. 45,283, 45,284 (July 20, 2026); Tr. 106:3–18.

Barba reported that a major retail customer switched to lower-priced imports in 2024 even though Superior could supply its needs. Tr. 67:8–16. Hollenbeck explained how import prices constrain his bids to ranchers, while insufficient profitable lamb business prevents full use of his processing capacity. Tr. 60:3–13. Jorgensen confirmed that pressure from the grower’s perspective: “I’ve had processors ask me to cut my price to match imports.” Tr. 50:23–24. At the grower level, Michael Bardsley reported that established buyers stopped purchasing or could not bid; his operation sold only half its lamb crop in fall 2022, receiving less than half the prior year’s price per pound on those sales. Tr. 56:22–57:12.

The requested article is live market lambs raised and fed for slaughter. The documented loss of domestic meat sales and pressure on prices paid for American lambs establish the comparable economic effect requiring grower and feeder inclusion under § 2481(5).

C The 1999 determination supports applying the statutory test to the current record

The 1999 majority stated that finding a like product does not require a further search for directly competitive products. Lamb Meat, USITC Pub. 3176, at I-8 (Apr. 1999). It did not prohibit their inclusion. Commissioners Askey and Crawford separately included growers and feeders through direct competition; Crawford expressly rejected excluding them because like-product producers existed. *Id.* at I-6–I-7 nn.7–8. R-CALF USA asks the Commission to adopt

that reading of the statutory alternatives and decide the directly competitive product claim established here.

The WTO ruling does not foreclose grower inclusion on the ground R-CALF USA advances here. It rejected treating growers as producers of lamb meat merely because they supply processors and share their economic interests. The Appellate Body explained that the Commission must first identify products that are like or directly competitive with imported meat and then identify their producers. The WTO Appellate Body did not decide whether live lambs are directly competitive with imported lamb meat. Although Commissioners Askey and Crawford had supported grower inclusion on that basis, the United States did not present that argument in the WTO proceedings. Appellate Body Report, US—Lamb, WT/DS177/AB/R, WT/DS178/AB/R, paras. 87–90 & n.50. The Panel likewise left that question undecided. Panel Report, paras. 7.115–7.117.

Finding live market lambs directly competitive and including their growers and feeders applies § 2481(5) and the product-first inquiry the WTO ruling requires.

D R-CALF USA did not waive grower inclusion

Respondents' waiver theory would let questionnaire coverage determine statutory industry coverage. Tr. 170:16–23; 244:1–12. Sections 2252(b)(1)(A), (c)(6)(A)(i), and 2481(5) instead require the Commission to define the industry from the products and economic relationships established in the record.

R-CALF USA timely requested grower and feeder inclusion in its October 8 prehearing brief, pp. 4–5. Neither the institution notice nor questionnaire invitation prescribed forfeiture for failing to comment. Respondents addressed inclusion at the hearing. The Commission should reject waiver.

Questionnaire comments were invited through the Commission's website, with the deadline ultimately extended to July 20; the July 20 Federal Register institution notice omitted the invitation. R-CALF USA's CEO received neither the initial invitation nor notice of the extension.²

USDA's national data establish inventory and output trends; testimony explains transactions; and the ASI/PAL survey describes respondents, subject to its coverage and methodology. The Commission should assess the domestic industry, including growers and feeders, using these sources together.

Growers and feeders belong in the domestic industry. Their evidence also establishes how import competition affects domestic processors' livestock supply, purchasing decisions, and future productive capacity. The Commission should address that evidence expressly in its injury and causation findings.

E Separate domestic production from import resale

Answering Question 2, § 2252(c)(4)(A) requires exclusion of import-resale operations from domestic-industry results to the extent information is available. The Commission should separate associated sales, costs, profits, employment, and assets, appropriately allocating shared resources. Actual U.S. production, including qualifying processing of imported carcasses, remains included. Results should distinguish domestic-lamb and imported-input production where the record permits. Staff Report, Tables 3.11, 3.24. Fine Denier Polyester Staple Fiber,

² USITC, [Global Safeguard Investigation Initiation: Lamb Meat](#) (July 15, 2026) (initial deadline July 17); Staff Report at 1.5 n.17 (extension to July 20); [Lamb Meat; Institution of Investigation, 91 Fed. Reg. 45,283–45,285](#) (July 20, 2026).

USITC Pub. 5536, at 15–16 & n.70 (Aug. 2024), rejects excluding a producer merely because it imports; it does not authorize counting import resale as domestic production.

Limited processing does not automatically constitute domestic production. Quartz Surface Products, USITC Pub. 5738, at 19–26 (May 2026), excluded independent fabricators for insufficient U.S. production activities. Catelli described imported cuts resold in their original boxes and already-trimmed imports receiving further cutting. Tr. 266:3–13. The Commission should exclude unchanged resales and any handling, repackaging, or limited cutting that fails Quartz’s analysis of investment, expertise, value added, employment, sourcing, and other production activities. Financial, employment, capacity, and shipment data must follow this distinction. Staff identified missing financial data for one producer’s non-domestic lamb operations. Staff Report at 3.50 n.16.

II Annual data show erosion of the breeding base despite stable slaughter

Commissioner Foley’s question requires distinguishing slaughter throughput from the industry’s capacity to sustain production. Tr. 275:1–12. The annual data demonstrate that stable slaughter concealed erosion of the breeding base.

A Stable slaughter coexists with a shrinking breeding base

Commercial sheep and lamb slaughter remained approximately 2.26 million head in both 2021 and 2025. Staff Table 3.1 shows breeding ewes down 3.7 percent and replacement lambs down 7.7 percent from January 2021 to January 2026. The annual lamb crop fell 3.5 percent

from 2021 to 2025.³ These post-Census data establish shrinking breeding capacity despite stable slaughter.

Lower slaughter weights and shifts toward smaller lambs can reduce meat pounds without reducing headcount. Tr. 199:19–25. The breeding-inventory decline independently establishes loss of productive resources. Domestic shipments and market share, addressed below, measure business outcomes. Maintaining share in a growing market requires domestic meat shipments to grow with consumption; stable slaughter headcount alone does not meet that test. Staff Report, Table C.1.

B Three comparisons test respondents’ drought argument

First, respondents’ 2007–2012 “natural experiment” confounds reduced imports with drought and recession. Tr. 200:10–201:8; 315:7–16. Severe-or-worse drought covered an annual average of 82.3 percent of Texas in 2011; Texas breeding ewes fell from 515,000 in January 2011 to 425,000 in January 2012, a 17.5 percent decline.^{3,4} Dougan acknowledged the Great

³ USDA NASS, QuickStats annual survey data: [national inventories](#), [lamb crop and slaughter](#), and [state inventories](#), downloaded October 19, 2026; calculations from underlying observations. Inventories are January 1; crop and slaughter are calendar-year measures. Commercial slaughter includes mature sheep: 2,263,200 head in 2021 and 2,262,400 in 2025. Adding farm slaughter yields 2,355,200 and 2,352,400, respectively. NASS, *Livestock Slaughter 2022 Summary and 2025 Summary*, each at 8. For 2021, the revised QuickStats series reports 2,974,000 breeding ewes and 654,000 replacements; Staff Table 3.1 reports 2,960,000 and 650,000. These yield declines of 4.2 and 8.3 percent, versus 3.7 and 7.7 percent using staff’s baselines. See Exhibit 1 at 1–2, 4; NASS, *Ohio Annual Bulletin* (Sept. 2024), at 32.

Recession. Tr. 200:23–25. These concurrent shocks defeat the inference that reduced imports could not benefit production.

Second, the state comparisons qualify Prusa’s claim that the severest drought coincided with the deepest ewe losses. Tr. 260:14–261:4. Severe-or-worse drought covered an average of 51.2 percent of Utah during 2021–2025, while its breeding-ewe inventory was unchanged between January 2021 and January 2026. South Dakota averaged 19.1 percent drought coverage but lost 16.3 percent of its breeding ewes.^{3,4} These contrasting results require attention to sheep locations, timing, and recovery lags. State land-area averages alone cannot establish drought’s relative contribution to national injury.

Third, respondents treat the shortage as a reason imports were needed. Tr. 172:5–17; 316:1–13. Yet domestic production was already losing a growing market: between 2014 and 2019, lamb-and-mutton disappearance increased 24.1 percent and imports increased 39.8 percent, while domestic production declined 4.9 percent and the lamb crop declined 3.7 percent.^{3,5} That contraction preceded the 2020–2022 drought.

⁴ U.S. Drought Monitor data services, weekly cumulative D2–D4 area percentages. Annual figures average weekly observations; multiyear figures average annual values. Coverage measures land area, not sheep exposure. See Exhibit 1 at 3–4.

⁵ USDA ERS, Meat Supply and Disappearance Tables, “LambMutton” worksheet, annual observations in carcass-weight-equivalent pounds. Disappearance measures availability for domestic consumption. This combined lamb-and-mutton series supplies historical context and is distinct from the Commission’s investigation-period lamb-meat market series.

Current testimony connects imports to reduced livestock purchases and weakened production incentives through lost meat sales and constrained returns. Tr. 57:1–12; 60:3–13; 61:21–24; 67:8–16.

C Drought and injury beyond the economic model

Regional drought continued during 2014–2020, and conditions worsened again in 2025.⁴ Ludema testified that breeding stock typically takes at least four years to recover after significant drought. Tr. 212:13–25. Those continuing effects constrained livestock supply.

With the lamb crop at 3.03 million in both 2023 and 2025, replacement lambs held the following January fell from 21.0 to 19.8 per 100 lambs born. Staff Report, Table 3.1; PAL and Cowboy Meat Prehearing Br., Exh. B, National Series. Stable slaughter alongside shrinking breeding inventories, lost market share, and financial distress establishes deterioration in domestic productive resources. The documented import-related losses weakened the industry’s ability to sustain and rebuild domestic production.

III The domestic industry has suffered serious injury

Serious injury is “a significant overall impairment in the position of a domestic industry.” The statute directs consideration of idling, inability of a significant number of firms to earn reasonable profits, and unemployment or underemployment; no single factor is necessarily dispositive. 19 U.S.C. § 2252(c)(1)(A), (3), (6)(B)–(C). The record establishes impairment through lost sales, underused facilities, financial distress, and reduced productive capacity.

Total reported U.S. lamb-meat production fell 3.6 percent from 2021 to 2025 and 14.3 percent between January–June 2025 and January–June 2026. Shipments using non-imported product fell 10.5 percent, from 70.3 million to 62.9 million pounds, and another 17.1 percent between interim periods. Table C.1 reports consumption growth of 17.3 percent and a decline in

those shipments' market share from 27.6 to 21.1 percent over 2021–2025. The Staff Report shows that domestic lamb lost both shipment volume and market share while U.S. consumption expanded. Staff Report, Table C.1, at C.3–C.6.

Lamb capacity utilization fell from 43.9 to 37.1 percent in 2021–2025. Actual production also fell, and interim 2026 output declined faster than capacity: 14.3 versus 9.2 percent. Staff Report at C.5–C.6. Respondents' practical-capacity objection warrants checking reported constraints, not disregarding lost output or ceased operations. Tr. 200:1–9. Colorado Lamb operated at about one-third of capacity; Gunthorp stopped lamb processing; and Hollenbeck shifted capacity to beef and pork for lack of profitable lamb business. Tr. 133:5–9, 54:5–11, 60:7–13. Section 2252(c)(4)(B) permits assessing the lamb-producing portion of a multiproduct firm; other-meat activity does not erase impairment in that portion.

A Reasonable profitability requires sustainable returns

Answering Question 1, a reasonable profit is a return that, over the business cycle, covers costs, permits replacement and modernization of productive assets, and compensates capital and risk sufficiently to sustain investment. Respondents offered a 3–6 percent expected profit margin without specifying operating or net margin. Tr. 314:8–13. On an operating-margin reading of their benchmark, full-year margins were below 3 percent in two of five years and never reached 6 percent: 2.5, 5.0, 5.6, 0.3, and 3.4 percent in 2021–2025. The January–June 2026 margin was also below 3 percent, at 2.3 percent. Staff Report, Table 3.28. The 2025 aggregate does not establish that a significant number of firms can earn sustainable returns.

The claim that essentially all producers met that range conflicts with ten of 33 reporting operating losses in 2025 and seven in interim 2026. Tr. 314:8–13; Staff Report at 3.57. Three large producers had negative operating returns on assets in four of five years. Id. at 3.75. These

recurring losses establish persistent processor financial distress. Superior's 2024 losses, 54-percent share-value decline, later near-break-even performance, and lack of internally generated investment capital document actual financial impairment. Tr. 65:16–66:3, 66:18–67:7.

Large producers' capital spending fell 84.8 percent from 2021 to 2025. Staff Report, Table 3.31. Reported profits also require caution: staff identifies missing factory costs and selling, general, and administrative (SG&A) expenses that may understate aggregate costs. Id. at 3.70 n.26, 3.71 n.29. These deficiencies reinforce the need to examine sustainable returns and reinvestment.

Increased marketings did not prevent grower losses. Reported lamb sales rose from 124,628 head in 2021 to 127,143 in 2025, but lamb revenue fell from \$30.625 million to \$29.180 million and expenses rose from \$34.136 million to \$40.636 million. Reported pretax income, including other sheep revenue and government payments, moved from a \$5.430 million profit to a \$4.310 million loss; subtracting government payments yields a calculated 2025 loss of \$8.008 million. These are respondent aggregates, not national estimates. PAL and Cowboy Meat Prehearing Br., Exh. E at E-12. Sixty-four growers supplied financial data; 15 feeder and feeder/grower respondents reported \$5.45 million net income in 2025. Combined respondents reported losses in 2022–2024. These contrasts reinforce the need to assess growers alongside processors. R-CALF USA Prehearing Br. at 12–14, source 39.

B Early hiring did not prevent subsequent impairment

Answering Question 3, production and related workers (PRWs) rose from 818 in 2021 to 1,050 in 2022, then fell to 997 in 2025. Staff Report, Table 3.23. ASI attributes the initial increase to Double J's startup after Mountain States Rosen closed. ASI Prehearing Br. at 45 & Exh. 1. Hasbrouck describes staged expansion: Double J bought the San Angelo plant in

September 2020, began harvesting by January 2021, and later added fabrication and packaging. Id., Exh. 2, ¶¶ 4–8. That rebuilding explains additional hiring.

The Commission’s comparison places the increase principally among domestic-lamb processors. ASI’s public Exhibit 1 redacts the figures, leaving precise firm contributions to the questionnaires. Headcount rose 28.4 percent in 2021–2022 while hours rose approximately 11 percent. Staff Report, Tables 3.23, C.1. Hiring dates and overtime affect annual hours per worker; the firmer evidence of contraction is the subsequent decline in both workers and hours.

Double J stopped harvesting in November 2025 after losses exhausted working capital. ASI Prehearing Br., Exh. 2, ¶¶ 10–11. Industry PRWs fell from 1,001 in interim 2025 to 895 in interim 2026, and hours fell 14.0 percent, accompanying lost production and shipments. Staff Report, Tables 3.23, C.1. Early investment and hiring demonstrate attempted rebuilding; later losses and curtailed operations demonstrate its impairment. Employment gains must be weighed with the full injury record under § 2252(c)(3).

Lost output, ceased operations, recurring firm-level losses, recent employment contraction, and erosion of the breeding base establish significant overall impairment. Serious injury concerns the industry’s overall position; it does not require every firm or indicator to deteriorate. 19 U.S.C. § 2252(c)(3), (6)(C).

IV Increased imports are a substantial cause no less important than any other cause

The record establishes increased imports as an important cause of serious injury, no less important than any other cause. The comparison addresses each cause individually over the relevant business cycle. 19 U.S.C. § 2252(b)(1)(B), (c)(1)(C), (c)(2).

Using the official statistics respondents favor, imports rose 14.7 percent in 2021–2025 and 5.2 percent between interim periods. Staff Report, Table F.2; Tr. 199:1–15. Superior’s loss

of a major retail account to cheaper imports in 2024 supplies direct evidence of displacement despite available domestic product. Tr. 67:8–16.

Financial injury intensified even as large processors increased lamb-meat production from 83.8 million pounds in 2023 to 86.3 million in 2024: their combined operating result fell from a \$26.9 million profit to a \$1.1 million loss. Across all reporting producers, sales value per pound fell 1.0 percent while cost per pound rose 6.1 percent. Staff Report, Tables 3.7, 3.29–3.30. These averages reflect product mix and do not allocate losses among causes, but testimony about purchasing decisions identifies import pressure on cost recovery.

Imports undersold domestic lamb in 144 of 154 quarterly product-price comparisons. Staff Report at 5.53 (Table 5.36).⁶ Seven producers reported more than \$67 million in lost sales attributable to imports during January 2021–June 2026; four reported cutting prices and three withdrawing announced increases. Staff Report at 5.18. Purchaser responses provide separate evidence: 12 of 14 bought imports instead of domestic lamb; ten cited lower import prices and four identified price as the primary reason. Staff Report at 5.18–5.19, Table 5.16. Barba’s account establishes displacement despite available domestic supply. Tr. 67:8–23.

Double J’s declaration traces unsold meat into financial distress: buyers substituted imports, portions of carcasses went into freezers because prices would not cover costs, freezing reduced their value, and accumulated losses depleted working capital. Those problems preceded the sharp live-lamb supply squeeze in the second half of 2025 and the November shutdown. ASI Prehearing Br., Exh. 2, ¶¶ 6, 8–11. Hollenbeck’s constrained bids and Bardsley’s lost buyers

⁶ The Commission requested prices for eight specified lamb products. Five U.S. producers supplied usable pricing data covering 8.4 percent of reported U.S. producers’ U.S. shipments in 2025. Staff Report at 5.31.

show how import competition reduces demand for growers' lambs. Section I; Tr. 60:3–13, 57:1–12.

Drought reduces forage, raises feeding costs, and can constrain supply for years. Section II accounts for those effects. Imports also caused lost business where those constraints did not prevent production: Gunthorp identified price competition as the reason for ending lamb processing and reported no drought, disease, or predator problem. Tr. 54:5–24. Together with Superior's available supply and Hollenbeck's constrained bids, that testimony establishes a demand-side injury that a supply-shortage explanation leaves unresolved.

The testimony establishes import pressure on prices and returns: Barba described buyers invoking imports against needed price increases, and Hollenbeck traced import prices into rancher bids. Tr. 67:17–23, 60:3–13. Higher labor and other costs remain separate burdens. Claims that domestic processors are less efficient also require comparable tasks: whole-carcass fabrication takes more labor than handling imported trimmed cuts. Tr. 265:21–267:24. Cost differences alone cannot assign all resulting injury to inefficiency.

Section 201 permits that causal inquiry. In Fine Denier Polyester Staple Fiber, the Commission treated closures substantially caused by imports as consequences of imports, not separate causes, and considered evidence that import prices prevented recovery of rising raw-material costs. USITC Pub. 5536, at 44–45 & n.250 (Aug. 2024). Import competition caused lost sales, depleted working capital, and curtailed investment. Those effects weakened the industry's ability to sustain and rebuild domestic production.

Demand changes and preferences explain part of the market, but they do not eliminate the documented overlap. Gunthorp sold the smaller grass-fed lambs associated with New Zealand

and still lost customers on price. Tr. 54:16–20. The longstanding flock decline supplies context; the current-period transactions and losses establish the injury for this determination.

The grower and feeder survey corroborates the comparison: 76.1 percent rated imports' impact severe, versus 31.0 percent for drought/forage, 22.8 percent for feed costs, 22.3 percent for labor availability, and 20.5 percent for predation. The import percentage uses 89 of 117 classified ratings; 119 respondents were listed. A substantially larger share of participating growers and feeders rated imports' impact as severe than rated drought's impact as severe. R-CALF USA Prehearing Br. at 12–13.

Large processors rated import competition highest at 3.3 out of five, ahead of raw-material costs at 3.1 and supply-chain bottlenecks at 2.0. Staff Report, Table E.4. Drought was not separately listed; these averages are not production-weighted causal shares. Small processors ranked other factors higher. Id., Table E.2. Large producers accounted for 97.2 percent of reported U.S. producers' U.S. shipments in 2025. Their responses corroborate the documented import-related sales losses and financial distress. Staff Report, Table 3.14.

Respondents' model assigns drought 43.5 percent and imports 22.2 percent of measured slaughter changes, and ranks drought higher on prices and spreads. Tr. 213:1–214:4. Higher prices can reflect scarcity; prices and spreads do not measure profits. Ludema acknowledged omitting profits and flock size. Tr. 239:12–240:23. The model therefore does not resolve the import-related losses and curtailed investment documented here or establish drought as the predominant cause of overall impairment.

Drought reduced forage and constrained livestock supply; higher production costs pressured producers' returns. Imports displaced available meat, constrained cost recovery and rancher bids, and weakened outlets supporting continued production. Four large producers

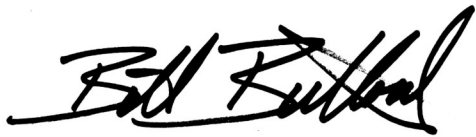
reported negative import effects on investment and four on growth and development; those groups may overlap. Staff Report, Table 3.36. Together, this evidence establishes imports as an important cause of serious injury, no less important than any other cause.

Conclusion

The Commission should include growers and feeders, apply § 2252(c)(4)(A), and find imports a substantial cause of serious injury, no less important than any other cause.

Alternatively, R-CALF USA adopts PAL's threat analysis and requests a finding that increased imports are a substantial cause of clearly imminent serious injury. 19 U.S.C. § 2252(b)(1), (c)(6) (D); PAL and Cowboy Meat Posthearing Br., § V ("Threat") (Oct. 23, 2026).

Respectfully submitted,

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

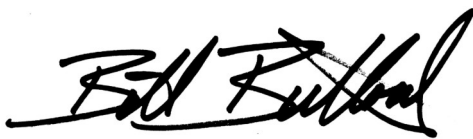
William Bullard
Chief Executive Officer, R-CALF USA
October 23, 2026

CERTIFICATION

In accordance with 19 C.F.R. § 206.8(a), I, William Bullard, certify that the factual information contained in this posthearing brief and Exhibit 1 is accurate and complete to the best of my knowledge. This certification is made in accordance with 28 U.S.C. § 1746. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on: October 23, 2026

Signature:

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

William Bullard
Chief Executive Officer
R-CALF USA

EXHIBIT LIST

Exhibit 1

U.S. sheep inventories, lamb crop, state breeding-ewe inventories, and drought coverage

Exhibit 1-1 U.S. sheep inventories and lamb crop

Exhibit 1-2 Breeding ewe inventories in selected states

Exhibit 1-3 Drought coverage by state and year

Exhibit 1-4 Sources and calculation methods

Four pages. USDA NASS Quick Stats and U.S. Drought Monitor data retrieved October 19, 2026. Exhibit 1-4 reconciles revised NASS inventory baselines with Staff Report Table 3.1.

PUBLIC CERTIFICATE OF SERVICE

I hereby certify that on October 23, 2026, I caused a copy of the foregoing public posthearing brief of R-CALF USA, including Exhibit 1, to be served by electronic mail on the following persons:

Matthew R. Nicely, Esq.
Akin Gump Strauss Hauer & Feld LLP
2001 K Street, NW
Washington, DC 20006
mnicely@akingump.com

Paul C. Rosenthal, Esq.
Kelley Drye & Warren LLP
670 Maine Avenue, SW, Suite 600
Washington, DC 20024
prosenthal@kelleydrye.com
ejohnson@kelleydrye.com

Stephen J. Orava, Esq.
King & Spalding LLP
1700 Pennsylvania Ave NW, Suite 200
Washington, DC 20006
sorava@kslaw.com

Eric Emerson, Esq.
Steptoe & Johnson LLP
1330 Connecticut Ave., N.W.
Washington, DC 20036
eemerson@steptoe.com

Charles Benoit
Law Office of Charles Benoit
3180 Chase Cir
Sarasota, FL 34231
charles@homemarketprotection.com

Ben Greig
Department of Foreign Affairs and Trade
RG Casey Building, John McEwen Crescent
Barton, ACT 0221, Australia
ben.greig@dfat.gov.au

Adam John Edward van Opzeeland
Embassy of New Zealand
37 Observatory Circle NW
Washington, DC 20008
adam.vanopzeeland@mfat.govt.nz

Caitlin Hickey
Delegation of the European Union
2175 K Street NW
Washington, DC 20037
caitlin.hickey@eeas.europa.eu

Jaime Camps Alminana
Embassy of Spain
2375 Pennsylvania Avenue, NW
Washington, DC 20037
mpcarlos@comercio.mineco.es
jaime.camps@comercio.mineco.es

Oliver Payne, Lead Representative
UK Department for Business and Trade
Old Admiralty Building
London SW1A 2DY, United Kingdom
oliver.payne@businessandtrade.gov.uk

Rodrigo Andres Velazquez Garcia
Ministry of Economy Mexico
Pachuca 189
Mexico City, 06140, Mexico
rodrigo.velazquez@economia.gob.mx

Jorge Andres Vasquez Rossier
Ministry of Foreign Affairs Chile
Teatinos 180
Santiago, 8320000, Chile
jvasquez@subrei.gob.cl

Ricardo Baluga
Ministry of Foreign Affairs
Colonia 1206, 4th Floor
Montevideo, 11200, Uruguay
negociaciones.organismos@mrree.gub.uy

Jose Castillo
Ministry of Foreign Trade and Tourism of Peru –
MINCETUR
Calle Uno Oeste No. 050, Urbanizacion Corpac,
San Isidro
Lima 27, Peru
dne@mincetur.gob.pe

Corlena Patterson
Canadian Sheep Federation
PO Box 10
Williamsburg, K0C 2H0, Canada
corlena@cansheep.ca

Tomas Rodriguez Serrano
INTEROVIC – Interprofessional Organization for
Sheep and Goats in Spain
Agustin de Betancourt nº 17
Madrid, 28003, Spain
tomas@interovic.es

Abel Pena
COVAPLAMB
Calle Mayor 56
Pozoblanco, 14400, Spain
apenav@covap.es

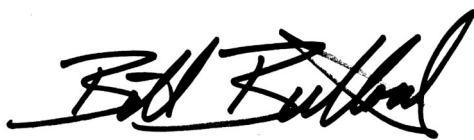
Enrique Oliveira Moralejo
Moralejo Seleccion
Ctra. Zamora – Fuentesauco km 4,5, Arcenillas
Zamora, 49151, Spain
huda.export@moralejo.net

Rafael Lecaros
Asoc. Gremial de Plantas Faenadoras y
Frigorificas de Carnes de Chile
Don Carlos 3075
Santiago, 7550157, Chile
rlecaros@faenacar.cl

Boris Simunovic
Frigorifico Simunovic S.A.
Km 13,7 Norte
Punta Arenas, 6200000, Chile
boris@simunovic.cl

John Derek Powell
17 Clerkenwell Green, Clerkenwell
London EC1R 0DP, United Kingdom
john.powell@britishmeatindustry.org

Signature:



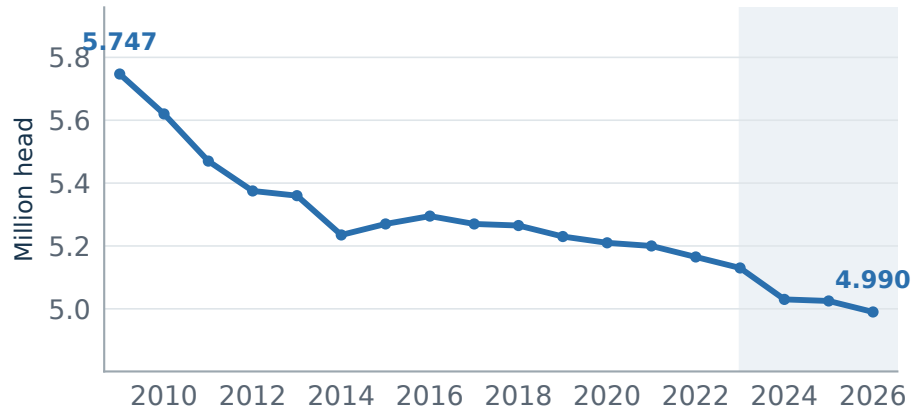
William Bullard

Chief Executive Officer, R-CALF USA

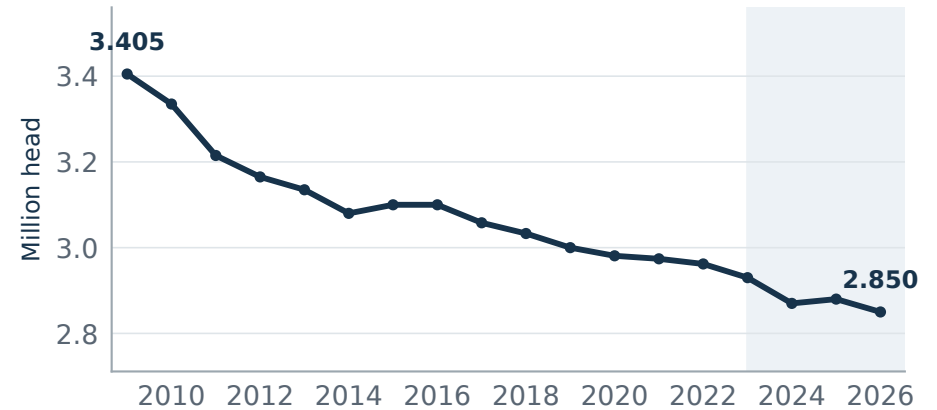
U.S. sheep inventories and lamb crop

January 1 inventories, 2009-2026; calendar-year lamb crop, 2009-2025

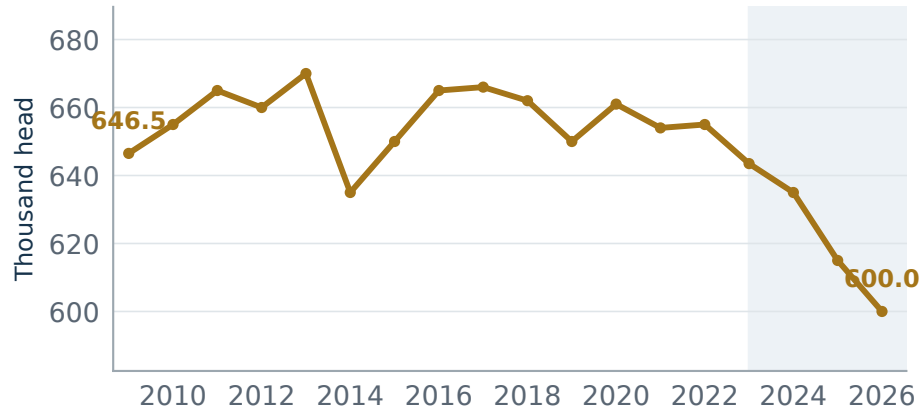
All sheep and lambs



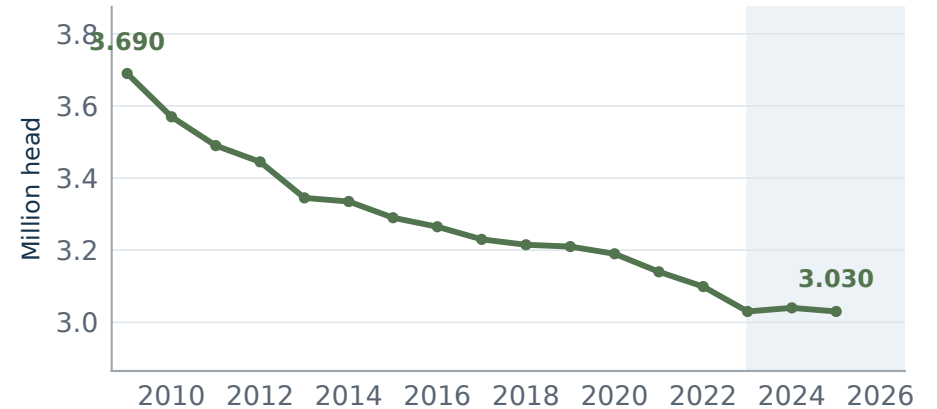
Breeding ewes one year and older



Replacement breeding lambs



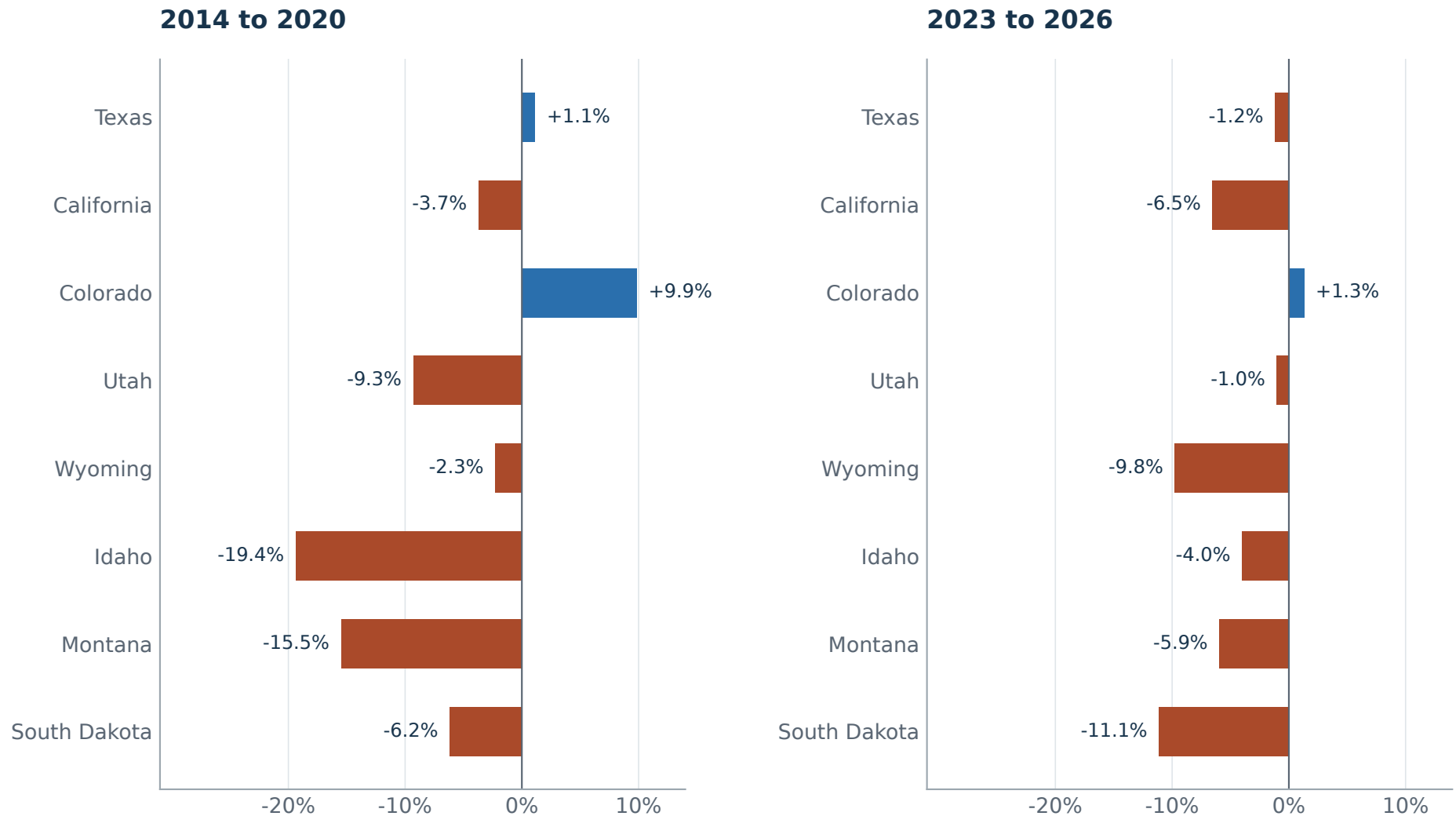
Annual lamb crop



Source: USDA NASS Quick Stats, retrieved October 19, 2026. Historical values reflect the current NASS series. Shading marks 2023 onward. Inventories are January 1 stocks; lamb crop is an annual flow. Vertical axes do not start at zero. Sources and the comparison with Staff Report Table 3.1 appear on Exhibit 1-4.

Breeding ewe inventories in selected states

Percent change in January 1 inventories of breeding ewes one year and older

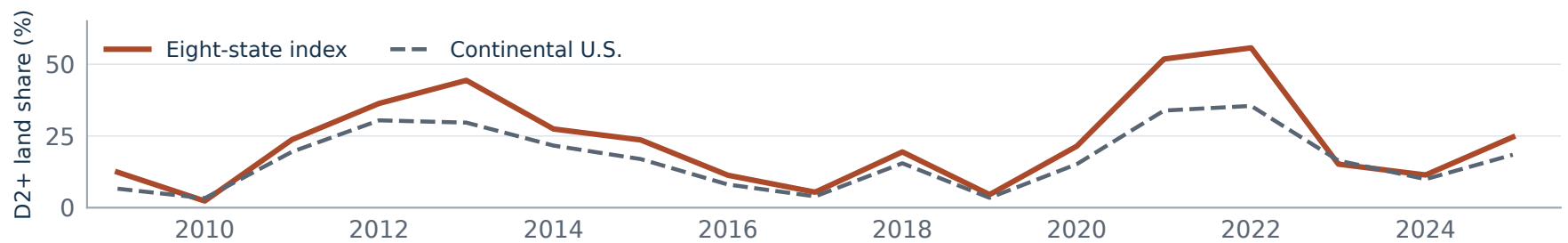


Source: USDA NASS Quick Stats, retrieved October 19, 2026. Eight selected sheep-producing states. Changes compare the stated endpoints and are not annualized. Both panels use the same scale. Source filters and the percentage-change formula appear on Exhibit 1-4.

Drought coverage by state and year

Mean weekly percentage of land in severe drought or worse, 2009-2025

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Continental U.S.	7	3	19	30	30	22	17	8	4	15	3	15	34	35	16	10	18
Texas	28	4	82	50	52	34	12	1	1	18	6	19	17	58	33	16	24
California	36	3	0	21	62	95	93	67	5	17	1	24	85	89	7	1	20
Colorado	0	1	24	60	61	15	8	0	1	51	14	54	51	38	6	3	19
Utah	1	0	0	46	41	18	27	5	1	63	14	47	99	96	15	0	46
Wyoming	0	4	0	41	50	0	0	3	0	1	0	23	55	40	5	22	29
Idaho	0	3	0	0	25	28	33	1	0	3	1	2	50	31	7	10	21
Montana	1	1	0	11	9	0	13	4	24	3	0	2	58	51	14	19	23
South Dakota	0	0	0	37	35	0	1	4	18	5	0	3	40	21	6	14	15



Source: U.S. Drought Monitor weekly maps. D2+ includes severe, extreme and exceptional drought. Cell values are rounded. The eight-state index uses fixed January 2010 breeding-ewe weights; the states held 57.7% of U.S. ewes. Coverage measures land area. It is not the percentage of sheep exposed to drought. Methods appear on Exhibit 1-4.

Sources and calculation methods

Data retrieved October 19, 2026. Units, periods and calculations apply to Exhibit 1.

National inventory and lamb crop (Exhibit 1-1). USDA NASS Quick Stats, SURVEY program, SHEEP, NATIONAL, TOTAL domain. Inventories use FIRST OF JAN, 2009-2026; lamb crop uses YEAR, 2009-2025. Inventory classes are all sheep and lambs, breeding ewes one year and older, and replacement breeding lambs. Lamb crop means lambs born in Eastern States and lambs docked or branded in Western States.

[NASS national inventory data](#); [NASS annual lamb crop data](#)

State inventories (Exhibit 1-2). NASS Quick Stats, SURVEY, SHEEP, STATE, TOTAL domain, FIRST OF JAN. Breeding ewes one year and older in Texas, California, Colorado, Utah, Wyoming, Idaho, Montana and South Dakota. Change (%) = $100 \times (\text{ending inventory} / \text{beginning inventory} - 1)$.

[NASS state inventory data](#)

Drought coverage (Exhibit 1-3). U.S. Drought Monitor data services, GetDroughtSeverityStatisticsByAreaPercent, cumulative categories (statisticsType=1). Each annual value is the arithmetic mean of 52 or 53 weekly maps dated within that calendar year. D2 includes D3 and D4. The eight-state index is the weighted mean of state annual values, using fixed January 2010 breeding-ewe inventories normalized across the eight states.

[U.S. Drought Monitor data services and API definitions](#)

National inventory comparison with Staff Report Table 3.1. Current Quick Stats historical values match the 2021 U.S. figures in NASS, *Ohio Annual Bulletin* (September 2024), p. 32. The differing 2021 baselines produce the differing percentage declines shown below. All inventories are head as of January 1.

Series	2021 current NASS	2021 staff table	2026 both	Change from NASS	Change from staff
Breeding ewes	2,974,000	2,960,000	2,850,000	-4.2%	-3.7%
Replacement lambs	654,000	650,000	600,000	-8.3%	-7.7%

[NASS Ohio Annual Bulletin, September 2024, page 32](#); USITC public prehearing Staff Report, Table 3.1, p. 3.2.