

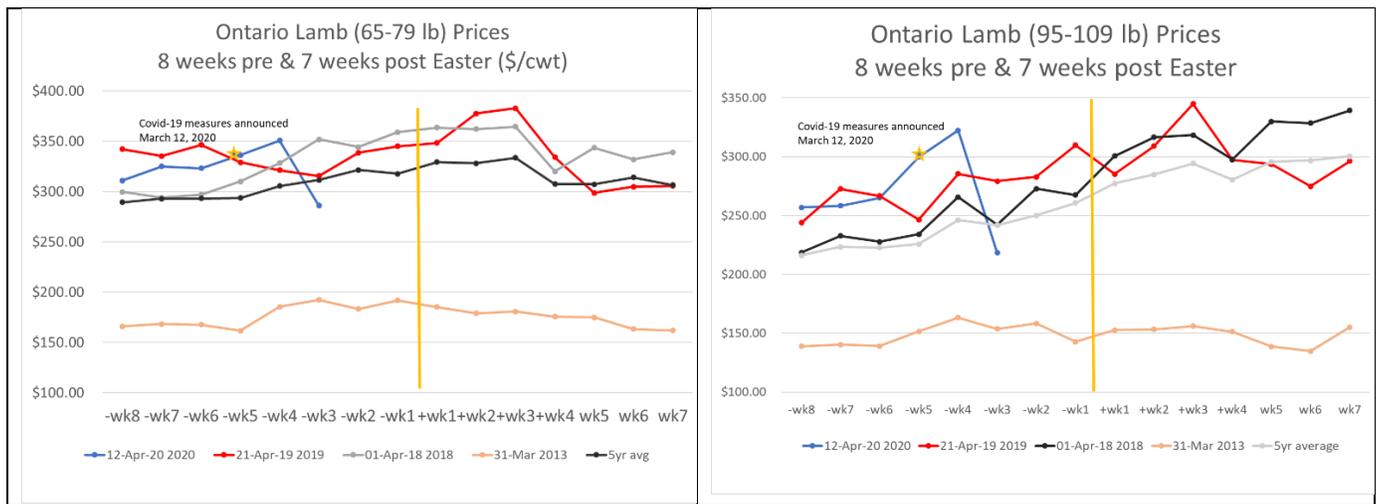
Market Update

The lamb market is becoming more complicated. There was a significant increase in volume at the live markets last week with a corresponding drop in price.

Auction prices over the past week prices have shown a sharp drop across all weight categories. A combination of uncertainties surrounding the current COVID-19 pandemic and the high volumes over the past two weeks have had an impact.

The total volume of lambs for the 5 weeks ending April 1 was 23,348, which is a 17.5% increase over the volume for the same period in 2019.

Looking at the market relative to Easter. The two graphs below show year-to-date comparisons of prices to last year, 2018, the 5-year average and 2013.



These graphs show prices for the eight weeks leading up to Easter and for the seven weeks following easter. The date Easter falls on is shown in the legend. The gold vertical bar denotes Easter.

In addition to Easter, both Ramadan (ending May 24th) and Eid al Ahda (July 30 – August 3) fall in the second quarter of for the first time this year. This is a time when Ontario markets are typically short of heavier lambs. Some producers may be in the position to feed lambs typically sold into the Easter market to heavier weights for these holidays.

We are, however, hearing from the packers that the demand for traditional Easter lamb will be down given that families and large groups will not be able to get together for the holidays. And they are anticipating a cut in lamb orders for the holidays. It is difficult to predict how COVID19 will impact demand over the long term.

Other COVID-19- related factors that may impact demand and prices include:

- Closure of dine-in restaurants has impacted the hospitality trade. Lamb going into this market must find a new home
- Workers unable/afraid to show up for work and COVID-19 measures abattoirs must put in place to maintain worker health & safety are very likely slowing down processing lines, so fewer animals slaughtered per day
- Ongoing social distancing measures restricting group sizes/ celebrations may be impacting what cuts of lamb consumers are buying. Traditional Easter celebrations will not be happening to the extent they normally do.
- Uncertainty/ nervousness around how COVID-19 may impact their business

Over the weekend we also heard of a beef plant closed for several days and Olymel shutting down for 14 days after an employee tested positive for COVID19. In Ontario, our plants have been deemed an essential service, problems could still arise in the plants with a loss of workforce either through illness or employees not feeling safe in their work environment and exercising their right to stay at home.

There are things that you can do to help manage through this time

1. Know how many animals you want to market and by when.
2. Talk with your buyers and auction marts, ask questions and listen to what they are telling you.
3. Know your costs of production and if you have concerns reach out to your lender. We will continue to supply you with the market reports and information that we are getting on a regular basis.
4. Know how much feed you have available, for what animals and at what state of production. Are you going to have a feed deficit?
5. Look at the cashflow consequences and talk to your financial advisors as early as possible.
6. Ensure you have a good on-farm COVID19 risk management plan in place.

These are challenging times for everyone. OSF is committed to providing you with market intelligence, tools and information to help you make the best decisions you can for your business.

In these uncertain times it is important that we take care of ourselves and each other. Please take the time to reach out and check in on each other.

Suggested OSF resources

- Market Reports [click here](#)
- Price and profit predictability tools [click here](#)