

WORKING WITH YOUR LOCAL LIVESTOCK MARKET

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Suffice it to say that lamb prices have reached a new plateau. Prices did not retreat, and in fact have strengthened since the holiday of Eid-al-Adha. Since the first week of November, prices have been \$160-200/cwt. for 60-110 pound lambs. Some wonder if prices will move higher as we enter the low supply period for the year. We might see some spikes above the current levels, but we see some resistance around the \$200 level.

Let's discuss some things to help you decide what your best marketing options are. Gathering some information prior to selling can pay dividends. Call your local livestock market to determine buyer activity. Questions to ask are:

- What have lambs been bringing at your sale? (Then check market reports to see if they are comparable.)
- How many lamb buyers are at your sale?
- Do you have any orders for lambs?
- What are your commission charges?

Building a relationship with your local market operator can be beneficial if he knows he will get repeat customers. He is in the business of providing a service – you have to determine if he is doing enough to get your business. If you are satisfied that the market is doing a respectable job, let them know when and how many lambs you plan to sell so they can let their buyers know.

If prices are lower than other locations, you need to figure out if it is worthwhile to haul your lambs to another sale. Factors to consider are:

- Trucking.
- Possible additional commissions.
- Shrink.
 - To your local market may be 2-3%.
 - Hauled 200-300 miles and not sold until the next day may be 10%.

Example: \$7 per head trucking
 \$14 shrink cost (8lbs x \$1.80)
 \$21 additional cost

For 100lb lamb, are they bringing \$20/cwt. more at that farther location? For 70lb lamb, it's \$30/cwt. to break even. Plug in your own numbers and determine what your net will be.

At these high price levels, lower quantity lambs can be discounted \$10-20/cwt. Even though feed is high, you can afford some feed to get your lambs in proper condition at \$180/cwt.