



Marketing Your Lambs

A Resource Module for
Producers of Alberta Lamb



This publication is available to view or download online at <http://www.ablamb.ca>

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Publisher

Alberta Lamb Producers

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“I always say we have never made any money raising lambs.
We have ONLY made money selling them.”

*Tony Legault, Lamb Producer
Paradise Hill Farm – Nanton, Alberta*



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1. Introduction

Lamb production has shown positive growth in Alberta over the last decade. Strong consumer markets for lamb have meant an increase in both new and experienced producers who want to get into commercial lamb production. Lamb production remains an attractive lifestyle and small business for many with a limited land base. Whether you are a small flock owner or have a large flock business, the success and reputation of the industry depends on your producing and marketing high-quality, safe and delicious lamb.

As you can see from this chart, lamb market pricing is highly volatile—that is, it fluctuates up and down significantly. There are also seasonal cycles where supply and demand have an impact on the price producers get for their market lambs. From 1986 to 2014, seasonal prices in May averaged 14% higher than average prices in August. As in any commodity market, prices are influenced by factors beyond the control of the producer.



*Monthly Alberta Lamb Price 1986-2013, Live Weight (\$/cwt)
Source: Alberta Agriculture and Rural Development, Alberta Lamb Producers N'ewesletter, April 2014*

Producers are, however, in control of many aspects of production that can positively affect their returns on market lambs. A branded product with specific attributes verified through new tools such as traceability, welfare or halal certification may command a higher price. Moving away from commodity status into a more specialized marketplace often improves returns. The potential in specialized, or niche, lamb markets is an opportunity for the lamb supply chain.

For many Alberta producers, raising meat lambs is the focus of their operation. Wool and milk production are very small markets and will not be the focus of this publication. Many lamb producers struggle for positive returns, even when prices are good. Very broadly, business success in lamb production depends on three factors:

- 1. How the business is managed:** managing such factors as cost of production, flock productivity and lamb quality is critical.
- 2. How the lamb is raised:** management practices enable the producer to provide the quality and style of lamb the market wants. See the Producer Management Resources on the Alberta Lamb Producers' website (www.ablamb.ca) for detailed information on flock health, nutrition, reproduction, managed grazing, technology, tools and more.
- 3. How the lamb is marketed:** that's the subject of this marketing module.

Marketing Lamb in Alberta

It is crucial that lamb producers have a marketing plan established before they begin raising sheep. Knowing where you will ultimately market your lambs impacts your whole production system. For example, if you are selling direct to consumers and they are looking for grass-fed lambs, you'll need a breed-type and management system that supports that. If you plan to finish your lambs yourself or through a feedlot, your production system may include feeding grain to your lambs early, even if they will be reared on ewes on pasture. Again, when planning your production and marketing systems you must focus on where you will market your lambs.

The market option you target will also impact the breed-type you choose. A breed-type can determine traits such as strong mothering, milking and reproductive traits, or terminal sire type where all lambs are marketed for meat. A breed-type can also be wool or milk producing. Within each breed-type are numerous breeds of pure genetic seedstock.



Some breeds—like Suffolk—are terminal sire breeds. Suffolk rams are used when the primary objective is to produce good-quality market lambs. Suffolks can provide the genetics to boost lamb growth, feed efficiency and carcass quality. Their offspring are strong contenders for feedlot finishing.

Rambouillet is a range-type, maternal breed-type selected for wool production and ability to thrive under harsh conditions. Using a terminal sire breed on a Rambouillet ewe will improve carcass quality of the lambs. Using a maternal breed—Rideau, Dorset—on range-type ewes can also improve lambing percentage and milk production.

Planning ahead for your market, then, should be a key factor that drives the selection of the breed or breed-type you choose to raise.

Alberta lamb producers have a number of market options available to them. This gives producers the chance to build a business and operation based on the best market fit for their lambs.

Whatever market option you choose, your lambs must have a Canadian Sheep Identification Program (CSIP) ear tag before they leave your farm, the farm of origin. Transporters, lamb buyers and/or auctions and processors are prohibited from accepting sheep and lambs unless they bear an individual CSIP tag. For more information: <http://ablamb.ca/programs/csip.html>.

Lamb market options in Alberta include:

- 1. A federally inspected plant.** This is the main market for approximately 70% of the lambs produced in Alberta.
- 2. Lamb feedlots.** Currently there are several feedlots that buy and/or custom feed 30,000 to 50,000 lambs per year in total.
- 3. Lamb buyers and dealers.** There are a number of bonded and insured lamb buyers/dealers who operate in Alberta.
- 4. Auctions.** A number of auction businesses handle sheep; some have seasonal sheep sales, while a few hold regular sheep sales. Breeding stock is not generally purchased through auctions, where the disease transmission risk is higher due to the co-mingling of multiple flocks.
- 5. Provincially inspected plants.** Provincial plants either purchase and slaughter lambs for their own retail sales outlet, or custom slaughter for producers.
- 6. Producer or farm-direct marketing to consumers, through the freezer trade, retailers or restaurants and food service.** Between 20,000 to 25,000 lambs per year move through provincially inspected plants. Niche and specialty market options that cater to special consumer groups include lamb certified halal, kosher or organic. Certification complies with national regulations for labelling a product. Other specialty lamb might be based on a production system (e.g., grass reared and finished), or on a specific type of sheep (e.g., Icelandic lamb). There are tools available to help producers validate specific traits. Part of a marketing plan might be the use of the On-Farm Food Safety program, an animal welfare program and traceability.

What is the best way to market your lambs? The fact is, there is no single approach or market option that works for all producers, all the time. Sometimes no market works well! A balanced marketing plan includes more than one market option.

The purpose of this module—*Marketing Your Lambs*—is to outline the marketing choices available to you as a lamb producer and to explore the opportunities and demands associated with each.

The first part of the module will introduce lamb market opportunities in more detail to show the drivers of lamb production and lamb meat marketing.

The second part of the module will introduce and explore each of these market options. We'll review the advantages and challenges associated with each, and provide tips for selling into each market.

Finally, the module will touch on other market considerations related to the marketing of lambs. We'll point you to the many excellent resources on the Alberta Lamb Producers' website, as well as other industry and government sites.

The information in this module is intended to give producers the insight they need to build their skills in marketing their lambs.

2. Background

Global markets, exchange rates and consumer trends have a huge impact on lamb markets and market prices. Staying well-informed about market factors is important to the success of a lamb business. Becoming better informed about marketing will help producers make informed choices that can have a positive impact on their businesses, as well as the lamb industry as a whole.

Current and Emerging Trends in Lamb



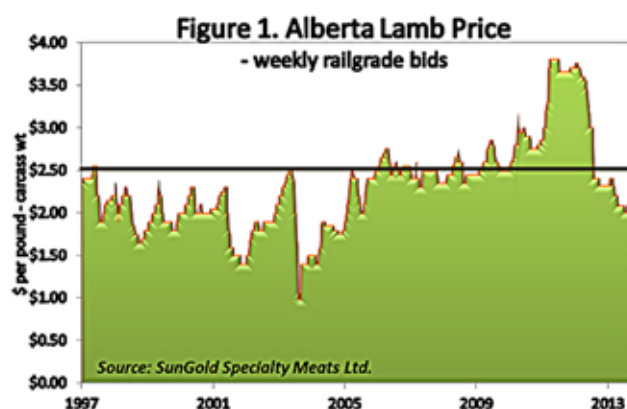
Lamb market prices—as with any commodity—fluctuate by nature, depending on supply and demand. There are no regular cycles in lamb market prices, but despite significant price volatility, there is an upward trend over much of the last 15 years. Prices are, however, currently lower than the record highs in 2011.

Lamb has also seen an increase in consumption in Canada and North America, while other types of meat consumption have softened in recent years, according to the Alberta Livestock and Meat Agency's *Canadian Consumer Retail Meat Study*, done in 2010.

Alberta produces less than half the lamb consumed in the province, the majority is imported usually from Australia and New Zealand. These market opportunities have resulted in lamb production and breeding stock numbers increasing slightly in Alberta. As of July 1, 2013, Alberta Agriculture and Rural Development inventory numbers showed 6,900 more market lambs available in the province than in 2012.

Lambs can be marketed at a couple of months of age (Easter lambs) and up to one year of age—through a variety of market options—so lamb producers have some flexibility in timing their marketing. To be marketed as lamb, the animal must be less than one year of age; this is verified through dentition (fewer than two permanent incisors) and the characteristics of the break joint after slaughter. Animals over 12 months of age are classified as 'mutton' and are significantly downgraded in value.

Here are some of the factors driving the lamb market today.



Alberta Lamb Price – Weekly Railgrade Bids 1997 – 2013
Source: Chris Panter, Alberta Agriculture and Rural Development, Alberta Lamb Producers N'ewesletter, December 2013

Impact of Strong and Growing International Markets

In 2012, China surpassed France as the world's largest sheep meat importer. Decreasing farm-land, increasing population and urbanization in China mean internal or domestic sheep production cannot keep up with the demand. China is primarily interested in mutton and secondary cuts (caps and flaps traditionally used for pet food in North America). This meat can be sliced thinly and is used in fast food 'hot pot' restaurants.¹ In the past 10 years, lamb imports into China (primarily from Australia and New Zealand) have increased 500%.²

"China, even with the largest sheep population in the world, has shifted to a net importer of lamb, sheep meat and by-products. Import volumes and prices have increased significantly since 2007. In 2004, sheep meat price was at a 34% premium to pork; by 2012 sheep meat was at a more than 100% premium to pork."

- Sue Hosford, Sheep Industry Specialist, Alberta Agriculture and Rural Development, Alberta N'ewesletter, December 2013, p. 27

Demand at Home Looks Positive

Consumer demand for lamb in Canada is stable. Canadians aren't generally eating more lamb, but growth in ethnic populations has increased demand. To meet this demand, Canada imports about 58% of its total lamb meat, principally from New Zealand and Australia.³

While markets in Alberta are getting stronger, most Alberta-raised lamb meat continues to go east to Toronto and Montreal, or west to Vancouver. This is due to high demand from ethnic groups or new Canadians for whom lamb is a significant part of the culture, such as Muslims, Greeks and Italians.

The trend of 'eating local' is also having a positive impact on lamb consumption in Alberta. Certain consumers want healthy meat (like lean lamb) sourced close to home. An Alberta Livestock and Meat Agency study conducted in 2011 found that 73.4% of respondents said they would pay more for local meat.⁴

"Consumer demand for lamb meat is stable. Canadians eat about one kilogram of lamb per person. Agriculture Canada's latest Medium Term Outlook does not show much change in per capita consumption going out to 2023. However, population growth and rising income tend to support meat consumption. Alberta does well in this regard, with 50,000 people moving to the province in 2013. According to a recent study conducted by BMO, Alberta has lower unemployment and higher wages than the rest of Canada. Alberta is expected to lead the country in economic growth in 2014. Positive macroeconomic conditions are positive for lamb consumption."

- Chris Panter, Head, Competitiveness and Market Analysis Branch, Alberta Agriculture and Rural Development

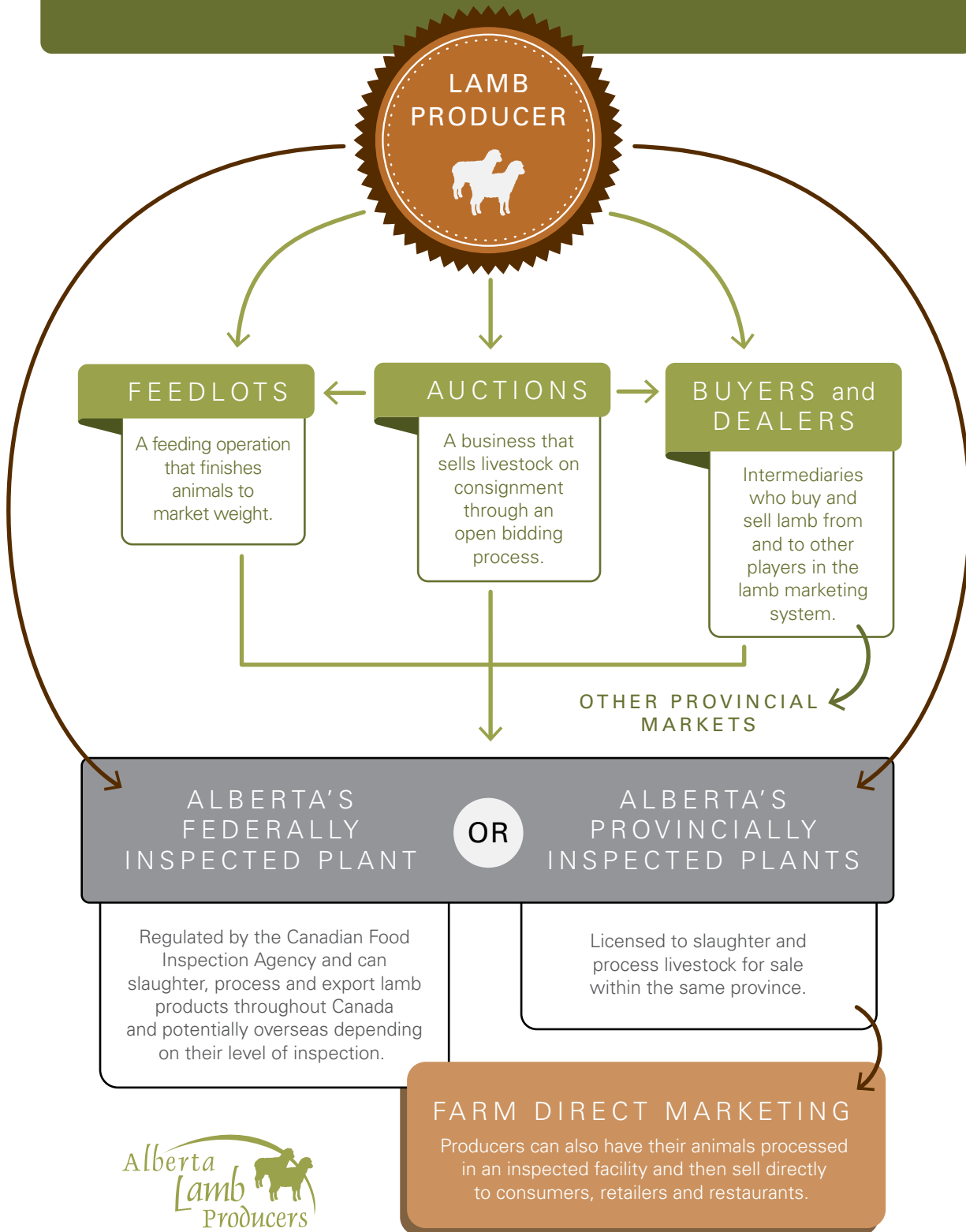
Endnotes:

1. Naomi Tajitsu and Colin Packham "NZ lamb goes to pot in China, giving fast-food chains plenty to chew over", Reuters, Feb 6, 2013, accessed May 28, 2014.
2. Tony Stolz, "The Busine\$\$ of Sheep", Alberta Lamb Producers, p. 3.
3. Tony Stolz, "The Busine\$\$ of Sheep", Alberta Lamb Producers, p. 3.
4. Alberta Livestock and Meat Agency, "Meeting Canadian Consumer Needs: A Demand Pull Strategy", p. 3.



3. Overview

Lamb producers in Alberta have many options for marketing their lambs:



4. Why Quality Matters

Providing quality lamb meat to the consumer is the responsibility of the entire lamb supply chain, from flock genetics through processing the carcass, to packaging and retailing the cuts. The whole lamb supply chain must be focused on producing high-quality lamb.

Focusing on quality requires attention to the details of genetic selection, flock health and nutrition, lamb finishing and transporting to market. New technologies offer the ability to more easily manage and track quality throughout the entire production process.

It may be tempting to relax quality standards when lamb market prices are strong. In fact, maintaining high quality will differentiate your lambs and bring better returns in any market. When there are consumers waiting to pay top dollar for every lamb produced, the industry can't afford to produce anything but quality lambs.

Raising quality lambs strengthens the overall sheep and lamb industry, which is good for all producers. When producers focus on quality, they are participating in a 'triple bottom line' sustainability concept¹ that contributes to:

- Enhanced producer profitability
- Strong, diverse stakeholders that benefit our communities
- The sustainable use of our environment and resources

Consumer Drivers

Ultimately, every producer raises lambs that are destined to become food for consumers. Like all Alberta livestock industries, the lamb industry has to be aware of consumer demand. That includes everything about the product and how it was produced.

According to the *Alberta Innovates: Food Innovation Plan 2014-2017*, consumers are learning more about the food they eat and increasingly have ethical, environmental and social concerns. Consumers are looking for foods that meet their expectations for safety, nutrition and taste.²

The process that results in lamb meat that has the quality attributes the consumer is looking for—in taste, texture, flavour and colour—begins on-farm with the type of sheep selected and how they are raised. Meat quality is influenced by all the production and management practices in your operation.

Feeding and Nutrition

Feeds and feeding practices impact meat quality traits. Different markets and different consumers may want particular meat qualities, e.g., stronger or milder flavour, grass or grain finishing or smaller or larger carcasses. Whether supplying directly to consumers, or to feedlots, lamb buyers or to a lamb processor, producers need to clearly identify, and then deliver, the right lamb for the customer.

The Alberta Lamb Producers' website has a great variety of information, developed in collaboration with the industry, on sheep and lamb nutrition:

- A module on *Sheep and Goat Management in Alberta – Nutrition* http://ablamb.ca/documents/management-modules/sgma/sgma_nutrition_module.pdf
- A module on *An Introduction to Managed Grazing for Sheep and Goat Producers* <http://ablamb.ca/documents/management-modules/An-Introduction-to-Managed-Grazing-for-Sheep-and-Goat-Producers.pdf>
- SheepBytes Ration Balancer (www.sheepbytes.ca) calculates feed rations that are cost effective and optimize nutrition for every stage of production. <http://ablamb.ca/documents/factsheets/PFM-SheepBytes-Fact-Sheet.pdf>

Finishing your lambs to the correct weight for the market you are selling into is also an important production consideration. A bigger, highly muscled lean lamb will be worth more. Overweight lambs will be discounted at most markets because consumers don't want to pay for fat that they, their butchers or the processors have to trim off. Fat and disposal of fat trim are major costs for the whole industry. Given the high cost of feed, it's best to minimize the amount of trim that ends up on the cutting floor of the processor.

To make sure lambs are the right weight for the market option, producers must be able to determine the right amount of fat finish on a live lamb. This takes experience. Three excellent resources for how to tell when your lamb is correctly finished (but not too fat) are available:

- *Putting a Hand on Them: How to Tell When Your Lamb is Finished* (March 2014) on the National Sustainable Agriculture Information Service (ATTRA) website: <https://attra.ncat.org/attra-pub/summaries/summary.php?pub=459>
- A helpful ATTRA video for *Putting a Hand on Them: How to Tell When Your Lamb is Finished*, available on YouTube: <http://www.youtube.com/watch?v=pbBrR3UGvY>
- Alberta Agriculture and Rural Development's *Body Condition Scoring for Livestock* CD, available for purchase by calling 1-800-292-5697(Agdex CD400/40-1) or borrowed from the Alberta Lamb Producers office at no charge.

Another essential tool for marketing is a scale that accurately weighs live animals. Producers may be able to purchase or upgrade livestock weigh scales under Alberta Agriculture and Rural Development's Growing Forward 2 Program. These programs are designed to help producers invest in on-farm technologies that can make their operations more efficient and competitive. Visit their website for more information: <http://www.growingforward.alberta.ca/Programs/index.htm>.



Animal Handling

Good shepherds know that contented sheep produce better and that flock welfare is critical. Humane handling of animals is not only a concept that is important in light of consumer expectations, but also has a direct impact on lamb meat quality. Careful animal handling from birth to market improves meat quality.



Handling and transporting animals is an integral and important part of your operation and your quality product. Proper handling before, during and after transport to market reduces stress and carcass trim due to bruising and contributes to improved meat quality.

More about on-farm handling can be found in the Alberta Lamb Producers' module *Setting It Up: Sheep Infrastructure*, Section 6, *Handling* at http://ablamb.ca/producer_mgmt/Setting-It-Up-Sheep-Infrastructure/Setting-It-Up-Sheep-Infrastructure.pdf.

Producers can also apply for funding to invest in best management practices and technologies that enhance livestock welfare in their operations under Alberta Agriculture and Rural Development's Growing Forward 2 *Livestock Welfare Producer* program. More information can be found at <http://www.growingforward.alberta.ca/Programs/index.htm>.

The Code of Practice for the Care and Handling of Sheep provides recognised industry standards and practices and can be found at <https://www.nfacc.ca/codes-of-practice/sheep>.

Based on the national code, a detailed guide covering the *Recommended Code of Practice for the Care and Handling of Sheep* can be found at the Alberta Lamb Producers' website: <http://ablamb.ca/documents/factsheets/GuideToTheHumaneCare.pdf>.

For tips specific to handling your lambs during transport, refer to the section of this module, *Other Market Considerations*, that deals with transporting live lambs, on page 51.



Animal Health

To provide the best market carcass and maximize your returns, ensure you:

- provide adequate nutrition,
- have appropriate feeders that keep feed fresh and provide access to feed for all animals,
- provide access to clean water,
- have a flock health program that includes correct immunization,
- have a deworming program for both your sheep and dogs (*C. ovis* infection from dogs can result in lamb carcass condemnation),
- provide appropriate shelter from wind, rain and snow,
- have adequate bedding in barns and corrals to keep animals clean,
- install ventilation systems and have plenty of room for movement when animals are confined,
- record and follow drug withdrawal times when using medications.

For more information on this topic, visit the Alberta Lamb Producers' *Health* module and the health section of the Alberta Lamb Producers' module *Shepherding 101 - Getting Started*, or the Sheep Health Resources on the Alberta Lamb Producers' website: http://ablamb.ca/producer_mgmt/healthresources.html.



When lambs are delivered to the processing plant they should have clean, dry wool and hides. Processors need clean lambs to reduce the risk of contamination of the meat. Lambs with mud and manure tags may be sold separately.

To underscore the importance of cleanliness when receiving lambs, SunGold Specialty Meats Ltd. (Innisfail, Alberta) offers producers a premium for cleanliness. Lamb buyers at auctions also look for—and often pay more for—clean lambs.

Food Safety and Traceability

Canadian consumers expect safe food. As a result, food safety is a priority for provincial, national and most international governments. Canada's food inspection process is one of the most rigorous in the world. Federal inspection of all meat processing plants is conducted by the Canadian Food Inspection Agency. Alberta provincial meat facilities (including abattoirs and mobile butchers) are licensed and inspected by Alberta Agriculture and Rural Development, and regulated by its Meat Inspection Branch. In Alberta, meat processing facilities must meet rigorous government regulations for food safety. Sheep and lamb producers must also do their part.



The global food supply system is focusing on food safety. Food safety and traceability are key components of the emerging 'farm-to-plate' food movement. Careful attention to food safety all along the lamb supply chain ensures that the lamb that reaches consumers is safe and wholesome. Traceability makes good sense for lamb businesses. The Canadian Traceability Program enables producers to verify production, handling, transporting and processing practices. It helps build confidence in the Canadian lamb industry.

There are some mandatory and voluntary programs in Alberta to address the issues of animal health, quality assurance and food safety on the farm. These include the following.

Traceability—Three Mandatory Programs in Alberta

Detailed information on traceability can be found at <http://ablamb.ca/programs/traceability.html> [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/trace12895](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/trace12895).

- 1. Unique Premises Identification (PID):** a geographic location which can be used for managing disease, health and food safety, and for effective emergency response. (www.agriculture.alberta.ca/premises)
- 2. Alberta Livestock Manifest:** provides the ability to trace where an animal has been, and other animals it may have come into contact with. In the event of a disease outbreak, knowing the movement history of an animal is very important to support efficient trace-back. (<http://ablamb.ca/legislation/legislation.html#lica>)

Information is also included in the section in this



module under *Other Market Considerations* that deals with *Transporting Live Lambs* on page 51).

- 3. Canadian Sheep Identification Program:** Individual Radio Frequency ID (RFID) tags must be applied to each sheep or lamb before it leaves the farm of origin. (Pink metal non-RFID tags are no longer available for purchase but remain a CSIP-approved tag until revoked by Canadian Food Inspection Agency.) (<http://ablamb.ca/programs/csip.html>)

On-Farm Food Safety—Voluntary

Voluntary On-Farm Food Safety (OFFS) programs are designed to help producers ensure food safety by compliance with national protocols.

For sheep producers, the national OFFS program is the *Food Safe Farm Practices* program, administered by the Canadian Sheep Federation. This program provides management protocols designed to minimize food safety risks and to produce a high-quality product. More information on the voluntary OFFS program for sheep producers can be found at: <http://www.cansheep.ca/cms/en/Programs/FoodSafeFarmPractices/FoodSafetyFarmPractices.aspx>.

Alberta Agriculture and Rural Development currently has a program to help producers implement food safety practices in their operations through the Growing Forward 2 initiative. Visit <http://www.growingforward.alberta.ca/Programs/index.htm> and click on the Food Safety Systems Producer link.

Processing Plants

There are strict regulations for food-safe, humane slaughter in Alberta. All meat sold in Alberta for human consumption must be processed in a federally or provincially inspected and licensed plant or abattoir. The only exception is meat that is 'home slaughtered' on the producer's own premises and is consumed by people who are part of that 'household' (this meat cannot leave the farm for resale).

Sometimes producers are approached to sell a lamb and allow it to be killed on the farm. This is an illegal practice subject to a producer fine of \$10,000. It may also present humane slaughter and food safety concerns. The practice poses risk to the whole industry.

For more information regarding legal slaughter requirements, see this document on the Alberta Lamb Producers' website: <http://www.ablamb.ca/documents/factsheets/Q&AforDistributingMeat.pdf>.

The Alberta Agriculture and Rural Development Food Safety and Animal Welfare Division's website has good information on many aspects of food safety at: www.agriculture.alberta.ca/foodsafety.

Endnotes:

1. Bob Willard, *The New Sustainability Advantage* (New Society Publishers; 10th anniversary edition: March 2012).
2. Alberta Government, Alberta Innovates, "Food Innovation Plan 2014-17", p. 3.

5. Choosing Your Market Options

Producers will have their own criteria for deciding where and how to market their lambs. Many factors influence the choice of market. These can include:

- The feed and facilities available to the producer for finishing lambs
- The number of lambs ready for shipping and marketing at one time
- The amount of time and expertise the producer has
- The location of the farm in respect to markets
- Overall market conditions

The important thing is that you identify the market you want to supply first, and then plan on how to produce the lambs that market requires. That will be far better for your business than buying your flock and then trying to find place to sell your lambs.

Here are a few other considerations when deciding on your market outlet:

1. Seasonality. There is no right or wrong time to sell your lambs. Your timing for having lambs ready for market may be influenced by the supply and demand specific to your chosen market. Lamb prices are stronger at certain times of the year, such as the early spring Easter market. Since 1986, the average price in August has been 14% lower than the average price in May. Compared to lambing in spring, winter lambing usually means higher production costs (feed, housing, labour and energy).

Lamb Price Seasonality													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Lamb Price	97.58	99.38	103.01	105.94	107.93	104.10	98.09	94.08	94.76	94.28	94.42	96.55	99.18
% change from average	-1.6%	0.2%	3.9%	6.8%	8.8%	5.0%	-1.1%	-5.1%	-4.5%	-4.9%	-4.8%	-2.7%	

Lamb Price Seasonality from the 2013 Final Report: Lamb Market Price Insurance Pre-Feasibility Assessment, Serecon Management.

Producers will need to carefully examine their own management practices to decide if it is feasible, practical or even desirable to make adjustments to their breeding season or feeding program to capture a potentially higher-priced market period. In order to make that kind of business decision, good production and financial records are essential.

2. Genetics. The breed-type and breeds of sheep you choose has a major impact on your marketing choices and the returns possible from those markets.

If your goal is to produce a lamb that finishes at 110 lb. to 120 lb., you need to know which genetics can give you that type of lamb. If you are planning to sell lighter lambs to a feedlot, be aware that lamb feeders find certain types of lambs do better in a competitive feedlot environment. Lamb feeders tend to be willing to pay more for lambs that do well for them.

There are two major considerations in flock genetics: the maternal traits in the ewe flock, and the terminal sire traits needed for market lamb production.

- Use maternal breeds and breed-types (crosses of several breeds) to provide advantages in reproduction, lambing percentage, lamb survival and milk production—the ‘motherhood’ side.
- Use terminal sires to produce lambs that convert feed to meat efficiently and produce the type of carcass your target market will pay a premium for.



Having the right female genetics provides an advantage in overall flock productivity. The rams you choose depend on whether you are producing replacement females or market lambs.

For more information, Alberta Lamb Producers has factsheets on *Building Better Lambs* on their website in the *Producer Management Resources* section. You can get more information on breeds at the Canadian Sheep Breeders’ Association website, www.sheepbreeders.ca. The Alberta Sheep Breeders Association has listings of its members by breed at www.albertasheepbreeders.ca.

The Feeder Associations of Alberta have introduced the *Alberta Breeder Finance Inc. (ABFI)* program that can provide financial assistance to purchase quality breeding stock. For more information, visit the Feeder Associations of Alberta website, www.feederassoc.com.



3. Marketing Costs. The distance from your lamb operation to a market impacts transportation costs and may influence your choice of market. Long shipping distances add significantly to production costs, animal weight loss (shrink) and handling stress. Transportation is not only a cost outlay, but any problems that occur during long transport (weather delays, heat, bruising) can also impact the price you receive for your lambs.

There are also other costs associated with specific markets. Additional costs to consider are insurance, commissions and fees, yardage costs, additional feed costs at collection sites, etc.. Be sure to ask about all costs charged by each market to get a fair assessment for comparing the cost of different markets. Some markets may pay a few cents more but may have also added costs that reduce your overall returns per marketable lamb. Keep good records so you have accurate data to use when making marketing decisions and for choosing the best market for your lambs.

It's Your Choice

The choice of marketing method (or combination of methods) will be based on individual circumstances. The good news is, lamb producers have a number of market options, as well as a certain amount of production flexibility.

The following sections of this module will provide you with specific information about each market option and its opportunities and challenges. By knowing what's available, you can meet market requirements with confidence and strive for a maximum return on your lambs.

Lamb market options discussed in this module include:

1. Federally inspected processors
2. Feedlots
3. Buyers and Dealers
4. Auctions
5. Provincially inspected processors
6. Farm direct marketing, niche and specialty markets

1. Federally Inspected Processing Plants

What is a federally inspected processing plant?

A federally inspected lamb processing plant is one that is registered by the Canadian Food Inspection Agency (CFIA) to verify that products leaving the plant meet CFIA standards for animal health and food safety.

Federally inspected plants must also meet mandatory Hazard Analysis Critical Control Point (HACCP) requirements for meat processing facilities. This confirms that procedures are in place to prevent potential hazards throughout the production process.

A federally inspected plant will purchase lambs direct from producers, dealers, auctions and feedlots, and is approved to export lamb products across Canada, North America and internationally.

Market overview

SunGold Specialty Meats Ltd. is the largest federally inspected lamb plant in Canada and the only such plant in Western Canada. Since 1974, this plant has been located in Innisfail, Alberta. Today, SunGold is a full-service lamb and goat processing plant. SunGold provides whole carcass processing as well as fresh or frozen conventional primal cuts and vacuum-packed boxed cuts of meat and grinds. The company also provides customized processing and value-added services.

Significant recent upgrades to the fabrication and slaughter facility have improved the plant's capacity, by-product recovery, food safety, ergonomics and carcass utilization.

SunGold offers lamb producers several marketing options, including:



- fat (finished) lambs: forward contracts (month, number of head, price and terms and conditions),
- fat (finished) lambs: cash (weekly price, number of head, terms and conditions),
- feeder lambs: collection point the SunGold plant with forward contracts (month, number of head, price and terms and conditions),
- feeder lambs: collection point the SunGold plant with cash (weekly price, number of head, terms and conditions).

Canada Gold Beef, SunGold's parent company, is building a feedlot near Picture Butte, Alberta that will be operational in Fall 2014. In addition to purchasing lambs outright, it will also offer custom feeding for lambs at the new feedlot in Picture Butte, where the producer retains ownership.


Advantages of selling to SunGold Specialty Meats Ltd.

- Selling your lambs to a federally inspected processor gives you access to a broader geographic marketplace because they are approved to ship outside of Alberta to other provinces in Canada, North America and international markets.
- You have access to a broader range of services—from straight sale to customized processing—from one location.
- You can receive a premium price for your lambs if you have a consistent product, and can deliver to the plant's specifications.
- Recent improvements at SunGold's plant mean better carcass utilization. This facilitates the harvest and retention of more of the carcass to support increased sales, new product offerings and entrance into new markets such as the pet food industry.
- Recent improvements at the plant mean increased capacity to handle current and future growth in the numbers of lambs processed.

- SunGold’s individual animal carcass traceability system has aligned with Precision Flock Management principles since 2006. Producers receive valuable information on live lambs—from arrival to carcass grading—to get feedback on production and help with future decisions.
- The new feedlot, available Fall 2014, will give you another option to finish lambs (giving you flexibility to consider the commodity market, your infrastructure and/or other factors such as off-farm work).
- When you sell SunGold your feeders, you share the premiums earned at the plant on the finished lambs.

What is SunGold looking for when buying from you?

- SunGold rewards producers who market finished lambs to SunGold’s defined set of specifications.
- SunGold typically wants lambs weighing 110 lb. to 120 lb. (live) with a fat measurement of 5 mm to 15 mm.
- SunGold wants lambs on a grain finishing ration for 45 to 60 days to produce a more consistent finish, mild flavour and the optimum fat cover in terms of thickness and colour that consumers prefer.
- Ideally, SunGold requires about two to three weeks’ notice to schedule lambs for slaughter.



LPV 41489

SunGold Specialty Meats
4312 51 Street
Innisfail, Alberta
T4G 1A3
Main Phone 403-227-3386
Main Fax 403-227-1661

General LPV Information				Receiving Information			
Kill Date	2014-04-10	Manifest #	AL985776				
Species	Lamb	Date / Time	2014-04-09 04:00				
Shipper		License Plate					
Address		Total Head	18				
		Live Weight	2005.0 lbs				
		Average Weight	111.4 lbs				
Phone							
Fax							
Email							

LPV Premiums / (Deductions)			Carcass Premiums / (Deductions)		
Description	Value	Premiums / (Deductions)	Description	Premiums / (Deductions)	
On time, in quantity	Y	\$0.00	Fat Cover	\$60.01	
Cleanliness score	100.0	\$19.06	Hot Weight	\$73.17	
Excessive tag/wool		\$0.00	Offal Recovery	\$0.00	
Full Stomach		\$0.00			
Total		\$19.06	Total		\$133.18

Other Premiums / (Deductions)			Carcass Premiums / (Deductions)	
Description	GST	Premiums / (Deductions)	Description	Premiums / (Deductions)
Total	\$0.00	\$0.00	Base Price	\$3,000 / lb
			Pricing Type	Rail
			Non-Payable Weight	0.0 lbs
			Payable Weight	953.2 lbs
			Subtotal	\$2,859.60
			Total Premiums / (Deductions)	\$152.24
			GST	\$0.00
			Payment	\$3,011.84
			Average Rail Price / Lb	\$ 3.160
			Average \$ / Head	\$ 167.324

Sample LPV PDF provided by SunGold

Tips on selling to SunGold

The SunGold website, www.sungoldmeats.com, has a section for lamb producers that shares detailed information about specifications and pricing. Here are tips in six other areas to position you for success when dealing with SunGold.

1. Prepare your animals to SunGold's specifications.

- Meet SunGold's specifications for weight, dressing and feed (see *What is SunGold looking for when buying from you?* section above, or visit their website *Producers* section).
- Lambs must be taken off feed 24 hours before delivery to give a more true yield and for cleanliness and ease of processing.
- Be sure your animals all have RFID ear tags.

2. Book your animals in advance with SunGold.

SunGold offers several options to producers, but prefers advance booking for all options. It's best to have your lambs' information ready when contacting SunGold.

- Check out the options and FAQs on SunGold's website (as well as the market pricing information) to be informed before calling and booking your lambs with SunGold.
- Book your animals at least two to three weeks ahead of the anticipated slaughter time.
- Be prepared to share the exact status of your market lambs in terms of weight, dressing and feed, and the approximate date of delivery.
- Once you commit to what you are going to bring in, deliver as promised (on the date discussed, the number you promised, expected weights, plus clean and empty stomachs).

3. Organize the delivery of your animals to SunGold.

- Animals need to be delivered the day before the scheduled slaughter.
- SunGold will weigh the lambs when unloading at the plant. To avoid deductions in price for over- or under-weight lambs, do test weights at your farm before delivery, but also consider the impact that shrink could have during transportation of your lambs.
- Lambs should be as clean and dry as possible when delivered (the Canadian Food Inspection Agency discourages slaughter of dirty animals to avoid contamination of the meat).
- If lambs are exceptionally dirty, they may be partially shorn before slaughter and the shearing cost is deducted from your payment.
- Build trust when dealing with SunGold; it's best to show up on time and deliver the number of lambs agreed upon.



4. Get the best price for your lambs with SunGold.

Many factors affect the quality—and price—of the final product. Here are some tips to get the best price from SunGold.

- Know that SunGold grades every lamb according to the Canadian Grading Standard to ensure standards for food service and retail are met or exceeded.
- Producers who exceed SunGold’s basic quality requirements may be rewarded with premium prices for carcass weights, fat cover and cleanliness.
- Take steps to avoid deductions on the price for overweight, over fat and dirty lambs.
- Choose between two types of payment through SunGold: Rail Base price and Premiums for Quality Characteristics. More information can be found at: <http://www.sungoldmeats.com/producers/faqs/>.

5. Continue best practices after the sale to SunGold.

- SunGold will process your payment within 48 to 72 hours, in accordance with regulatory requirements.
- Ask to receive RFID ear tag information to get a better understanding of how your production practices may improve future lamb quality and the price you receive for your lambs.

6. Foster a strong ongoing relationship.

- Respect the processor’s time by establishing a rapport well ahead of slaughter date.
- Take advantage of SunGold’s expertise:
 - Attend producer information sessions that SunGold offers.
 - Seek out lamb industry functions where SunGold attends and speaks.
 - Ask to receive email information SunGold sends to producers.
 - Ask for a one-on-one conversation with staff from SunGold to learn more. SunGold will explore innovative marketing approaches such as joint ventures, production contracts or partnerships in ewe flocks.

“At SunGold, we need to work collaboratively with producers through effective communication. When we book lambs for processing, it’s because it’s tied to an order that we’ve received and committed to. To be efficient—and meet our customers’ demands—we need to know how many head we are processing that week to fill our current orders.”

*- Dwayne Beaton, CEO
SunGold Specialty
Meats Ltd.*

“Our top producers are good communicators. They keep us posted about where their animals are in production, and inform us a couple of weeks in advance about what’s coming in. Ninety-nine percent of the time, they deliver on the day they booked and with the number of animals they said they would. We value relationships with producers who work with us and provide excellent supply like this. Always, always, think in terms that you are ‘producing food not just raising livestock’.”

- Dwayne Beaton, CEO, SunGold Specialty Meats Ltd.

2. Feedlots

What is a feedlot?

A feedlot is an animal feeding operation that uses corrals, confined pens or enclosures to grow animals until they are ready to market and slaughter for meat. 'Ready to market' means that the lambs are the correct weight and have the right amount of fat finish required by a specific target market.

Feedlots are used to increase efficiencies by feeding larger numbers of animals, to reduce finishing costs per animal and to produce more uniform carcasses. Feedlots either buy lambs from producers, through auctions or from livestock dealers. Lamb feeders may also custom feed lambs for a set rate based on their feed, facility, labour, handling and shipping costs.

Some feedlots want the producer to deliver the lambs, while others may arrange transport, which usually involves an added charge. For small flock owners or producers without a way of transporting lambs, this can be an attractive option. As mentioned earlier in this module, transportation can be a significant cost, particularly for producers with small numbers of lambs. Delivery arrangements should be part of the contract negotiation.

Upon arrival at the feedlot, lambs are identified (if necessary), weighed and sorted into uniform groups. Alberta feedlots use RFID tags applied on the source farm or on arrival at the feedlot to electronically track and manage lamb nutrition, growth and healthcare. Lamb health is carefully monitored in the adjustment period as they are introduced to new rations.



Depending on the weight and age of the lambs, the target market and planned slaughter date, the lambs may be fed a 'grower ration' or a 'finishing ration'. A 'grower ration' allows for a slower, longer growth period while a finishing ration provides for more rapid growth and a pre-determined fat finish. Lambs in Alberta are finished on a higher-energy grain-based diet (usually barley) until they reach their ideal finish and weight. Grain finishing improves carcass quality and consistency and contributes to the eating quality preferred by Canadian lamb consumers. Lambs are efficient converters of feed to meat and are able to utilize grains of a type or quality unsuitable for human consumption.

Lamb feedlots have significant advantages: they can purchase larger quantities of feed, they can manage rations to meet the specific needs of various pens of lambs, and they have a great capacity to sort and manage lambs.



Electronic systems have provided lamb feedlots with the ability to efficiently handle and sort lambs of different types and weights into different feeding pens. Feedlots visually monitor and weigh each group of animals to ensure as many lambs as possible are healthy and growing to meet optimum finish for the market they are selling to. When lambs reach the finished weight, larger groups are available for shipping to a specific market or processor. As a result, lamb feedlots can custom produce for different target markets, allowing both the feedlot and the producer/supplier to maximize returns on lambs.

Market overview

In Alberta, lamb feedlots are located in Stavely, Acme, Stony Plain, High Prairie and Picture Butte. Generally, feedlot owners are also bonded lamb buyers.

There are various agreements that can be made with the feedlot operator with regard to the purchase and sale of lambs. Producers can sell their feeder lambs outright to the feedlot and be paid on the delivery date, and the lambs become the feeder's property. Producers who want assistance with finishing and marketing lambs have the option of retaining shared ownership and having the feedlot provide custom feeding. In this case, producers pay the feedlot to finish the lamb (for a set cost per day, or for cost of feed plus a set fee); the producer then selects the market to sell into.

The Feeder Associations of Alberta have a *Feeder Loan Program (FLP)* that provides financial assistance on feeder lambs. For more information visit the Feeder Associations of Alberta website, www.feederassoc.com to find the association in your area.

Advantages of selling to feedlots

Depending on the producer's situation, feedlots can be a very viable option.

- Feedlots can provide the period of grain feeding needed for grass-fed lambs to reach optimum market condition.
- Feedlots are efficient at finishing the lambs to an exact specification.
- Using a feedlot can simplify your flock production as you concentrate on managing ewes to weaning and getting lambs to feeder weight.
- You have the flexibility of selling lambs to a feedlot outright or retaining some degree of ownership.
- Selling lambs outright means you'll earn income from your lambs sooner, less feed is required, there are no risks associated with feeding out lambs (health management, death loss, predation) and marketing is managed by the feedlot.
- Depending on the feedlot, RFID technology systems and the target market animal tracking systems may be available to provide information on lamb growth and carcass quality.
- There is significant benefit in being able to access the feedlot's marketing advantage; feedlots with a large volume of business—and often years of experience—have established relationships with specific markets.

Other considerations of selling to feedlots

If your animals have only been grass fed, the grain-based diet at the feedlot may require a period of adjustment for your lambs, or you may have to slowly start your lambs on grain.

If your lambs are not healthy or robust, the feedlot may discount the price they pay—or may reject the lambs—since unthrifty lambs can have problems competing and are prone to injury or death in a feedlot environment.

If feedlots are not located near your farm, long-distance trucking may increase your costs, including shrink.

What are feedlots looking for when buying from you?

Feedlots want healthy, consistent, clean lambs. They are looking for lean, fast-growing lambs that are healthy and compete well in a feedlot environment. Many feedlots are also interested in a year-round supply of lambs—your lambs may fit one of those time periods when they are short of lambs.

Most feedlots buy lambs over the phone, so a good deal of trust is involved. To build a great relationship with your feedlot, know and communicate your animals' condition accurately. Deliver or sell what you say you will.

You must know the weight of your lambs. A scale is an essential tool for today's lamb operations. Lambs should be healthy and eating well. Very thin or 'poor-doing' lambs will likely be discounted. Before you call the feedlot buyer, know the weights and body condition of the lambs. Be ready to tell the buyer what the lambs are being fed and if there are any problems (e.g., excess manure

tags). If animals arrive at the feedlot and don't meet the weight or type discussed by phone, the price will likely be adjusted.

It takes time and trust to develop agreements that meet the needs of both parties. Ensure you establish precise terms for your transaction and be sure you deliver on those terms.

Tips on selling to feedlots

1. Make sure your lambs are fit for the feedlot.

You can do a lot to prepare your lambs for the feedlot environment. Ensure they are strong, have good energy and also enough weight on them to compete with other animals. Typically, a feedlot is looking for bigger, highly muscled, lean lamb with good cover. Some feedlots will pay a premium for lambs that are in particularly excellent condition or that have been started on grain.

Prepare lambs for weaning by providing access to a creep feeder with a ration containing whole grains, supplements or pellets. Weaning occurs when winter-born lambs are between 45 to 60 days of age. In spring lambing systems where the ewes and lambs go onto pasture, weaning occurs when lambs reach about 80 lb. or when pasture quality is inadequate to maintain good lamb growth. Lambs on pasture with their mothers should have exposure to some grain so they can be weaned with less stress onto dry rations, and eventually adapt more readily to feedlot conditions.

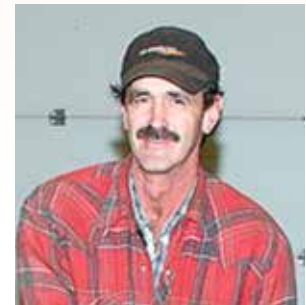
Lambs weighing at least 80 lb. tend to compete better in the feedlot than smaller, younger lambs.

Healthy lambs have a better chance at successful transition to the feedlot. Weaning, handling, sorting and trucking are stressful and can result in weight loss, illness and death. Build flock immunity through a regular vaccination program for both the ewe flock and lambs. Have a general flock health program where you monitor the health of your ewes and lambs, isolate and treat sick animals appropriately and keep accurate records of all health treatments. Be prepared to provide this information to all buyers.

And finally, prevent financial losses for you and the feedlot owner due to carcass condemnation as a result of the *Taenia ovis* / *C. ovis* dog tapeworm. See the note on page 30 of this module or visit the Alberta Lamb Producers' website for information on preventing *Taenia ovis* / *C. ovis* dog tapeworm: <http://ablamb.ca/documents/factsheets/C-ovis-factsheet.pdf>.

"You need to put your hand in through the wool near the hip and feel up the backbone. If it's smooth and rounded over the backbone, you've got a good cover on that animal. That's what it's all about."

- Roger Albers
Albers Lamb Feedlot
(Stony Plain and Acme)

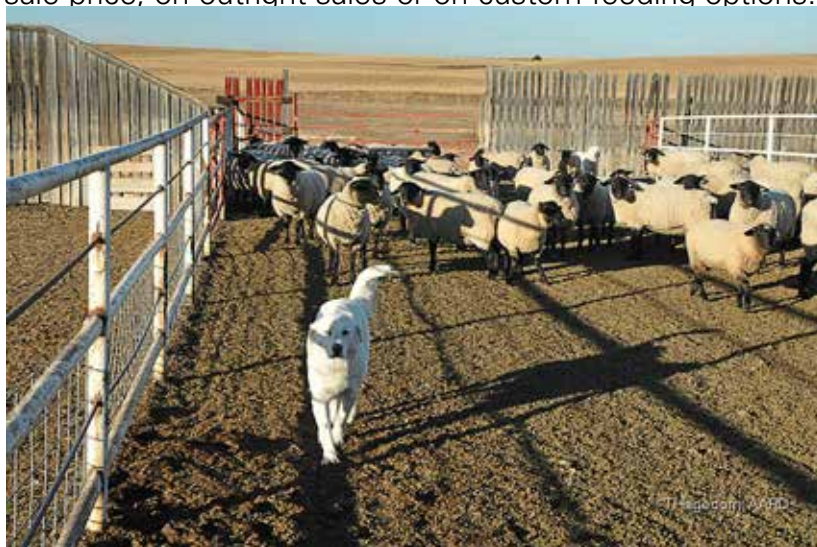


2. Be prepared when dealing with the feedlot.

Lamb buying is often done by phone. Gather information in advance for some of the following questions the feedlot buyer will likely ask.

- What is the age of your lambs?
- Are they weaned?
- How much do they weigh?
- What is their body condition score?
- What kind of fat cover do they have?
- Have they been vaccinated (when and with what product)?
- Have they been de-wormed (when and with what product)?
- Have they been treated for any condition or illness?
- Are they currently on any medication(s)?
- What medication is being used and what is the withdrawal period?
- Are they on pasture?
- Have they had any exposure to grain?
- What kind of ration are they on?

Know the current market price for lambs (link to <http://www.ablamb.ca/links/lamb-market-reports.html>) before talking with a feedlot. You need to be able to estimate returns per lamb, to help you make decisions on sale price, on outright sales or on custom feeding options.



Be sure to ask the feedlot what they are specifically looking for. Depending on the market they are selling into, they will look for different types of lambs or attributes.

Invest in a weigh scale for your farm so you can manage lamb growth and maximize returns by providing lambs in the weight range the feedlot wants. Generally, feedlots are looking for lambs around 80 lb. and do not want to buy lambs under 60 lb. or over 105 lb. Feedlots like to purchase lambs that have been weaned, are on feed and roughly four months of age.

The goal of the feedlot is to finish lambs that meet their market requirements. Feedlots will pay more for breed-types they know grow more rapidly and are more efficient in converting feed to gain. Breed-types that grow slowly, don't compete well in a feedlot situation or are discounted for hide types will likely be priced lower to compensate for additional feedlot costs.

Feedlots can provide a quote for lambs based on the current market price. However, when market prices are fluctuating and lamb supplies changing from day to day, they may only hold that price for a short period.

Feedlots are in business to make money. Don't expect any business owner to waste time while you ponder your options. Building a relationship with a feedlot means being considerate about the feedlot buyer's time.

The lamb market is competitive. Feedlots buy lambs from many producers, from other provinces and—when the exchange rate is favourable—from the United States. Feedlots favour producers they have success with, who provide consistent quality lambs and deliver what they promised. If selling lambs to a feedlot is part of your business marketing plan, make sure you are a preferred supplier.

3. Take care when transporting your lambs to the feedlot.

Careful handling of animals during loading, unloading and transport is critical. The investment you make in a beautifully raised and finished lamb can be undone in the last days of its life through poor handling and transportation. Stress results in weight loss and can contribute to health issues and death. Rough handling can cause carcass damage and bruising, resulting in higher trim losses at the plant.

- Be sure to ask if the feedlot wants lambs off their feed prior to trucking, and if so, for how long. Plan for the price impact of weight loss (shrink) during transport to the feedlot from shipping stress and being off feed and water. Other factors impact shrink:
- Shrink is the highest in the first 30 to 50 kilometres.
- The longer the time in transport, the greater the shrink.
- Lambs lose more weight in hot weather than in cold weather.
- Lambs consuming grass or forage diets will shrink more than those consuming concentrate diets.
- Young lambs shrink more than older lambs; five- to eight-month-old lambs usually shrink 5% or more during transportation.

For information on how to minimize losses and maximize the well-being of your market lambs, refer to the *Recommended Code of Practice for the Care and Handling of Sheep* on Alberta Lamb Producers' website: <http://ablamb.ca/documents/factsheets/GuideToTheHumaneCare.pdf>.

4. Touch base with the feedlot after the deal is done.

Producers can learn a lot from experienced feedlot owners and managers. While their time is valuable, they will see benefits from building a business relationship with their lamb suppliers.

If you are interested in improving the sale or experience the next time around, take the time to touch base. For example, if you have a shared ownership or custom feeding arrangement, ask the feedlot to provide information from their RFID tracking systems on how your animals gained and how well your lambs performed in the feedlot environment. Or, talk to your feedlot about recommendations on breed-types that do well in the feedlot. For example, Suffolks (or meat breed crosses) are known to grow rapidly and thrive in confinement.

A list of lamb feedlots in Alberta is available on the Alberta Lamb Producers' website at www.ablamb.ca/documents/contacts/Markets-For-Your-Lambs-and-Sheep.pdf.

3. Buyers and Dealers

What is a buyer and/or a dealer?

In Alberta, anyone who buys or sells livestock (or acts as an agent and makes direct payment to a seller), and owns the livestock for fewer than 30 days, requires a valid dealer's licence issued by Livestock Identification Services (www.lis-alberta.com). Anyone who assists with buying or selling livestock by compiling or providing information on livestock that are for sale and who handles the proceeds of the sale also requires a licence.

A lamb buyer who owns the livestock for more than 30 days is not required to obtain a dealer's licence. Lamb buyers will typically purchase your lambs outright. They may finish the lambs themselves and sell them for processing. In Alberta, some public groups such as exhibitions, agricultural societies and 4-H clubs are exempt from needing a licence to sell livestock.

A lamb dealer is licensed to purchase feeder and slaughter lambs from individual producers or auctions and arrange for sales and trucking to buyers in Alberta and other provinces. Lamb dealers act like brokers and will typically take a commission for arranging the sale. A dealer must also be bonded, insured and follow regulations governing payment.

Buyers and dealers have contracts with trucking companies, giving them access to more economical trucking than individual producers. They can also sort lambs from several producers into more uniform groups to suit various customers. They may also be able to assemble liner loads of live lambs for shipping out of province.

"We prize those lambs that do well. We recently bought a great group of lambs for the feedlot. Their death loss was very low, and their gains were really good. You know, we'll go back and buy those lambs again in a heartbeat and pay more because we know they were well conditioned coming in. They were started on grain. They were vaccinated. They were a well-managed group."

*- Roger Albers
Albers Lamb Feedlot
(Stony Plain and Acme)*

Market overview

In Alberta, there are currently four active lamb buyers, located in Stavely, Camrose, Stony Plain and High Prairie. There are also licensed Alberta lamb dealers located in Fort Macleod, High River, Tofield and Rycroft. Some buyers and dealers also offer other services for lamb producers through affiliated auction and feedlot businesses.

Lamb buyers and licensed dealers provide another option for producers who:

- don't want to market direct to customers or processors;
- want to avoid the price variability and additional costs of selling at auction; or
- are located far from an auction or processing facility and want to partner with a local buyer or dealer to transport their lambs more economically.

Other services that some Alberta buyers and dealers offer for producers may include:

- purchasing cull rams and ewes;
- assisting producers with arranging transport of lambs; or
- gathering from several producers in one area to reduce transportation costs.

For current information on buyers and dealers, visit the Livestock Identification Services website: www.lis-alberta.com.

Advantages of selling to a buyer or dealer

Buyers and dealers can provide several benefits including:

- giving you a set price for your lambs, while the buyer or dealer assumes the risk of fluctuating market prices;
- paying you as soon as you deliver your animals;
- providing economical trucking solutions for you if you have a small number of animals to sell, since they aggregate numbers of animals/flocks into larger transport vehicles;
- receiving lambs at their gathering station or arranging to pick up lambs from you;
- sorting lambs from several producers into more uniform groups to suit a wider variety of buyers;
- giving you access to a broader market (they have many customers looking for many different lamb breeds and traits) without the work of you having to find and cultivate your own customers.

Other considerations of selling to a buyer or dealer

If a buyer or dealer is not located close to your operation, the cost of transportation (and shrink) may make it less economical for you to go this route.

What are buyers/dealers looking for when buying from you?

- Healthy animals that meet the specifications the buyer or dealer requires (see note on *C. ovis*, page 30)
- Clean animals with no mud or manure tags
- Ram lambs castrated (some buyers)
- Tails docked (nearly all buyers)

- A commitment to supply the agreed number and quality of lambs, so they can meet their orders

Don't risk your lamb income: prevent *Cysticercus Ovis* (*C. ovis* or *Taenia ovis*)

Taenia ovis is a dog tapeworm that infects sheep (*C. ovis*). Once a lamb is infected, there is no treatment. Prevent the problem by deworming your dogs. Meat inspectors can require additional trimming—or condemn carcasses entirely—depending on the severity of infections. Up to 80% of lamb carcass condemnations at one Alberta processor were found to be due to *C. ovis*. The losses for producers, processors and the industry can be significant.

This tapeworm is passed through dog feces. *Taenia ovis* eggs hatch and develop in the pasture and can survive on pasture (or in feed or water supplies) for up to a year.

You can prevent *C. ovis* by following these steps:

- Deworm all dogs on a regular basis using oral prescription medications from your vet (a product containing praziquantel, like Biltricide).
- Break the cycle by not allowing dogs to scavenge sheep carcasses.
- Use good carcass disposal methods: bury, compost or incinerate dead stock.

For more information: <http://ablamb.ca/documents/factsheets/C-ovis-factsheet.pdf>.



Tips on selling to a buyer or dealer

Position yourself for success when dealing with buyers and dealers:

- Much of the pre-selling will take place by phone or email, so record the date, time and details of calls for future reference.
- Buyers and dealers can take both feeder and finished lambs if they have the facilities and markets for both.
- Prices are often quoted using different weight rates, so it's critical for the producer to know the weight of their animals.
- Ask in advance what type of lamb the buyer or dealer is looking for (weight, finish, castrated, etc.) as some buyers won't want, or will pay less for, lambs under/over a certain weight.

- If you weigh your lambs before they leave your farm, you'll avoid price deductions for underweight or overweight lambs; however, recognize that your farm scale is not licensed for trade and may not agree exactly with other scales.
- Make sure you understand your final price and payment terms—the buyer or dealer may deduct the cost of shrink, transportation or other fees from your final price.
- If you are selling to a dealer, check to make sure the dealer is licensed.
- Build a relationship with your buyer or dealer by delivering on time and delivering the number of lambs agreed, and in return, expect your buyer or dealer to meet their commitments.
- Ensure you establish precise terms for your transaction, including insurance provisions and keep your records—even after the sale.

“A good relationship is essential. I have to have lambs to sell every week, and with a good relationship I know I can count on my good producers. It’s essential that you have that trust back and forth.”

*- Dave Twitchell
lamb buyer
Camrose*

Shipping live animals out of province—what are the considerations?

At times, market prices in B.C., Ontario and Quebec may appear quite attractive. However, producers must consider the additional costs of selling lambs out-of-province, such as:

- transportation, fuel surcharges;
- insurance;
- stop-over expenses (by law, transporters must stop in Thunder Bay to let animals off the truck, and provide them with feed and water);
- shrink (typically shrink on lambs transported within the province is 3%, but for animals going to Ontario, shrink can be between 8% to 10%);
- welfare issues that may arise during long transportation;
- feeding and watering costs when animals arrive a few days before a sale;
- yardage fees, commission and services charges taken at the destination auction or facility;
- potential risks in long distance business transactions.

If you are interested in out-of-province markets, ask the advice of your buyer or dealer to help you decide if this is the market for you. Talk to other producers who use this market option.

Here are some additional considerations:

- At different times, there may be advantages to sell in either Western markets or Eastern markets.



- Investigate the size and types of lambs that are selling best in the various provincial markets—they can be very different.
- Although well-finished lambs are always in demand, there can be a good return on smaller animals, if that is what the buyer wants.
- Transportation is stressful for animals, so be sure the trucker you choose follows recommended practices for transporting lambs (see *Recommended Code of Practice for the Care and Handling of Sheep* on the Alberta Lamb Producers' website: <http://ablamb.ca/documents/factsheets/GuideToTheHumaneCare.pdf>).

A list of lamb buyers and dealers in Alberta is available on the Alberta Lamb Producers' website at www.ablamb.ca/documents/contacts/Markets-For-Your-Lambs-and-Sheep.pdf.

4. Auctions

What is an auction?

Auctions sell livestock on consignment to buyers through an open bidding process. Livestock is sold in a ring at a prescheduled time where hopefully many buyers come to bid on the animals. The animals are sold to the highest bidder.

Some auction sales will present graded or sorted lambs in larger lots (or in lots sorted by gender or type), while other sales will offer each producer's lambs separately.

Auction businesses hold regularly scheduled livestock auctions and advertise or post the upcoming sales on their websites. To be compensated for its part in facilitating the livestock sale, the auction business will receive a commission for the sale of the animal, and may also charge yard-age fees that support their infrastructure costs.

Auction businesses in Alberta are either mixed (selling a variety of animals from one location) or specialize in one kind of livestock (such as cattle or horses).

For more information on the regulations and obligations of auction businesses in Alberta, see Service Alberta's website http://www.servicealberta.ca/pdf/tipsheets/auctions-buying_and_selling.pdf.

Market overview

There are currently four Alberta auction houses hosting regular sheep/lamb sales. They are located in Picture Butte, Olds, Tofield and Westlock. Occasional sheep/lamb sales are also held at auctions in Brooks and Beaverlodge.

“Selling to the East is good at times, but like any auction market you can get lucky, or not. Overall, the Alberta market is getting stronger ... there are a lot of Europeans and ethnic folks coming into the country who love to eat lamb. Lamb is a healthy meat, and the lamb market is getting stronger in our province because of our population changes.”

*- Roger Albers
lamb buyer
Stony Plain*

Auctions draw buyers from a network the auction business has fostered over time. The number of buyers attending a specific auction can vary, depending on the auction's lamb network, customer base, time of year and/or market demand.

While producers can choose to sell at any auction, the distance from their operation to the auction should be a consideration because of the cost of transportation and the impact of shrink on the lambs. Whatever auction you choose, a strong relationship supports their business needs as well as your own.

Producers who want to sell their lambs at auction can schedule them into a regular or special sale. Auction businesses may have sales occurring every week, every two weeks, monthly or at certain times of the year.

Auctions in Alberta report seeing growth in the number of sheep and lambs coming through their businesses. They indicate that while the buyers used to come predominantly from out of province, more Alberta buyers are now attending lamb auctions.

Advantages of selling to auctions

Depending on the producer's situation, auctions can be a suitable option. For example:

- It is a convenient way to match buyers and sellers together in one location.
- Public livestock auctions provide price discovery, where a price is arrived at through the interaction of buyers and sellers.
- Selling is available year-round and sales can occur regularly.
- If you have a small flock, auctions can sort and group your animals into larger lots of lambs to appeal to a broader buying audience.
- Auctions take a variety of animals: light or finished lambs, cull ewes and rams. Often there are several buyers bidding against each other on every class of sheep or lamb (e.g., light lambs can go to buyers seeking that weight or be sold as feeders).
- Auctions have their own network of buyers from finishers to processors, so lambs are available to buyers looking for a variety of weights, traits and breeds.
- Auctions want successful sales so they do a lot of the marketing for you to make sure there are buyers and competitive pricing for your lambs.
- Payment is guaranteed and prompt, and in most cases is processed within an hour of the sale.

Other considerations of selling to auctions

Although auctions provide a variety of options for lamb producers, some of the challenges of marketing lambs through a public livestock auction can include:

- The price you receive for your lambs will be a total unknown.
- If there is a poor turn-out of buyers, prices will be poor.
- Depending on the time of year you sell, you may be subject to wide fluctuations in the market as local supply and demand changes.
- There may be added fees to pay when compared to other forms of selling (sales commission, yardage and insurance).

- The market prices paid at low-volume auctions may be less than the market prices paid at high-volume markets.
- Lambs marketed at auctions can be subject to increased stress due to noise and handling at the facility.
- If the auction is located at a significant distance from your farm, shrink and transportation costs can lower your returns.
- If you set out to produce the highest quality lambs, selling your lamb at auction may not bring the differentiated returns you seek.
- Biosecurity protocols are needed when feeder lambs are purchased from auctions.
- Because of the numbers of sheep and lambs that are mingled and pass through an auction, the risk of disease transmission is high and makes purchasing breeding stock riskier.

What are auctions looking for when buying from you?

- Auctions are looking for clean and healthy animals in a variety of sizes.
- Auctions value a consistent supply of lambs year-round.
- The time of year can impact the type of lamb the auction wants, so connect with the auction early in your production cycle to find out what they are looking for and when they need them.
- Auctions prefer advance booking as that gives them time to find the right buyers and advertise your lambs before the auction.
- If you have a sick, weak or otherwise compromised sheep or lamb, do not bring it to the auction; it is not only inhumane but presenting poor-quality lambs at auction tarnishes the reputation of your farm and of the auction business.

Tips on selling to auctions

Cover all the tips in these four areas, and you'll be positioned for success when dealing with auctions.

1. Choosing an auction

- Attend an auction in person, even if you are not selling lambs that day, to get a feel for the market in advance. It's a great way to learn what buyers want and what they are willing to pay a premium for.
- Consider your total marketing cost when deciding between auctions. Transportation, shrink, commissions and other fees will impact your financial return.
- Although auction prices can vary, be informed about current market prices for lambs (market reports can be found on

“Calling ahead and booking your lambs works best. It’s all planned marketing. If you just show up with 100 lambs, you won’t get the best result. The guy that spends all year getting that product ready should take more time than deciding that morning to take the lambs to auction. If we know ahead of time, we can let buyers know to come to the auction. We’re always trying to get as much money for your lambs as possible.”- Jim

*Crawford
Rosehill Auction
Olds*

the Alberta Lamb Producers' website: <http://www.ablamb.ca/links/lamb-market-reports.html> or are often posted on each auction's website).

- Online market reports provide good information, but the information is an indication, not a guarantee (some auctions provide only partial market reports).
- Look for auctions that are experienced in selling sheep and lambs. They have the facilities and experience to work with sheep/lambs and know how to get the best price for your lambs.
- Ask if the auction provides insurance coverage for injury to your animals while on the premises of the auction. If it doesn't, be sure the 'flock rider' on your farm insurance covers animals in transit.

2. Before delivering to the auction

- Book ahead—even if you have a small offering—to give the auction time to plan for your lambs, sort them, line up buyers and advertise your offering.
- Share as much accurate information as you can about your lambs—age, weight, breed-type, condition, etc.—as the more information the auction has, the better.
- Ask auction staff about the best time to sell your lambs; sometimes waiting a week or two can greatly improve your chance of getting a better price as long as your lambs still fit the weight and finish the auction's buyers require.
- Pre-sorting your lambs into lots of similar sizes and types is not essential, but the visual appeal may help get you a better price.
- Ask the auction when they want the animals delivered, and deliver on time. Some will want them the day of the sale, while others may want them delivered the day before.
- Consider the impact that shrink will have on lamb weight loss during transportation.

3. Arriving at the auction

- Deliver your animals with enough time to get them settled before the sale starts; if your lambs arrive at the last minute they'll likely be sold at the end of the sale, and if buyers have full loads and are leaving you may get a lower price.
- Do not bring in wet or dirty lambs; they will be less appealing to buyers. Crutch or trim off mud and manure tags.
- Recognize that the buyers are very informed, so have your lambs in the best possible condition for the sale.

4. Learning and building a relationship

- Touch base with the auction before the sale; good communication is always appreciated and will help you build a solid relationship with the auction.

“Competitiveness is what drives the market. Selling your lambs through auctions is the best way to have price discovery. If you are selling to only one buyer, you may not get what the animal is worth. In an auction, we pull together many buyers to leverage the best of supply and demand.”

*- Doug Verstraete
Beaver Hill Auction
Services
Tofield*

- If you have questions, or are unsure about the process, pick up the phone and call the auction staff. They will be happy to work with you to ensure successful future transactions.

A list of lamb and sheep auction businesses in Alberta is available on the Alberta Lamb Producers' website: www.ablamb.ca/documents/contacts/Auctions.pdf.

5. Provincially Inspected Processing Plants

What is a provincially inspected processing plant?

Provincially inspected meat facilities are licensed and approved to slaughter and process livestock, with the intent that the meat for sale remains within the province in which the facility operates.

Provincial plants are regulated by Alberta Agriculture and Rural Development's Meat Inspection Branch. Inspectors are present at every provincial plant to inspect live animals and carcasses to ensure:

- the facilities comply with food regulations,
- the animal slaughter is carried out in a humane manner,
- the meat is fit for human consumption.

Meat Inspection Branch also conducts audits at provincially inspected plants to verify that all legislated requirements have been met.

Provincial processing plants may purchase your lambs for their supply chain or may offer a variety of custom processing services for farm sales direct to the customer.

Market overview

In Alberta, lamb producers can access many plant locations throughout the province for processing lambs. Not all processing plants have the ability to handle lambs. There are currently 40 provincially licensed plants, or abattoirs, that slaughter and process lamb and/or sheep.

If you are direct marketing to consumers, all plants will slaughter and custom-process lambs to your specifications. They provide you with cut and wrapped (and usually frozen) products you can sell to your customers. Some processors will also offer co-packing services for large-scale distribution and/or value-added processing like smoking or aging meats or making sausages.

Alberta processors typically charge a flat price-per-pound or price-per-lamb for processing. Others may have a base rate, and then charge additional costs for special cuts (like crown roasts or boned-out cuts) that take extra time to prepare.

Many processors have their own retail outlet where they sell lamb cuts. They may also have their own customer base to supply with lamb. In these cases, a processor will buy your lambs outright then distribute the final product to their own customers: restaurants, butcher shops or specialty markets.

Advantages of selling to (or using the services of) a provincial processor

Depending on the producer's operation, provincial plants can be a suitable outlet for processing their lambs. Advantages include:

- You can sell lamb anywhere in Alberta if it is processed through a licensed facility. It is illegal to sell lamb that has not been inspected at a federal or provincial facility.
- Most provincial plants can deal with a wide variety of lamb weights and ages.
- Many processors have an established customer base that requires lamb products so you may not need to source a final market for your lambs.
- Establishing a good relationship with an experienced custom processor is important when you are selling specialized lamb products to consumers.
- It's important to work with your provincial processor to get the quality of cutting and wrapping you need for your customers.
- You may have the flexibility of custom-ordering the cuts of meat you or your customers want.
- For planning and pricing purposes, you will typically have a consistent price for kill-cut-wrap that is based on a per-pound charge.

“Usually at key times of year that lamb meat is popular, like Easter or Thanksgiving, we are quite busy. Lamb meat is becoming more popular at other holidays, too. People seem to be drifting away from turkey and looking for different things to try. Lamb is definitely one of the meats they want.”

*- Mike Conley
Provincial Processor
Pure Country Meats
Strathmore*

Other considerations of selling to (or using the services of) a provincial processor

- If you need to travel some distance from your farm to find a facility that processes lambs, this could add to your costs.
- For some processors, lamb is a small part of their overall processing business, so their availability for lambs may not be as flexible and they may not have skills in lamb processing.
- You may need to plan well in advance at busy times during the year (like hunting season or 4-H sale season) to get your animals scheduled for processing when processors are extremely busy.
- All processors want lambs clean and dry since slaughtering dirty animals creates a food safety risk and can lead to the contamination of the meat.
- If the processor is cutting meat to your specifications, they will want clear instructions from you about cutting the carcass. Ask your processor how they like to get this information.
- A cut chart is available at www.albertalamb.ca and poster-sized cut charts are also available for display in meat stores or processors' facilities.
- Clear instructions on when and who will pick up the processed lamb(s) make the transaction smoother.

- Don't forget to add in the costs of communicating with your customers, plus the handling and/or delivery charges associated with getting the lamb to your customer.

What are provincially inspected plants looking for when buying from you?

- If the plant is buying your lambs outright, the processor will want your lambs delivered to the weight and fat specifications you have both agreed upon.
- Ensure you have a clear agreement on the terms of your sale (live or hot or cold carcass rail price).

Tips on selling to a provincial processor or using their services

Processing costs are a lamb producer's second-highest cost when marketing lamb meat to consumers. To get the best cuts at an efficient rate, a good relationship with a key processor is essential. To foster the best relationship possible, take these three steps.

1. Work with your processor.

- Visit the processor's facility to see if it meets your requirements for cleanliness and customer service.
- Establish a connection with your processor well ahead of anticipated slaughter dates to give him time to get to know your needs and schedule your animals.
- Lambs should be taken off feed at least 12 hours prior to delivery, for cleanliness and ease of processing and to give more accurate live weight to carcass yield; ask for the processor's requirements.
- Build trust with your processor by showing up on time and delivering the number of lambs agreed upon.

2. Book your animals in advance.

- The processor will likely be slaughtering other animals and will have a tight schedule, so give advance warning for when your animals will arrive.
- Book your animals at least two to three weeks ahead of the anticipated slaughter time (at certain times of year, the processor could be booking months out). It's a good idea to call the day before to reconfirm.
- Share the exact status of your market lambs in terms of weight, age/growth rate and the approximate date of delivery.
- Once you commit to what you are going to bring in, deliver as promised. The processor will be expecting your lambs for his slaughter schedule, or may have promised customers lamb products based on your promised delivery time.
- Understand that weight loss (shrink) during transport due to stress and being off feed and water means your animal likely arrives at the processor's facility lighter than when it left your farm.

3. Provide detailed instructions about your processing needs.

- Provide written instructions about the orders and cuts of meat you require.
- Many processors will have a lamb cut chart for reference if you need it (or see the cut chart at www.albertalamb.ca).

- If you have special requirements—like trimming chops or boned-out cuts—discuss those in advance.
- Find out if specialty cuts or additional requirements add to your processing costs.
- If you require specialized branded labelling or packaging—like a printed label or a cryovac package—call ahead to see if your processor can provide these services.

For a list of provincially inspected processing plants in Alberta that handle lamb, please refer to Alberta Agriculture and Rural Development’s online Agricultural Processing Industry Directory and search the ‘meat’ categories: <http://www.agric.gov.ab.ca/app68/foodindustry?section=category>.

A list can also be found on the Alberta Lamb Producers’ website: <http://ablamb.ca/documents/contacts/Processing-Plants-In-Alberta.pdf>.

6. Farm Direct Marketing, Niche and Specialty Markets

Farm Direct Marketing

What is farm direct marketing?

When direct marketers sell directly to the consumer, a link is created between agricultural producers and the consumers of their product. Direct marketing has the ability to address what an individual consumer wants by delivering unique products that fit those desires. It also provides producers with the opportunity to fine-tune production or products to better meet their customers’ needs.

Direct marketing can also involve selling to the consumer outside the typical commodity market or supply chain through ‘middle men’ such as wholesale or retail buyers or brokers.

Farm direct marketing also goes by other names: farmgate selling, direct-to-consumer marketing, field-to-plate and many other creative labels.

Direct marketing lamb meat may involve:

- selling pre-packaged lamb products to visitors at the farm in farmgate sales or from a farm store;
- delivering the whole carcass, or parts of the carcass, in frozen cuts to the consumer (also known as freezer trade sales);
- selling pre-packaged lamb products to consumers at farmers’ markets;
- supplying local retail stores;
- supplying food service companies, chefs and restaurants;

“I really see a lot bigger demand from the farm-to-plate movement. Some of the chefs I supply are now instructors who teach at SAIT (Southern Alberta Institute of Technology). They are bringing the message about sustainability and eating local to a whole new generation of chefs. These young chefs are being taught to value knowing where your product comes from and how it has been taken care of. We’re going to see this trend growing on a larger scale.”

*- Gerrit Van Hierden
Driview Farms
Fort Macleod*



- selling lamb online to individuals, or groups of buyers, via a website;
- community supported buying groups that coordinate sales for pick up or delivery to members.

Market overview

In Alberta, selling direct to consumers as a market option is increasing in popularity with producers. A growing number of health-conscious and environmentally-aware consumers are willing to pay more for food that they see as fresh and locally raised. Others enjoy the concept of regional cuisine, where food they eat comes from local farms at a time of year when it is natural and prepared at its freshest.

In a consumer survey of Edmonton and Calgary residents commissioned by Alberta Livestock and Meat Agency in 2011:

- 47.9% of respondents agreed with the statement that locally produced food is 'better'.
- 65.6% defined local food as 'food grown in and around Alberta'.
- Two-thirds of people said they were willing to pay more for locally sourced food.
- 73.4% said they would pay more for local meat.¹



Advantages of selling through farm direct markets

Depending on the producer's operation and location, direct marketing can be a suitable option.

Advantages include:

- You may be better able to gain a higher price by marketing a superior product direct to the consumer.
- Strong customer relationships are enhanced by having face-to-face contact with your customer.
- You can obtain valuable feedback directly from customers on the products you sell.
- You can test new products for less than the cost of traditional market research.
- Your sales efforts can be more effective because you know your product well, as opposed to a retailer who may not know it as well.

- You have a great opportunity to tell your farm’s story and tie it back to demand for local products.
- You may be able to ask a higher price than a retail store because consumers may be more willing to pay a premium for local products they trust.
- Your supply chain may be simpler since you likely handle distribution and selling yourself.
- You are most often paid immediately for your product, at the point of sale.

Other considerations of selling to farm direct markets

- When you eliminate the ‘middle man’, the full cost and management of all stages of production and marketing are on your shoulders.
- You are responsible and liable for consumer food safety which may entail educating customers or investing in transport vehicles and storage facilities that maintain product temperature and quality.
- Multiple selling points (markets, on-farm) may require multiple transport vehicles, displays and other duplicate infrastructure.
- Nurturing strong face-to-face customer relationships requires a significant time investment, perhaps years, on the part of the producer.
- Your time spent marketing will take away from other areas of your farm’s operations.
- Some producers are good with people and selling; for others, that’s not their strength.
- High demand times for selling to consumers (spring/summer/fall) often conflict with busy times on the farm.
- Intensive hands-on management of all aspects of the marketing chain—from production through delivery—can mean slower growth for your business because it is quality-driven, not volume-driven.
- Maintaining excellent financial records is critical for making decisions on marketing options; there can be a lot of ‘hidden’ costs that undermine cash flow and profitability.

“When I sold our lambs in the early days, I had a moment when I had a change of heart. We put a lot of time and care into what we were feeding our lambs and everyone got paid the same for lambs regardless of the type of lamb. I thought there had to be people in this province who were willing to pay more for quality lamb meat. To start, I just had to find a couple places to sell. I went where there were a lot of people and we started at two farmers’ markets in Calgary. That’s where it all began.”

*- Gerrit Van Hierden
Driview Farms
Fort Macleod*

What are farm direct customers looking for when buying from you?

When selling direct from your farm, you will need to have your lamb meat processed through a provincially inspected and licensed processing plant. Farm-direct customers will need their products cut and wrapped. Most usually want the lamb frozen. Selling an unfrozen, fresh product has significant challenges. When you sell in a retail environment (like a farmers’ market) you may also have to invest in good signage, branded packaging and labelling (see the fourth item in the *Tips*

on *selling in direct markets* section that follows for more information on the legislation governing these items).

Customers buying directly from producers are typically looking for:

- an opportunity to meet the producers of the food;
- a consistent supply and consistent quality, with every cut providing a good eating experience (there is no room for 'tough' chops);
- a lean, healthy meat—lamb meat is not as marbled as beef and over half the fat in lamb meat is unsaturated;
- a wide choice of available cuts including lamb shoulder, rack of lamb, lamb loin, lamb shank/breast, leg of lamb, ground lamb, plus value-added products like sausages;
- attractive packaging since customers are used to professional packaging in grocery stores;
- good value for the price they pay (this will vary with the product and market/consumer location).

Six tips for building success at a farmers' market

1. *Use the power of your farm story to engage your customers and give them a reason to try your products.*
2. *Consistently good quality will keep them coming back to buy again and again.*
3. *Look professional with printed signage and expert packaging—remember you are competing with the customer's experience in large grocery chains.*
4. *Start with a small range of popular product cuts, then grow your product choices as you build the business.*
5. *Ask for your customers' feedback to help you improve your service and develop a product that meets their needs.*
6. *Make it easy for them to buy and use your product by providing nutritional information on your lamb, and recipes to prepare.*

Tips on selling in farm direct markets

Here are six tips that can help you when direct marketing your lamb.

1. Sell the unique features of your lamb or farm.

- Develop simple, clear communications for your farmgate store, market booth or direct-to-chef promotions.
- State your superior quality traits and explain why customers should buy from you.
- Be aware that your competition may not be other lamb products, but other meat categories (like beef or chicken), so share the health benefits of lamb but without negative messages about the 'other meats'.
- Provide the history of your farm on your website or other places where you sell your product.

- Share ideas with your customers about how to use your product by providing recipe cards, cut charts and cooking guides.
- If you use an order form, make sure it clearly states your business and contact information, has adequate space for customer information, outlines delivery details and presents price per pound by the different cuts if applicable.
- Keep a database of customer names, contact information and purchase preferences.
- To promote your brand, take advantage of free resources for marketing like social media (Facebook, Twitter, Pinterest and Instagram) and/or online website templates.
- Seek out training to improve your direct selling skills. Free training is available through Alberta Agriculture and Rural Development's *Explore Local* program, plus other resources listed at the bottom of this section.



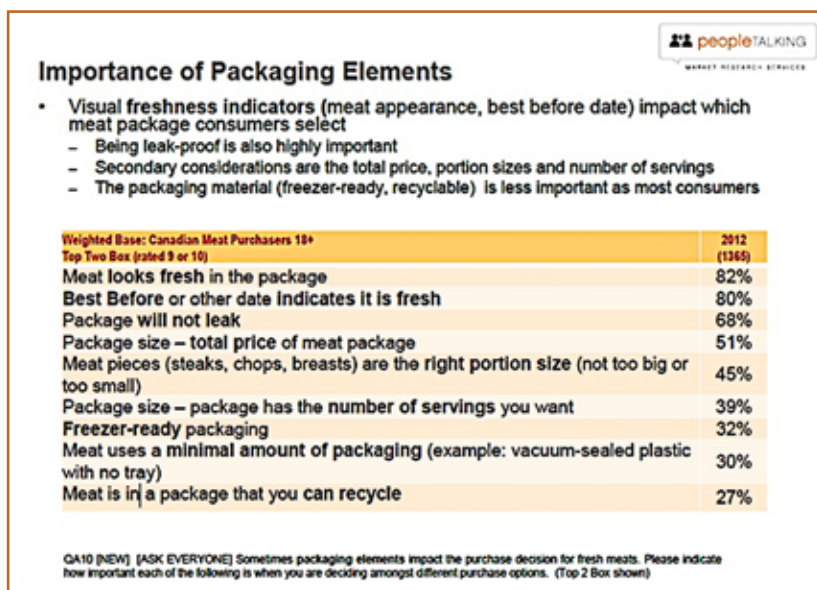
2. Choose the direct marketing outlet that best suits your operation.

- Find the direct market outlet that best suits your farm's needs by assessing each option based on distance from your farm, the time commitment required and any additional costs of selling through that outlet.
- Be strategic about how each market will fit your business and meet your profit goals.
- Include all your costs in each option: travel costs, transportation, labour (hours you or family members need to commit), capital investments for farm infrastructure (cold storage or freezers, signage, parking, washroom facilities), packaging, sales materials and more.
- Start with activities that are close to your farm so you can grow and evaluate your new business in a measured way before investing in added costs of distribution and/or warehousing.
- Commit to a start-up period of at least one to two years. Ensure that you have the cash flow to cover the start-up period. The business will take time to build, and your customers will want to know you will be available for re-orders.

3. Find out the cuts and products your customers want.

- Learn about lamb meat cuts by visiting the Canadian Food Inspection Agency's Lamb Meat Cuts Manual: <http://www.inspection.gc.ca/food/meat-and-poultry-products/packaging-and-labelling/meat-cuts-manual/lamb/eng/1348668935352/1348673977232>.
- Meet the consumer's expectation for a visually appealing product with skilled butchering and professional packaging.
- Build a strong relationship with your processor to provide the cuts and level of trim your customers want, and get advice on popular cuts when processing your lambs.
- Start with a small offering of products and introduce new items as you get feedback from customers on cuts, package size and pricing.

- Consider investing in professional packaging (see the table below for research on the importance of packaging for consumers).



Source: Alberta Livestock and Meat Agency Canadian Consumer Retail Meat Study, April 2012.

4. Be aware of the regulations for selling lamb meat direct to consumers.

- Ensure your business meets federal and provincial regulations for producing and marketing food products direct to consumers. See Alberta Agriculture and Rural Development's factsheet on *Farm Direct Sales: Know the Regulations Agdex 845-7*, or visit: [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex3485](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex3485).
- Lamb sold privately in Alberta as a boxed meat product must be processed at a provincially inspected facility.
- In Alberta, it is illegal to slaughter animals on the farm for the purpose of reselling the meat.
- All meat products sold direct to consumers must be labelled according to Canadian Food Inspection Agency regulations. For more information, see <http://www.inspection.gc.ca/food/labelling/food-labelling-for-industry/eng/1383607266489/1383607344939>.
- When delivering the product to the customer, refer to the *Alberta Health Food Retail and Foodservices Code (Section 3.7)* for safe food handling regulations during transport, storage and distribution: <http://www.health.alberta.ca/health-info/food-safety-code.html>.
- Be prepared to describe and validate your food safety and animal welfare protocols to your customers.

5. Price your products strategically and take steps to make a profit.

- You can likely charge a premium for quality, service and any niche features you think your customers want (like grass-fed, halal, value-added, etc.).
- Start by looking at prices charged in your local grocery stores or research how other direct sellers are pricing lamb meat.

- Be careful not to price yourself out of the market: there is a 'price point' for most consumer products, and over-pricing limits your sales and increases your product inventory.
- Always make sure your price covers all your costs of production, including your labour costs.
- See the pricing information in Alberta Agriculture and Rural Development's factsheet *Direct Marketing Meats – Selling Freezer Lambs* [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex10316](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex10316).

6. Provide exceptional customer service.

To make sure your customers' experience is excellent, walk through your own selling process from the point of view of the customer. Have someone whose opinion you trust take a look at your product and processes, and answer these questions:

- Is it easy to deal with you?
- Is your product consistent and does it deliver on the quality promise you promote?
- Is your farm store, booth space or transport vehicle clean and tidy?
- Is each person who sells your product meticulously clean, friendly and knowledgeable?
- Are signs for your farm visible from the road and are directional instructions clear?
- Are your hours of operation clearly stated?
- Is there adequate parking for your farm store?
- Is it easy to order from you and pay for your product (mobile payments/Internet e-commerce/variety of payment methods such as credit cards, PayPal and Interac)?
- Are complaints or inquiries handled quickly and efficiently?
- Do you have a place where customers can praise your product through testimonials or postings on your website or social media sites?

Resources for farm direct marketing

Alberta Lamb

www.albertalamb.ca

This Alberta Lamb Producers consumer-focused website has many excellent resources for promoting your lamb products. These include recipes, cut charts, nutritional information, cooking tips and links to restaurants serving lamb on their menus.

There are also many provincial organizations that can help you learn about the logistics of direct selling, as well as promoting your farm or product to the public. The following resources will get you started.

Explore Local

www.explorelocal.ca

Explore Local is an Alberta Agriculture and Rural Development initiative to help increase growth opportunities in local food markets with links to programs and funding, associations, training, resources, chefs, consumers and events.

Farmers' Markets

www.sunnygirl.ca

This website offers a list of Alberta Agriculture and Rural Development approved farmers' markets with details by region and links to major markets' websites.

www.albertamarkets.com

The Alberta Farmers' Market Association offers workshops, information on labelling, listings by vendor and location, membership information and more.

Farmgate

www.albertafarmfresh.com

The Alberta Farm Fresh Producers Association maintains a list of 'protein producers' on their website, with links to lamb.

Alberta Agriculture and Rural Development resources

1. Direct Marketing Online Index

<http://www.agriculture.alberta.ca/app21/infopage?start=true> and click on links on left to FOOD & AG PROCESSING; FOOD SAFETY

2. Direct Marketing Meats – Selling Freezer Lambs

[http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex10316](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex10316)

3. Direct Marketing Meats – Getting Started

[http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex10396](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex10396)

Endnote:

1. Alberta Livestock and Meat Agency, "Meeting Canadian Consumer Needs: A Demand Pull Strategy", 3.

Niche and specialty markets

What is a niche or specialty market?

A niche or specialty market is a segment of the market serving customers who want a product with unique or differentiated qualities. Niche markets typically account for a relatively small portion of total lamb sales, but some lamb producers may find niche markets can provide unique opportunities that are a good fit for their operations.

Sharp marketing – customer relationship building

1. *Know you are not marketing to every customer. Be specific when identifying the type of customers you want to serve, and then focus on that ‘ideal’ customer.*
2. *Significant customer growth may not materialize immediately—building lasting customer relationships takes time.*
3. *Traditional mass media communications (such as television advertising) are being ‘tuned out’; focus on media outlets that help you build an interactive relationship with your customers, and find ways to have one-on-one communications with your customers.*
4. *Keep your message simple and focus on one key point.*
5. *Tell your customer why your product or service is unique and valuable to them.*
6. *Provide a great customer experience—think beyond your product to your website, your business cards, your display, your packaging, and even how you answer the phone.*
7. *Do what you say you will do.*

Market overview

Previous sections of this module have covered the major market options. In addition, Alberta lamb producers may want to consider these two niche markets in Alberta:

- Organic market
- Ethnic market

Organic market

Raising certified organic lambs means the producers do not feed the animals grain that has been treated with synthetic fertilizers or pesticides, nor do they use these products on their pastures. They also will not sell meat from animals that have been treated with antibiotics.

In Canada, organic food and livestock feed are inter-provincially regulated under the Canadian Organic Regulation and must meet all requirements set out in the Canadian Organic Standard.

Although the category of organic meats is an emerging market, the total amount of organic meat that is purchased in Alberta—when compared to conventionally produced meat—is still relatively small. This is due, in part, to very limited supplies and the high cost of certified organic grains and forages.

The Alberta Livestock and Meat Agency conducted a research study in May 2012 and published the findings as the *Canadian Consumer Retail Meat Study*. In the report, research indicated that 21% of Canadians buy organic meat, and percentages for buying at least 'sometimes' by protein type are 4% for bison, 7% for lamb, 9% for pork, 12% for beef and 18% for chicken.¹

The research also found that higher prices for organic meat can be a barrier for many consumers, since price is the most important factor to consumers when buying lamb meat. Purchasing organic lamb meat was found to be relatively unimportant to Canadian lamb buyers.²

Here are some further considerations for the organic market.

1. Certification is required to sell your lamb as organic.

The Canadian Organic Products Regulations legally require organic products to be certified according to the Canadian Organic Standards if they are traded across provincial or international borders or use the Canadian Organic logo shown here.



The Canadian Food Inspection Agency monitors and enforces the Canada Organic Regime for all organic agricultural products, including meat. Specific requirements must be met for a product to be labelled and sold as organic. You will need a certificate from an accredited certifying body and may be subject to an inspection. Keeping comprehensive production records is critical as you may have to provide an audit trail to prove you use acceptable organic processes in production.

Processors of lamb meat also need to adhere to organic guidelines and must be certified. Producers may pay more to process organic meat.

For more information on organic lamb certification and production, visit these two websites.

Canadian Food Inspection Agency website: <http://www.inspection.gc.ca/food/organic-products/eng/1300139461200/1300140373901>

Canadian Organic Growers website: http://www.cog.ca/about_organics/organic-standards-and-regulations/organic-regulations/

2. Be aware of prohibited substances when raising organic lambs.

To be certified organic, you must feed your lambs organic grain, and ensure your pasture is not treated with pesticides or is subject to pesticide drift from neighbouring farms.

There are no hormones licensed for use in lamb production in Canada. A lamb given antibiotics will lose its organic status and must be removed (or quarantined) from the organic program/market. However, if your animal is sick or stressed, you must treat it. Animal welfare regulations require producers to give a distressed animal drug treatment since the animal's well-being is more important than keeping its organic status.

3. Lambs raised on grass alone finish more slowly.

When a lamb is grass fed only, the perception of many consumers may be positive, but this impacts the growth of the lambs and the flavour of the lamb meat. For optimal growth on forages, pasture management is critical. Some breed-types tend to grow and finish better on grass than others. Lambs fed only on grass tend to gain weight more slowly and may not have the fat cover needed for tender, juicy meat. Lambs finished with some grain while on grass have a more consistent finish and flavour.

4. Having a customer or market in advance of production is important.

The cost of raising organic lamb is significantly higher than non-organic production. To stay in any business, you must make a profit. Selling only to consumers willing to pay more for organic lamb will reduce the total size of your potential market, so it is critical that you know you have enough customers for your product before you begin production.

Producers interested in starting or transitioning to an organic lamb program can find resources, courses and publications on the Organic Alberta website (www.organicalberta.org). In May 2014, Organic Alberta also announced plans for a livestock value chain development program to support new and experienced livestock producers. Check their website or contact them for more information.

Ethnic market

An ethnic market is a consumer group that shares a common cultural background. Lamb is a staple food among people of many cultural and religious backgrounds including: Middle Eastern, Chinese, South Asian, African, Latin American, Caribbean, Greek, Italian, Muslim and Jewish.

In a study done by Alberta Livestock and Meat Agency in May 2012, people of Chinese and South Asian background reported buying more lamb than the average Canadian.³ Demand for lamb in ethnic markets in Canada—and Alberta—is growing as the ethnic population increases.

By 2017, it is estimated that roughly one-in-five Canadians will be a member of a visible minority, with the ratio being one-in-three in British Columbia.⁴ A Government of Alberta publication indicates that net migration to Alberta (with some who would be identified as visible minorities) is expected to increase by 49.1% by 2021.⁵

“Organic farming is not like conventional farming in that you can always find a market for conventionally grown agriculture products. For organic, you need to sell it to a customer you have a relationship with, or there may be no place to sell it. Organic grain can be up to nine times more expensive than conventional grain. The organic meat market is a small niche in Alberta, and then you’re in an even smaller niche which is lamb, as opposed to beef or chicken. The importance of knowing you have a market or customer to sell to can’t be overstated.”

*- Keri Sharpe,
Organic Business
Development Specialist
Alberta Agriculture and
Rural Development*

While the Alberta ethnic market may not be the biggest market for lamb today, this is an area where many Alberta lamb markets (auctions, buyers, dealers and processors) report steady growth in lamb sales. Many are optimistic this trend will grow in the future.

If you want to supply lambs to ethnic groups through buyers or processors—or directly from your farm—here are three ways you may need to revise or reconsider your current production practices.

1. How the lamb is processed matters.

For Muslim and Jewish consumers, how the animal is slaughtered and prepared are both considerations to ensure the lamb meat adheres to the guidelines for Muslim law (halal) or Jewish law (kosher). Many lamb processing plants will be aware of these guidelines. Alberta's federally inspected plant, SunGold Specialty Meats Ltd., prepares all its lamb to halal specifications. Some provincial processors can also offer this service.

2. Your lamb feeding regime helps meet different ethnic preferences.

North American consumers generally want lamb meat that comes from larger lambs (approximately 110 lb.) with good cover. Some ethnic markets, however, favour a light lamb with minimum fat cover (around 80 lb.).

Ethnic lamb buyers are often looking for meat with a stronger flavour that comes from feeding lambs a grass-only diet or from older animals. Other ethnic groups may want very young lambs (spring, milk-fed lambs from 60 lb. to 80 lb.) with a good finish.

How you select genetics, feed and finish your lambs for an ethnic market depends on which ethnic group is buying the lamb. Ask a buyer or dealer that specializes in ethnic markets for specifications.

3. Religious and ethnic holidays may increase demand for lamb meat.

If you are producing lamb for the ethnic market, be aware of ethnic or religious holidays when lamb meat is in greater demand.

A chart prepared by the Ontario Sheep Marketing Agency indicates popular Religious and Ethnic Holidays and Demand for Lamb and Goat Meat on their [website: *http://www.ontariosheep.org/LinkClick.aspx?fileticket=5pMptYDZPBw%3d&tabid=93*](http://www.ontariosheep.org/LinkClick.aspx?fileticket=5pMptYDZPBw%3d&tabid=93).

Endnotes:

1. Alberta Livestock and Meat Agency, "Canadian Consumer Retail Meat Study – May, 2012, Final Report", 12-13.
2. Alberta Livestock and Meat Agency, "Canadian Consumer Retail Meat Study – May, 2012, Final Report", 118.
3. Alberta Livestock and Meat Agency, "Canadian Consumer Retail Meat Study – May, 2012, Final Report", 92.
4. Alberta Livestock and Meat Agency, "Canadian Consumer Retail Meat Study – May, 2012, Final Report", 90.
5. "Alberta's Supply Outlook Model 2011 – 2021", Government of Alberta – Human Services, 4; accessed May 15, 2014.

For full report: Alberta Livestock and Meat Agency, *Canadian Consumer Retail Meat Study – May, 2012, Final Report* <http://alma.alberta.ca/cs/groups/alma/documents/document/mdaw/mda5/~edisp/agucmint-009603.pdf>

6. Other Market Considerations

Figuring out which market option will be best for your operation is important, but it's not the only important thing you have to do before you sell your lambs.

To help you learn about the additional logistics involved, there are excellent producer resources offered by Alberta Lamb Producers, other organizations and governments. This section will briefly cover some of these areas, with links to existing helpful information.

Transporting Live Lambs

All lambs transported within Alberta, or to a destination outside Alberta, must be accompanied by an Alberta livestock manifest, available from Livestock Identification Services Ltd. (call 1-866-509-2088). Local Alberta Agriculture and Rural Development offices and/or auction markets have copies of manifests. For help completing the livestock manifest, refer to this guide on the Alberta Lamb Producers' website: www.ablamb.ca/documents/ABLivestockManifest.pdf or on the Livestock Identification Services website: <http://www.lis-alberta.com/uploads/files/ABLivestockManifest.pdf>.

It is illegal to transport lambs without having an approved Canadian Sheep Identification Program (CSIP) ear tag applied to each sheep or lamb before the animal leaves the farm. For more information: www.ablamb.ca/programs/csip.html.

Careful handling of animals during loading, unloading and transport minimizes bruising, losses and contributes to the health and well-being of the animals. As a founding member of the Alberta Farm Animal Care (AFAC) organization, Alberta Lamb Producers (through funding from Alberta Agriculture and Rural Development) is a partner in providing the *Recommended Code of Practice for the Care and Handling of Sheep*. Make sure you—and your transportation provider—follow recommended practices for transporting your lambs.

The Code deals—in part—with handling and care of lambs and sheep during transportation. A copy of the Code can be found at: <http://ablamb.ca/documents/factsheets/GuideToTheHumaneCare.pdf>. The following sections of the Code deal with issues related to transportation:

- Section 14 (handling)
- Section 15 (transportation)
- Section 16 (livestock markets)
- Section 17 (processors)

See also the *National Farm Animal Care Council Code of Practice For the Care and Handling of Sheep* http://www.nfacc.ca/pdfs/codes/sheep_code_of_practice.pdf.

Another important consideration when transporting lambs is shrink, or the amount of weight a lamb will lose during transport. Most lambs are taken off feed and water before transportation. The longer the distance, the greater the shrink will be. When making decisions about where to sell your lambs, consider shrink as a market cost, since it has a direct impact on the final price you receive for your lambs.

Alberta lamb buyers and dealers are good resources on transportation and may also be able to offer transportation services to you.

To arrange transport yourself, see the Livestock Hauling Listings on Alberta Agriculture and Rural Development's website: www.agric.gov.ab.ca/app68/customservices?cat1=Livestock&cat2=Livestock+Hauling.

Producer Collaborative Initiatives

Agricultural cooperatives provide a way for producers to gather together and pool their resources around a certain activity. Marketing and purchasing cooperatives are established by producers to leverage the benefits of economy of scale when arranging transportation or purchasing packaging materials in bulk.

Producer cooperatives can offer benefits. However, it takes time to set up the group, establish the legal entity, decide who will administer the needs of the group, come to agreement about how decisions will be made, clearly outline 'exit strategies' and more.

A national cooperative, The Canadian Lamb Producers Cooperative, was federally incorporated in July 2012. The Cooperative plans to market lambs from its members to retail and food service sectors in Canada and abroad. For more information, visit their website: www.cdnlamb.com.

There may be opportunities in your area to informally combine groups of lambs to fill orders, share transportation, etc. To link with existing Alberta sheep groups, check the list on the Alberta Lamb Producers' website: http://ablamb.ca/links/sheep_groups.html.

Checklist when shipping your lambs

1. Does each lamb have a CSIP tag?
2. Have you observed drug withdrawal times, if applicable?
3. Have you completed a manifest?
4. Do all your lambs pass the 'fit for transportation' guidelines?
5. Do you have a clear agreement on the terms of your sale?

Lamb Producer Financing Options

Two industry-specific financing programs are available for sheep/lamb producers in Alberta.

1. The Feeder Associations of Alberta

As touched on earlier, this organization's loan programs give producers a competitive financing option for purchasing feeder lambs with interest rates that are less than most commercial lenders. There is also a new *Alberta Breeder Finance Inc. Program* that provides financing for the purchase of replacement ewe lambs/yearling ewes.

For more information on the *Feeder Loan Guarantee Program and Alberta Breeder Finance Inc. Program*, visit the Feeder Associations of Alberta website: www.feederassoc.com.

2. Manitoba Livestock Cash Advance Program

This is a federal loan guarantee program that helps livestock producers meet their financial obligations and benefit from the best market conditions by improving their cash flow throughout the production period. Alberta Lamb Producers has arranged for Manitoba Livestock to make this advance program available to Alberta sheep producers.

For more information, and to apply, visit the *Manitoba Livestock Cash Advance Program* website: www.manitobalivestock.com.

Cost of Production and Pricing Your Lamb Products

To determine if your lamb operation is profitable, you need to know exactly how much it costs to produce your marketable lambs. Remember to include:

- the cost of raising the animals (feed and labour are the biggest costs);
- your time from the business planning through to delivery of the product to the consumer;
- coordination and communications with the buyers, processor or other marketing outlet;
- overhead costs such as advertising, packaging and promotional materials.

Cost tracking and finding ways to improve your profitability are important parts of your operation. Precision Flock Management (PFM) was developed by the Alberta industry as a systematic management approach for getting the most out of your flock. The system deals with much more than marketing and pricing.

PFM is a system that incorporates new technology and develops accurate data that can be used to make management decisions. Lamb producers now use flock management software and financial accounting software to collect and analyze their flock productivity and returns. Adding to the farm data are processing plants that are working to provide valuable feedback on carcass quality.

As part of the PFM project, Alberta Lamb Producers and Alberta Agriculture and Rural Development have created a factsheet on the cost of production (COP) for sheep producers and a COP calculator. This is a great place to start: <http://ablamb.ca/documents/factsheets/PFM-COP-Fact-Sheet.pdf>.

“To make money selling lambs, you need to know you can cover your cost of the product, all processing and also your time. You’ve got to be able to make a profit at the end of the day.”

*- Gerrit Van Hierden
Driview Farms
Fort Macleod*

More information on the PFM project—and the Flock Snapshot tool—is available in the Alberta Lamb Producers’ module *The Busine\$\$ of Sheep* (starting on page 43) [http://ablamb.ca/documents/management-modules/The-Busine\\$\\$-of-Sheep.pdf](http://ablamb.ca/documents/management-modules/The-Busine$$-of-Sheep.pdf) or on their website at: http://ablamb.ca/producer_mgmt/management_modules.html#snapshot.

Alberta Agriculture and Rural Development’s website also has several helpful articles on determining a price for your agricultural products. Here are three to get you started:

1. **Essentials of Pricing:** [www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex1141](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex1141)
2. **Methods to Price Your Products:** [www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex1133](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex1133)
3. **Pricing Processed Food Products:** [www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex1137](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex1137)

Marketline

Lamb Market Reports in Alberta and other provincial and Canadian markets are available at: <http://ablamb.ca/links/lamb-market-reports.html>. Sign up on that page to receive the free weekly Marketline by email.

Promoting Your Lamb Products

When you sell your lamb products direct to consumers, promotion is more important than when selling your live lambs to processors, buyers, dealers or auctions. For those producers who wish to sell direct to consumers, more information is available in the *Direct Marketing* section of this module on page 39.

Alberta Agriculture and Rural Development also has many online resources on their Explore Local website (www.explorelocal.ca) including information on marketing, regulations, food safety, plus links to events and webinars. Be sure to check out the section for producers and processors.

The Alberta Lamb consumer website (www.albertalamb.ca) provides many resources. These include recipes, cut charts, nutritional information, cooking tips and links to restaurants serving lamb on their menus.

“The markets and prices aren’t in your control. Running your business, tracking your costs and looking for opportunities to improve your ‘bottom line’ are totally in your hands.”

*- Sue Hosford Sheep Industry Specialist
Alberta Agriculture and Rural Development*

7. Appendix

These items are suggested reading.

1. Cost of Production: Raising Profitable Sheep factsheet <http://ablamb.ca/documents/factsheets/PFM-COP-Fact-Sheet.pdf>

2. Marketline: lamb market reports by email

Alberta Lamb compiles the prices from Alberta and Ontario markets and sends them to producers every week. To sign up for your confidential email service, contact the Alberta Lamb Producers office at admin@ablamb.ca or check the *Lamb Market Reports* on our website www.ablamb.ca.

3. Retail cuts of lamb

<http://www.albertalamb.ca/lambcuts>. This chart is also available to producers as a poster.

Alberta Lamb

FRONT & FLANK

- Shank: Braise, Cook in Liquid
- Flank: Braise, Broil, Roast
- Boneless Rolled Shank Roast: Roast, Braise
- Riblets: Braise, Cook in Liquid, Broil

SHOULDER

- Shoulder, Whole: Roast, Braise
- Blade Chop: Braise, Broil, Panbroil, Panfry
- Neck Slice: Braise, Cook in Liquid
- Arm Chop: Braise, Broil, Panbroil, Panfry
- Boneless Shoulder Roast: Roast, Braise

LEG

- Whole Leg: Roast
- Short Cut Leg, Sirloin Off: Roast
- Center Leg Roast: Roast
- Center Slice, Leg Steak: Broil, Panbroil, Panfry
- Shank Portion Roast: Roast
- Hind Shank: Braise, Cook in Liquid
- Boneless Leg Roast: Roast, Broil if Butterflied
- Sirloin Chop: Broil, Panbroil, Panfry, Braise
- Boneless Sirloin Roast: Roast

OTHER CUTS

- Lamb for Stew: Braise, Cook in Liquid
- Cubes for Kabobs: Broil, Braise, BBQ
- Ground Lamb: Broil, Panbroil, Roast (Bake)

RIB

- Rack of Lamb: Roast, BBQ
- Frenched Rib Chop: Broil, Panbroil, Panfry, BBQ
- Rib Chop: Broil, Panbroil, Panfry, Roast, BBQ
- Rib Roast: Roast
- Crown Roast: Roast

LOIN

- Double Loin Chop: Broil, Panbroil, Panfry, BBQ
- Loin Roast: Roast
- Loin Chop: Broil, Panbroil, Panfry, BBQ

NUTRITION INFORMATION

	Amount per 100 g (3.5 oz) serving	% Daily Value*
Energy	100 kcal	20%
Protein	20 g	40%
Total Fat	10 g	20%
Total Carbohydrate	0 g	0%
Sodium	50 mg	10%
Total Cholesterol	100 mg	20%
Fiber	0 g	0%
Iron	2 mg	40%
Calcium	100 mg	20%
Phosphorus	100 mg	20%
Potassium	100 mg	20%
Zinc	10 mg	20%
Copper	0.5 mg	10%
Selenium	10 µg	20%
Vitamin A	100 IU	20%
Vitamin B1	0.5 mg	10%
Vitamin B2	0.5 mg	10%
Vitamin B3	5 mg	10%
Vitamin B6	0.5 mg	10%
Vitamin B12	0.5 µg	10%
Vitamin E	10 IU	20%

Lean, Tender, Mild - you've got great taste!

Alberta Lamb
Agriculture Centre
97 East Lake Ramp NE, Airdrie, Alberta, T4A 0C3
Tel: 403 948 8533 • Fax: 403 912 1455 • website: albertalamb.com

4. Information about marketing and selling

Title	Author
Business Plans for Dummies	Paul Tiffany, Steven D. Peterson, John B. Schulze
Guerrilla Marketing	Jay Conrad Levinson
The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything	Guy Kawasaki

A valuable online source of business and marketing information for both start-ups and growth opportunities is Alberta Agriculture and Rural Development's Biz Info at: www.agriculture.alberta.ca/bizinfo.

5. Advice from your buyers – have a marketing plan

Full text from the ALP June 2013 newsletter included on the next two pages.

Advice from Your Buyers—Have a Marketing Plan

Since 2012 the significant increase in expenses and the downward pressure on lamb prices globally have been felt acutely by producers all across North America. When margins are thin it's even more important for producers to have a strong marketing plan, to collaborate with buyers and to maximize returns by supplying the best carcass to meet the needs of their chosen market.

Producers are not the only ones feeling the pressure. Retailers and food service suppliers have to make tough choices when it comes to meeting demand—such as buying imported lamb, often at a lower price. However, that conflicts with the desire to support Alberta producers and meet consumer demand for specific types of local product. Price is not the only factor—but it affects every business's bottom line. Offering a consistent, high-quality supply of the type of lamb consumers want to purchase is essential to their business viability.

Creating a win/win/win marketplace for producers, suppliers and consumers is even more challenging when collaboration and communication break down.

While lamb consumption rates are still holding healthy in Alberta, especially in the food service and ethnic markets, that does not mean local producers are finding it easy to market their lamb. When business is difficult, every decision and every penny invested count. That is why Alberta producers are using every advantage they can. They are adopting innovative Precision Flock Management practices and taking advantage of new technology and management tools using Radio Frequency Identification (RFID) systems. Tools and information, such as the Flock Snapshot, SheepBytes and Terminal Sire research, were developed here to help with flock productivity and efficiency.

While these initiatives certainly help address the cost of production, producers also need to enhance their marketing skills by really understanding the consumer demands which drive buyers' preferences. This buyer-driven focus will help to create a more profitable "top line" which ultimately leads to a healthier bottom line.

"Lamb producers would benefit from thinking of themselves as growers of meat and food, not livestock," says Miles Kliner, General Manager of SunGold Specialty Meats in Innisfail. "When you make decisions as to how you make and grow what the consumer wants, you automatically adjust business practices."

SunGold provides federally inspected lamb to retail and food service clients across Canada, such as Canada Safeway, Real Canadian Superstore, Sobeys, Calgary and



Driview Farms, Fort Macleod

Federated Co-ops, Thrifty Foods in B.C., Sunterra Quality Food Markets, and Metro stores in Quebec. They also deliver fresh lamb to the food service sector country-wide.

The company is constantly on the lookout for animals that fit within their weight range, with the right kind of fat cover and finish. Those specifications are based on what their customers are asking for. If an animal comes in too heavy or fat, producers lose because of the extra feed wasted and the processing plant loses on rendering the trimmed fat. It costs the producer money to put the fat on the lamb and costs the processor money to take it off. Both the producer and buyer end up with less in their pocket, and the consumer buys less due to the higher price and lower quality product—a lose/lose/lose situation.

Kliner says producers need to appreciate what the end consumer wants—lamb cuts that are consistent in size (known as centre of plate), with a healthy meat to fat to bone ratio. They want the popular and distinctive taste and texture that Alberta grain-finished lambs provide. Kliner and other suppliers would love to provide their customers with all of the Alberta lamb they desire. "I think it's important to understand that there is a lot of support within the supply chain for Alberta lamb. It makes up a significant portion of our supply," he says. "We've never turned away Alberta lambs that meet our requirements but we do not have sufficient supply year round so we have to import from other provinces or outside the country to meet our store stocking commitments."

While producers and agriculture experts focus on the technical aspects of production, it's important to remem-

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ber that a quality end-product at a reasonable price is all that retail chains and their customers care about. “Frankly, the large retailers don’t care about supply-side challenges—they just need lamb ready to go all year round.” says Kliner. “They are devoting counter space to lamb and even though it is a very small percentage of the protein they sell, it is still very important.”

Warren Moore of Stavelly, who buys and sells Alberta lamb for a variety of retail suppliers, says in order for producers to hit the target weight range that retailers need, they must monitor lamb weights on an ongoing basis. “When there is a surplus of lambs, those animals that don’t meet the weight criteria are next to impossible to market. Poor planning and management often reduce the producer’s return.”

He adds that understanding and appreciating the retail supply chain process is also important. “Many producers don’t know all of the work we put in to connecting their products with the stores,” he says. “I pay a premium for the type of lambs I need. It’s difficult to compete with overseas imports. Producers want top money for their animals and retailers want to buy as cheaply as possible.”

So what’s the best way for producers to ensure their product will stay in demand? Moore says matching their product to the criteria of the buyers and consumers is essential for maintaining a viable market. “I make sure to work with a producer from both a product perspective and in terms of the operational requirements,” he says. “They need to grasp the sales process to be successful. My best suppliers understand their markets. They are also consistent and reliable. They have the exact numbers and weights of lambs they promised when I come to do a pick up. That is very important. Not delivering as promised breaks down trust in the supply chain, damages a producer’s reputation, and adversely affects processing and sales schedules.”

Gerrit van Hierden, a producer and direct marketer from Fort Macleod, adds that there are specific conditions he requires to make a successful sale. “For my clients, the lamb has to be grain fed for the last 30 days of its life and not have too much fat,” he says. “This is what gives it the mild flavour they prefer. Fresh water, not dug out slough water, is also important. That has a surprisingly big effect on flavour. The facilities have to be clean. We don’t want animals you have to haul out of the mud. It’s not good for them and impacts the quality of the final product.”

Van Hierden states a disconnect between some producers and the marketing process isn’t new. “At my first sheep meeting 30 years ago, I was told you’ve got to do things differently to match the market,” he says. “You

can’t just hope you’re doing the right thing or produce on your own schedule. You’ve got to get inside the heads of the market you are trying to attract. Convince them that you are a business person who is easy to work with, reliable and consistent. That strengthens the industry from gate to plate and ensures that Alberta is strong, stable and profitable.”

Lack of communication between buyers, producers and customers often creates mixed messages. The supposition and rumour result in lost opportunities and frustration. Many buyers find they are constantly dealing with persistent myths such as a concern that they purchase lambs from the U.S. to drive down local prices.

Not true, says Miles Kliner. Along with providing a solidly consistent product, a buyer’s role is to act as an educator and a liaison—working with the needs of people on both sides of the plate. “We are trying to work with producers to create a mutually-beneficial scenario.” He adds, “There are inherent historical differences between producer and processor, but if you want to know what customers are really saying about your lamb, ask your buyer for feedback and adjust your production accordingly. That will help producers be more profitable and will ensure Albertans get to enjoy more local, quality lamb.”

The key to creating more positive results in tough markets is to make decisions that support everyone involved. Lamb has been one of the most successful and profitable livestock for many years. Now that times are tougher, increased collaboration ‘from gate to plate’ is the key to creating a stronger market for everyone involved.



Driview Farms, Fort Macleod