Lamb: The Other Red Meat by Claire Marriott

Q. What will lamb on the plate look like in the future in the US and where will it come from?

The Current Picture

Unlike Australians, consumers in the United States (US) do not share our love of lamb. Sheepmeat is considered a small protein market (MLA, 2017), and consequently lamb remains an unfamiliar protein for approximately 40% of US consumers (MLA, 2019). For many who eat lamb, it is regarded as a seasonal food reserved for special occasions. In 2018, sheep meat consumption was less than 0.4kg per capita (Phelps et al., 2018), with this value predicted to remain steady in years to come (USDA, 2019).

Trends

Currently, sheep numbers in the US are extremely low. In 1945 there were approximately 56 million sheep nationwide (DelCurto, Murphy, & Moreaux, 2017). Since then numbers have declined to just 5.23 million in 2019 (USDA, 2019). A drastic decline in demand for lamb was seen in the years post-World War II (Jones, 2004) and the removal of the Wool Act in 1996 amplified the reduction in national flock size (American Sheep Industry Association, 2019). Furthermore, farmers with a knowledge and skillset of raising sheep are now limited, livestock predation from wildlife is an issue and show sheep appear completely removed from a commercial setting. Without the romantic 'cowboy' image, attracting young farmers to the US sheep industry is proving a major challenge. Subsequently, domestic lamb production has failed to satisfy the demand of an increasing population, which currently sits at 329.2 million (United States Census Bureau, 2020). Nowadays, imports account for 70% of US lamb and mutton supply (MLA, 2019). At present Australia and New Zealand hold a 75% and 23% share of lamb imports respectively, with this figure likely to grow in the coming years as the domestic flock continues to decline (MLA, 2019).

A commodity lamb in the US is traditionally a wool sheep that is harvested at an average live weight of 61.2kg (DelCurto et al., 2017). Alternatively, as the national wool sheep flock has declined, attempts to diversify sheep production have sparked interest in hair sheep (USDA, 2019). This is due to their high parasite resistance, multiple lambing potential, ease of maintenance and access to the expanding Hispanic market. The popularity of these "Easy-care" breeds may prove pivotal in the future direction of the US lamb industry. In previous years much of the consumption of lamb in the US has been driven by ethnic populations who consume lamb as a staple protein in their diet. In 2015 it was estimated that the Hispanic population of the US was 18% of the nation's total, with this proportion expected to rise to 29% by 2060 (United States Census Bureau, 2016). A promising avenue for the future demand of lamb as a protein.

Challenges and Opportunities

Typically US lamb consumers are well-established millennials that are adventurous and prefer to eat healthy, home-cooked meals (MLA, 2018). High quality cuts such as legs and loins are the preferred cuts of choice among this demographic (USDA, 2019) and coastal cities such as New York, San

Francisco, Los Angeles and Florida have recorded higher than average lamb consumption in recent years (MLA, 2020).

There are several factors constraining the growth of lamb consumption. Lamb is an unfamiliar protein source. It has been found that US consumers are i) not familiar with lamb ii) don't know how to cook lamb or iii) don't like the taste of lamb (MLA, 2017). The National Lamb Quality Audit (2015) found that eating satisfaction of lamb was most commonly associated with flavour. Lamb flavour may be altered by production practices and animal age, due to variations in lean and fat composition (Woerner, Hoffman, Tatum, & Belk, 2016). It has been suggested that as lambs age or are grain fed for extended periods of time, there is an increase in the concentration of branched-chain fatty acids resulting in undesirable "mutton-like" or off-flavours (Woerner et al., 2016). Current studies involve the use of Rapid Evaporative Ionization Mass Spectrometry (REIMS) to detect and sort lamb flavour intensities (American Sheep Industry Association, 2019). In the future, it may be possible to segregate lamb into unique flavour categories, improving marketing capabilities and consumer satisfaction. Consumers are required to pay more for lamb, thus the flavour profile of the meat must be consistent or improved so that consumers are repeatedly satisfied (Woerner et al., 2016).

Interestingly, Mahalitc, Phelps, Garmyn, Brooks, and Miller (2019) found that US consumers preferred domestically sourced lamb over Australian and New Zealand lamb when assessing tenderness, juiciness and flavour. However, if current consumption trends continue and domestic production fails to increase, it is likely that there will be a continued increase in demand for imported lamb to satisfy the demand of the growing US population.

The ability to market lamb has been a major constraint over the years. Spending on lamb advertising is small, equating to just 0.4% of the total value of US lamb consumed each year (Ghosh, 2016). In 2015 the American Lamb Board instigated the annual Lamb Jam Tour. The tour aims to showcase and expose consumers to the niche protein at cooking competitions across six major US cities. Consumers can sample and enjoy a unique gastronomical experience and hopefully dismiss some of the uncertainty associated with cooking and eating lamb.

The Future

At present, lamb has made the most progress in the fine dining sector of the food service industry. It was found that 58% of fine dining restaurants have lamb on the menu, which may influence more casual and quick service restaurants to follow suit, increasing consumer adoption (MLA, 2019). If this is the case, affordable lamb options such as kebabs, burgers and meat balls may become a convenient option for consumers with a rising disposable income. Globally, the US has the highest number of households earning a disposable income of greater than USD$35,000 per year (MLA, 2019). Furthermore, in 2018 food-away-from-home spending accounted for 54.4% of total food expenditure, or 5% of total disposable income (USDA, 2019). Thus emphasising the importance of targeting the affordable foodservice industry for gaining exposure to a large portion of consumers.

Similarly, opportunities to increase consumption within the US retail market may exist in the ready-made meal sector, which is currently expanding at a rate of 6.7% each year (MLA, 2018). This may prove to be a valuable avenue for people to try unfamiliar proteins such as lamb, without prior knowledge of cooking methods. The high price of lamb relative to other protein sources, such as pork and poultry, is also detrimental to its success in the US (USDA, 2019). Hence, the ability to utilise some

lower quality cuts at a lesser price may provide an opportunity to establish a nutritious yet affordable meal without the barriers associated with cooking.

High quality lamb cuts such as legs and loins will continue to occupy a large portion of the market share in coming years. In the long term, these high value products may be sorted according to flavour attributes in a bid to improve consumer satisfaction. In addition to this, increasing utilisation of affordable, lesser quality cuts may provide a niche market in food service and ready-made meal sectors. Ethnic groups and receptive millennials with an increasing disposable income appear to be the demographics with the greatest potential for increasing consumption. Furthermore, trends suggest that the national flock will continue to decline whilst the US population expands. Thus, it is likely that the US will rely more-heavily on imports, meaning a greater proportion of lamb on the plate will originate from Australia and New Zealand in coming years.

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