Protect Lamb Supply

MEDIA BACKGROUNDER · US LAMB MEAT SAFEGUARD INVESTIGATION (TA-201-80)

Drought, a shrinking flock and the US lamb safeguard case

U.S. International Trade Commission injury hearing, Friday, October 16, 2026

At a glance

- The U.S. International Trade Commission holds its public injury hearing in the lamb meat global safeguard investigation on Friday, October 16, from 9:30am in Washington [Federal Register notice, p. 2; USITC hearing calendar].
- Economic analysis filed with the Commission by Georgetown University Professor of Economics Rodney Ludema and Rutgers University Professor of Economics Thomas Prusa finds **drought accounts for 73.1% of the movement in US wholesale lamb prices**; imports, less than 2% (1.8%) [Ludema–Prusa analysis, p. 93].
- Over the five years under investigation, **American ranchers endured one of the worst droughts in living memory**, capping off a long period of decline. For every eight sheep in America's flock 50 years ago, just three remain today [USDA NASS, January 1976, p. 1; USDA NASS, January 2026, p. 1].
- **US lamb prices rose.** US producers' average shipment value went from $5.95 a pound in 2021 to $6.79 in 2025, and reached $9.33 in the first half of 2026, up from $6.97 a year earlier [MLA/TFI brief, p. 102].
- **Imports filled the gap left by a shrinking flock, and grew more slowly than in the decade before**: 14.7% over 2021–25, about 3.5% a year, against 4.4% a year in 2010–20 [MLA/TFI brief, p. 32; Australian Government brief, p. 8].
- Most US producers, importers and purchasers told the Commission that **US and imported lamb are only sometimes or never interchangeable** [ITC staff report, p. 245, Table 5.21].
- Of the 49 US producers that answered the Commission, 31 reported no injury from imports [MLA/TFI brief, p. 12].
- Australian supply is tightening: **lamb exports to the US fell 12.1%** in January–September 2026 [MLA/TFI brief, p. 118].

Hearing day

Friday, October 16, 2026, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Arrive by 9:00am for security with a REAL ID-compliant license or a passport [USITC hearing calendar]. To watch online, use the official WebEx webinar on the USITC hearing calendar. The hearing has no fixed finish and may run into the evening.

Media contact: media@protectlambsupply.org · protectlambsupply.org

The case: drought, a shrinking flock and a supply gap

Drought hit the flock hard

Whether you're a rancher in the United States or a grazier in Australia, rearing sheep is a hard business, and particularly when drought hits. **Over the five years under investigation, American ranchers endured one of the worst droughts in living memory.** All of California was in drought from May 11 to December 2021, and at the December 2021 peak, 94.6% of the 11 western states was in drought [U.S. Drought Monitor; NOAA NCEI].

Rangelands dried up, and were replaced by costly feedstock. Flocks thinned. Breeding ewes were lost to forced culls, and every cull makes rebuilding the flock harder [MLA/TFI brief, pp. 32–34; Australian Government brief, p. 17]. Cattle ranchers lived through the same drought: USDA ties 2022 cow culling to it, and the US beef cow herd is now the smallest since 1961 [USDA ERS, February 2023, p. 3; USDA ERS, February 2026, p. 2].

America's flock shrank by 145,000 head of sheep between January 2021 and January 2025, capping off a long period of decline [ITC staff report, p. 82, Table 3.1]. **For every eight sheep in America's flock 50 years ago, just three sheep remain today**: 13.3 million head in 1976, 4.99 million in 2026 [USDA NASS, January 1976, p. 1; USDA NASS, January 2026, p. 1].

Economic analysis filed with the Commission by Georgetown University Professor of Economics Rodney Ludema and Rutgers Professor of Economics Thomas Prusa finds **drought accounts for 73.1% of the movement in US wholesale lamb prices**; imports, less than 2% (1.8%). A reduced supply of animals fed on costly feedstock during these drought years drove lamb prices higher, and **those impacts flowed right through the supply chain** [Ludema–Prusa analysis, p. 93; MLA/TFI brief, p. 102].

Drought is central to the lamb supply chain, and yet it is almost entirely absent from the Commission staff's written analysis. **In the 395-page staff report, the word drought appears once** [ITC staff report, p. 42, the only instance].

Prices rose, and imports filled the gap

US lamb prices went up through the period under investigation. US producers' average shipment value rose from $5.95 a pound in 2021 to $6.79 in 2025, and from $6.97 to $9.33 between the first halves of 2025 and 2026 [MLA/TFI brief, p. 102].

Imports rose only modestly. Imports rose 14.7% over 2021–25, about 3.5% a year, slower than the 4.4% a year of 2010–20 [MLA/TFI brief, p. 32; Australian Government brief, p. 8]. Imports supplied 78.9% of US consumption in 2025, up from 72.4% in 2021, because the US flock can't meet demand [ITC staff report, pp. 18, 283; MLA/TFI brief, p. 13]. **Imported lamb is counter-seasonal, it complements domestic production, helping keep lamb on shelves and menus year-round.**

Australia sent a smaller share of its lamb to the US. Australian lamb exports to the US grew 7% by volume over 2021–25, while Australia's lamb exports to all markets grew 37% [ITC staff report, p. 186].

Most market participants say US & imported lamb are not substitutable

Most US producers (7 of 10), importers (13 of 15) and purchasers (8 of 13) told the Commission **US and imported lamb are only sometimes or never interchangeable** [ITC staff report, p. 245, Table 5.21]. **Most imports arrive frozen:** 51.4% of importers' US shipments in 2025 [ITC staff report, p. 62, Table 2.3]. **More than 80% of large US producers' shipments are fresh or chilled** [ITC staff report, p. 111] and generally produce different cuts and specifications.

Steady supply made for stronger processors

MLA and Thomas Foods' brief, drawing on Commission questionnaire data, finds **processors that use at least some imported lamb were consistently more profitable than those relying only on US lamb, because steady supply kept labor and other factory costs a smaller share of their costs,** not because imported lamb was cheaper [MLA/TFI brief, pp. 65–69].

What US producers told the Commission

Of the 49 US producers that responded to the Commission's questionnaire, 31 reported no injury from imports, and 31 took no position on relief [MLA/TFI brief, p. 12].

Australia′s supply is falling

US ranchers have been through drought and reduced supply. Australian graziers have been going through the same: for the past three years, drought conditions have dominated southern sheep regions [MLA/TFI brief, p. 115]. **Australian exports to the US have fallen 12% this year**, down 12.1% in January–September 2026, with **monthly falls of 37.8–53.6% after the investigation period** [MLA/TFI brief, pp. 117–118].

Where Protect Lamb Supply stands

A reliable supply of lamb supports American factories, farms and families. Thousands of American businesses and tens of thousands of American jobs depend on a reliable supply of lamb being available year-round.

Drought and other factors mean any restrictions on imported lamb would see Americans eat less lamb overall, because it would be harder to source, more expensive and less competitive than other proteins.

The best measure is one that protects supply and grows demand for lamb, so more Americans eat more lamb, more often.

We respect the ITC’s process and will engage constructively and in good faith to put our case forward. We look forward to working with U.S. industry, the ITC, and the administration toward an outcome that protects supply, builds demand and grows appetite for lamb.

What the Commission must decide

This is an injury investigation. **The Commission must decide whether lamb meat is being imported in such increased quantities as to be a substantial cause of serious injury, or the threat of serious injury, to the US industry** [19 U.S.C. 2252(b)(1)(A); Federal Register notice, p. 1]. The product under investigation is lamb meat; **live lambs and sheep, and mutton, are outside its scope** [Federal Register notice, p. 2].

Serious injury means a significant overall impairment in the position of the domestic industry. Threat of serious injury means serious injury that is clearly imminent. The Commission can find either, or neither [19 U.S.C. 2252(c)(6)(C)–(D)].

Imports must also be a substantial cause: a cause that is important and not less than any other cause [19 U.S.C. 2252(b)(1)(B)]. That is why drought matters. **The Commission has to weigh imports against every other cause, including drought and the flock's long decline.** Lamb meat is not like quartz countertops or home appliances, the products in the Commission's 2026 quartz and

2017 washing machine safeguard cases [USTR notice, quartz 2026, p. 1; USTR notice, washers 2017, p. 1].

How the Commission weighs evidence

The Commission's analysis rests mainly on detailed confidential questionnaire responses it collects across the supply chain (producers, importers, purchasers, foreign producers), including financial and business-sensitive data provided under protective order, supplemented by official import statistics. **Surveys and other material filed by the parties are part of the record, but they are not the Commission's own data** [ITC staff report, p. 17; Federal Register notice, p. 2].

The road to a decision

Investigation launches	**Jul 13, 2026**	USTR asks the Commission to investigate lamb meat imports [Federal Register notice, p. 1]
	Jul 14–20	Draft questionnaires placed on EDIS for party comment; comments due July 20 [ITC staff report, p. 17, n. 17]
	Oct 2	Commission staff's prehearing report, the 395-page public version [ITC staff report, EDIS record, cover dated October 1]
ITC Injury phase	**Oct 16**	***Current Stage:* Public injury hearing in Washington.**
	By Nov 13	Commission's injury determination [Federal Register notice, p. 1]
ITC Remedy phase	**Dec 1–Jan 11, 2027**	Remedy hearing, held only if the finding is affirmative or the Commission is evenly divided [Federal Register notice, p. 2]
ITC Report	**By Jan 11, 2027**	Commission's report goes to the President whatever the finding, with any remedy recommendation [Federal Register notice, p. 1; 19 U.S.C. 2252(f)(1)]
President considers	**Jan–Feb 2027 *(indicative)***	USTR's Trade Policy Staff Committee may seek comments and usually holds a hearing on any remedy; it scheduled a hearing in each of four recent cases. [USTR notice, quartz 2026, pp. 1–2; 15 CFR 2003.1]
	Normally within 60 days of the report	The President decides what action, if any, to take: about mid-March 2027 if the report arrives on January 11. If the President asks for a supplemental report, the deadline becomes 30 days after it arrives [19 U.S.C. 2253(a)(4)–(5)]

Before the President decides, an interagency committee chaired by USTR must recommend what to do [19 U.S.C. 2253(a)(1)(C)].

In four recent safeguards investigation cases, USTR, on behalf of its Trade Policy Staff Committee, also invited written comments and scheduled a public hearing **about a remedy's effects on the domestic industry and other domestic industries**, and **on downstream consumers as well, and whether it would be in the public interest** [USTR notice, solar 2017, pp. 1–2; USTR notice, washers 2017, pp. 1–2; USTR notice, polyester fiber 2024, pp. 1–2; USTR notice, quartz 2026, pp. 1–2].

In deciding, the President must take into account factors including the Commission's report and recommendation, the industry's own adjustment efforts, the short- and long-term economic and social costs and benefits of a remedy, the effect on consumers and on competition in domestic markets, and the national economic interest [19 U.S.C. 2253(a)(2)].

Hearing day: Friday, October 16

The hearing is in the Main Hearing Room of the U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. In-person observers should arrive by 9:00am to clear security, with a REAL ID-compliant license or a passport [USITC hearing calendar].

It is also streamed as a public WebEx webinar. The join link, webinar number and password are on the USITC hearing calendar page.

There is no fixed finish. The Commissioners' questioning has no time limit, so the hearing can run into the evening. All times below are estimates. The Commission may also close part of the hearing to discuss confidential information, and nothing from a closed session can be described [19 CFR 201.13(m)(2)].

Washington (ET)	Session (all times estimated)
9:00–9:30am	Witnesses sworn in
9:30am	Commission opens the public hearing
~9:35am	Government witnesses, including Ambassador Moriarty
~10:00–10:10am	Opening statements, 5 minutes for each side
~10:15–11:15am	Testimony from ASI and its supporters (60 minutes)
~11:15am–1:30pm	Commissioners' questions to that panel (no time limit)
~1:30–2:00pm	Lunch break
~2:00–3:00pm	Respondents' testimony, including the Australian witnesses (60 minutes)
3:00pm–*TBD*	Commissioners' questions to the respondents' panel (no time limit)
TBD	Closing statements, 5 minutes for each side

Who is appearing for Australia

These are requested witnesses. The Commission had not posted a witness list when this was checked on October 14 [USITC hearing calendar; USITC investigation page].

The Government of Australia is a party. Ambassador Greg Moriarty makes its statement, and DFAT's Dene Yeaman and Ben Greig also appear [DFAT request to appear, p. 1]. Its brief argues the rise in imports is modest and points to flock decline, drought and COVID-19 [Australian Government brief, pp. 8, 16–18].

Greg Moriarty AO, Ambassador of Australia to the United States. When the Government announced his appointment in January 2026 he was Secretary of the Department of Defence, a post he had held since 2017, and had led the department's work with US and UK counterparts on AUKUS. He was earlier Ambassador to Indonesia (2010–14) and to Iran (2005–08), Australia's inaugural Counter Terrorism Coordinator (2015), and international and national security adviser, then chief of staff, to Prime Minister Malcolm Turnbull. He served in the headquarters of US Central Command in the Persian Gulf during Operations Desert Shield and Desert Storm [PM and Foreign Minister release].

Tim Ryan, Chief Executive Officer, Australian Meat Industry Council [AMIC]. AMIC is the peak industry body for Australia's meat industry, from processors and smallgoods manufacturers to wholesalers, distributors, independent retail butchers and exporters [MLA release, July 15, 2026].

Bonnie Skinner, Chief Executive Officer, Sheep Producers Australia, the national peak body for Australia's 20,000 sheep meat producers [MLA release, July 15, 2026]. She joined SPA in 2018 after roles in animal health and biosecurity in the private and not-for-profit sectors, and was appointed chief executive in 2022 [SPA staff page].

Paul da Silva, Regional Manager – North America, International Markets, Meat & Livestock Australia, based at MLA's office in Washington, DC [MLA contacts]. He has spoken for MLA on the safeguard investigation since it began in July [MLA release, July 15, 2026].

Dr. Rodney Ludema, Professor of Economics at Georgetown University, with a joint appointment in the School of Foreign Service; chair of the Economics Department and director of the Landegger Program in International Business Diplomacy. He was Chief Economist of the US Department of State from 2014 to 2016 and Senior International Economist at the White House Council of Economic Advisers in 2012–13. His research covers the political economy of trade policy, trade agreements, and GATT rules and dispute settlement [Georgetown profile]. He was a visiting scholar at the US International Trade Commission in 2001–02 and an associate editor of the *Journal of International Economics* from 2004 to 2021, and holds a PhD in economics from Columbia University (1990) [Georgetown CV].

Dr. Thomas J. Prusa, Professor of Economics at Rutgers University, specializing in international trade and trade policy, with a PhD from Stanford University (1988). He has given expert testimony before the US International Trade Commission on many occasions, and co-wrote *Dumping and Antidumping Trade Protection* (2019) [Rutgers profile]. He joined Rutgers in 1995 from SUNY Stony Brook, chaired its economics department, and has been a visiting professor at Princeton and Columbia. He was a research associate of the National Bureau of Economic Research from 1998 to 2018, has consulted for the World Bank, and is an associate editor of the *Journal of World Trade* [Prusa CV].

Tony (Anthony) Catelli Jr, President and Chief Executive Officer, Catelli Brothers, Inc. [MLA/TFI request to appear, p. 2]. The Collingswood, New Jersey, business processes both domestic and imported lamb, and grew from the veal and lamb wholesale company Anthony Catelli Sr founded in 1946 [Catelli Brothers].

Also requested for the Australian side

- Michael Forrest, Chief Executive Officer, Thomas Foods International USA [MLA/TFI request to appear, p. 2]
- James Dougan, ION Economics [MLA/TFI request to appear, p. 2]
- Rebecca Tuzel, ION Economics [MLA/TFI request to appear, p. 2]
- Dene Yeaman, Assistant Secretary, Trade Law and Investment Branch, DFAT [DFAT request to appear, p. 1]
- Ben Greig, Acting Assistant Secretary, Goods and Industrial Policy Branch, DFAT [DFAT request to appear, p. 1]

Seeking relief are the American Sheep Industry Association with Superior Farms, Gunthorp Farms and others; Protect American Lamb and Cowboy Meat; and R-CALF USA [ASI request to appear, pp. 1–2; PAL/Cowboy Meat request to appear, p. 1; R-CALF request to appear, p. 1].

Questions you may have

Is this a dumping case?

No. It is a global safeguard investigation under Section 201 of the Trade Act of 1974, requested by USTR. It covers lamb meat from every country, and nobody alleges dumping or subsidies.

The question is whether increased imports are a substantial cause of serious injury, or threat of it, to the US industry [Federal Register notice, p. 1; MLA/TFI brief, p. 12; 19 U.S.C. 2252(b)(1)].

Isn't underselling the same as dumping?

No. Underselling means an imported product sold for less than a comparable US product in a quarterly price comparison [ITC staff report, p. 252]. It is not dumping, which is a separate legal finding nobody has alleged here, and it is not a finding of injury: the Commission still has to decide what caused the industry's condition. US prices rose through the period [MLA/TFI brief, p. 102].

Price gaps also tell you less when the products differ. Most imports arrive frozen, most US lamb is sold fresh or chilled, and most market participants told the Commission the two are only sometimes or never interchangeable [ITC staff report, pp. 62, 111, 245].

Who counts as the domestic industry?

The Commission's lamb meat supply chain investigation starts at the slaughterhouse, not the farm gate. Its scope and questionnaires cover firms that slaughter, break or package lamb, and exclude firms that only grow live lambs [Federal Register notice, p. 2; MLA/TFI brief, pp. 25–26].

At the draft-questionnaire stage (comments due July 20, 2026), no party requested data for other like products, and the American Sheep Industry Association did not request data for live lamb production [MLA/TFI brief, pp. 25–26].

When the Commission counted growers and feeders in the industry in the 1999 lamb case, the WTO Appellate Body found in 2001 that the US safeguard was inconsistent with WTO rules, partly for that reason [WTO dispute DS177].

What happens next if the Commission finds injury?

If it finds serious injury or threat, or is evenly divided, it holds a remedy hearing on December 1 and recommends a remedy in its report to the President, due by January 11, 2027 [Federal Register notice, pp. 1–2].

Options include a higher duty, a tariff-rate quota, a quantitative restriction, adjustment measures or a combination [19 U.S.C. 2252(e)(2)].

USTR's Trade Policy Staff Committee may invite public comments and schedule a hearing, as it did in four recent cases, and the President then decides whether to act, normally within 60 days of the report.

The President can accept the ITC’s recommended remedy, or implement an alternative set of remedies, or take no action [USTR notice, quartz 2026, pp. 1–2; 19 U.S.C. 2253(a)(4)–(5)].

Media contact: media@protectlambsupply.org · protectlambsupply.org

Bracketed source names link to the public documents. Documents on the ITC's EDIS docket need a free EDIS account, which you can create with Login.gov.