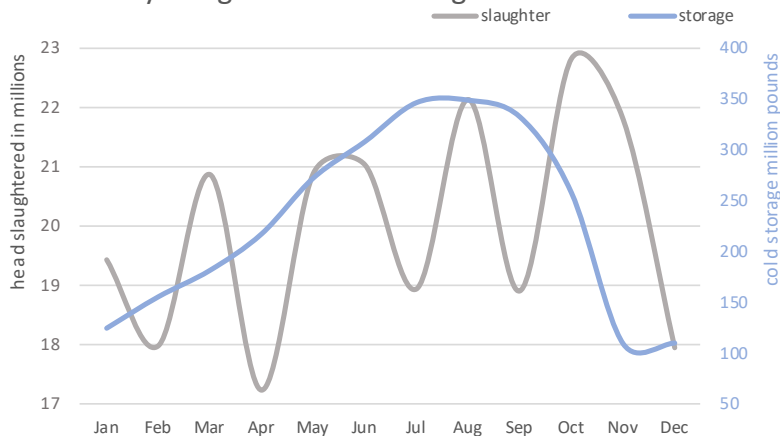


Thanksgiving Turkey Marketing

Each year, long before the start of school, football and the turning of the leaves (and even before pumpkin latte's show up in coffee shops), preparations for the Thanksgiving marketing season are well underway. While August may seem like the "dog days" to most of us, it is a very active month for turkey processors. Ironically, with the heat of August, production of whole birds for frozen Thanksgiving marketing begins in earnest. By September, frozen production slows and the focus shifts to fresh whole birds, a trend continuing into October. With the August production ramp up, cold storage stocks of frozen whole turkeys build as product is staged for movement into marketing channels to fill purchase commitments, slowly at first in September before accelerating into November as turkey ads start to break in store circulars. For the first two weeks of November, retailers fill their ads with frozen whole bird offerings, adjusting their offers from week to week depending on consumer response, competition, or from pre-planned marketing strategies. A week ahead of the holiday, advertising focus shifts to fresh birds. This graph of 2017 data demonstrates the typical production and marketing rhythm where production tapers off ahead of cold storage clearance.

2017 Turkey Slaughter v. Cold Storage



Inventory of frozen whole turkeys in 2018 through July have generally followed seasonal patterns but are currently 5 percent below July 2017 levels. Most of this drop was in stocks of hens, down 12 percent from June. While stocks of toms in July were up 6 percent over 2017, marking the narrowest monthly difference between 2018 and 2017 as tom stocks have steadily declined month-to-month from January when they were 47 percent over the prior year, resulting from a large carryover of toms following a 21 percent decline in numbers marketed at Christmas 2017. The decline in tom stocks in July occurred despite a 4 percent increase in toms slaughtered in July, an indication that tom stocks

are slowly clearing. In August, overall numbers of turkeys slaughtered declined 2 percent, led by a 2 percent decline in toms. Both toms and hens slaughtered in August were down 12 percent from 2017. The split between hens and toms, which had been running about 60/40 in favor of toms, shifted to a 56/44 split in August, continuing a trend seen over the past two years with the tom/hen split in August at 58/42 in 2017 and at 59/41 in 2016. This would seem to indicate that processors are adjusting to increasing consumer demand for smaller whole birds for the holidays as evidenced by the decline in tom marketings during Christmas 2017.

During the 2017 Thanksgiving marketing period, supermarket marketings of whole body turkeys increased one percent from 2017, largely due to a 4 percent increase in marketings of fresh hens. The market for whole turkeys at Thanksgiving has been evolving in recent years as heavy toms gradually fall out of favor and replaced by hens, a better fit for less traditional, smaller family gatherings. At the same time, the production of turkeys raised without antibiotics (ABF) and in those grown organically has seen rapid growth in recent years, particularly as producers quickly master the science of raising turkeys free from antibiotics. Hens, with a shorter growth cycle than toms, are a better fit for ABF production, a favorable synergy as consumer demand for lighter birds and for those raised without antibiotics rises. During Thanksgiving 2017, ABF turkeys increased their marketing share by 5 percentage points (13 percent share) from 2016 while marketings of organic birds grew by one percent (4 percent share). During Easter 2018, ABF turkeys had a 14 percent share of whole turkey marketings. Production of ABF turkeys is quickly gaining, up an estimated 30 percent through the first three quarters of the year compared to 2017. At this rate, the share of antibiotic turkeys produced in 2018 is estimated to increase by 3 percent. Production of organic turkeys has also been increasing but to a much lesser extent.

Information for this report is derived from data reported in the [Annual Supermarket Featuring for Thanksgiving](#) reports and from data reported by USDA Market News and by the National Agricultural Statistics Service.

