The Economic Landscape

A monthly publication of the USDA AMS, Livestock and Poultry, Agricultural Analytics Division

Volume 06-18

June 2018

EGGS

Production

April table egg production totaled 637 million dozen, up 1 percent from April 2017. On May 1, the number of birds in the table egg flock was 322 million, up 2 percent compared to a year earlier. Egg-type hatching egg production was 79.6 million eggs, up 2 percent from a year earlier. There were 1.06 billion broiler-type hatching eggs produced in April, up 2 percent from last year.

The broiler-type laying flock on May 1 was 59.3 million hens, 4 percent above May 2017. Shell eggs broken totaled 192 million dozen during April, up 5 percent from April a year ago and up 3 percent from the 187 million broken in March. Pullets for all egg-types added to flocks in April were unchanged year-over-year.

Price

Egg prices continued the decline they started in April through mid-May. The price of one dozen Large Grade A eggs in the New York wholesale market began the month at 113 cents/dozen and fell daily until mid-month, reaching 92 cents/dozen before stabilizing. They remained at that price until month's end. Breaking stock prices followed a similar pattern. Prices began May at 75 cents/dozen and fell to 65 cents/dozen by mid-month, recovering a penny after about a week, and closing May at 66 cents/dozen.

International Trade

Exports of shell eggs in April totaled 15.6 million dozen with an value of $37.0 million. Exports in April were up 18 percent in volume and unchanged in value compared with March, and up 13 percent in volume and 23 percent in value compared with 2017. Through April, shell egg exports were up 4 percent in volume and 14 percent in value compared with 2017.

Egg products exports in April were valued at $12.4 million, up 1 percent from March and up 7 percent from last April. For the first four months of 2018, egg products exports were up 11 percent year-over-year. Mexico, Canada, Japan, Hong Kong, and Jamaica were the five largest importers of U.S. eggs and egg products in April.

TURKEY

Production

Turkey production in April totaled 478 million pounds on a on a ready-to-cook basis. Daily production was up 5 percent both month-over-month and year-over-year. All of the increase was due to increases in the number of birds slaughtered as dressed weights were unchanged. Production increases in the next few months should be modest at best. In April, poult placements were 1 percent above April 2017 placements, the first monthly year-over-year increase since last November. Eggs in incubators on May 1 were down 1 percent from last year.

Turkey inventories on April 30 continued to show declines compared with levels one year earlier. Total stocks were 5 percent above April 2017 levels, the smallest year-over-year increase since May 2016. Whole turkey stocks were up 14 percent, with whole toms up 23 percent and whole hens up 6 percent. White meat holdings were down 3 percent, the first year-over-year decline since June 2015. Dark meat stocks were down 8 percent.

Price

Wholesale turkey prices were virtually unchanged across the board in May. Frozen whole hen prices were up 1 percent to 79 cents/lb., while frozen whole toms were down 1 percent to 78 cents/lb. Boneless/skinless (B/S) breast meat was down 1 percent to 184 cents/lb., B/S thigh meat was down 1 percent to 129 cents/lb. and tom drumsticks were down 1 percent to 62 cents/lb.

International Trade

The United States exported 23 thousand metric tons of turkey products in April values at $52 million. This represents a drop of 8 percent in volume and 7 percent in value compared with March, but an increase of 18 percent in both volume and value compared with April 2017. For the first four months of 2018, exports of turkey were up 16 percent in volume and 18 percent in value compared with the same period of 2017. The top five destinations for exports of turkey in April were Mexico, Japan, the Dominican Republic, Canada, and Peru.

CHICKEN

Production

The United States produced 3.46 billion pounds of chicken on a on a ready-to-cook basis in April. Daily production was up 4 percent compared with March and up 2 percent compared with April 2017. Average dressed weights in April were up about 1 percent both month-over-month and year-over-year. In the next several weeks, production should continue to increase modestly. For the four weeks ending June 2, eggs set in incubators were up 4 percent and chicks placed were up 2 percent compared with the same period in 2017.

Total holdings of chicken in cold storage on April 30 were down less than 1 percent from the end of March and 9 percent above the total at the end of April 2017. Whole broiler stocks declined, down 9 percent compared with March and down 35 percent compared with 2017. Breast meat holdings were also down, but only slightly:1 percent from March and 3 percent from last April. Total dark meat stocks were up 3 percent month-over-month, but down 11 percent year-over-year. Leg quarter holdings were up 4 percent compared with March but down 22 percent compared with 2017. Supplies of thighs and thigh meat were unchanged from March, but up 21 percent from last April. Wing stocks rose 5 percent month-over-month and 16 percent year-over-year.

Price

Prices for whole broilers were up strongly in May, but parts prices were mixed. The national composite price for whole broilers rose 10 percent during the month and closed at 120 cents/lb. Breast meat prices diverged, with the price of boneless/skinless (B/S) breast meat falling 9 percent to 120 cents/lb. and the price of Grade A bone-in breasts rising 1 percent to 134 cents/lb. Dark meat prices were steady to down slightly. Leg quarter prices fell 4 percent to end May at 34 cents/lb., while B/S thigh meat and drumsticks were unchanged at 116 cents/lb. and 43 cents/lb., respectively. Wing prices also fell, dropping 8 percent to 134 cents/lb., their lowest level since May 2014.

International Trade

U.S. exports of chicken products in April totaled 264 thousand metric tons valued at $284 million. This was 4 percent below March in volume, but unchanged in value. Compared with April 2017, exports were up 13 percent in volume and 18 percent in value. For the first four months of the year, exports were up 3 percent in volume and 13 percent in value compared with the same period in 2017. In April, our five largest export destinations for chicken were Mexico, Canada, Taiwan, Angola, and Hong Kong.

BEEF/VEAL

Production

In April, 2.12 billion pounds of beef were produced, 8 percent above April 2017 and down 4 percent from March 2018 production. Cattle slaughter totaled 2.64 million head, 7 percent above 2017 but 2 percent lower monthly. The average live weight was up 9 pounds year-over-year, at 1,334 pounds. Total January to April 2018 commercial beef production added 4 percent more product than the same period last year. April veal production was 4 percent higher year-over-year, and steady with March at 6.1 million pounds. 42,800 head of calves were slaughtered in April, up 10 percent yearly and down 2 percent monthly. The average live weight was down 12 pounds from last year, at 245 pounds. First-quarter veal production was up 1 percent from last year. Total beef holdings in cold storage gained 2 percent from the month before and 3 percent from April 2017. Boneless beef stocks were 2 percent higher month-over-month and 5 percent higher year-over-year. Inventories of beef cuts lost 3 percent compared with March and fell 14 percent compared with last April. Veal supplies in cold storage were down 4 percent compared with March but up 30 percent compared with April 2017.

Price

Live cattle prices (FOB, steers and heifers) steadily lost ground through May, closing at a new 2018 low of $110 per cwt, down $13 for the month and 19 percent below last year. The beef cutout value increased through the middle of May but declined in the second half. It ended with a net gain of $9 more than April, or $228 per cwt, 7 percent under 2017. The 90 percent lean boneless beef price rose $4 through May to $222 per cwt, still lower than 2017 by 3 percent. The 50 percent lean trim price shed $15 through May, ending at $80 per cwt, 51 percent beneath the record highs of a year ago. Non packer-owned veal carcasses again held steady at $309 per cwt, while packer-owned veal carcasses were down by $4, to $305 per cwt, both 1 percent above 2017. The veal cutout average held at $420 per cwt for the fourth consecutive month, 3 percent below last year's value.

International Trade

Compared to April 2017, beef and veal exports (including variety meats) increased 11 percent to 111 thousand MT, and the export value rose 23 percent to $677 million. The export volume and value were down 1 and 2 percent, respectively, from March. Cumulative beef exports were higher in volume by 10 percent relative to 2017, and value was 20 percent higher. Japan, South Korea and Mexico were our largest export markets in April. Year-over-year beef import volumes were down 6 percent to 83 thousand MT, but up 5 percent in value to $464 million. Compared to March, beef imports and value were both down 8 percent. Year-to-date beef and veal imports and import values were up 1 and 14 percent, respectively from last year. Canada, Australia and New Zealand were the largest sources of imported beef to the U.S.

PORK

Production

April saw another record high for pork production for the month, totaling 2.14 billion pounds in April, 8 percent over 2017 and 7 percent lower than March output. Hog slaughter totaled 9.99 million head, up 7 percent from April 2017 and down 7 percent from March. The average live weight added 2 pounds on a yearly basis, to 287 pounds. Accumulated pork production for 2018 was 5 percent higher year-over-year.

Cold storage holdings of pork at the end of April increased 5 percent from March, and were up 9 percent from last April. Belly stocks grew 9 percent above March and 93 percent over April a year ago. Picnic inventories fell 11 percent monthly but rose 40 percent yearly. Ham inventories were 17 percent higher than in March, and were slightly higher than April 2017. Rib holdings were up 1 percent month-over-month and 6 percent year-over-year. Loin supplies added 2 percent to March supplies, but lost 6 percent from the inventory last April. Pork trimmings gained 2 percent monthly and 42 percent yearly.

Price

The negotiated carcass price for barrows and gilts steadily added a total of $10 to close May at $68 per cwt, 7 percent below 2017. The pork cutout value gained $8, rising to $77 per cwt, down 16 percent from last May. Trimmed, bone-in hams, 23-27 pounds fell in the first half of the month, but shot up in the second half to $62 per cwt, but 6 percent lower yearly. Picnic meat combos, cushion out prices added $10 to close at $78 per cwt, 10 percent below 2017. Pork trim, 72 percent lean fell $3 to $60 per cwt, 29 percent behind last year. Pork belly primals began the usual seasonal climb, ending up $32 to $118 per cwt, 20 percent under 2017.

International Trade

Pork exports in April (including variety meats) were 13 percent higher than in 2017 at 225 thousand MT, and the value was up 11 percent to $551 million. Pork export volume added 1 percent from March while the value was down 4 percent. For 2018 so far, pork exports are up from 2017 by 4 percent in volume and 7 percent in value. The largest overseas markets for U.S. pork were Japan, South Korea and Mexico. Compared to 2017, April pork import volumes rose 3 percent to 43 thousand MT, with values up slightly at $147 million. The volume of pork imports fell slightly from March, but the value was 1 percent higher. Year-to-date pork import volume and value are higher than 2017 by 5 and 3 percent, respectively. The countries of Canada, Poland and Denmark imported the largest volumes of pork to the U.S.

LAMB

Production

April lamb and mutton production, at 12.4 million pounds, was up 8 percent from 2017, and down 13 percent from this March. Sheep slaughter was 181,000 head, 1 percent above last year and down 10 percent monthly. The average live weight was 137 pounds, up 9 pounds from a year ago. Total 2018 commercial lamb and mutton production was 4 percent higher than 2017. Stocks of lamb and mutton were 19 percent higher on both a monthly and a yearly basis.

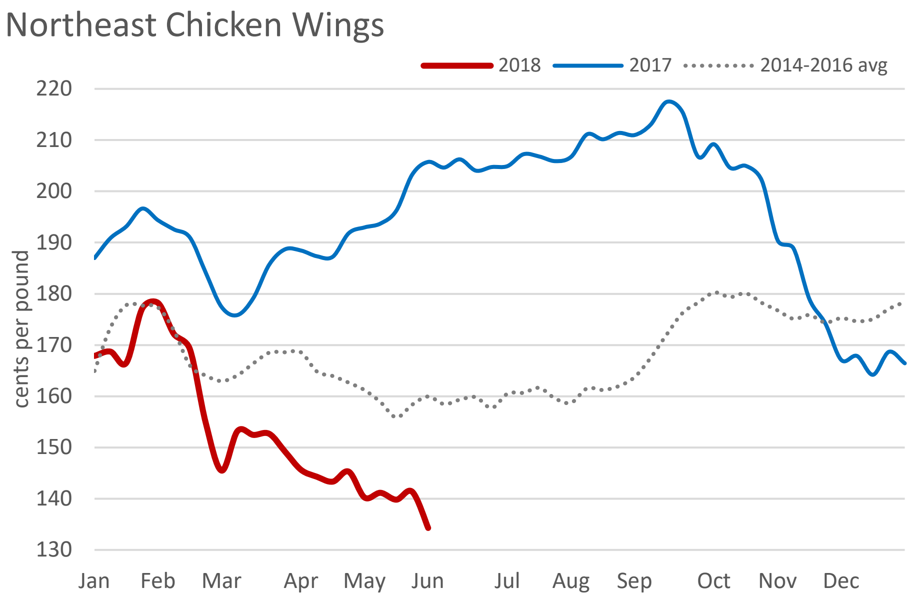
Price

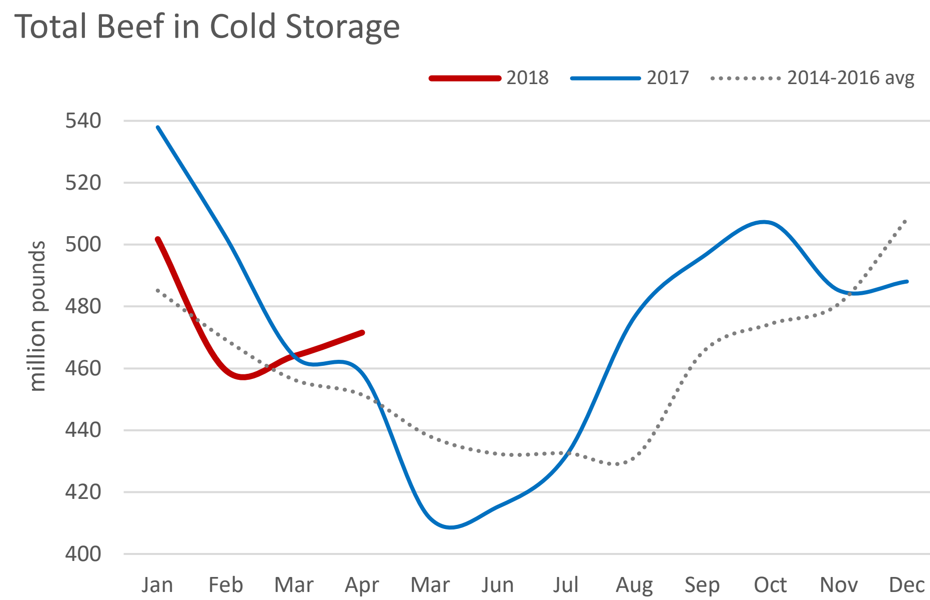
Negotiated live slaughter lamb prices jumped $14 near the end of May to $163 per cwt, 11 percent below 2017. The lamb cutout value had a net loss of $1 at $374, closing the month down 11 percent yearly. Leg of lamb, trotter-off values lost all of the $22 it gained in April to end back at the March close of $364 per cwt, 11 percent below 2017. Boneless square-cut lamb shoulders were variable through May, but ended down $1 to $551 per cwt, 18 percent under last year.

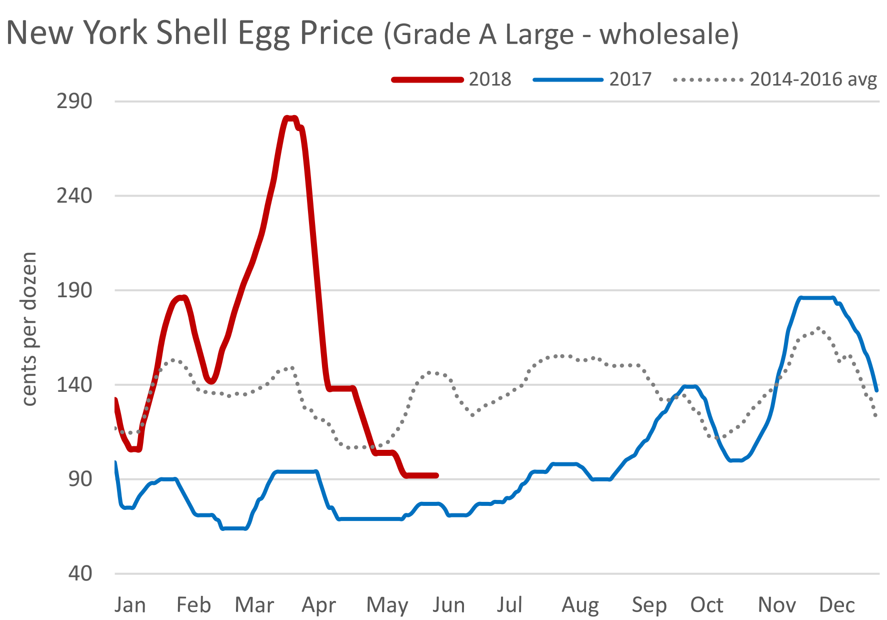
International Trade

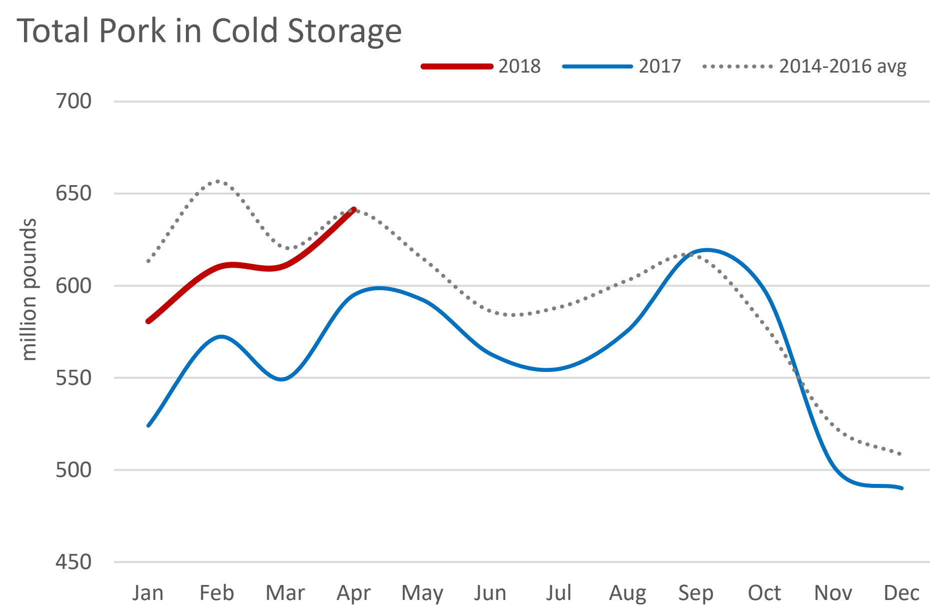
April lamb exports were up 25 percent from 2017 to 181 MT, and up 28 percent in value to $1.1 million. Compared to March, export volume was down 7 percent and the value was down 21 percent. Year-to-date exports of lamb fell 3 percent in volume but the value rose 5 percent against 2017. Mexico, The Bahamas and the Netherlands were the largest export markets for lamb and mutton. U.S. lamb imports in April were down 2 percent from 2017 to 9 thousand MT, but the value rose 11 percent to $70 million. April import volume was lower by 34 percent from March and the value fell 19 percent. 2018 total lamb imports were up 2 percent in volume and 8 percent in value from last year. Australia, New Zealand and Chile were the largest sources of imports.

Questions, comments, or suggestions for articles? Contact Lawrence.Haller@ams.usda.gov or Sherry.Wise@ams.usda.gov.


Northeast Chicken Wings
2018
2017
2014-2016 avg
cents per pound
220
210
200
190
180
170
160
150
140
130
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec


Total Beef in Cold Storage
2018
2017
2014-2016 avg
million pounds
540
520
500
480
460
440
420
400
Jan
Feb
Mar
Apr
Mar
Jun
Jul
Aug
Sep
Oct
Nov
Dec

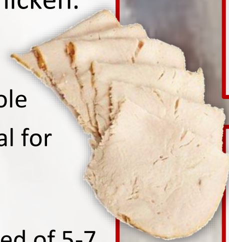

New York Shell Egg Price (Grade A Large - wholesale)
2018
2017
2014-2016 avg
cents per dozen
290
240
190
140
90
40
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec


Total Pork in Cold Storage
2018
2017
2014-2016 avg
million pounds
700
650
600
550
500
450
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec

Turkey Lovers' Month

Turkey Deli Meats

Turkey ranks as the most popular deli meat, ahead of ham, beef, and chicken.
Most Common Forms:



Whole Muscle - composed of 1-3 whole breast lobes using no binders and ideal for **slicing**.

Partial Whole Muscle - composed of 5-7 whole or partial breast muscles; sectioned and formed with minimal binders and great for **thin slicing**.

Muscle Pieces - composed of multiple muscle pieces chopped and reformed into desired shape and best for **shaving**.

Self-service deli turkey in tubs/pouches is predominately of the muscle piece form with partial muscle types offered to a lesser degree. Most common in one pound (20% of offerings) or 7-10 ounce packs (80% of offerings).

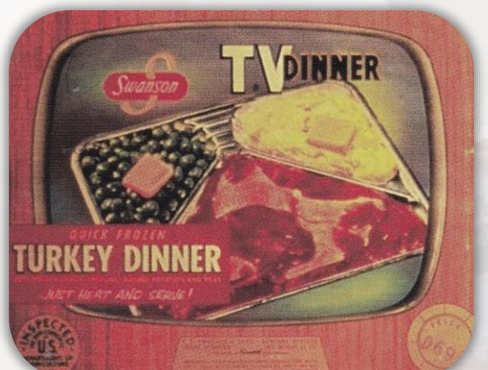
Service deli is dominated by whole muscle offerings followed by partial muscle types.

Demand for service deli turkey peaks in June during graduation celebrations. In 2017, 10% of annual supermarket promotions for service deli turkey meats occurred in June.

June was designated as Turkey Lovers' Month by the National Turkey Federation in 1989 to recognize turkey as a year-round favorite.

Demand for self-service deli meats in 7-10 ounce packs rises with the start of the new school year. In 2017, 12% of annual supermarket promotions occurred in September with 11% in June.

The first TV dinner, introduced in 1953 by Swanson & Sons featured sliced turkey.



Turkey Grinds

In loose, patty, and sausage form, turkey grinds are a popular consumer choice.
Most Common Forms:

Ground 85% Lean – most popular form with 28% of all supermarket featuring in 2017.

Ground 93% Lean – second most popular retail offering with 26% of 2017 featuring.

Ground 93-94% antibiotic-free – growing in popularity with 14% of retail ads in 2017, 10% in June.

Ground Breast 99-100% Lean - 8% of store featuring. Eleven percent of offerings in 2017 occurred in June.

Turkey Patties – also known as turkey burgers. In 2017, fresh offerings accounted for 12 % of supermarket advertising with 13% of annual promotions occurring in June.

Turkey Bratwurst – accounted for 8% of store ads in 2017 with 10% occurring in June of that year.

In 2017, the second quarter of the year was the most active promotional period for ground turkey at retail with 27%.

Source: USDA AMS Agricultural Analytics