

TURKEY

Production

Processors produced 469 million pounds of turkey on a ready-to-cook (RTC) basis in May. Daily production was 3 percent below May 2013, driven entirely by a reduction in the number of birds slaughtered. Production, at least in the short term, is ramping up. Following a 9 percent year-over-year increase in eggs in incubators on May 1, placements in May were also up 9 percent, and eggs in incubators on June 1 were up 8 percent. Poult placed in the summer months will be ready for slaughter in time to supply the fall holidays; whether the sharp increase will continue after holiday needs are filled remains a question.

Total turkey stocks in cold storage at the end of May were 19 percent below the level held on May 31, 2013. Whole hens in cold storage were only 2 percent below prior-year levels, while whole toms held were down 30 percent. White meat holdings were down 31 percent year-over-year, and dark meat holdings were down 40 percent.

Price

Whole turkey prices have been strong this year and have been near the record levels set in 2012. Whole hens averaged 107 cents/lb for June. Turkey parts prices were also very strong in June, with the prices of both boneless/skinless (B/S) breast meat and B/S thigh meat setting records. B/S breast meat reached 380 cents/lb the last week of June and B/S thigh meat reached 174 cents/lb before closing the month at 173 cents/lb. Drumsticks, while not at record levels, traded between 90 and 91 cents/lb all month.

International Trade

Turkey exports in May totaled 27 thousand metric tons with a value of \$58 million. This was an increase of 3 percent in volume and 4 percent in value compared to April; compared to May 2013, this represented a 3 percent decrease in volume, but no change in value. Year-to-date, turkey exports were down 5 percent in volume but up 3 percent in value compared to the same period in 2013. The top 5 export destinations in May were Mexico, China, Canada, Japan, and Hong Kong.

LAMB

Production

At 13.9 million pounds, lamb and mutton production declined 4 percent from May 2013. Sheep slaughter fell 7 percent to 194,600 head, while the average live weight was up 4 pounds from year earlier levels to 143 pounds. Lamb and mutton production was 8 percent lower than in April, with average weight up 6 pounds, and slaughter down nearly 27,000 head. Accumulated lamb and mutton production was up 1 percent. Lamb and mutton supplies in cold storage were 5 percent lower than last month, but 27 percent higher than in 2013.

Price

Negotiated slaughter lamb prices (Domestic Prime & Choice, Under 170 pounds) were up from May to \$147 per cwt, closing the month up 24 percent from 2012, but 6 percent below the average for 2010-2012. The lamb cutout value fell \$2 to \$358, 25 percent above the 2013 price and 3 percent over the 2010-2012 average. Leg of lamb prices continued an overall downward trend, ending June at \$345 per cwt, 17 percent above the price in 2013 but 4 percent below the historical average. Boneless lamb shoulder meat ended the month up at \$550 per cwt, 30 percent more than the 2013 value, and 48 percent above the 2010-2012 average.

International Trade

The export market for lamb increased 1 percent in volume to 250 MT from April to May, while value of exports increased 2 percent to \$1.43 million. Relative to 2013, this was a decline of 5 percent in volume and 16 percent in value. Mexico and Canada were the largest markets for U.S. lamb and mutton. The U.S. imported 6.4 thousand MT of lamb in May, worth \$53 million, a monthly drop in volume and value of 22 and 19 percent, respectively. On a year-over-year basis, lamb import volumes rose 22 percent, and in value, rose 32 percent. Australia and New Zealand were the U.S.'s largest importing countries.

May 2014 contained 22 weekdays (including one holiday) and 5 Saturdays, one weekday less, and one Saturday more, than in 2013.

Production

Broiler production in May totaled 3.2 billion pounds on a ready-to-cook (RTC) basis. On a daily production basis, this was 4 percent above April and up 2.5 percent from May 2013. All of the year-over-year increase came from increased average live weights. It is likely that production will not be increasing in the near term; for the four weeks ending June 28, eggs placed in incubators averaged 0.5 percent above the same period, and chicks placed averaged 0.3 percent below.

Cold storage holdings of all chicken items on May 31 were up 5 percent compared the end of April, but were 10 percent below May 2013. Whole broiler holdings were down the most in both month-over-month and year-over-year comparisons, down 14 percent from April and 49 percent from 2013. White meat was up 8 percent from April and 9 percent from 2013. All dark meat in cold storage rose during May by 10 percent, but was down 8 percent year-over-year. Of the dark meat items, leg quarters were up the most month-over-month, 15 percent, and down the most year-over-year, 33 percent.

Price

After reaching an all-time high of 121 cents/lb at the end of May, whole broiler prices fell back a bit in June, closing the month at 112 cents/lb. Parts prices, however, continued to rise in June, with most reaching their highest levels for the year to date. Boneless/skinless (B/S) breast meat rose above 200 cents/lb for the first time since last May and was 202 cents/lb at the end of June. Leg quarters fell slightly following Memorial Day, but reversed the decline and finished the month at 49 cents/lb. B/S thigh meat traded within a penny of 140 cents/lb, where it was at the end of May, and wings closed them month at 144 cents/lb, its highest level since last fall, perhaps driven by viewing parties for the World Cup.

International Trade

U.S. producers in May exported 289 thousand metric tons of chicken with a value of \$347 million. This was an increase of 11 percent in volume and 7 percent in value compared to April. Compared to May 2013, exports were up 2 percent in volume but down 5 percent in value. For the first 5 months of 2014, total exports were up 1 percent in volume compared to 2013, but down 5 percent in value. The top five export destinations in May were Mexico, Canada, Russia, Taiwan, and Angola.

Production

May beef production was 7 percent below the 2013 level at 2.07 billion pounds. The average live weight increased 10 pounds from the previous year, to 1,299 pounds, thereby slightly offsetting the 8 percent decline in cattle slaughter (2.63 million head). Compared to the month before, beef production was up 1 percent on increased slaughter, with weight down 7 pounds. Cumulative beef production is 5 percent below 2013 levels. Veal production dropped 14 percent from the prior year, to 7.8 million pounds. An average live weight increase of 19 pounds from last year (284 pounds), kept production from falling by the same 20 percent yearly decline as calf slaughter (46,700 head). Both calf slaughter and weight were down from April, by 2,000 head and 10 pounds, respectively. Year-to-date veal production was down 10 percent from 2013.

At 378.9 million pounds, total beef in freezers in May was down 6 percent from April and down 21 percent from May 2013. Boneless beef supplies were 7 percent lower than the previous month, but 23 percent below year ago levels. The stock of beef cuts were up fractionally from last month, but 7 percent lower than 2013. Veal stocks were down 14 percent on a monthly basis and down 45 percent on a yearly basis.

Price

Negotiated slaughter cattle prices, Live FOB Steers and Heifers, rose \$10 by the end of June to a new high of \$154 per cwt. June slaughter prices were 28 percent over 2013 prices, and 45 percent above the 2010-2012 average. The Choice beef cutout value also spiked in June, closing the month at a record value of 24 percent above the 2013 level and 38 percent over the 2010-2012 average, at \$244 per cwt. Boneless beef, 90 percent lean, came near the high set in March to \$262 per cwt, 33 percent above last year and 39 percent above the historical average. However, beef trim, 50 percent lean, was down \$3 in June to \$123 per cwt, 29 percent higher than in 2013 and 67 percent over the 2010-2012 average. The wholesale veal cutout value was steady at \$503 per cwt, 5 percent above 2013, and 30 percent above the 2010-2012 average.

International Trade

Beef and veal export volume increased 4 percent in May to 103 thousand MT, valued at \$589 million, or 10 percent higher. On a year over year basis, the volume of beef exports increased 5 percent, and the value 15 percent, compared to May 2013. Japan, Canada and Hong Kong were our largest export markets. At 82 thousand MT valued at \$441 million, beef imports were down 10 percent on volume and 5 percent on value, compared to April, while they increased 20 and 29 percent, respectively, compared to last year. Australia, New Zealand and Canada were the largest importers of beef to the U.S.

Production

Pork production fell 2 percent from May 2013 to 1.86 billion pounds. The PED virus brought hog slaughter down 6 percent to 8.62 million head, while average live weight increased 11 pounds to 287. May production was 3 percent lower than in April, due solely to slaughter levels, as weight remained constant on a monthly basis. Total pork production for the year is 1 percent below last year.

Frozen pork supplies were down 1 percent from April and down 13 percent from last May. Bone-in picnics in cold storage were 29 percent lower than the prior month, and 42 percent below last year. Total ham stocks were up 35 percent on a monthly basis, but down 29 percent yearly. Compared to April, total loin supplies were down 13 percent, ribs were down 23 percent, and butts were up 10 percent. In addition, compared to May 2013, inventories of loins were up 3 percent, ribs were down 2 percent, and butts were steady. The supply of pork trimmings was 13 percent above the previous month, but 20 percent below the prior year. Stocks of pork bellies were up 3 percent from last month and up 57 percent from last year.

Price

The National negotiated carcass price, Live FOB Plant, rebounded sharply in June, though not returning to earlier highs. At \$124 per cwt, carcass prices were 26 percent over the 2013 level and 59 percent above the 2010-2012 average. The pork cutout value also rose to \$132 per cwt, 20 percent above 2013 and 67 percent from the historical average. Bone-in, 23-27 pound ham prices grew at a faster rate than in May, from \$108 per cwt to a record high of \$138 per cwt. Pork trim 72% lean values recovered to \$136 per cwt but remained below the earlier record high. Similarly for picnic meat combo, cushion out prices which closed June at \$156 per cwt, and for pork belly primals, which returned to \$172 per cwt.

International Trade

The volume of U.S. pork exports fell 3 percent from last month to 146 thousand MT, although the value increased slightly to \$585 million. On a year-over-year basis, pork export volume increased 4 percent and value rose 19 percent, respectively. The largest overseas markets for U.S. pork were Japan, Mexico and Canada. From April to May, imports of pork to the U.S. were up 6 percent to 36 thousand MT, but on a value basis were steady at \$155 million. Compared to 2013, May imports were up 16 percent in volume and 36 percent in value. Canada, Denmark and Poland were the largest importers of pork.

Source: USDA AMS Agricultural Analytics Division

Any opinions expressed represent those of the authors for the limited purpose of this newsletter and do not represent the official position of the Department.

Production

Table egg production in May was 596 million dozen, 3 percent higher than last May. Broiler-type hatching egg production in May was down 1 percent compared to 2013. There were 1.0 billion broiler-type hatching eggs produced. Egg-type hatching egg production was 78 million eggs, down 4 percent from last year. Shell eggs broken totaled 195 million dozen during May 2014, up 12 percent from May a year ago, and 5 percent above the 186 million broken in April.

The number of table-egg layers in the national flock on June 1 was up 2 percent compared to 2013. Hatching egg layers for the table egg flock were down 5 percent compared to last year, and the broiler-type hatching egg flock was even with last year. The number of pullets added during May for all types of egg production was down 5 percent compared with last year.

Price

Table egg prices began June at the top of their late spring bounce and then fell for most of the first three weeks of the month, bottoming out at 115 cents/dozen. That price held through until the end of the month. Breaking stock egg prices followed a similar pattern and closed the month at 78 cents/dozen.

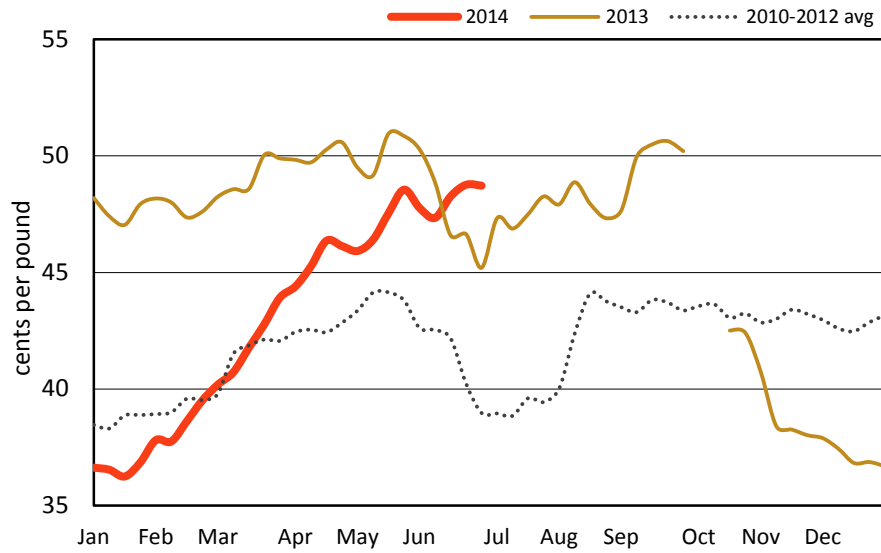
International Trade

Table egg exports in May totaled 17.7 million dozen valued at \$19.6 million, up 29 percent in volume and 26 percent in value compared to April, but down 26 percent in volume and 16 percent in value compared to May 2013. U.S. producers exported \$11.9 million of egg products in May, down 17 percent compared to April and 35 percent compared to 2013. For the first 5 months of 2014, table egg exports were down 11 percent in volume but up 2 percent in value; egg products exports were down 5 percent in value. The top five export markets in May for eggs and egg products were Mexico, Canada, Hong Kong, Japan, and Jamaica.

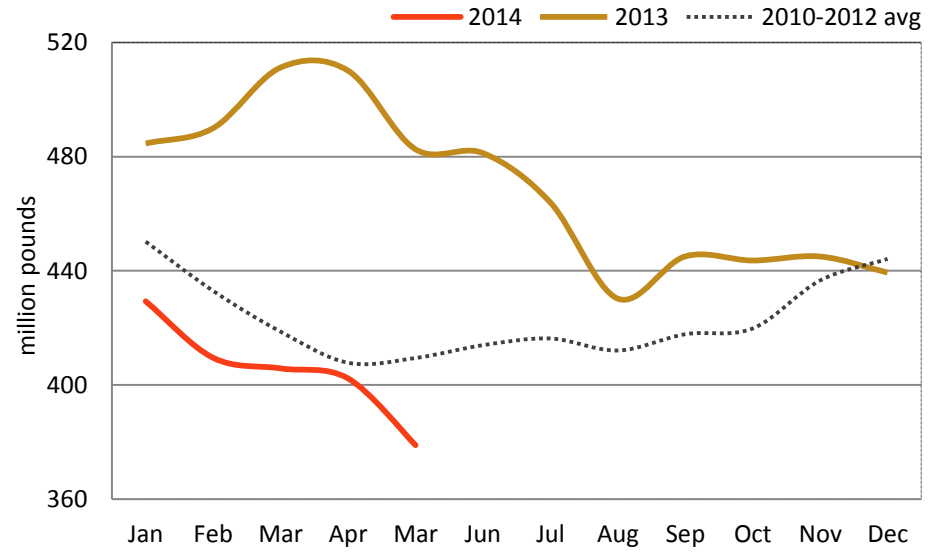
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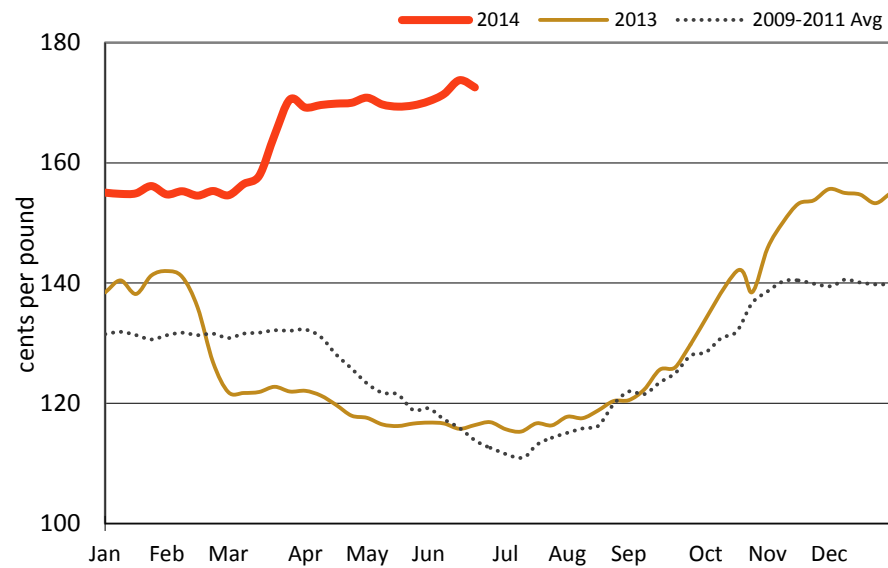
Bulk Leg Quarters - Southern States



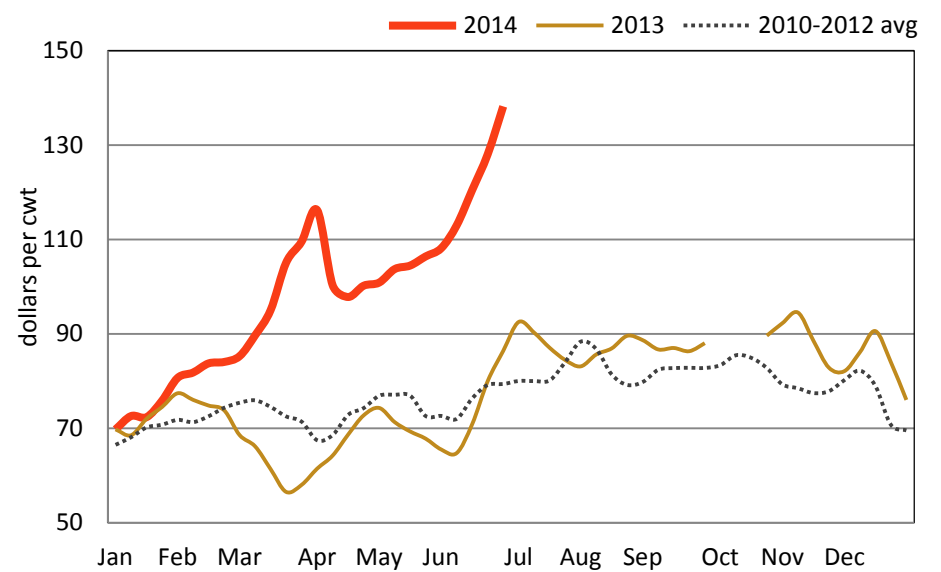
Total Beef in Cold Storage



Turkey Thighs - boneless/skinless



Ham, Bone-in, Trimmed 23-27#, Trim Spec 1



THE DOG DAYS OF SUMMER

WHAT'S IN THAT WEINER?

Turkey

(15-20% fat)

\$0.36/lb. - July 3, 2013

36% price increase

\$0.49/lb. - July 3, 2014

Pork

(42% lean)

\$0.47/lb. - July 3, 2013

19% price increase

\$0.56/lb. - July 3, 2014

Beef

(50% lean)

\$1.00/lb. - July 3, 2013

21% price increase

\$1.22/lb. - July 3, 2014

Chicken

(15-20% fat)

\$0.31/lb. - July 3, 2013

3% price decrease

\$0.30/lb. - July 3, 2014

Pork

(72% lean)

\$0.96/lb. - July 3, 2013

37% price increase

\$1.31/lb. - July 3, 2014

(all prices wholesale basis)

The Dog Days of Summer
start July 3 and end August 11

Source: USDA AMS Agricultural Analytics & Market News

July is National
Hot Dog Month

