The Economic Landscape

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EGGS

Production

February table egg production totaled 560 million dozen, up 1 percent from February 2015 (February 2016 had one more day than February 2015). On March 1, the number of birds in the table egg flock was 299 million, down 3 percent compared to a year earlier, but up 1.5 percent from February 1. Egg-type hatching egg production was 84 million eggs, up 5 percent from a year ago. There were 980 million broiler-type hatching eggs produced in February, up 6 percent from last year. The broiler-type laying flock on March 1 was 55.2 million hens, up 3 percent from 2015. Shell eggs broken totaled 165 million dozen during February 2016, down 5 percent from February a year ago, and 3 percent below the 169 million broken in January.

Price

After a quick spike and subsequent decline in late January and early February, table egg prices were flat through most of March, showing no typical Easter run-up. The wholesale price of a dozen large Grade A eggs in the New York market was 105 cents/dozen for the first 3 weeks of the month, but fell 28 percent to 76 cents/dozen by the beginning of April, the lowest level since the beginning of October 2010. Breaking stock prices followed suit, although the decline began earlier in March and was greater in percentage terms. Falling from 62 cents/dozen at the beginning of March, breaking stock fell 40 percent during the month to 38 cents/dozen on April 1, the lowest level since January 2011.

International Trade

Exports of shell eggs in February totaled 9.5 million dozen valued at $9.8 million, 9 percent above January in volume and 8 percent above in value, but 37 percent below February 2015 in volume and 40 percent below in value. Through February, shell egg exports were 38 percent lower in volume and 39 percent lower in value than in the same period in 2015. Egg products exports were valued at $6.6 million, 3 percent below January and 46 percent below February 2015. For the first two months of the year, egg products exports were 48 percent below 2015. Mexico, Canada, Japan, Hong Kong, and Brazil were the top five destinations for U.S. eggs and egg products in February

TURKEY

Production

February turkey production totaled 451 million pounds on a ready-to-cook basis. Daily production was even with February 2015 but down 9 percent compared with January. February average dressed weights were down 1 percent year-over-year and 3 percent month-over-month. Hatchery statistics released in March offer conflicting information on future industry growth. Poults placed in February were up 4 percent compared to 2015, but eggs in incubators on March 1 were down 2 percent year-over-year.

All turkey in cold storage on February 29 was up 5 percent from 2015 levels. Whole tom holdings continue to lag year-prior levels; stocks were down 24 percent. Whole hens were down 4 percent compared to 2015. Parts inventories, however, were up sharply. Holdings of white meat items were up 35 percent, and dark meat holdings were up 61 percent from February 2015.

Price

Whole hen turkey prices, beginning the year at above-historical levels, rose seasonally in March, gaining 5 percent and ended the month at 115 cents/lb. White meat prices, however continued to fall from their late 2015 highs, with boneless/skinless (B/S) breast meat ending March at 298 cents/lb., a monthly drop of 9 percent. Dark meat prices, in contrast, held their ground. B/S thigh meat fell 1 percent to 103 cents/lb., and tom drumsticks ticked up 1 percent, closing March at 49 cents/lb.

International Trade

U.S. exports of turkey products in February totaled 18 thousand metric tons with a value of $44 million. This was an increase of 17 percent in volume and 21 percent in value compared to February, but a decrease of 17 percent in volume and 3 percent in value compared to February 2016. Exports for January and February were 24 percent below the first two months of 2015 in volume and 16 percent below in value. The top five destinations for turkey products in February were Mexico, Japan, Hong Kong, Canada, and the Dominican Republic.

CHICKEN

Production

Total production of young chicken in February was 3.25 billion pounds on a ready-to-cook basis. Daily production was up 3 percent from February 2015, with the increase split evenly between more birds processed and higher average dressed weights. Daily production was down 5 percent compared to January due to fewer birds per day slaughtered. Increases in production appear likely in the coming weeks; for the four weeks ending April 2, both eggs set and chicks placed were up 1 percent compared to the same period in 2015.

Overall stocks of chicken in cold storage on February 29 were down 2 percent compared to the end of January, but up 11 percent compared to February 2015. Whole broiler holdings were up 21 percent on the month and 22 percent on the year. White meat stocks were unchanged from January, but up 15 percent compared to last February. Total dark meat in cold storage was down 9 percent compared to January and down 15 percent from last year. Leg quarter holdings were down 6 percent from January and 26 percent from February 2015. Wing stocks, in contrast, were up 3 percent on the month and 60 percent on the year.

Price

Broilers prices overall posted strong seasonal gains in March. The National composite whole broiler price rose 8 percent during the month, beginning April at 86 cents/lb. Parts prices, for the most part, also showed strength. Boneless/skinless (B/S) breast meat rose 15 percent in March and closed at 118 cents/lb. Leg quarter prices rose 18 percent and ended the month at 24 cents/lb., a level not seen since last May. B/S thigh meat rose even more, 25 percent to 90 cents/lb. at month's end. Drumsticks did not share in the double-digit rise, gaining only 7 percent and reaching 34 cents/lb. With the end of the winter sports-viewing season, wing prices held steady at 177 cents/lb.

International Trade

The United States exported 243 thousand metric tons of chicken valued at $220 million in February. This was an increase of 8 percent in volume and 7 percent in value compared to January, and an 8 percent increase in volume compared to February 2015, though the value year-over-year decreased 16 percent. For the first two months of 2016, trade was up less than 1 percent in volume but down 23 percent in value compared to the beginning of 2015. The top five export destinations for U.S. chicken in February were Mexico, Canada, Hong Kong, Taiwan, and Cuba.

BEEF/VEAL

Production

February beef production was 7 percent above the 2015 level at 1.89 billion lbs. and down nearly 4 percent from January. Cattle slaughter totaled 2.29 million head, up 5 percent from February 2015 but down 3 percent from January 2016. The average live weight was up 17 lbs. from 2015, at 1,372 lbs. Accumulated beef production was up 3 percent from last year. February veal production, at 6.1 million lbs., was 3 percent below 2015 volume and down 9 percent from the month before. Calf slaughter was 36,500 head, 1 percent below February 2015 and 13 percent below January. The average live weight was down 6 lbs. year over year, at 287 lbs.. Veal production for 2016 to date was down 2 percent from 2015.

Total stocks of beef in freezers at the end of February were down 5 percent from January, and down slightly from the February 2015. Boneless beef storage was 6 percent lower than the month before, and was slightly lower than last year. Inventories of beef cuts were up 1 percent monthly and down slightly from year earlier levels. Veal stocks in cold storage were up 6 percent on a month-to-month basis but down 24 percent from levels for February 2015.

Price

Live cattle prices (FOB, steers and heifers) began March at $136 per cwt, increasing to $139 by mid-month, but closed the month down at $134 per cwt, 20% below the end of March 2015. The beef cutout value also saw a mid-month peak, starting the month at $219 per cwt, rising to $232, but closing down at $222 per cwt, 13 percent below the 2015 value. The 90 percent lean boneless beef price rose from $215 per cwt in early March to $218 at mid-month, where it held steady for the duration, 26 percent below the 2015 price. Beef trim, 50 percent lean had a reprieve from February doldrums, jumping from $67 per cwt at the start of the month to $115 by mid-month, but falling back to $91 per cwt at month's end, 13 percent below the 2015 level. Packer-owned veal carcasses fell from $382 per cwt to $359 per cwt, a drop of $23, and down 16 percent from 2015, while non-packer owned veal carcasses, starting at the same level, lost $9 to $373 per cwt, 21 percent below 2015. The veal cutout average fell another $10 from $550 to $540 per cwt, down 8 percent from March 2015.

International Trade

Compared to February 2015, beef and veal exports (including variety meats) increased slightly to 83 thousand MT while the export value fell 18 percent to $437 million. This volume is up 1 percent from January, with the value down fractionally. 2016 exports for the year to date are 2 percent higher than in 2015, but the value is down 16 percent. Japan, South Korea and Hong Kong were our largest export markets in February. Year-over-year beef import volumes were down 5 percent at 83 thousand MT, and were down 22 percent in value to $421 million. Compared to January, beef imports were down 18 percent in volume and 19 percent in value. Total yearly imports for 2016 so far are 3 percent lower in volume and 22 percent in value than in 2015. Australia, New Zealand and Canada were the largest importers of beef.

PORK

Production

Pork production in February totaled 2.00 billion pounds, up 3 percent from last year, with an additional (leap) day in 2016. Month over month, output was down 4 percent. Hog slaughter, at 9.43 million head, was up 4 percent over last year, but down 3 percent from last month. The average live weight was down 2 pounds on a yearly basis, to 283 pounds. Accumulated pork production for 2016 so far was up 1 percent from 2015.

February pork supplies in cold storage were up slightly from January, but were down 8 percent from last year. Bone-in picnics were 4 percent higher than ending inventory levels for the month prior, but were down 42 percent from 2015. Total hams in cold storage were 4 percent higher on a monthly basis but were 9 percent lower yearly. Pork trimmings were down 6 percent from the end of January and down 41 percent from last year. Loins were down 9 percent monthly and 7 percent yearly. Inventories of ribs were 3 percent higher than last month and 35 percent above 2015. Pork butts in freezers were 10 percent over levels in January, but down 28 percent from the year before. Pork belly stocks were 1 percent higher than last month but down 10 percent from last year.

Price

The negotiated carcass price for barrows and gilts remained remarkably stable through March at around $62 per cwt, up 11 percent from the 2015 price. The pork cutout value also held steady near $76 per cwt, 14 percent above 2015. Starting the month at $56 per cwt, trimmed, bone-in hams, 23-27 pounds, fell $5 to $51, but regained momentum to close at $54 per cwt, up 33 percent from the price at the end of March 2015. Picnic meat combos, cushion out, fluctuated around $60 all month, closing at $62 per cwt, 27 percent above last year's price. Pork trim, 72 percent lean saw an increase from $54 to $58 per cwt, 1 percent more than a year ago. Pork belly primals rose to $134 towards the end of March, but closed at $126 per cwt, up $1 from the start of the month, and just more than double the 2015 price.

International Trade

February pork exports (including variety meats) were down 2 percent from 2015 at 167 thousand MT while the value was down 13 percent to $397 million. Both pork export volume and value were up 2 percent from January 2016. For 2016, the total export volume was up 1 percent, while down 13 in value from last year. The largest overseas markets for U.S. pork were Japan, Mexico and Canada. Compared to 2015, February pork imports were up 10 percent in volume to 43 thousand MT, and were up 12 percent in value to $139 million. The volume of pork imports decreased 5 percent from January, but remained the same in value. Year-to-date measures showed pork import volume up 8 percent and value up 7 percent from 2015. Canada, Poland and Denmark were the largest importers of pork.

LAMB

Production

February lamb and mutton production was 12.5 million pounds, up 8 percent from February 2015 (with an extra day in the leap year) and 13 percent over January levels. Sheep slaughter totaled 175,800 head, 7 percent above last year and 9 percent above last month. The average live weight was 142 pounds, a 1 pound increase from last February. Accumulated lamb and mutton production for 2016 rose 2 percent above last year. Lamb and mutton in cold storage was 15 percent lower than at the end of January, while 9 percent higher than year earlier levels.

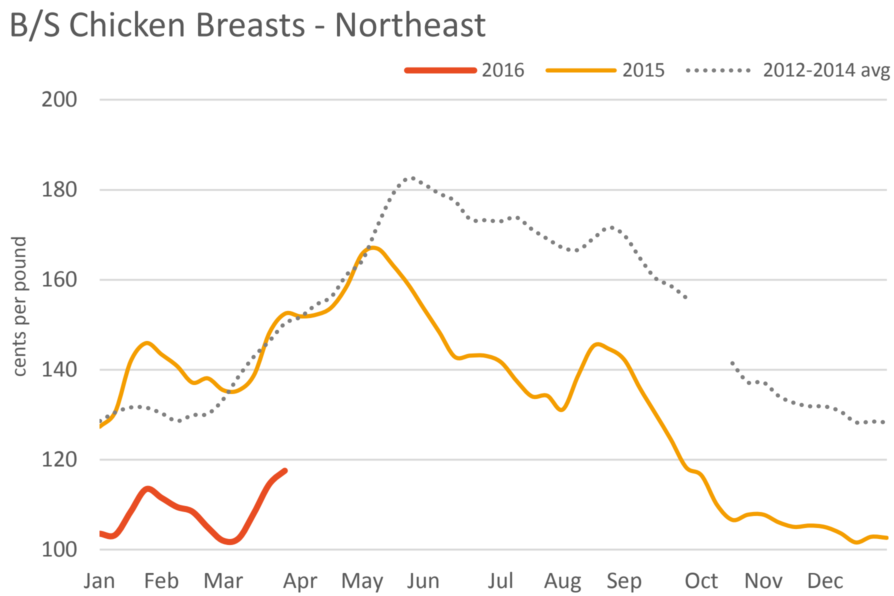
Price

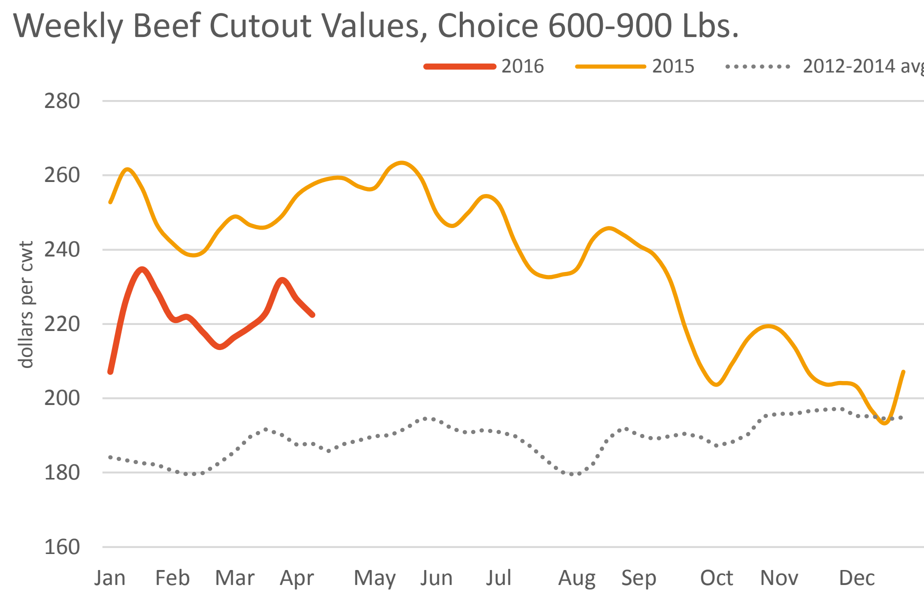
Negotiated live slaughter lamb prices closed the month of March down $7 from the beginning value of $131 per cwt, 4 percent below the 2015 price. The lamb cutout saw a $5 loss from the start of March to its end, from $350 to $345 per cwt, 5 percent below the 2015 price. However, leg of lamb, trotter off prices gained $5 to $352 per cwt, 1 percent above the 2015 price. Boneless lamb shoulder prices saw less variability than in February, but did increase $12 by mid-month to $546. However, the closing price was $535 per cwt, up $1 from the start of March, and 4 percent above last year's.

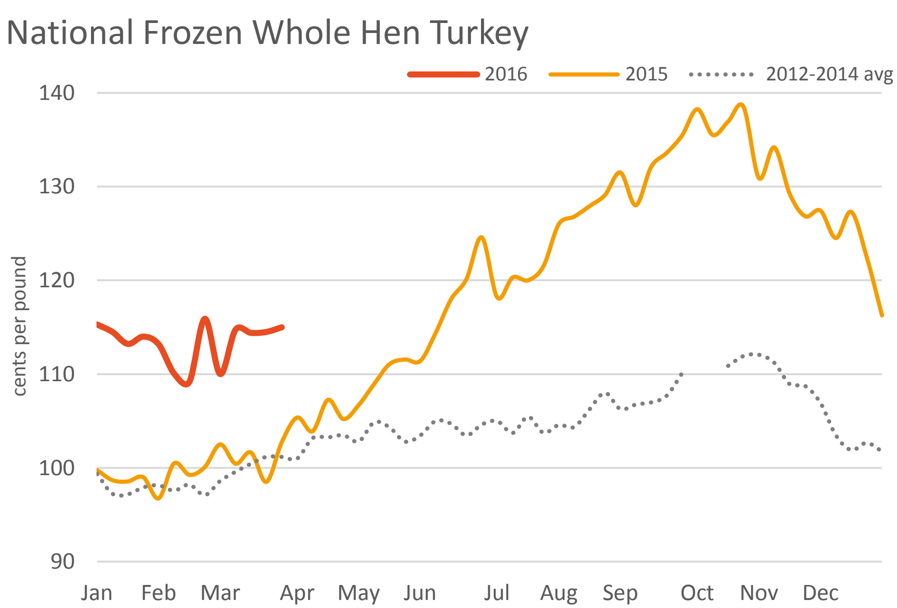
International Trade

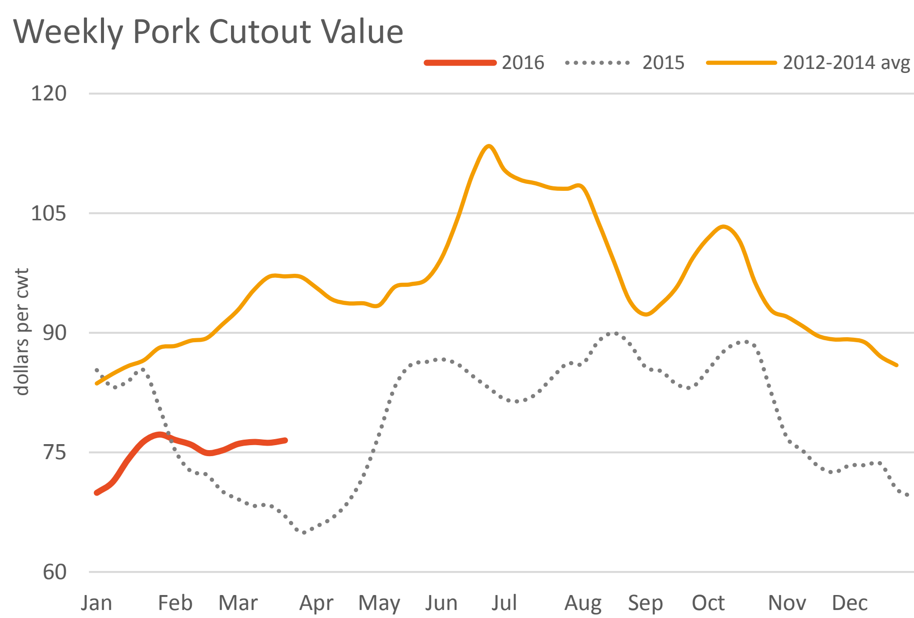
Lamb exports were down 41 percent from February 2015 levels to 111 metric tons, and were down 29 percent in value to $652,000. Compared to January, export volume was down 19 percent and the value was down 15 percent. Total exports for 2016 are 18 percent lower in volume and 22 percent lower in value than in 2015. Mexico, The Bahamas and the Dominican Republic were the largest export markets of lamb and mutton. U.S. lamb imports in February were up 65 percent over 2015 at 8,700 MT, with the value of imports up 38 percent to $59 million. On a monthly basis, the import volume was steady while the value of lamb imports increased 5 percent. For 2016 to date, imports are up 50 percent in volume and 30 in value over last year. Australia and New Zealand were the largest importers.

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









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.

Life is Just a Bowl of Cherries*

Traverse City, MI, is the "Cherry Capital of the World", home to the National Cherry Festival

The National Cherry Blossom Festival in WASHINGTON, DC is home to

3,750

cherry trees.

They are descendants of trees gifted by Yukio Ozaki, Mayor of Tokyo, in 1912.

It takes 250 tart Cherries to make an average pie

That's about 28 pies per tree

MICHIGAN is the largest producer of tart cherries.

67%

in 2014

203,000,000

pounds.

The International Cherry Blossom Festival in MACON, GA, is home to

350,000

cherry trees.

They are descendants of trees propagated by William Fickling, Sr.

There are about 800 Sweet cherries Per tree

WASHINGTON is the largest producer of sweet cherries.

65%

in 2014

474,000,000

pounds.

*Henderson and Brown, 1931

Source: USDA Agricultural Analytics; NASS; Royal Farms; Stemilt; NCBF, Inc.; Cherry Blossom Festival.