



EGGS

Production

August table egg production totaled 545 million dozen, down 11 percent from August 2014 due to the effects of High Pathogenic Avian Influenza (HPAI). On September 1, the number of birds in the table egg flock was 273 million, down 11 percent compared to a year earlier. Egg-type hatching egg production was 82 million eggs, up 4 percent from a year ago. There were 1.1 billion broiler-type hatching eggs produced in August, up 4 percent from last year. The broiler-type laying flock on September 1 was 54.6 million hens, up 3 percent from 2014. Shell eggs broken totaled 168 million dozen during August 2014, down 15 percent from August a year ago, and 1 percent below the 169 million broken in July.

Price

Table egg prices continued the fall they started in August in fits and starts. From the all-time high of 274 cents/dozen reached in early August, the price of one dozen Grade A large eggs in the New York wholesale market fell to 239 cents/dozen the first week of September, then fell again to 212 cents/dozen for most of the second half of the month, before resuming their drop. The price had fallen to 204 cents/dozen on September 30 and by the first week of October had fallen to 180 cents/dozen. Breaking stock prices were largely unchanged in September, beginning the month at 169 cents/dozen before falling to 165 cents/dozen and holding through month's end.

International Trade

Total U.S. shell egg exports in August were 13.1 million dozen with a value of \$17.3 million. This was 30 percent above July totals in volume and 9 percent in value, but down 15 percent in volume and up 5 percent in value compared to August 2014. For the first 8 months of the year, shell egg exports were down 6 percent in volume but up 9 percent compared to 2014. August egg product exports were valued at \$7.7 million, up 4 percent from July but down 44 percent from August 2014. Through August, 2015 exports were down 20 percent compared to the same period in 2014. The top 5 export destinations for U.S. shell eggs and egg products were Canada, Mexico, Brazil, Japan, and Hong Kong.

TURKEY

Production

August turkey production was 447 million pounds on a ready-to-cook basis. Daily production was up 5 percent compared to July, but down 7 percent below August 2014. Year-over-year, the number of birds slaughtered was down only 4 percent, but the average live weight was down 3 percent, likely the result of processors producing smaller birds to cover holiday commitments. Turkey production remains below prior-year levels. Poultts placed in August were 6 percent below last August, and eggs in incubators on September 1 were down 15 percent year-over-year.

Turkey stocks at the end of August were 4 percent below August 2014. Whole bird inventories were 4 percent down; toms were down 5 percent, while hens, which had recently been above year-prior levels, were down 3 percent. Parts inventories, however, continued to remain above year ago levels, with white meat holdings up 15 percent and dark meat holdings up 36 percent.

Price

Turkey prices continue to show unprecedented strength. Frozen whole hen prices rose through September, ending at a record 135 cents/lb. Boneless/skinless (B/S) breast meat plateaued in September and was at or near its record level of 578 cents/lb. throughout the month. Dark meat prices, however did not share in the strength of whole birds or white meat. B/S prices were 139 or 140 cents/lb. all month, the same level they have been at since mid-June. Tom drumstick prices were also flat, trading at 62 or 63 cents/lb. all month.

International Trade

U.S. turkey exports in August totaled 19 thousand metric tons, with a value of \$49 million. August exports were up 2 percent in both volume and value compared to July, but were down 46 percent in volume and 32 percent in value compared to last August. For the year, total exports were down 29 percent in volume and 20 percent in value compared to the same period in 2014. The top five export destinations for turkey products in August were Mexico, Japan, Canada, Guatemala, and Singapore.

Production

Broiler production in August totaled 3.4 billion pounds on a ready-to-cook basis. Daily production in August was 3 percent above July and 7 percent above August 2014. About half of the increases were due to increased slaughter weights, up 1 percent month-over-month and 2 percent year-over-year. Production increases in the next few weeks will be driven almost exclusively by increased weights; for the four weeks ending September 26, eggs set in incubators were down 1 percent compared to the same period last year and chicks placed were even.

Total chicken holdings in cold storage on August 31 were up 2 percent compared to the end of July and up 25 percent compared to August 2014. Whole broilers were down 4 percent from July but up 60 percent over last August. White meat stocks declined and were 4 percent below July's levels and 21 percent above last year, down from the 28 percent year-over-year increase last month. Dark meat holdings were down 2 percent on the month and up 22 percent on the year. Leg quarter stocks were up 2 percent month-over-month 17 percent year-over-year. Drumsticks showed a sharp monthly decline, falling 26 percent from July, but were still 4 percent over last August. Leg inventories were down 7 percent on the month, but were up 40 percent on the year.

Price

Most chicken prices fell in September. Whole broiler prices, after showing a little strength early in the month, closed down 5 percent at 74 cents/lb. Breast meat prices continued a decline that started in mid-August; boneless/skinless (B/S) breast meat fell 17 percent in September to 118 cents/lb. Most dark meat items also fell. Leg quarter prices fell 9 percent and were 14 cents/lb. at month's end, their lowest value since April 2006. Drumstick prices were also down 9 percent to end the month at 30 cents/lb. B/S thigh meat prices were essentially flat in September, trading within a penny of 93 cents/lb. all month. Wing prices, however, rose 3 percent and were 170 cents/lb. to close the month.

International Trade

Total U.S. exports of chicken products in August were 227 thousand metric tons, valued at \$227 million. This was even with July totals in volume but down 2 percent in value, and was down 18 percent in volume and 37 percent in value compared with August 2014. Total exports for the first 8 months of 2015 were down 11 percent in volume and 21 percent in value compared to 2014. The top 5 destinations based on value for U.S. chicken exports in August were Canada, Mexico, Angola, Taiwan, and Hong Kong.

Production

August beef production fell 4 percent below 2014 production and 6 percent below July to 1.93 billion pounds. Cattle slaughter totaled 2.32 million head, down 7 percent from both July 2015 and August 2014. Average live cattle weight was up 34 pounds from 2014, at 1,363 pounds. Veal production totaled 6.5 million pounds, down 6 percent from the prior month and 9 percent from the previous August. Calf slaughter volume totaled 34,500 head, 6 percent below July and 21 percent below the year before. The average live weight was up 41 pounds from last year, at 318 pounds. 2015 year-to-date commercial beef production was 4 percent lower than last year and veal was 17 percent lower.

Total beef in freezers in August was up 2 percent from July and up 36 percent from August 2014 to 470 million pounds. Boneless beef supplies were 2 percent higher than the previous month, and 39 percent above year ago levels. Stocks of beef cuts were up 4 from July, and 6 percent higher than last year. Frozen veal stocks were up 6 percent on a monthly basis and up 14 percent on a yearly basis.

Price

Live cattle prices (FOB, steers and heifers) fell sharply in September, down \$17 to \$128 per cwt, 18 percent below the previous year's price. The beef cutout value ended the month down \$36 to \$208 per cwt, 12 percent below the 2014 value. The 90 percent lean boneless beef price lost \$25, closing down at \$257 per cwt, 13 percent below last's year price. Beef trim, 50 percent lean, dropped \$27 to \$38 per cwt, down 64 percent from 2014. Packer-owned veal carcasses were up slightly at \$460 per cwt while non-packer owned veal carcasses settled back to \$450 per cwt. The veal cutout continued steady at \$585 per cwt, 7 percent above the 2014 price.

International Trade

Compared to 2014, August 2015 beef and veal exports (including variety meats) fell 18 percent to 84 thousand MT while the export value fell 24 percent to \$498 million. This volume is down 8 percent and the value is 10 percent lower than in July. Total exports for the year so far are down 14 percent in volume and 17 percent in value from 2014. Japan, Canada and Mexico were our largest export markets in July. Year-over-year beef import volumes were 27 percent higher at 109 thousand MT, and were up 24 percent in value to \$613 million. Compared to July, beef imports were up 9 percent in volume and 8 percent in value. Total beef imports for the year are up from 2014 by 18 percent in volume and 19 percent in value. Australia, Canada and Mexico were the primary importers of beef in August.

Production

August pork production was 1.95 billion pounds, 1 percent lower than in July but 11 percent higher than August 2014. About 9.35 million hogs were slaughtered, down slightly from the prior month but up 13 percent year over year. The average live weight was 278 pounds, down 4 pounds from last year. Accumulated pork production for the year to date was up 8 percent from 2014. Frozen pork supplies at the end of August were up 4 percent from July and were up 21 percent from last August to 656 million pounds. Bone-in picnics in cold storage were up 22 percent from July, and up 38 percent from last year. Total hams were up 16 percent on a monthly basis and 32 percent yearly. Compared to July, loins were down 5 percent, ribs down 4 percent, and butts down 12 percent. On a year-over-year basis, loins, ribs and butts were up 54, 47 and down 15 percent, respectively. Pork trimmings in freezers were 4 percent below July's level, but 5 percent above 2014 supplies. Stocks of pork bellies were 42 percent lower than last month, and 70 percent below August 2014.

Price

The negotiated carcass price for barrows and gilts fell in September but regained some strength to close at \$70 per cwt, 34 percent lower than 2014 value. The pork cutout also weakened but ended down only \$1 at \$85 per cwt, 30 percent below the 2014 value. Trimmed, bone-in hams, 23-27 pounds, fell \$10 to \$64 per cwt, down 52 percent from the PEDv-induced 2014 value. Picnic meat combos, cushion out, gained \$12 to close at \$66 per cwt, 48 percent below the price in 2014. Pork trim, 72 percent lean, gained nearly \$15 to \$61 per cwt, 45 percent below last year. Pork belly primals fell seasonally by \$10 to \$152 per cwt, 39 percent above the 2014 price.

International Trade

August pork exports (including variety meats) were 1 percent lower than last year at 157 thousand MT while the value was down 20 percent to \$413 million. Pork export volume and value were down 4 and 3 percent, respectively, from July 2015. Year-to-date export volume is 3 percent lower than in 2014, while value is down 22 percent. The largest overseas markets for U.S. pork were Japan, Mexico and Canada. Compared to 2014, August pork imports were up 12 percent in volume to 43 thousand MT, but were down 12 percent in value to \$143 million. Pork import volumes increased from the prior month by 9 percent and were up 12 percent in value. Cumulative imports for 2015 rose 10 percent from 2014, though the value was down 14 percent. Canada, Poland and Denmark were the largest importers.

Production

Lamb and mutton production was 9 percent lower than in July, but roughly equal to last August's level of 11.7 million pounds. Sheep slaughter totaled 175,100 head, 14 percent below last month and 3 percent below last year. The average live weight was 134 pounds, up 5 pounds from August 2014. January to August 2015 total commercial lamb and mutton production was down 4 percent from 2014. Lamb and mutton supplies were 7 percent above last month's levels, and 4 percent higher than in August 2014.

Price

Negotiated live slaughter lamb prices regained \$3 in September to end at \$159 per cwt, down 2 percent from the 2014 price. The lamb cutout was steady at \$359 per cwt, 4 percent below the 2014 price. Leg of lamb, trotter off prices increased \$4 to \$350 per cwt, still 7 percent below 2014 prices. Boneless lamb shoulder prices in September closed up \$7 to \$561 per cwt, 2 percent above the 2014 price.

International Trade

Lamb exports were down 30 percent from 2014 levels to 136 metric tons, and were down 20 percent in value to \$912,000. Compared to July, export volume was down 7 percent and export value was 9 percent lower. Year-to-date lamb exports are down 51 percent in volume and 45 percent in value from 2014. Mexico, Canada and Jamaica were the largest export markets of lamb and mutton. August U.S. lamb imports were almost unchanged from 2014 at 6,500 MT, though the value of imports fell 13 percent to \$52 million. On a monthly basis, the volume and value of lamb imports both dropped 17 percent from July levels. Cumulative lamb imports for the year are 6 percent lower in volume and 19 percent lower in value. 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.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Prices and Demand in the Beef Sector

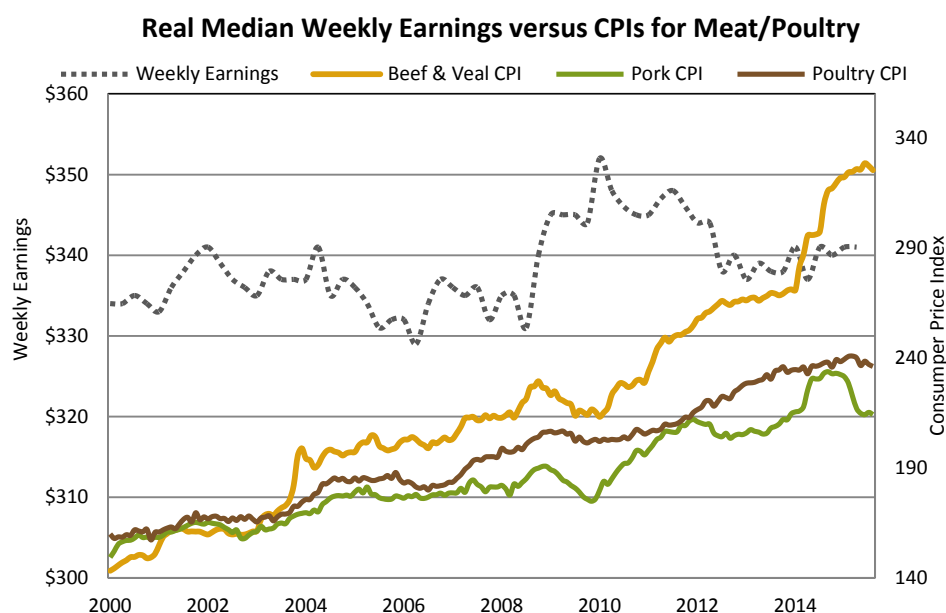
After years of herd liquidation followed by conditions unsupportive of rebuilding, the beef cattle herd is on the road to recovery, but supplies of marketable cattle remain insufficient to meet both domestic and foreign demand without increasing prices. In recent months, cattle and beef prices have seen record high levels. While high prices may lead to profits for some in the industry, the downside is the impact of higher prices on beef purchases.

Prices are important in both a relative sense and an absolute sense. For that reason, in thinking about the market effects of high beef prices, it is helpful to consider how the price of beef compares to alternative proteins and with consumer ability to pay for beef. Historical consumer price index (CPI) data are available for beef, pork and chicken, and are shown in the figure below. This figure shows that before 2004, beef, pork and chicken prices were competitive with each other. Starting in 2004, beef prices started to pull away from pork and chicken prices, as shown by the CPI, until roughly 2010. From 2010 on, beef prices have seen significant growth relative to pork and chicken.

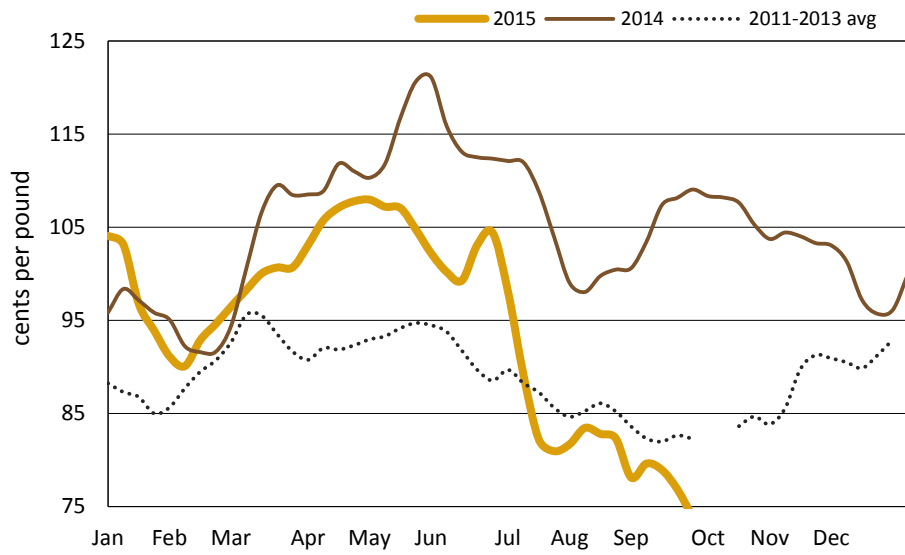
The demand side of the protein market is reflected in the inclusion of real (adjusted for inflation using 1982-1984 as the base period) median weekly earnings data for this time period. Median data shows the wage level at which 50 percent of the observations are higher, and 50 percent are lower, and is typically a more representative measure than average data.

With no significant increase in inflation-adjusted earnings, the beef sector is at more of a disadvantage relative to other protein sectors than the CPI figures would indicate. It is understandable, then that faced with newly lowered pork prices, beef prices are under significant pressure to fall. The strong U.S. dollar, which makes exported products more expensive overseas, only reinforces downward price pressure.

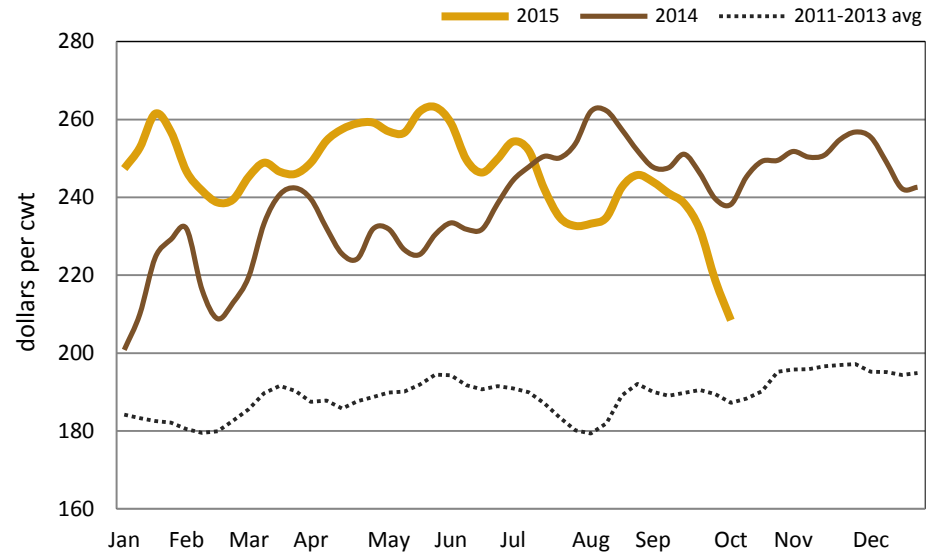
In recent weeks beef prices have weakened. For example, 90 percent lean boneless beef hit a record high in January at nearly \$3.04 per pound, wholesale value. Currently the wholesale value is \$2.57 per pound. In the short term, this indicates consumers may see some relief from record high beef prices, as they continue to benefit from plentiful supplies of pork and chicken. In the longer term, increased beef supplies, increased purchasing power, or both may be needed for consumers to enjoy affordable beef that allows producers to profit.



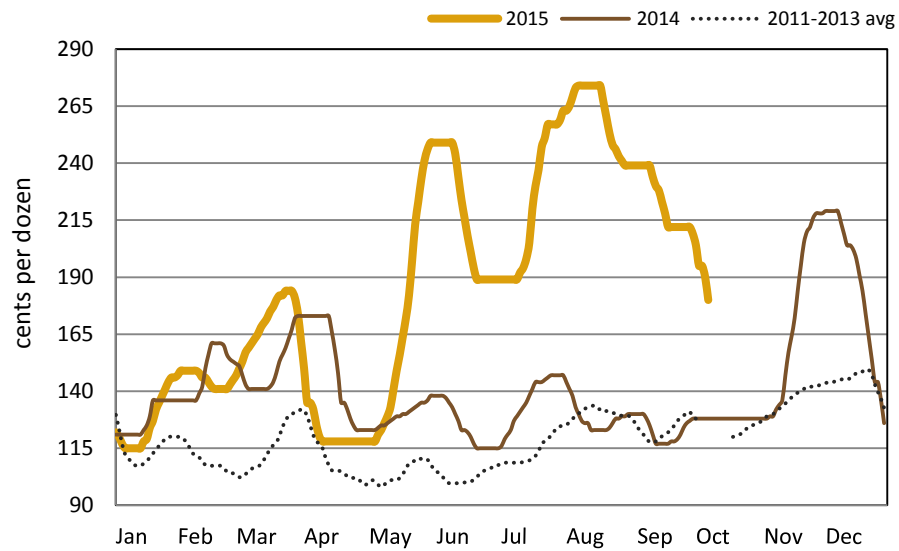
Whole broilers (National composite price)



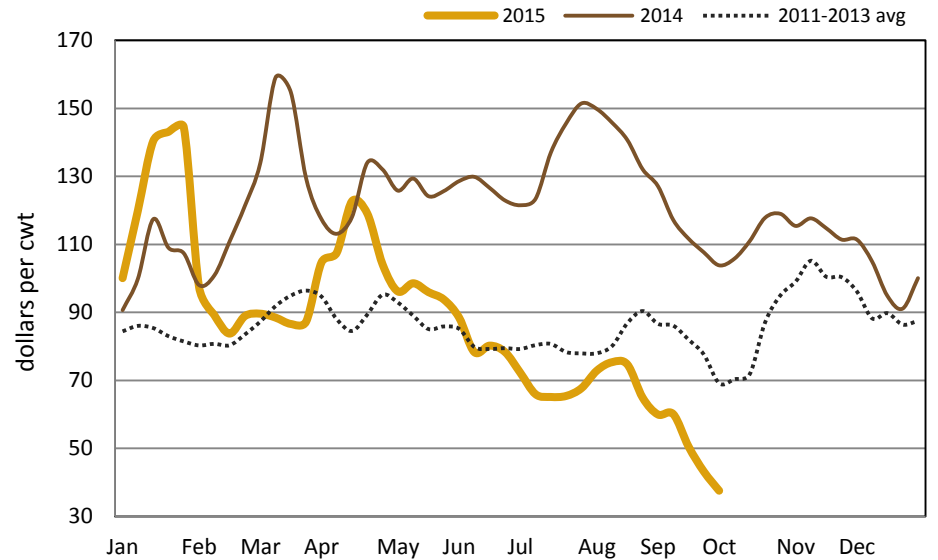
Weekly Beef Cutout Values, Choice 600-900 Lbs.



New York Shell Egg (Grade A large - wholesale)



50% Lean Beef Trimblings



Oktoberfest

Prost!

(cheers)

Begun in 1810 to celebrate the marriage of Ludwig I of Bavaria to Therese of Saxe-Hildburghausen.



German is the largest ancestry group in the US, 15.2% of the population. ND & WI have the largest %

29,000,000

pounds of mustard seed produced in 2014. ND is tops!

47%

of US SOWS are processed in the Upper Midwest

48,000,000,000

2014 US beer production in pints

4,500,000,000

pounds of BARLEY used to produce malt in 2014. ID, ND, MT produced 76% of US Barley

80,000,000

2015 forecast pounds of US HOPS production.

WA will produce 72%

329,300,000

pounds of raw cabbage processed into Sauerkraut in 2014

BRATWURST

Sauerkraut

Wisconsin is the #1 producer

Sheboygan, WI
Bratwurst Capital of the World