The Economic Landscape

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EGGS

Production

At 672 million dozen, May table egg production was up 2 percent monthly and unchanged from the previous year's level. At 181 million dozen, shell eggs broken were down 2 percent monthly and 23 percent above the 2020 level. Table egg layers-on-hand fell 2 percent in May to 320 million and were 1 percent below its 2020 level. Egg-type hatching-egg layers-on-hand were up 4 percent monthly and down 1 percent yearly to 3.2 million.

Pullet additions (of both broiler- and egg-type layers) were particularly strong in May at 31 million, a 6 percent increase from the previous month and 20 percent above the May 2020. Production of egg-type hatching eggs rose 4 percent monthly to 6.7 million dozen, down 7 percent from May 2020. Broiler-type hatching egg layers-on-hand on the first of the June were down 1 percent monthly at 63.9 million but up 5 percent from the previous year. Broiler-type hatching egg production rose 4 percent monthly in May to 103 million dozen, up 7 percent from its 2020 level. At this level, broiler-type hatching egg production are significantly above levels in recent years, but reduced hatchability levels in recent month may be lessening the typical future increase that may expect with broiler production.

Price

Egg price movements were mixed in June. The New York shell egg price rose 2 percent monthly to $0.93 per dozen, 10 percent more than the previous year's level. The monthly National Index price fell 14 percent monthly to $0.50 per dozen, 32 percent higher than the May 2020 level. The Central States Breaking Stock price fell 3 percent to $0.49 per dozen, 32 percent above the 2020 level.

International Trade

In volume terms, U.S. shell egg exports in May rose sharply by 21 percent monthly to 17.7 million dozen, a 103 percent increase from the May 2020 level. In value terms, exports rose 24 percent monthly to $17.8 million, 179 percent above its previous year's value. Egg product exports decreased 7 percent to 3,006 MTs, up 9 percent yearly. In value terms, however, egg product exports increased 10 percent to $13.2 million, up 17 percent yearly.

TURKEY

Production

May turkey production decreased 2 percent monthly to 451 million pounds, 6 percent above the previous year's level. Total turkey in cold storage rose seasonally 9 percent to 393 million pounds in May but was down 6 percent yearly. On a monthly basis, stocks were up for whole birds, but down for all parts. On an annual basis, stocks were down across all major categories except whole tom birds. Breasts, legs, and mechanically deboned meat remain down 34 percent, 15 percent, and 31 percent compared to the May 2020 level.

Future indicators for turkey continued to signal declines in total slaughter and, to a lesser degree, meat production. Poult placements were down 10 percent monthly at 19.4 million, down 1 percent from the 2020 level. Poults hatched were down 8 percent in April and down 4 percent yearly. Turkey eggs in incubators fell 6 percent monthly to 26.0 million, down 5 percent from the May 2020 level. Offsetting the decline in 3.3 percent annual decline in total slaughter in the first 5 months of 2021, average slaughter weights increase 1.9 percent compared with the previous year's level.

Price

The prices of whole frozen hens and toms were unchanged monthly at $1.21 per pound, still up 15 percent yearly. Fresh bird prices both increased slightly (less than 1 percent) to $1.32 per pound for toms and $1.34 per pound for hens, up 11 from 2020. Turkey part prices posted strong gains and reached 5-year highs across all categories. In June, the prices for (boneless skinless) breast, drumsticks, and thigh meat price rose 23, 22, and 8 percent on a monthly basis respectively and were up 17, 45, and 33 percent on a yearly basis. The Figure shows the percentage by which 2021 monthly turkey part prices have risen above the 2020 average since the start of the year.

International Trade

In volume terms, turkey exports rose 11 percent to 22.8 thousand MTs, 31 percent above the May 2020 level. In value terms, exports rose 17 percent to $58 million, up 53 percent yearly. The top turkey export destination was Mexico with a 69 percent share by sales volume.

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CHICKEN

Production

Production of young chickens on a ready-to-cook (RTC) basis fell 2.4 percent monthly in May to 3.6 billion pounds, 1 percent above the 2020 level. Broiler slaughter similarly fell 3 percent monthly to 739 million head, 1 percent above the May 2020 level. Broiler eggs set fell 4 percent in June to 1,024 million, up 2 percent from 2020. Broiler chicks placed fell 3 percent monthly in June to 805 million, up 1 percent yearly. The most recent 4-period average of weekly data through July 3rd has broiler chicks placed down 0.4 percent compared to 2020. At 78.5 percent in June, broiler egg hatchability - the percentage of broilers eggs set that are then placed in grow houses 3 weeks later – remains 2 percentage points below its three-year average.

Total stocks of chicken in cold storage at the end of May rose 1 percent monthly to 730 million pounds (including paws), down 15 percent from its 2020 level. Stocks of whole broilers fell 3 percent monthly and are down 39 percent yearly. Breasts and bone-in thigh stocks rose 3 and 4 percent. Leg quarters and legs rose 8 and 10 percent. Wing stocks rose 17 percent, its first increase in four months. Drums stocks fell 2 percent monthly. Stocks of boneless thighs fell 25 percent.

Price

The National Composite Whole Body broiler price rose 1 percent monthly to $1.06 per pound, up 45 percent from the 2020 level. The boneless, skinless breast price rose 4 percent monthly to $2.04 per pound, up 64 percent yearly. The bone-in breast price was unchanged at $1.25 per pound, up 20 percent yearly. Bone-in thigh prices fell 4 percent to $0.67 per pound, up 1 percent yearly. Tenderloin prices rose 13 percent to a new high price $2.72 per pound, up 111 percent yearly. Leg quarters increased 2 percent monthly to $0.45 per pound, 45 percent above its June 2020 level. Boneless skinless thigh prices rose 18 percent monthly to $1.91 per pound, 83 percent above last year's price. Drumstick prices were down 2 percent monthly to $0.49 per pound, up 6 percent from the May 2020 level. After 14 months of price gains, wing prices fell 6 percent to $3.06 per pound, still 77 percent above the previous year's level.

International Trade

In volume terms, May chicken exports rose 11 percent to 310 thousand MT, up 28 percent from their 2020 level. In value terms, exports rose 6 percent to $336 million, up 25 percent yearly. In May, the top chicken export destinations were, by volume, Mexico (31 percent), Cuba (9 percent), Taiwan (5 percent), the Philippines (5 percent), and Canada (4 percent).

BEEF/VEAL

Production

May 2021 beef production added 19 percent to last year's level but fell 6 percent from April at 2.21 billion pounds. Cattle slaughter was 2.70 million head, 5 percent lower monthly but up 19 percent year-over-year. Average live weight was down 7 pounds yearly and 6 pounds from April at 1,360 pounds. Veal production in May was 3.7 million pounds, 14 percent below April and down 29 percent year-over-year. Calf slaughter was 25,500 head, 22 percent lower yearly and 7 percent lower monthly. The average live calf weighed 26 fewer pounds than the year before and 20 fewer pounds than April at 248 pounds. January to May 2021 total beef production was up 8 percent from last year, veal was down 19 percent.

Total beef in cold storage at the end of May was down 18 percent from May 2020 and down 8 percent monthly, as was boneless beef. Beef cut supplies in freezers fell 9 percent against last month's inventories and lost 10 percent year-over-year. Veal inventories were 8 percent lower than April but up 26 percent yearly.

Price

Live cattle prices (FOB, steers and heifers) reversed direction in June, adding $3 to $122 per cwt, up 2 percent monthly and 16 percent yearly. On the wholesale level, the beef cutout value gained $2 to $319 per cwt, 1 percent higher monthly and 32 percent higher yearly. 90 percent lean boneless beef rose $22 to $274 per cwt, up 9 percent from May but down 2 percent from 2020. The 50 percent lean trim average monthly price jumped $24 to $102, 31 percent higher both monthly and yearly. The average price for hide-off veal carcasses added $10 to $325 per cwt, up 3 percent from May and 15 percent from last year. The graph below of ribeye prices reflects low production and stocks of beef cuts despite strong demand.

International Trade

May 2021 beef and veal exports (including variety meats) totaled 133 thousand MT, up 68 percent yearly and up 10 percent monthly. The export value jumped 88 percent from last year and rose 12 percent from last month to $904 million. Beef and veal total exports for the year to date are up 15 percent in volume and 22 percent in value. 27 percent of U.S. beef exports went to South Korea, 24 percent went to Japan, 15 percent to China, 9 percent to Canada and 7 percent to Mexico. Beef and veal import volumes for May fell 1 percent from the previous month to 97 thousand MT but added 1 percent year-over-year. The import value of beef was $701 million, up 6 percent monthly and 10 percent yearly. The year-to-date total of beef and veal imports was 5 percent lower in volume but 6 percent higher in value. Canada imported 31 percent of the beef trade to the U.S., Mexico imported 22 percent of volume New Zealand imported 17 percent, Australia imported 10 percent, and Brazil imported 7 percent of beef imports to the U.S.

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PORK

Production

May pork production fell 12 percent from April to 2.07 billion pounds, up 10 percent from last May. Total hogs slaughtered was down 11 percent monthly at 9.6 million head, 12 percent above 2020. Average live hog weight lost 2 pounds month-over-month and 6 pounds yearly at 288 pounds. January to May 2021 pork production was up 3 percent from last year.

All pork in cold storage in May was up 1 percent from April but down 2 percent from 2020. Monthly total hams in storage were 36 percent higher, but for the year, down 2 percent. Bone-in ham supplies were up 96 percent monthly and up 6 percent yearly, while boneless hams added 14 percent monthly but fell 1 percent yearly. Belly inventories added 3 percent month-over-month but dropped 40 percent compared to May 2020. Total loin stocks lost 15 percent compared to April and rose 40 percent year-over-year. Pork trimmings in freezers were up 2 percent monthly but down 4 percent yearly.

Price

The June negotiated carcass price for barrows and gilts added $4 to $116 per cwt, 4 percent higher monthly and up 284 percent yearly. The pork cutout value gained $6 to $123 per cwt, for a monthly rise of 4 percent and up 78 percent for the year. Boneless center cut loin prices, slipped $4 to $149 per cwt, down 3 percent month-over-month, but up 32 percent from last June. Trimmed, selected ham prices (23-27 pounds) lost $3 to $78 per cwt, down 3 percent from May but up 125 percent yearly. The 72 percent lean pork trimmings price gave back $7, averaging $119 per cwt, 6 percent lower monthly but 27 percent higher year-over-year. Picnic meat combo, cushion out prices slipped $1 to $128 per cwt, 1 percent lower monthly and 20 percent higher yearly. Pork belly primal values regained $12 in June to $180 per cwt, 7 percent above the month before and up 85 percent year-over-year and are shown in the graph below.

International Trade

Exports of pork were up 16 percent from May 2020 at 277 thousand metric tons, and up 30 percent in value to $784 million. Compared to April, export volume and value were up 5 percent and 8 percent, respectively. For the year so far, pork export volume fell 1 percent while value added 3 percent. Mexico received 26 percent of U.S. pork exports in May, 24 percent went to China, 15 percent of the volume and 22 percent of pork export value went to Japan, and both Canada and South Korea bought 7 percent of U.S. pork exports. Year-over-year, May pork imports were down 5 percent in volume at 35 thousand MT and up 15 percent in value at $153 million. Compared to April import volume and value each lost 9 percent. Cumulative yearly imports through May were up 19 percent in volume and 29 percent in value. Two-thirds of pork imports and 59 percent of the value of imports in May came from Canada, with Italy, Poland, Denmark, and Mexico each sending 7 percent or less of the pork imported to the U.S.

LAMB

Production

May lamb and mutton production dropped 19 percent from April to 11 million pounds, 13 percent lower yearly. Sheep slaughter totaled 181,300 head, down 7 percent from 2020 and 19 percent lower monthly. The average live weight lost 1 pound from last month and 8 pounds from last year at 121 pounds. January to May 2021 lamb production was up 2 percent from last year. Lamb stocks in cold storage were down 54 percent from 2020 and down 12 percent from the month before.

Price

The June negotiated live slaughter lamb price jumped $38 to $241 per cwt, 19 percent higher monthly, with no 2020 price to compare on a yearly basis. The lamb cutout value added $39 in June to $570 per cwt, rising 7 percent monthly and 38 percent yearly. Leg of lamb, trotter-off (IMPS 233A) rose $37 for an average of $537 per cwt, up 7 percent monthly and 21 percent yearly. The average price for lamb shoulder (IMPS 207) added $51, or 13 percent for the month and 35 percent year-over-year to $443 per cwt. Ground lamb (IMPS 296) increased $51 to $759 per cwt, 7 percent above May and up 48 percent from last year.

International Trade

May lamb export volume more than tripled April exports at 356 metric tons with value up 52 percent at $735,000. Export volume was up 39 percent from 2020, and value 37 percent higher. January to May cumulative exports were down 69 percent compared to 2020 with value down 47 percent. The top destinations for U.S. lamb exports were Mexico (34 percent of the volume and 53 percent of the value), and The Bahamas (9 percent of volume). Imports of lamb to the U.S. increased 25 percent in May compared to 2020 at 11.7 thousand metric tons, while the value of imports added 40 percent to $96 million. Since April imports were 2 percent lower in volume but 13 percent higher in value. To date. 2021 imports are down 25 percent with value down 11 percent. About 74 percent of lamb imports were from Australia, 21 percent from New Zealand and 3 percent from Chile.

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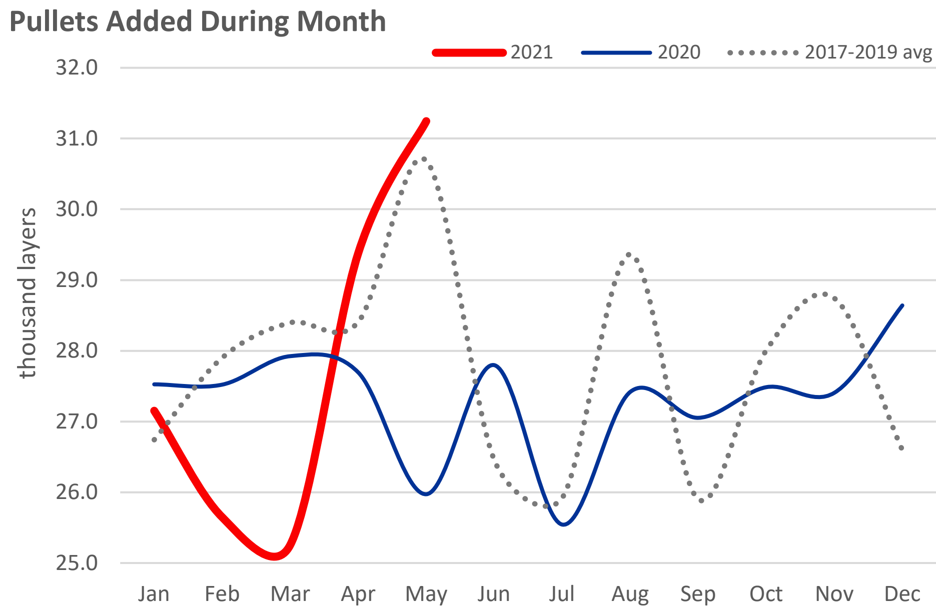

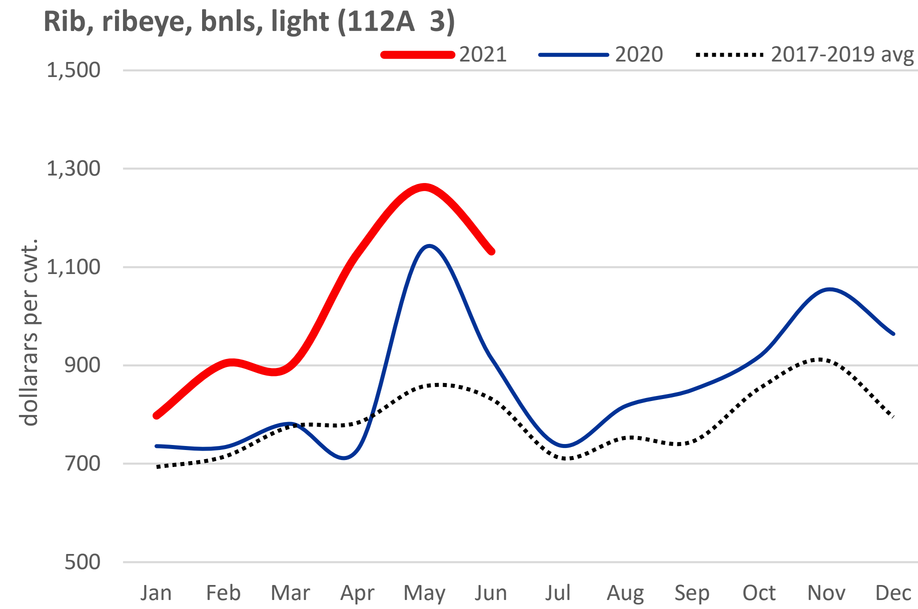

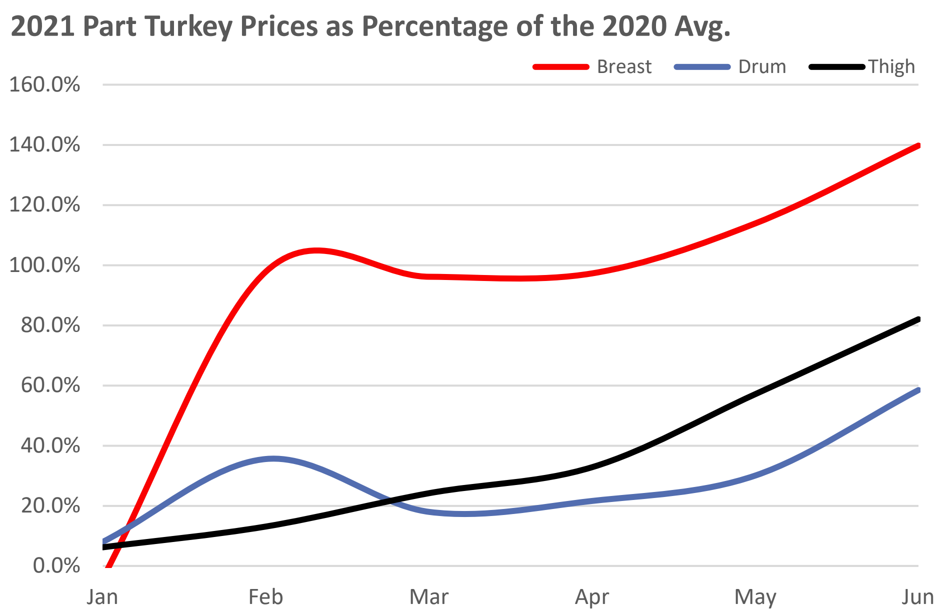

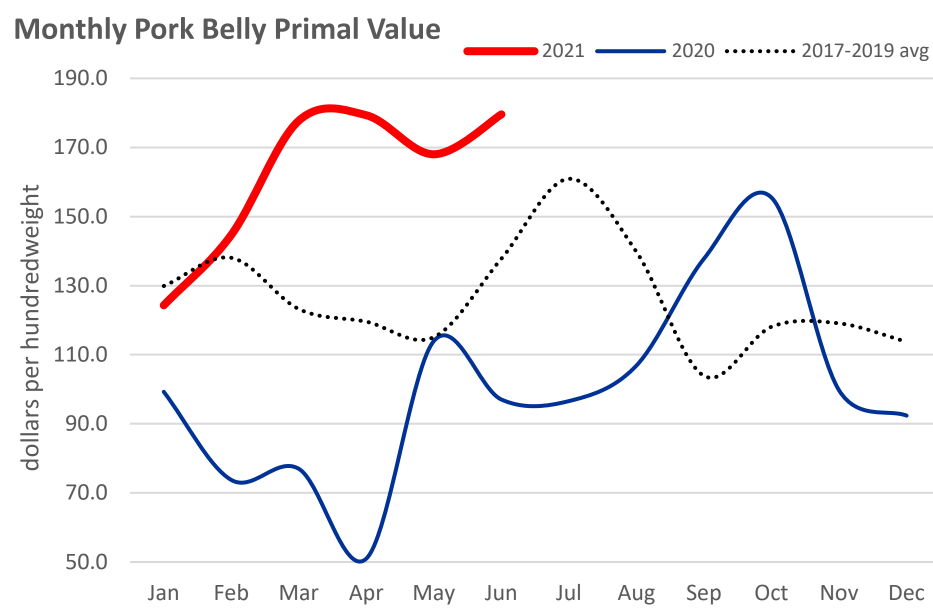

Source: USDA AMS Agricultural Analytics Division

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