The Economic Landscape

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EGGS

Production

Table egg production in March was 653 million dozen, 5 percent higher than last March. Broiler-type hatching egg production in March was down 1 percent compared to 2016. There were 1.05 billion broiler-type hatching eggs produced. Egg-type hatching egg production was 82 million eggs, 11 percent below last year. Shell eggs broken totaled 198 million dozen during March, up 5 percent from March a year ago, and 7 percent above the 186 million dozen broken in February. The number of table-egg layers in the national flock on April 1 was up 3 percent compared to 2016. Hatching egg layers for the table egg flock were down 10 percent compared with last year, and the broiler-type hatching egg flock was 1 percent above last year. The number of pullets added during March for all types of egg production was unchanged year-over-year.

Price

Table eggs began April at their pre-Easter level of 94 cents/dozen and remained at that level for the first week of the month. Prices then began their seasonal decline, falling 25 cents by mid-month to 69 cents/dozen, and have remained there through the beginning of May. Breaking stock prices displayed much less volatility during the month. Prices began April at 38 cents/dozen, their highest level since March 2016 and fell 2 cents in the second half of the month to close at 36 cents/dozen.

International Trade

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TURKEY

Production

Total turkey production in March was 527 million pounds on a ready-to-cook basis. Daily production was up 1 percent from February and was up 5 percent from last March. Most of the year-over-year increase came from increases in the number of birds slaughtered. Average dressed weights were up less than 1 percent compared with March 2016. There are mixed signals from hatchery data on mid-term growth of turkey production: poult placements during March were up nearly 7 percent compared with last March, while eggs in incubators on April 1 were down 3 percent compared with last year. Overall cold storage holdings of turkey at the end of March were 17 percent above March 2016 levels. Whole hens were up 9 percent while whole toms were up 18 percent. Breasts and breast meat stocks showed the greatest increase, with supplies 52 percent above last year's levels. Dark meat supplies were up 10 percent.

Price

Whole turkey prices have been essentially flat at a time of year when they usually show steady growth. Whole frozen hens and toms both ended April at 100 cents/lb., down 1 percent and unchanged, respectively, from their end-of-March levels. Boneless/skinless (B/S) breast meat prices continue to be weak, dropping 2 percent to 152 cents/lb. B/S breast meat continues to trade at a discount to whole bone-in Grade A 4–8 pound breasts; for April, B/S meat was 25 cents/lb. below bone-in breasts. This has proved true for every week since the end of November 2016. B/S thigh meat fell 3 percent in April, closing at 119 cents/lb. In contrast, tom drumsticks were up 6 percent at 50 cents/lb.

International Trade

The U.S. exported 21 thousand metric tons of turkey products in March with a value of $45 million. March's exports were up 6 percent in volume and 9 percent value compared with February and up 13 percent in volume and 2 percent in value compared with last year. For the first 3 months of 2017, exports were up 16 percent in volume and 5 percent in value compared with the first quarter of 2016. In March, our five largest export destinations were Mexico, Japan, Hong Kong, Canada, and the Dominican Republic.

CHICKEN

Production

Production of young chicken in March totaled 3.58 billion pounds on a ready-to-cook basis. Daily production in March was down 1 percent compared with February but was up 2 percent compared with March 2016. All changes in production are attributable to changes in the number of birds slaughtered; average dressed weights in March were unchanged from the previous month and previous year. Production in the near term is likely to be up: for the four weeks ending April 29, the number of eggs set in incubators was 3 percent above the same period last year, while the number of chicks placed was up 2 percent.

Total inventories of chicken in cold storage on March 31 were 3 percent below levels at the end of February and in March 2016. Overall stocks of broiler products were down 4 percent both month-over-month and year-over-year. Whole broiler supplies were up 4 percent compared with February, but down 16 percent compared with last March. Breast meat items were down 6 percent from February and down 2 percent from 2016. Supplies of dark meat overall were down 1 percent for the month and up 2 percent for the year. Leg quarter stocks were unchanged from February but up 7 percent year-over-year. All other types of dark meat items showed declining levels both for the month and the year, with the exception of legs, which were up sharply, 25 percent above February and 126 percent above March 2016. Wing inventories were also down, 9 percent below February and 16 percent below last March.

Price

Whole chicken prices changes little in April, while parts prices rose. The National composite price for whole birds fell a penny during the month and closed at 97 cents/lb. Boneless/skinless (B/S) breast meat rose 5 percent to 134 cents/lb. Leg quarter prices were up 6 percent to 32 cents/lb., their highest weekly price since February 2015. B/S thigh meat rose 12 percent to 127 cents/lb. (their highest level since November 2014), while drumsticks were up 2 percent to 44 cents/lb. Wing prices were also up slightly, rising 2 percent to 192 cents/lb., their highest level since February 2016.

International Trade

U.S. exports of chicken products in March totaled 276 thousand metric tons with a value of $258 million. This was an increase of 12 percent in volume and 16 percent in value compared with February and an increase of 12 percent in volume and 13 percent in value compared with March 2016. For the first quarter of 2017, exports were up 9 percent in volume and 8 percent in value compared with 2016. Mexico, Canada, Hong Kong, Angola, and South Africa were the five largest importers of U.S. chicken products in March.

BEEF/VEAL

Production

March 2017 beef production was 7 percent above 2016 and 16 percent above February at 2.25 billion pounds. Cattle slaughter was up 9 percent, at 2.77 million head, and up 17 percent on a monthly basis. The average live weight was down 20 pounds from last year, to 1,350 pounds. Jan-Mar 2017 commercial beef production was up 6 percent from last year. Veal production totaled 6.4 million pounds, the same volume as last March, and up 14 percent from February. At 45,000 head, calf slaughter was up 25 percent from the year before and up 12 percent monthly. The average live weight was down 56 pounds from last year, at 246 pounds. Year to date veal production was down 4 percent. Total stocks of beef in freezers at the end of March were down 8 percent from February, and down 4 percent from the March 2016. While boneless beef storage was 9 percent lower than the month before, and 5 percent lower than last year, inventories of beef cuts were up 8 percent monthly and up 12 percent from year earlier levels. Veal stocks in cold storage were down 5 percent on a month-to-month basis but up 141 percent from levels for March 2016.

Price

Live cattle prices (FOB, steers and heifers) hit their stride through April, rising to a 2017 high of $136 per cwt, 4 percent above last year. The beef cutout value rose $3 per cwt to $220 per cwt, only $3 below the year-to-date peak, and 1 percent below the 2016 value. The 90 percent lean boneless beef price continues tracking the 2016 price pattern, holding steady at $218 per cwt and down slightly from last year. The 50 percent lean trim price rose $7 to a 2017 peak of $110 per cwt, 82 percent above the 2016 level. Packer-owned veal carcasses rose $2 to $307 per cwt, while non-packer owned veal carcasses held steady at $299 per cwt, 20 and 14 percent below 2016, respectively. The veal cutout average remained at $435 per cwt through April, 18 percent below last year's value.

International Trade

Compared to March 2016, beef and veal exports (including variety meats) increased 18 percent to 105 thousand MT and the export value rose 22 percent to $588 million. The export volume and value were both up 16 percent from February. The first quarter's beef export volume rose 15 percent from last year, and 19 percent in value. Japan, South Korea and Canada were our largest export markets in January. Year-over-year beef import volumes were down 1 percent to 95 thousand MT, and down 6 percent in value to $466 million. Compared to February, beef imports were 20 percent higher and value was up 19 percent. Year-to-date imports of beef and veal are 10 percent lower in volume and 4 percent lower in value than in 2016. Canada, New Zealand and Australia were the largest importers of beef to the U.S.

PORK

Production

March pork production totaled 2.27 billion pounds, up 6 percent from 2016, and up 14 percent from February. Hog slaughter totaled 10.7 million head, up 6 percent from 2016 and up 14 percent monthly. The average live weight was unchanged at 284 pounds. Accumulated pork production was up 3 percent from last year.

Pork supplies in cold storage were down 3 percent from February, and were down 10 percent from last March. Bone-in picnics were 4 percent higher than ending inventory levels for the month prior, but were down 16 percent from last year. Total hams in cold storage were 28 percent lower on a monthly basis and were 6 percent lower on a yearly basis. Pork trimmings were up 7 percent from the end of February and down 10 percent from last year. Loins were down 5 percent on a monthly basis and 24 percent yearly. Inventories of ribs were 5 percent higher than last month and slightly higher than February 2016. Pork butts in freezers were up a very small amount from February, and were 12 percent above the year before. Pork belly stocks were 27 percent higher than last month but down 68 percent from last year.

Price

The negotiated carcass price for barrows and gilts continued to fall through most of April, ending down $11 to $55 per cwt, 19 percent lower than in 2016. The pork cutout value lost $3 per cwt, to close at $74 per cwt, down 10 from last year. Trimmed, bone-in hams, 23-27 pounds gained $7, rising to $63 per cwt, 11 percent above 2016. Picnic meat combos, cushion out prices ended the month at $80 per cwt, 5 percent below a year ago. Pork trim, 72 percent lean again slowly added $3 to $71 per cwt, 7 percent lower than in 2016. Pork belly primals dropped another $23 per cwt to $108 per cwt, 3 percent lower than in 2016.

International Trade

Pork exports in March (including variety meats) were up 16 percent from 2016 to 223 thousand MT, and the value was up 22 percent to $563 million. Pork export volume was up 15 percent from February, and the value was 20 percent higher. January to March exports are up 17 percent in volume and 22 percent in value. The largest overseas markets for U.S. pork were Japan, Mexico and Canada. Compared to 2016, March pork imports were down 2 percent in volume to 44 thousand MT, but up 1 percent in value to $156 million. This represents a 20 percent increase in volume and a 19 percent increase in value from February. First quarter pork imports are lower in volume by 10 percent, and in value by 4 percent. The countries of Canada, Poland and Denmark imported the largest volumes of pork to the U.S

LAMB

Production

Lamb and mutton production was 13.7 million pounds in March, down 4 percent from 2016, but up 22 percent from February. Sheep slaughter totaled 196,900 head, 5 percent less than last year and but up 24 percent from the previous month. The average live weight was 140 pounds, down 2 pounds from a year ago. For 2017 so far, commercial lamb and mutton production was down 2 percent from last year. Lamb and mutton in cold storage was 1 percent lower than at the end of February, and 37 percent lower than year earlier levels.

Price

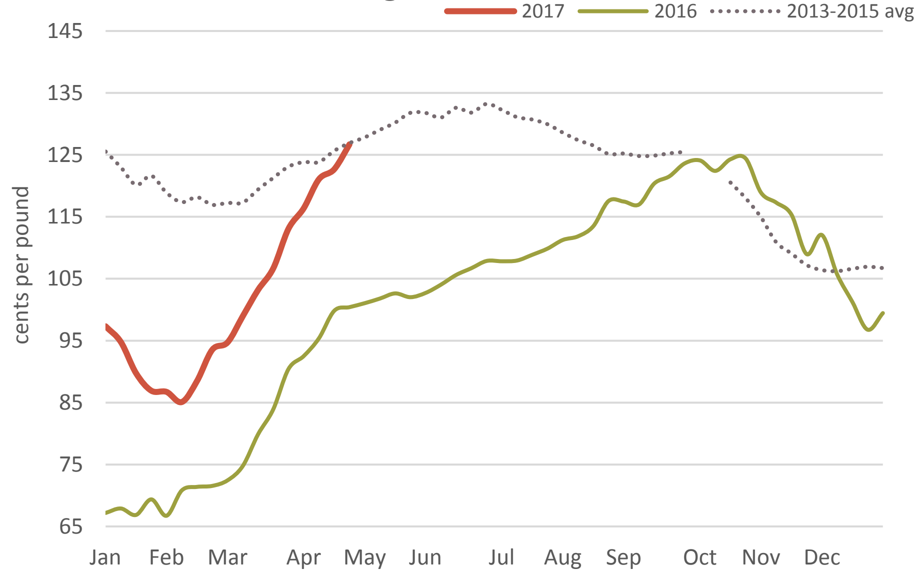
Negotiated live slaughter lamb prices continued to strengthen even after the Easter holiday, adding $6 per cwt in April to $160 per cwt, 21 percent above last year. The lamb cutout value had a gain of $23 to end the month at $367 cwt, up 8 percent from 2016. Leg of lamb, trotter off prices rose $20, to finish April at $365 per cwt, 6 percent higher than last year. Lamb shoulders ended the month at $556, slightly below the value in 2016.

International Trade

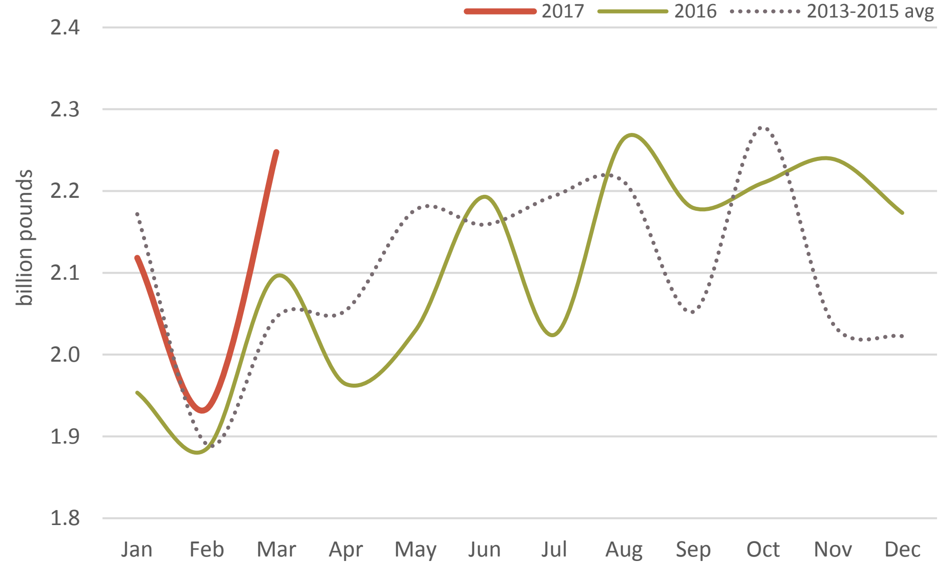
March lamb exports were up 26 percent from 2016 levels to 269 MT, and up 44 percent in value to $1.6 million. Compared to February, export volume was 120 percent higher and the value was up 74 percent. Lamb meat export volume for the year to date grew 27 percent in volume and 38 percent in value. Mexico, the Leeward-Windward Islands and The Bahamas were the largest export markets of lamb and mutton. U.S. lamb imports in February were up 34 percent from 2016 to 15 thousand MT, with the value up 17 percent to $91 million. The import volume and value were 61 and 53 percent higher, respectively, from February. Cumulative lamb import volume is up 18 percent, and value up 13 percent, 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.

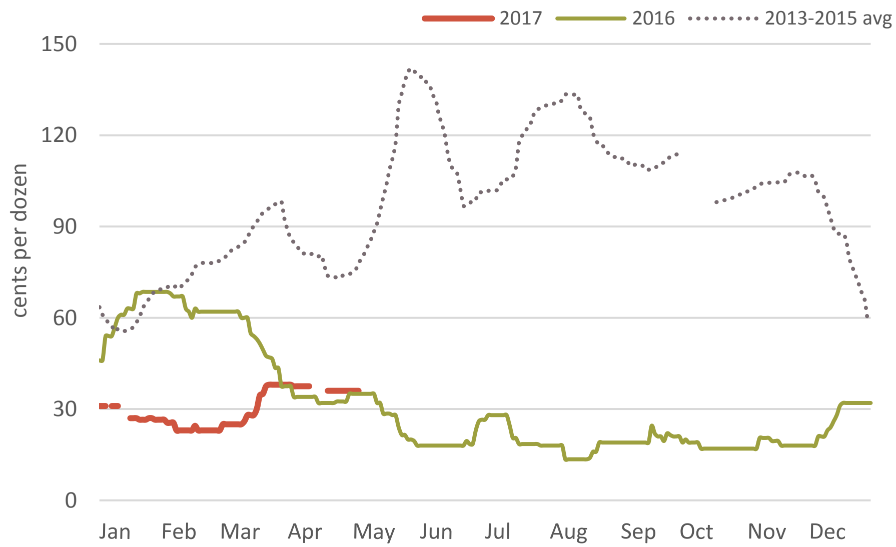
Northeast B/S Broiler Thighs



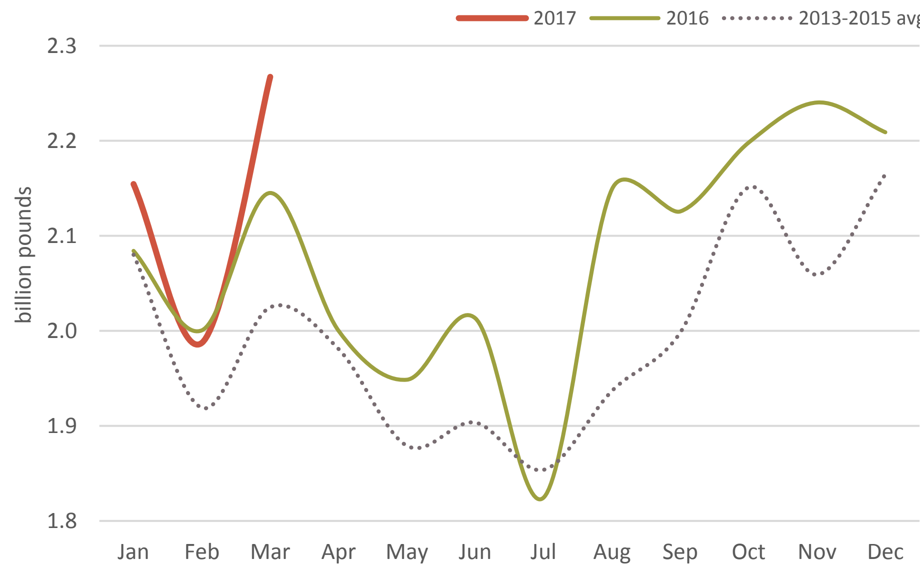
Monthly Commercial Beef Production



Central States Breaking Egg Stock



Monthly Commercial Pork Production



Source: USDA AMS Agricultural Analytics Division

Cinco de Mayo

Celebration Favorites

Cinco de Mayo celebrates the Mexican victory over the French at the battle of Puebla on May 5, 1862. The Mexican army was led by Ignacio Zaragoza Seguin, the "Hero of Cinco de Mayo".

Lamb Barbacoa

Marinated lamb shoulder wrapped in banana leaves and slowly pit-smoked. Served shredded on tortillas.

Mexico is the largest export destination for U.S. lamb with 56% of exports in 2016.

In 2016, the U.S. produced 147 MM pounds of lamb. During Cinco de Mayo 2016, lamb shoulder roasts were featured at retail at $7.74 per pound.

Camote

Simmered yams or sweet potatoes in a cinnamon piloncillo syrup. Piloncillo is unrefined cane sugar.

In 2016, the U.S. grew 3.2 billion pounds of sweet potatoes. The U.S. exported 5.7 MM pounds of yams in 2016, 4% to Mexico, 91% to Canada

In 2016, Mexico produced 14 billion pounds of cane sugar, nearly twice the amount produced in the U.S.

Chiles en Nogada

Colors Signify Mexican Independence

Poblano chilies filled with picadillo (shredded meat , fruits, and spices) and topped with nogada (walnut cream sauce), pomegranate seeds, and parsley.

California produces virtually all U.S. walnuts, 1.2 billion pounds in 2015. Moldova is the largest (57%) import source with 7 million pounds in 2016.

California produces 99% of U.S. Pomegranates and 40% of U.S. parsley, followed by New Jersey, Texas, Florida, and Hawaii

Chalupas

Spanish for "Canoe"

Fried, thick cornmeal masa (dough) tortillas topped with red or green sauce, shredded meat, vegetables and cheese.

In 2016, the U.S. produced 15 billion bushels of corn, 205 million bushels (1.4%) were used for cereal and food, including for corn flour production.

In 2016, 33% of U.S. corn flour production was exported to Mexico (1.7 MM bushels) and 93% of corn flour imports came from Mexico (6 MM bushels).

Mole Poblano

The National Dish of Mexico

Sauce made of ground dried chili peppers (types of poblano and chilaca peppers), nuts, herbs, spices and chocolate served over meat, usually turkey or chicken

California is the largest (85%) U.S. source of Chile Peppers for fresh use. Mexico is the largest exporter of chilies to the U.S. (99%). In 2016, the U.S. grew 470 million pounds of chilies and imported 991 million pounds from Mexico.

Mexico is the largest export destination for U.S. turkey, accounting for 67% of turkey meat exports in 2016.

Source: USDA AMS Agricultural Analytics, NASS, ERS