The Economic Landscape

A monthly publication of the USDA AMS Livestock, Poultry, and Seed, Agricultural Analytics Division

Volume 05-18
May 2018

EGGS

Production

Table egg production in March was 661 million dozen, 1 percent above last March. Broiler-type hatching egg production in March was up 2 percent compared to 2016. There were 1.08 billion broiler-type hatching eggs produced. Egg-type hatching egg production was 83 million eggs, 2 percent above last year. Shell eggs broken totaled 187 million dozen during March, down 6 percent from March a year ago, but 5 percent above the 177 million dozen broken in February. The number of table-egg layers in the national flock on April 1 was up 2 percent compared to 2017. Hatching egg layers for the table egg flock were up 5 percent compared with last year, and the broiler-type hatching egg flock was 4 percent above last year. The number of pullets added during March for all types of egg production was down 1 percent year-over-year.

Price

Table egg prices ended March at their highest levels since the 2015 HPAI outbreak. Prices tumbled throughout April, with the price of one dozen Grade A Large eggs in the New York wholesale market falling 57 percent to 118 cents/dozen by month's end, and appeared poised to continue falling. Breaking stock prices peaked at the beginning of April at 133 cents/dozen, and fell 41 percent over the course of about a week. Prices stabilized midmonth, and were 78 cents/dozen for the second half of April.

International Trade

Shell egg exports in March totaled 13.2 million dozen valued at $36.9 million. This was an increase of 3 percent in volume and 12 percent in value compared with February and a decrease in volume of 7 percent but an increase in value of 22 percent compared with March 2017. Through March, shell egg exports were unchanged from last year in volume but up 11 percent in value. March exports of egg products were valued at $12.4 million, a decrease of 17 percent compared with February and a decrease of 15 percent compared with last March. For the first quarter of 2018, the value of egg products exports was up 13 percent compared with 2017. The top five destinations for exports of shell eggs and egg products in March were Mexico, Canada, Japan, Hong Kong, and Brazil.

TURKEY

Production

U.S. turkey production in March totaled 479 million pounds on a on a ready-to-cook basis. Average daily production fell by 5 percent compared with both February and with March 2017, a result of lower poult placements in late 2017. Average dressed weights were little changed during March. Production in the coming months is also likely to be lower. Eggs in incubators on April 1 were down 2 percent and poults placed in March were down 3 percent compared with 2017.

Total turkey holdings in cold storage as of March 31 were up 8 percent compared with levels for March 2017. This was the smallest year-over-year increase since the summer of 2016. Frozen whole bird stocks were up 21 percent, with holdings of toms up 34 percent and holdings of hens up 10 percent. Processing supplies of white meat were up 3 percent from last year, while supplies of dark meat were down 23 percent.

Price

Whole turkey prices continued to show their weakness in April. Frozen whole hens were actually up 7 percent, but only because hen prices experienced a sharp dip at the end of March. Hens ended April at 80 cents/lb. Frozen whole toms fell 1 percent during the month to close at 78 cents/lb. Parts prices, on the other hand, were up. Boneless/skinless (B/S) breast meat climbed 15 percent to 186 cents/lb., its highest price since November 2016. B/S thigh meat was up 2 percent to 130 cents/lb. and tom drumsticks were up 2 percent to 62 cents/lb. at month's end.

International Trade

Turkey exports climbed sharply in March, with a total quantity of 25.2 thousand metric tons valued at $56.7 million. This was an increase of 16 percent in volume and 18 percent in volume compared to February and an increase of 20 percent in volume and 26 percent in value compared with last March. Exports for the first three months of 2018 were up 15 percent in volume and 19 percent in value compared with the same period last year. In March, our five largest export destinations were Mexico, Japan, Hong Kong, Canada, and Benin.

CHICKEN

Production

Broiler production in March totaled 3.48 billion pounds on a on a ready-to-cook basis. Daily production dropped 3 percent from February but was up 2 percent from March 2017. Part of the year-over-year increase was due to increased dressed weights, which were up 1 percent. Production in the coming weeks is likely to be slightly above last year; for the four weeks ending March 28, eggs set in incubators were up 3 percent and chicks placed were up 1 percent compared with the same period in 2017.

Total supplies of chicken in cold storage on March 31 were down 3 percent from the end of February but up 14 percent from March 2017. The year-over-year increase was driven by large holdings of paws and "other" meat; for broiler products only, inventories were down 3 percent for both the month and the year. Whole broiler stocks were up 12 percent for the month but down 7 percent for the year. Breasts and breast meat supplies were down 9 percent compared with February but 3 percent compared to March 2017. Overall holdings of dark meat were up 3 percent month-over-month but down 12 percent year-over-year. Leg quarter stocks were up 6 percent for the month but down 23 percent for the year.

Price

Most chicken prices were steady to lower in April. The National composite price for whole broilers was unchanged throughout the month at 109 cents/lb. White meat, after an impressive rally in the second half of March, and boneless/skinless (B/S) breast meat fell 7 percent in April to close at 132 cents/lb. Leg quarter prices declined slightly, falling 1 percent and were 35 cents/lb. at month's end. Drumstick prices fell 2 percent to 43 cents/lb. B/S thigh meat was an exception, rising 1 percent to close at 115 cents/lb. Wing prices fell 3 percent to 145 cents/lb.

International Trade

U.S. exports of chicken products in March totaled 276 thousand metric tons valued at $285 million. This was an increase of 10 percent in volume and 14 percent in value compared with February and unchanged in volume and up 11 percent in value compared with March 2017. For the first quarter of 2018, total chicken exports were unchanged in volume and up 11 percent in value compared to 2017 totals. Mexico, Canada, Taiwan, Angola, and Cuba were the five largest importers of U.S. chicken products in March.

BEEF/VEAL

Production

In March 2.20 billion pounds of beef were produced, 2 percent below March 2017 and 11 percent over February 2018. Cattle slaughter totaled about 2.70 million head of cattle, 2 percent below 2017 but 12 percent higher monthly. The average live weight was up 8 pounds year-over-year, at 1,358 pounds. March veal production was down 5 percent year-over-year, but up 5 percent from February at 6.1 million pounds. 43,700 head of calves were slaughtered in March, 3 percent lower yearly and 6 higher percent monthly. The average live weight was down 7 pounds from last year, at 240 pounds. First-quarter veal production was up slightly over last year. Total beef holdings in cold storage were little changed as of March 31, unchanged from a year ago and 1 percent above the end of February. Boneless beef stocks were up 2 percent month-over-month and 1 percent year-over-year. Inventories of beef cuts were down 12 percent compared with February and down 9 percent compared with last March. Veal supplies in cold storage were down 2 percent compared with February and up 29 percent compared with March 2017.

Price

Live cattle prices (FOB, steers and heifers) fell to a low for 2018 in the first half of April before adding $6, closing the month at $123 per cwt, 9 percent below last year. The beef cutout value followed the seasonal pattern by falling the first three weeks of April but adding value in the last week, with a net loss of $3 for the month at $219 per cwt, just below 2017. The 90 percent lean boneless beef price fell through most of April before turning up slightly to $212 per cwt, a net loss of $6 and down from 2017 by 3 percent. The 50 percent lean trim price gained $10 through April, ending at $95 per cwt, 14 percent lower than a year ago. Non-packer-owned veal carcasses held steady at $309 per cwt, while packer-owned veal carcasses were down by $4, ending at $309 per cwt, respectively 1 and 3 percent higher than in 2017. The veal cutout average held at $420 per cwt for the third consecutive month, 3 percent below last year's value.

International Trade

Compared to March 2017, beef and veal exports (including variety meats) increased 6 percent to 112 thousand MT, and the export value again rose 18 percent to $693 million. The export volume and value were up 11 and 16 percent, respectively, from February. Cumulative beef exports were higher in volume by 9 percent relative to 2017, and value was 19 percent higher. Japan, South Korea and Hong Kong were our largest export markets in March. Year-over-year beef import volumes were down 5 percent to 90 thousand MT, but up 8 percent in value to $503 million. Compared to February, beef imports were 16 percent higher and value was up 19 percent. Year-to-date beef and veal imports and import values were up 4 and 18 percent, respectively from last year. Canada, Australia and New Zealand were the largest sources of imported beef to the U.S.

PORK

Production

Once again pork production hit a record high for the month, totaling 2.30 billion pounds in March, 1 percent over 2017 and 12 percent higher than February output. Hog slaughter totaled 10.7 million head, up slightly from March 2017. The average live weight added 2 pounds on a yearly basis, to 286 pounds. Accumulated pork production for 2018 was 4 percent higher year-over-year.

Cold storage holdings of pork at the end of March were unchanged from February, but up 12 percent compared with last March. Belly stocks were up 21 percent from February and were 188 percent above March a year ago. Picnic inventories were up sharply, increasing by 31 percent month-over-month and 29 percent year-over-year. Ham inventories were down 22 percent compared with February but up 7 percent compared with March 2017. Rib holdings were up 9 percent for the month and up 2 percent for the year. Loin supplies were up 2 percent compared with February and up 9 percent compared with last March.

Price

After fluctuating up and down through April, the negotiated carcass price for barrows and gilts ended the month back at the same level it started, at $49 per cwt, 10 percent below 2017. The pork cutout value slowly lost $2 in April, falling to $70 per cwt, 8 percent lower than last year. Trimmed, bone-in hams, 23-27 pounds also had fluctuating prices, but ended up by $3 to $55 per cwt, 14 percent lower year-over-year. Picnic meat combos, cushion out prices added $2 to close at $68 per cwt, down 15 from 2017. Pork trim, 72 percent lean lost $2 to $57 per cwt, 19 percent lower yearly. Pork belly were again down, ending at $86 per cwt with a loss of $16 and 20 percent lower yearly.

International Trade

Pork exports in March (including variety meats) were down slightly from 2017 to 222 thousand MT, and the value was up 2 percent to $577 million. Pork export volume and value were both 11 percent higher than in February. For 2018 so far, pork exports are up from 2017 by 1 percent in volume and 6 percent in value. The largest overseas markets for U.S. pork were Japan, Mexico and South Korea. Compared to 2017, March pork import volumes were down 3 percent to 43 thousand MT and values were down 7 percent to $145 million. The volume of pork imports rose 5 percent from February, but the value was steady. Year-to-date pork imports are higher than 2017 by 5 and 4 percent, respectively. The countries of Canada, Poland and Denmark imported the largest volumes of pork to the U.S.

LAMB

Production

March lamb and mutton production, at 14.2 million pounds, was up 3 percent from 2017, and up 20 percent from this February. Sheep slaughter was 201,600 head, 3 percent above last year and up 22 percent monthly. The average live weight was 140 pounds, unchanged from a year ago. Total 2018 commercial lamb and mutton production was 3 percent higher than 2017. Lamb and mutton in cold storage was 1 percent higher than at the end of February, and 11 percent higher than year earlier levels.

Price

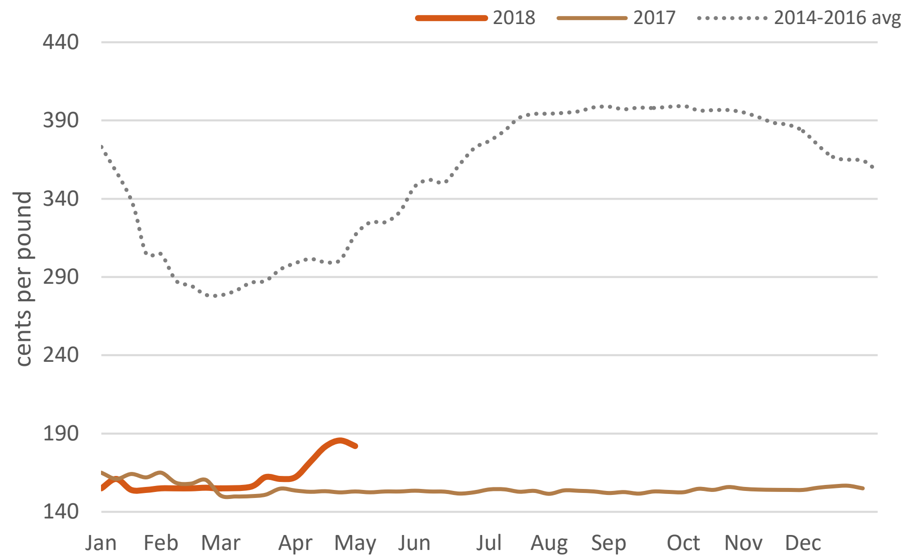
Negotiated live slaughter lamb prices added $3 early in April and remained at the $149 per cwt level through the month, 7 percent below 2017. The lamb cutout value bounced up and down around $370, but closed the month on an uptick of $8 to $378 cwt, gaining 3 percent yearly. After an initial drop from the starting value of $364, leg of lamb, trotter-off prices fell, but near the end of April, it spiked to $386 per cwt, 6 percent over 2017. Boneless square-cut lamb shoulders waivered on a general downward trend, ending down $15 to $552 per cwt, 1 percent lower than last year.

International Trade

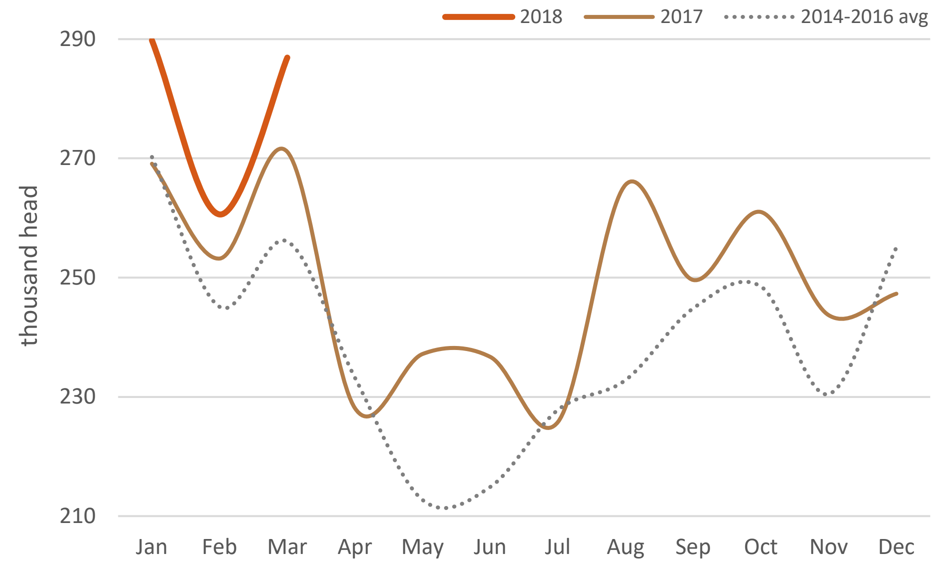
March lamb exports were down 28 percent from 2017 to 195 MT, and down 8 percent in value to $1.4 million. Compared to February, export volume was down 6 percent but the value was up 22 percent. Year-to-date exports of lamb fell 9 percent in volume and 1 percent in value compared to 2017. Mexico, The Bahamas and Canada were the largest export markets for lamb and mutton. U.S. lamb imports in March were down 5 percent from 2017 to 14 thousand MT, and the value fell 7 percent to $87 million. March import volume was up 30 percent from February while value rose 23 percent. 2018 total lamb imports were up 3 percent in volume and 7 percent in value 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.

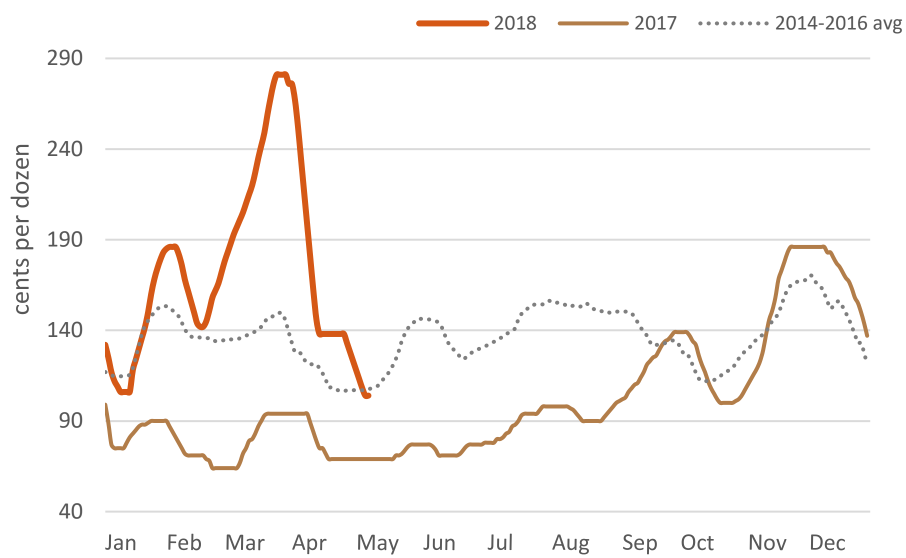
Fresh Boneless/Skinless Tom Turkey Breast



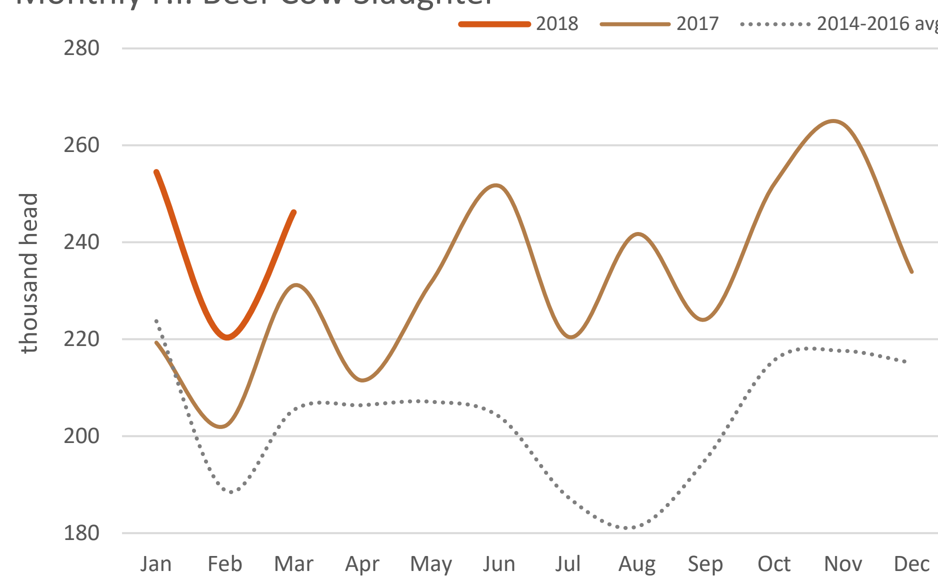
Monthly F.I. Dairy Cow Slaughter



New York Shell Egg Price (Grade A Large - wholesale)



Monthly F.I. Beef Cow Slaughter



Mother, May I?

Motherhood is the basis of American Agriculture

Turkeys

In 2017, **290,000,000** turkey poults were hatched.

It would take **1,700,000** breeder hens to produce this amount of eggs.

Chickens

In 2017, the average monthly hatching egg flock was

57,000,000 meat-type and

3,400,000 egg-type hens

Goats

In 2017, the U.S. breeding goat herd was

2,200,000 head

with a kid crop of

1,600,000

Hogs

In 2017, the sow farrowing herd was

12,200,000 head

with a pig crop of

129,400,000 averaging

10.6 pigs per litter.

In 2017, the U.S. exported

24,000 breeding swine, 46% to Mexico.

Sheep

In 2017, the inventory of breeding sheep was

3,800,000

with a lamb crop of

3,200,000

Beef Cattle

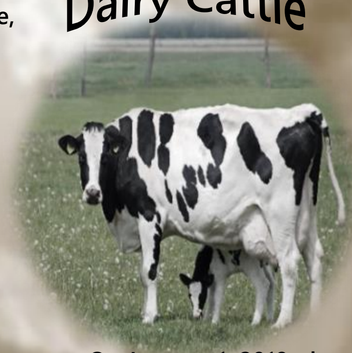
On January 1, 2018, the U.S. beef cow herd was

31,700,000 head

In 2017, the U.S. exported

3,600 breeding cows, 66 percent to Canada.

Dairy Cattle



On January 1, 2018, the U.S. dairy cow herd was

9,400,000 head

In 2017, the U.S. exported

32,000 breeding cows, mostly to Mexico, Canada, Turkey, and Vietnam.

Source: USDA Agricultural Analytics, NASS