

Today's market letter is included on page 2.

Monday's U.S. holiday is Memorial Day — a day set aside to honor the nation's war dead. It has become a tradition here at The Daily Livestock Report to include **General Orders No. 11 of the Grand Army of the Republic in our final pre-Memorial Day edition.** It's a message we are proud to feature and that, judging from the e-mails we usually receive, our readers appreciate. The Orders were issued on May 5, 1868 by GAR Commander in Chief John A. Logan and established the first traditions of what is now Memorial Day.

"The 30th day of May, 1868 is designated for the purpose of strewing with flowers or otherwise decorating the graves of comrades who died in defense of their country during the late rebellion, and whose bodies now lie in almost every city, village and hamlet church-yard in the land. In this observance no form of ceremony is prescribed but posts and comrades will in their own way arrange such fitting services and testimonials of respect as circumstances may permit.

We are organized, comrades, as our regulations tell us, for the purpose among other things, "of preserving and strengthening those kind fraternal feelings which have bound together the soldiers, sailors and marines who united to suppress the late rebellion." What can aid more to assure this result than cherishing tenderly the memory of our heroic dead, who made their breasts a barricade between our country and its foes? Their soldier lives were the reveille of freedom to a race in chains, and their deaths the tattoo of rebellious tyranny in arms. We should guard their graves with sacred vigilance. All that the consecrated wealth and taste of the nation can add to their adornment and security is but a fitting tribute to the memory of her slain defenders. Let no wanton foot tread rudely on such hallowed grounds. Let pleasant paths invite the coming and going of reverent visitors and fond mourners. Let no vandalism of avarice or neglect, no ravages of time testify to the present or to the coming generations that we have forgotten as a people the cost of a free and undivided republic.

If other eyes grow dull, other hands slack, and other hearts cold in the solemn trust, ours shall keep it well as long as the light and warmth of life remain to us.

Let us, then at the time appointed gather around their sacred remains and garland the passionless mounds above them with the choicest flowers of springtime; let us raise above them the dear old flag they saved from dishonor; let us in this solemn presence renew our pledges to aid and assist those whom they have left among us a sacred charge upon a nation's gratitude, the soldier's and sailor's widow and orphan."

We all too often forget the precious price that has been paid for our

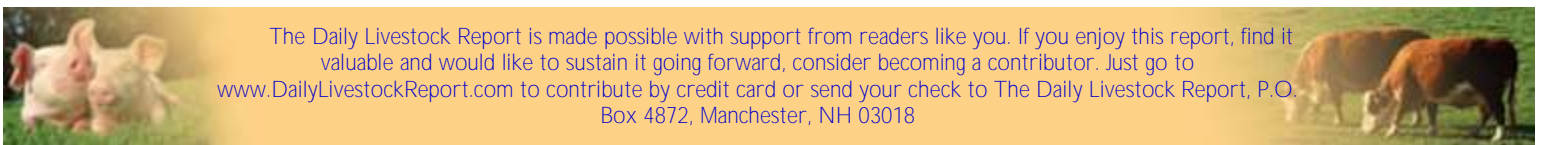


To those who
courageously gave their lives
and those who
bravely fight today

THANK YOU

freedom and the freedom of millions of others worldwide. We once again ask you make time Monday to attend a Memorial Day observance in your community. Most will include a reading of General Orders No. 11, a 21-gun salute, perhaps a speech and, most certainly, the haunting strains of Taps. We guarantee you will be moved and grateful – as all of us should be on this most solemn of national holidays.

Have a safe, happy and meaningful Memorial Day. And say a prayer of thanks for the sacrifices of so many. How blessed we are because of them.



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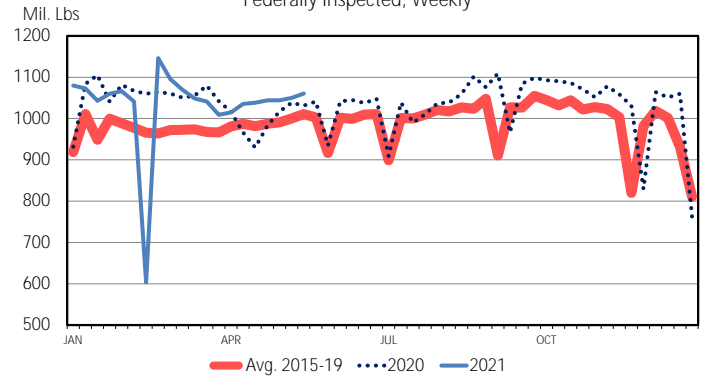
The chicken and turkey industries are riding the crest of a wave of consumer demand that has rarely been seen. Profit margins for chicken processors may be at the highest levels ever, even with feed costs up more than 50% from a year ago. Prices for wings at the wholesale level continue to track upward to unprecedented highs while breast meat is priced at the highest values since 2004.

The turkey industry is getting a lift from breast meat prices that have regained the \$2 mark in recent weeks, the first time this has happened since late 2019. Prices for thigh meat, drums, wings and mechanically deboned turkey are trading at values last seen in 2014, when high beef prices were prompting consumers to look at other sources of fresh ground meat. Turkey processor profit margins were in the dumps during the first quarter of this year due to high feed costs, but have recovered nicely this spring. Extrapolating this improving trend is within reason if summer weather favors large crop harvests this fall. In that case, turkey industry profit margins could reach the best levels since before 2018.

Broiler-type chicken production this quarter was expected to be down slightly from a year ago based on hatchery output during the first quarter of the year that was down 3%, year-over-year. That may not be the case as April production was up 2%, reflecting the absence of abnormally high mortality last April due to processing plant shut downs in the wake of labor shortages that were a consequence Covid-19. Average bird weights at time of processing were also 1% higher this April, which is surprising given industry statements favoring a shift away from big birds oriented to foodservice further processed products.

BROILER PRODUCTION

Federally Inspected, Weekly



Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center

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Looking out to the summer, broiler-type chicken production should be up 4% from last summer. Hatchery output in April was up 6%, a comparison reflecting hatchery cutbacks last year due to Covid-19. Sustaining the trend in heavier average bird weights would boost this summer production increase by 1-2%.

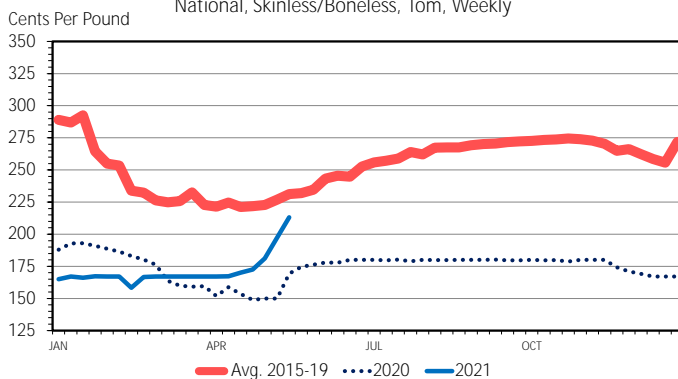
The turkey production situations shows similar parallels to chicken. Production was down 5% in the first quarter of 2021 but April production was up 4%. The reasons for the increase in production during April were less abnormal mortality prior to reaching the processing plant and heavier average bird weights.

Turkey hatchery output trends are showing a keen sensitivity to improving profitability. Net poult placements in April were up 1% from a year earlier. March placements were also up 1%, but this reflects a 6% upward revision from the initial USDA-NASS estimate made in April. These small increases compare to 8% declines in both January and February.

Switching attention to the demand side of the turkey market, monthly domestic turkey use started out the year sharply below the prior year but was able to post a 7% increase in March. Preliminary evidence for April supports a gain in consumption of slightly more than 10%. Usage gains of this magnitude are consistent with price trends that are developing for turkey parts and meat. Inventories of turkey parts and meat in cold storage at the end of April were down 23% from a year earlier, a consequence of the improved pace of consumer demand.

WHOLESALE TURKEY BREAST PRICES

National, Skinless/Boneless, Tom, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

05/21/21

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