Daily Livestock Report

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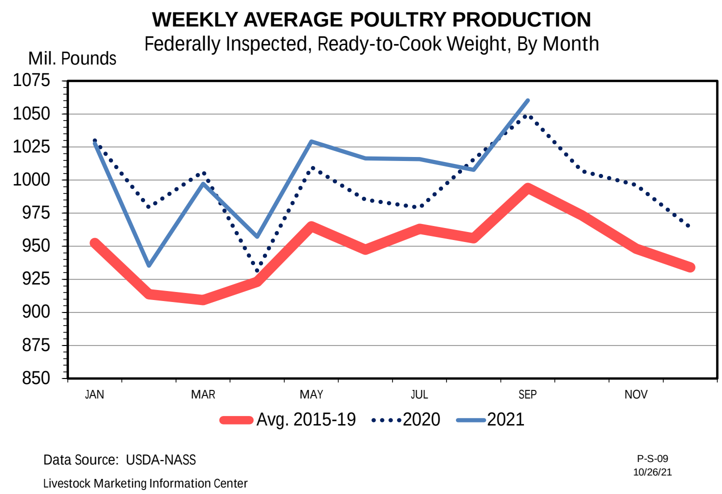
Poultry production in 2021 will post one of the smallest gains since the start of the millennium. Challenges sourcing from the uncertainties of Covid-19 related to production and processing logistics going back to March 2020, soaring feed costs in the second half of 2020 and early this year, and hatchery flock fertility issues have come together this year to offset dramatic improvements in industry profitability.

Young chicken (broiler) production over the first 9 months of 2021 was up half a percent from a year earlier. Production in the last three months of the year is expected to be down as hatchery output during the late summer and early fall has been stymied by fertility issues in hatcheries. Average bird weights at processing time will be about one percent heavier than a year ago as processors focus on producing bigger birds that supply breast meat for sandwiches at fast food chains. This will not offset slaughter that should be down close to 2% this quarter.

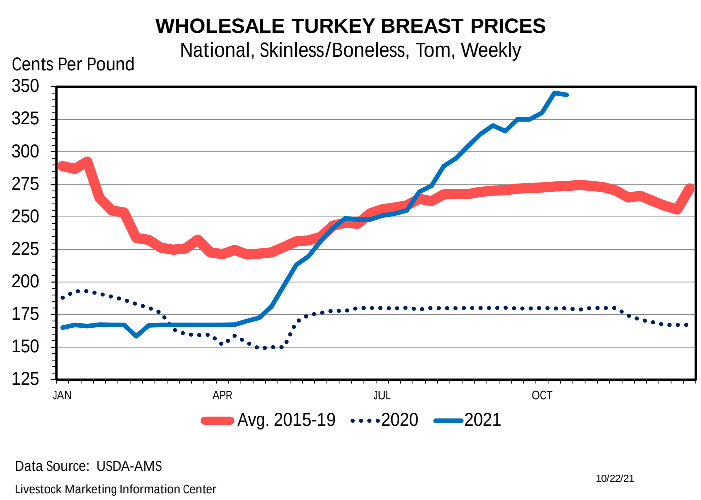


Turkey production during the first 9 months of the year was down 2.4% from a year earlier. Per capita turkey consumption has declined each year since 2016, leading to depressed economic returns as demand for whole birds at the holidays has diminished and competition from chicken and pork has cut into the demand for turkey in deli meats. A rebound in turkey demand has been underway this year as high beef and pork prices are increasing consumer interest in ground turkey meats along with a recovery in the foodservice economy that relies on sandwich meats. A turnaround in turkey hatchery operations takes time, however, limiting a response in production to better profitability.

Turkey hatchery output was up two and one percent from a year ago in August and September, respectively, but this compares to a 4.2 percent decline in hatchery output during the first seven months of the year. The rebound in hatchery output will not be soon enough to boost turkey production significantly for Thanksgiving but should be available for the Christmas market.

Scarce supplies of consumer pack turkeys for Thanksgiving and Christmas has gotten some media attention in recent months. The turkey market has responded to this situation by moving more turkeys in whole bird form (as opposed to processed meat and parts) into cold storage between July 1 and October 1 than in any year since 2009. The combination of concerted whole bird storage programs and increasing turkey production from November to the end of the year should accommodate the demand for holiday whole birds with a minimum of problems.

A consequence of the focus on marketing more turkey in the form of whole birds has been to reduce the amount of turkey processed for deli meats and fresh ground product in the grocery store fresh meat case. Turkey breast meat prices at the wholesale level have doubled since the spring and turkey thigh meat prices are up 70% from a year ago.



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PRODUCTION & PRICE SUMMARY

Week Ending 10/30/2021

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY .

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			30-Oct-21	23-Oct-21		31-Oct-20			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	2,020	2,021	-0.1%	2,050	-1.5%	83,609	-0.3%
C	FI Slaughter	Thou. Head	668	661	1.1%	641	4.2%	27,603	3.2%
A	FI Cow Slaughter **	Thou. Head	131	132	-0.7%	126	4.1%	11,606	1.7%
T	Avg. Dressed Weight	Lbs.	833	832	0.1%	842	-1.1%	827	-0.4%
T	Beef Production	Million Lbs.	555.6	548.9	1.2%	537.4	3.4%	22,827	2.8%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	126.29	124.39	1.5%	104.24	21.2%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	199.88	195.83	2.1%	161.19	24.0%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	156.37	154.14	1.5%	126.56	23.6%		
&	Choice Beef Cutout	$ per cwt	284.41	280.70	1.3%	207.15	37.3%		
	Hide/Offal	$ per cwt, live wt	16.37	16.33	0.2%	8.33	96.5%		
B	Rib, Primal, Choice	$ per cwt	490.20	476.46	2.9%	382.90	28.0%		
E	Round, Primal, Choice	$ per cwt	255.92	251.69	1.7%	168.08	52.3%		
E	Chuck, Primal, Choice	$ per cwt	232.34	228.91	1.5%	167.20	39.0%		
F	Trimmings, 50%, Fresh	$ per cwt	87.77	100.58	-12.7%	35.67	146.1%		
	Trimmings, 90%, Fresh	$ per cwt	275.80	277.16	-0.5%	194.58	41.7%		
	FI Slaughter	Thou. Head	2,551	2,598	-1.8%	2,694	-5.3%	106,181	-2.0%
H	FI Sow Slaughter **	Thou. Head	56.9	59.8	-4.8%	58.9	-3.4%	5,827	2.8%
O	Avg. Dressed Weight	Lbs.	213.0	212.0	0.5%	218.0	-2.3%	214	-0.1%
G	Pork Production	Million Lbs.	543.8	551.4	-1.4%	586	-7.2%	22,747	-2.1%
S	Natl. Negotiated Purchase	Wtd. Avg.	63.19	66.48	-4.9%	61.63	2.5%		
	Natl. Base Carcass Price	Wtd. Avg.	79.23	82.04	-3.4%	71.78	10.4%		
&	Natl. Net Carcass Price	Wtd. Avg.	81.00	83.91	-3.5%	73.48	10.2%		
	Natl. Early Wean Feeder	10-12 Lbs.	49.19	50.25	-2.1%	38.82	26.7%		
P	Pork Cutout	$ per cwt	94.58	98.71	-4.2%	87.32	8.3%		
O	By-product Value	$ per cwt, live wt	5.16	5.16	0.0%	4.32	19.4%		
R	Ham, Primal	$ per cwt	70.62	66.77	5.8%	87.37	-19.2%		
K	Loin, Primal	$ per cwt	97.40	99.13	-1.7%	77.20	26.2%		
	Belly, Primal	$ per cwt	156.14	177.65	-12.1%	130.24	19.9%		
	Trimmings, 72%, Fresh	$ per cwt	83.14	78.56	5.8%	84.35	-1.4%		
C	Young Chicken Slaughter *	Million Head	167.2	168.1	-0.5%	167.36	-0.1%	6,992	-1.3%
H	Avg. Weight (RTC)	Lbs.	4.86	4.89	-0.6%	4.86	0.0%	4.84	0.9%
I	Young Chicken Production (RTC)	Million Lbs.	813.4	822.8	-1.1%	814.0	-0.1%	33,846	-0.4%
C	Eggs Set (US)	Million	233.5	229.0	2.0%	224.0	4.3%	22,218	1.2%
K	Chicks Placed (US)	Million Head	178.0	181.0	-1.6%	170.8	4.2%	17,592	-0.2%
E	National Composite Whole Bird	Composite	100.98	102.40	-1.4%	69.09	46.2%		
N	Northeast Breast, B/S	$ per cwt	179.12	181.47	-1.3%	83.62	114.2%		
	Northeast Leg Quarters	$ per cwt	38.48	39.76	-3.2%	24.84	54.9%		
T	Total Turkey Slaughter *	Million Head	4.48	3.91	14.6%	4.93	-9.1%	162.6	-6.0%
U	Avg. Weight (RTC)	Lbs.	23.94	25.14	-4.8%	22.82	4.9%	25.77	0.3%
R	Turkey Production (RTC)	Million Lbs.	107.3	98.3	9.1%	112.5	-4.7%	4,190	-5.8%
K	National Hen (8-12 Lbs)	$ per cwt	132.97	141.31	-5.9%	117.40	13.3%		
G	Corn, Omaha	$ per Bushel	5.55	5.23	6.1%	3.86	43.7%		
R	Distillers Grain, IA	$ per Ton	177.50	185.00	-4.1%	160.00	10.9%		
A	Soybean, Cntrl IL	$ per Bushel	12.42	12.26	1.3%	10.60	17.1%		
I	Soybn Meal 48%, Cntrl IL	$ per Ton	331.40	327.10	1.3%	375.90	-11.8%		
N									

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago (part of 'actual" rather than "preliminary" weekly slaughter report).