

## EGGS

### Production

Compared with April 2020, May shell egg production fell 4 percent to 660 million dozen and egg-type hatching eggs fell 1 percent to 7.1 million dozen. Future table egg production indicators declined modestly across the board. Compared with the previous month's figure, June table-egg layers fell 1 percent to 319.7 million, egg-type hatching-egg layers fell 2 percent to 3.2 million, and egg-type hatching egg production fell 1 percent to 7.2 million dozen. Compared to May 2019, table-egg layers fell 4 percent, egg-type hatching egg layers fell 11 percent, and egg-type hatching egg production fell 6 percent. Additionally, pullets added during May for all types of egg production was 25.1 million, down 8.5 percent monthly and 18.6 percent annually.

Layer and hatching egg indicators for the broiler industry were mixed. Broiler hatching-egg layers fell 1 percent monthly to 60.8 million but rose 1 percent year-on-year. Broiler-type hatching egg production rose to 96.1 million dozen up 3 percent on both a monthly and yearly basis.

### Price

Compared to May, the June price for a dozen Large Grade A eggs in the New York wholesale market fell 13.7 percent to 84.5 cents per dozen and the National Index Price fell 20 percent to 38.0 cents per dozen. Compared to the June 2019 price, the New York large egg price fell 9 percent and the National Index price fell 18 percent. With the partial reopening of restaurants, the Central States Breaking Stock price rose to 29 cents per dozen, 29 percent above the May level and 64 percent above its June 2019 level.

### International Trade

U.S. table shell egg exports in May totaled 8.6 million dozen, down 12 percent from April and down 28 percent from May 2019. The export value was \$6.4 million, down 41 percent monthly and 20 percent yearly. Across the top 3 export destinations, Canada imported 90 percent fewer shell eggs and Mexico imported 31 percent fewer while Hong Kong imported 16 percent more. At 2.8 thousand metric tons, the volume of egg products exported was down 30 percent from April and 1 percent from May 2019. Egg product exports were valued at \$11.3 million in May, down 12 percent from April and down 10 percent from May last year.

## TURKEY

### Production

The U.S. produced 427 million pounds of turkey on a ready-to-cook basis in May, down 3 percent monthly and 13 percent yearly. At 26.9 million, turkey eggs in incubators on the first of May were down 3 percent monthly and 4 percent year-on-year. At 21.4 million, February poult placements were down 9 percent on both a monthly basis and year-over-year basis.

Total turkey in cold storage rose half a percent in May on a monthly basis but was down 15 percent on a yearly basis. Total stocks of whole frozen birds, hens, and toms were down 23, 14, and 10 percent, respectively, on an annual basis. Breast meat and leg meat stocks were down 12 and 5 percent year-over-year.

### Price

The average June prices of whole fresh hens and toms moved down slightly from the May 2020 prices to a 119 to 120 cents per pound range. The average June prices of whole frozen hens and toms was 105 cents per pound, up 1 to 2 percent over their May 2020 prices and 21 to 22 percent over their June 2019 levels.

For individual cuts, the fresh tom boneless, skinless breast price was 178 cents per pound, up 11 percent on a monthly basis but down 14 percent year-to-year. Fresh tom drumstick meat fell 2 percent on a monthly basis to 68 cents per pound, which is 5 percent below its June 2019 level. The May fresh tom thigh price fell to 114 cents per pound which is 2 percent above its May 2020 price and 24 percent below its June 2019 level.

### International Trade

In May, the U.S. exported 17,484 thousand metric tons of turkey products with a value of \$38.0 million. Compared to April 2020, volume and value decreased 23 percent and 34 percent, respectively. Compared with May 2019, volumes and value fell 34 percent and 37 percent, respectively. While Mexico remains the top U.S. export market, its share of the exports fell from 63 to 58 percent between April and May 2020.

## Production

Production of young chicken was 3.6 billion pounds on a ready-to-cook basis in May 2020, a 1.2 percent decrease from an already low April level and 7 percent lower than its May 2019 level. Broiler-type eggs set and placements indicators gave mixed signals on future production. At 1.0 billion, eggs set were 2 percent below its May 2020 level but 1 percent higher than its June 2019 level. At 575 million, chicks placed were 3 percent above its May 2020 and 1 percent lower less than the June 2019 level.

Supply chain disruptions caused cold storage stock rundowns for most parts in May. Total stocks of chicken in cold storage at the end of May were 857 million pounds, down 8 percent from the end of April 2020 and up 3 percent from the previous year. Stocks of whole broilers were up 4 percent from the previous month and up 20 percent from the year before. Bone-in thighs in cold storage were down 8 percent monthly down and 10 percent yearly. Drumstick stocks were down 16 percent monthly and 19 percent yearly. Stocks of boneless, skinless breasts in freezers were down 11 percent monthly but up 26 percent yearly. Cold stored wings were down 3 percent monthly and 13 percent yearly. Leg quarters were down 2 percent monthly and up 45 percent yearly.

## Price

While whole broiler prices held steady, chicken parts prices were mostly down on a monthly basis. At 74 cents per pound, whole broiler prices were unchanged from their May 2020 but 22 percent below the June 2019 price. Boneless, skinless breast prices fell to 124 cents per pound, 8 percent lower monthly and 7 percent higher than their June 2019 level. The drumstick price fell to 46 cents per pound, 12 percent below its May 2020 level and 12 percent higher than its June 2019 level. Bone-in thighs fell to 66 cents per pound, 8 percent lower on a monthly basis and 7 percent lower than its June 2019 level. Wing prices rose 9 percent over May 2020 levels to 173 cents per pound, a figure 10 percent below its May 2019 price. Boneless, skinless thigh meat prices fell 2 percent to 105 cents per pound, down 17 percent yearly. Bulk leg quarter prices fell to 31 cents per pound, 6 percent lower monthly and 32 percent lower yearly.

## International Trade

April exports of chicken and chicken products totaled 241 thousand metric tons valued at \$268 million. This is a 9 percent decrease in volume and an 8 percent increase in value compared to April. Year-over-year, chicken exports decreased 14 percent in volume and 9 percent in value. Between January and May of 2020, China's share of U.S. chicken exports grew from 1 percent to 15 percent, edging slightly past Mexico as the largest U.S. chicken export destination.

## Production

May 2020 beef production totaled 1.8 billion pounds, with 20 percent less beef output than in May 2019 but 3 percent higher than April 2020. Cattle slaughter was 2.28 million head, down 23 percent year-over-year but 2 percent higher monthly. The average live weight was up 51 pounds from last year and up 14 pounds from April at 1,367 pounds. Veal production in May 2020 was 5.2 million pounds, down 15 percent year-over-year, and 17 percent below April. Calf slaughter was 32,400 head, down 30 percent yearly and 8 percent below April slaughter. The average live calf weight was up 39 pounds yearly and 22 pounds monthly at 274 pounds. Total beef production for the year to date was 4 percent below last year, while veal production was down 11 percent.

Total beef in cold storage at the end of May was up 2 percent compared with the end of May 2019, and 13 percent lower than April. Stocks of boneless beef were down 14 percent on a monthly basis and up 4 percent yearly, while beef cuts were 11 percent lower month-over-month and 15 percent lower year-over-year. Veal stocks in freezers fell 46 percent relative to April and were down 44 percent yearly.

## Price

Live cattle prices (FOB, steers and heifers) averaged \$105 per cwt in June 2020 shedding \$8, or 7 percent, from both May 2020 and the June 2019 price. The monthly average beef cutout value returned to a more typical level at \$241 per cwt, up 9 percent from May and down 42 percent from last June. The 90 percent lean boneless beef monthly average price lost \$13 per cwt, or 5 percent on a monthly basis at \$279 per cwt, 24 percent higher year-over-year. The June 50 percent lean trim average plunged \$126 to \$78 per cwt, 62 percent below May and down 17 percent from last year. The average price for hide-off veal carcasses held steady at \$283 per cwt between May and June but fell 7 percent yearly.

## International Trade

Compared to 2019, May 2020 beef and veal exports (including variety meats) were down 33 percent from last year at 79 thousand MT while the export value was 34 percent lower at \$480 million. The export volume and value were both down 20 percent from April. For the year so far, beef exports were down 3 percent from 2019, and the value of exports was down 5 percent. In May, South Korea, Japan, Hong Kong, Canada and Taiwan were our largest export markets. Year-over-year beef import volumes for May fell 9 percent compared to last year for a total of 96 thousand MT but were 7 percent higher in value at \$638 million. On a monthly basis volume increased slightly and value rose 19 percent. For the year to date, 2020 beef imports were up 8 percent in value and 1 percent in volume. Canada, Mexico, Australia, New Zealand and Uruguay imported the largest volumes of beef to the U.S. in May 2020.

## Production

Pork production in May totaled 1.88 billion pounds, 8 percent lower monthly and down 15 percent yearly. The number of hogs slaughtered was 8.6 million head, down 17 percent from April and 8 percent from May 2019. The average live weight was up 7 pounds from last year and 5 pounds from last month at 294 pounds. Total 2020 pork production to date is up slightly from this period in 2019.

Total stocks of pork in cold storage at the end of May were down 24 percent from April and 26 percent below last year. Ham inventories lost 5 percent of the month-over-month volume and were down 28 percent year-over-year, with stocks of bone-in hams 17 percent lower monthly and 31 percent lower yearly, and boneless hams up 23 percent monthly and down 24 percent from 2019. Belly inventories lost 27 percent monthly and 8 percent compared to last year. Total loin stocks fell 32 percent from April and 40 percent yearly, while pork rib stocks fell 33 percent monthly and 39 percent from last year's volume. Pork trimmings in freezers were 20 percent lower than April and down 6 percent from last year.

## Price

The monthly average negotiated carcass price for barrows and gilts in June 2020 continued to fall, losing \$7 per/cwt to \$30 per cwt, 19 percent lower monthly and down 60 percent yearly. The pork cutout value returned to its seasonal pattern, down \$36 in June, or 34 percent, for a monthly average of \$69 per cwt, 14 percent below June 2019. The monthly average price for trimmed, bone-in hams, 23-27 pounds lost \$2 to \$35 per cwt, 6 percent lower monthly, and 51 percent below last year. Prices for picnic meat combos, cushion out, dropped \$25 to a monthly average of \$125 per cwt, losing 19 percent monthly, but up 7 percent yearly. The 72 percent lean pork trimmings price dropped 28 percent of its May value, but added 12 percent to the 2019 value, to average \$94 per cwt. Pork belly primal values shed \$17 per cwt to \$97 per cwt, 15 percent lower monthly and down 8 percent yearly.

## International Trade

May 2020 pork exports (including variety meats) rose 13 percent against May 2019 to 239 thousand metric tons and added 12 percent in value to \$601 million. Compared to April, export volume was down 7 percent, and value was down 8 percent. Cumulative exports for 2020 so far are up 31 percent in volume and up 40 percent in value. China, Japan, Canada, Mexico and South Korea were our largest export markets. Compared to last year, May pork imports were 11 percent higher in volume at 37 thousand MT, and up 7 percent in value at \$133 million. Import volume was up 48 percent from April while value was 42 percent higher. For the year to date, the volume of pork imports was down 16 percent from 2019, with the value down 10 percent. Canada, Italy, Poland, Mexico and Denmark were the top importers of pork to the U.S.

## Production

May lamb and mutton production, at 12.6 million pounds, was down 7 percent from May 2019 but up 14 percent above April. Sheep slaughter totaled 195,300 head, 8 percent higher than April, and down 7 percent from last year. The average live weight was 129 pounds, 6 pounds over last month and 1 pound higher yearly. January to May 2020 commercial lamb and mutton production was down 11 percent from 2019. Lamb stocks in cold storage were 25 percent above 2019 and 18 percent higher on a monthly basis.

## Price

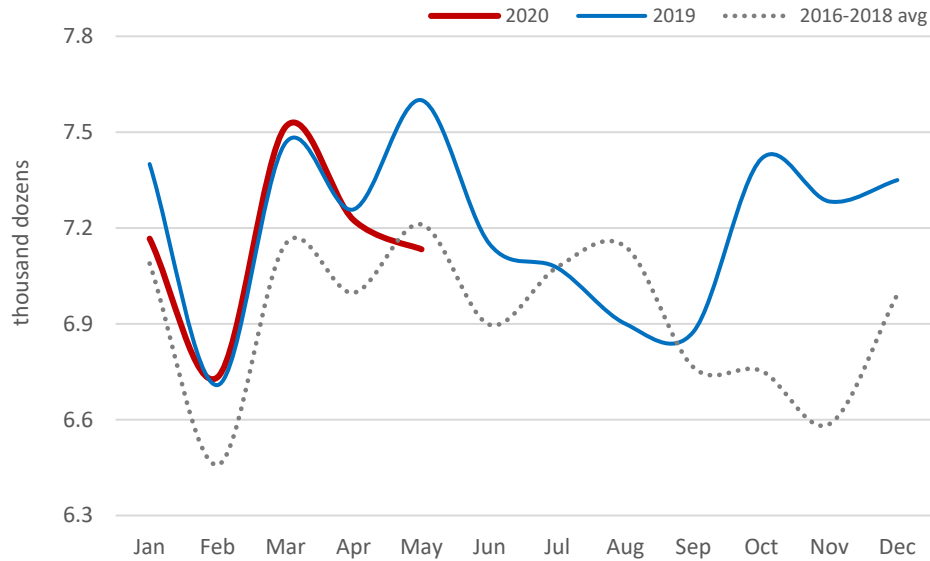
For the third consecutive month negotiated live slaughter lamb prices were not reported due to confidentiality. The average lamb cutout value inched up \$1 to a monthly average of \$412 per cwt, a slight uptick from May and 5 percent above last June. The monthly average price for leg of lamb, trotter-off jumped \$55 to \$444 per cwt, up 14 percent monthly and 15 percent yearly. The average price for lamb shoulder (IMPS 207) in June dipped \$2 to \$329 per cwt, down 0.5 percent from the month before but up 8 percent from June 2019. Trimmed 4x4 loins saw a leap of \$70 to \$548 per cwt, 15 percent higher than May and 4 percent above last year.

## International Trade

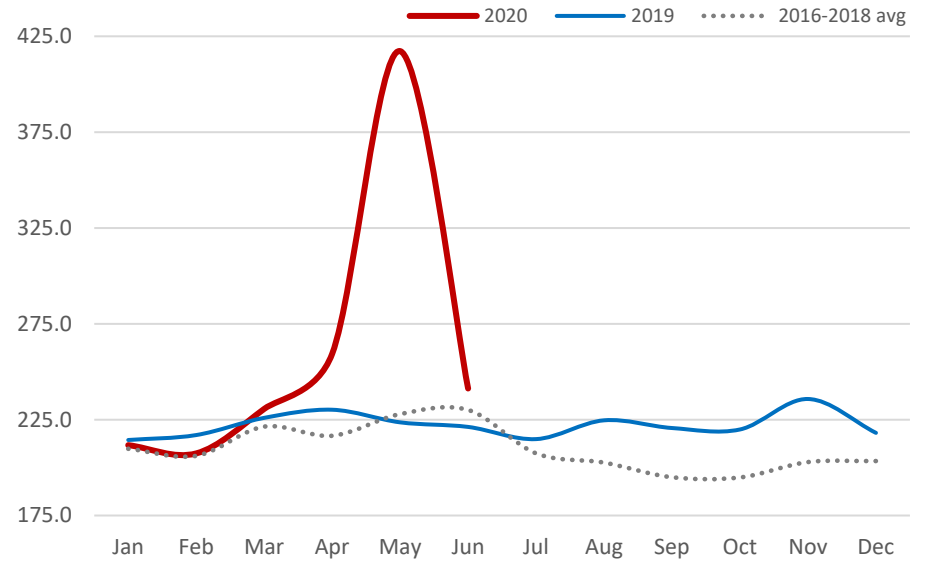
The U.S. lamb export volume lost 21 percent in May relative to April, but gained 21 percent yearly, with exports at 257 metric tons. The export sales value was 4 percent lower monthly and down 58 percent yearly at \$0.54 million. For the first five months of 2020, lamb exports were 120 percent above the 2019 volume, and the value of exports was down 20 percent. Mexico, Hong Kong and Bermuda were the top destinations for U.S. lamb and mutton. Imports of lamb to the U.S. fell 31 percent in May compared to April at 9 thousand metric tons, while the value of imports lost 24 percent to \$69 million. Year-over-year imports were down 1 percent in volume and down 22 percent in value. Total lamb imports for 2020 so far are up 22 percent in volume, but down 10 percent relative to 2019. Australia, New Zealand and Chile are the top three lamb meat importing countries to the U.S.

*In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident*

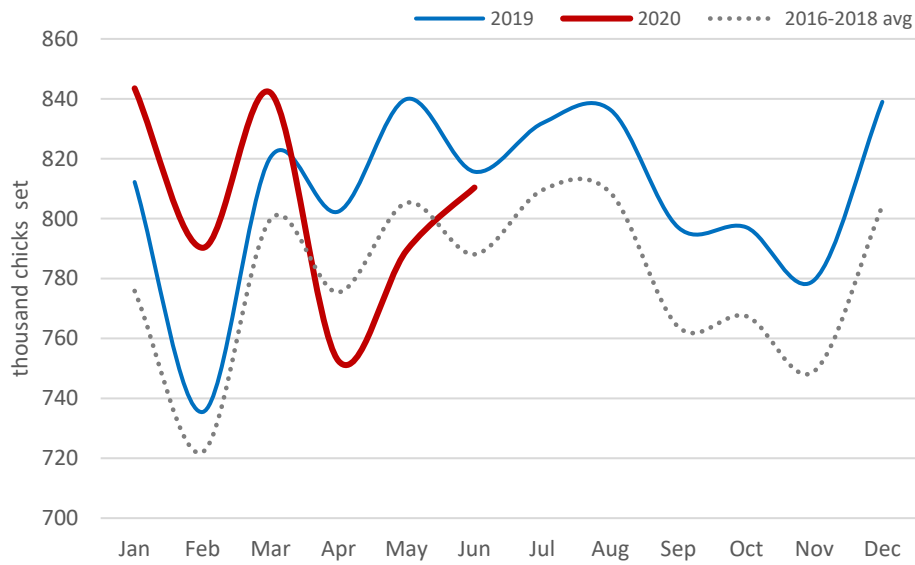
Monthly Egg-Type Hatching Egg Production



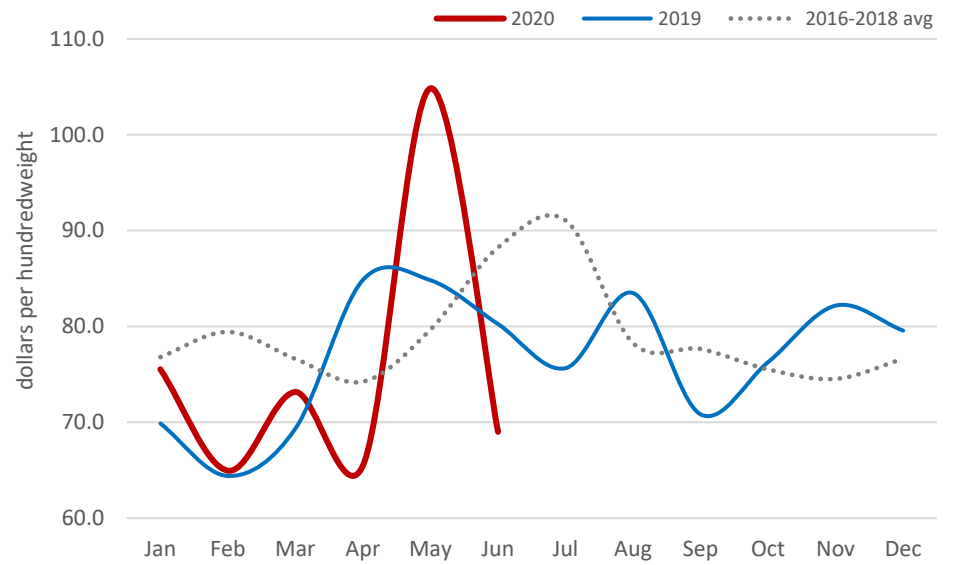
Monthly Choice 600-900 lb. Beef Cutout Value



Monthly Broiler Chicks Placed



Monthly Pork Carcass Cutout Value



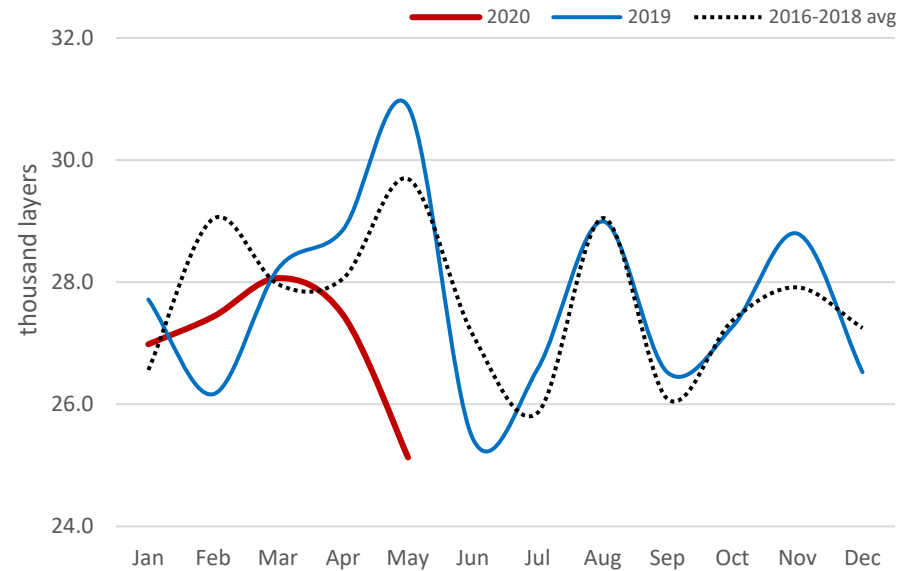
## Special Section—Future Production Indicators for Poultry and Eggs

The covid-19 pandemic has had widespread effects through meat, poultry, and egg markets. The closure of restaurants and food service establishments severely reduced the demand for specific meat cuts and egg products. At the same time, slaughter facilities, processing plant closures, and packaging shortages disrupted supply chains. Uncertainty over the potential duration of continued market disruptions caused short-run dips in future production indicators for poultry and eggs in May. These dips likely reflected the concern of processor integrators that demand disruptions and plant closures may continue through the time needed for broiler chicks, poult (i.e. young turkeys), and pullets (i.e. young egg-laying hens) to be productive. While such concerns may have been alleviated by the subsequent relaxation of state-level stay-at-home and restaurant closure orders and the late-April federal designation of meat processing plants as critical infrastructure, the effect of April and May stocking reductions on future poultry and egg supplies will persist through the next production cycle.

For chicken, following a 10 percent drop in April, broiler chicks placements grew 5 percent in May and 3 percent in June to 810 million. The most recent figure represents a 0.6 percent reduction from June 2019 levels. For eggs, pullet additions fell 2 percent in April and 9 percent in May. Hatching eggs for egg production were also down 1 percent in April and 6 percent in May. These reductions may reflect some producers extending the production cycles of existing flocks to take advantage of very high April and May prices in the short run. For turkeys, the seasonality of supply and demand make annual changes more informative than monthly ones. While poult placements had been 2 percent lower than 2019 levels in March, they were 11 percent lower in May 2020.

Statistical oddities likely fog the interpretation of the monthly figures. Compared to 2019, May 2020 had two fewer working days (21) and June 2020 (22) had two more working days. Market watchers may want to adjust their interpretation of the May and June numbers accordingly.

### Pullets Added During Month



### Monthly Turkey Poults Placed

