

# **Livestock and Poultry Economic Outlook**

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**AMS Annual Industry Conference**

Egg, Fish, Poultry, and Red Meat Breakout Sessions

Doubletree Hotel by Hilton – Crystal City

Arlington, Virginia

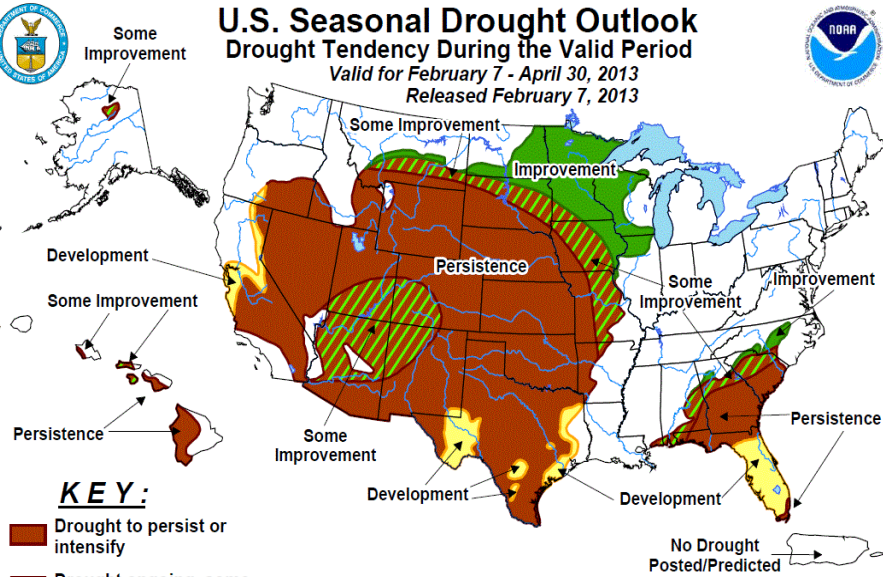
October 29, 2014

# Since February 2013

From this—

## U.S. Seasonal Drought Outlook Drought Tendency During the Valid Period

Valid for February 7 - April 30, 2013  
Released February 7, 2013



**KEY:**

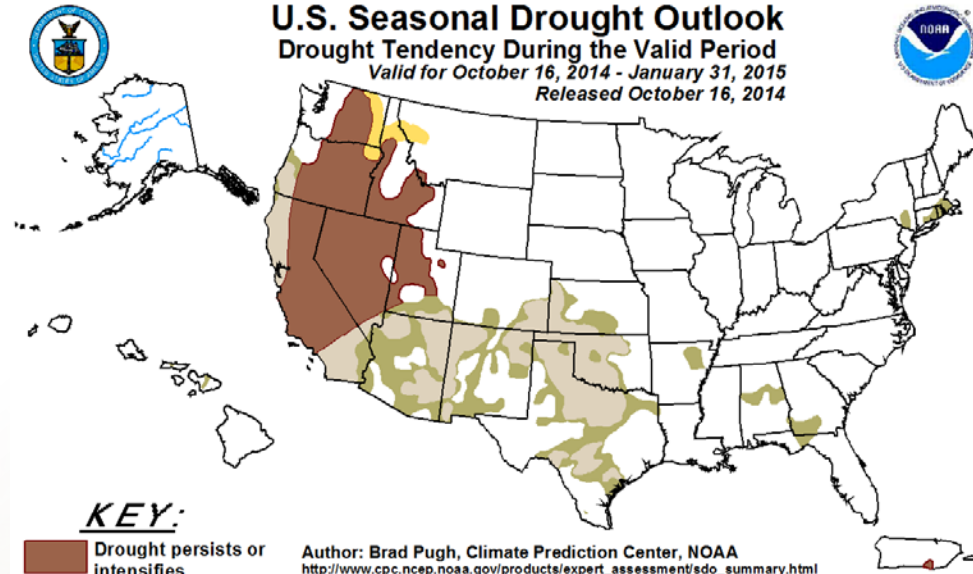
- Drought to persist or intensify
- Drought ongoing, some improvement
- Drought likely to improve, impacts ease
- Drought development likely

Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Short-term events -- such as individual storms -- cannot be accurately forecast more than a few days in advance. Use caution for applications -- such as crops -- that can be affected by such events. "Ongoing" drought areas are approximated from the Drought Monitor (D1 to D4 intensity). For weekly drought updates, see the latest U.S. Drought Monitor. NOTE: the green improvement areas imply at least a 1-category improvement in the Drought Monitor intensity levels, but do not necessarily imply drought elimination.

To this—

## U.S. Seasonal Drought Outlook Drought Tendency During the Valid Period

Valid for October 16, 2014 - January 31, 2015  
Released October 16, 2014



**KEY:**

- Drought persists or intensifies
- Drought remains but improves
- Drought removal likely
- Drought development likely

Author: Brad Pugh, Climate Prediction Center, NOAA  
[http://www.cpc.ncep.noaa.gov/products/expert\\_assessment/sdo\\_summary.html](http://www.cpc.ncep.noaa.gov/products/expert_assessment/sdo_summary.html)

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# Feed Situation

- Bumper crops pushing feed prices down
  - Corn
    - Record high production expected
    - \$3.10-\$3.70/bu in 2014/15
  - Soybean meal
    - Record high production expected
    - \$330-\$370/ton in 2014/15
- This will enhance profitability for all protein sectors

# Broiler Industry

- Supply
  - Production rebounding through 2015
  - Live weights continue to increase
- Demand
  - Per capita disappearance 85.3 lbs, up 2.3%
  - 2015 another record year for exports, up 1.3 %
- Price Trends
  - Wholesale whole bird—\$1.04/lb, down 1%
  - Retail composite—\$1.97/lb, steady



# Swine/Pork Industry

- Supply
  - PEDv less of a concern as winter returns
  - Lower feed prices yield profits
- Demand
  - Strong, supported by high beef prices
  - Per capita disappearance 47.3 lbs, up 4.3%
- Price Trends
  - Retail pork \$4.22/lb
  - Up 8% total in 2014, 2015 ???



# Turkey Industry

- Supply
  - Production down in 2014 but up in 2015
  - Live weights continue to increase
  
- Demand
  - Per capita disappearance 15.7 lbs, up 0.6%
  - 2015 Turkey exports up 1.6% to 820 million lbs
  
- Price Trends
  - Wholesale whole bird \$1.07/lb, down 1%
  - Retail whole bird \$1.59/lb, up 3.5%

# Sheep/Lamb Industry

- Supply
  - Production down 1.2% in 2014 and down 4.5% in 2015
  - Imports up 2.5% in 2014 and up 2.6% in 2015
- Demand
  - Per capita disappearance 0.9 pounds, steady to slightly down
- Price Trends
  - Current cutout value \$373/cwt
  - Up 2.5% in 2014 and up 3% in 2015



# Egg Industry

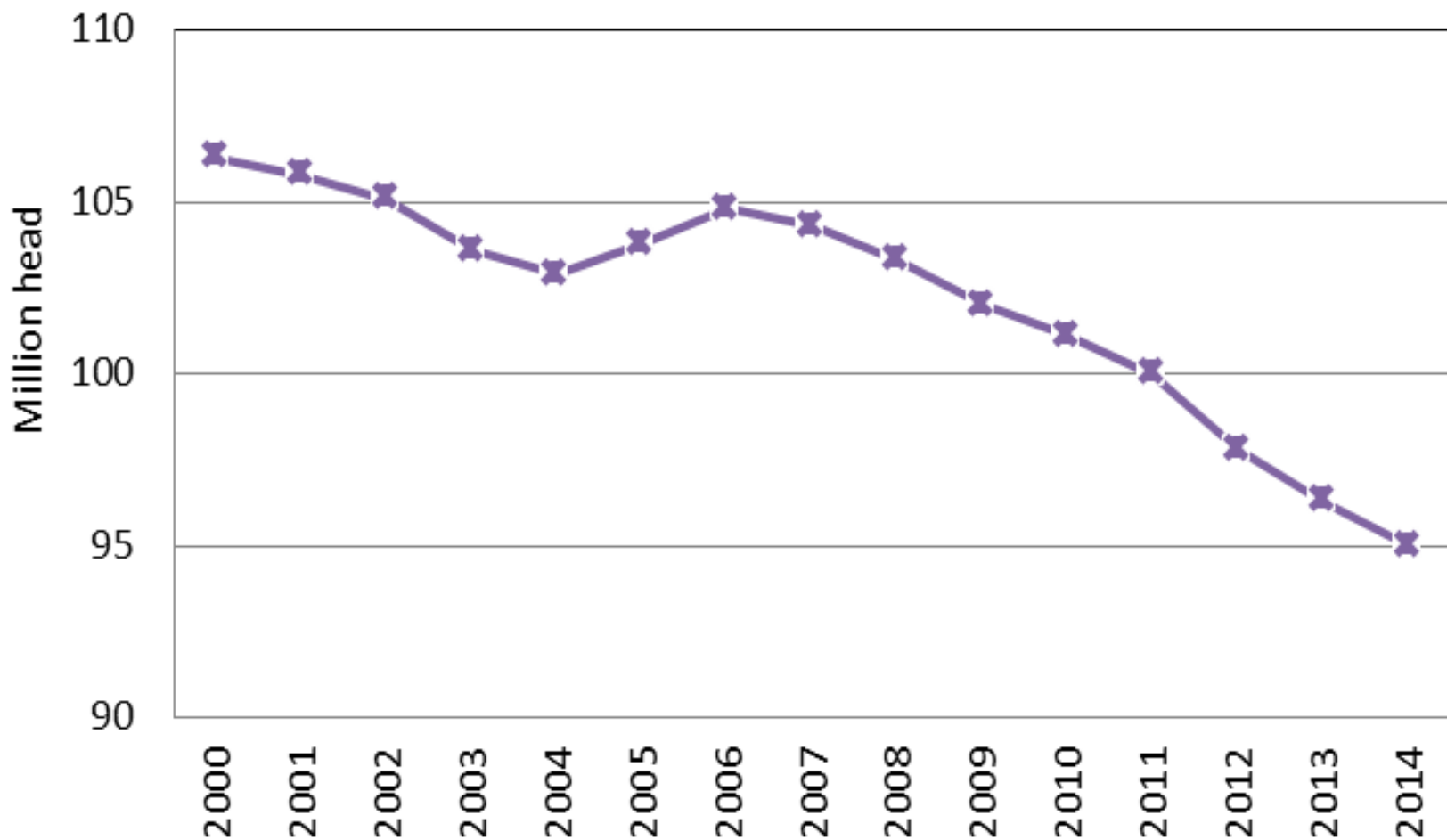
- Supply
  - Table egg production up 1.3% in 2014, 1.5% in 2015
  - Eggs broken up 5.2% in 2014, flat in 2015
- Demand
  - Per capita disappearance 265 eggs in 2015
  - Exports down 5% from 2014
- Price Trends
  - Wholesale Grade A large \$1.29/doz, down 6% from 2014
  - Retail Grade A large \$1.94/doz, down 3% from 2014



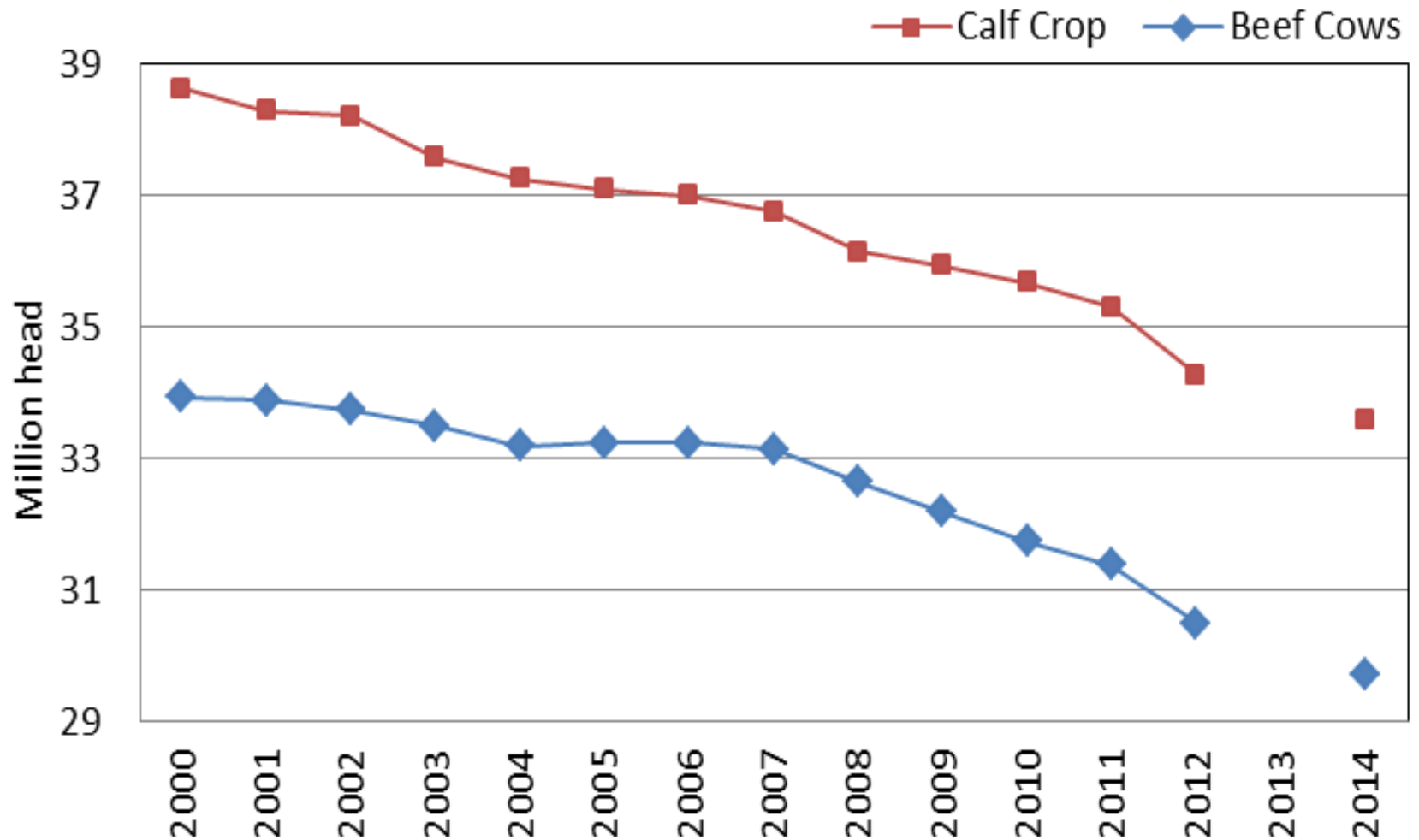
# Cattle/Beef Industry

- Supply
  - Herd in long-term decline, rebuilding difficult
  - Cow, heifer slaughter down
  - Imports up
- Demand
  - Per capita for 2014 54.1 lbs, down 3.9%
  - Per capita for 2015 52.4 lbs, down 3.1%
- Price Trends
  - Retail Choice beef \$6.26/lb, Wholesale \$3.76/lb
  - Increase 11% for 2014, 3-4% for 2015

## All Cattle & Calves, July 1 Inventory



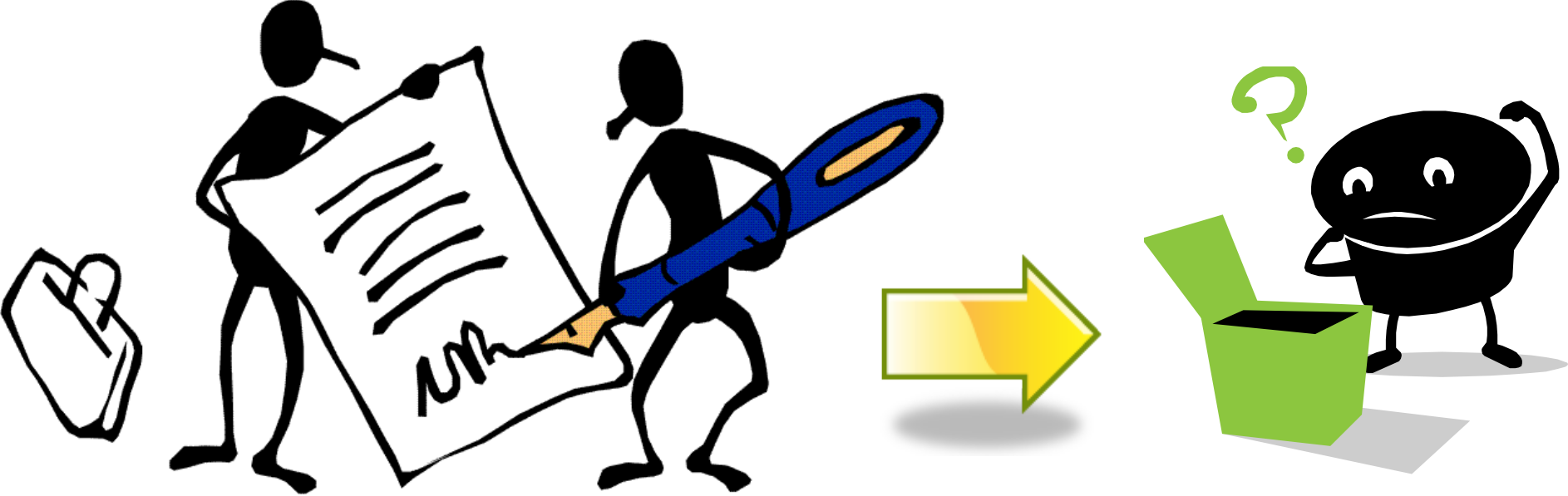
# Calf Crop & Beef Cow Inventory, July 1



# Questions?

**Don't forget to check out our monthly publication,  
"The Economic Landscape" available at**

**[www.ams.usda.gov/AMSV1.0/AMSAgriculturalAnalytics](http://www.ams.usda.gov/AMSV1.0/AMSAgriculturalAnalytics)**



# Contracting Issues

Jerry Salinas

# Certification Activities

Meat and Poultry

Further Processed Certification Program



# Further Processed Certification Program

- Further Processed Certification Program (FPCP)
  - Applies to further processors of red meat and poultry
  - Standardized AMS acceptance procedures regardless of protein
  - Long term goal of reducing costs by having more staff trained and available for further processing certification
  - AMS presence adds value and integrity to further processed donated poultry and red meat commodities