

FarmEcon LLC

A source of information on global farming
and food systems

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Good News on Exports and Domestic Turkey Use



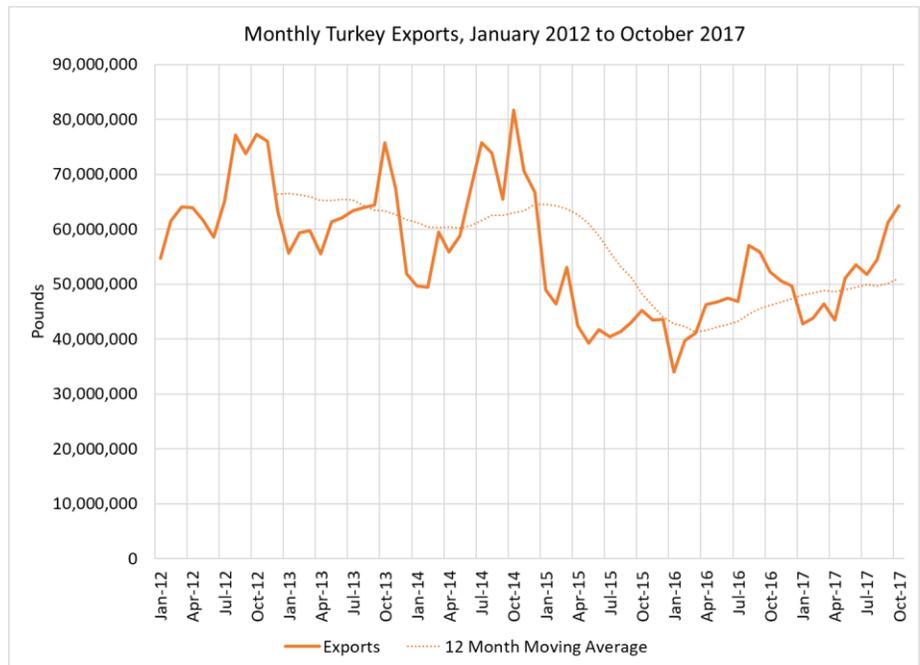
December 5, 2017

*For: Joel Brandenberger,
President, NTF*

*By: Dr. Thomas E. Elam
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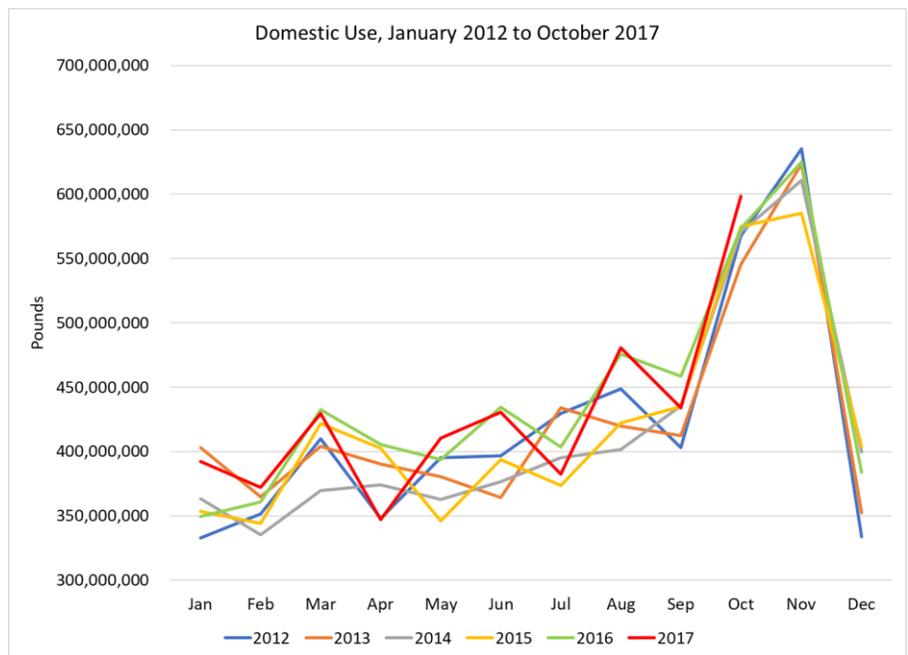
Summary: USDA released October exports on December 5. That piece of data together with stocks and production, was good news for turkey use.

Exports: Based on the USDA GATS database, October turkey exports (excluding by-products) came in at 64.2 million pounds. September exports were 61.2 million. Those are the best two successive months since December, 2014. In perspective, the January-August average exports were only 48.4 million pounds. As shown in the chart below, exports have been trending up all year, with major strength in September-October.



Domestic Use: Adding to the great export news, we also saw an October spike in domestic turkey use. Combining stocks, production and export data shows that domestic use was 598.3 million pounds, 4% higher than last October, and the best October domestic use number since at least 2012.

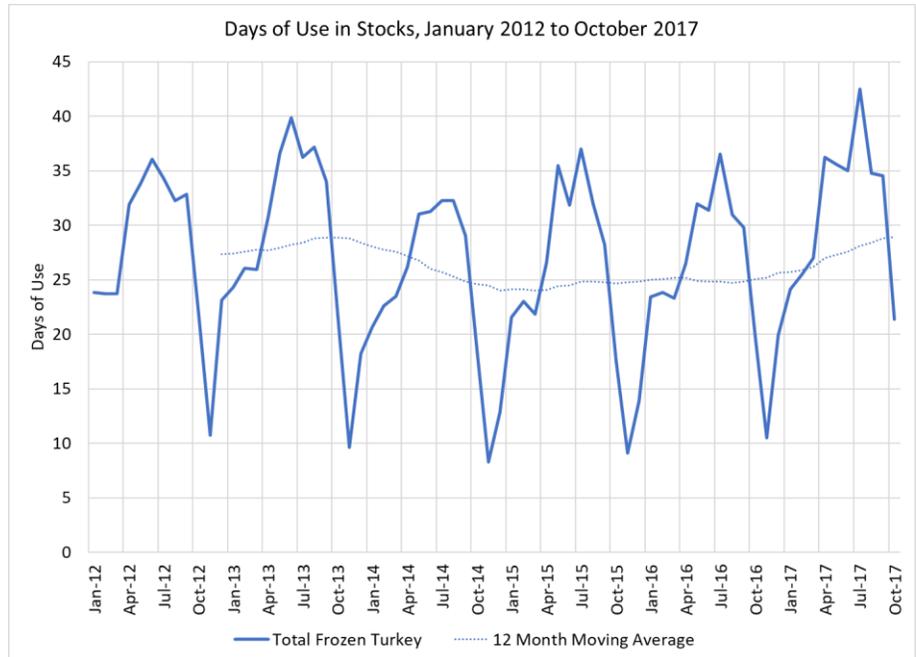
However, even with the high October use number, year-to-date domestic use has only pulled even with January-October 2016 use. Confirmation of higher trending use will depend on the key month of November. We will get the last piece of data required for that number on January 7, 2018.



The October increase in exports and domestic use led to a September-October 13 point drop in days of use held in frozen stocks. The normal decline is more like 9-10 points.

Spot Prices: Of course, none of this matters if prices remain mired at the historically low levels seen almost all year. Despite the positive domestic use trends, spot white meat and whole bird prices remain depressed. More positive dark meat pricing has reflected improving exports. Only when

frozen whole bird and breast stocks start to reflect a better balance between use and supply will those key markets follow dark meat pricing improvements.



Notice: Key monthly turkey production, use and stocks data and analysis are now on a page of the FarmEcon LLC site. These data are updated monthly on or about the the date that monthly USDA exports are released. That is generally late in the first week of the month. October data were released on December 5.

This new feature is currently at <http://www.farmecon.com/Pages/TurkeySupplyUseTracker.aspx>. Microsoft is discontinuing the Web hosting service that houses this site. It will be relocated to a new provider in the near future, but the appearance may change.

This new site feature is being provided by FarmEcon LLC as a service to the industry.