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# Stocks Drift Lower, Exports Up

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*For: Joel Brandenberger,  
President, NTF*

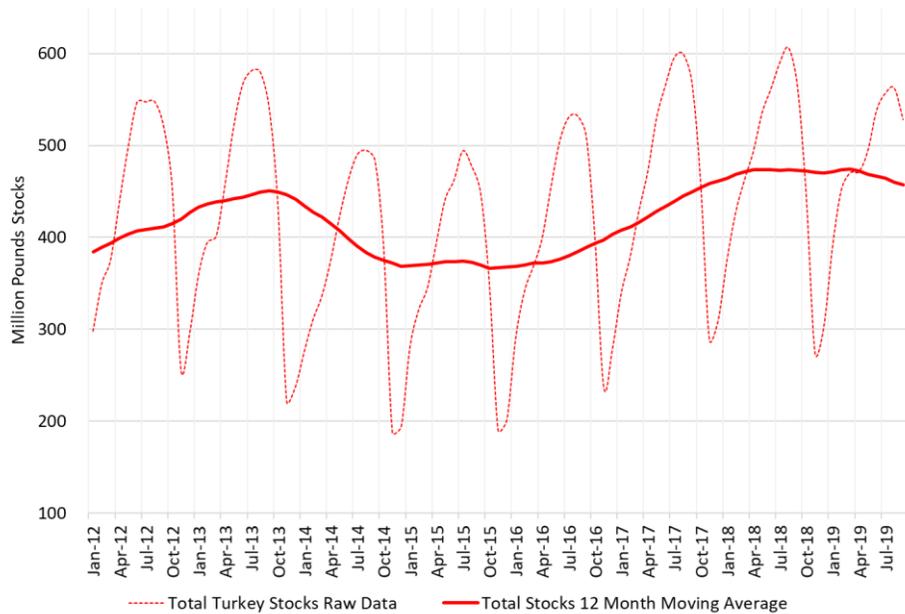
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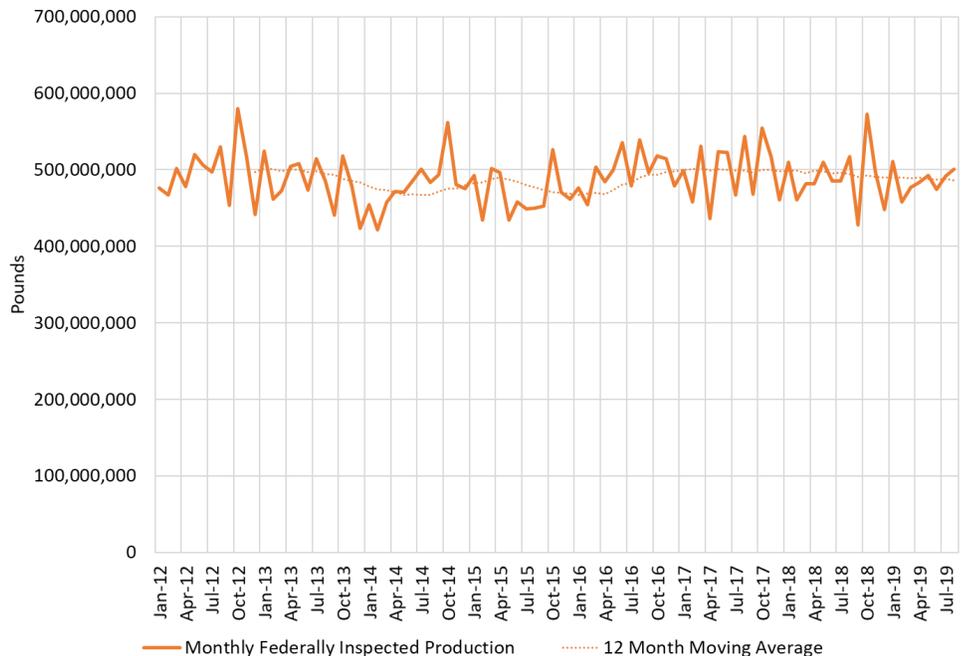
**Stocks dropping, but so is turkey roduction:.** After holding steady at about 475 million pounds (annual moving average basis) for all 2018 total frozen turkey stocks have slowly declined this year. The stocks report of October 22, 2019 confirmed that the three year string of increasing peak stocks has ended.

We are still left with stocks that are higher than normal, and further reductions are on the way. Production is the driver, and to a lesser extent exports. While we would like to see domestic use on the increase it's been flat for the last 18 months and shows no sign of turning upwards.

Total Frozen Stocks January 2012 to September 2019

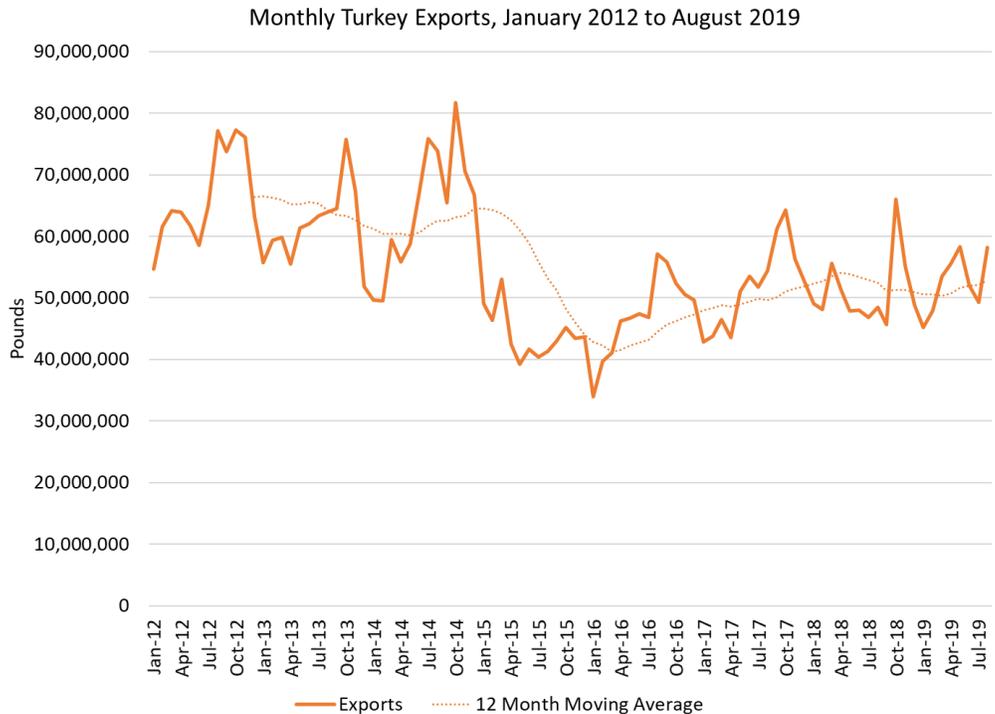


Monthly Turkey Production, January 2012 to August 2019



Turkey production started a slow, steady, decline in mid-2008. Despite lower production and declining stocks the only price action this year has been dark meat and whole birds. If stocks and production continue to decline at their current rates it will be well into 2020 before the white meat complex can begin to recover.

Relative to domestic use exports have been doing well in the last few months. Though certainly not booming, this segment is moving dark meat off the market and helping balance production and domestic demand.



**Conclusion:** Pricing doldrums are not likely to go away before the end of the year. Fundamentals are moving toward tighter stocks, but the 12 month moving average trajectories are extremely slow. On the feed cost side we are seeing some upside to corn and meal pricing as harvest results come in. The growing season has been running late since May, so the October production report is not as reliable as in a more normal year. The next USDA reading on crops comes out on November 8. Stay tuned for further developments.