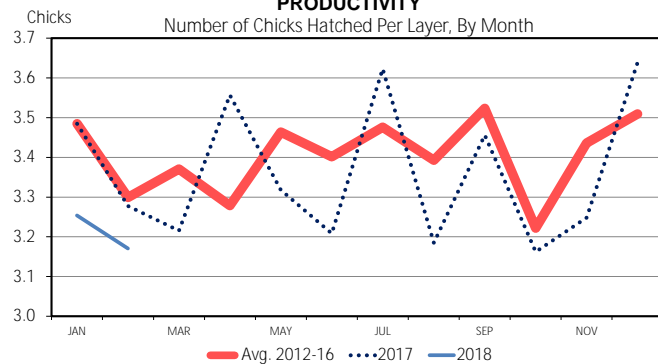


Evidence of efforts to restrain expanding production are showing up in the chicken market. Hatchings per laying hen during February slipped 3.3% below a year earlier, the biggest decline in hatchery productivity since last October. Placements of pullets for replacement of hatchery hens have run below year ago levels in January and February by 2-3%, a significant turnaround from the 4% year-over-year increase of the last quarter of 2017.

WEEKLY AVERAGE BROILER-TYPE LAYER PRODUCTIVITY



Data Source: USDA-NASS
Livestock Marketing Information Center

03/26/18

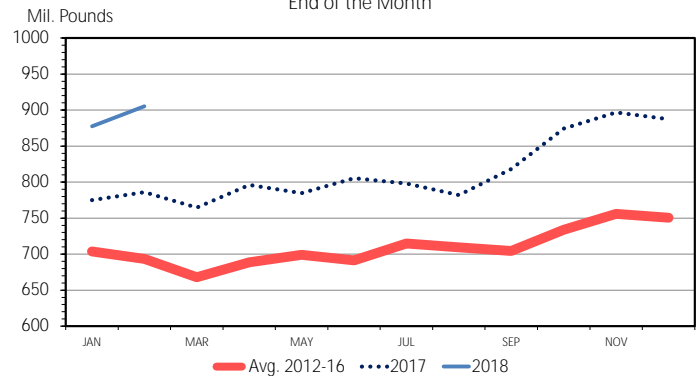
Broiler-type chick hatchings were up 1% from a year earlier in January and February. Weekly data for March supports a similar increase, although increases are fractional and creeping closer to unchanged when compared to last year.

Offsetting the moderating pace of hatchery output is an acceleration in average bird weights at processing time. Average bird weights at processing time were up 1% from a year earlier in January and February, setting records for those months. Issues related to meat quality from large birds apparently have faded, allowing the industry to resume its focus on producing heavier birds oriented to boneless meat production. Consequently, chicken production during the winter quarter is on track to be up 2% from the same quarter of 2017. The larger supply is keeping wholesale chicken prices in check through the first two months of the year.

Measures of industry profitability based on wholesale chicken prices and feed costs show profitability down slightly from the first quarter of 2017, but slightly better than the same quarter of 2016.

CHICKEN IN COLD STORAGE

End of the Month



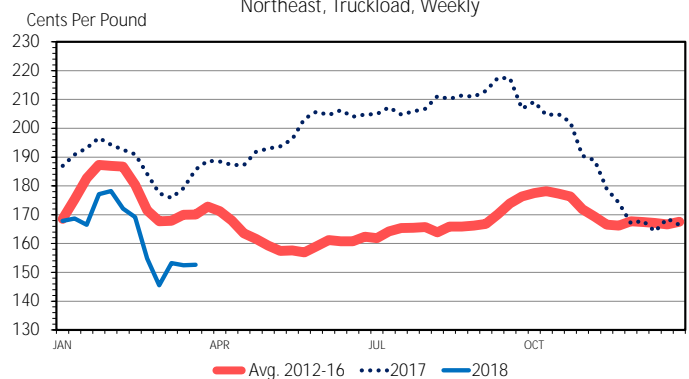
Data Source: USDA-NASS
Livestock Marketing Information Center

P-S-05
03/22/18

Inventories of chicken in cold storage have increased to record-large volumes for this time of year, presumably to help keep prices stable. Freezer inventories of chicken increased from January to February by the largest amount in at least ten years. Wholesale chicken prices do not suggest any significant consumer demand problems, although wing prices are at the lowest winter quarter values since 2014.

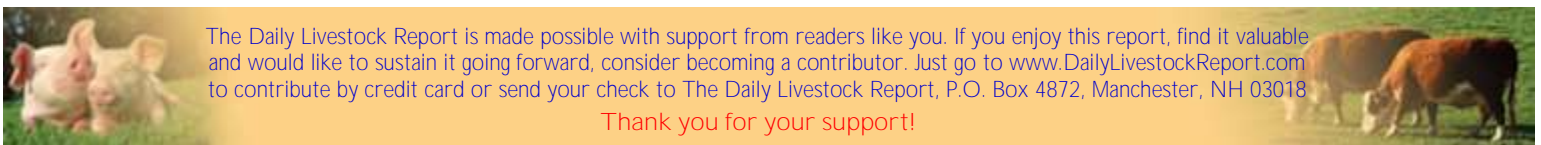
WHOLESALE CHICKEN WING PRICES

Northeast, Truckload, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

P-P-07
03/23/18



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