

## Industry News - Broiler processors working to keep prices up

By [Lisa M. Keefe](#) on 11/25/2011

Broiler meat production is expected to be down 5.1 percent for the fourth quarter of 2011, as processors seek to support prices, according to USDA's Economic Research Service's monthly Livestock, Dairy and Poultry Outlook report, despite healthy export volumes for chicken.

The number of birds slaughtered in the fourth quarter is expected to be down sharply, however, average live weights are up. Overall in the third quarter, broiler meat production was flat compared to the same period in 2010. The decrease is expected to continue into next year, with a projected decrease of 1.7 percent from total volume in 2011.

"Broiler integrators are not expected to have any strong incentive to expand production, due to the combination of continued high prices for corn and soybean meal and relatively low broiler product prices at the wholesale level. Demand growth will likely be dampened by relatively slow economic growth and continued high unemployment," the report says.

Retail prices for chicken products are down year-over-year for everything but leg products, which are rising due to the drop in cold storage volumes.

Broiler meat exports, though, are setting new records for volume, fueled by demand from new markets, USDA says, while the relatively low value of the dollar is spurring demand for leg quarters in both old and new markets overseas. Destinations for broiler exports have included Mexico, Cuba, Hong Kong, Angola, Japan, United Arab Emirates and China.

Turkey production reflects many of the same factors as broiler meat, with higher weights offsetting lower slaughter numbers. Turkey meat production in the fourth quarter is expected to be 1.5 billion pounds, a small increase from a year earlier, with the low-growth trend continuing into 2012.

Turkey exports also are rising — by almost 9 percent in the third quarter 2011, compared with the same period a year earlier. About half of the turkey exports was shipped to Mexico.