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# Livestock, Dairy, and Poultry Outlook

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## Higher Grain Prices Affecting Markets

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Tables will be released  
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The next newsletter  
release is Aug 16, 2012

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Approved by the  
World Agricultural  
Outlook Board.

**Beef/Cattle:** Following on the heels of last year's drought, this year's lack of adequate rainfall over more than half of the United States has resulted in rapidly deteriorating crop and pasture conditions that have driven corn prices higher and cattle prices lower. While cutout values are declining, fallout from the discontinued use of lean finely textured beef in ground products continues to support prices for leaner trim.

**Beef/Cattle Trade:** A stronger U.S. dollar is aiding the flow of beef imports to the United States, but hampering export movement as U.S. exports to the major trading partners are lower. Cattle imports through May were 21 percent higher, year-over-year, as imports have increased from both Canada and Mexico.

**Pork/Hogs:** The *Quarterly Hogs and Pigs* report indicated 1 percent larger inventories of both market hogs and breeding animals. Prospects for significantly higher feed prices are likely to temper further gains in U.S. breeding herd numbers. Strong shipments to Russia and China drove May pork exports to 448 million pounds, 9.6 percent larger than May 2011

**Poultry:** Rising grain prices and the sluggish economy are expected to result in lower broiler production in the second half of 2012 and to lower production in 2013. The production estimate for fourth-quarter 2012 was reduced by 50 million pounds and the 2013 estimate was reduced by 400 million pounds to 37.1 billion pounds. Rising grain prices are also expected to have a downward impact on turkey production. The turkey meat production estimate for fourth-quarter 2012 was lowered by 25 million pounds to 1.55 billion pounds and the estimate for 2013 was lowered by 100 million to 5.94 billion pounds. Egg prices may experience some upward pressure over the short term if significant quantities of shell eggs are exported to Mexico. Mexico's shell egg production has been impacted by an outbreak of avian influenza.

**Poultry Trade:** May broiler shipments were up from last year, while turkey shipments were down. Broiler shipments totaled 599.4 million pounds, an increase of 6 -percent from May 2011. Turkey shipments totaled 61.7 million pounds, a 4.5 -percent drop from a year earlier.

**Dairy:** Lower yield forecasts for feed grains and oilseeds will lead to sharply higher feed prices for the balance of 2012 and into 2013 and will likely accelerate production declines. Continued export growth, along with lower milk output, will keep prices firm this year and next. However, a continued weak recovery could slow consumption growth, tempering price increases

### *Drought Shakes the Markets*

This year's lack of adequate rainfall over more than half of the United States has resulted in rapidly deteriorating crop and pasture conditions in the key areas of the Midwest, Southeast, Plains, Southwest, and West. This year's drought is more detrimental overall because areas affected by last year's drought have not been able to recover. As a result, corn prices have moved sharply higher and cattle prices have begun to drift lower. The drought will have the largest impacts on prices for corn and feeder cattle through the rest of 2012 and into much of 2013.

While weekly federally inspected beef cow slaughter has been generally below last year's high levels, it has picked up recently due to drought-induced concerns over standing and harvested forage supplies for the remainder of this summer through the coming winter. At the same time, dairy cow slaughter has been above year-earlier levels for most of 2012. Despite the high levels of cow slaughter, weekly dressed cow beef prices have slipped only 3 percent since their peak the week-of-May 26. With heifer retention likely on hold due to drought-constrained pasture conditions, these increases in cow slaughter almost surely set the stage for further decline in cow inventories. The July 1 *Cattle* report that NASS will release on July 20, 2012, will give indications of changes in cattle numbers.

Feeder cattle prices have responded predictably to rising corn prices, moving lower as corn prices escalate and cattle feeders react to extremely negative margins. Mid-weight feeder cattle appear to be bearing most of the brunt, with lightweight feeder calves following due to deteriorating pasture conditions. Heavier feeder cattle appear to be declining the least, likely due to their propensity toward shorter feeding periods in the face of expensive corn.

Cattle feeders who had been hoping for positive margins later this year and in 2013 have also begun to adjust their expectations by paying less for feeder cattle to offset anticipated higher feed prices. Projected margins for fed cattle marketed in July are in excess of -\$200 per head based on \$117 per cwt fed cattle prices (High Plains Cattle Feeding Simulator: <http://www.ers.usda.gov/data-products/livestock-meat-domestic-data.aspx>).

Weekly wholesale cutout values have begun to decline again after briefly moving higher in May and June. While weekly Choice cutout values through July 7 have declined about 2 percent from their June high, Select cutout values have seen a steady decline of 6 percent since their June high. These declines may reflect declining Choice retail beef prices that have generally moved lower since reaching an all-time high of \$5.09 per pound in January 2012. At the same time, monthly retail prices for all-fresh beef, which includes ground product, continue to set successive record highs. These record retail all-fresh prices are likely due to the continuing strength in ground products, which likely reflects reduced supplies of processing beef as a result of the pull-back from using lean finely textured beef in ground beef products. With both pork and poultry prices so much lower, however, a near-term peak in retail prices is probably not far away.

## Beef/Cattle Trade

### *Stronger U.S. Dollar Pulls Beef to the United States, Hampers Exports*

A stronger U.S. dollar thus far in 2012 has improved conditions for stronger U.S. beef imports. Supply also has been higher from major trading partners. The largest increase in imports has been from Australia as imports are 85 percent higher through May. Imports from Canada are 3 percent higher, year-over-year, and shipments from Mexico and Uruguay have increased by 43 and 50 percent, respectively. Through May, U.S. imports are 22 percent higher, near the 21 percent yearly increase forecast for 2012. The beef import forecast for 2013 is expected to be 6 percent higher, year-over-year, at 2.62 billion pounds.

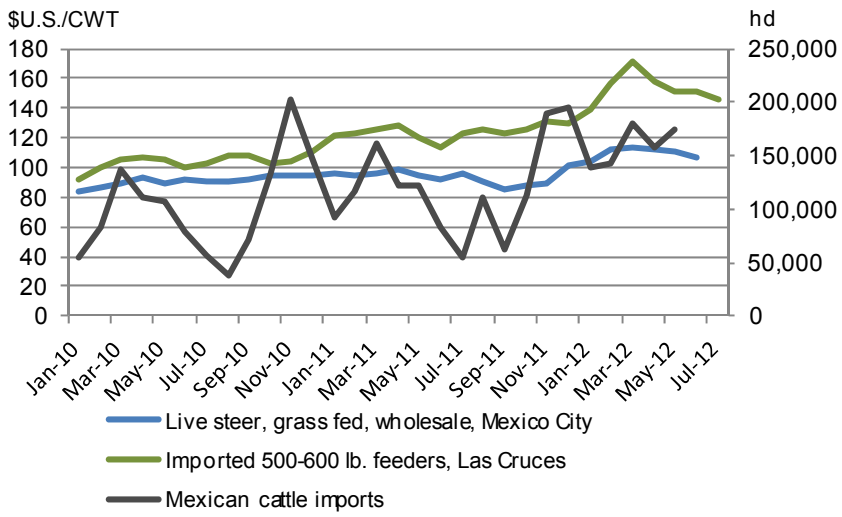
Through May, U.S. beef exports were lower to most major trade partners, hampered by a stronger U.S. dollar. Exports to Mexico and Canada were 12 and 10 percent lower, respectively, through May. Exports to Japan and South Korea were 4 and 27 percent lower; however, exports to Vietnam and Egypt increased by 29 and 8 percent, respectively. Second-quarter U.S. exports are expected to be about 1 percent lower than year-earlier levels at 695 million pounds, but third- and fourth-quarter exports are expected to be 10 and 6 percent lower, year-over-year. Beef exports in 2012 are forecast at 2.6 billion pounds, or about 7 percent lower, year-over-year.

### *Feeder Cattle Pulled from Both Canada and Mexico*

U.S. cattle imports through May were up 21 percent, year-over-year, with imports from Mexico and Canada up 29 and 7 percent, respectively. Drought conditions extending into Mexico have continued pulling imports of feeder cattle northward. The price differential between Mexico City feeders and imported 500-600 pound feeder cattle has also continued widening thus far through much of the year to date. USDA's Agricultural Marketing Service (AMS) weekly reports show Mexican cattle imports increasing at higher rates through June as imports are 31 percent higher, year-over-year.

Canadian cattle imports through June are 9 percent higher, year-over-year. The increase in imports from Canada has been primarily in feeder cattle (+92 percent, year-over-year). Canadian feeder cattle prices have deteriorated in recent weeks due to due grain cost uncertainty and limited demand for feeders in Canadian feedlots. Total U.S. cattle imports for 2012 are forecast at 2.175 million head as conditions for stronger year-over-year imports from both Canada and Mexico are expected to continue. U.S. cattle imports for 2013 are forecast at 2 million head.

**Live Mexico City steer vs. Las Cruces feeder import price (500-600 lbs.)**



### ***Drought Concerns Likely To Temper Further Breeding Inventory Increases***

The *Quarterly Hogs and Pigs* report, released by USDA on June 29, reported larger inventories of market hogs and breeding animals. As of June 1st, both categories were 1 percent higher than a year ago. The June 1st breeding herd increase represents the sixth consecutive quarterly increase since the current expansion began on March 1, 2011. It is likely, however, that reduced prospects for U.S. corn production in the 2012-13 crop year, with accompanying expectations for significantly higher corn prices, will temper additions to the breeding inventory this year and into at least the first half of 2013.

The report showed a March-May litter rate of 10.09 pigs per litter (ppl), 0.6 percent higher than a year ago. While the year-over-year increase for the spring quarter is less than in previous years, it is likely that 2012 will finish with an average litter rate of 10+ pigs per litter. The smaller increase for March-May could be attributable to both harsh weather and disease incidence. But it is also possible that 10+ ppl has finally become the norm in the U.S. industry and that the 2 percent—or more—year-over-year increases often seen earlier in the last decade will become less frequent. Further gains are more likely to come about as a result of enhanced stocks of the human capital (i.e., labor and management) engaged in day-to-day hands-on operation of U.S. hog barns than from genetic improvements alone.

With lower second-half farrowing intentions indicated in the June report, total farrowings in 2012 will likely be slightly lower than in 2011. Higher litter rates and average dressed weights—2012 dressed weights are expected to average about a pound more than in 2011—are expected to more than offset lower farrowings, yielding a 2012 commercial pork production of 23.3 billion pounds, almost 2.4 percent higher than last year. Next year, expectations for slightly higher farrowings and litter rates, together with only a small increase in estimated average dressed weights (given higher expected feed costs) are expected to result in 2013 commercial pork production of 23.7 billion pounds, about 1.6 percent more than this year.

Prices for live equivalent 51-52 percent lean hogs are expected to be \$62-\$64 per cwt for third-quarter 2012, more than 11 percent below prices in the same period last year. For fourth-quarter 2012, hog prices are expected to be \$55-\$59 per cwt, almost 12 percent below a year ago. When making the comparison between hog prices in the second half of 2012 and 2011, bear in mind that that second-half prices last year were exceptionally high due to very strong Chinese demand for U.S. pork, resulting from lower Chinese pork production. Hog prices in 2013 are expected to average \$58-\$62 per cwt, about 1 percent below the annual average price for 2012.

### *Shipments to Russia and China Drive May Exports*

U.S. pork exports in May were 448 million pounds, 9.6 percent greater than exports a year ago. While shipments to the (usual) top three largest foreign destinations for U.S. pork were mediocre-to-fair in May—Japan (-19 percent), Mexico (+1.3 percent), and Canada (16 percent)—exports to Russia were more than double the volume of May 2011 exports (37.8 million pounds, +103 percent). While data indicate that Russia’s total pork imports through May are off slightly compared with a year ago, U.S. pork appears to be benefiting from trade disputes with Brazil, and also from lower European exports to Russia. In May, U.S. exports to China of almost 60 million pounds were more than 150 percent higher than in May 2011. Although current Chinese demand for U.S. pork is lower than in the second half of 2011, second-quarter shipments to China have stabilized at a level that significantly bolsters the “bottom line” of total U.S. pork export volumes.

### *2012 Broiler Meat Production Down Slightly*

U.S. broiler meat production for the first 5 months of 2012 was 15.4 billion pounds, down 1 percent from the same period in 2011, as a result of a smaller number of birds being slaughtered. This was offset partially by higher average weights at slaughter. Over the January - May period, average broiler weights at slaughter were 5.83 pounds, 0.7 percent higher than in the same period in 2011.

With adverse weather conditions in many areas of the country impacting corn production, rising grain prices and the sluggish economy are expected to result in a less rapid recovery in broiler production in the second half of 2012 and only slight growth in 2013. The production estimate for fourth-quarter 2012 was reduced by 50 million pounds. The estimate for 2013 broiler meat production was reduced by 400 million pounds to 37.1 billion pounds, up only 0.6 percent from 2012. Most of the reduction is expected to come from reduced numbers of broilers being raised, as average weights are expected to be close to those in 2012.

During May, the number of birds in the broiler breeder flock was estimated at 52.9 million, down 5.3 percent from a year earlier. On a year-over-year basis, the size of the broiler breeder flock has been lower than the previous year since February 2011. With this reduction in the number of broiler breeder hens, the number of eggs placed in incubators and chicks hatched are expected to continue to be lower than the previous year, potentially reducing the amount of birds available for slaughter.

Over the last 5 weeks (June 9 to July 7), the average number of chicks being placed weekly for growout was 166.3 million, 1.2 percent lower than in the same period in 2011. The difference between weekly chick placements this year and in the same period in 2011 has narrowed in the last several weeks. Smaller numbers of chicks placed for growth is expected to continue at least for several weeks, as the number of eggs placed in incubators in the last 5 weeks has averaged 1.2 percent lower than in the previous year.

Broiler meat production in May 2012 totaled 3.3 billion pounds, 0.8 percent higher than a year earlier. The increase in meat production was due to a combination of relatively small gains in both the number of birds slaughtered in May, up 0.5 percent from the previous year, and higher average weights at slaughter, up 0.3 percent to 5.83 pounds. The number of birds slaughtered was higher due to the additional slaughter day in May 2012 compared with May 2011. Weekly broiler slaughter data from AMS indicate continued higher average liveweights at slaughter in June. Due to higher broiler meat production in May and continuing higher average bird weights, the production estimate for second-quarter 2012 was raised to 9.35 billion pounds, 50 million higher than the previous estimate.

Broiler meat production is expected to be down 1.7 percent in second-quarter 2012 compared with the previous year, with almost all of the reduction coming from lower bird slaughter. These production decreases are generally expected to have a positive impact on wholesale broiler parts prices.



After rising in first-quarter 2012, prices for whole birds dropped to an average of 85.9 cents per pound during second-quarter 2012, 4 percent higher than a year earlier. This pattern also held true for a number of other broiler cuts. Prices for boneless/skinless breast meat in the Northeast market averaged \$1.38 per pound in June, 11 percent higher than the previous year. A strong export market supported higher prices for leg quarters and thigh meat in June, 7 and 4 percent above June 2011. Wing prices continue to be the strong point for broiler products, averaging \$1.80 per pound in June, 105 percent higher than the previous year.

Broiler stocks at the end of May totaled 611 million pounds, down 15 percent from a year earlier. The year-over-year decline in cold storage stocks varied widely for the different categories. Stocks of whole birds and breast meat products were down significantly, while stocks of legs and thigh meat products were higher. Stocks for whole birds were 13.9 million pounds, a decrease of 35 percent from the previous year. Stocks of breast meat were down over 28 percent from the previous year and totaled 111 million pounds. Since the beginning of 2012, stocks of breast meat have fallen by 21 million pounds and this decrease has been reflected in stronger wholesale prices over the last several months. Over the last 6 months of 2011, stocks of wings gradually were reduced, and this pattern continued over the first 3 months of 2012. Stocks of wings rose in April and May, but still remain considerably lower than the previous year (down 36 percent in May), placing upward pressure on prices.

For the remainder of 2012, cold storage holdings of broiler products are expected to gradually increase. While broiler meat production on a year-over-year basis is expected to be slightly lower in the second half of 2012, the decline is expected to be partially offset by lower exports and a sluggish domestic economy. Broiler stocks are expected to slowly rise, ending the year at 650 million pounds.

### ***Turkey Production Rises in May***

Turkey meat production totaled 520 million pounds in May 2012, up 4.7 percent from a year earlier, as a result of a higher number of turkeys slaughtered, 21.8 million, up 6.1 percent from a year earlier. This was partially offset by a drop in the average liveweight at slaughter to 29.8 pounds (down 1.1 percent). Much of the gain in the number of turkeys slaughtered was the result of an additional slaughter day in May 2012 compared with a year earlier. Over the first 5 months of 2012, turkey meat production totaled 2.4 billion pounds, 3.8 percent above the same period in 2011. The average liveweight for turkeys at slaughter during this period was 30.4 pounds, slightly higher (0.7 percent), than in the same period in 2011. The number of birds slaughtered totaled 100.6 million, an increase of 3 percent.

Rising grain prices are also expected to have a downward impact on turkey production. The turkey meat production estimate for fourth-quarter 2012 was lowered by 25 million pounds to 1.55 billion pounds, and the estimate for 2013 was lowered by 100 million to 5.94 billion pounds.

Turkey meat production in the second half of 2012 is expected to be higher, at 3.0 billion pounds, (up 3 percent from the second half of 2011). The turkey hatchery report showed that net placement of poult for growout in May were 25.1 million birds, up 4.9 percent from the previous year. Over the first 5 months of 2012, net poult placements totaled 121.3 million, up 4.8 percent from the same period in 2011. Turkey meat production is expected to remain above the previous year through the rest of 2012 but is expected to decline slightly in 2013.

With higher turkey production so far in 2012, stocks of whole birds have risen to well over their year-earlier levels. The growth in whole bird stocks, however, has not impacted prices yet. National prices for whole hen turkeys averaged \$1.07 per pound in second-quarter 2012, up just over 7 cents per pound from the previous year. Whole turkey prices are expected to remain above year-earlier levels through the remainder of 2012.

At the end of May, cold storage holdings of all turkey products totaled 500 million pounds, up 12 percent from a year earlier. The increase has come from both higher stocks of whole birds, up 9 percent, and turkey parts, up 15 percent. Cold storage holdings of whole turkeys totaled 258 million pounds and holdings of turkey parts were 242 million pounds. The increase in turkey products in cold storage has developed as increases in production have only been partially offset by strong export demand, especially to Mexico. Stocks of turkey products (whole birds and parts) are expected to follow the normal seasonal pattern, increasing through the third quarter and then declining during the peak demand period in the fourth quarter. With only slightly higher production expected for the second half of 2012, ending turkey stocks for 2012 are forecast at 250 million pounds, up 18 percent from the previous year.

### ***Egg Production Higher in Second Quarter***

U.S. table egg production totaled 557 million dozen in May, up 0.6 percent from the same period the previous year. Higher table egg production in May was the result of an increase in the number of layers in the table egg flock. During May, the number of hens in the table egg laying flock averaged 282 million, up 1.2 percent from a year earlier. The increase in the number of birds in the table egg laying flock was partially offset by a slightly lower rate of lay for those layers. Although wholesale prices are relatively strong, rising feed prices are expected to negate any incentives to expand the size of the table egg flock significantly. Table egg production in the second half of 2012 is expected to total 3.4 billion dozen, fractionally higher than in the second half of 2011.

Wholesale prices for grade A large eggs in the New York market averaged \$1.00 per dozen in second-quarter 2012, down over 6 percent from the previous year. In June and carrying over into July, egg prices have been steady over a number of weeks at \$1.05 per dozen.

With only small changes expected in the table egg flock, egg prices are expected to remain below the previous year through the remainder of 2012. However, egg prices may experience some upward pressure over the short term if significant quantities of shell eggs are exported to Mexico in reaction to an outbreak of avian influenza.

### ***Shell Egg Exports to Mexico Expected To Increase***

Mexico has been one of the largest markets for U.S. egg exports for a number of years. A recent outbreak of avian influenza in the largest shell egg producing State in that country could increase the demand for imported eggs. To the extent this occurs, it may impact U.S. shell egg exports in the second half of 2012. However, it is uncertain whether higher exports to Mexico will be in addition to normal overall exports or if the shipments would come at the expense of lower shipments to other countries.

Total egg exports (shell eggs and egg products) were 24.7 million dozen in May 2012, down 6 percent from the previous year. Much of the decrease was due to much smaller shipments to Japan and South Korea. Exports to Japan in May totaled 2.8 million dozen, down 55 percent from the previous year. Exports to Korea declined 69 percent to only 401,000 dozen. Egg exports to Korea had expanded in 2011 and this month's exports were more in line with what was exported to Korea in May 2010. These declines were partially offset by strong increases in shipments to Hong Kong and Israel.

Over the first 5 months of 2012, shell egg and egg product exports totaled 112 million dozen, 5 percent lower than the same period in 2011. Shipments have expanded to Canada, Hong Kong, and a number of EU countries, but these gains were offset by large declines to Japan (down 23 percent) and Korea (down 85 percent).

### *Broiler Shipments Up in May*

Broiler shipments in May 2012 rose from a year earlier. May 2012 broiler shipments totaled 599.4 million pounds, a 6-percent increase from last May's shipments. Sizeable increases in broiler shipments went to Mexico, Russia, Angola, and Cuba, four of the seven largest U.S. broiler markets. In May, Mexico—the U.S. top broiler market—imported 28 -percent more broilers than it did a year ago, while Russia, the U.S.' second largest market—imported 313 -percent more broiler meat than it did a year earlier. Other major broiler meat destinations, such as Angola and Cuba, also experienced strong demands for broiler meat. The volume shipped to Angola was almost 35 million pounds more in May 2012 compared with a year earlier and about 20 million pounds more to Cuba. These increases are primarily due to a strong demand for U.S. broiler meat coupled with some softening in leg-quarter prices.

### *Turkey Shipments Dropped in May*

Turkey shipments in May 2012 were down 4.5 percent from a year ago. A total of 61.7 million pounds of turkey meat was shipped to various international locations. Shipments to three of the major U.S. turkey markets dropped from a year earlier. Over 31 million pounds of the turkey went to Mexico, a 17-percent decline from that shipped the previous year. Other major turkey markets, such as China and Hong Kong, imported 12- and 26-percent less turkey meat, respectively, than a year ago. In contrast to these declines, exports to Canada—the third largest U.S. turkey market—rose 69 percent from May 2011. There were also some increases in turkey meat shipped to minor markets, such as Japan, South Africa, and Russia.

### ***Feed Price Increases Will Push Herd Liquidation and Output per Cow, Lowering Milk Production***

U.S. corn supplies were forecast sharply lower for 2012/13 as yields were lowered 20 bushels per acre. Soybean production was also reduced in the July WASDE report. Projected corn prices were raised from the June report to \$5.40 to \$6.40 per bushel, and soybean meal prices were boosted to \$365 to \$395 per ton since supplies are expected to be tighter for the balance of 2012/13. Preliminary June alfalfa hay prices were posted at \$201 per ton according to the June Agricultural Prices report. This price is below May's reported price but still well above the June 2011 reported price. Consequently, the field crop outlook is expected to lead to higher feed prices for the balance of 2012 and into 2013.

Cow numbers began to show a decline with the May Milk Production report. The prospect of rising feed prices will likely accelerate this trend for the balance of 2012 and into 2013. Cow numbers were lowered to 9,230 thousand head in 2012 and to 9,145 thousand head for 2013 in July's forecast. Recent high temperatures will likely restrain milk production over the course of the summer and, coupled with higher feed costs, milk output per cow is lowered to 21,830 pounds from June projections. Milk per cow is forecast at 22,060 in 2013, a decline from June as higher feed prices take a toll. The result is a projected 201.6 billion pounds of milk production in 2012, a decline from last month's projection, and to 201.7 billion pounds of milk forecast in 2013, also a drop from June.

Fat-basis milk equivalent imports were raised this month to 3.5 billion pounds for 2012 and to 3.4 billion pounds in 2013, mostly on the basis of stronger cheese imports, which will likely continue into 2013. On a skim-solids basis, milk equivalent imports were lowered this month to 4.9 billion pounds for this year and to 4.7 billion pounds in 2013. Imports of casein and milk protein concentrates (MPC) are lowered for the year and into 2013 and will partially counter the higher expected cheese imports.

Exports on both a fat- and skim-solids basis were increased for both 2012 and 2013. Fat-basis exports were raised to 9.3 billion pounds for this year and to 9.2 billion pounds for 2013. Both cheese and nonfat dry milk (NDM) exports were strong in April and are expected to remain resilient for the remainder of 2012. A continued optimistic outlook for cheese exports is the basis for increasing 2013 fat-basis exports. The fundamentals for skim-solids exports are similar. First-quarter skim-solids exports exceeded expectations, largely as a result of strong nonfat dry milk (NDM) exports. The higher export pace is expected to continue for the balance of 2012 and into 2013. Skim-solids exports were raised in July to 32.4 billion pounds for this year and to 32.9 billion pounds in 2013.

Current-year price forecasts for cheese and butter were raised this month. The prospect of lowered production and continued strong exports are expected to support the higher prices. Current-year cheese prices were forecast higher at \$1.590 to \$1.620 per pound and butter prices were raised slightly to \$1.470 to \$1.530 per pound. For 2013, cheese prices were raised slightly to \$1.605 to \$1.705 per pound and butter prices were unchanged from June's forecast at \$1.465 to \$1.595 per pound. Prices for NDM were lowered slightly for this year to \$1.210 to \$1.240 per

pound by lowering the upper end of the price range. Relatively weak forecast income growth is expected to soften demand, tempering the price effect of reduced milk production. Next year's NDM prices were unchanged from June at \$1.320 to \$1.390. Whey prices were unchanged at 54.0 to 56.0 cents per pound for 2012 and 55.5 to 58.5 cents per pound next year. The higher cheese price leads to a higher forecast Class III price of \$16.00 to \$16.30 per cwt in 2012 and to \$16.25 to \$17.25 per cwt in 2013. The Class IV price was boosted to \$14.55 to \$14.95 per cwt for 2012 and is unchanged for next year at \$15.40 to \$16.50 per cwt. The increased Class IV price this year is based mostly on the spillover effect of higher butter prices tempered by slightly weaker NDM prices. The all milk price was raised to \$17.05 to \$17.35 per cwt this year and to \$17.35 to \$18.35 per cwt for next year.

## Contacts and Links

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### Data Products

Meat Price Spreads, <http://www.ers.usda.gov/data-products/meat-price-spreads.aspx>, provides monthly average price values, and the differences among those values, at the farm, wholesale, and retail stages of the production and marketing chain for selected cuts of beef, pork, and broilers. In addition, retail prices are provided for beef and pork cuts, turkey, whole chickens, eggs, and dairy products.

Livestock and Meat Trade Data, <http://www.ers.usda.gov/data-products/livestock-meat-domestic-data.aspx>, contains monthly and annual data for the past 1-2 years for imports and exports of live cattle and hogs, beef and veal, lamb and mutton, pork, broiler meat, turkey meat, and shell eggs. The tables report physical quantities, not dollar values or unit prices. Breakdowns by major trading countries are included.

### Related Websites

Livestock, Dairy, and Poultry Outlook, <http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook.aspx>  
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WASDE, <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>

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U.S. red meat and poultry forecasts

	2010					2011					2012					2013			
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual		
<b>Production, million lb</b>																			
B eef	6,248	6,547	6,768	6,741	26,304	6,411	6,559	6,736	6,490	36,195	6,283	6,470	<b>6,475</b>	<b>5,950</b>	<b>25,178</b>	<b>6,010</b>	<b>6,260</b>	<b>24,560</b>	
P ork	5,607	5,301	5,401	6,126	22,437	5,720	5,371	5,484	6,186	22,752	5,858	5,520	<b>5,260</b>	<b>6,300</b>	<b>23,298</b>	<b>5,900</b>	<b>5,625</b>	<b>23,680</b>	
L anbandmutton	43	40	39	42	164	36	40	36	37	149	39	38	<b>35</b>	<b>36</b>	<b>148</b>	<b>38</b>	<b>36</b>	<b>145</b>	
B roilers	8,732	9,198	9,496	9,484	36,911	9,290	9,509	9,542	8,860	37,201	9,090	9,350	<b>9,300</b>	<b>9,150</b>	<b>36,890</b>	<b>9,100</b>	<b>9,300</b>	<b>37,100</b>	
T urkeys	1,339	1,383	1,415	1,506	5,643	1,402	1,471	1,423	1,495	5,791	1,446	1,525	<b>1,460</b>	<b>1,550</b>	<b>5,981</b>	<b>1,450</b>	<b>1,500</b>	<b>5,935</b>	
T otalredmeat& poultry	22,057	22,535	23,194	24,059	92,097	23,013	23,114	23,396	23,225	92,745	22,868	23,067	<b>23,055</b>	<b>23,142</b>	<b>92,132</b>	<b>22,648</b>	<b>22,876</b>	<b>92,742</b>	
T ableeggs,mil.do z	1,611	1,627	1,645	1,667	6,550	1,624	1,634	1,646	1,686	6,590	1,653	1,650	<b>1,660</b>	<b>1,685</b>	<b>6,648</b>	<b>1,620</b>	<b>1,635</b>	<b>6,565</b>	
<b>Per capita disappearance, retail lb 2/</b>																			
B eef	14.6	15.1	15.3	14.6	59.6	14.1	14.6	14.7	14.0	57.3	14.0	<b>14.5</b>	<b>14.4</b>	<b>13.2</b>	<b>56.1</b>	<b>13.5</b>	<b>13.8</b>	<b>54.5</b>	
P ork	11.8	11.4	11.7	12.8	47.7	11.4	11.1	11.0	12.2	45.7	11.1	<b>11.0</b>	<b>11.3</b>	<b>12.5</b>	<b>46.0</b>	<b>11.6</b>	<b>11.2</b>	<b>46.7</b>	
L anbandmutton	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.8	0.2	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.8</b>	<b>0.2</b>	<b>0.2</b>	<b>0.8</b>	
B roilers	20.1	20.5	21.4	20.3	82.3	21.5	21.5	20.8	19.1	82.9	20.1	<b>20.4</b>	<b>20.1</b>	<b>19.8</b>	<b>80.4</b>	<b>20.0</b>	<b>20.3</b>	<b>80.5</b>	
T urkeys	3.5	3.6	4.1	5.1	16.4	3.5	3.5	4.0	5.1	16.1	3.5	<b>3.6</b>	<b>4.0</b>	<b>5.3</b>	<b>16.3</b>	<b>3.7</b>	<b>3.8</b>	<b>16.3</b>	
T otalredmeat& poultry	50.7	51.2	53.2	53.6	208.7	51.3	51.3	51.0	51.0	204.6	49.3	<b>50.1</b>	<b>50.5</b>	<b>51.4</b>	<b>201.3</b>	<b>49.3</b>	<b>49.7</b>	<b>200.6</b>	
E ggs,number	61.4	61.3	62.0	62.7	247.3	61.1	61.2	62.2	63.1	247.7	62.1	<b>61.7</b>	<b>62.0</b>	<b>62.8</b>	<b>248.6</b>	<b>60.4</b>	<b>60.7</b>	<b>243.5</b>	
<b>Market prices</b>																			
Choice steers, 5-area Direct, \$/cwt	89.44	96.33	95.47	100.28	95.38	110.07	112.79	114.05	121.99	114.73	125.29	<b>121.91</b>	<b>121-125</b>	<b>123-131</b>	<b>123-126</b>	<b>122-132</b>	<b>124-134</b>	<b>124-135</b>	
F eedersteers, Ok City, \$/cwt	98.73	112.65	112.29	114	109.31	127.20	131.09	134.74	141.93	133.74	152.81	<b>150.05</b>	<b>148-152</b>	<b>148-156</b>	<b>150-153</b>	<b>147-157</b>	<b>148-158</b>	<b>149-158</b>	
C utterCows, National L.E., \$/cwt	51.79	58.79	58.90	54.93	56.1	68.66	74.88	66.11	63.54	68.3	76.57	<b>83.51</b>	<b>78-82</b>	<b>76-80</b>	<b>79-81</b>	<b>77-81</b>	<b>78-84</b>	<b>77-81</b>	
C hoiceslaughter lambs, San Angelo, \$/cwt	103.87	106.17	115.57	141.62	116.81	174.66	157.99	161.13	148.93	160.68	145.33	<b>127.08</b>	<b>118-122</b>	<b>121-131</b>	<b>127-130</b>	<b>130-140</b>	<b>125-135</b>	<b>128-137</b>	
B arrows&gilts, N. base, i.e. \$/cwt	50.41	59.60	60.13	50.11	55.06	59.94	68.80	71.06	64.66	66.11	61.68	<b>61.79</b>	<b>62-64</b>	<b>55-59</b>	<b>60-62</b>	<b>57-61</b>	<b>60-66</b>	<b>58-62</b>	
B roilers, 12City, cents/lb	82.2	85	84.5	80	82.9	77.9	82.6	78.8	76.8	79	87.2	<b>85.9</b>	<b>81-85</b>	<b>81-87</b>	<b>84-86</b>	<b>83-89</b>	<b>84-92</b>	<b>83-90</b>	
T urkeys, Eastern, cents/lb	75.6	84.4	97.9	103.7	90.4	90.2	99.9	106.4	111.6	102	100.7	<b>106.9</b>	<b>108-112</b>	<b>111-119</b>	<b>107-110</b>	<b>97-105</b>	<b>100-108</b>	<b>101-110</b>	
E ggs, New York, cents/doz	126	82.8	93.1	123.2	106.3	105.8	106.6	117.7	131.2	115.3	108.7	<b>99.7</b>	<b>103-107</b>	<b>113-121</b>	<b>106-109</b>	<b>108-118</b>	<b>96-104</b>	<b>102-111</b>	
<b>U.S. trade, million lb</b>																			
B eef&veal exports	478	585	590	646	2,299	633	702	769	684	2,788	558	<b>695</b>	<b>690</b>	<b>645</b>	<b>2,588</b>	<b>645</b>	<b>700</b>	<b>2,650</b>	
B eef&veal imports	573	690	598	436	2,297	461	593	548	454	2,056	582	<b>675</b>	<b>655</b>	<b>565</b>	<b>2,477</b>	<b>640</b>	<b>695</b>	<b>2,620</b>	
L anbandmutton imports	47	46	31	42	166	50	48	31	33	163	37	<b>34</b>	<b>30</b>	<b>46</b>	<b>147</b>	<b>45</b>	<b>40</b>	<b>165</b>	
P ork exports	1,046	1,081	951	1,146	4,224	1,247	1,204	1,261	1,481	5,193	1,444	<b>1,310</b>	<b>1,275</b>	<b>1,375</b>	<b>5,404</b>	<b>1,375</b>	<b>1,325</b>	<b>5,450</b>	
P ork imports	199	204	237	219	859	201	195	194	213	803	207	<b>195</b>	<b>200</b>	<b>210</b>	<b>812</b>	<b>205</b>	<b>195</b>	<b>810</b>	
B roiler exports	1,469	1,699	1,643	1,954	6,765	1,530	1,584	1,998	1,878	6,991	1,737	<b>1,750</b>	<b>1,850</b>	<b>1,800</b>	<b>7,137</b>	<b>1,725</b>	<b>1,725</b>	<b>7,125</b>	
T urkey exports	114	136	158	174	582	160	171	173	199	703	181	<b>190</b>	<b>190</b>	<b>185</b>	<b>746</b>	<b>180</b>	<b>180</b>	<b>730</b>	
L iveswine imports (thousand head)	1,446	1,408	1,479	1,416	5,749	1,452	1,429	1,407	1,508	5,796	1,441	<b>1,410</b>	<b>1,405</b>	<b>1,495</b>	<b>5,751</b>	<b>1,450</b>	<b>1,430</b>	<b>5,770</b>	

1/Forecasts are in bold.

2/Per capita meat and egg disappearance data are calculated using the Resident Population Plus Armed Forces Overseas series from the Census Bureau of the Department of Commerce.

Source: World Agricultural Supply and Demand Estimates and Supporting Materials.

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## Dairy Forecasts

	2011					2012					2013	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Milk cows (thous.)	9,168	9,191	9,200	9,216	9,194	9,254	9,270	9,230	9,175	9,230	9,160	9,145
Milk per cow (pounds)	5,286	5,489	5,292	5,279	21,346	5,510	5,580	5,370	5,370	21,830	5,475	22,060
<b>Milk production (bil. pounds)</b>	48.5	50.4	48.7	48.7	196.2	51.0	51.7	49.6	49.3	201.6	50.2	201.7
Farm use	0.2	0.2	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0	0.2	1.0
Milk marketings	48.2	50.2	48.4	48.4	195.3	50.7	51.5	49.3	49.0	200.6	49.9	200.7
<b>Milkfat (bil. pounds milk equiv.)</b>												
Milk marketings	48.2	50.2	48.4	48.4	195.3	50.7	51.5	49.3	49.0	200.6	49.9	200.7
Beginning commercial stocks	10.8	12.0	13.2	12.3	10.8	10.9	13.3	15.1	13.8	10.9	11.7	11.7
Imports	0.8	0.7	0.8	1.2	3.5	0.9	0.8	0.8	1.0	3.5	0.8	3.4
Total supply	59.8	62.9	62.4	62.0	209.6	62.5	65.6	65.2	63.8	215.0	62.4	215.8
Commercial exports	2.4	2.7	2.2	2.1	9.5	2.2	2.5	2.4	2.2	9.3	2.2	9.2
Ending commercial stocks	12.0	13.2	12.3	10.9	10.9	13.3	15.1	13.8	11.7	11.7	13.2	11.5
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	45.3	47.0	47.9	49.0	189.2	47.1	47.9	49.1	49.9	194.0	47.0	195.1
<b>Skim solids (bil. pounds milk equiv.)</b>												
Milk marketings	48.2	50.2	48.4	48.4	195.3	50.7	51.5	49.3	49.0	200.6	49.9	200.7
Beginning commercial stocks	12.2	11.7	12.7	12.2	12.2	11.8	12.5	13.0	12.1	11.8	12.0	12.0
Imports	1.3	1.2	1.3	1.4	5.3	1.4	1.1	1.1	1.3	4.9	1.3	4.7
Total supply	61.7	63.1	62.5	62.0	212.7	64.0	65.1	63.4	62.4	217.3	63.2	217.4
Commercial exports	8.0	8.0	8.4	8.2	32.7	8.3	8.2	8.0	7.8	32.4	8.3	32.9
Ending commercial stocks	11.7	12.7	12.2	11.8	11.8	12.5	13.0	12.1	12.0	12.0	11.9	12.0
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	42.0	42.4	41.9	42.0	168.2	43.1	43.9	43.3	42.6	172.9	42.9	172.4
<b>Milk prices (dol./cwt) 1/</b>												
All milk	18.73	20.10	21.67	20.07	20.14	17.97	16.37	16.70	17.25	17.05	16.65	17.35
								-17.10	-17.95	-17.35	-17.65	-18.35
Class III	16.63	17.50	20.71	18.62	18.37	16.28	15.53	16.35	15.90	16.00	15.25	16.25
								-16.75	-16.60	-16.30	-16.25	-17.25
Class IV	18.08	20.37	20.00	17.72	19.04	15.94	13.86	13.90	14.60	14.55	14.65	15.40
								-14.40	-15.40	-14.95	-15.75	-16.50
<b>Product prices (dol./pound) 2/</b>												
Cheddar cheese	1.708	1.751	2.041	1.799	1.825	1.559	1.547	1.660	1.595	1.590	1.520	1.605
								-1.700	-1.665	-1.620	-1.620	-1.705
Dry whey	0.425	0.499	0.570	0.636	0.533	0.646	0.544	0.480	0.505	0.540	0.525	0.555
								-0.500	-0.535	-0.560	-0.555	-0.585
Butter	1.990	2.052	2.030	1.728	1.950	1.499	1.409	1.490	1.520	1.470	1.435	1.465
								-1.560	-1.620	-1.530	-1.565	-1.595
Nonfat dry milk	1.373	1.611	1.578	1.461	1.506	1.368	1.170	1.125	1.190	1.210	1.245	1.320
								-1.170	-1.165	-1.250	-1.315	-1.390

1/ Simple averages of monthly prices. May not match reported annual averages.

2/ Simple averages of monthly prices calculated by the Agricultural Marketing Service for use in class price formulas. \* Based on weekly "Dairy Product Prices", National Agricultural Statistics Service. Details may be found at [http://www.ams.usda.gov/dyfmios/mib/fedordprc\\_dscop.htm](http://www.ams.usda.gov/dyfmios/mib/fedordprc_dscop.htm)

Source: World Agricultural Supply and Demand Estimates and supporting materials.

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