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Livestock, Dairy, and Poultry Outlook

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Impacts of High Feed Prices Shake Out Across Markets

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Tables will be released
on Sept 25, 2012

The next newsletter
release is Oct 17, 2012

Approved by the
World Agricultural
Outlook Board.

Beef/Cattle: Federally inspected dairy cow slaughter heats up over low milk prices and high drought-impacted feed costs. Feeder and fed cattle prices have recovered somewhat from summer lows at a faster clip than cutout values, leaving packers with narrowing margins.

Beef/Cattle Trade: U.S. beef imports through July were 16 percent higher than a year earlier, while exports were 12 percent lower. Momentum in the import market is expected to continue, while exports remain under pressure.

Pork/Hogs: Recent sow slaughter dynamics and higher sow prices in August suggest that hog producers are not in a full-liquidation mode in response to record-high feed prices. Fourth-quarter pork production is expected to be 1.6 percent greater than a year ago, with average hog prices off more than 10 percent compared with fourth-quarter 2011. July export data continues a strong growth trend, with year-over-year increased shipments to Mexico, China, Canada, and Russia more than offsetting weakness in shipments to Japan and South Korea.

Poultry: The U.S. broiler meat production estimate for third-quarter 2012 was reduced by 50 million pounds to 9.3 billion pounds, down 3 percent from the previous year. Over the last 5 weeks, an average of 162 million broiler chicks was placed weekly for grow out, about even with the previous year. Turkey meat production in July 2012 was 497 million pounds, 11- percent higher than last July, as both the number of turkeys slaughtered and their average weights were higher.

Poultry Trade: Broiler shipments in July fell from a year earlier, while turkey shipments rose from a year ago. Broiler shipments totaled 602.9 million pounds, a 7- percent drop from last July's shipments. Turkey shipments totaled 65.6 million pounds, an increase of 25- percent from a year ago.

Dairy: September forecasts for milk production and prices are largely unchanged from August. Gradual herd contraction is expected in 2013. Prices for feed, milk, and dairy products remain high but are stable. Export forecasts are unchanged, and import forecasts are increased only slightly.

Drought Continues To Affect Cow Slaughter and Feedlot Placements

For most of 2012, high feeding costs and low milk prices have driven year-over-year increases in federally inspected weekly dairy cow slaughter. Federally inspected beef cow slaughter has also increased, but more erratically and mostly in a typical seasonal pattern, since mid-April 2012. Furthermore, while beef cow slaughter has also remained generally below 2011 and 2010 levels, it has been heavy relative to the January 1, 2012 cow inventory, but the drought-induced beef cow slaughter that occurred in 2011 was heavier relative to the 2011 cow inventory. As a result, total federally inspected cow slaughter is below year-earlier slaughter for most weeks in 2012. Further, slaughter cow prices have generally declined since their May 2012 peak, but while currently below that peak, they remain above year-earlier prices on a weekly basis.

While prices for feeder cattle in 2012, especially the heavier cattle, have been generally well above prices for corresponding periods in 2011, in July they declined to levels that are about even with same-month 2011 levels. This is largely due to drought-reduced pasture availability and the impact of high feed costs on cattle-feeding margins that have been negative since April 2011. At the same time, prices for lightweight feeder cattle began increasing relative to heavyweight cattle, motivated in part by the positive outlook for feeder cattle demand in 2013 and prospects for winter pasture. However, the extent of demand for feeder cattle will depend on the final outcome of this fall's corn harvest.

Demand for heifer calves for both stocker programs and rebuilding cow inventories could increase if precipitation is enough this fall to enable cool season pasture development this winter and if prospects improve for pasture growth in 2013. Retaining heifers for rebuilding cow inventories reduces the inventory of feeder cattle available for placement in feedlots, which would support feeder cattle prices. This would also likely reduce future fed cattle supplies and, ultimately, beef production, beginning in late 2013 or 2014. Any heifer retention over the next few years would likely have an adverse impact on beef supplies until 2015 or later, when cow inventories could again reach a level that would provide enough feeder cattle to produce supplies of beef at or above current levels.

Fed cattle prices have begun increasing seasonally since July lows. In addition, some current industry anecdotes suggest packers may be having difficulties finding enough finished cattle to meet their needs, which should be supportive of prices, except that packer margins will decline from the higher fed cattle prices combined with static or declining wholesale values. However, fed cattle prices could be pressured if feedlot managers are not marketing finished cattle in as timely a manner as previously thought. Evidence supporting a possible buildup includes higher dressed weights, a larger number of cattle on feed for more than 120 days, and higher dressing percentages. For instance, while dressed weights are increasing seasonally, they are well above year-earlier levels and are not likely to peak until around mid-October when they traditionally peak. Another indicator is the record number (since August 1996) of cattle on feed for 120-plus days on August 1, which—in addition to any remaining calf-feds--may indicate larger than usual numbers of heavyweight fed cattle that could be marketed over the next few months. These numbers could be a result of the many heavy feeder cattle placed

earlier this year and the large numbers of under-600-pound feeder calves placed in late 2011. A third indicator is the 5-day average dressing percentage, which has been above year-earlier and recent historical levels for most of the summer and, despite the driving forces of the drought, runs counter to the traditional logic associated with abbreviated feeding periods during periods of high grain prices.

Weekly wholesale cutout values have recovered somewhat since their lows in late-July/early August 2012 and are above year-earlier values. Despite this, improving fed cattle prices have pressured packer margins, which have deteriorated recently. Part of the reason for the improved cutout values is that demand for some middle meats and other cuts helped move monthly retail Choice beef prices higher in July. While Choice retail values improved slightly in July, the All-fresh beef price set yet another record at \$4.71 per pound. However, both retail Choice and All-fresh beef prices retreated slightly in August to \$4.95 and \$4.70. While the demand for ground products appears to be providing ongoing price support to the All-fresh beef price of which it is a component, it does not seem to be sufficient to completely offset the negative pressure associated with the end of the summer grilling season.

U.S. Beef Import Levels Remain Buoyant, While Exports Face Pressure

U.S. beef imports through July were 16 percent higher than a year earlier, and growth is expected to continue into next year, with third- and fourth-quarter imports in 2012 forecast at 615 and 540 million pounds, respectively. Although imports have been strong for much of 2012, growth in beef imports from Oceania slowed entering the summer months and imports from Canada have been lower year-over-year since the second quarter. Nevertheless, total beef imports for 2012 are forecast at 2.4 billion pounds, or 17 percent higher than a year earlier. The momentum in the import market is expected to continue into next year as total imports are forecast 9 percent higher year-over-year.

Momentum in the U.S. beef export market continues to be hampered largely by a relatively stronger U.S. dollar, constraining export levels through July to 12 percent below a year-ago. Excluding Vietnam and Hong Kong, export levels to the remaining top 10 export countries through July have been lower, year-over-year. Third- and fourth-quarter exports are forecast at 670 and 625 million pounds, respectively, with total 2012 export levels forecast at 2.48 billion pounds, or 11 percent below a year ago. U.S. exports in 2013 are forecast slightly lower at 2.45 billion pounds.

Hog Producers Appear To Be Holding Onto Their Sows

Despite drought-induced record-high corn and soybean meal prices, sow slaughter data suggests that hog producers are not “sprinting towards the exits.” Monthly hog slaughter depicted below indicates that sow slaughter for June—the month where drought conditions became apparent—was more than 9 percent below slaughter in June 2011, 8.7 percent below the 3-year average, and 11.3 percent below the 5-year average. For July, while sow slaughter was 5.7 percent above the July 2011 level, it was 3.2 percent below the 3-year average July sow slaughter and 8.4 percent below the 5-year July average.

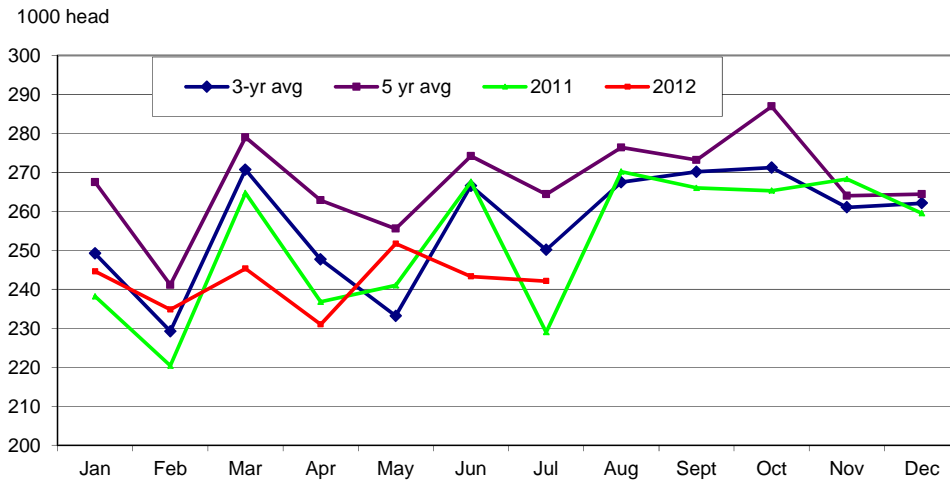
USDA\NASS will release August federally inspected sow slaughter data on September 21st. In the meantime, weekly sow slaughter for the weeks ending August 4th through September 1st shows slaughter to be less than 5 percent above comparable weeks a year ago. It is possible, however, that higher sow prices induced larger August slaughter numbers. After moving lower through July, sow prices in August appear to have bottomed out and to be turning upward, averaging \$41.78 per cwt. Higher sow prices in August suggest that pressure from large supplies of sows may have eased. If a large-scale liquidation was underway, it is unlikely that prices would have bottomed out as they did in August. Moderate summer sow slaughter suggests a scenario in which, despite record-high prices for corn and soybean meal, the current price environment will persist through only the 2012-2013 crop year—a belief shared by most producers. Preserving productive capital stocks (i.e., sow inventory) during difficult market conditions would leave hog producers prepared to accelerate production as an improved feed grains production outlook and a depleted animal protein supply restore prospects for positive producer returns.

Fourth-quarter 2012 pork production is expected to be almost 6.3 billion pounds, 1.6 percent greater than in the same period a year ago. Estimated dressed weights in the fourth quarter will likely continue to run just slightly ahead of year-earlier weights. Next year however, record-high feed costs are expected to gain traction, and pull dressed weights in the first three quarters below those of the same period of 2012, as producers push to minimize feed costs while avoiding packer discounts for low-weight animals. Prices of live equivalent 51-52 percent lean hogs are expected to average \$57-\$59 per cwt in the fourth quarter, more than 10 percent below a year ago, and \$60-\$66 per cwt in the first quarter of 2013.

Third-Quarter Exports Begin on a Positive Note

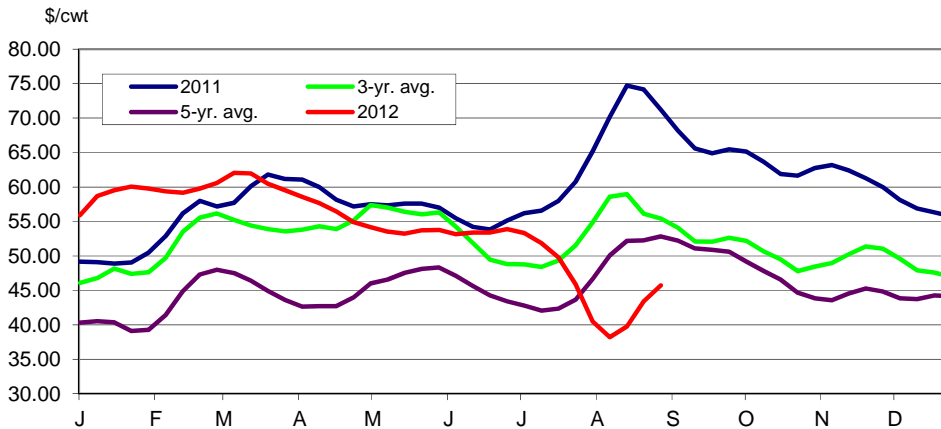
July pork exports were almost 398 million pounds, 3 percent greater than a year ago. Increased July shipments to Mexico, China, Canada, and Russia more than offset lower exports to Japan, South Korea, and Hong Kong. The five largest export destinations for U.S. pork are listed in the table below. The calculated export shares indicate that Japan’s share of July exports has come down significantly compared with July 2011, while Mexico, China, Canada, and Russia all took larger shares of July exports than in July 2011. The five largest export destinations together accounted for almost 81 percent of July shipments, an increase from 76 percent registered in July 2011.

U.S. sow slaughter: 2012, 2011, 3 and 5-year averages



Source: <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1096>

Weekly sow price: major production areas of the Midwest and Eastern United States



Source: http://www.ams.usda.gov/mnreports/nv_ls231.txt

Five largest export destinations for U.S. pork: July 2012 vs July 2011						
		Exports	Exports	Percent Chg.	Export Share	Export Share
	Country	2012	2011	2012/2011	2012	2011
		Mil. lbs.	Mil. lbs.		%	%
	World	398	386	3.0		
1	Japan	108	118	-9	27.2	30.6
2	Mexico	87	75	15	21.8	19.5
3	China	54	44	24	13.6	11.3
4	Canada	47	41	16	11.8	10.5
5	Russia	25	14	75	6.3	3.7

Source: <http://www.ers.usda.gov/data-products/livestock-meat-international-trade-data.aspx>

Broiler Estimates Lowered for Third and Fourth Quarters

The U.S. broiler meat production estimate for third-quarter 2012 was reduced by 50 million pounds to 9.3 billion pounds, down 2.5- percent from the previous year. Broiler meat production in July 2012 was 3.13 billion pounds, 3 percent higher than a year earlier. This increase in production can be attributed chiefly to the fact that July 2011 had one additional slaughter day than the previous year. The number of birds slaughtered in July was up 3 percent to 723 million, but average live-weight was down slightly to 5.76 pounds. During August and September, the number of chicks placed for growout is expected to remain at or near the level of the previous year, while higher average weights are also expected to continue. However, there are 2 fewer slaughter days in September compared with last year.

The broiler meat production estimate for fourth-quarter 2012 was lowered to 9.0 billion pounds, down 150 million pounds from the previous estimate. The reduction in fourth-quarter production stems chiefly from the impact of lower expected chick placements brought about by continued high grain prices. Weekly heavy hen slaughter has been above year-earlier levels for much of August, and with pullets below last year in July, it is likely that broiler-type egg production will remain close to or below last year. For the 5-week period ending September 1, the National Agricultural Statistics Service estimated that an average of 162 million broiler chicks was placed weekly for grow out. This is almost exactly the same number of chicks placed weekly in a similar period in 2011. In 2011, between the middle of August and the middle of October, the number of chicks placed for growout was much lower than the previous year, which resulted in fourth-quarter 2011 broiler meat production being 7- percent lower than the previous year. In 2012, it is expected that the number of chicks placed for growout will be very similar to the previous year. Offsetting the stability in hatchery numbers will be one more slaughter day in the fourth quarter. Average weights in the fourth-quarter are expected to be only slightly higher than the previous year. The new production estimate for 2012 is 36.8 billion pounds, 1.2- percent lower than the previous year.

The impact of much higher corn and soybean meal is expected to also heavily impact broiler production in 2013. Production in 2013 was reduced by 145 million pounds to 36.4 billion pounds down 1.1 percent from a year earlier.

Stock Levels Up Slightly at the End of July

After being basically unchanged between May and June, broiler products in cold storage at the end of July rose slightly to 613 million pounds, but remained down about 15-percent from the previous year. Cold storage holdings were down for most individual products, with holdings for several products down significantly. Cold storage holdings of whole birds were 42 percent lower than the previous year, breast meat was down 27-percent, and leg-quarters were down 16 percent. The only increase was a 36-percent rise in stocks of legs. Cold storage holdings of broiler products are expected to decline slightly by the end of the third-quarter to 600 million pounds. As fourth-quarter 2012 production falls from third-quarter levels, stocks are expected to gradually decline and end the year at 575 million pounds.

Broiler Prices Move Higher in August

Generally lower broiler production and continued strong export demand have kept broiler stocks steady for the last 3 months, with broiler prices gradually moving higher. Prices for whole birds averaged \$0.83 per pound on the New York market in August, up only slightly from July but 2.5 percent higher than the previous year. Prices in August were about even with the previous year for parts such as leg-quarters (up less than 1 percent) and boneless/skinless thighs (down fractionally). However, wholesale prices for boneless/skinless breast meat in the Northeast market averaged \$1.45 per pound in August, 12 percent above the previous year, and prices for wings continue to be very strong, averaging \$1.86 per pound in August, up 92- percent from a year earlier. With broiler processors expected to lower production in response to much higher grain prices, prices for most broiler parts are expected to continue to move higher through the end of 2012 and into 2013.

Turkey Production Up 11 Percent in July

Turkey meat production in July was 497 million pounds, up 11 percent from July 2011. The increase in July was due chiefly to a larger number of birds slaughtered. Part of the increase was the result of one more slaughter day in July 2012 than in July 2011. Total meat production was also boosted by a slight increase in average bird weights to 29.3 pounds, up just under 1 percent from a year earlier. Over the first 7 months, 2012 turkey production has totaled 3.4 billion pounds, an increase of 4 percent from the same period in 2011. The increase in turkey production is due to a combination of a 3-percent gain in the number of birds slaughtered and a 1-percent gain in their average weight at slaughter.

The production estimate for 2013 was lowered by 30 million pounds to 5.8 billion pounds, down 3.2-percent from 2012. The reduction reflects the impact that higher feed prices are expected to have on poultry production and placements in the coming months. The higher feed costs coupled with relatively weak economic conditions, are expected to cause turkey producers to lower production.

Cold storage holdings for turkey totaled 555 million pounds at the end of July, up 5.7 percent from the previous year. Cold storage holdings of whole turkeys totaled 304 million pounds, 55 percent of all turkey cold storage holdings, with holdings of whole toms at 153 million (up 2 percent) and holdings of whole hens at 151 million (up 10 percent). Compared with the same period in 2011, cold storage holdings for turkey parts were mixed, with legs and mechanically deboned meat up sharply (both by over 100 percent). Holdings of turkey parts in the “other” and unclassified categories were both down (11 percent and 8 percent). Similar to the increase in whole birds, holdings of turkey breast meat rose 6 percent from a year earlier, to 74 million pounds.

Turkey meat production is expected to be higher on a year-over-year basis for both the third and fourth quarters of 2012. Coupled with higher stocks thus far in the year, this is expected to cause cold storage holdings to be higher than the previous year through the end of 2012. With lower turkey meat production forecast for 2013,

cold storage holdings of turkey products in 2013 are expected to drop below year-earlier levels.

In August, prices for whole frozen hen turkeys averaged \$1.09 per pound, up 3 percent from the previous year. Prices for whole hen turkeys on a year-over-year basis have been higher for the last 33 months. Prices for whole birds are expected to remain above year-earlier levels through the third and fourth quarters of 2012.

The demand for turkey parts in relation to supply has not been as strong, in general, as for whole turkeys. In July, prices for turkey breasts averaged \$1.30 per pound, 5 percent higher than the previous year. Prices for many other turkey parts in July were down significantly from the previous year. Drumsticks, at \$0.58 per pound, were down 30 percent; wings were only \$0.44 per pound, a decline of 46- percent from July 2011, and boneless/skinless breasts were down 23 percent to \$1.74 per pound. With turkey production expected to be higher through the end of 2012, the prices for turkey parts are expected to be under some downward pressure and may not have a normal seasonal increase in the fourth quarter.

Table Egg Flock Higher in July

In July, the number of birds in the table egg flock was 281.1 million, up just under 1 percent from a year earlier. The table egg flock has been larger year-over-year throughout 2012. With the increase in the table egg flock, table egg production has increased. Over the first 7 months of 2012, table egg production has totaled 3.9 billion dozen, 1.1 percent higher than the previous year. Table egg production is expected to continue to be higher in third-quarter 2012 but to fall in the fourth quarter, and production is also expected to be lower in 2013. The decrease, like that for broilers and turkeys, is expected to stem from a contraction in production arising from higher feed costs.

The hatching flock for meat-type birds (broiler-breeder flock) was reported at 51.1 million in July, down 6 percent from the previous year. The number of meat-type hens in the broiler-hatchery flock has been significantly lower on a year-over-year basis since mid 2011. The lower number of hens reflects the decreases in broiler chick demand as broiler integrators cut back expansion plans due to high grain prices and relatively weak domestic demand.

In July and August 2012, the weekly wholesale price for eggs in the New York market had a short-lived but sharp spike in prices. Prices at the beginning of July averaged around \$1.05 per dozen and then rose sharply to almost \$1.60 per dozen, before falling back to around \$1.16 per dozen by the beginning of September. Since the beginning of September, prices have begun to recover.

With this run-up in egg prices, the third-quarter 2012 average for New York egg prices is now expected to be \$1.26-\$1.29 per dozen, up almost \$0.12 from third-quarter 2011. Prices in fourth-quarter 2012 are forecast at \$1.32-\$1.38 per dozen. This strengthening in prices in the fourth quarter is expected to come from a slow growth in production in the face of the normal increase in seasonal demand.

Broiler Shipments Fall in July

July broiler shipments totaled 602.9 million pounds, a 7-percent reduction over broiler meat shipped in July 2011. The primary reason for the drop in shipments was weak demand in two major markets (Hong Kong and Cuba) and in at least two minor markets (Georgia and South Korea). Shipments to Hong Kong declined 78 percent, while shipments to Cuba, Georgia, and South Korea decreased 52, 67, and 44 percent, respectively. Shipments to the two largest broiler markets, Mexico and Russia, rose in July 2012: broiler meat shipped to Mexico increased 26 percent from a year earlier, and shipments to Russia increased 23 percent. However, these two increases were not enough to offset the decline in shipments to other markets.

Turkey Shipments Remain Strong in July

Turkey shipments in July were up 25 percent from 2011. Over 65.6 million pounds of turkey meat were shipped abroad. Turkey shipments have been up despite higher year-over-year whole hen turkey prices. The chief reason for this increase is strong foreign demand. Over half (54 percent) of the turkey meat shipped internationally went to Mexico, the largest U.S. turkey market; turkey shipments to Mexico increased 17 percent from a year earlier. There were also significant increases in turkey shipments to the Philippines, China (mainland), and Taiwan. Turkey shipments to the Philippines and Taiwan rose 776 and 492 percent, respectively, from July 2011. China imported 51 percent more turkey meat in July 2012 than it did a year ago.

Egg Shipments Are Up in July

July egg shipments totaled 23.6 million dozen, up 16 percent from last year. Exports in July may have been supported by relatively low prices in the preceding months. The primary reason for the increase is relatively low egg prices. In the second quarter, wholesale prices for one dozen grade A large eggs in the New York market averaged \$1.07. The three largest U.S. egg markets are Hong Kong, Japan, and Canada. Among these three markets, egg shipments to Hong Kong were the largest at 4.9 million dozen, a 19-percent increase from last July. Canada had the largest increase from a year ago at 36.7 percent. Japan, imported 7.7 percent more eggs in July 2012 than a year ago.

A Lower Forecast Milk Supply in 2013 Helps Keep Prices Firm

Milk production for the current year was reduced fractionally in September from the August forecast to 199.9 billion pounds. The production forecast for 2013 was unchanged from August at 198.9 billion pounds. Dairy cow number forecasts for both 2012 and 2013 remain unchanged from August at 9,215- and 9,110- thousand head, respectively. The dairy cow slaughter rate and the prices of replacement heifers suggest a continued gradual decline in the dairy herd through 2013. The reduced milk production forecast for 2012 is based on lower forecast milk per cow of 21,690 pounds. Lower milk per cow is expected in the third and fourth quarters of this year due to high summer temperatures that likely adversely affected milk yields as well as tight alfalfa supplies. Yield per cow is forecast at 21,830 pounds for 2013, unchanged from August's forecast. The slight yield increase next year is largely based on expected larger forage supplies.

The 2012/13 price forecast for corn was lowered from August's projection to \$7.20-\$8.60 per bushel. Despite a slightly lowered corn yield forecast from August, higher estimated carryin stocks and a lowered export forecast are resulting in larger domestic supply estimates than were made earlier. The soybean meal price was increased for 2012/13 to \$485-\$515 per ton. This is due to a lower soybean crush forecast for 2012/13 as soybean ending stocks are projected to reach a 9-year low. The August Agricultural Prices report places the preliminary August price for alfalfa hay at \$203 per ton, up slightly from last month and up from August 2011. Higher milk prices in 2013 will help offset higher feed prices.

Milk equivalent imports on a fats basis are unchanged from August at 3.7 billion pounds for 2012 and 3.6 billion pounds in 2013. Imports on a skims-solids basis were raised from August estimates to 5.7 billion pounds for 2012 and to 5.0 billion pounds in 2013. Strong imports of casein to date are the basis for the import boost. The higher pace of casein imports is expected to continue into 2013.

Export forecasts remain unchanged from August. Current-year exports are forecast at 9.8 billion pounds, fats basis, and 33.4 billion pounds, skims-solids basis. For next year, milk equivalent exports are forecast at 8.9 billion pounds on a fats basis and 32.5 billion pounds on a skims-solids basis. U.S. nonfat dry milk (NDM) exports are ahead of 2011, but slowed sharply in July. Seasonally rising production and exports from Australia and New Zealand are expected to offer increased competition to U.S. exporters for the remainder of the year, dampening prospects of increasing export forecasts. On a fats basis, butter exports have lagged 2011 year-to-date, but cheese exports have been well ahead of 2011, offsetting butter.

Price forecasts were raised in the September forecast. Demand remains firm, while production is likely to decline in coming months. Cheese prices were raised from August to \$1.650-\$1.670 per pound this year and are unchanged for 2013 at \$1.640-\$1.740 per pound. Butter prices were raised for 2012 to \$1.565-\$1.605 per pound but lowered slightly for next year to \$1.510-\$1.640 per pound. Weaker demand for butter will lead to higher fats basis stocks and softening prices next year. NDM prices are expected to be higher in 2012 at \$1.275-\$1.295 per pound and \$1.350-

\$1.420 per pound next year, unchanged from August. Similarly, whey prices were raised to 56.5-58.5 cents per pound for the current year and unchanged from August for 2013 at 57.0-60.0 cents per pound.

Milk prices reflect the pricing in the underlying products. The Class III price is forecast higher than August for 2012 at \$16.75-\$16.95 per cwt and unchanged for 2013 at \$16.70-\$17.70 per cwt. The Class IV price is projected higher at \$15.45-\$15.75 this year and is lowered from August to \$15.85-\$16.95 per cwt next year. The lower 2013 price reflects the softer butter prices next year. The all milk price was raised from August to \$17.80-\$18.00 per cwt and raised for 2013 to \$17.85-\$18.85 per cwt.

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>
Animal Production and Marketing Issues, <http://www.ers.usda.gov/topics/animal-products/animal-production-marketing-issues.aspx>
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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	II	Annual		
Production, million lb																				
Beef	6,248	6,546	6,768	6,741	26,305	6,410	6,559	6,736	6,490	26,195	6,283	6,475	6,765	6,260	25,783	6,190	6,330	24,670		
Pork	5,607	5,302	5,401	6,126	22,437	5,719	5,370	5,484	6,186	22,758	5,858	5,519	5,545	6,285	23,207	5,780	5,460	22,905		
Lamb and mutton	43	40	39	42	164	36	40	36	37	149	39	39	38	38	154	38	36	145		
Broilers	8,733	9,198	9,496	9,484	36,910	9,290	9,509	9,542	8,860	37,201	9,090	9,377	9,300	9,000	36,767	8,960	9,010	36,355		
Turkeys	1,340	1,383	1,415	1,506	5,644	1,402	1,471	1,423	1,495	5,791	1,446	1,505	1,460	1,550	5,961	1,390	1,440	5,770		
Total red meat & poultry	22,122	22,626	23,291	24,058	92,097	23,011	23,113	23,396	23,225	92,745	22,868	23,083	23,276	23,292	92,519	22,512	22,440	90,493		
Table eggs, mil. doz.	1,610	1,626	1,645	1,666	6,547	1,624	1,634	1,646	1,686	6,590	1,653	1,642	1,655	1,665	6,615	1,600	1,615	6,485		
Per capita disappearance, retail lb 2/																				
Beef	14.6	15.1	15.3	14.6	59.6	14.1	14.6	14.7	14.0	57.3	14.0	14.7	15.0	13.8	57.5	14.0	14.1	55.2		
Pork	11.8	11.4	11.7	12.8	47.8	11.4	11.1	11.0	12.2	45.7	11.1	10.9	11.2	12.5	45.8	11.4	10.9	45.2		
Lamb and mutton	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.8		
Broilers	20.1	20.5	21.4	20.4	82.4	21.5	21.5	20.8	19.1	82.9	20.1	20.4	20.3	19.6	80.4	19.6	19.6	78.9		
Turkeys	3.5	3.6	4.1	5.2	16.4	3.5	3.5	4.0	5.0	16.1	3.5	3.6	4.0	5.2	16.3	3.5	3.6	16.0		
Total red meat & poultry	50.7	51.2	53.3	53.7	208.9	51.3	51.3	51.0	51.0	204.6	49.3	50.3	51.2	51.9	202.6	49.2	48.8	197.8		
Eggs, number	61.5	61.4	62.2	62.8	247.9	61.1	61.3	62.2	63.1	247.6	62.1	60.8	61.6	61.7	246.2	59.6	59.9	240.6		
Market prices																				
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	121.91	117-120	117-123	120-122	117-127	120-130	122-132		
Feeder steers, Ok City, \$/cwt	98.73	112.65	112.29	113.55	109.31	127.20	131.09	134.74	141.93	133.74	152.81	150.05	138-141	137-143	141-143	137-147	139-149	142-152		
Cutter Cows, National L.E., \$/cwt	51.79	58.79	58.90	54.93	56.10	68.66	74.88	66.11	63.54	68.30	76.57	83.51	76-77	77-78	78-79	76-82	78-84	78-83		
Choice slaughter lambs, San Angelo, \$/cwt	103.87	106.17	115.57	141.62	116.81	174.66	157.99	161.13	148.61	160.60	145.33	127.08	86-89	102-108	116-117	105-115	100-110	102-112		
Barrows & 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	61.79	61-62	57-59	60-61	60-66	65-71	62-67		
Broilers, 12 City, cents/lb	82.20	85.00	84.50	80.00	82.90	77.90	82.60	78.80	76.80	79.00	87.20	85.9	82-83	78-82	83-85	83-89	86-94	84-92		
Turkeys, Eastern, cents/lb	75.60	84.40	97.90	103.70	90.40	90.20	99.90	106.40	111.60	102.00	100.70	106.9	107-110	111-117	107-108	98-106	101-109	102-111		
Eggs, New York, cents/doz.	126.00	82.80	93.10	123.20	106.30	105.80	106.60	117.70	131.20	115.30	108.70	99.7	126-129	132-138	117-119	118-128	106-114	112-121		
U.S. trade, million lb																				
Beef & veal exports	478	585	590	646	2,299	633	702	766	683	2,785	558	625	670	625	2,478	595	650	2,450		
Beef & veal imports	573	690	598	436	2,297	461	593	548	454	2,057	582	669	615	540	2,406	640	695	2,620		
Lamb and mutton imports	47	46	31	42	166	49	48	31	34	162	37	38	30	46	151	45	40	165		
Pork exports	1,046	1,081	951	1,146	4,224	1,248	1,200	1,261	1,481	5,189	1,444	1,302	1,250	1,350	5,346	1,350	1,300	5,350		
Pork imports	199	204	237	219	859	201	195	194	213	803	207	191	200	210	808	215	205	840		
Broiler exports	1,469	1,699	1,643	1,954	6,765	1,527	1,588	1,978	1,879	6,971	1,737	1,791	1,800	1,750	7,078	1,700	1,675	6,950		
Turkey exports	114	136	158	174	582	159	171	173	199	703	181	185	190	185	741	170	170	690		
Live swine imports (thousand head)	1,446	1,408	1,479	1,416	5,749	1,452	1,429	1,407	1,508	5,795	1,441	1,444	1,380	1,485	5,750	1,425	1,400	5,715		

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		
	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thous.)	9,200	9,216	9,194	9,254	9,257	9,200	9,145	9,215	9,125	9,120	9,110
Milk per cow (pounds)	5,292	5,279	21,346	5,513	5,562	5,315	5,300	21,690	5,420	5,600	21,830
Milk production (bil. pounds)	48.7	48.7	196.2	51.0	51.5	48.9	48.5	199.9	49.5	51.1	198.9
Farm use	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0	0.2	1.0	1.0
Milk marketings	48.4	48.4	195.3	50.8	51.2	48.7	48.2	198.9	49.2	50.8	197.9
Milkfat (bil. pounds milk equiv.)											
Milk marketings	48.4	48.4	195.3	50.8	51.2	48.7	48.2	198.9	49.2	50.8	197.9
Beginning commercial stocks	13.2	12.3	10.8	10.9	13.3	14.3	12.8	10.9	10.5	12.6	10.5
Imports	0.8	1.2	3.5	0.9	0.9	0.9	1.0	3.7	0.9	0.9	3.6
Total supply	62.4	62.0	209.6	62.5	65.4	63.9	62.1	213.5	60.6	64.3	212.0
Commercial exports	2.2	2.1	9.4	2.2	2.8	2.5	2.3	9.8	2.2	2.3	8.9
Ending commercial stocks	12.3	10.9	10.9	13.3	14.3	12.8	10.5	10.5	12.6	14.5	11.0
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	47.9	49.0	189.2	47.1	48.3	48.6	49.3	193.2	45.8	47.5	192.2
Skim solids (bil. pounds milk equiv.)											
Milk marketings	48.4	48.4	195.3	50.8	51.2	48.7	48.2	198.9	49.2	50.8	197.9
Beginning commercial stocks	12.7	12.2	12.2	11.8	12.5	12.2	11.8	11.8	11.5	11.6	11.5
Imports	1.3	1.4	5.3	1.4	1.4	1.4	1.5	5.7	1.3	1.2	5.0
Total supply	62.4	62.0	212.7	64.0	65.2	62.2	61.5	216.4	62.0	63.6	214.4
Commercial exports	8.3	8.2	32.5	8.3	9.0	8.2	7.9	33.4	8.1	8.2	32.5
Ending commercial stocks	12.2	11.8	11.8	12.5	12.2	11.8	11.5	11.5	11.6	12.1	11.7
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	41.9	42.0	168.3	43.2	44.0	42.2	42.1	171.5	42.3	43.3	170.1
Milk prices (dol./cwt) 1/											
All milk	21.67	20.07	20.14	17.97	16.40	17.85	19.10	17.80	17.75	17.25	17.85
						-18.05	-19.60	-18.00	-18.55	-18.25	-18.85
Class III	20.71	18.62	18.37	16.28	15.53	17.50	17.75	16.75	16.25	16.20	16.70
						-17.70	-18.25	-16.95	-17.05	-17.20	-17.70
Class IV	20.00	17.72	19.04	15.94	13.86	15.75	16.35	15.45	15.50	15.65	15.85
						-16.05	-16.95	-15.75	-16.40	-16.75	-16.95
Product prices (dol./pound) 2/											
Cheddar cheese	2.041	1.799	1.825	1.559	1.547	1.750	1.740	1.650	1.615	1.590	1.640
						-1.770	-1.790	-1.670	-1.695	-1.690	-1.740
Dry whey	0.570	0.636	0.533	0.646	0.544	0.525	0.560	0.565	0.535	0.565	0.570
						-0.545	-0.590	-0.585	-0.565	-0.595	-0.600
Butter	2.030	1.728	1.950	1.499	1.409	1.665	1.705	1.565	1.545	1.485	1.510
						-1.705	-1.785	-1.605	-1.655	-1.615	-1.640
Nonfat dry milk	1.578	1.461	1.506	1.368	1.170	1.260	1.310	1.275	1.290	1.335	1.350
						-1.280	-1.350	-1.295	-1.350	-1.405	-1.420

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/dyfmfos/mib/fedordprc_dscrp.htm

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

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