



Livestock, Dairy, and Poultry Outlook

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Weather Conditions Improve Livestock Prospects

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Feed and Forage Conditions: Improved moisture conditions across the northern Great Plains and western Corn Belt during August have resulted in much-improved corn and soybean yields.

Cattle/Beef: Recent rains in the Southern Plains have improved prospects for winter pastures, which could mean reduced beef cow slaughter. Seasonal increases in cow slaughter will likely be reduced as much culling has already occurred, along with early weaning, due to drought. Improving grazing prospects, particularly for small grain pasture, will provide increased competition for relatively low feeder cattle supplies, at least in the near term. Reduced cow slaughter should provide support for cow prices, and increased competition should provide support for feeder cattle prices.

Dairy: Stable demand throughout the dairy complex combined with heat-induced tighter milk supplies have contributed to summer prices, which were higher than expected. However, continued rises in production and adequate stocks of most dairy products point to only modest price increases in the fall months. Prices in 2007 were unchanged from August's report.

Poultry: Broiler meat production continues to expand, but at a much slower pace than earlier in 2006. The result of this slowdown in production has been lower stocks and higher prices. The slower pace of broiler meat production growth is expected to continue through the fourth quarter of 2006. Turkey production has been higher than a year earlier, but prices for whole turkeys have held steady at 3 to 6 percent higher than the previous year for the last several months. Higher whole turkey prices are expected to continue through the Thanksgiving holiday period.

Poultry Trade: U.S. broiler and turkey exports were up in the month of July compared with a year ago. Broiler shipments totaled 441 million pounds, up 5 percent from July 2005 due to strong increases in broiler demand from Russia and other members of the Commonwealth of Independent States. Turkey shipments totaled 48 million pounds, up 6 percent from a year earlier due to the growth in the Taiwan and Russia markets.

Feed and Forage Conditions

Improved Moisture Conditions Raise Yields/Production Estimates

Improved moisture conditions across the northern Great Plains and western Corn Belt during August have resulted in much improved corn and soybean yield estimates. Corn production is forecast at 11.1 billion bushels, up 1 percent from the August estimate and fractionally above a year ago. If realized, this would be the second largest crop on record. However, production of the other feed grains (sorghum, barley, and oats) is expected to decline. Total feed grain production (including corn) this year is expected to be up marginally from last year and down nearly 6 percent from the 2004/05 crop. Projected ending corn stocks were pulled down to 1.22 billion bushels and the 2006/07 farm price of corn is expected to average \$2.15 to \$2.55 per bushel, up from \$1.99 a bushel in 2005/06 and \$2.06 2 years ago.

Estimated global 2006/07 coarse grain production was lowered to 969.4 million metric tons, and world coarse grain ending stocks were lowered to 125.8 million tons. These declines were due to reductions in the European Union-25, Former Soviet Union-12, Canada, and Australia.

Similarly the soybean crop is forecast at 3.09 billion bushels, again the second largest crop on record. Yield prospects have increased across the Corn Belt and most of the northern and central Great Plains. Consequently, soybean meal production is projected at 42,035 thousand short tons, up 2.5 percent from last year and up 3 percent from 2004/05. Soybean meal prices are expected to average \$147.5 to \$177.5 per short ton, down from \$173.50 in 2005/06 and \$182.89 in 2004/05.

Conditions Improving

Recent rains in the Southern Plains have improved prospects for fall grazing and winter wheat pasture. However, the recent rains were too late to rebuild hay stocks. If winter wheat pasture is available this fall, feeder cattle prices will likely find support from tight feeder/stocker supplies because many cattle that ordinarily would be available for wheat pasture have already moved into feedlots. However, there could be some movement of lightweight cattle, placed in feedlots earlier due to dry conditions, back to pasture. Cow prices have increased, along with fed cattle and beef prices, despite increased supplies and lower prices for some competing meats. Fed cattle futures prices for contracts expiring through spring 2007 were in the low-to mid-\$90s during the first 2 weeks in September, well above earlier levels. If small grains and other pastures face problems later this fall or winter as they did last year, cattle likely will again move off pasture into feedlots and to slaughter sooner than normal. A positive factor for the cattle and beef sectors is that fuel and energy prices are declining.

Cow and feeder cattle prices are holding steady-to-stronger, supported by a number of positive factors. Feeder cattle supplies outside feedlots, up 1 percent over July 1, 2005, remain in the low end of their recent historical range. Improving pasture conditions will also mean some competition with cattle feeders for the available supplies of feeder cattle. While cow prices could decline if seasonal culling increases, beef cow slaughter has been running well above levels observed for summer 2005 and above levels one would expect, given that we are in the second year of expansion of the current cattle cycle.

With feedlot breakeven costs between \$83 and \$84 per cwt (August marketing basis in the High Plains Cattle Feeding Simulator:

<http://www.ers.usda.gov/publications/ldp/2006/08Aug/LDPM146Tables.xls>), fed cattle could be breaking even or showing a small profit in September. Feedlot placements in July 2006 included a large number of cattle weighing less than 600 pounds, 43 percent more than were placed in July 2005 and 35 percent more than the average of the previous 5 years, reflecting the extremely poor pasture conditions that prevailed in July of this year. Marketings of these cattle from feedlots will likely be spread over the 6 to 8 months from placement, and longer if small grain pasture development results in some of these lightweight cattle leaving feedlots and going back to pasture. These larger marketings will pressure prices.

Wholesale prices appear to be following seasonal trends upward, as are dressed weights. Despite the continuing relatively low supplies of Choice beef, the spread between Choice and Select beef has declined to the corresponding 2005 level for the first time since spring of this year. As the Choice-Select spread narrows, the advantage to feeding cattle longer so they reach a higher grade lessens.

August average retail prices increased to \$3.98 per pound after a July 2006 low of \$3.88 per pound, which had slipped below \$3.90 for the first time since September 2003. In addition, the farm-to-retail price spread widened by 2.6 cents per pound, composed of an 11-cent gain in wholesale-to-retail spreads only partially offset by an 8.4-cent decline in packer margins. The August wholesale-retail spread, at \$1.70 per pound, continued to widen from its June 2006 low. Packers appear to be giving

up the most ground. Retail prices reflect a wider spread and higher fed cattle prices, both of which were passed through to consumers. The effects of lower retail prices and narrow retail-wholesale price spreads will eventually make their way back to the feedlot and farm, at some point resulting in lower fed cattle and feeder cattle prices, or the retail price will have to rise. Pork production is rising seasonally into the fourth quarter. Broiler production is expected to remain unchanged in the fourth quarter. Consequently, supplies of some competing meats at lower prices will pressure beef prices. However, beef production is declining seasonally into the fourth quarter, helping to support prices.

South Korean Beef Market Responds

South Korea announced on September 7 that it would resume the importation of U.S. boneless beef from cattle less than 30 months of age. Plant approvals and export requirements for export to South Korea were announced September 11. The following information was released Monday: An official list of eligible suppliers:

<http://www.ams.usda.gov/lsg/arc/LSOfficialListingEVProgram.pdf>

and FSIS requirements:

http://www.fsis.usda.gov/Regulations_&_Policies/Republic_of_Korea_Requirements/index.asp

Beef export forecasts for 2006 and 2007 have been increased. Beef exports in July were nearly double last year's level with exports to Canada and Mexico continuing to expand. Shipments to Japan began in early August and are expanding weekly, but will be slow to increase due to age restrictions--beef must come from cattle 20 months of age or younger—and trader concerns over further disruptions. Exports to South Korea should begin shortly, consisting of boneless beef that must come from cattle under 30 months of age. Prior to December 2003, when the first U.S. BSE case was discovered, Japan was our largest export market and South Korea was the third largest. Consumers in both countries are very familiar with the value of high-quality U.S. fed beef. However, the import and export sectors must be confident that trade will not be disrupted before U.S. exports can begin to move toward pre-BSE levels.

Prices in Dairy Complex Trend Higher This Summer and Into the Fall

Much of the effect of July's exceptionally hot weather was felt in California and several other States. Nationally, the impact was limited. The July NASS *Milk Production* report placed that month's production in the 23 major production States at 1,686 pounds per cow, 3 pounds above a year earlier, suggesting that productivity continues to inch ahead. Cow numbers were 107,000 above July 2005 but 11,000 below June's reported number.

As a result, USDA is forecasting 2006 milk production at 182.0 billion pounds, 2.8 percent ahead of 2005 production. The 2007 forecast for milk production is 183.2 billion pounds. In 2007, cow numbers will finally dip below year-earlier levels but milk per cow will continue to rise, boosting production per animal to an average 20,285 pounds.

July cheese production declined seasonally but remained above year-earlier levels. Year-to-date cheese production is 3.2 percent ahead of 2005. Cheese inventories, especially of other than American cheese, are high compared with year-earlier levels. However, continued strong demand for cheese is expected to absorb the added production and draw down stocks. Strong cheese and fluid milk demand along with the residual effects of July's hot weather have contributed to modest price increases since early July. The cheese price is expected to climb further into fall. The 2006 cheese price is expected to average \$1.230-\$1.250 per pound.

The August *Cold Storage* report placed July 31st butter stocks 30 percent above year-earlier levels, and butter prices have been below year-earlier and the 5-year average price. However, in August, butter prices rose to \$1.199 per pound from \$1.134 a month earlier. For the year, prices are expected average \$1.205-1.245 per pound.

Prices for dry products rose slightly in August. The heat-reduced milk supplies adversely affected Nonfat Dry Milk (NDM) production more than other products because much of the production is on the west coast. With rising foreign demand and strong ingredient demand, fall quarter prices are expected to average above summer prices. The 2006 average NDM price is expected to be 85.0-87.0 cents per pound. Projected dry whey prices for 2006 are unchanged from August's report at 29.5-31.5 cents per pound.

The all milk price and Class III and IV prices are forecast to increase slightly into the fall months. Fluid milk sales for the first half of 2006 have increased year-over-year for the first time since 2003 according to Agricultural Marketing Service published Federal Order and California data. Continued fluid milk sales could support the all milk price for the remainder of the year. The 2006 all milk price is projected to be \$12.65-\$12.85 per cwt. The yearly Class III price is expected to be \$11.60-\$11.80 per cwt and the Class IV price, likewise, will average \$10.70-\$11.00 per cwt. These revised projections represent slight increases from August estimates for all milk and Class III yearly prices. Forecasts for 2007 remain unchanged.

Third-Quarter Broiler Meat Production Up Slightly

The U.S. broiler meat production estimate for third quarter 2005 is 9.0 billion pounds, up less than 1 percent from the previous year. Almost all the production increase is expected to come from higher average weights at slaughter as the number of birds slaughtered in the third quarter is expected to be down slightly from the same period in 2005. Low prices for most broiler products over the first 4 to 5 months of 2006 led to reductions in the number of eggs placed in incubators and the number of chicks placed for grow out. However, total broiler meat production has continued to grow slightly due to higher average weights.

Broiler meat production in July was 2.85 billion pounds, up 1.5 percent from a year earlier. The number of birds slaughtered in July was 716.5 million, down marginally from the previous year, while the average live weight at slaughter was 5.38 pounds, up 2.1 percent from July 2005.

For the week ending September 9, the National Agricultural Statistics Service estimated that 173.2 million broiler chicks were placed for grow out, less than a 1-percent increase from a year earlier. This is the second week of growth in chick placement, following an extended period where chick placements had declined compared with the previous year. Stronger prices for many broiler products and a generally better short-term outlook for grain prices may encourage an increased pace of broiler production in the future. However, any weekly increases in chick placements seen in early September 2006 are chiefly due to the lower chick placements in September 2005 caused by disruptions from hurricane Katrina.

Prices for a number of broiler products have begun to strengthen over the last several months. While prices for most broiler products in August were still lower than a year earlier, the prices for most broiler products were up considerably from earlier this year. Prices for whole birds averaged 68 cents per pound in August, down 4.5 percent from the previous year, but up about 9 cents per pound from April. Prices for leg quarters, breasts, and other products have also strengthened considerably over the last several months. Leg quarter prices in August averaged 39 cents per pound. This is down about 15 percent from the previous year, but up over 100 percent from the low prices seen in April of this year. The increase in leg quarter prices is partially the result of strength in the export market along with the slowdown in the growth in broiler production. Prices for breast meat products have also strengthened in the last several months. In August, prices for boneless/skinless breast meat in the Northeast market averaged \$1.34 per pound, up just over 1 percent from August 2005, but up 37 cents per pound from the average in April 2006.

Turkey Production Up in July

U.S. turkey meat production totaled 3.25 billion pounds in the first 7 months of 2006, up 3 percent from the same period in 2005. The forecast for the third quarter of 2006 is for meat production of 1.41 billion pounds, an increase of 35 million pounds (2.5 percent) from a year earlier.

Turkey meat production in July was 458.4 million pounds, up 6.1 percent from a year earlier. The increase was mostly the result of a higher number of birds being slaughtered as the average weight rose only slightly. The number of turkeys slaughtered in July was 20.8 million, an increase of 5.1 percent from July 2005. The average live weight at slaughter was 27.8 pounds, up less than 1 percent from a year earlier.

Although turkey meat production has been higher in the first half of 2006 and turkey exports have been lower than the previous year, overall turkey stocks are about even with a year earlier. Ending stocks for the first half of 2006 were revised slightly to 507 million pounds, about the same as in 2005, but down considerably from comparable stock levels in 2002, 2003, and 2004.

Turkey stocks at the beginning of August were 511 million pounds, down 1.5 percent from a year earlier, but there is a wide difference in the stocks situation for whole birds and turkey meat parts compared with the previous year. Stocks of whole turkeys at the beginning of August were 247 million pounds, 13.7 percent lower than at the beginning of August 2005, reflecting strong domestic demand. Stocks of turkey parts at the beginning of August were 264 million pounds, 13.5 percent higher than the previous year. This increase is partly the result of lower turkey exports.

The decline of whole birds in cold storage holding has placed upward pressure on whole bird prices. In August, the average price for whole hen turkeys in the Eastern market was 78.7 cents per pound, up 3.6 percent from the previous year. Prices for whole hens in the third quarter are forecast to average 78-79 cents per pound (up about 2 cents per pound from a year earlier).

Broiler Exports Are Up in July

Broiler exports for July, the first month of the third quarter, totaled 441 million pounds, up almost 5 percent from July 2005. The primary reason for the increase in U.S. shipments was broiler demand growth in markets, such as Russia and other members of the Commonwealth of Independent States (CIS). Shipments to CIS (excluding Russia) expanded in July after falling considerably in March and May. The CIS imports of U.S. broiler meat grew from 23 million pounds in July 2005 to 49 million pounds in July 2006, a 114-percent increase. Shipments to Russia, the largest U.S. broiler export market, have been volatile from month to month but strong overall. Shipments to Russia increased from 144 million pounds in July 2005 to 170 million pounds in July 2006, an 18-percent increase. While specific factors responsible for broiler demand growth in these markets are uncertain, U.S. broiler prices continue to be competitive.

Turkey Exports Grow Stronger in July

Turkey exports totaled 48 million pounds in July 2006, up 6 percent from a year ago. The chief reason for the increased turkey shipments has been the growth in the Chinese (Taiwan) and Russia markets. July shipments to Taiwan increased by 73 percent, while shipments to Russia increased by 211 percent from July 2005. July turkey shipments were the largest since December 2005 and appear to be strengthening monthly.

Contacts and Links

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- Receive weekly notification (on Friday afternoon) via the ERS website. Go to <http://www.ers.usda.gov/Updates/> and follow the instructions to receive notices about ERS outlook reports, Amber Waves magazine, and other reports and data products on specific topics. ERS also offers RSS (really simple syndication) feeds for all ERS products. Go to <http://www.ers.usda.gov/rss/> to get started.

Recent Report

Did the Mandatory Requirement Aid the Market? Impact of the Livestock Mandatory Reporting Act, <http://www.ers.usda.gov/Publications/LDP/Sep05/ldpm13501/> compares the mandatory price reporting system developed by USDA's Agricultural Marketing Service in 2001 with the previous voluntary reporting system. The trend toward formula purchases has slowed since mandatory price reporting was implemented, and market forces have likely contributed to an increase in the volume of cattle moving under negotiated purchases.

Market Integration of the North American Animal Products Complex, <http://www.ers.usda.gov/Publications/ldp/may05/ldpm13101/> The beef, pork, and poultry industries of Mexico, Canada, and the United States have tended to become more economically integrated over the past two decades. Sanitary barriers, which are designed to protect people and animals from diseases, are some of the most significant barriers to fuller integration of meat and animal markets.

Related Websites

Animal Production and Marketing Issues, <http://www.ers.usda.gov/briefing/AnimalProducts/>
Cattle, <http://www.ers.usda.gov/briefing/cattle/>
Dairy, <http://www.ers.usda.gov/briefing/dairy/>
Hogs, <http://www.ers.usda.gov/briefing/hogs/>
Poultry and Eggs, <http://www.ers.usda.gov/briefing/poultry/>
WASDE, <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>

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U.S. red meat and poultry forecasts

	2003	2004	2005				2006					2007			
	Annual	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Production, million lb															
Beef	26,238	24,548	5,725	6,189	6,560	6,209	24,683	6,078	6,699	6,950	6,300	26,027	6,400	6,800	26,825
Pork	19,945	20,509	5,138	5,021	5,000	5,526	20,685	5,321	4,998	5,050	5,650	21,019	5,350	5,225	21,625
Lamb and mutton	199	195	49	46	44	48	187	49	48	42	49	188	50	48	194
Broilers	32,749	34,063	8,588	8,934	8,939	8,904	35,365	8,937	9,129	9,000	8,950	36,016	9,000	9,175	36,575
Turkeys	5,650	5,454	1,328	1,397	1,375	1,405	5,504	1,354	1,440	1,410	1,445	5,649	1,375	1,445	5,730
Total red meat & poultry	85,476	85,441	20,991	21,764	22,088	22,254	87,097	21,902	22,483	22,616	22,559	89,560	22,339	22,861	91,623
Table eggs, mil. doz.	6,224	6,366	1,588	1,583	1,596	1,644	6,411	1,612	1,611	1,625	1,655	6,503	1,625	1,635	6,585
Per capita consumption, retail lb 1/															
Beef	64.9	66.1	15.6	16.8	17.0	16.0	65.5	15.8	16.8	17.4	15.9	65.9	16.0	17.1	66.7
Pork	51.8	51.3	12.3	12.1	12.3	13.3	50.0	12.3	11.9	12	13.1	49.4	12.2	12.3	50.2
Lamb and mutton	1.2	1.1	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.2	0.3	1.1	0.3	0.3	1.1
Broilers	81.6	84.3	21.4	21.7	21.5	21.2	85.7	21.8	22.5	21.7	21.1	87.1	21.5	22.1	87.0
Turkeys	17.4	17.0	3.6	3.9	4.2	5.1	16.7	3.5	3.9	4	5.2	16.7	3.6	3.8	16.7
Total red meat & poultry	218.9	221.3	53.6	55.2	55.6	56.3	220.7	54.2	55.8	55.8	56.1	221.8	54.0	56.1	223.3
Eggs, number	255.6	257.1	63.6	63.0	63.5	65.0	255.2	63.9	63.5	64.5	65.4	257.3	64.1	64.5	259.4
Market prices															
Choice steers, Neb., \$/cwt	84.69	84.75	89.09	87.96	81.79	90.27	87.28	89.24	80.39	84-85	85-89	85-86	82-88	81-87	81-87
Feeder steers, Ok City, \$/cwt	89.85	104.76	104.05	113.36	111.50	114.84	110.94	106.80	104.08	113-114	108-112	108-109	105-111	103-109	100-106
Boning utility cows, S. Falls, \$/cwt	46.62	52.35	54.18	59.17	55.34	49.75	54.36	48.89	47.79	48-49	49-53	49-50	49-53	48-52	48-51
Choice slaughter lambs, San Angelo, \$/cwt	91.98	96.69	106.10	98.60	92.90	93.44	97.76	77.03	66.56	81-82	83-87	77-78	85-91	83-89	84-90
Barrows & gilts, N. base, i.e. \$/cwt	39.45	52.51	51.92	52.09	50.51	45.67	50.05	42.63	48.45	51-52	42-44	46-47	37-41	39-43	39-42
Broilers, 12 City, cents/lb	62.00	74.10	71.90	72.60	72.10	66.70	70.80	62.70	61	68-69	64-68	64-65	64-70	65-71	65-70
Turkeys, Eastern, cents/lb	62.10	69.70	65.90	67.70	76.50	83.60	73.40	67.30	71.3	78-79	79-83	74-75	62-68	64-70	68-74
Eggs, New York, cents/doz.	87.90	82.20	64.50	55.90	66.60	75.00	65.50	71.4	62.7	64-65	74-78	68-69	72-78	69-75	73-79
U.S. trade, million lb															
Beef & veal exports	2,518	460	130	189	150	229	698	223	315	290	295	1,123	345	365	1,500
Beef & veal imports	3,006	3,679	832	1,065	905	797	3,599	843	789	810	755	3,197	770	900	3,340
Lamb and mutton imports	168	180	41	52	39	48	180	53	44	40	48	185	51	49	184
Pork exports	1,717	2,181	630	700	630	705	2,665	770	763	700	785	3,018	800	790	3,150
Pork imports	1,185	1,099	245	245	258	277	1,025	259	237	260	270	1,026	260	240	1,030
Live swine imports (1,000 head)	7,438	8,506	1,895	1,951	2,158	2,188	8,192	2,133	2,087	2,200	2,200	8,620	2,100	2,100	8,600
Broiler exports	4,920	4,784	1,200	1,352	1,335	1,315	5,203	1,338	1,298	1,390	1,450	5,476	1,350	1,340	5,595
Turkey exports	484	442	126	147	148	148	570	119	125	150	160	554	135	150	595

1/ Per capita meat and egg consumption data are revised, incorporating a new population series from the Commerce Department's Bureau of Economic Analysis based on the 2000 Census.

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

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Economic Indicator Forecasts

	2005				2006					2007		
	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
GDP, chain wtd (bil. 2000 dol.)	11,092	11,193	11,234	11,049	11,381	11,385	11,462	11,544	11,426	11,626	11,704	11,750
CPI-U, annual rate (pct.)	4.2	5.1	3.2	3.7	2.0	3.4	3.6	2.8	3.3	2.7	2.5	2.6
Unemployment (pct.)	5.1	5.0	4.9	5.1	4.8	4.7	4.7	4.8	4.7	4.8	4.9	4.9
Interest (pct.)												
3-month Treasury bill	2.9	3.4	3.8	3.2	4.4	4.8	5.1	5.2	4.9	5.2	5.1	5.0
10-year Treasury bond yield	4.2	4.2	4.5	4.3	4.6	5.1	5.1	5.2	5.0	5.2	5.2	5.2

Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, August 2006.
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Dairy Forecasts

	2005				2006					2007		
	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thous.)	9,041	9,060	9,060	9,041	9,094	9,135	9,130	9,120	9,120	9,115	9,055	9,030
Milk per cow (pounds)	5,069	4,871	4,821	19,577	5,009	5,134	4,900	4,910	19,955	5,075	5,220	20,285
Milk production (bil. pounds)	45.8	44.1	43.7	177.0	45.6	46.9	44.7	44.8	182.0	46.3	47.3	183.2
Farm use	0.3	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.1	0.3	0.3	1.0
Milk marketings	45.6	43.9	43.4	175.9	45.3	46.6	44.5	44.4	180.9	46.0	47.0	182.2
Milkfat (bil. pounds milk equiv.)												
Milk marketings	45.6	43.9	43.4	175.9	45.3	46.6	44.5	44.5	180.9	46.0	47.0	182.2
Beginning commercial stocks	9.5	11.3	9.6	7.2	8.0	10.9	12.7	10.4	8.0	8.6	10.8	8.6
Imports	1.1	1.1	1.2	4.6	1.1	1.1	1.1	1.2	4.5	1.3	1.3	5.1
Total supply	56.1	56.2	54.2	187.7	54.4	58.6	58.2	56.1	193.4	55.9	59.1	195.9
Ending commercial stocks	11.3	9.6	8.0	8.0	10.9	12.7	10.4	8.6	8.6	10.8	11.9	7.7
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	44.9	46.6	46.2	179.7	43.6	45.9	47.9	47.5	184.8	45.1	47.2	188.2
Skim solids (bil. pounds milk equiv.)												
Milk marketings	45.6	43.9	43.4	175.9	45.3	46.6	44.5	44.5	180.9	46.0	47.0	182.2
Beginning commercial stocks	8.5	9.7	8.9	8.2	9.0	9.6	10.0	8.5	9.0	8.6	8.8	8.6
Imports	1.0	1.2	1.2	4.5	1.1	1.1	1.1	1.3	4.5	1.2	1.4	5.7
Total supply	55.1	54.7	53.5	188.6	55.3	57.3	55.6	54.3	194.4	55.9	57.3	196.5
Ending commercial stocks	9.7	8.9	9.0	9.0	9.6	10.0	8.5	8.6	8.6	8.8	9.8	8.6
Net removals	-0.3	-0.2	0.0	-1.0	0.0	0.7	0.0	0.0	0.8	0.6	0.5	1.2
Commercial use	45.8	46.1	44.5	180.6	45.7	46.5	47.1	45.7	185.0	46.5	47.0	186.7
Milk prices (dol./cwt) 1/												
All milk	14.77	14.97	15.17	15.14	13.53	12.00	11.95	13.15	12.65	12.55	12.45	12.90
							-12.15	-13.65	-12.85	-13.35	-13.45	-13.90
Class III	14.10	14.08	13.69	14.05	12.23	11.02	11.32	11.91	11.60	11.41	11.72	12.00
							-11.52	-12.41	-11.80	-12.21	-12.72	-13.00
Class IV	12.38	13.45	13.03	12.87	11.33	10.30	10.52	10.85	10.70	10.32	10.36	10.45
							-10.82	-11.45	-11.00	-11.22	-11.46	-11.55
Product prices (dol./pound) 2/												
Cheddar cheese	1.507	1.481	1.431	1.488	1.272	1.184	1.210	1.265	1.230	1.230	1.277	1.295
							-1.230	-1.315	-1.250	-1.310	-1.377	-1.395
Dry whey	0.263	0.287	0.314	0.278	0.345	0.289	0.284	0.285	0.295	0.262	0.235	0.250
							-0.304	-0.315	0.315	-0.292	-0.265	0.280
Butter	1.459	1.646	1.487	1.541	1.247	1.153	1.191	1.250	1.205	1.178	1.215	1.220
							-1.231	-1.330	-1.245	-1.288	-1.345	-1.350
Nonfat dry milk	0.924	0.957	0.984	0.941	0.905	0.831	0.836	0.843	0.850	0.817	0.805	0.815
							-0.856	-0.883	-0.870	-0.877	-0.875	-0.885

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/dyfmos/mib/fedordprc_dscrp.htm

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