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# Livestock, Dairy, and Poultry Outlook

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## Broiler Production Down in January, 2007 Estimate Revised Downward

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Tables will be released on  
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The next newsletter release  
is April 18, 2007

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Approved by the World  
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**Poultry:** With a decline in broiler meat production in January 2007, the estimate for first-quarter 2007 meat production was lowered by 75 million pounds to 8.75 billion pounds and the estimate for the second quarter was lowered by 50 million pounds, bringing the 2007 estimate to 35.9 billion pounds. Prices for almost all broiler products have strengthened considerably and are much higher than in the first 2 months of 2006. Turkey meat production in first-quarter 2007 is estimated at 1.41 billion pounds, up 4 percent from a year earlier. Even with the higher production and increased stock levels, prices for many turkey products were higher than at the start of 2006.

**Poultry Trade:** U.S. broiler exports finished strong in 2006, while turkey exports fell short. Broiler shipments were down, while turkey shipments were up, for January 2007. Broiler exports in January totaled 396 million pounds, a decline of 7 percent, while turkey exports totaled 42 million pounds, an increase of 13.3 percent from a year ago.

**Cattle/Beef:** Low forage reserves continue to result in heavy cow and calf slaughter. Weekly year-to-date total calf slaughter is almost 28 percent above last year's cumulative year-to-date total for the same period, while production is up only 6 percent. Farm-to-retail price spreads are increasing seasonally, along with increasing fed cattle and retail prices, and byproduct values are nearing record levels. Forecast beef exports for 2007, while up from the 2006 total, were reduced somewhat due to slow growth in shipments to major Asian markets.

**Dairy:** Rapidly rising feed prices have limited production increases. The smaller production expansion in light of strong demand should boost prices for milk and dairy products in 2007. Exports of dry products continue to sharply raise prices in that segment of the market.

**Sheep/Lamb:** Typically, lamb demand exhibits some seasonality and is highest during the Passover/Easter holidays. As a result, production increases are expected in the weeks leading up to the holiday season. However, production for the first quarter 2007 is forecast 2 percent lower than for the same period last year. Choice Slaughter lamb prices at San Angelo have not seen significant increases despite lower production. Imports of lamb and mutton are expected to continue to increase, offsetting U.S. production declines.

**Hogs/Pork:** The USDA forecast for first-quarter 2007 commercial pork production was lowered 50 million pounds, to 5.325 billion pounds, due to slightly lower-than-expected slaughter and lower average dressed weights. First-quarter prices of live-equivalent 51-52 percent lean hogs are expected to range between \$46 and \$47 per hundredweight (cwt), more than 9 percent above first quarter a year ago. Hog prices will likely be lower in the second half of this year as pork production accelerates seasonally and broiler production expands. U.S. packers and hog finishers are expected to import 9.35 million head of hogs from Canada this year, an increase of almost 7 percent over last year.

### ***Broiler Production Down in January, 2007 Estimate Revised Downward***

Broiler meat production for January 2007 was reported at 3.01 billion pounds, down 1.3 percent from the previous year. The major source of the decline was falling meat yields per bird, down 1.8 percent from the previous year, as the total number of birds slaughtered was up slightly from January 2006 to 749 million. The total liveweight of broilers at slaughter was up 0.5 percent from the previous year, and the average liveweight remained the same at 5.5 pounds.

The decline in broiler meat production in January 2007, even with one more slaughter day than in January 2006, led to the first-quarter 2007 meat production estimate being lowered by 75 million pounds to 8.75 billion pounds, down 2 percent from the same period in 2006. The second-quarter 2007 meat production estimate was lowered by 50 million pounds, bringing the total yearly estimate to 35.9 billion pounds.

Revisions of the 2006 broiler meat production estimates in the NASS *Poultry Slaughter 2006 Annual Summary* produced, for the most part, only small changes to the quarterly estimates. The only change of note was an upward revision of 21 million pounds in fourth-quarter 2006 broiler meat production to 8.8 billion pounds. The revised annual estimate of broiler meat production in 2006 is now 35.75 billion pounds, up 23 million pounds from the previous estimate. This is a 1.1-percent increase over 2005. The larger production in 2006 was chiefly the result of a 1.8-percent increase in the average weight at slaughter, as the total number of broilers slaughtered declined by 0.2 percent.

Weekly chick placements over the last 5 weeks (February 3 to March 3) have averaged 172 million, 1.3 percent lower than during the same period in 2006. Weekly chick placements have been below those of the previous year almost continuously since mid-September 2006, but the magnitude of year-over-year declines has been narrowing. The strong increases in broiler-part prices seen in January and February are likely to convince producers to slowly expand chick production.

Over the first 2 months of 2007, the 12-city whole broiler price averaged 73.2 cents per pound, up 16 percent from the low prices of the same period in 2006. Prices for almost all broiler products have strengthened considerably compared with fourth-quarter 2006 and are much higher than in the first 2 months of 2006. Boneless-skinless breast meat prices in the Northeast market averaged \$1.36 per pound during January and February, up 34 percent from the previous year. Prices for rib-on breasts averaged 93 cents per pound, an increase of 48 percent from same time in 2006. Leg quarter prices during the first 2 months of 2007 averaged 36.4 cents per pound, up 55 percent from the same period in 2006. Only wing prices have shown any weakness, declining somewhat from their normal seasonal high around the "Super Bowl" period. With lower broiler meat production forecast for first-half 2007, broiler prices are expected to remain above their year-earlier levels over at least the next several months.

The NASS *Cold Storage 2006 Summary* included some revisions to the 2006 ending quarterly stocks data for broiler meat. Revisions to earlier quarters were minor, but the ending stocks estimate for 2006 was lowered by 9 million pounds to 745 million pounds, a level generally in line with ending stocks in previous years. Ending stocks for 2005 had been a record 924 million pounds, placing strong downward pressure on broiler meat prices during the first half of 2006.

### ***Turkey Production Forecast Up in 2007***

U.S. turkey meat production in January 2007 was 483 million pounds, up 8.1 percent from a year earlier, with much of the increase due to an additional slaughter day in 2007. The number of turkeys slaughtered was 20.7 million, an 11-percent jump from a year ago. However, the total liveweight of turkeys at slaughter did not rise as steeply (up 8.6 percent) because the average bird weight at slaughter fell by 2.1 percent from the previous year. Turkey meat production in first-quarter 2007 is estimated at 1.41 billion pounds, an increase of 4 percent from first-quarter 2006. Only minor revisions to 2006 turkey meat production were made in the NASS *Poultry Slaughter 2006 Annual Summary*.

Ending stocks for turkey in 2006 were revised down slightly to 218 million pounds, about 6 percent higher than in 2005. Ending stock levels for January 2007 were 304.3 million pounds, a 16.8-percent increase from a year earlier. Not only were stocks higher at the end of January, but the composition of the stocks is totally different from a year ago. Throughout most of 2006, stock levels for whole turkeys were considerably lower than the previous year. By the end of January 2007, this situation had completely changed and stocks of whole turkeys totaled 123 million pounds, 42 percent above the previous year.

Even with the higher production and increased stock levels, prices for many turkey products in early 2007 were higher than at the start of 2006. Over the first 2 months of 2007, prices for whole birds (hens and toms) averaged 69 cents per pound, up 2.5 percent from the same period in 2006. Turkey prices are expected to remain strong through at least the first half of 2007, helped by higher broiler prices and continued growth in the domestic economy.

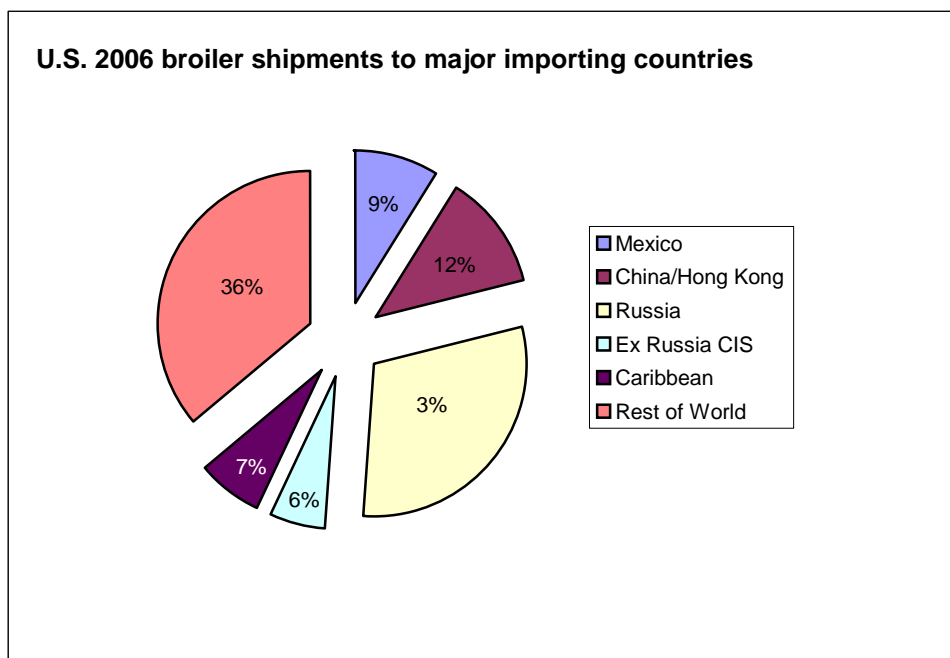
## Poultry Trade

### *Broiler Exports Finished Strong in 2006*

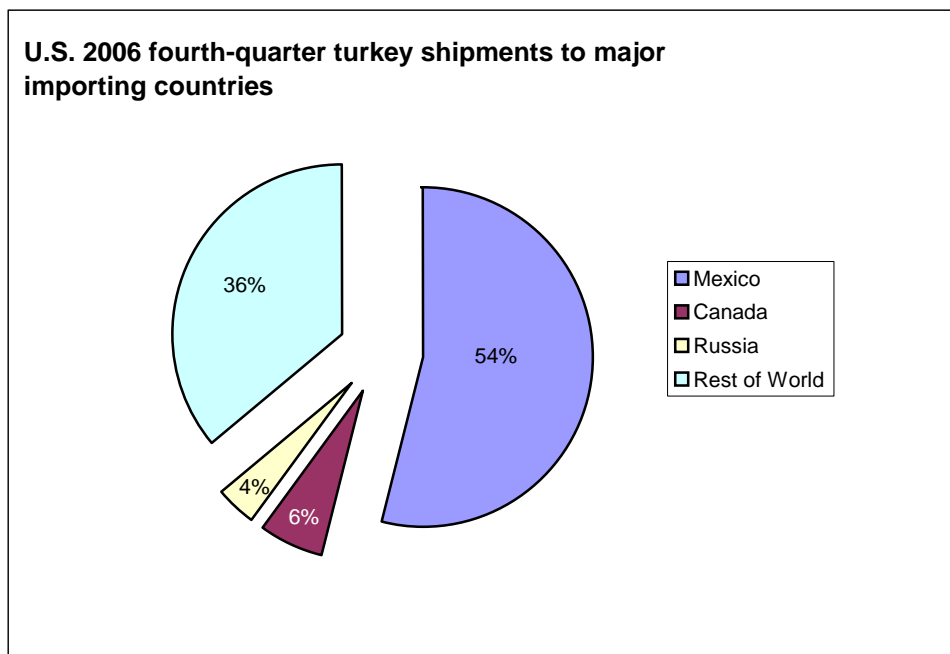
For the fourth quarter of 2006, broiler exports finished at 1.412 billion pounds, an increase of 7.4 percent from a year earlier and the third-highest for any quarter recorded this decade. Broiler exports for 2006 finished at 5.272 billion pounds, 1.3 percent above 2005. Most U.S. broiler shipments went to Mexico, China/Hong Kong, Russia, and the Commonwealth of Independent States excluding Russia. These countries, plus the Caribbean Islands, accounted for 64 percent of all U.S. broiler shipments, with 30 percent going to Russia (see chart 1). Shipments to China reached record levels in 2006. Chinese imports of U.S. broiler meat have been on the rise for the past several years and are expected to continue in 2007.

### *Broiler Shipments Fell in January*

Broiler exports for January 2007 totaled 396 million pounds, down 7 percent from a year ago. Rising broiler prices likely were a contributing factor in the decline in shipments for January 2007. First-quarter broiler shipments are expected to reach 1.325 billion pounds.



Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.



Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

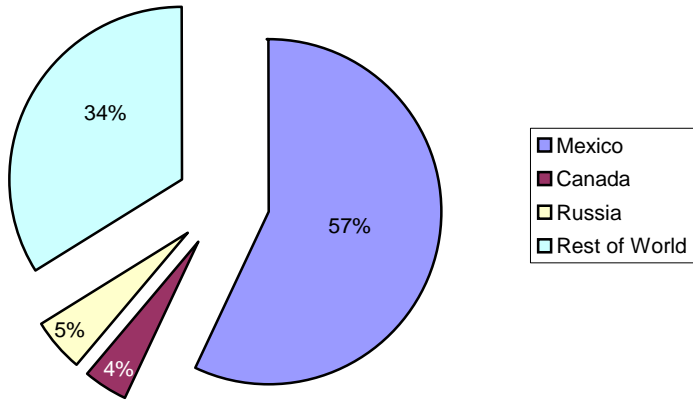
### ***Turkey Exports Declined in 2006***

Turkey exports for the fourth quarter of 2006 were 149 million pounds, less than 1 percent higher than 2005 fourth-quarter shipments. Approximately 54 percent of the total fourth-quarter turkey shipments went to Mexico in 2006, compared with 61 percent in the fourth quarter of 2005. Mexico is by far the largest U.S. market, followed by Russia and Canada. Total turkey exports for 2006 were down by 4.1 percent. Of the total 546 million pounds of turkey meat shipped in 2006, almost 311 million pounds (57 percent) went to Mexico (see chart 3).

### ***Turkey Shipments Rose in January***

Turkey shipments totaled 42 million pounds in January, up 13.3 percent from a year ago. The primary reason for the increase in turkey shipments was an increase in import demand by other countries, specifically China and the Caribbean Islands. Shipments to China increased from 801 thousand pounds in January 2006 to 4.8 million pounds in January 2007, and shipments to countries within the Caribbean Islands increased substantially as well. Turkey shipments in the first quarter of 2007 are expected to reach 130 million pounds.

**U.S. 2006 turkey shipments to major importing countries**



Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

### *Inadequate Forage Supplies Induce Continued Heavy Cow-Calf Slaughter*

Dressed weights for calves are averaging 12 to 16 percent below levels for the same period in 2006. There are at least two reasons for the lighter weights. Increased feed prices are limiting incentives to feed calves to weights equal to weights for the same period in 2006. Further, as a result of continued low forage supplies, both standing and harvested, cow-calf pairs are being sold, then split for slaughter. As a result, calf slaughter is 27 percent (weekly basis) above year-earlier levels, while veal production is only 5 percent above year-earlier levels. Cow slaughter continues at an atypically high rate, given January 1, 2007 cow inventories. Despite heavy cow slaughter levels, breaker cow prices (Sioux Falls) remain in the upper-\$40 per cwt to low-\$50 range.

January 2007 net placements in feedlots of 1,000-plus head were down 25 percent from January 2006, a significantly lower number that reflects high placements earlier in 2006 due to dry conditions. These were the lowest January placements since 1996. Fed cattle prices increased during the last part of February, and could average around \$90 to \$91 per cwt for the first quarter of 2007, despite continued large feedlot inventories.

Although up almost 3 percent from January 2007, retail prices are relatively steady compared with year-earlier prices. February 2007 prices for Choice beef, at \$4.05 per pound, are nearly unchanged from February 2006's \$4.06. Farm-to-retail margins are increasing seasonally, and byproduct allowances, at \$9.79 per cwt, are nearing record levels.

USDA forecasts for beef export volumes were reduced for all four quarters of 2007, mainly reflecting slow growth in exports to Asian markets. Exports to Japan edged up only slowly when the market reopened last fall and don not appear to be accelerating in early 2007. U.S. exports have been constrained by a limited supply of age-verified cattle in the United States and by occasional suspension of exports from packers sending nonapproved products in their shipments. In the past, such suspensions have been lifted when the companies demonstrated they had corrected their procedures to prevent future violations. Also, the Japanese government has balked at approving new plants for the export verification program run by AMS-USDA. Japanese demand for U.S. beef has been solid in the food service sector, but retail demand remains limited. The extensive customs inspection process in Japan is also slow and burdensome for the businesses involved. Exports to South Korea remain stymied by the zero-tolerance policy for bone fragments. The United States is negotiating access for a wider array of products, but no agreements have been reached to date. Total 2007 beef exports are now forecast at 1.345 billion pounds, which is still up 17 percent from the 2006 total of 1.152 billion pounds.



### ***Small 2007 Milk Production Increase Presages Higher Milk Prices for the Year***

Rapidly rising feed prices have continued to raise costs for dairy producers. Corn and soybean meal prices have risen, but probably more important for dairy producers, have been high prices for alfalfa hay. Hay prices are expected to rise further as supplies tighten, but should decline later this year as supplies increase with expected improved conditions this spring. Relief in the form of higher milk prices for 2007 could improve profitability for the most efficient producers. The change in this month's forecast is a result of lower-than-expected production per cow in the first quarter of this year. Cow numbers and milk production are unchanged from last month's forecast for the remainder of the year. Production per cow is expected to be 20,260 pounds, and total 2007 production is expected to reach 184.1 billion pounds, 1.3 percent above 2006.

Prices for all major dairy products this year are forecast above 2006 levels. January 2007 stocks for butter and total cheese exceeded January 2006 by 24 percent and 11 percent respectively, according to the most recent *Cold Storage* report. Year-over-year production for both butter and total cheese has also trended higher in January, up 2.5 percent and 6.7 percent respectively. Given the strong ongoing demand for cheese and dry products, the relatively small increase in 2007 milk production could tighten supplies later in the year and draw down the higher beginning stocks. As a result, prices in 2007 are expected to be higher than in 2006. In 2007, the cheese price is expected to be between \$1.330 and \$1.390 per pound, while the butter price is forecast between \$1.240 and \$1.330 per pound. Butter prices are unlikely to increase compared with other products because butter supplies are ample and should remain so for the year.

NDM demand remains strong, and global supplies are especially tight. In 2006, exports are estimated to account for around 40% of U.S. NDM and skim milk powder (SMP) production, a situation likely to continue into 2007. Australian production could take this year and next to rebound from weather-related problems, and European Union milk production is moving into higher value cheese production, away from dry products. U.S. whey exports are also expected to trend higher in 2007. Consequently, domestic prices for NDM and whey are expected to continue to strengthen this year. The annual 2007 NDM price is forecast between \$1.110 and \$1.160 per pound. The whey price should climb to between 59.5 and 62.5 cents per pound for the year.

Forecast higher prices for dairy products point to significantly higher prices for all milk classes. The Class IV milk price is expected to climb throughout 2007, averaging \$12.95 to \$13.65 per cwt for the year. The Class III price is projected to rise to an average \$14.10 to \$14.70 per cwt for the year. The reported all-milk price is expected to be sharply higher in 2007 – it could reach \$15.50 to \$16.50 per cwt by the fourth quarter and will likely average \$15.05 to \$15.65 per cwt for the year.

### *Lamb and Mutton Production Weaker Than Expected Leading Up to Religious Holidays*

In the first quarter of 2007, commercial production of lamb and mutton is expected to total 48 million pounds, 2 percent lower than the same period in 2006, although the religious holidays of Easter and Passover will be early in April. Typically, lamb demand is highest during these religious holidays, and as a result, production increases are expected in the weeks leading up to the holiday season.

Three factors may be contributing to the lower expected production. First, the 2006 lamb crop was down 1 percent from the previous year. Second, the culling rate was higher than normal in 2006, and though a large portion of the culls were drought induced, mainly in the Southwestern United States, some were geared toward removing older, less productive breeding stock. Third, with improved pastures, producers may be inclined to withhold animals that otherwise would have been used as market lambs. This may be why the number of animals slaughtered in January 2007 was down 3 percent from the previous year and why February 2007 slaughter is also below the previous year. Average dressed weights picked up during January and February 2007, helping to offset further production declines. However, weights are currently nearing 72 pounds and have begun to push their upper limits, the point at which quality losses from overfinishing begins to occur.

Choice Slaughter lamb prices at San Angelo have not seen significant increases despite relatively lower production. After a slow start in 2006, Choice slaughter lamb prices recovered nicely in 2006, averaging \$77.31 per cwt. But first-quarter 2007 prices are expected to be \$84-\$85 per cwt, not much different from fourth-quarter 2006, despite relatively tight production and the increased demand in preparation for the holidays. However, prices are expected to remain relatively stable for the rest of the year because, although seasonally lower demand is expected in the second quarter and beyond, lower production caused by increased retention may keep prices strong.

Imports of lamb and mutton will continue to more than offset U.S. production declines. The 2006 imports totaled 190 million pounds, 6 percent above 2005. First-quarter 2007 imports are expected to be around 55 million pounds, around 4 percent above the same period in 2006, as strong imports are expected to more than offset the lower domestic production during the upcoming seasonal demand increase. January 2007 imports were 19 million pounds, 27 percent above the same period last year. Because of the fairly stable domestic demand, and the drop in the 2006 lamb crop, imports in 2007 are expected to increase by about 2 percent to around 194 million pounds.

U.S. lamb and mutton exports set an all-time record in 2006 — 18 million pounds — doubling those of 2005. Exports were enhanced by the higher-than-normal liquidation in the Southwestern United States caused by drought conditions. Eighty-eight percent of all lamb and mutton exports were in the form of mutton. Mexico accounted for 70 percent of all U.S. lamb and mutton exports, with 79 percent of it being mutton. First-quarter 2007 exports are forecast at 3 million pounds, down 25 percent from the same period last year. The full-year forecast for 2007 is expected to be 12 million pounds, down 33 percent from last year. A lower culling rate will be the primary reason for the decline in exports.

### ***First-Quarter Pork Production Forecast Lowered Slightly***

The USDA forecast for first-quarter 2007 commercial pork production was lowered 50 million pounds, to 5.325 billion pounds, due to slightly lower-than-expected slaughter and lower average dressed weights. For 2007, U.S. pork production is expected to be 21.6 billion pounds, 2.6 percent above last year. Dressed weights for 2007 are expected to average about one pound below 2006 weights, due to higher corn prices. First-quarter prices of live-equivalent 51-52 percent lean hogs are expected to range between \$46 and \$47 per cwt, more than 9 percent above first quarter a year ago.

Hog prices will likely be lower in the second half of this year—between \$44 and \$48 per cwt in the third quarter, and between \$43 and \$47 in the fourth quarter—as pork production accelerates seasonally and broiler production increases. Second-half pork production is expected to increase more than 3 percent over the same period last year. Relatively high broiler prices right now, due to lower production, support domestic pork demand and contribute to strong hog prices. With higher U.S. broiler production expected in the second half of this year, declining broiler prices will present pork products with more competition for the consumer's food dollar. For 2007, hog prices are expected to range between \$45 and \$47 per cwt, about 2 percent below \$47.26 per cwt in 2006.

### ***Swine Import Forecast for 2007 Raised to 9.35 Million Head***

U.S. packers and hog finishers are expected to import 9.35 million head of hogs from Canada this year, an increase of almost 7 percent over last year. Strong hog prices from robust pork demand in the United States, combined with continued turbulence in the Canadian packing industry, create strong incentives for Canadian swine to come south, despite an exchange rate that is punitive to Canadian sellers. USDA data (<http://www.ams.usda.gov/lsmnpubs/canada.htm>) indicate that U.S. imports of barrows and gilts, through March 10th, increased almost 12 percent over the same period a year ago. Imports of finishing animals—feeder pigs and segregated early weans—increased 9 percent, compared with the same period last year.

### ***Canadian Hog and Pork Production Expected To Be Lower in 2007***

Despite recently published Canadian statistics and analysis that point to a smaller Canadian breeding herd and a slightly reduced pig crop in 2007, prospects of larger U.S. swine imports this year are supported by continued year-over-year lower Canadian slaughter numbers and ongoing restructuring in the Canadian processing industry. Hog numbers published by Statistics Canada (<http://www.statcan.ca/bsolc/english/bsolc?catno=23-010-X&CHROPG=1>) showed a January 1, 2007 inventory of sows and bred gilts that was 1 percent lower than a year earlier. Québec accounts for most of the reduction, while Manitoba's herd increased slightly. Canada's pigs-per-litter in the October-December quarter were 9.45 versus 9.71 a year earlier, suggesting that Canada's producers continue to struggle with disease problems. The comparable figure for U.S. pigs-per-litter (September-November 2006) is 9.13.

A slightly lower Canadian pig crop is expected in 2007—32.8 million head, down from 33.2 million in 2006. While 26 percent of the Canadian pig crop was exported to the United States in 2006, 29 percent is expected to come south this year. The factors the report cites as contributing to higher live exports to the United States include restructuring in Canada's processing industry, the moratorium currently in place on expansion in Manitoba, and feed price uncertainty.

The 37-percent appreciation of the Canadian dollar relative to the U.S. dollar between January 2002 and February 2007 is the major source of the Canadian hog and pork industry's present struggle. The relatively high-valued Canadian dollar makes Canadian pork products more expensive in international markets, particularly those where they compete with U.S. products, as in Asia. This is an enormous issue for an industry that sells more than half of its pork abroad.

Previously, a lower-valued Canadian dollar provided the Canadian processing industry with a "cushion" that reduced the urgency of staying on top of other processing costs—labor, for example. The now relatively expensive Canadian dollar has exposed the Canadian industry's higher cost structure, which prevents it from providing hog producers with sufficient price incentives to sell hogs in Canada rather than in the United States.

Lower Canadian slaughter statistics (<http://www.agr.gc.ca/redmeat/mimain.htm>) for the final quarter of last year and continuing into January 2007 illustrate the Canadian processing industry's ongoing competitiveness struggle. Fourth-quarter Federal and provincial slaughter was down about 2.5 percent from the same period in 2005. January 2007 slaughter was off by almost 7 percent from a year earlier. Restructuring of Canada's two largest hog processors will likely continue to constrain slaughter numbers in Canada this year. Canada's pork production in 2007 will likely be more than 3 percent lower than last year.

## Contacts and Links

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### Data Products

Meat Price Spreads, <http://www.ers.usda.gov/Data/MeatPriceSpreads/>, 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/MeatTrade/>, 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

Animal Production and Marketing Issues, <http://www.ers.usda.gov/briefing/AnimalProducts/>  
Cattle, <http://www.ers.usda.gov/briefing/cattle/>  
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## U.S. red meat and poultry forecasts

	2004	2005	2006				2007 1/					
	Annual	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
<b>Production, million lb</b>												
Beef	24,548	24,683	6,082	6,724	6,834	6,513	26,153	<b>6,350</b>	<b>6,850</b>	<b>6,950</b>	<b>6,425</b>	<b>26,575</b>
Pork	20,509	20,684	5,335	5,008	5,087	5,625	21,055	<b>5,325</b>	<b>5,200</b>	<b>5,325</b>	<b>5,750</b>	<b>21,600</b>
Lamb and mutton	195	187	49	47	42	47	185	<b>48</b>	<b>45</b>	<b>43</b>	<b>46</b>	<b>182</b>
Broilers	34,063	35,365	8,938	9,130	8,884	8,801	35,753	<b>8,750</b>	<b>9,050</b>	<b>9,100</b>	<b>9,000</b>	<b>35,900</b>
Turkeys	5,454	5,504	1,355	1,440	1,419	1,473	5,687	<b>1,410</b>	<b>1,460</b>	<b>1,440</b>	<b>1,470</b>	<b>5,780</b>
Total red meat & poultry	85,441	87,097	21,920	22,516	22,428	22,619	89,483	<b>22,042</b>	<b>22,768</b>	<b>23,021</b>	<b>22,850</b>	<b>90,681</b>
Table eggs, mil. doz.	6,365	6,411	1,611	1,610	1,624	1,649	6,494	<b>1,590</b>	<b>1,605</b>	<b>1,650</b>	<b>1,675</b>	<b>6,520</b>
<b>Per capita consumption, retail lb 2/</b>												
Beef	66.1	65.5	15.8	16.8	16.9	16.3	65.8	<b>16.0</b>	<b>17.2</b>	<b>17.3</b>	<b>15.9</b>	<b>66.4</b>
Pork	51.3	50.0	12.3	11.9	11.9	13.1	49.4	<b>12.2</b>	<b>12.1</b>	<b>12.5</b>	<b>13.1</b>	<b>50.0</b>
Lamb and mutton	1.1	1.1	0.3	0.3	0.2	0.3	1.1	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>1.1</b>
Broilers	84.3	85.8	21.8	22.5	21.9	20.8	87.0	<b>21.1</b>	<b>21.7</b>	<b>21.8</b>	<b>21.2</b>	<b>85.7</b>
Turkeys	17.1	16.7	3.5	3.9	4.3	5.2	16.9	<b>3.6</b>	<b>3.9</b>	<b>4.3</b>	<b>5.1</b>	<b>16.9</b>
Total red meat & poultry	221.4	220.9	54.2	55.9	55.7	56	221.7	<b>53.6</b>	<b>55.6</b>	<b>56.5</b>	<b>56.0</b>	<b>221.7</b>
Eggs, number	257.2	255.1	63.9	63.6	63.9	64.5	256.0	<b>61.9</b>	<b>62.6</b>	<b>64.4</b>	<b>64.9</b>	<b>253.9</b>
<b>Market prices</b>												
Choice steers, Neb., \$/cwt	84.75	87.28	89.24	80.39	85.40	86.61	85.41	<b>90-91</b>	<b>85-89</b>	<b>81-87</b>	<b>82-88</b>	<b>84-89</b>
Feeder steers, Ok City, \$/cwt	104.76	110.94	106.80	104.08	115.17	103.22	107.32	<b>97-98</b>	<b>98-102</b>	<b>96-102</b>	<b>96-102</b>	<b>96-101</b>
Boning utility cows, S. Falls, \$/cwt	52.35	54.36	48.89	47.79	49.28	44.29	47.56	<b>48-49</b>	<b>49-51</b>	<b>48-52</b>	<b>48-52</b>	<b>49-51</b>
Choice slaughter lambs, San Angelo, \$/cwt	96.69	97.76	77.03	66.56	81.10	84.53	77.31	<b>84-85</b>	<b>83-87</b>	<b>81-87</b>	<b>83-89</b>	<b>82-87</b>
Barrows & gilts, N. base, i.e. \$/cwt	52.51	50.05	42.63	48.45	51.83	46.13	47.26	<b>46-47</b>	<b>46-48</b>	<b>44-48</b>	<b>43-47</b>	<b>45-47</b>
Broilers, 12 City, cents/lb	74.10	70.80	62.7	61.0	67.8	65.9	64.4	<b>74-75</b>	<b>74-78</b>	<b>72-78</b>	<b>70-76</b>	<b>72-77</b>
Turkeys, Eastern, cents/lb	69.70	73.40	67.3	71.3	79.4	89.8	77.0	<b>70-71</b>	<b>72-76</b>	<b>75-81</b>	<b>80-86</b>	<b>74-79</b>
Eggs, New York, cents/doz.	82.20	65.50	71.4	62.7	64.0	89.0	71.8	<b>103-104</b>	<b>85-89</b>	<b>79-85</b>	<b>85-93</b>	<b>88-93</b>
<b>U.S. trade, million lb</b>												
Beef & veal exports	461	689	223	315	307	308	1,153	<b>310</b>	<b>335</b>	<b>350</b>	<b>350</b>	<b>1,345</b>
Beef & veal imports	3,679	3,599	843	789	731	722	3,085	<b>760</b>	<b>880</b>	<b>830</b>	<b>810</b>	<b>3,280</b>
Lamb and mutton imports	181	180	53	44	41	52	190	<b>55</b>	<b>50</b>	<b>42</b>	<b>47</b>	<b>194</b>
Pork exports	2,179	2,660	770	763	653	811	2,997	<b>815</b>	<b>805</b>	<b>690</b>	<b>840</b>	<b>3,150</b>
Pork imports	1,099	1,024	259	237	239	254	989	<b>260</b>	<b>240</b>	<b>240</b>	<b>250</b>	<b>990</b>
Live swine imports	8,505	8,191	2,133	2,087	2,205	2,338	8,763	<b>2,300</b>	<b>2,300</b>	<b>2,350</b>	<b>2,400</b>	<b>9,350</b>
Broiler exports	4,768	5,147	1,338	1,298	1,224	1,412	5,272	<b>1,325</b>	<b>1,330</b>	<b>1,350</b>	<b>1,400</b>	<b>5,405</b>
Turkey exports	443	569	119	125	152	149	545	<b>130</b>	<b>145</b>	<b>155</b>	<b>155</b>	<b>585</b>

1/ Forecasts are in **bold**.

2/ 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				
	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
<b>GDP, chain wtd (bil. 2000 dol.)</b>	11,234	11,049	11,381	11,385	11,433	11,542	11,422	11,615	11,694	11,780	11,873	11,741
<b>CPI-U, annual rate (pct.)</b>	3.2	3.7	2.0	3.4	2.9	-2.2	2.0	2.4	2.6	2.5	2.4	2.5
<b>Unemployment (pct.)</b>	4.9	5.1	4.8	4.7	4.7	4.5	4.6	4.6	4.7	4.7	4.8	4.7
<b>Interest (pct.)</b>												
3-month Treasury bill	3.8	3.2	4.4	4.8	4.9	4.9	4.7	5.0	5.0	5.0	4.9	5.0
10-year Treasury bond yield	4.5	4.3	4.6	5.1	4.9	4.6	4.8	4.8	4.8	5.0	5.0	4.9

Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, February 2007.  
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## Dairy Forecasts

	2006					2007				
	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thous.)	9,092	9,128	9,113	9,115	9,112	9,125	9,100	9,070	9,050	9,085
Milk per cow (pounds)	5,010	5,141	4,906	4,894	19,951	5,060	5,225	4,995	4,980	20,260
<b>Milk production (bil. pounds)</b>	45.5	46.9	44.7	44.6	181.8	56.2	47.5	45.3	45.1	184.1
Farm use	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.0
Milk marketings	45.3	46.7	44.4	44.3	180.7	45.9	47.3	45.0	44.8	183.1
<b>Milkfat (bil. pounds milk equiv.)</b>										
Milk marketings	45.3	46.7	44.4	44.3	180.7	45.9	47.3	45.0	44.8	183.1
Beginning commercial stocks	8.0	11.5	13.5	11.6	8.0	9.5	12.4	13.5	11.3	9.5
Imports	1.1	1.2	1.1	1.5	5.0	1.2	1.3	1.2	1.5	5.3
Total supply	54.4	59.3	59.1	57.5	193.7	56.7	61.0	59.8	57.6	197.9
Ending commercial stocks	11.5	13.5	11.6	9.5	9.5	12.4	13.5	11.3	8.6	8.6
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	42.9	45.8	47.4	48.0	184.2	44.3	47.5	48.5	49.0	189.3
<b>Skim solids (bil. pounds milk equiv.)</b>										
Milk marketings	45.3	46.7	44.4	44.3	180.7	45.9	47.3	45.0	44.8	183.1
Beginning commercial stocks	9.0	9.7	10.2	9.1	9.0	9.1	9.3	10.2	9.1	9.1
Imports	1.1	1.1	1.1	1.4	4.8	1.2	1.3	1.3	1.5	5.2
Total supply	55.3	57.5	55.7	54.8	194.5	56.2	57.9	56.5	55.3	197.4
Ending commercial stocks	9.7	10.2	9.1	9.1	9.1	9.3	10.2	9.1	8.8	8.8
Net removals	0.0	0.7	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0
Commercial use	45.6	46.6	46.7	45.7	184.6	46.9	47.7	47.5	46.5	188.6
<b>Milk prices (dol./cwt) 1/</b>										
All milk	13.53	12.00	12.23	13.83	12.90	14.70	14.90	15.00	15.50	15.05
						-14.90	-15.40	-15.80	-16.50	-15.65
Class III	12.23	11.02	11.42	12.88	11.89	13.96	13.96	14.21	14.27	14.10
						-14.16	-14.46	-15.01	-15.27	-14.70
Class IV	11.33	10.30	10.65	11.97	11.06	12.68	13.01	13.06	13.07	12.95
						-12.98	-13.61	-13.96	-14.17	-13.65
<b>Product prices (dol./pound) 2/</b>										
Cheddar cheese	1.272	1.184	1.217	1.316	1.247	1.331	1.305	1.333	1.290	1.330
						-1.351	-1.355	-1.413	-1.390	-1.390
Dry whey	0.345	0.289	0.289	0.381	0.329	0.563	0.612	0.605	0.605	0.595
						-0.583	-0.642	-0.635	-0.635	-0.625
Butter	1.247	1.153	1.210	1.267	1.219	1.204	1.227	1.262	1.265	1.240
						-1.244	-1.307	-1.372	-1.395	-1.330
Nonfat dry milk	0.905	0.831	0.844	0.970	0.887	1.093	1.125	1.113	1.115	1.110
						-1.113	-1.165	-1.173	-1.185	-1.160

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](http://www.ams.usda.gov/dyfmfos/mib/fedordprc_dscrp.htm)

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

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