



United States  
Department  
of Agriculture

LDP-M-183

Sept 17, 2009



A Report from the Economic Research Service

[www.ers.usda.gov](http://www.ers.usda.gov)

# Livestock, Dairy, and Poultry Outlook

**Kathryn Quanbeck**

[kquanbeck@ers.usda.gov](mailto:kquanbeck@ers.usda.gov)

**Rachel J. Johnson**

[rjohnson@ers.usda.gov](mailto:rjohnson@ers.usda.gov)

## Broiler Production Estimated To Increase in 2010

### Contents

[Pork/Hogs](#)

[Poultry](#)

[Beef/Cattle Trade](#)

[Beef/Cattle](#)

[Dairy](#)

[Contacts and Links](#)

### Tables at a Glance

[Red Meat and Poultry](#)

[Dairy Forecasts](#)

### Web Sites

[Animal Production and  
Marketing Issues](#)

[Cattle](#)

[Dairy](#)

[Hogs](#)

[Poultry and Eggs](#)

[WASDE](#)

-----  
Tables will be released  
on Sept 29, 2009

The next newsletter  
release is Oct 16, 2009

-----  
Approved by the  
World Agricultural  
Outlook Board

**Pork/Hogs:** Despite slightly lower second-half pork production, hog prices will likely remain below year-ago levels for the balance of 2009. One of the few bright spots in an otherwise dreary July pork export number (-13 percent year-over-year) were shipments to Mexico, which were 19 percent above a year ago. Exports to Mexico for 2009 so far are running 35 percent ahead of last year.

**Poultry:** The U.S. broiler meat production estimate for third-quarter 2009 was increased by 100 million pounds to 9.15 billion pounds, down 3.2 percent from third-quarter 2008. The estimate for 2010 was also increased, with the revised estimate at 36.15 billion pounds, up 1.5 percent from a year earlier. With stronger exports in July, the third-quarter 2009 export forecast was increased to 1.6 billion pounds. Over the first 7 months of 2009, U.S. turkey meat production has totaled 3.29 billion pounds, a 9.7-percent reduction from the same period in 2008. However, stocks of whole turkeys were 20 percent higher at the end of July than a year earlier, putting downward pressure on prices.

**Beef/Cattle Trade:** The United States is expected to import 13 percent more beef than last year. However, imports from Australia have fallen from earlier in the year, as Australians have incrementally recovered some of their markets that were affected by the global financial crisis and recession. U.S. beef exports are expected to fall 8 percent in 2009, as strong sales in the third quarter of 2008 are not expected to be matched this year. Japan, however, remains a growing market for beef exports. Exchange rates and weather conditions will affect live cattle trade, which is usually most predominant in the late fall and early winter.

**Beef/Cattle:** Despite the favorable grazing season and crop outlook, current livestock price levels will keep positive profit margins elusive for the near term. Increasing weights will contribute to total beef production, but may not offset year-over-year reduced cattle slaughter. Retail beef prices may have begun to reflect lower wholesale and cattle prices.

**Dairy:** Persistent milk production, despite low, recessionary domestic demand and slow exports, is the basis for continued low prices this year. Recovery in prices is unlikely until 2010, when the decline in milk production, forecast for later this year and next, will impact the market. The cheese market is showing more strength than other major dairy products.

## Pork/Hogs

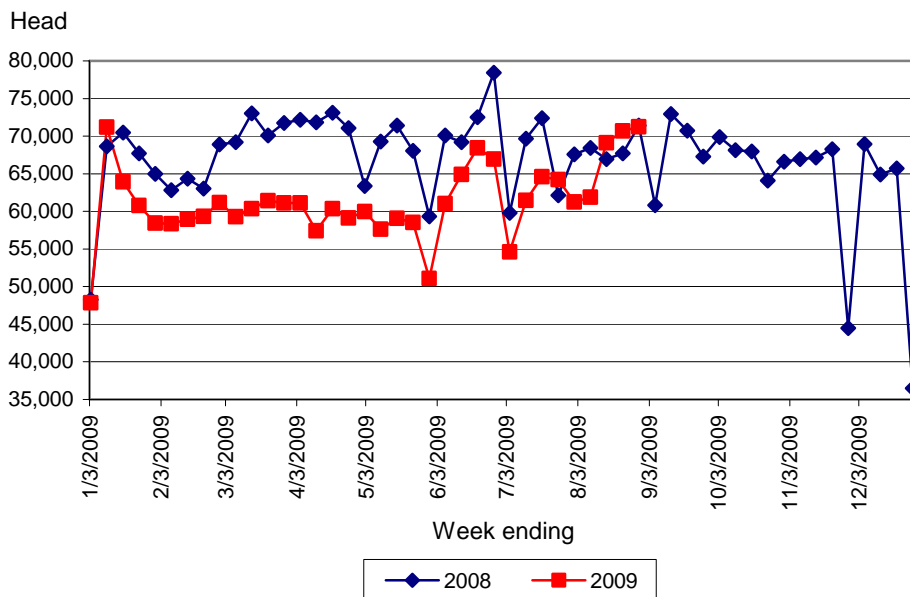
### *Seasonally Strong Pork Production plus Lackluster Consumer Demand Equals Low Hog Prices*

Hog prices will likely remain significantly below year-ago levels for the balance of 2009 as the year advances toward the fourth quarter—the period where production accelerates and prices typically achieve their lows for the year. Prices of live equivalent 51-52 percent lean hogs are expected to average between \$38-\$39 per cwt in the third quarter—close to 33 percent below a year ago, and to average \$35 to \$37 in the fourth quarter, more than 14 percent under the same period a year ago.

Current lackluster pork demand—both domestic and foreign—simply does not support the present level of U.S. pork production at prices that allow North American hog producers to make any money. Monthly producer returns computed by Iowa State University

[http://www.econ.iastate.edu/faculty/lawrence/Lawrence\\_website/livestockreturns.htm](http://www.econ.iastate.edu/faculty/lawrence/Lawrence_website/livestockreturns.htm) show hog prices exceeding breakeven twice—May and August 2008—since returns turned consistently negative in October 2007. Recent sow slaughter data suggests that liquidation is picking up. The *Quarterly Hogs and Pigs* report, to be released by USDA on September 25, 2009, will show complete hog inventories as of September 1st.

**Actual sow slaughter under federal inspection, weekly 2008-Aug. 2009**



Source:

<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateN&navID=MarketNewsAndTransportationData&leftNav=MarketNewsAndTransportationData&page=MissouriAllReports>

## ***July Pork Exports Lower, Imports Higher; Live Swine Imports Continue Sharply Lower***

U.S. exporters shipped 356 million pounds of pork products in July, a quantity 13 percent below July of last year. The five largest buyers of U.S. pork in July are shown below. Mexico, in particular, stands out as the second largest buyer of U.S. pork, both in July—+19 percent year-over-year—and for the first 7 months of 2009, +35 percent.

July pork imports of almost 72 million pounds were more than 5 percent higher than a year ago, with purchases from Canada and Denmark up 13 percent and 8 percent, respectively. Canada and Denmark together typically account for the lion's share of U.S. pork imports. July was no exception, with Canada accounting for 80 percent and Denmark for 12 percent of total imports. The United States is on track to import about 4 percent of its annual pork consumption. This is a bit lower than last year, and likely due to ample domestic pork supplies and lower consumer incomes.

July imports of live swine—all imports were from Canada in July—were almost 573,000 head, vs. 745,000 head in July 2008, a decrease of more than 23 percent. For the year so far, live imports are off 32 percent. Lower imports are the result of ongoing herd reduction in Canada and lower demand for imported animals in the United States, due largely to new labeling procedures.

### **U.S. pork exports: 5 largest markets in July 2009**

Country	Export volume (million lbs.)	Export volume (million lbs.)	Percent change	Export volume (million lbs.)	Export volume (million lbs.)	Percent change
	July 2009	July 2008		Jan.-July 2009	Jan.-July 2008	
World	356	409	-13	2,341	2,902	-19
1 Japan	113	115	-1	771	771	0.05
2 Mexico	79	67	19	470	349	35
3 Russia	43	38	13	186	267	-30
4 Canada	32	39	-17	220	237	-7
5 Hong Kong	25	52	-51	146	362	-60

Source: <http://www.ers.usda.gov/data/meattrade/>

### ***Third-Quarter Broiler Meat Production Estimate Increased***

The U.S. broiler meat production estimate for third-quarter 2009 was increased by 100 million pounds to 9.15 billion pounds, down 3.2 percent from third-quarter 2008. The estimate for fourth-quarter 2009 remained unchanged at 8.95 billion pounds. The estimate for 2010 was also revised upward to 36.15 billion pounds. While the number of broilers slaughtered was lower in July, the decrease was slightly less than had been anticipated and average bird weights did not have as strong a seasonal decline as expected. During the remainder of the third quarter, slaughter is expected to remain below the previous year, but the gap between production in third-quarter 2009 and the same period in 2008 is expected to narrow compared with the strong declines seen in the first two quarters of 2009. The revised production total for 2009 is now 35.6 billion pounds, 3.5 percent lower than in 2008.

Broiler meat production in July was 3.1 billion pounds, down 4.2 percent from a year earlier. The number of birds slaughtered in July was down 5 percent to 746 million, and the average live weight of these birds was 5.54 pounds, the same as in July 2008. During August and September, the year-over-year difference in the number of eggs set in incubators and the number of chicks placed for growout is expected to continue to move closer to year-earlier levels. The number of chickens slaughtered is expected to be lower than the previous year, but average live weights at slaughter are expected to be very close to year-earlier levels.

For the week ending September 5, the National Agricultural Statistics Service estimated that 167 million broiler chicks were placed for growout. This is a 2-percent decrease from a year earlier, continuing a pattern over the last several weeks of a narrowing between the level of current chick placements and placements the same week the previous year. Earlier in 2009, the year-over-year differences were over twice as great. This pattern of gradual shrinkage in the year-over-year difference in chick placements for growout is expected to continue through the end of the third quarter and into the fourth.

### ***Stock Levels Down at End of July***

Stock levels for broiler products continue to be below those of the previous year. At the end of July stocks were 658 million pounds, up 25 million pounds from the end of June, but still 7 percent lower than a year earlier. Stock levels for some broiler products seem to be running counter to recent wholesale price movements. Stocks of leg quarters were 22 percent lower at the end of July 2008 than the previous July, yet wholesale leg quarter prices have fallen in the last 2 months. The same is true for whole-bird stocks, which were 23 percent lower than the previous year, but prices for whole birds at the wholesale level have fallen for the last several months.

### ***Wing Prices Continue Strong in August***

One major change in the broiler industry in 2009 has been the continued strength of wing prices. In 1999, wing prices in the Northeast market averaged 66 cents per pound and prices for boneless/skinless (B/S) breast meat averaged \$1.57 per pound, so the price difference was about 90 cents per pound. Over the years, the price differential narrowed, but even in 2008 prices for B/S breast meat averaged 23-cents per pound higher than wing prices. However, since the start of 2009 the average price of wings has strengthened significantly and has averaged \$1.43 per pound, a 6-cent per pound premium over the \$1.37 per pound averaged by B/S breast meat. The difference between wing prices and B/S breast meat prices increased in August to 10 cents per pound.

A number of factors have come together to push up wing prices. First, the number of broilers slaughtered over the first half of 2009 is down 6 percent from the previous year, thus reducing the supply. Second, reported wing exports during the first 6 months of 2009 were 13 percent higher than in the first 6 months of 2008. These factors have combined to lower stock levels. At the end of June, reported stocks of wings were 31.8 million pounds, down 19 percent from the previous year. The lower available supply, higher exports and an expansion in the demand for wings as more food service outlets offer them have combined to put upward pressure on prices.

### ***July Exports Total 562 Million Pounds***

Broiler exports in July totaled 562 million pounds, down 13 percent from the previous year, but up 6 percent from June 2009. This decrease in shipments from the previous year was reflected in lower domestic wholesale prices for leg quarters. Wholesale leg quarter prices in the Northeast market averaged just over 50 cents per pound in June 2009, but fell to 45 cents per pound in July and to 41 cents per pound in August. Although July exports were lower than the previous year, they were stronger than previously expected, so the forecast for third-quarter 2009 exports has been increased by 125 million pounds to 1.6 billion pounds.

Broiler meat exports over the first 7 months of 2009 have totaled 3.97 billion pounds, almost 1 percent higher than during the same period in 2008. While Russia continues to be the largest export market, shipments there in 2009 have so far been down over 20 percent. Direct shipments to China have also been lower, down 2 percent, although shipments to Hong Kong have jumped 55 percent and many of the shipments to Hong Kong are re-exported to China. Markets that have shown strong growth have been Mexico, Iraq, Lithuania, and Angola. The average unit value for broiler exports so far in 2009 has been slightly lower than the previous year. While the quantity of shipments has risen slightly, over the first 7 months of 2009 the value of broiler exports was \$1.9 billion, down 2 percent from the same period in 2008.

## ***Turkey Production Down 11 Percent in July***

Turkey meat production in July was 486 million pounds, down 11 percent from July 2008. The decrease was due to a lower number of turkeys slaughtered, as average weights were actually up slightly. In July, the number of turkeys slaughtered was 21.5 million, a decrease of 11.2 percent from the previous year. The average live weight at slaughter was 28.4 pounds, marginally higher than the previous year.

Over the first 7 months of 2009, U.S. turkey meat production has totaled 3.29 billion pounds, a 9.7-percent reduction from the same period in 2008. The forecasts for the third and fourth quarters of 2009 are unchanged from last month at 1.44 and 1.5 billion pounds. The forecast for the third quarter is down 8.2 percent from a year earlier, and expected production in the fourth quarter is down 5.2 percent. The estimate for 2009 production is 5.75 billion pounds, down 8 percent from 2008, due to reductions in the number of poult hatchings, a result of the high feed and energy costs in the third and fourth quarters of 2008.

Even with the large decreases in turkey meat production over the first 7 months of 2009, cold storage holdings have risen for whole birds. At the end of July, cold storage holdings of whole turkeys were 349 million pounds, up 20 percent from the previous year. The increase in whole-bird cold storage holding is a result of fewer birds being cut up for parts as demand in both the export and domestic market has slowed. The decline in demand for turkey parts has not resulted in higher cold storage holdings for turkey parts. At the end of July, holdings of turkey parts totaled 291 million pounds, down 12 percent from a year earlier and 24 percent lower than at the end of July 2007.

Total cold storage holdings are expected to expand to 635 million pounds by the end of the third quarter, up 2 percent from a year earlier. By the end of 2009, cold storage holdings of whole turkeys and turkey parts are forecast at 375 million pounds, down 5 percent from the end of 2008. This change in stock levels compared with 2008 is due to both continued lower turkey production, which is expected to lower supplies, and the rapid buildup of stocks that occurred at the end of 2008 due to declining economic conditions.

The accumulation of cold storage holdings of whole turkeys has placed downward pressure on whole-bird prices. In August the wholesale price for whole hen turkeys in the Eastern market was 81 cents per pound, down 16 percent from August 2008 and down 2 percent from a month earlier. Normally, whole turkey prices strengthen through the summer months and peak for the year in late October or early November in anticipation of the Thanksgiving holiday. Third-quarter 2009 prices for whole hens are forecast to average 83-84 cents per pound, down about 14 percent from third-quarter 2008. Prices in the fourth quarter are forecast to average 83-87 cents per pound.

### ***Exports Down 16 Percent in July***

Turkey exports in July continued to be below year-earlier levels, totaling 48 million pounds, down 18 percent from July 2008. Exports so far in 2009 have been weaker in most major markets. After increasing strongly in 2008, shipments this year to the top five largest markets (Mexico, China, Russia, Canada, and Hong Kong) are significantly lower. During the first 7 months of 2009, overall turkey exports totaled 286 million pounds, down 22 percent. Some of these declines are likely related to adverse economic conditions in importing countries, and some may be due to lower prices for many broiler products in 2009. While the export unit value for broiler products has declined slightly, the unit value for turkey products has risen, with the overall value totaling \$214 million, down 18.5 percent over the first 7 months of 2009 compared with the previous year.

### ***Table Egg Flock Down Again in July***

In July, the number of birds in the table egg flock was reported at 276.4 million, down fractionally from a year earlier. This is the second consecutive month that the size of the table egg flock has been below the previous year. However, table egg production in July was 542 million dozen, up slightly from the previous year due to a higher rate of lay. Over the first 7 months of 2009, table egg production has totaled 3.7 billion dozen, up just under 1 percent from the same period in 2008.

The hatching flock for meat-type birds (broiler breeder flock) was reported as 53.3 million in July, down 5 percent from the previous year. The size of the broiler hatching flock has been lower on a year-over-year basis for the last 14 months. This reflects the pullback in production by the broiler industry as grain and energy prices started to move sharply higher in 2008.

In July 2009, the wholesale price for eggs in the New York market averaged 91 cents per dozen, up 10 cents from the 81 cents per dozen in both May and June. Even with a slightly higher egg production in July, egg prices strengthened further in August, with weekly prices pointing towards an average of around 94 cents per dozen in August and heading into September. In third-quarter 2009, egg prices are expected to average 95-96 cents per dozen, and prices are expected to strengthen slightly to 96-100 cents per dozen in fourth-quarter 2009 as demand increases seasonally. Even with this strengthening, prices will be significantly lower than the \$1.23 per dozen that eggs averaged in fourth-quarter 2008.

### ***Egg Exports Surge in July***

Egg exports totaled 21.7 million dozen in July, up 25 percent from the previous year. With the strong July shipments, exports for the first 7 months of 2009 are about even with the previous year. The volume rose in the export market, as table egg prices in the previous 2 months (May and June) had been significantly lower than the previous year.



Much of the export increase between July 2009 and the previous year was due to higher shipments to Canada and Hong Kong. Exports to Canada were up 75 percent and exports to Hong Kong were 59 percent higher. Total egg exports in the second half of 2009 are forecast at 103 million dozen, 1.6 percent higher than in second-half 2008.

### ***Beef Imports Moderate as Australian Export Markets Incrementally Return***

The United States has imported 1.697 billion pounds of beef through July, a 13-percent increase year-to-date. Monthly import totals continue to be lower than the volumes imported earlier in the year. The United States is expected to import 2.815 billion pounds of beef in 2009, an 11-percent increase from last year. In 2010, beef imports are expected to increase 6 percent to 2.975 billion pounds.

Monthly imports from Australia have declined since the April total of 104 million pounds, which was a 5-year high for monthly imports from Australia. The U.S. dollar has been steadily weakening since March, which has led to a greater share of Australian beef exports to Japan, South Korea, and other smaller markets in the ensuing months. U.S. imports of Australian beef are currently more in line with historical averages for 2009, after 2008 volumes were considerably lower as emerging markets received a greater share of Australia's exports.

Through July, the United States exported 1.021 billion pounds of beef, nearly unchanged from last year. The third quarter of 2008 had exceptionally high totals of beef exports, compared with totals over the past 4 years. As a result, cumulative export totals through the rest of the year should begin to lag behind last year. Beef exports are expected to fall 8 percent in 2009, but are expected to increase nearly 7 percent in 2010.

U.S. exports to Japan continue to grow compared with last year, by more than 12-percent year-to-date. The Japanese yen has remained relatively weak against the dollar, making U.S. product relatively cheaper in Japan and more competitive with Australian beef products.

### ***Live Cattle Trade in Second Half of 2009 Will Depend on Weather***

Through July, live cattle imports were 16 percent lower than last year. The United States is expected to import 2 million head of cattle this year, more than a 12-percent decrease from 2008. Weather could play a critical role for imports in the third and fourth quarters, as pasture conditions and forage supplies in the fall and early winter are important to feeder cattle coming off pasture in both Mexico and Canada. Generally, the fourth quarter of each year is when the most live cattle imports take place in the United States.

Mexican pasture has experienced drier conditions recently, after adequate precipitation in the spring and early summer. Mexico sends almost exclusively feeder cattle to the United States, to be fed in U.S. feedlots and stocker yards. If there is little moisture in the late summer or early fall, Mexican cattle could be sent to the United States earlier in the fall. However, if rainfall allows for good pasture conditions, Mexican cattle could remain in Mexico longer. Good pasture conditions at the end of 2008 led to very low imports in the third and fourth quarters of last year, followed by a surge in early 2009. Imports of Mexican cattle have been about 22 percent higher this year through July, compared with last year's particularly low base.

Conversely, imports of live cattle from Canada have been lower than last year. Through July, cattle imported from Canada are 32 percent below 2008 quantities. Last year, a combination of high feed prices and a strong Canadian dollar meant that U.S. feeders were providing better returns for Canadian producers marketing feeder animals. However, the Canadian dollar weakened against the U.S. dollar in late 2008 through March of this year, as a result of the financial crisis. Additionally, decreased demand for beef has lowered fed cattle and feeder cattle prices in the United States. Although the Canadian dollar has strengthened considerably since March, lower demand for beef has not supported the same kind of returns as last year for Canadian feeder cattle.

### *Favorable Crop and Grazing Conditions Not Enough in Mediocre Markets*

Current crop conditions are quite favorable, and, based on current production and price forecasts, the livestock feeding scenario for the next year is more favorable than in recent years. Favorable weather has also allowed an extended grazing season for most areas. Despite the favorable crop outlook, current livestock price levels may keep positive profit margins elusive and will dampen any thoughts of inventory expansion for at least most of the next year.

Cow slaughter has picked up again, both seasonally and likely in response to the current round of Cooperatives Working Together (CWT) dairy herd retirements, but it remains below year-earlier levels. The current round of CWT dairy herd retirements are projected to be removed by early October 2009.

July 2009 placements of feeder cattle in feedlots of 1,000 head or more were 13 percent higher than July 2008. However, this was likely partially due to some later-than-usual retention on widespread good pastures, given that placements for the second quarter of 2009 were the second lowest since second-quarter 1996. In addition, increased year-over-year placements of lighter weight categories of feeder cattle in 1,000-plus head Texas feedlots was likely in response to the ongoing drought in South Texas.

Breakeven costs at or near \$89/cwt for cattle marketed during September are projected higher than the preceding months because of higher feeder cattle and feed prices last spring when cattle were placed. Looking ahead, fed cattle prices, currently in the low- to mid-\$80 range, are likely to barely cover costs for feeder cattle placed on feed this month (September).

July average dressed weights were above year-earlier levels, averaging 5 pounds, and were also about 7 pounds above the long-term trend for steers. Federally inspected steer and heifer dressed weights have continued to increase during the last few weeks, for several reasons. Dressed weights increase seasonally from a low in April/May because weather is generally more favorable for cattle feeding during spring and summer, which allows more feed to be utilized for growth rather than for body maintenance. In addition, a larger proportion of cattle placed in feedlots in late winter-early spring tend to be heavier, which generally results in heavier marketing/slaughter weights and, thus, heavier dressed weights.

This year, slaughter has been somewhat reduced during several of the past weeks because of packer margins, and this has resulted in at least some cattle remaining on feed longer than necessary, gaining excess weight, and also leading to larger carcasses. One sign is the increasing 5-day moving average dressing percentage accompanying the heavier 5-day moving average dressed weights, reported in recent weeks in the Agricultural Marketing Service's *Weekly National Carlot Meat Report*.

Cutout values for Choice and Select beef remain just below the 5-year averages and well below year-earlier levels. Byproduct values, which are important for determining the net returns to meatpackers, have also increased in recent weeks and are now just above the 5-year average. Retail prices for Choice beef in August 2009, at \$4.22 per pound, were 1 percent above July's \$4.18 and almost 7 percent lower than August 2008's record monthly price of \$4.53. The All-fresh beef retail value in August 2009, \$3.81 per pound, was almost 1 percent above July's \$3.79 and 7 percent below August 2008's \$4.09.

### ***Milk Production Contracts Slowly as Rising Output per Cow Partly Offsets Herd Contraction; A Price Recovery is Forecast in 2010***

The August *Milk Production* report showed U.S. milk production estimates virtually unchanged from August a year ago, despite 145,000 fewer cows in the national herd. For the year to date, milk production has risen every month compared with the corresponding month a year ago, while the dairy herd has shown a decline for every month in 2009 since March. Continued low prices for milk and dairy products have not brought a decline in production, which would bring milk supplies into line with demand. Lower prices for feed ingredients, especially corn and alfalfa hay, have provided an incentive for producers to feed for milk production despite culling.

The calculated milk-feed price ratio has climbed from first-quarter lows near 1.5, but still has not exceeded 2.0 and is unlikely to reach 2.5 this year or next. A milk-feed price ratio near 2.5 or better is thought to signal expansion. Consequently, 2009 production is projected at 188.4 billion pounds, down less than 1 percent from 2008. Production in 2010 is forecast to decline another 1 percent from 2009 to 186.7 billion pounds as the herd size is expected to decline 2.8 percent next year compared with this year.

Despite increased cheese exports to Mexico, the overall export picture is not optimistic. Dry milk exports have shown month-over-month increases since February lows but still lag year-ago levels. Export prospects in 2010 are not expected to improve much, rising to 3.8 billion pounds milk equivalent on a fats basis and 21.2 billion on a skims/solids basis.

Imports are expected to climb this year. Imports are projected to reach 4.2 billion pounds of milk equivalent on a fats basis and 3.8 billion pounds on a skims/solids basis. Imports are forecast to fall in 2010 compared with 2009, totaling 4.1 billion pounds on a fats basis, but to increase to 3.9 billion pounds on a skims/solids basis.

For the second quarter of 2009, commercial disappearance of cheese was ahead of the second quarter of 2008, while domestic commercial use of butter, nonfat dry milk (NDM) and whey trailed year-earlier levels. Stocks on a milk equivalent basis remain ample. For 2010, commercial disappearance on a fats basis will likely be virtually unchanged from 2009 totals. However, a decline in domestic commercial use from 201.9 to 200.1 billion pounds is expected on a skims/solids basis. Recovery in prices is unlikely until 2010 when the decline in milk production, forecast for both this year and next, impact the market. Even then, the price rebound will be mild. Cheese prices are expected to average \$1.235-1.255 this year, unchanged from last month's projection. Prices for butter, NDM, and whey are expected to be \$1.165-\$1.205 per pound, 85-87 cents per pound, and 23.5-25.5 cents per pound, respectively. For 2010, cheese prices are forecast at \$1.510-\$1.610 per pound, butter at \$1.420-\$1.550 per pound, NDM at 93.5 cents to \$1.005 per pound, and whey at 28-31 cents per pound.

The relative strength of the cheese market compared with the butter/powder market is reflected in projected milk prices. Class III prices are expected to be \$10.65-\$10.85 per cwt this year and \$13.75-\$14.75 per cwt next year. The Class IV price, based on the butter/powder price is forecast at \$10.10-\$10.40 per cwt in 2009 and \$11.95-\$13.05 per cwt in 2010. The all milk price is projected at \$12.05-12.25 per cwt for the current year and \$14.55-\$15.55 per cwt next year.

## Contacts and Links

### Contact Information

Rachel J. Johnson (coordinator, and beef, veal)	(202) 694-5187	<a href="mailto:rjohnson@ers.usda.gov">rjohnson@ers.usda.gov</a>
Kathryn Quanbeck (coordinator and dairy)	(202) 694-5154	<a href="mailto:kquanbeck@ers.usda.gov">kquanbeck@ers.usda.gov</a>
Mildred M. Haley (hogs/pork)	(202) 694-5176	<a href="mailto:mhaley@ers.usda.gov">mhaley@ers.usda.gov</a>
David J. Harvey (poultry, eggs)	(202) 694-5177	<a href="mailto:djharvey@ers.usda.gov">djharvey@ers.usda.gov</a>
Roger Hoskin (dairy)	(202) 694-5148	<a href="mailto:rhoskin@ers.usda.gov">rhoskin@ers.usda.gov</a>
Keithly Jones (sheep and goats)	(202) 694-5172	<a href="mailto:kjones@ers.usda.gov">kjones@ers.usda.gov</a>
Ken Mathews (cattle)	(202) 694-5183	<a href="mailto:kmathews@ers.usda.gov">kmathews@ers.usda.gov</a>
Michael McConnell (beef trade)	(202) 694-5158	<a href="mailto:mmcconnell@ers.usda.gov">mmcconnell@ers.usda.gov</a>
David Johnson (web publishing)	(202) 694-5222	<a href="mailto:davidj@ers.usda.gov">davidj@ers.usda.gov</a>

### Subscription Information

Subscribe to ERS e-mail notification service at <http://www.ers.usda.gov/updates/> to receive timely notification of newsletter availability. Printed copies can be purchased from the USDA Order Desk by calling 1-800-999-6779 (specify the issue number or series SUB-LDPM-4042)

### E-mail Notification

Readers of ERS outlook reports have two ways they can receive an e-mail notice about release of reports and associated data.

- Receive timely notification (soon after the report is posted on the web) via USDA's Economics, Statistics and Market Information System (which is housed at Cornell University's Mann Library). Go to <http://usda.mannlib.cornell.edu/MannUsda/aboutEmailService.do> and follow the instructions to receive e-mail notices about ERS, Agricultural Marketing Service, National Agricultural Statistics Service, and World Agricultural Outlook Board products.

- 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.

### 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/>  
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>

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and, where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.





## Dairy Forecasts

	2008			2009					2010		
	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thous.)	9,330	9,330	9,315	9,295	9,259	9,165	9,050	9,192	8,970	8,955	8,939
Milk per cow (pounds)	5,025	5,008	20,396	5,096	5,277	5,070	5,050	20,493	5,190	5,375	20,885
<b>Milk production (bil. pounds)</b>	46.9	46.7	190.0	47.4	48.9	46.5	45.7	188.4	46.6	48.1	186.7
Farm use	0.3	0.3	1.2	0.3	0.3	0.3	0.3	1.2	0.3	0.3	1.2
Milk marketings	46.6	46.4	188.8	47.1	48.6	46.2	45.4	187.2	46.3	47.8	185.5
<b>Milkfat (bil. pounds milk equiv.)</b>											
Milk marketings	46.6	46.4	188.8	47.1	48.6	46.2	45.4	187.2	46.3	47.8	185.5
Beginning commercial stocks	13.6	11.5	10.4	10.0	12.5	14.3	12.6	10.0	10.1	11.8	10.1
Imports	0.7	1.5	3.9	0.9	1.0	1.0	1.3	4.2	1.0	0.9	4.1
Total supply	60.9	59.5	203.1	58.1	62.1	61.5	59.3	201.5	57.3	60.5	199.7
Commercial exports	2.4	1.5	8.7	1.0	1.1	0.9	0.9	4.0	1.0	0.9	3.8
Ending commercial stocks	11.5	10.0	10.0	12.5	14.3	12.6	10.1	10.1	11.8	12.8	8.7
Net removals	0.0	0.0	0.0	0.1	-0.1	0.1	0.2	0.4	0.1	0.0	0.0
Commercial use	47.0	47.9	184.3	44.4	46.8	47.8	48.0	187.0	44.4	46.8	187.1
<b>Skim solids (bil. pounds milk equiv.)</b>											
Milk marketings	46.6	46.4	188.8	47.1	48.6	46.2	45.4	187.2	46.3	47.8	185.5
Beginning commercial stocks	10.8	10.4	9.9	10.9	11.2	12.2	11.1	10.9	10.6	10.3	10.6
Imports	0.8	1.2	3.7	0.9	0.9	0.9	1.2	3.8	1.0	0.9	3.9
Total supply	58.1	58.0	202.5	58.8	60.7	59.2	57.7	201.9	57.8	59.0	200.1
Commercial exports	6.9	5.5	26.6	5.1	5.8	4.9	4.5	20.3	5.0	5.3	21.2
Ending commercial stocks	10.4	10.9	10.9	11.2	12.2	11.1	10.6	10.6	10.3	10.6	9.4
Net removals	0.0	1.3	1.3	1.1	0.7	0.9	1.9	4.6	0.6	0.3	-0.4
Commercial use	40.8	40.4	163.7	41.4	42.0	42.3	40.1	166.4	42.0	43.0	169.8
<b>Milk prices (dol./cwt) 1/</b>											
All milk	18.63	16.80	18.29	12.23	11.60	11.70	12.65	12.05	13.50	14.00	14.55
						-11.90	-13.15	-12.25	-14.30	-15.00	-15.55
Class III	17.28	15.95	17.44	10.18	10.20	10.81	11.50	10.65	12.42	13.17	13.75
						-11.01	-12.00	-10.85	-13.22	-14.17	-14.75
Class IV	16.23	12.07	14.65	9.56	10.06	10.30	10.60	10.10	10.97	11.94	11.95
						-10.60	-11.20	-10.40	-11.87	-13.04	-13.05
<b>Product prices (dol./pound) 2/</b>											
Cheddar cheese	1.869	1.804	1.895	1.236	1.193	1.221	1.292	1.235	1.383	1.457	1.510
						-1.241	-1.342	-1.255	-1.463	-1.557	-1.610
Dry whey	0.243	0.186	0.250	0.164	0.232	0.281	0.275	0.235	0.275	0.275	0.280
						-0.301	-0.305	-0.255	-0.305	-0.305	-0.310
Butter	1.575	1.527	1.436	1.097	1.197	1.174	1.203	1.165	1.292	1.405	1.420
						-1.214	-1.283	-1.205	-1.402	-1.535	-1.550
Nonfat dry milk	1.334	0.904	1.226	0.823	0.833	0.870	0.887	0.850	0.887	0.945	0.935
						-0.890	-0.927	-0.870	-0.947	-1.015	-1.005

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/dyfmom/mib/fedordprc\\_dscrp.htm](http://www.ams.usda.gov/dyfmom/mib/fedordprc_dscrp.htm)

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

For further information, contact: Roger Hoskin 202 694 5148, [rhoskin@ers.usda.gov](mailto:rhoskin@ers.usda.gov)

Published in Livestock, Dairy, and Poultry Outlook, <http://www.ers.usda.gov/publications/ldp>