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Livestock, Dairy, and Poultry Outlook

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Lower Stocks a Supporting Factor for Poultry Prices

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on Mar 30, 2010

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release is Apr 21, 2010

Approved by the
World Agricultural
Outlook Board

Beef/Cattle: Increasing prospects for beef exports, prospects for adequate pastures this spring due to the snow-laden winter, cattle prices above year-earlier prices, and positive feeding margins add up to a more positive outlook this year compared with the 2 previous years.

Beef/Cattle Trade: Beef exports for 2010 are forecast to increase 9 percent from 2009, with continued growth in Asian markets anticipated. Beef imports for 2009 had a modest increase of 3 percent, the first increase in beef imports to the United States in 5 years. Although import growth in 2010 is also forecast at nearly 3 percent, shipments from prominent suppliers, including already-supply-tightened Australia and New Zealand, may be constrained. Cattle imports for 2009 came in at just over 2 million head and are projected to be at 2.15 million head for 2010.

Poultry: Lower stock levels and little production growth have resulted in broiler product prices slowly trending upward. Broiler meat production continued lower in January, but broiler hatchery numbers point to gradually expanding production in the coming months. Quarterly broiler production for 2010 is estimated to be slightly higher throughout the year. First-quarter 2010 turkey meat production is estimated at 1.295 billion pounds, down almost 10 percent from a year earlier. Ending stocks for January showed whole turkey inventories down 43 percent. Table egg production rose in January, but strong exports are expected to keep wholesale prices above those of the previous year through the first three quarters of 2010.

Sheep/Lamb: Dramatic increases in lamb prices are expected in the first quarter of 2010. This is likely due largely to very tight domestic supplies in the face of increasing lamb demand. Tight supplies are expected to continue well into the future, which could result in even further price strengthening and increased dependence on imported lamb.

Dairy: The slightly higher milk production expected this year, along with modestly increasing demand, both domestic and foreign, will support higher prices this year compared to last. Prices should rise, but modestly, over the course of 2010.

Weather Conditions Indicate Good Spring Start

Weather has moderated in most areas from the heavy snows and cold blasts of December and January. Snow melt due to warmer-than-usual conditions in the northern half of the United States and recent rains have kept fieldwork in many areas at a minimum. Colder-than-normal and wet conditions have kept southern operators out of fields, although wheat has benefited. If the colder conditions slow wheat growth enough to delay jointing, cattle could remain on wheat pasture longer than is typical. The potential gain in weight, along with the potential for some wheat to be grazed out, could lead to slightly heavier placement weights during mid-March through much of May.

With adequate moisture over most of the United States, pastures should be off to a good start this spring. Exceptions are areas in the West and Northwest and northward into Canada, where dry conditions have led to a 38-percent increase in year-to-date imports of Canadian cows for slaughter, up over the same period last year (through February 27). Good pasture conditions and feeder cattle prices about \$10 per cwt higher than this time last year may slow the pace of U.S. beef cow slaughter from now through June-July. Cumulative total federally inspected cow slaughter in the United States is down 3 percent (through February 27) year over year, as increased beef slaughter (up 6 percent) has partially offset decreased dairy cow slaughter (down 13 percent).

Cattle feeding margins were positive for January and February of this year, and, if fed cattle prices remain at current levels, margins could be positive for several months. According to ERS' High Plains Cattle Feeding Simulator, break-even prices will range from \$87 to \$89 per cwt through May 2010. Any further declines in feed prices could also improve this outlook, although increasing feeder calf prices will reduce margins.

The extreme winter weather has exacerbated the seasonal decline in dressed weights of cattle slaughtered. The potential for average dressed weights well below 2009 levels is high. According to *Livestock Slaughter* data from the National Agricultural Statistics Service, average monthly dressed weights declined seasonally an average of just under 4 percent, or 29 pounds, over the last 10 years from a fall peak—usually in October, reaching a low point in April-May. From the September 2009 monthly high average dressed weight of 799 pounds, a typical decline would be to about 767-770 pounds. Last winter, a mild winter for cattle feeding, resulted in a decline of 22 pounds from peak to low. Weather-related setbacks in gains could moderate if weather patterns return to more typical conditions.

Combined with dressed weights below year-earlier levels, the net placements falling below year-earlier levels thus far this winter will likely result in total commercial beef production below year-earlier levels through at least mid-year. If lower placements continue during the first half of 2010, beef production could also be below year-ago levels in the second half. Wholesale beef prices will receive support from lower beef production, especially with any increase in prices for beef middle meats, pork, and poultry.

Wholesale Choice beef prices increased from an October 2009 low of \$137.15 per cwt to \$143.22 in February 2010. Retail prices for Choice beef declined from a winter peak of \$4.29 in November 2009 to \$4.19 in January and \$4.20 in February. Although there are many factors affecting the relationship between price series, these opposite directions for wholesale and retail price changes provide an example of price relationships that, while appearing inconsistent, instead reflect the lags between wholesale and retail prices.

Outlook Is Bright for U.S. Beef Exports in 2010

Export demand for U.S. beef finished on a stronger note than anticipated for 2009 and was helpful in offsetting waning domestic demand as the year progressed. The year-ending total for 2009 exports of U.S. beef was 1.869 billion pounds, down only 1 percent from 2008. A weakening U.S. dollar in the latter part of 2009 and increasing exports to emerging and reemerging Asian markets boosted export totals in lieu of the global economic recovery still in progress. U.S. exports of beef to Japan increased 19 percent, while shipments to emerging Vietnam and Hong Kong markets increased 22 and 154 percent, respectively. Exports of beef to NAFTA countries represented 50 percent of total exports of U.S. beef. Japan and Vietnam came in third and fourth in terms of U.S. beef export destinations, with 15- and 8-percent shares, respectively.

Exports of U.S. beef for 2010 are forecast to increase 9 percent from 2009 to 2.04 billion pounds. This increase is anticipatory of continued growth of Asian markets into 2010 and beyond. The 16-percent growth seen in the fourth quarter of 2009 is expected to remain equally strong into at least the first and second quarters of this year. With a relatively weak U.S. dollar, the Canadian import market should demonstrate steady growth above year-earlier levels, particularly in the first quarter. In Mexico, population growth and economic recovery should also result in increased exports to the region. With a U.S. dollar remaining relatively weak, however, total export growth in 2010 may chart potentially higher.

U.S. imports of beef for 2010 are forecast at 2.7 billion pounds. This would be an increase of 3 percent from the 2009 year-ending total of 2.627 billion pounds. Imports for 2009 were also over 3 percent higher than 2008 levels. Primary sources of beef such as Australia and New Zealand are facing both constrained slaughter and production levels, as producers are expected to increase cattle herds and are finally receiving the rainfall necessary for doing so. As cattle are withheld from slaughter in those markets, 2010 imports from Australia and New Zealand are expected to be constrained. Imports will be further aggravated by a weakened U.S. dollar, particularly relative to the Australian and New Zealand dollars. However, with a lower U.S. national cattle herd, cow slaughter is forecast to decrease 3 percent this year. Lower cow slaughter in 2010 will serve to encourage beef imports in 2010. As fed beef production in Canada is expected to increase by the second and third quarters, Canada again looks to remain a steady beef supplier.

Live Cattle Imports To Pick Up as 2010 Unfolds

Imports of cattle to the United States in 2010 are forecast at 2.15 million head, a 7-percent increase from the 2.002 million head imported in 2009. Imports for 2009 were 12 percent below year-earlier levels, with imports from Canada down 33 percent. Thus far in 2010, AMS weekly reports show a continued decrease in Canadian cattle imports. Although a weakened U.S. dollar reduces returns for foreign producers marketing cattle in the United States, Canadian producers should begin to see some increased incentive to market their cattle in the United States as the U.S.-Canadian price differential for feeder and fed cattle has widened in recent weeks. CanFax market reports for Alberta and Saskatchewan also show marketings from feedlots trending downward due to lower fall placements.

Canadian placements, however, have been up since January, implying increased marketings, and subsequent export potential, by the second quarter of this year. Although cattle imports into the United States for 2010 are currently below year-earlier levels, as U.S. feeder cattle prices are expected to increase and grazing conditions deteriorate seasonally in Mexico, greater numbers of cattle should be marketed to the United States in the latter part of the year.

Broiler Production Falls in January, First-Quarter Estimate Revised Upward

Broiler meat production for January 2010 was reported at 2.83 billion pounds, down 1 percent from the previous year. The decrease was the result of fewer birds slaughtered, mostly owing to the fact that January 2010 had 1 less slaughter day than January 2009. The total number of birds slaughtered was 672 million, down 3 percent from January 2009, and the total liveweight of broilers at slaughter fell by 2 percent from a year earlier. The average liveweight at slaughter, 5.64 pounds, was up 1 percent from the previous year.

With January's small decrease in broiler meat production and production for February and March expected to show year-over-year gains, the estimate for first-quarter 2010 broiler meat production was increased by 75 million pounds to 8.68 billion pounds, an increase of 1.2 percent from a year earlier. The gain in production is expected to come from slightly higher average weights and an increase in the number of birds slaughtered in both February and March.

Weekly estimates of broiler eggs in incubators and chick placements from the NASS Broiler Hatchery Report point toward gradual increases in the number of birds available for slaughter, which is expected to result in higher broiler meat production. Over the last 5 weeks (February 6 to March 6), the number of eggs placed in incubators has averaged 206 million, 1.2 percent higher than during the same period the previous year. The incubation period for broiler eggs is 3 weeks, and then chicks are placed for growout. Chicks placed for growout in mid- to late March will likely be ready for slaughter in early to mid-May, based on an average 7- to 8-week growout period.

With the year-over-year reduction in broiler meat production in January and only a small increase expected in February, along with lower stock levels, prices for most broiler products have been slowly trending upward. Over the first 2 months of 2010, the 12 City whole broiler price averaged 81 cents per pound, up a fraction from the same period in 2009. Year-over-year price changes for other broiler products are mixed. Prices for boneless/skinless breast meat in the first 2 months of 2010 averaged \$1.31 per pound, up 5 percent from the previous year, and prices for rib-on breasts averaged almost 10 percent higher. Even with lower exports, prices for leg quarters averaged 36 cents per pound in the first 2 months, up about 2 percent from the same period in 2009. After very strong prices through January, prices for wings declined seasonally in February. Still, over the first 2 months of 2010, wing prices averaged 1.70 per pound, 15 percent higher than the previous year.

Lower broiler meat production in 2009 has resulted in lower cold storage inventories for most broiler products. Overall broiler stocks were consistently lower than a year earlier throughout 2009 and have continued lower in January 2010. Stocks of broiler products at the end of January 2010 were reported at 607 million pounds, down 10 percent from the previous year, which in turn was 10 percent lower than at the end of January 2008. Stocks of many individual broiler products were down from the previous year, but stocks of thigh meat and wings were higher.

The ending stocks estimate for first-quarter 2010 is forecast at 660 million pounds, an increase of 6.5 percent from the previous year. This increase in stocks is expected to reflect the impacts of gradually rising production and lower exports.

Broiler Exports Total 460 Million Pounds in January 2010

At 460 million pounds in January 2010, broiler exports were down 24 percent from the previous year. A large portion of the decrease was due to much smaller shipments to Russia, China, and Cuba, three of the five largest export markets for U.S. broiler in 2009. These declines were partially offset by larger shipments to both Mexico and Canada. Even with the large decline in exports in January, the wholesale prices for leg quarters (the primary export product) averaged 36 cents per pound over the first 2 months of 2010, only slightly lower than a year earlier. This strength in leg quarter prices despite a worldwide economic downturn may be due to chicken's relatively low prices compared with beef and pork products.

Broiler exports for first-quarter 2010 are estimated at 1.4 billion pounds, down 20 percent from the previous year. The lower forecast is based on unsettled economic conditions in many countries, trade disputes with both Russia and China, and a reduction in the Russian import quota. The annual 2010 forecast for U.S. broiler exports is 5.83 billion pounds, down 15 percent from the 6.84 billion pounds exported in 2009.

Turkey Production Forecast for 2009 Reduced

Turkey hatchery data had shown significant year-over-year declines throughout 2009 until November, which was slightly higher than the previous year. However, placements moved below-year earlier levels in December, and in January 2010 net poult placements were again sharply lower (down 11.6 percent) compared with January 2009. The estimate for first-quarter turkey meat production is 1.28 billion pounds, down 100 million pounds from a year earlier. The second quarter is forecast at 1.32 billion pounds, down 6.7 percent. The declines in production are expected to become much smaller in the second half of 2010, averaging just over 1 percent lower than in the second half of 2009.

Turkey meat production in January 2010 was 424 million pounds, down 9 percent from a year earlier. The decline in production was the result of a lower number of birds being slaughtered (down 10 percent), as the average weight of birds at slaughter was basically unchanged from the previous year. The reduction in the number of birds slaughtered was partially due to 1 fewer slaughter day in January 2010 compared with a year earlier. The year-over-year declines in production are expected to be smaller in both February and March, with first-quarter 2010 turkey production expected to be down about 7 percent from the previous year.

New Breakout in Turkey Cold Storage Holdings

The National Agricultural Statistics Service (NASS) has expanded its coverage of turkey cold storage holdings beginning with the data for January 31, 2010. The expanded details of turkey cold storage holding were reported monthly for 2009 in the 2009 *Cold Storage Annual Report*, so 13 months of data for the new breakout are now available. While the whole bird breakout remains the same, the breakout

for turkey products is now made up of five categories: breast meat, legs, Mechanically Deboned Meat (MDM), an “other” category, and an unclassified category.

Turkey Stocks 33 Percent Lower

The estimate for turkey stocks at the end of January 2010 was 300 million pounds, down 33 percent from the previous year. The decrease in cold storage holding stems from sharply lower holdings in almost all of the six categories reported for turkey. At the end of January 2010, whole birds stocks were estimated at 110 million pounds, down 43 percent from the same period in 2009. Stock level estimates for most turkey products declined between 24 and 37 percent, the only exception being stocks of MDM, which were down 7 percent. Turkey stocks are forecast to remain below the previous year through the first three quarters of 2010, as production is expected to be below a year earlier.

The large decrease in stocks of whole birds at the end of 2009 and into 2010 has pushed whole bird prices higher even with economic conditions that would normally place downward pressure on prices. Whole bird prices were below the previous year throughout most of 2009, turning higher at the end of the year. Prices have continued above year-earlier levels through the first 2 months of 2010, averaging 77.6 cents per pound for hens in the Eastern market, 6.3 percent higher than in the same period in 2009. With lower production, whole bird prices are expected to remain above earlier levels throughout 2010.

Turkey Exports Continue To Decline

After falling by 21 percent in 2009, turkey exports are forecast to increase by 2 percent in 2010 to 545 million pounds. However, shipments in January were only 32 million pounds, down 18 percent from the previous year, which in turn was 17 percent lower than exports in January 2008. Much of the decline in January 2010 was due to lower shipments to Mexico, the dominant market for U.S. turkey products, which totaled 19.2 million pounds, down 28 percent from the previous year. During 2009, exports of turkey products to Mexico were down 28 percent, while broiler shipments rose 20 percent. In trying economic conditions, Mexican consumers seem to be switching to broiler products, which likely have a price advantage over turkey products. A large portion of U.S. turkey exports to Mexico are used for prepared turkey products.

Table Egg Production Up Fractionally in January

Table egg production in January was 551 million dozen, up fractionally from the previous year. This continues a series of small year-over-year increases in table egg production, which was higher in every month in 2009 except February. The number of birds in the table egg flock was slightly lower in January 2010 than the previous year. The number of hens in the table egg flock is expected to continue at about the same as the previous year for most of 2010, but small increases in the rate of lay is expected to result in slightly higher table egg production. Table egg production is forecast to be above the previous year through the first three quarters of 2010, with production in the fourth quarter about even with the previous year.

While table egg production rose in 2009, hatching egg production fell as production of eggs from meat-type birds was down. In January 2010, hatching egg production was 90 million dozen, an increase of less than 1 percent. The increase was the result of small production increases from egg-type birds and meat-type birds. In both cases production rose less than 0.5 million dozen. Hatching egg production is expected to increase about 1 percent as broiler egg production, which makes up the majority of eggs in this category, is expected to have only a small increase.

Wholesale table egg prices were relatively high in January 2010, at \$1.27 per dozen, for Grade A large. Prices declined somewhat in February, but in early March began to strengthen in advance of the Easter holiday, with weekly prices in the New York market moving up to around \$1.30 per dozen, up from around \$0.95 per dozen a year earlier. With only a small expansion expected in table egg production, egg prices are forecast to average significantly higher than the previous year during the first half of 2010, but only slightly higher than the previous year during the second half of 2010.

Egg Exports Continue To Expand

Egg exports are forecast at 240 million dozen in 2010, down slightly from the 242 million dozen exported in 2009. However, exports are expected to be up strongly in the first half of the year and then to decline below the large volume of exports in the second-half of 2009.

Even with relatively strong prices in the end of 2009 and into January 2010, egg exports in January totaled 17.6 million dozen, up 45 percent from the previous year. Shipments of shell eggs and egg products were much larger than the previous year, with exports of shell eggs up 25 percent and exports of egg products up 66 percent from January 2009. Increased exports to Canada, Hong Kong, Germany, and Denmark accounted for most of the increase. Shipments to Canada and Hong Kong are mostly shell egg products, while a large percentage of shipments to European Union countries are egg products. Egg product exports to European Union countries were especially strong in the second half of 2009 and are continuing strong thus far in 2010.

Lamb Prices Show Dramatic Increases

After averaging \$90 per cwt or below for the last 4 years, Choice slaughter lamb prices at San Angelo, Texas saw notable increases in the first 2 months of 2010—\$95.04 per cwt in January and \$106.63 per cwt in February. First-quarter 2010 Choice slaughter lamb prices are forecast at \$100 to \$101 per cwt, about 12 percent above the same period a year earlier. This dramatic increase in price is likely due in large part to very tight domestic supplies in the face of increasing lamb demand. Tight supplies are expected to continue through much of the year, which could result in even further price strengthening.

Despite an uptick in demand, first-quarter 2010 commercial production of lamb and mutton is forecast at 42 million pounds, equaling the same period in 2009 when demand was not as strong. Although the volume of lamb and mutton slaughtered is expected to be lower than in the first quarter 2009, slaughter weights are expected to be higher due to an increase in the percentage of heavier weight market lambs being slaughtered. The percent of mature slaughter was unprecedented in 2009, especially for the last 6 months of the year, when mature slaughter averaged 7-9 percent. Mature slaughter is slowly moving back to its normal 4-5 percent range. Mature slaughter was 6 percent of total slaughter in January and is expected to fall even more in February and March 2010.

Imports of lamb and mutton continue to offset tight domestic supplies. First-quarter 2010 lamb and mutton imports are forecast at 53 million pounds, 4 percent above the same period last year. Import strength is expected to continue throughout 2010, as it is expected to offset continued tight domestic supply and satisfy the strengthening lamb market.

Despite a Smaller Dairy Herd in 2010, Milk Production Will Inch Ahead; Further Dramatic Price Increases Are Unlikely

The drawdown in the size of the U.S. dairy herd, which began last year, is forecast to continue in 2010. The contraction is expected to be larger in the first half, with the year-over-year reduction reaching 1.7 percent following a 1.2 percent contraction in 2009. The milk-feed price ratio is expected to recover smartly in 2010 compared with the 1.72 ratio calculated for 2009. The improved milk-feed ratio will likely support a continuing rise in output per cow in 2010. Producers will continue to push for additional output per animal before expanding herd size. While larger operations seem to be adding cows, some of that increase may be a freshening of herds, which would also contribute to increasing output per animal. On balance, the rise in output per cow to a projected 20,950 pounds—balanced against a reduction in the national herd size to an estimated 9,045 thousand cows for the year—will result in 189.5 million pounds of milk, about 150,000 pounds more milk in 2010 compared with 2009.

Ending stocks on both a fats and skim-solid basis ended 2009 above the previous year, but stocks are forecast to end 2010 lower than at the beginning of the year. The drawdown comes from an expected increase in commercial use and a modest recovery in exports expected this year. Most of the drawdown in stocks is likely to occur in the second half of 2010.

Commercial use is projected to reach 188.7 billion pounds in 2010 on a fats basis, up 1.43 percent. Moderating prices for cheese and economic recovery are the basis for stronger domestic commercial use on a fats basis. The higher commercial domestic use should draw down currently high cheese stocks over the course of the year and firm cheese prices by year's end. Commercial use on a skim-solid basis is expected to reach 168.0 billion pounds, up 0.7 percent from last year. Higher exports of powder, especially later in 2010, are expected to draw powder from the domestic market, limiting commercial domestic use on a skim-solid basis.

Commercial milk equivalent exports are forecast at 4,730 billion pounds and 25,450 billion pounds on a fats and skim-solid basis, respectively. Most of the improvement comes with increased exports of butter, milk fat, and nonfat dry milk (NDM). While exports have been modest in the first quarter, movement is likely to improve in later quarters due to economic recovery in importing countries and tighter supplies from potential competitors.

The overall demand outlook is one of recovery. Forecast growth in commercial use of dairy products overall is expected to be moderate in 2010. While milk supplies have tightened since 2009, there is still sufficient milk to meet expected demand, both foreign and domestic. Cheese prices could continue to strengthen in the second half of the year and are expected to average \$1.500 to \$1.560 per pound. Butter prices could also rise over the course of the year as demand improves. Butter prices are expected to average \$1.415 to \$1.505 per pound in 2010.

NDM prices should climb in the second half of 2010 as exports increase. NDM prices are forecast to average \$1.135 to \$1.185 a pound in 2010. In 2010, when prices are expected to rebound; prices will likely average 38.0 to 41.0 cents a pound this year.

Since milk production appears ample for meeting expected demand, prices are expected to be higher than 2009, but are unlikely to rise to 2007 or 2008 levels. The Class IV price is forecast at \$13.65 to \$14.35 per cwt, substantially above 2009's average of \$10.89 per cwt. The Class III price is expected to average \$14.20 to \$14.80 per cwt, compared with 2009's \$11.36 per cwt average. The all milk price is forecast to average \$15.55 to \$16.15 per cwt, up from \$12.81 in 2009.

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

Livestock, Dairy, and Poultry Outlook, <http://www.ers.usda.gov/Publications/ldp/>
Animal Production and Marketing Issues, <http://www.ers.usda.gov/briefing/AnimalProducts/>
Cattle, <http://www.ers.usda.gov/briefing/cattle/>
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Dairy Forecasts

	2009					2010				
	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thous.)	9,295	9,262	9,155	9,090	9,201	9,075	9,060	9,040	9,000	9,044
Milk per cow (pounds)	5,097	5,278	5,111	5,090	20,576	5,200	5,385	5,195	5,170	20,950
Milk production (bil. pounds)	47.4	48.9	46.8	46.3	189.3	47.2	48.8	47.0	46.5	189.5
Farm use	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.1
Milk marketings	47.1	48.6	46.5	46.0	188.3	46.9	48.5	46.7	46.3	188.4
Milkfat (bil. pounds milk equiv.)										
Milk marketings	47.1	48.6	46.5	46.0	188.3	46.9	48.5	46.7	46.3	188.4
Beginning commercial stocks	10.1	12.7	14.5	13.7	10.1	11.3	12.4	14.2	13.2	11.3
Imports	0.9	1.0	1.0	1.1	4.1	1.0	1.0	1.0	1.2	4.1
Total supply	58.1	62.3	62.0	60.7	202.4	59.2	61.9	61.8	60.6	203.9
Commercial exports	1.0	1.1	0.9	1.2	4.2	1.2	1.2	1.2	1.2	4.7
Ending commercial stocks	12.7	14.5	13.7	11.3	11.3	12.4	14.2	13.2	10.0	10.0
Net removals	0.1	-0.1	0.1	0.5	0.6	0.3	0.1	0.0	0.0	0.3
Commercial use	44.3	46.9	47.2	47.6	186.0	45.4	46.4	47.5	49.4	188.7
Skim solids (bil. pounds milk equiv.)										
Milk marketings	47.1	48.6	46.5	46.0	188.3	46.9	48.5	46.7	46.3	188.4
Beginning commercial stocks	10.9	11.5	12.4	11.5	10.9	11.3	11.2	11.7	10.7	11.3
Imports	0.9	0.9	0.9	1.0	3.7	1.0	1.0	0.9	1.1	3.9
Total supply	58.9	61.0	59.8	58.5	202.8	59.2	60.6	59.3	58.0	203.6
Commercial exports	5.1	5.8	5.5	6.1	22.5	6.0	6.3	6.6	6.6	25.5
Ending commercial stocks	11.5	12.4	11.5	11.3	11.3	11.2	11.7	10.7	10.5	10.5
Net removals	1.1	0.7	0.6	0.4	2.9	0.0	0.0	0.0	0.0	0.0
Commercial use	41.2	42.1	42.5	41.0	166.8	42.3	42.7	42.0	41.0	168.0
Milk prices (dol./cwt) 1/										
All milk	12.23	11.60	12.07	15.33	12.81	15.60	14.70	15.40	16.45	15.55
						-15.80	-15.20	-16.20	-17.45	-16.15
Class III	10.18	10.20	11.09	13.96	11.36	13.83	13.60	14.45	14.87	14.20
						-14.03	-14.10	-15.25	-15.87	-14.80
Class IV	9.56	10.06	10.56	13.37	10.89	13.17	13.25	13.95	14.21	13.65
						-13.47	-13.85	-14.85	-15.31	-14.35
Product prices (dol./pound) 2/										
Cheddar cheese	1.236	1.193	1.249	1.508	1.297	1.466	1.435	1.520	1.570	1.500
						-1.486	-1.485	-1.600	-1.670	-1.560
Dry whey	0.164	0.232	0.294	0.344	0.259	0.380	0.385	0.385	0.375	0.380
						-0.400	-0.415	-0.415	-0.405	-0.410
Butter	1.097	1.197	1.194	1.351	1.210	1.361	1.390	1.468	1.448	1.415
						-1.401	-1.470	-1.578	-1.578	-1.505
Nonfat dry milk	0.823	0.833	0.892	1.142	0.922	1.111	1.103	1.147	1.188	1.135
						-1.131	-1.143	-1.207	-1.258	-1.185

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/dyfmoms/mib/fedordprc_dscrp.htm

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

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