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# Livestock, Dairy, and Poultry Outlook

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## High-Valued U.S. Dollar Driving U.S. Exports Lower, Imports Higher

The third-quarter trade data for red meat, poultry, and dairy products shows lower year-over-year exports and higher year-over-year imports. The third-quarter net value of red meat, poultry and dairy exports was sharply lower compared with year-ago values. The most likely overall factor driving these results is the continuing high exchange rate value of the U.S. dollar. The high-valued dollar negatively impacts price competitiveness, both abroad and in domestic markets. Exports of red meat were 20 percent lower year over year and dairy products were 25 percent lower, as were exports of poultry (-22 percent) and eggs (-26 percent). In addition to exchange rate effects, the U.S. beef, poultry, and egg sectors faced additional headwinds. On the beef side, high domestic prices due to lower supplies likely discouraged foreign buyers and encouraged U.S. imports. In the case of poultry and eggs, trade restrictions due to highly pathogenic avian influenza (HPAI) also played a significant role in lower exports. The total value of red meat, poultry, and dairy net exports (the value of exports minus the value of imports) in the third quarter was \$1.6 billion, down from \$3.2 billion in the same quarter of last year, a change of -51 percent.

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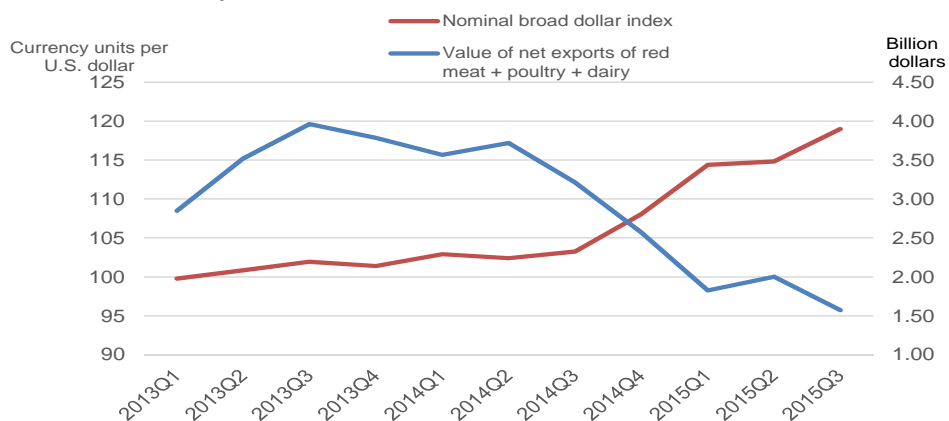
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Tables will be released on Nov. 30, 2015

The next newsletter release is Dec. 15, 2015

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Approved by the World Agricultural Outlook Board.

Value of quarterly net exports of red meat and poultry and nominal broad dollar index 2013 – third quarter 2015



Source: USDA/ERS. <http://www.ers.usda.gov/data-products/livestock-meat-international-trade-data.aspx>. Board of Governors of the Federal Reserve System

**Beef/Cattle:** Late-October/early-November 2015 live cattle prices have been volatile following early-October's sharp decline. For the week-ending November 8, 2015, 5-area all grade fed steers were \$130.40/hundredweight (cwt). Along with rallying fed steer prices, feeder cattle prices also rebounded.

**Beef/Cattle Trade:** U.S. beef exports continue to struggle, and USDA is currently projecting almost a 14-percent year-over-year decline in total beef exports this year. Increasing beef availability, resulting in lower beef prices, is expected to spur renewed interest in U.S. beef in 2016, boosting exports about 9 percent.

**Pork/Hogs:** The U.S. pork sector is expected to finish 2015 with year-over-year production gains of 7.3 percent, reflecting a strong recovery from last year when disease problems hampered production. Third-quarter pork exports were almost 18 percent higher than a year ago. Imports of pork and live Canadian swine were also solidly higher.

**Poultry:** Fourth-quarter 2015 broiler meat production is forecast at 10.1 billion pounds, 3 percent higher than a year earlier but the lowest quarterly increase in 2015 as integrators scale back production growth in response to low prices. Even with somewhat lower broiler production, the forecast for fourth-quarter cold storage holdings of broiler products was increased to 800 million pounds. The increase reflects both higher domestic production and lower exports. U.S. turkey meat production in third-quarter 2015 was 1.35 billion pounds, down 9 percent from a year earlier. Lower production and lower stocks boosted wholesale prices for whole hen turkeys to \$1.36 in October, 17 percent higher than the previous year. Table egg production in third-quarter 2015 was 1.6 billion dozen, down 11 percent from a year earlier, pressuring wholesale prices upward to \$2.36 per dozen, a gain of over a dollar from the previous year.

**Poultry Trade:** Broiler, turkey, and egg shipments in September 2015 remained down from a year ago. Broiler shipments totaled 481 million pounds, a decrease of 22 percent from a year earlier. September turkey shipments decreased 38 percent from a year ago, totaling 43 million pounds, while egg and egg product exports totaled 24 million dozen, a 29-percent decrease from the previous September.

**Dairy:** The all-milk price forecast for the fourth quarter of 2015 is \$17.50-\$17.80 per cwt, an increase from \$17.00 to \$17.40 forecast last month. The all-milk price forecast for 2016 is \$15.95-\$16.85 per cwt, a reduction from \$16.05 to \$16.95 forecast last month.

### **Recent Livestock, Dairy and Poultry Special Articles**

*"Effect of the Trans-Pacific Partnership on U.S. Dairy Trade,"* pdf pages 19-25 of November 2013 *Livestock, Dairy and Poultry Outlook* report  
(<http://www.ers.usda.gov/media/1221780/specialarticleldpm233.pdf>)

*"Determinants of Japanese Demand for U.S. Pork Products in 2012,"* pdf pages 20-25 of the May 2013 *Livestock, Dairy and Poultry Outlook* report  
(<http://www.ers.usda.gov/media/1106754/ldpm227.pdf>)

*"U.S. Pork Production Rises on a Smaller Base of Breeding Animals,"* pdf pages 16-19 of the April 2013 *Livestock, Dairy and Poultry Outlook* report  
(<http://www.ers.usda.gov/media/1077557/ldpm226.pdf>)

*"Implications of the Trans-Pacific Partnership for Meat, Poultry, and Seafood Trade,"* pdf pages 20-24 of the April 2013 *Livestock, Dairy and Poultry Outlook* report  
(<http://www.ers.usda.gov/media/1077557/ldpm226.pdf>)

### *Heavy Rains in Eastern Texas*

Much of Eastern Texas and the Southeast received several inches of rain in the aftermath of Hurricane Patricia. The U.S. Drought Monitor (November 10, 2015) removed the D3 Extreme Drought classification in much of the Southern Plains—the classification has now been reduced to a combination of D1 Moderate Drought and D0 Abnormally Dry (<http://droughtmonitor.unl.edu/>).

According to *Crop Progress* for the week ending November 8, 2015, 51 percent of selected States reported winter wheat conditions to be good or better—lower than this time last year

(<http://usda.mannlib.cornell.edu/usda/nass/CropProg//2010s/2015/CropProg-11-09-2015.pdf>). However, despite recent precipitation, the U.S. Drought Monitor continues to indicate serious drought in much of the West, especially California.

### *Heavy Cattle Placed in Feedlots*

Feeder cattle supplies outside feedlots on October 1, 2015, were 3.4 percent higher than October 1, 2014, inventories and were higher year-over-year for all of 2015. These feeder cattle supplies persist despite the pace of placements being below year-earlier levels in 7 of the first 9 months of the year.

While the October release of NASS' Cattle-on-Feed report contained no real surprises, it did provide some insight into two ongoing phenomena: recent marketings of cattle from feedlots of 1,000 head or more and heifer retention for cow herd expansion. The Cattle-on-Feed report showed ongoing year-over-year higher placements of feeder cattle weighing over 800 lbs., a scenario that has been playing out every month in 2015 except for May, when there was no change from May 2014. These heavy feeder cattle have accounted for an average of 40.5 percent of net placements of cattle in feedlots of 1,000-plus head for each month thus far in 2015, well above a norm in the 25-percent range.

Typically, heavy cattle are on feed for a relatively shorter period of time. For most of 2015, these cattle have been retained on feed for atypically long periods and have contributed significantly to year-over-year larger cattle-on-feed inventories and the record heavy weights of cattle marketed in 2015. A calculated ratio of over-800-lb. placements of cattle (lagged either 5 or 6 months) to marketings averaged 38.8 to 38.9 percent, compared with a more typical 30 percent, which implies that these heavy-weight feeder cattle have likely constituted a larger than normal proportion of cattle marketed over the last several months. Feeding periods could shorten and help keep feedlot inventories of market-ready cattle more current than they have been for most of 2015; however, these heavy, over-800-lb. cattle are likely to provide large numbers of market-ready cattle—disproportionately steers—through at least the first quarter of 2016 (or longer, if over-800-lb feeder cattle continue to be placed in year-over-year larger numbers).

Total third-quarter cattle placements in 1,000-plus feedlots were down 3 percent compared with last year. Given that pasture conditions have improved and live cattle prices are lower than in 2014, producers may be waiting for market conditions to improve before selling cattle.

The Oklahoma National Stockyards prices on November 9, 2015, for medium number 1 feeder steers weighing 750-800 pounds ranged between \$169-\$177/hundredweight (cwt)—down around \$40 compared with this time last year ([http://www.ams.usda.gov/mnreports/ko\\_ls750.txt](http://www.ams.usda.gov/mnreports/ko_ls750.txt)). USDA projects fourth-quarter 5-area direct total all grades steer prices to be \$130-\$134/cwt, down over \$30 compared with 2014.

While September 2015 placements in the 800-plus-pound category were up nearly 8 percent over last year, the backlog of very heavy market-ready cattle in the feedlots may clear out in fourth quarter. In addition, packers have increased the discounts on very heavy cattle. Generally speaking, fourth quarter tends to see a seasonal upswing in placements—they are expected to pick up in the last quarter and may spill over into the early part of 2016.

Marketings will be impacted if placements are delayed. Like third-quarter placements, marketings were down in the third-quarter 2015 compared with third-quarter last year. Cattle are spending longer periods on feed primarily because feed costs are relatively low, and the current market does not provide much incentive to sell fed cattle. Early November 2015 live cattle prices picked up compared with early October's sharply lower prices. For the week ending November 8, 2015, 5-area all grade fed steers were \$130.40/hundredweight (cwt), roughly \$30 lower than year-earlier fed-steer prices.

Cattle marketed in November 2014 were the last to exhibit positive cattle-feeding margins. October 2015 margins were negative by over \$500 per head and could easily continue in the red until at least January 2016 (High Plains Cattle Feeding Simulator: <http://www.ers.usda.gov/data-products/livestock-meat-domestic-data.aspx>). These negative margins will likely exert even more downward pressure on feeder cattle prices, as well as on cow price, and could temper enthusiasm for what has appeared to be a rapid buildup in U.S. cow inventories.

### ***Herd Expansion Signals***

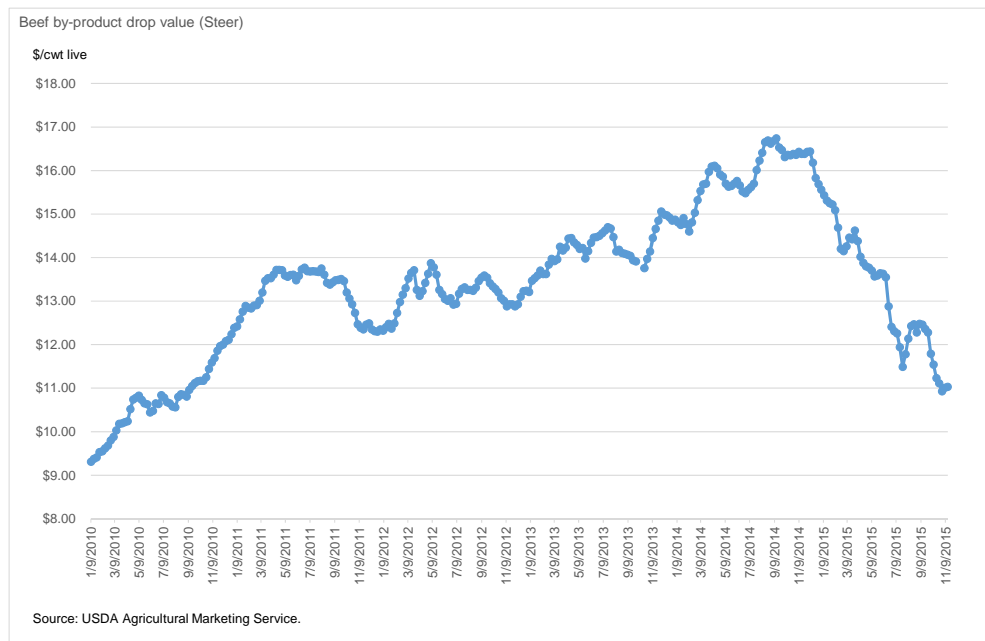
As herd rebuilding takes place, the proportion of heifers on feed continues to decrease relative to the proportion of steers on feed. The October 2015 *Cattle on Feed* report provided some evidence of continued herd expansion as the inventory of heifers and heifer calves on feed in 1,000-plus-head feedlots on October 1, 2015, was down 7 percent year over year. This fact, combined with the year-over-year 7-percent larger inventory of steers on feed on October 1, suggests that heifers are likely being held back for breeding purposes. The *Cattle* report, scheduled to be released in January 20, 2016, will provide a clearer indication of the cattle inventory situation.

Due to the increased proportion of steers in feedlots and relatively low feed costs, producers are choosing to manage cattle at heavier than traditional weights. The 5-area weekly weighted average direct slaughter total of all grades fed-steer live weights was 1,489 pounds for the week ending November 8, 2015, up 40 pounds compared with the same week last year ([http://www.ams.usda.gov/mnreports/lm\\_ct150.txt](http://www.ams.usda.gov/mnreports/lm_ct150.txt)). September 2015 dressed weights for steers in federally inspected slaughter facilities climbed to an average of 920 pounds (*Livestock Slaughter*), for the first time in the history of the series surpassing the average dressed weight of bulls (910 pounds).

## ***Cattle Carcass Weights Increase, Packer Margins Under Pressure***

Cattle carcass weights are at record levels and continue to increase counter-seasonally. As of the week ending October 24th, average steer weights were reported at 927 pounds (+3 percent year over year) and average heifer weights at 841 pounds (+2 percent year over year). Several factors have contributed to the rapid increases in cattle weight gain. First, the costs of feeding cattle have become considerably lower and there is excess capacity in the feeding sector. Second, the number of cattle placed during the first through third quarters has remained well below year-prior levels, giving feedlot owners more incentive to keep animals on feed longer to extract extra revenue for each additional pound of weight gain. The result is heavier animals being marketed and slaughtered. Last, due to favorable pasture conditions, animals have been placed in feedlots at heavier than normal placement weights at over 800 pounds, as reported in USDA NASS *Cattle on Feed*. The bottom line is that the gains in cattle carcass weights have helped to partially offset commercial beef production declines amid tight cattle supplies, a trend expected to continue during the remainder of 2015.

Beef-processing margins continue to deteriorate. Even though wholesale beef prices have increased from lows posted in October, prices still remain well below last year. At present, beef demand appears fragile; weak interest in the ground beef complex and sharp drops in the value of byproducts such as hide and offal continue to weigh on packers' operating margins. Packers are attempting to support their margins by constraining front-end supplies to force the live cattle market lower. So far this year, beef packers have remained disciplined with this strategy when margin pressures arise. However, seasonal trends suggest that beef cutout values should start to move higher post-Thanksgiving, potentially improving beef processing margins.



### *USDA Revises Live Cattle Imports Lower in 2015 and 2016*

Due to constrained cattle supplies in Canada, year-to-date live cattle imports from Canada continue to trend well below 2014 levels. From January through September, total live cattle imports from Canada were down about 23 percent compared to the previous year. However, it is important to highlight that the bulk of the decline in total cattle imports from Canada is the result of sharp declines in slaughter-ready cattle as opposed to feeder cattle imports. Feeder cattle imports from Canada have declined year-over-year but not to the extent that slaughter cattle imports have declined. Year-to-date, feeder cattle imports from Canada are down approximately 4 percent relative to last year, while all cattle imports ready for slaughter declined around 34 percent relative to last year. For Mexico, however, live feeder cattle imports remain brisk relative to the pace of shipments during 2014 due to the wide price differential between Mexican feeder cattle prices and higher U.S. feeder prices. The light pace of cattle imports from Canada is expected to continue through the end of the year, more than offsetting increased live animal shipments from Mexico, resulting in a 25,000-head reduction to the 2015 annual live import forecast from last month. As U.S. domestic inventories increase in 2016, it is expected that demand for live cattle will diminish, resulting in an 8-percent year-over-year decline in 2016.

### *U.S. Beef Exports Plummet in September; Imports Remain Historically High*

The general take-away from the January to September period of 2015 is that the U.S. beef exports have suffered a significant setback this year, and annual 2015 exports are expected to fall below 2014 levels by 14 percent. Overall, beef exports for the month of September were reported at 165 million pounds, nearly 25 percent below year-ago levels. Year-to-date, the United States has shipped approximately 1.7 billion pounds of beef abroad, 13 percent less than the same period in 2014. The relative strength of the U.S. dollar to other major currencies, high U.S. beef prices, and overall tight domestic supplies remain problematic for U.S. beef exports. However, the record pace of less expensive Australian beef has also played a significant role in the global decline for U.S. beef exports by capturing a greater percentage of global market share in top trade destinations. Increasing beef availability and lower prices are expected to spur renewed interest in U.S. beef in 2016, boosting exports over 9 percent. On the flip side, U.S. beef imports remain at historically high levels. Total beef imports for September were reported at 289 million pounds, with Australia accounting for 46 percent. Currently, Australia is more than three-quarters through its tariff-free quota for the year. While, the brisk pace of processing beef from Oceania has boosted 2015 beef imports into the U.S. to very high levels, it is expected that imports of lean processing beef from Australia and New Zealand will decline significantly during fourth quarter as the two countries seek to avoid triggering their respective over-quota tariffs. Looking ahead into 2016, overall beef imports are expected to decline by 11 percent as a result of increases in U.S. domestic supplies and decreases in the volume of processing beef shipped from Australia.

## Pork/Hogs

### *2015 Pork Production Reflects Sector Recovery From Disease Problems of 2014*

With less than 2 months left in 2015, USDA is projecting commercial pork production for the year at 24.5 billion pounds, a volume 7.3 percent greater than a year ago, when Porcine Epidemic Diarrhea (PEDv) reduced hog numbers. The 2015 pork production estimate is 5.7 percent higher than production in 2013, before the significant onset of PEDv. The annual production forecast incorporates a slightly smaller projection for fourth-quarter production compared with last month's forecast, due to lower than expected hog slaughter during the quarter. Fourth-quarter commercial pork production is expected to be 6.5 billion pounds, 5.4 percent greater than the same period a year ago. The fourth-quarter price of live equivalent 51-52 percent lean hogs is expected to average \$46-\$48. For 2015, hog prices will likely average \$50.82. For the first half of 2016, commercial pork production is expected to be nearly equal to the first half of 2015, at 12.1 billion pounds. First-quarter prices are expected to average \$48-\$50; second-quarter prices will likely average \$50-\$54.

### *Strong September Pork Exports Mostly Reflect Sector's Recovery From PEDv*

September pork exports were 404 million pounds, 17.8 percent higher than a year ago. The strong percentage change for September is more a reflection of severely reduced September exports last year, due to PEDv-reduced supplies. Nevertheless, September trade data completes the third quarter, with pork exports totaling almost 1.2 billion pounds, a volume 7.5 percent higher than the same period of 2014. The 10 largest third-quarter destinations for U.S. pork are listed below.

#### Ten Largest U.S. Pork Export Destinations, third-quarter 2015 and 2014

Country	Third quarter 2015 (million lbs)	Third quarter 2014 (million lbs)	Percent change %	Third quarter 2015 Export share % of total exports	Third quarter 2014 Export share % of total exports
<b>World</b>	1,172	1,090	7.5		
<b>1 Mexico</b>	386	342	13	33	31
<b>2 Japan</b>	295	271	9	25	25
<b>3 Canada</b>	139	143	-3	12	13
<b>4 China-Hong Kong</b>	96	70	38	8	6
<b>5 Central + So. America</b>	80	71	13	7	7
<b>6 S. Korea</b>	59	52	14	5	5
<b>7 Australia</b>	46	25	85	4	2
<b>8 Philippines</b>	24	24	-1	2	2
<b>9 Caribbean</b>	22	18	23	2	2
<b>10 Taiwan</b>	13	3	301	1	0

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

Third-quarter pork imports were 269 million pounds, an increase of 5 percent compared with the same period last year. Canada and the European Union together accounted for 97 percent of third-quarter imports. While increases in third-quarter imports in 2014—12-percent over the same period of 2013—were probably attributable to PEDv-reduced U.S. pork supplies, the 5-percent increase this year is very likely due in large part to the high-valued U.S. dollar, particularly as it affected the Canadian dollar and imports from Canada. In the third quarter of 2014, one Canadian dollar cost \$0.92. This year in the same period, a Canadian dollar cost \$0.76, a decline of 17 percent. Thus, in the July-September period this year, the decline in Canada's currency values likely made Canadian pork more competitive with U.S. pork. In the third quarter, Canada increased both its volume shipments to the United States (+7.8 percent) and its share of U.S. imports (77 percent this year versus 75 percent a year earlier).

U.S. imports of live Canadian swine also increased in the third quarter: total imports of 1.4 million head were 8.4 percent higher than a year ago. Categories showing the strongest gains during the quarter were animals weighing 23-50 kilos (+30.6 percent) and hogs for immediate slaughter (+18.2 percent). Gains in both of these categories are likely due to recent willingness of several U.S. packers to accept animals of Canadian origin.



### ***Broiler Production Higher in Third Quarter***

Broiler meat production in third-quarter 2015 was 10.37 billion pounds, up 5 percent from the same period in 2014. The increase was the result of a 3-percent gain in the number of broilers slaughtered to 2.25 billion birds. In addition, the average live weight at slaughter rose to 6.11 pounds, 2 percent higher than in third-quarter 2014. The increases in production in September were relatively close to the quarterly changes, with production 5 percent higher than a year earlier at 3.48 billion pounds. In September, the number of birds slaughtered was 2 percent higher and the average live weight at slaughter rose to 6.17 pounds, 3 percent above the previous year. Increasing average weights have been the most consistent factor in the growth of broiler production. Average weight at slaughter has been higher on a year-over-year basis for the last 35 months (since July 2012).

Fourth-quarter 2015 broiler meat production is forecast at 10.1 billion pounds, 3 percent higher than a year earlier. The increase in production is forecast to be driven mostly by a continued increase in average live weight. Preliminary slaughter numbers for broilers over the last several weeks show a slight year-over-year increase and higher average live weights; however, placement data has been mostly negative since mid-September, pointing toward a lower number of chicks being placed for growout.

Broiler meat production in 2016 is forecast to total 41 billion pounds, an increase of 2 percent from 2015. This forecast is an increase of 50 million pounds from the previous forecast, with the increase coming in higher production in the first quarter. In 2015, the increase in broiler meat production is expected to come mainly from higher average weights at slaughter. The number of birds being slaughtered is expected to decline compared to the previous year as integrators move to lower production somewhat pressured by high stock levels going into 2016 and low prices in 2015 for almost all broiler products.

The most recent weekly broiler hatchery report shows a slight downturn in the number of chicks being placed for growout compared with the previous year. Over the last 5 weeks (Oct. 10 through Nov. 7), the number of eggs placed in incubators for hatching averaged 195 million, 1 percent lower than in the same period in 2014. Over this same period, the number of chicks placed for growout has averaged 159 million, 2 percent lower than in the same period the previous year.

### ***Third-Quarter Ending Stocks Rise to 762 Million Pounds***

With higher broiler meat production in third-quarter 2015 compared to the previous year and with a large decline in third-quarter broiler exports, cold storage holdings rose to 762 million pounds at the end of the third quarter, up over 70 million pounds from the previous quarter and almost 170 million (29 percent) higher than the previous year. Cold storage holdings for all broiler product categories were significantly higher than the previous year, ranging from 15 percent for drumsticks to 67 percent for thighs. Increases in cold storage holdings for leg quarters were a prime factor in the year-over-year growth in cold storage holdings, totaling 44 million pounds from the previous year and making up 26 percent of the total increase in holdings, excluding paws and feet.

Although the growth in production is forecast to decline somewhat in fourth-quarter 2015, the forecast for 2015 ending stocks was increased to 800 million pounds, 18 percent higher than the previous year. The forecasts for ending stocks in 2016 were also increased, up by 10 million pounds to 695 million. While this is an increase from the previous forecast, it is a 13 percent decrease from the previous year, as lower growth in production and stronger exports are expected to result in a drawdown in cold storage levels.

### ***Prices for Broiler Products Down***

With continued gains in broiler meat production and a weaker market for exports pushing up cold storage holdings, prices for broiler products continued to be sharply lower than the previous year. Wholesale prices in the Northeast market were significantly less than those of last year. Some representative price declines were boneless/skinless breast meat at \$1.10 per pound (down 35 percent), bulk leg quarters at \$0.24 per pound (down 49 percent), and whole thighs at \$0.51 per pound (down 32 percent).

In October, the national price for whole birds declined to \$0.74 per pound, down 31 percent from the previous year. The higher forecast for fourth-quarter 2015 ending cold storage holdings is expected to continue placing downward pressure on broiler product, and the whole bird price forecast for fourth-quarter 2015 was reduced to \$0.72-\$0.74 per pound. The forecast for whole bird prices in 2016 was also reduced to reflect the extended period needed to lower cold storage holdings to a point where they will not be placing downward pressure on prices.

### ***Turkey Production Falls by 9 Percent***

U.S. turkey meat production in third-quarter 2015 was 1.35 billion pounds, down 9 percent from a year earlier. This continued the downward path for turkey production in 2015, with a strong increase in the first quarter, a small decrease in the second quarter, and most recently, a strong decrease in the third quarter. The third-quarter decline was due to both a lower number of turkeys slaughtered and a drop in their average live weight at slaughter. The slaughter number fell to 57.5 million, 6 percent lower than a year earlier, while the average live weight at slaughter declined to 29.3 pounds, a drop of 3 percent from the previous year. Since April the average live weight at slaughter has been lower than the previous year, for a period of 6 consecutive months—reflecting the impact of the HPAI outbreak, which caused processors to slaughter birds somewhat earlier than they normally would in order to maintain supply levels.

Turkey meat production in fourth-quarter 2015 is forecast to total 1.4 billion pound, which would be 8 percent lower than in fourth-quarter 2014. This decrease is again forecast to come from both a smaller number of turkeys slaughtered and a decrease in the average live weight per bird at slaughter.

Turkey meat production in 2016 is forecast at 6 billion pounds, which would be an increase of 8 percent from the HPAI-reduced production of the previous year; much of the increase will come in the second half of the year. The increase is expected to result from processors gradually expanding production to take advantage of stronger year-over-year prices for whole turkeys at the start of the year and of somewhat lower expected prices for feed ingredients, along with a strengthening export market. The domestic turkey market is also expected to benefit from continued growth in the domestic economy and gradually falling unemployment rates.

Lower turkey meat production during third-quarter 2015 helped to lower overall turkey stocks, which, in turn, put upward pressure on whole bird prices. Cold storage holdings of turkey products at the end of September were 453 million pounds, down 6 percent from a year earlier. The lower overall cold storage levels for turkey products extended to most of the categories reported in the cold storage report. Stocks of whole birds at the end of September totaled 268 million pounds, down 10 percent from a year earlier. This overall figure masks a difference in the cold storage levels for whole toms and whole hens.

At the end of September, stocks of whole toms were estimated at 138 million pounds, down 3 percent from a year earlier, while stocks of whole hens were estimated at 130 million pounds, 16 percent lower than at the end of September 2014. This difference is expected to have had an influence on whole turkey and turkey parts prices, since a higher proportion of toms are cut up for turkey parts and a larger proportion of hens are sold as whole birds. Stocks of turkey parts totaled 185 million pounds at the end of the third quarter, down only 1 percent from the same time in 2014. Stocks of turkey parts may have declined less than whole birds due to reduced exports. Whole turkeys are only a minor share of turkey exports, so declining exports would have a greater upward impact on stocks of turkey parts.

Overall turkey cold storage holdings at the end of 2015 are forecast at 190 million pounds, only slightly lower (2 percent) than at the end of 2014. In 2016, quarterly overall turkey cold storage holdings are expected to be lower than a year earlier at the end of the first quarter but then to rise as production begins to increase.

Lower cold storage holdings of whole hens has placed upward pressure on whole bird prices. Prices for whole frozen hen turkeys at the wholesale level averaged \$1.36 per pound in October, up from \$1.16 per pound the previous year (17 percent). Whole frozen hen prices are forecast to average \$1.32-\$1.36 per pound in fourth-quarter 2015, up about 18 percent from a year earlier. The quarterly price for frozen whole hens in 2016 is forecast higher through the first half of the year, but then to average below year-earlier levels in the second half, as higher production mitigates traditional seasonal price increases.

Price changes for turkey parts are mixed, even though lower stocks of whole toms would normally place upward pressure on prices as a high percentage of toms are cut up for parts. However, as of September, year-over-year price changes for some turkey parts have risen from year-earlier levels while others have fallen. Prices for boneless/skinless breasts, bone-in breasts, and mechanically separated meats have all shown strong increases in price compared to the previous year, while prices for drumsticks, thighs, and wings are down significantly. Prices were especially strong for boneless/skinless breast meat in September, \$5.75 per pound, more than 40 percent higher than a year earlier. Prices of turkey parts that are prime export items are likely to benefit going forward as countries that are potential markets for U.S. turkey meat lift trade sanctions.

### ***Egg Production Lower in Third Quarter***

Table egg production in third-quarter 2015 was 1.6 billion dozen, down 11 percent from the same period in 2014. On a year-over-year basis, table egg production was higher in the first quarter of the year, but with the HPAI outbreak, production has been lower over the last 2 quarters and has been down 10 to 12 percent over the last 4 months. During September, the average number of table egg layers in production totaled 276 million birds, an increase of 3 million hens from the previous month but 29 million hens lower than during March 2015, before the outbreak. The lower

number of hens in September was combined with a small decline in the rate of lay per 100 hens. As egg producers whose operations were impacted by the HPAI outbreak are gradually able to acquire replacement hens and repopulate their operations, production is expected to increase. A combination of strong prices and somewhat lower feed costs is expected to provide a major incentive to producers to expand production, and table egg production is forecast to be above the previous year's level in the second quarter of 2016. Overall table egg production in 2016 is forecast to total 7.0 billion dozen, up 3 percent from 2015.

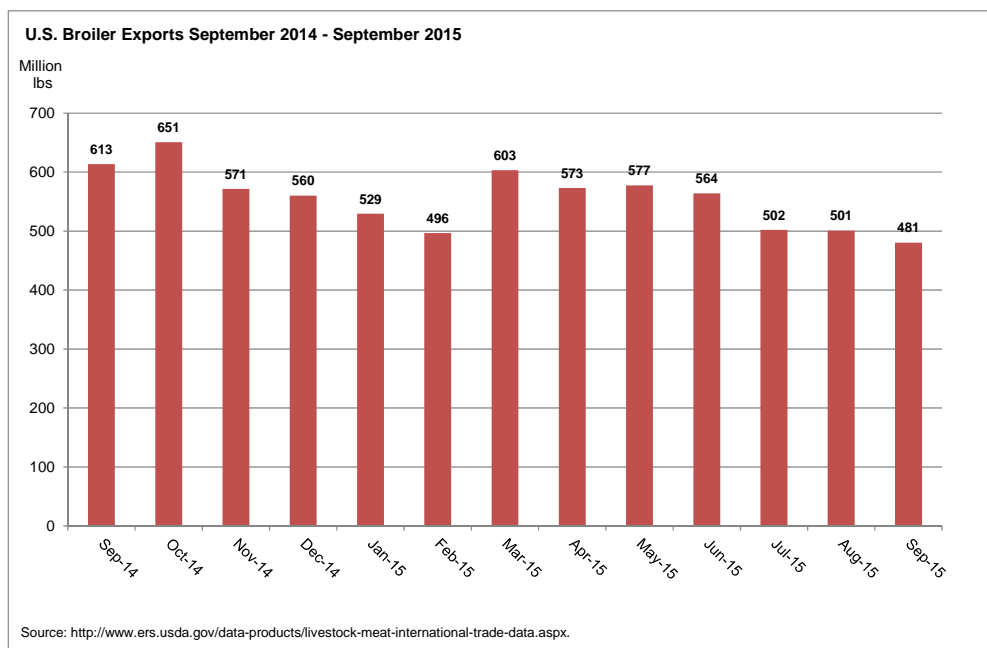
Hatching egg production in third-quarter 2015 was 283 million dozen, up 4 percent from the same period in 2014. Production is forecast to be higher than the previous year in fourth-quarter 2015, both for hatching eggs for the broiler industry and hatching eggs produced for egg-type replacement hens. Hatching egg production is forecast to total 280 million dozen eggs in fourth-quarter 2015, an increase of 3 percent from the previous year. Hatching production growth is forecast to slow in 2016 as production of meat-type hatching eggs moderates, but this will be partially offset by higher production of egg-type hatching eggs.

Wholesale table egg prices in third-quarter 2015 averaged \$2.36 per dozen (Grade A large in the New York market), over 1 dollar per dozen higher than a year earlier (up 82 percent). The normal seasonal increase in demand in fourth-quarter 2015 is forecast to keep prices at relatively high levels, between \$1.96-\$2.02 per dozen. While lower than in the third quarter, these prices would still be considerably higher than the previous year. Given the expected pattern of table egg production in 2016, wholesale egg prices are forecast to be stronger in the first half of the year but to drop below year-earlier levels in the second half. The price for 2016 is forecast to average \$1.61 to \$1.74 per dozen, down 11 percent from the forecast average for 2015.

## Poultry Trade

### *U.S. Broiler Shipments Down in September*

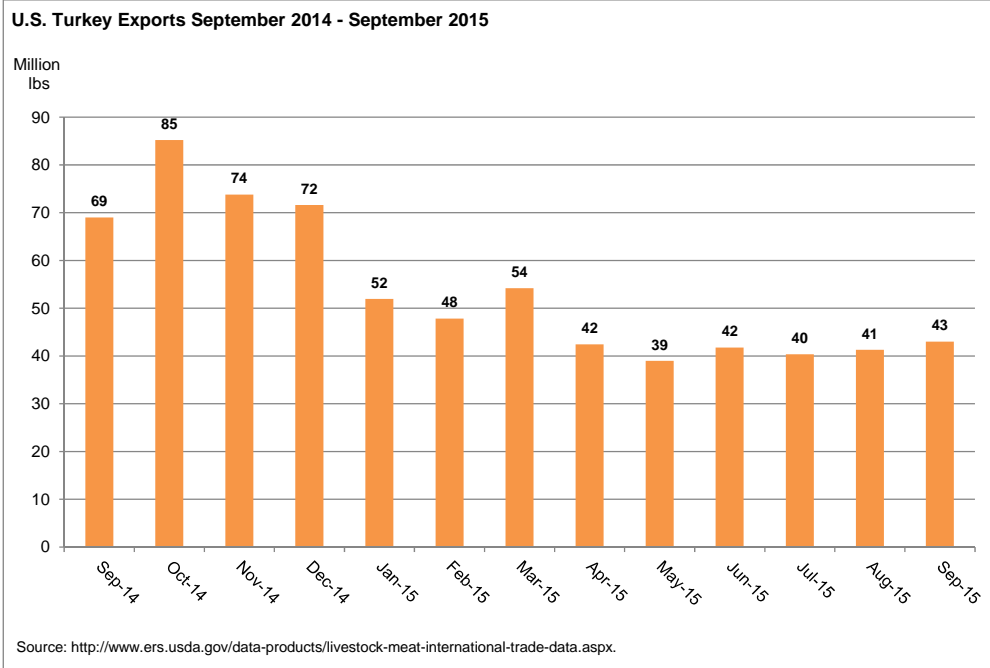
Broiler shipments dropped 22 percent in September compared with a year earlier, totaling 481 million pounds. Exports to Mexico, the United States' largest market, declined by 9 percent from September 2014 levels to 117 million pounds. National bans by China, Russia, and South Korea continue to impact exports. September trade also included the temporary loss of U.S. exports to Cuba, which reportedly suspended imports from the United States between August and September. The United States had averaged 24 million pounds of monthly broiler shipments to Cuba in 2015 through July. Most major markets were down or flat from a year earlier, but increased exports to Taiwan (+227 percent compared with September 2014), Canada (+12 percent), Guatemala (+40 percent), Republic of Congo (+56 percent), and Singapore (+70 percent) provided some offset. September marked the end of the third quarter, with total exports ending at 1.48 billion pounds. The forecast for fourth-quarter 2015 broiler exports was reduced 75 million pounds to 1.6 billion pounds as the impact of trade bans is expected to persist, while the forecast for 2016 was reduced 125 million pounds to 6.98 billion pounds as the recovery in exports is expected to remain measured.



### *Turkey Exports Drop in September From a Year Earlier*

In September, turkey exports totaled 43 million pounds, 38 percent lower than the previous September. The decrease was mainly due to a sharp decline in exports to Mexico, the largest market for U.S. turkey products. The 28 million pounds shipped to Mexico in September were 33 percent lower than the previous September. The overall drop in exports in September was likely due to the decline in production caused by HPAI outbreaks in spring 2015 and bans on imports from U.S. States where there have been outbreaks.

The total for third-quarter exports was 125 million pounds, 44 percent lower than the same quarter in 2014. The forecast for 2015 turkey exports is unchanged at 537 million pounds, and the 2016 forecast is unchanged at 740 million pounds. Exports in 2016 are expected to recover modestly as producers regain production capacity following the 2015 HPAI outbreak.

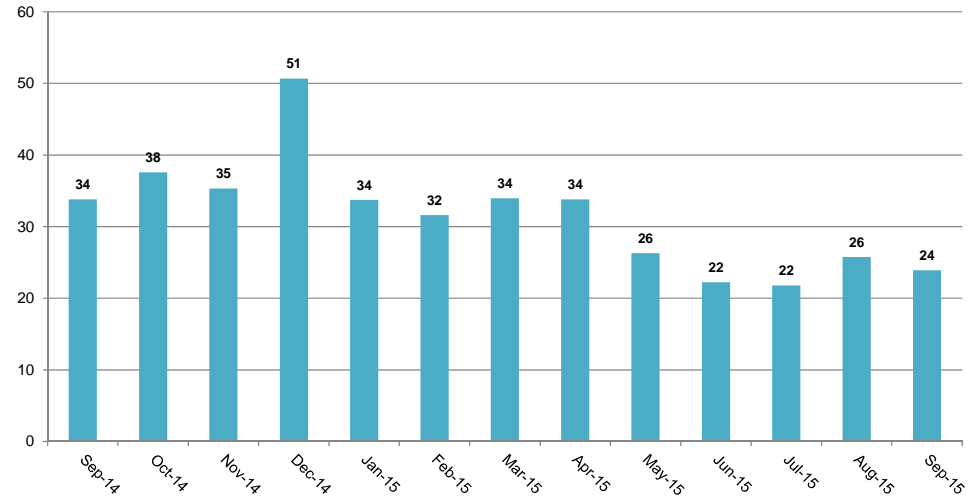


***Egg Exports Down in September***

Total egg exports (shell eggs and egg products) reached the shell egg equivalent of 24 million dozen in September, 29 percent lower than the previous year. The decline was primarily due to a sharp decrease in exports to Mexico, Japan, and Hong Kong. Shipments to Mexico were 49 percent lower in September compared with a year earlier, while shipments to Japan and Hong Kong fell by 46 percent and 62 percent, respectively. In contrast, shipments to Canada increased by 27 percent compared with a year earlier, totaling 12 million dozen. Similar to the turkey market, declining egg and egg product exports are likely due to the decline in production caused by HPAI outbreaks in spring 2015 and bans on imports from U.S. States where there have been outbreaks. Third-quarter exports came in at 71.5 million dozen, 26 percent less than the third quarter of 2014. Egg exports in 2015 are now expected to total 323 million dozen as decreased production, high domestic prices, and trade bans are expected to continue to limit exports. The forecast for 2016 exports remains unchanged at 350 million dozen.

**U.S. Egg and Egg Product Exports September 2014 - September 2015**

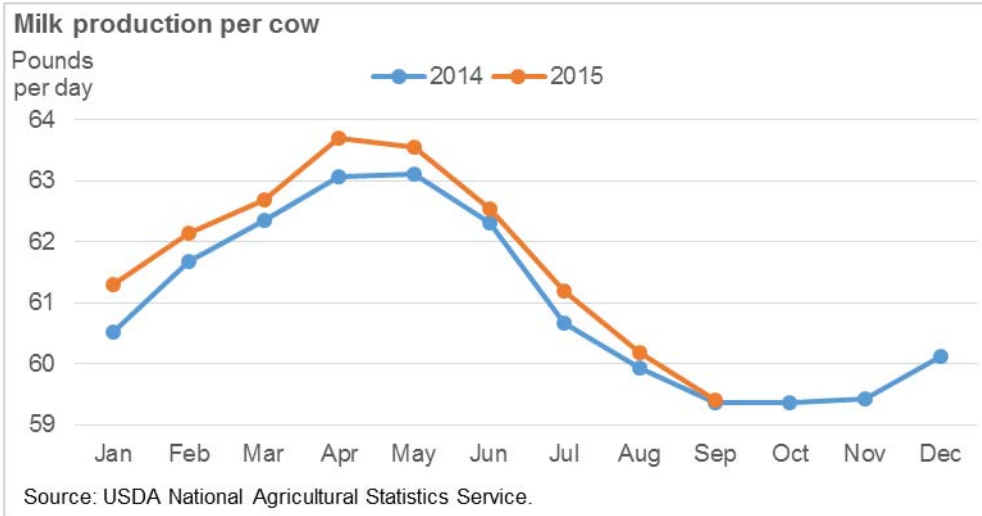
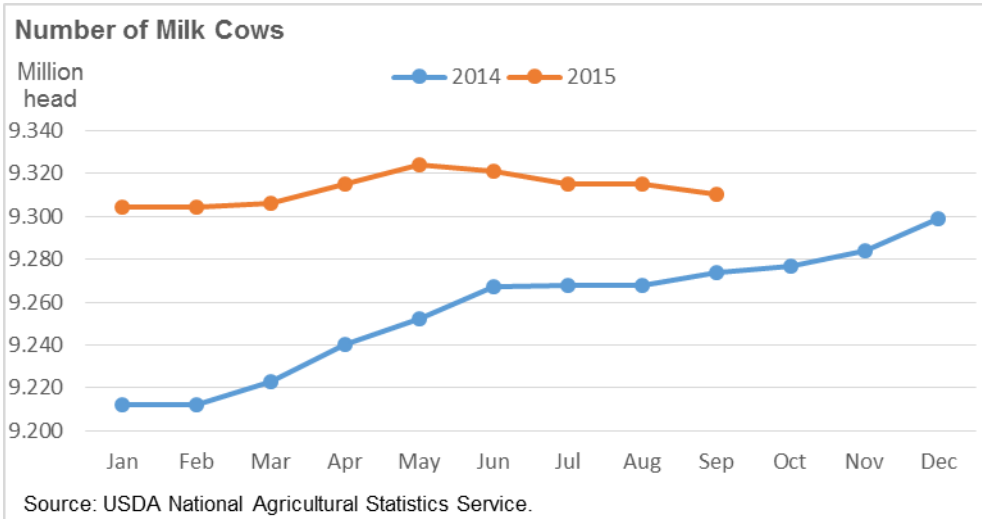
Million  
Dozen



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

## Recent Developments in Dairy Markets

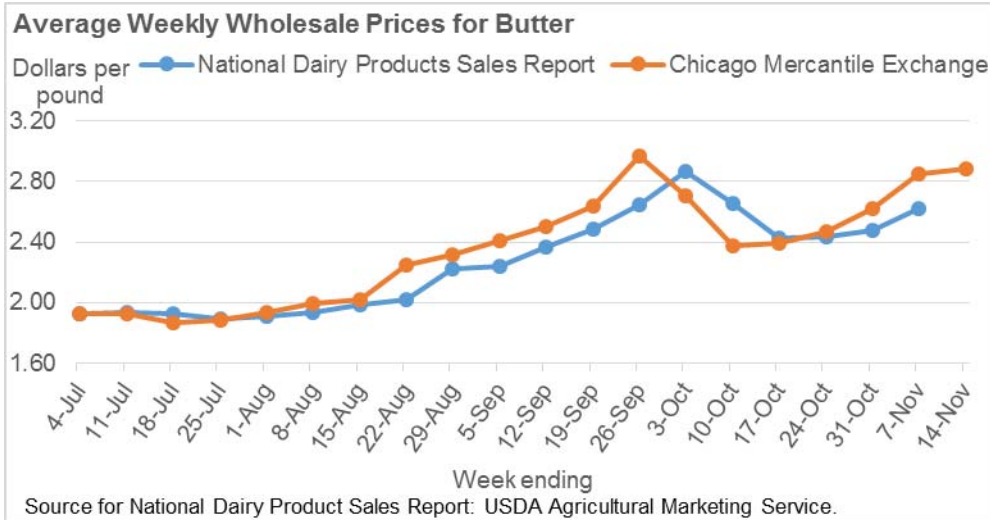
The USDA National Agricultural Statistics Service (NASS) estimated U.S. milk production of 16.6 billion pounds for September, up 0.4 percent from September 2014. The September year-over-year percentage increase was lower than for July or August (1.3 percent and 0.9 percent, respectively). Milk cow numbers declined by five thousand head from August to September. Milk per cow fell from 60.2 pounds per day in August to 59.4 pounds in September, a level about the same as in September 2014.



Average national wholesale prices for basic dairy products, as reported by USDA Agricultural Marketing Service (AMS), moved in mixed directions from September to October. The cheddar cheese price decreased from \$1.715 to \$1.679 per pound. The nonfat dry milk price (NDM) rose from \$0.801 to \$0.895 per pound. The dry whey price fell from 24.4 to 23.1 cents per pound. The greatest change was in the butter price, which rose from \$2.445 to \$2.573 per pound.



The butter price has been particularly variable in recent weeks. National average butter prices, as reported in the AMS National Dairy Products Sale Report (NDPSR), are highly correlated with Chicago Mercantile Exchange (CME) spot prices of the previous week. After the CME average butter price reached a peak of \$2.970 per pound for the week ending September 26,<sup>1</sup> the NDPSR price peaked at \$2.865 the following week. CME and NDPSR prices fell substantially for the 2 weeks following peak levels before rising significantly in more recent weeks.



Commercial exports on a milk-fat milk-equivalent basis fell by 63 million pounds from August to September, mostly due to a reduction in butter exports. Commercial exports on a skim-solids milk-equivalent basis increased by 272 million pounds, with higher exports of skim milk powder and lactose. Although commercial exports on a skim-solids basis increased from the previous month, they were expected to increase even more. Last month, third-quarter exports of 9.5 billion pounds were expected on a skim-solids basis, but 9.1 billion pounds were realized.

Dairy product imports decreased from August to September by 97 million pounds on a milk-fat basis and by 186 million pounds on a skim-solids basis. Products with lower imports included butter, milk protein concentrate (MPC), and casein products.

September ending stock levels for major dairy products were significantly higher than for September 2014, by 23.1 percent for butter, 10.7 percent for American cheese, 17.8 percent of other-than-American cheese, 24.6 percent for NDM, and 22.3 percent for dry whey.

### ***Feed Price Situation for Dairy***

The 2015/16 forecast for corn is lowered from last month to \$3.35-\$3.95 per bushel. The soybean meal price forecast is lowered to \$300-\$340 per short ton. The national average alfalfa hay price fell from \$159 to \$157 per short ton from August to September.

<sup>1</sup> For comparability between NDPSR and CME prices, week-ending dates in this section of the report are on Saturday. The last trading day for the CME each week is actually Friday.

### ***Dairy Forecasts for the Remainder of 2015***

With lower than expected milk production in September, the milk production forecast for the fourth quarter of 2015 has been lowered to 51.4 billion pounds, 0.2 billion lower than last month's forecast. The forecast for milk cow numbers has been lowered to 9.310 million head (-15,000 head), and the milk-per-cow projection has been lowered to 5,525 pounds per head (-5 pounds).

Based upon lower than expected exports in the third quarter, fourth-quarter commercial export forecasts have been lowered by 0.1 billion pounds on a milk-fat basis and by 0.1 billion pounds on a skim-solids basis. With lower than expected imports for the third quarter, fourth-quarter import forecasts have been lowered by 0.1 billion pounds on a milk-fat basis and 0.2 billion pounds on a skim-solids basis. The milk-fat basis ending-stock forecast has been raised by 0.2 billion pounds, but the skim-solids basis ending-stock forecast is unchanged.

Dairy product price forecasts for the fourth quarter have been adjusted based upon recent price data, along with supply and demand expectations for the fourth quarter. The largest change from last month's forecast is for butter, an increase to \$2.430-\$2.490 per pound. Forecasts for cheese and NDM for the fourth quarter have been lowered to \$1.640-\$1.670 and \$0.855-\$0.885, respectively. The fourth-quarter dry whey price forecast has been raised slightly, to 22.5-24.5 cents per pound.

With the lower expected price for cheese, the Class III price forecast for the fourth quarter has been lowered to \$15.00-\$15.30 per cwt. With the higher butter price more than offsetting the lower NDM price, the Class IV price forecast for the fourth quarter has been raised to \$15.55-\$15.95 per cwt. The higher Class IV price forecast more than offsets the lower Class III price, resulting in a fourth-quarter all-milk price forecast of \$17.50-\$17.80 per cwt, an increase from \$17.00-\$17.40 forecast last month.

### ***Dairy Forecasts for 2016***

The milk production forecast for 2016 has been lowered to 212.9 billion pounds, 0.1 billion pounds less than forecast last month. The milk cow forecasts have been lowered for the first half of the year, resulting in an annual forecast of 9.305 million head. The yield of 22,880 pounds per head is unchanged from last month's forecast.

Based on recent data and expectations of lower exports of butterfat products and cheese, the 2016 forecast for exports on a milk-fat basis has been lowered by 0.6 billion pounds. The forecast for exports on a skim-solids basis is unchanged. The 2016 forecast for imports has been lowered on both a milk-fat basis (-0.1 billion pounds) and a skim solids basis (-0.2 billion pounds), based on lower expected imports of milk protein concentrate and casein products.

The forecast for 2016 domestic commercial use on a milk-fat basis has been raised by 0.6 billion pounds based on expectations of stronger cheese and butter demand. With a lower expected milk supply, and lower expected demand for MPC and casein, the forecast for domestic commercial use on a skim-solids basis has been lowered by 0.4 billion pounds.

With relatively high supplies expected for cheese, butter, and NDM, price forecasts have been lowered to \$1.595-\$1.685, \$1.835-1.955, and \$0.955-\$1.025 per pound, respectively. The dry whey forecast is unchanged at 28.0-31.0 cents per pound.

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## Data Products

Meat Price Spreads, <http://www.ers.usda.gov/data-products/meat-price-spreads.aspx>, provides monthly average price values, and the differences among those values, at the farm, wholesale, and retail stages of the production and marketing chain for selected cuts of beef, pork, and broilers. In addition, retail prices are provided for beef and pork cuts, turkey, whole chickens, eggs, and dairy products.

Livestock and Meat Trade Data, <http://www.ers.usda.gov/data-products/livestock-meat-domestic-data.aspx>, contains monthly and annual data for the past 1-2 years for imports and exports of live cattle and hogs, beef and veal, lamb and mutton, pork, broiler meat, turkey meat, and shell eggs. The tables report physical quantities, not dollar values or unit prices. Breakdowns by major trading countries are included.

## Related Websites

Livestock, Dairy, and Poultry Outlook, <http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook.aspx>  
Animal Production and Marketing Issues, <http://www.ers.usda.gov/topics/animal-products/animal-production-marketing-issues.aspx>  
Cattle, <http://www.ers.usda.gov/topics/animal-products/cattle-beef.aspx>  
Dairy, <http://www.ers.usda.gov/topics/animal-products/dairy.aspx>  
Hogs, <http://www.ers.usda.gov/topics/animal-products/hogs-pork.aspx>  
Poultry and Eggs, <http://www.ers.usda.gov/topics/animal-products/poultry-eggs.aspx>  
WASDE, <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>

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**U.S. red meat and poultry forecasts**

	2011					2012					2013					2014					2015					2016							
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual				
<b>Production, million lb</b>																																	
Beef	6,410	6,559	6,736	6,490	26,195	6,282	6,473	6,586	6,572	25,913	6,175	6,513	6,609	6,423	25,720	5,868	6,184	6,179	6,021	24,252	5,664	5,855	6,066	<b>6,130</b>	<b>23,715</b>	<b>5,915</b>	<b>6,460</b>	<b>6,330</b>	<b>24,850</b>				
Pork	5,719	5,370	5,484	6,186	22,758	5,858	5,519	5,631	6,244	23,253	5,775	5,516	5,622	6,274	23,187	5,784	5,504	5,424	6,131	22,843	6,161	5,925	5,957	<b>6,465</b>	<b>24,508</b>	<b>6,150</b>	<b>5,945</b>	<b>6,175</b>	<b>24,925</b>				
Lamb and mutton	36	40	36	37	149	39	39	39	40	156	38	41	40	38	156	37	43	38	38	156	38	39	37	<b>39</b>	<b>152</b>	<b>38</b>	<b>37</b>	<b>37</b>	<b>151</b>				
Broilers	9,290	9,509	9,542	8,861	37,202	9,089	9,381	9,372	9,198	37,039	9,144	9,466	9,683	9,537	37,830	9,283	9,618	9,835	9,814	38,550	9,717	10,020	10,370	<b>10,100</b>	<b>40,207</b>	<b>9,975</b>	<b>10,225</b>	<b>10,475</b>	<b>40,975</b>				
Turkeys	1,402	1,471	1,423	1,495	5,791	1,446	1,505	1,480	1,537	5,967	1,459	1,486	1,440	1,420	5,806	1,332	1,428	1,478	1,517	5,756	1,429	1,389	1,352	<b>1,400</b>	<b>5,570</b>	<b>1,350</b>	<b>1,500</b>	<b>1,550</b>	<b>6,010</b>				
Total red meat & poultry	23,011	23,114	23,395	23,226	92,746	22,865	23,084	23,274	23,739	92,963	22,743	23,183	23,563	23,844	93,333	22,456	22,934	23,111	23,671	92,171	23,156	23,380	23,935	<b>24,280</b>	<b>94,751</b>	<b>23,571</b>	<b>24,327</b>	<b>24,726</b>	<b>97,529</b>				
Table eggs, mil. doz.	1,631	1,641	1,665	1,715	6,652	1,684	1,680	1,707	1,778	6,849	1,733	1,746	1,775	1,825	7,079	1,771	1,799	1,827	1,868	7,265	1,789	1,689	1,625	<b>1,700</b>	<b>6,803</b>	<b>1,700</b>	<b>1,720</b>	<b>1,765</b>	<b>7,015</b>				
<b>Per capita disappearance, retail lb 1/</b>																																	
Beef	14.1	14.5	14.6	14.0	57.3	14.0	14.6	14.5	14.2	57.3	13.7	14.5	14.3	13.9	56.3	13.1	13.9	13.7	13.4	54.1	13.1	13.6	13.9	<b>13.8</b>	<b>54.4</b>	<b>13.8</b>	<b>14.5</b>	<b>13.7</b>	<b>55.3</b>				
Pork	11.4	11.1	11.0	12.2	45.7	11.1	10.9	11.2	12.7	45.9	11.5	11.2	11.4	12.7	46.8	11.3	11.0	11.1	13.0	46.4	12.3	11.8	12.1	<b>13.2</b>	<b>49.5</b>	<b>12.2</b>	<b>11.7</b>	<b>12.4</b>	<b>49.7</b>				
Lamb and mutton	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.3	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.3	0.9	0.2	0.3	0.2	<b>0.3</b>	<b>1.0</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.9</b>				
Broilers	21.5	21.4	20.8	19.1	82.9	20.1	20.4	20.3	19.7	80.4	20.0	20.3	21.0	20.5	81.8	20.2	20.8	21.2	21.1	83.3	21.4	22.1	23.3	<b>22.3</b>	<b>89.1</b>	<b>22.0</b>	<b>22.3</b>	<b>22.9</b>	<b>89.6</b>				
Turkeys	3.5	3.5	4.0	5.0	16.1	3.5	3.6	4.1	4.9	16.0	3.7	3.6	4.0	4.7	15.9	3.4	3.5	3.9	5.0	15.7	3.5	3.6	3.9	<b>4.8</b>	<b>15.8</b>	<b>3.3</b>	<b>3.6</b>	<b>4.3</b>	<b>16.2</b>				
Total red meat & poultry	51.2	51.2	51.0	51.0	204.5	49.3	50.3	50.6	52.0	202.1	49.5	50.2	51.3	52.4	203.4	48.6	49.8	50.5	53.1	202.0	50.9	51.8	53.8	<b>54.7</b>	<b>211.2</b>	<b>51.8</b>	<b>52.8</b>	<b>53.8</b>	<b>213.2</b>				
Eggs, number	61.3	61.5	62.8	64.3	249.9	63.2	62.2	63.3	65.6	254.3	64.3	63.4	64.7	66.0	258.4	64.7	65.3	66.3	66.7	263.0	64.4	61.5	60.4	<b>63.1</b>	<b>249.3</b>	<b>62.1</b>	<b>62.4</b>	<b>63.8</b>	<b>254.1</b>				
<b>Market prices</b>																																	
Choice steers, 5-area Direct, \$/cwt	110.07	112.79	114.05	121.99	114.73	125.29	120.91	119.69	125.54	122.86	125.52	124.95	122.30	130.77	125.89	146.34	147.82	158.49	165.60	154.56	162.43	158.11	144.22	<b>130-134</b>	<b>149.19</b>	<b>132-140</b>	<b>138-150</b>	<b>137-149</b>	<b>136-147</b>				
Feeder steers, Ok City, \$/cwt	127.20	131.09	134.74	141.93	133.74	152.81	150.05	139.31	143.40	146.39	141.36	133.10	152.08	161.69	147.06	167.49	188.64	220.90	234.25	202.82	210.31	219.69	206.47	<b>190-194</b>	<b>207.12</b>	<b>193-201</b>	<b>202-214</b>	<b>199-211</b>	<b>200-211</b>				
Cutter Cows, National L.E., \$/cwt	68.66	74.88	66.11	63.54	68.30	76.57	83.51	76.94	73.81	77.71	77.87	77.46	78.36	76.55	77.56	89.12	98.57	111.27	109.21	102.04	107.61	109.50	103.34	<b>93-97</b>	<b>103.86</b>	<b>94-102</b>	<b>102-114</b>	<b>99-111</b>	<b>98-109</b>				
Choice slaughter lambs, San Angelo, \$/cwt	174.66	157.99	161.13	148.61	160.60	145.33	127.08	89.28	89.85	112.89	107.53	91.72	94.26	150.97	111.12	166.69	148.99	156.02	162.69	158.60	147.17	140.09	146.23	<b>150-154</b>	<b>146.37</b>	<b>146-154</b>	<b>139-151</b>	<b>139-151</b>	<b>142-153</b>				
Nat'l base cost, 51-52 % lean, live equivalent, \$/cwt	59.94	68.80	71.06	64.66	66.11	61.68	61.79	61.43	58.63	60.88	59.03	65.46	70.59	61.11	64.05	68.69	85.40	83.30	66.74	76.03	48.47	53.20	54.59	<b>46-48</b>	<b>50.82</b>	<b>48-50</b>	<b>50-54</b>	<b>50-54</b>	<b>47-50</b>				
Broilers, 12 City, cents/lb	80.20	83.00	78.20	78.00	79.90	87.40	85.10	82.00	92.10	86.60	103.50	108.60	93.90	92.80	99.70	98.40	113.70	104.60	102.80	104.90	97.00	104.20	83.70	<b>72-74</b>	<b>89.50</b>	<b>80-84</b>	<b>81-87</b>	<b>85-93</b>	<b>83-89</b>				
Turkeys, Eastern, cents/lb	90.20	99.90	106.40	111.60	102.00	100.70	106.90	108.50	106.10	105.60	96.00	97.70	99.90	105.40	99.80	100.70	105.60	110.20	113.90	107.60	99.60	108.50	126.40	<b>132-136</b>	<b>117.10</b>	<b>112-118</b>	<b>110-120</b>	<b>106-114</b>	<b>110-118</b>				
Eggs, New York, cents/doz.	105.80	106.60	117.70	131.20	115.30	108.70	99.70	131.90	129.40	117.40	126.90	109.90	119.00	143.00	124.70	142.70	134.60	129.30	162.70	142.30	146.90	170.30	235.70	<b>196-202</b>	<b>188.00</b>	<b>179-191</b>	<b>158-172</b>	<b>149-161</b>	<b>161-174</b>				
<b>U.S. trade, million lb</b>																																	
Beef & veal exports	633	702	766	683	2,785	558	624	650	620	2,452	557	636	716	680	2,589	583	667	679	644	2,573	526	606	541	<b>550</b>	<b>2,223</b>	<b>520</b>	<b>610</b>	<b>660</b>	<b>2,425</b>				
Beef & veal imports	461	593	548	454	2,057	582	669	516	453	2,220	590	629	515	516	2,250	597	767	765	818	2,947	876	991	890	<b>675</b>	<b>3,432</b>	<b>850</b>	<b>850</b>	<b>710</b>	<b>3,045</b>				
Lamb and mutton imports	49	48	31	34	162	38	36	38	41	154	49	44	36	44	173	46	49	45	55	195	53	56	46	<b>55</b>	<b>209</b>	<b>50</b>	<b>46</b>	<b>46</b>	<b>190</b>				
Pork exports	1,248	1,208	1,260	1,481	5,196	1,442	1,301	1,251	1,386	5,379	1,217	1,225	1,205	1,341	4,988	1,347	1,279	1,090	1,140	4,857	1,165	1,334	1,172	<b>1,325</b>	<b>4,996</b>	<b>1,275</b>	<b>1,300</b>	<b>1,250</b>	<b>5,225</b>				
Pork imports	201	195	194	213	803	207	191	198	205	802	208	210	229	233	880	212	240	256	299	1,008	278	264	269	<b>295</b>	<b>1,106</b>	<b>250</b>	<b>225</b>	<b>250</b>	<b>1,000</b>				
Broiler exports	1,526	1,598	1,976	1,877	6,978	1,734	1,791	1,864	1,886	7,274	1,752	1,865	1,855	1,874	7,346	1,827	1,834	1,857	1,782	7,301	1,629	1,714	1,483	<b>1,600</b>	<b>6,426</b>	<b>1,675</b>	<b>1,750</b>	<b>1,775</b>	<b>6,975</b>				
Turkey exports	159	171	173	199	703	180	184	216	797	179	182	198	202	760	163	188	223	231	805	154	123	125	<b>135</b>	<b>537</b>	<b>150</b>	<b>175</b>	<b>200</b>	<b>740</b>					
Live swine imports (thousand head)	1,452	1,429	1,407	1,508	5,795	1,445	1,444	1,387	1,380	5,656	1,326	1,285	1,233	1,113	4,948	1,195	1,216	1,264	1,272	4,947	1,312	1,538	1,371	<b>1,300</b>	<b>5,521</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>5,000</b>				

Note: Forecasts are in bold.

1/ Per capita meat and egg disappearance data are calculated using the Resident Population Plus Armed Forces Overseas series from the Census Bureau of the Department of Commerce.

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

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## Dairy Forecasts

	2014		2015					2016			
	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Milk cows (thous.) 1/	9,287	9,256	9,305	9,320	9,313	9,310	9,310	9,310	9,310	9,305	9,305
Milk per cow (pounds)	5,487	22,260	5,583	5,757	5,545	5,525	22,410	5,715	5,840	5,665	22,880
<b>Milk production (bil. pounds)</b>	51.0	206.0	51.9	53.7	51.6	51.4	208.7	53.2	54.4	52.7	212.9
Farm use	0.2	1.0	0.2	0.2	0.2	0.2	1.0	0.2	0.2	0.2	1.0
Milk marketings	50.7	205.1	51.7	53.4	51.4	51.2	207.7	53.0	54.1	52.5	212.0
<b>Milkfat (bil. pounds milk equiv.)</b>											
Milk marketings	50.7	205.1	51.7	53.4	51.4	51.2	207.7	53.0	54.1	52.5	212.0
Beginning commercial stocks	12.2	11.2	11.2	13.3	15.6	14.0	11.2	12.4	14.7	15.7	12.4
Imports	1.5	4.3	1.2	1.3	1.5	1.8	5.9	1.3	1.4	1.5	5.8
Total supply	64.5	220.6	64.2	68.0	68.5	67.0	224.8	66.7	70.2	69.6	230.2
Commercial exports	2.3	12.4	2.4	2.5	2.1	1.9	8.8	2.0	2.4	2.6	9.4
Ending commercial stocks	11.2	11.2	13.3	15.6	14.0	12.4	12.4	14.7	15.7	14.0	12.2
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use	51.0	196.9	48.5	50.0	52.4	52.7	203.6	50.0	52.2	53.1	208.6
<b>Skim solids (bil. pounds milk equiv.)</b>											
Milk marketings	50.7	205.1	51.7	53.4	51.4	51.2	207.7	53.0	54.1	52.5	212.0
Beginning commercial stocks	12.3	11.7	13.1	13.7	14.6	13.9	13.1	13.4	14.0	15.0	13.4
Imports	1.5	5.6	1.4	1.5	1.4	1.7	6.0	1.4	1.5	1.5	6.1
Total supply	64.5	222.4	66.2	68.6	67.4	66.8	226.8	67.8	69.7	69.0	231.5
Commercial exports	9.0	39.1	8.8	10.7	9.1	9.2	37.8	9.3	10.2	10.1	39.5
Ending commercial stocks	13.1	13.1	13.7	14.6	13.9	13.4	13.4	14.0	15.0	14.0	13.6
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use	42.4	170.2	43.7	43.3	44.4	44.2	175.6	44.5	44.4	45.0	178.4
<b>Milk prices (dol./cwt) 2/</b>											
All milk	22.77	23.97	17.00	16.70	16.80	17.50	17.00	15.85	15.35	16.05	15.95
								-16.45	-16.25	-17.05	-16.85
Class III	21.19	22.34	15.73	16.24	16.14	15.00	15.75	14.30	14.35	15.15	14.70
								-14.90	-15.25	-16.15	-15.60
Class IV	18.75	22.09	13.62	13.77	13.71	15.55	14.10	13.40	13.50	14.00	13.85
								-14.10	-14.50	-15.10	-14.85
<b>Product prices (dol./pound) 3/</b>											
Cheddar cheese	2.053	2.155	1.567	1.663	1.718	1.640	1.645	1.580	1.555	1.630	1.595
								-1.640	-1.645	-1.730	-1.685
Dry whey	0.625	0.654	0.529	0.444	0.316	0.225	0.375	0.235	0.285	0.295	0.280
								-0.265	-0.315	-0.325	-0.310
Butter	2.140	2.136	1.647	1.838	2.135	2.430	2.005	1.860	1.850	1.845	1.835
								-1.950	-1.970	-1.975	-1.955
Nonfat dry milk	1.379	1.768	1.024	0.948	0.794	0.855	0.900	0.885	0.905	0.965	0.955
								-0.935	-0.975	-1.035	-1.025

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 "National Dairy Products Sales Report".

Sources: USDA National Agricultural Statistics Service, USDA Agricultural Marketing Service, USDA Foreign Agricultural Service, and USDA World Agricultural Outlook Board.

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