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Livestock, Dairy, and Poultry Outlook

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U.S. Cattle Inventory up 3 Percent

Cattle/Beef: Supplies of cattle outside feedlots on January 1, 2016 were above year-earlier levels, but the pace of placements in the first half of 2016 is expected to be modest as forage is readily available. Nonetheless, a more rapid pace of marketings during 2016, coupled with continued increases in carcass weights, will underpin a 4-percent increase in 2016 beef production. Prices for steers are forecast to average \$133-\$142 compared to \$148.12 in 2015.

Cattle/Beef Trade: Total beef imports for 2016 are projected to reach 2.84 billion pounds, down 16 percent from 2015, while total beef exports are expected to increase toward 2.47 billion pounds.

Dairy: With lower expectations for exports, the all-milk price forecast for 2016 has been lowered to \$15.30-\$16.00 per cwt, a reduction from the \$15.35-\$16.15 per cwt forecast last month. Commercial export forecasts for 2016 have been lowered by 0.3 billion pounds on a milk-fat milk-equivalent basis and by 0.7 billion pounds on a skim-solids milk-equivalent basis.

Sheep/Lamb: The U.S. sheep industry registered increases in inventory in all major segments of the industry on January 1, 2016 compared to 2015. This is the second consecutive year of sheep and lamb inventory increases after 8 consecutive years of inventory declines.

Pork/hogs: First-quarter live hog prices are expected to be \$43-\$45 per cwt (hundredweight), a level at which many hog facilities are likely operating at breakeven or below. U.S. pork exports finished 2015 at 4.9 billion pounds, almost 2 percent higher than a year earlier. Mexico was the largest foreign destination for exported U.S. pork for the second year; Japan, which had been the largest foreign buyer of U.S. pork for decades, was the second largest destination.

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Tables will be released
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The next Outlook
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World Agricultural
Outlook Board.

Poultry: For broilers, the first-quarter production forecast of ready-to-cook (RTC) meat was raised to 10.025 billion pounds as eggs set and chicks placed have averaged above year-earlier levels since the beginning of the year. The forecast for whole broiler prices is lowered for the first quarter but is unchanged for the outlying quarters of 2016. Turkey meat production in 2016 is forecast to total 5.9 billion pounds, up 6 percent from 2015 but down 75 million pounds from the last month's estimate. Prices forecast above 2015 levels for the first half of 2016—coupled with low feed costs and energy prices—are expected to encourage more rapid growth in production as the industry rebuilds. Table egg production is expected to increase 4 percent in 2016, reaching 7 billion dozen. The production growth is expected to come primarily from increases in the size of the table egg flock as the industry rebuilds from losses due to Highly Pathogenic Avian Influenza in 2015.

Poultry Trade: Broiler, turkey, and egg shipments in December 2015 were down from a year ago. Broiler shipments totaled 478 million pounds, a decrease of 15 percent from a year earlier. December turkey shipments decreased 39 percent from a year ago, totaling 44 million pounds, while egg and egg product exports totaled 23 million dozen shell-egg equivalent, a 55-percent decrease from the previous December.

U.S. Cattle Inventory Up 3-Percent

The February 2, 2016, U.S. Drought Monitor reported very little change in drought conditions in much of the Southern Plains. With recent heavy precipitation, the February 2, 2016, Crop Progress-State Stories reported “good to fair” forage conditions in Texas. At the same time, “topsoil and subsoil moisture conditions were rated mostly adequate to short” in much of Oklahoma (<http://usda.mannlib.cornell.edu/usda/current/WWStateStories/WWStateStories-02-02-2016.pdf>). Despite slight improvements, the West continues to be constrained by “D4 Exceptional Drought” conditions (<http://droughtmonitor.unl.edu/>).

The *Cattle* report released by USDA’s National Agricultural Statistics Service (NASS) on January 29, 2016, included some significant revisions to 2015 inventory numbers. After downward revision in total cattle and calves on January 1, 2015, the January 1, 2016, total U.S. inventory of cattle and calves increased by 3 percent. After revisions, heifers entering the cow herd in 2015 were about 8 percent above those entering the herd in 2014. Further, 63 percent of heifers intended for replacements on January 1, 2015, appeared to have made it into the January 1, 2016, cow herd, contributing to an annual rate of increase of almost 3 percent in the national aggregate cow inventory. Beef heifers accounted for 55 percent of heifers entering the cow herd in 2015.

Despite the increased levels of heifer retention for rebuilding the breeding herd, on January 1, 2016, the inventory of other heifers - those available for other uses, primarily for either feeding or possibly breeding but not necessarily committed to one use or the other—also increased by almost 3 percent year over year. Because heifers are either retained as breeding stock or are placed on feed, and because an increase in one category implies a decrease in the other category, the inventory of heifers on feed January 1, 2016, in 1,000-plus head feedlots (Cattle on Feed) declined by just over 7 percent, year over year. At the same time, the inventory of steers on feed in 1,000-plus-head feedlots increased by 3 percent.

The year-over-year increases in the January 1, 2016, heifer and steer inventories, combined with other inventory changes, resulted in a year-over-year increase of over 5 percent in supplies of feeder cattle outside feedlots and will likely dampen feeder cattle price increases during 2016.

Cattle Feeding Margins Declining from Record Losses

In 2015, the largest cattle feeding losses (High Plains Cattle Feeding Simulator, http://www.ers.usda.gov/datafiles/Livestock_Meat_Domestic_Data/High_Plains_Cattle_Feeding_Simulator/highplainscattlefeedingsimulator.xls) occurred for fed cattle marketed during October and December, due largely to relatively high feeder cattle prices. Cattle-feeding margins should move toward profitability as feeder cattle prices decline over the next few months. Cattle feeding is not expected to show positive profit margins with current prices for fed cattle until April 2016, when breakeven costs are expected to decline to the \$123/cwt range. For the week ending February 7, 2016, 5-area all grade fed steers were \$134.46/cwt, roughly \$26 lower than year-earlier fed steer prices

(http://www.ams.usda.gov/mnreports/lm_ct150.txt). First-quarter 2016 5-area direct total all grades steer prices are projected to be \$131-135/cwt, down over \$29 compared with first-quarter 2015.

Wholesale, Retail Beef Prices Decline

Both Choice and Select beef cutout values are losing momentum from their mid-January highs. As of the week ending February 5th, the Choice beef cutout was reported at \$221.84/cwt and the Select cutout at \$217.26/cwt, down \$12.83/cwt and \$11.20/cwt, respectively, from their recent peaks during the week ending January 15th. However, this is not entirely unexpected as beef demand seasonally weakens heading into February, leading to lower cutout values. Adding to the downward momentum is the relative weakness in the beef trimmings complex. Burdensome boneless beef cold storage stocks are partially accounting for lower year-over-year prices in the domestic lean beef trimmings markets. January's *Cold Storage* report pegged total frozen beef stocks as of December 31st at 514 million pounds, about 16 percent higher year over year. Boneless beef cold storage stocks were reported at 475 million pounds, up approximately 17 percent year over year.

Ground beef demand remains sluggish, pressuring the all-fresh retail beef prices lower. According to the most recent ERS Retail Price Data, monthly retail prices for all-fresh beef (which includes various ground beef products) continue to decline. The December 2015 all-fresh retail price was reported at \$5.89/lb, down 10 cents from the previous month. The noticeable decline in the retail all-fresh beef price can partly be attributed to the sluggish demand for ground beef products during the last half of 2015.

Cattle/Beef Trade

Beef Exports Seen Higher in 2016, Imports Expected To Decline

December trade estimates, along with annual totals, were released earlier this month. Total beef exports for December were pegged at 196 million pounds, approximately 8 percent smaller than December 2014. However, on an annual basis, beef exports were reported at 2.26 billion pounds, an approximate decline of 12 percent from 2014. U.S. beef exports were lower to most major trade partners in 2015, hampered by a stronger U.S. dollar and relatively high domestic beef prices, and, to a lesser extent, increased global competition from Australian beef suppliers. On an annual basis, beef exports to NAFTA trading partners Canada and Mexico were down 11 and 17 percent, respectively. Exports to Asian countries in 2015 were mixed. Japan, a top export destination for grain-fed U.S. beef, declined approximately 19 percent in 2015. In addition, exports to Hong Kong fell about 24 percent, while shipments to South Korea and Taiwan increased 6 and 4 percent, respectively. Exports to Vietnam jumped 41 percent from a very low 2014 estimate. It is clear from the previous 12 months of data that 2015 was not the best year for beef exports; however, the good news for U.S. beef suppliers is that global beef demand is expected to be stronger in 2016, and higher U.S. beef production at lower prices should increase export demand from major trade destinations.

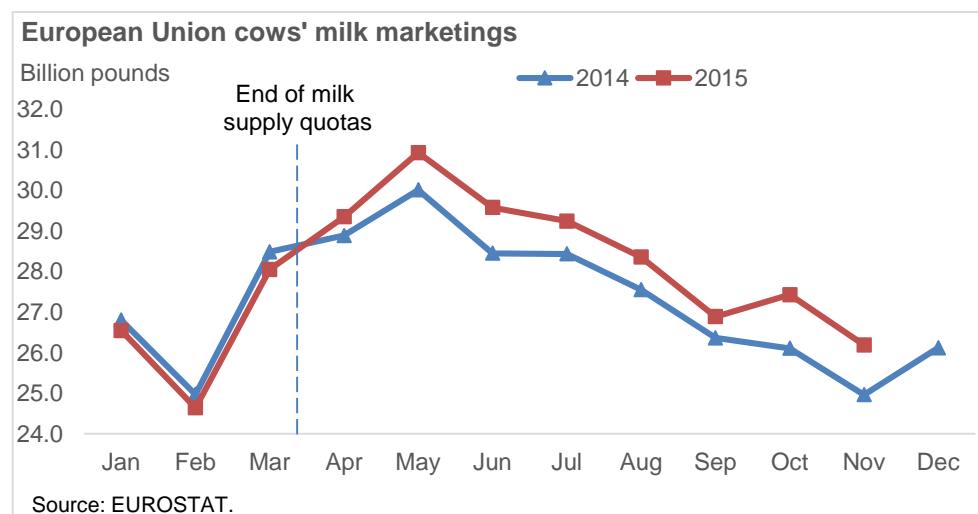
On the flip side, the stronger U.S. dollar in 2015 improved the environment for beef imports. Total 2015 beef imports were reported at 3.37 billion pounds, up 14 percent year over year. In aggregate, the largest increase in imports has been from Australia as imports from that country were reported at 1.26 billion pounds, approximately 16 percent higher year over year. Annual imports from New Zealand were 11 percent higher, and imports from Uruguay jumped significantly (+49 percent) in 2015. Demand for thermally processed beef was strong in 2015 as the United States imported more beef from both Brazil (+84 percent) and Uruguay (+49 percent) in the year. U.S. beef imports in 2016 are expected to be lower as a result of decreased import demand for lean processing beef from Australia and overall higher domestic beef production. Total beef imports for 2016 are forecast at 2.85 billion pounds, down 16 percent from 2015.

U.S. cattle imports in 2015 totaled just over 1.98 million head, down 16 percent from the previous year's levels. Cattle imports fell due to slowing shipments from Canada (-33 percent), despite higher shipments from Mexico (+3 percent). U.S. cattle imports are expected to decline in 2016 to 1.90 million head.

Recent Developments in Dairy Markets

From December to January, U.S. average prices for cheese, butter, and nonfat dry milk all declined. Dry whey was the exception, with a slight monthly increase. Butter had the largest decrease, a fall from \$2.571 per pound in December to \$2.076 in January. However, weekly butter prices, as reported in the USDA *National Dairy Products Sales Report*, strengthened from \$2.041 for the week ending January 2 to \$2.150 for the week ending January 30. This was well above January export prices for butter from Oceania and Europe of \$1.384 and \$1.355 per pound, respectively.¹

Recent weakness of dairy prices in the United States and abroad can be attributed in large part to international supply and demand conditions. In October and November, cows' milk marketings for the European Union (EU) increased by about 5 percent over the same months of the previous year, a large increase from the world's largest supplier of cows' milk. The termination of EU milk production quotas as of March 31 has undoubtedly contributed to the milk production increase. In the fourth quarter, the United States had a modest 0.6 percent year-over-year increase in milk production, while fourth-quarter milk production for New Zealand and Australia fell by 2.2 and 2.7 percent, respectively. The year-over-year increases in milk production for the EU and the United States have much more than offset recent declines for New Zealand and Australia. Meanwhile, dairy import demand from China continues to be weak, and the Russian trade ban continues to be a factor as Europeans have turned to alternative outlets for their dairy product supplies.



High supplies of some dairy products have played a role in recent price declines. Year-end 2015 stocks for butter, cheese, and dry whey for human use were above 2014 levels by 46.0, 12.6, and 11.9 percent, respectively. However, nonfat dry milk (NDM) ending stocks were 16.6 percent lower than the previous year.

¹ Export prices for Oceania and Europe in this report are midpoints of prices reported by Agricultural Marketing Service in *Dairy Market News*. Prices have been converted from dollars per metric ton to dollars per pound.

On January 29, USDA National Agricultural Statistics Service (NASS) reported a U.S. dairy cow inventory of 9,315 head as of December 31st in its *Cattle* report. There is considerable potential for refreshing the herd, with December 31 replacement heifers at 4,824 head (52 percent of dairy cows) and 3,117 heifers expected to calve during 2016. Milk per cow in December was 1,872 pounds, 0.4 percent above December 2014.

Dairy Forecasts for 2016

Feed price forecasts remain relatively low. The corn price for 2015/16 is forecast \$3.35-\$3.85 per bushel, unchanged from last month's forecast at the midpoint. The 2015/16 soybean meal price forecast is unchanged at \$270-\$310 per short ton. The national average price for alfalfa hay in December was unchanged from November at \$150 per short ton.

Based on the most recent NASS *Milk Production* and *Cattle* reports, the forecast for 2016 first-quarter milk production has been raised by 0.1 billion pounds, with milk cows numbering 9,295 head and milk per cow 5,690 pounds. Milk production for 2016 is forecast at 211.9 billion pounds, an increase of 0.1 billion pounds over last month's forecast.

With high international supplies and weak demand for dairy products expected abroad, 2016 forecasts for exports have been reduced by 0.3 billion pounds on a milk-fat milk-equivalent basis and by 0.7 billion pounds on a skim-solids milk-equivalent basis. With strong demand expected for butter, the domestic commercial use forecast for 2016 has been raised by 0.6 billion pounds on a milk-fat basis. Domestic commercial use on a skim-solids basis has been raised by 0.5 billion pounds due to lower expected NDM and dry whey prices.

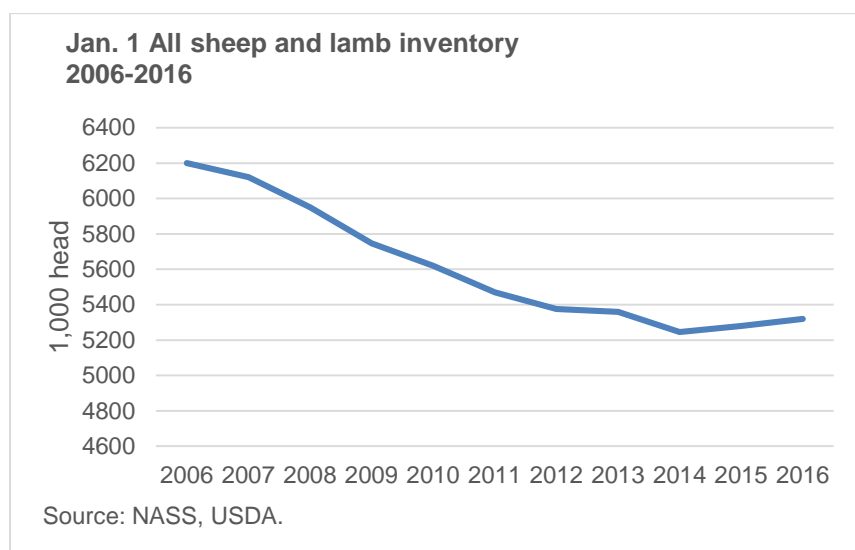
For 2016, the butter price forecast has been raised to \$1.990-\$2.090 per pound due to strong domestic demand. Weak exports and high supplies are expected to keep butter prices throughout 2016 from rising to levels seen in the fourth quarter of 2015. The price forecast for cheese has been narrowed to \$1.550-\$1.620 per pound as higher expected prices in the first quarter are offset by lower forecasts in the second half of the year. With lower exports expected, the NDM and dry whey prices have been lowered to \$0.775-\$0.835 and \$0.230-\$0.260 per pound, respectively.

With lower expected whey prices, the 2016 Class III milk forecast has been lowered at the upper end of the range to \$14.05-\$14.75 per hundredweight (cwt). The Class IV milk forecast has been lowered to \$13.00-\$13.80 per cwt, as the projected reduction in the NDM price more than offsets the increase in the butter price. With lower expected Class III and IV prices, the all-milk price forecast for 2016 has been lowered to \$15.30-\$16.00 per cwt, a reduction from \$15.35-\$16.15 forecast last month.

Sheep/Lamb

Sheep and Lamb Inventory Up 1 Percent

The U.S. sheep industry registered increases in inventory in all major segments of the industry on January 1, 2016, from 2015 levels. This is the second consecutive year of sheep and lamb inventory increases after 8 consecutive years of inventory declines. The NASS *Sheep and Goats* report shows that the inventory of all sheep and lambs in the United States on January 1, 2016, totaled 5.32 million head, a 40,000-head increase from 2015. States with increased sheep and lamb inventories from 2015 include Texas, the largest sheep-producing State, Montana, and Colorado (+15,000 head each). On the other end of the spectrum - with declining inventories - were California, the second largest sheep-producing State (-5,000 head), Nevada (-9,000 head), and Oklahoma (-7,000 head). These declines were due in part to the continued drought conditions in the Western States.



Signs of increased herd rebuilding and retention were also seen. The total U.S. breeding-sheep inventory increased nearly 1 percent from a year ago, due in part to a 15,000-head increase (+2 percent year over year) in replacement lambs 1 year or older. Ewes 1 year and older also increased by 15,000 head. Texas and Montana saw breeding sheep and lamb inventories increase in 2016, presumably due to better weather conditions. However, significant declines in breeding sheep and lambs were reported in drought-affected States like California (-10,000 head), and Nevada (-11,000 head). Market sheep and lambs were also up almost 1 percent (+10,000 head). *Sheep and Goats* reported that the 2015 lamb crop was unchanged from 2014.

Commercial lamb and mutton production totaled 150.2 million pounds in 2015, down 5.4 million pounds from 2014. First-quarter 2016 lamb and mutton production is expected to be 39 million pounds, up almost 4 percent from the same period in 2015. The early arrival of Easter and Passover this year (late March) should result in most of the seasonal increase in production, due to the religious holidays occurring in the first quarter.

Cold storage stocks have flirted with near-record-high levels for 2015. December 31, 2015, cold storage stocks were almost 42 million pounds, 22 percent above the same period in 2014. This suggests a slower than normal movement of lamb products through the supply chain.

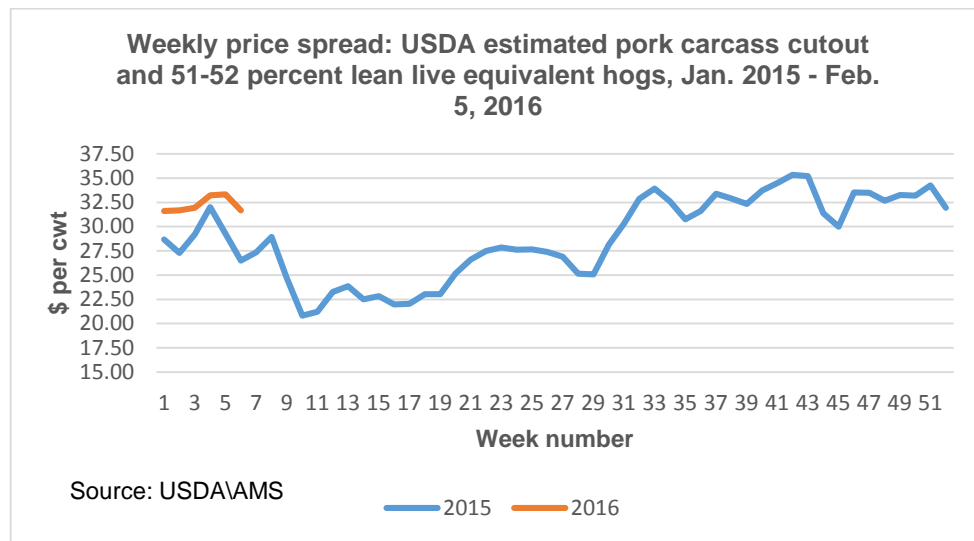
In 2015, lamb and mutton imports were 214 million pounds, up almost 10 percent from the same period in 2014. Fourth-Quarter 2015 imports came in at 59 million pounds, up 7 percent from the same period last year. The strong U.S. dollar relative to currencies of Australia and New Zealand, the primary suppliers of imported lamb and mutton, made imports attractive to U.S. consumers. The strong U.S. dollar is expected to continue to make imports attractive in the coming months. First-Quarter 2016 lamb and mutton imports are forecast at 55 million pounds, up almost 4 percent year-over-year from 2015.

Pork/Hogs

Slightly Larger Hog Slaughter Expected in the First Quarter, at Slightly Lower Prices

The forecast of first-quarter pork production was increased by 70 million pounds due to higher than expected hog slaughter rates so far in the quarter. The forecast for first-quarter hog prices was lowered slightly as a consequence. First-quarter pork production is expected to be 6.3 billion pounds, more than 2 percent higher than the same period last year. Prices of live equivalent 51-52 percent lean hogs are expected to be \$43-\$45 per cwt, about 9 percent below a year ago.

With first-quarter live hog prices likely to average in the low-to-mid \$40s per cwt, and production costs in the mid-\$40s per cwt—according to Iowa State University—most hog production facilities are likely operating, at breakeven levels, or below. Hog processors, on the other hand, appear to be benefiting from lower hog prices. Although average wholesale pork values are below a year ago, through the first week of February, lower hog prices have yielded a wider spread (between USDA estimated pork carcass cutout and 51-52 percent lean hog prices) over the first 5 weeks of 2016. The spread between hog prices and wholesale pork prices is depicted in the figure below.



Strong December Exports Push 2015 Total Year-Over-Year Higher Than 2014

U.S. pork exports in December were more than 9 percent higher than a year earlier, helping to push the 2015 export total of 4.9 billion pounds to 1.7 percent above shipments in 2014. It was notable in 2015 that Mexico supplanted Japan as the largest foreign destination for U.S. pork in terms of volume for the second year in a row. In value terms, however, the unit value of U.S. pork exported to Japan—\$1.33 per pound—exceeded Mexico's average unit value of \$0.72 per pound. The 10 largest foreign destinations of U.S. pork exported in 2015 are summarized in the table below. The table includes average unit values of 2015 shipments. It is also notable that of the 10 largest foreign buyers of U.S. pork, shipments to half of

the countries were lower in 2015, likely due to the high U.S. dollar exchange rate and sluggish economic growth. Average unit values in 2015 tended to be lower than in 2014 because hog and pork prices were generally lower in the United States last year, due to a fairly rapid industry recovery from Porcine Epidemic Diarrhea outbreaks—and higher pork prices—in 2014.

US pork exports and unit values to the 10 largest foreign destinations, 2015 and 2014

	Country	2015 million lbs	2014 million lbs	Percent change	2015 \$/lb	2014 \$/lb	Percent change
	World	4,941	4,857	1.7	1.04	1.25	-16.3
1	Mexico	1,555	1,379	12.8	0.72	0.96	-25.3
2	Japan	1,209	1,228	-1.5	1.33	1.53	-13.1
3	Canada	528	540	-2.2	1.82	2.00	-8.9
4	South Korea	493	385	28.0	0.93	1.10	-15.3
5	China-Hong Kong	375	454	-17.3	0.78	0.89	-12.2
6	Australia	176	153	14.9	0.92	1.12	-17.8
7	Colombia	110	133	-17.3	0.88	0.98	-10.0
8	Philippines	72	95	-24.3	0.98	1.01	-3.0
9	Dominican Rep.	66	48	38.0	0.81	0.99	-18.3
10	Honduras	64	50	27.2	0.68	0.90	-24.2

Source: USDA\ERS

The first-quarter production forecast of ready-to-cook (RTC) broiler meat was raised to 10.025 billion pounds as eggs set and chicks placed have averaged above year-earlier levels since the beginning of the year. The forecast for whole broiler prices was lowered for the first quarter, and forecasts for the outlying quarters of 2016 remain unchanged. Turkey meat production in 2016 is forecast to total 5.9 billion pounds, up 6 percent from 2015 but down 75 million pounds from the last month's estimate. Prices forecast above 2015 for the first half of 2016, coupled with low feed costs and energy prices, are expected to encourage more rapid growth in production as the industry rebuilds. Table egg production is expected to increase 4 percent in 2016, reaching 7 billion dozen. The production growth is expected to come primarily from increases in the size of the table egg flock as the industry rebuilds from losses due to Highly Pathogenic Avian Influenza (HPAI) in 2015.

Broiler Production Forecast Increased for the First Quarter

Estimated weekly production of ready-to-cook (RTC) broiler meat in the first 5 weeks of 2016 was about 1 percent above 2015 levels, as weak hatchery data from late 2015 reduced birds available for slaughter. However, recent hatchery data has pointed to further year-over-year increases in eggs set and chicks placed, and average live weights are expected to increase yet again. On this basis, the production forecast for RTC broiler meat is increased to 10.025 billion pounds for the first quarter.

At the close of 2015, cold storage stocks of all broiler meat were up 22 percent, and stocks of whole birds were up 32 percent, compared to a year ago. High stock levels for most chicken parts have continued to depress wholesale prices, although total broiler meat stocks were down at the end of December on a month-over-month basis.

The weekly national composite whole bird price had been trending up since October as production increases during the fourth quarter were modest. The price increased to almost 90 cents per pound in January and then reversed course, as seasonal post-holiday demand waned. Forecasts for the whole bird price are reduced from last month, averaging 85-90 cents per pound for 2016. Forecast stocks for all broiler meat in 2016 remain unchanged, dropping to 690 million pounds by the end of 2016.

Turkey Meat Production Forecast at 5.9 Billion Pounds in 2016

Turkey meat production in 2016 is forecast to total 5.9 billion pounds, up 6 percent from 2015. Production is forecast to increase in the last three quarters of the year, as the industry gradually rebuilds from disease-reduced production in 2015. Support for increased production is likely to come from turkey prices which will average above year-earlier levels in the first half of 2016, coupled with low feed and energy costs that impact growing and processing costs.

The national price for frozen whole hen turkeys averaged \$1.15 per pound in January 2016, up 16 percent from January 2015, a strong increase considering higher stocks of whole hen turkeys. Whole hen prices are forecast to be higher

than the previous year through the first half of 2016, but then to turn lower as expanding production places downward pressure on prices.

Table Egg Production Forecast at 7 Billion Dozen in 2016

Table egg production is expected to increase 4 percent in 2016, reaching 7 billion dozen. Production increases are expected to occur in the second through fourth quarters, with the majority of the increase expected in second-half 2016. The production growth is expected to come from increases in size of the table egg flock as flocks are rebuilt from HPAI-related losses in 2015. Hatching egg production for 2016 is forecast at 1.1 billion dozen, 2 percent higher than in 2015. The increase in hatching egg production is expected to be driven by forecast broiler industry expansion.

With higher table egg production expected, wholesale egg prices are forecast below year-earlier levels throughout 2016. Wholesale prices for one dozen grade A large eggs in the New York market are forecast at \$1.36-\$1.40 in first-quarter 2016, down 6 percent from the previous year.

Poultry Trade

Broiler, turkey, and egg shipments in December 2015 were down from a year ago. Broiler shipments totaled 478 million pounds, a decrease of 15 percent from a year earlier. December turkey shipments decreased 39 percent to 44 million pounds, while egg and egg product exports totaled 23 million dozen shell-egg equivalent, a 55-percent decrease from the previous December. Final totals for 2015 broiler, turkey, and egg and egg product shipments were 6.3 billion pounds, 533 million pounds, and 318 million dozen, respectively. The forecast for 2016 broiler exports was reduced by 85 million pounds to 6.765 billion pounds after South Korea reinstated its U.S.-wide restriction on uncooked poultry exports following the outbreak of HPAI in Indiana in mid-January. The turkey and egg and egg product forecasts remain unchanged at 690 million pounds and 330 million dozen.

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Livestock and Meat Trade Data, <http://www.ers.usda.gov/data-products/livestock-meat-international-trade-data.aspx>, contains monthly and annual data for imports and exports of live cattle and hogs, beef and veal, lamb and mutton, pork, broilers, turkey, and shell eggs.

Livestock & Meat Domestic Data, <http://www.ers.usda.gov/data-products/livestock-meatdomestic-data.aspx>, contains domestic supply, disappearance, and price data.

Dairy Data, <http://www.ers.usda.gov/data-products/dairy-data.aspx>, includes data from multiple sources concerning supply, demand, and prices for the dairy industry.

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>
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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

	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		
Production, million lb																											
Beef	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	6,105	23,690	5,885	6,115	6,365	6,215	24,580		
Pork	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	6,456	24,499	6,275	5,935	6,170	6,650	25,030		
Lamb and mutton	39	39	39	40	156	38	41	40	38	156	37	43	38	38	156	38	39	37	37	150	39	37	37	39	152		
Broilers	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	10,373	9,932	40,042	10,025	10,200	10,500	10,300	41,025		
Turkeys	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	1,458	5,628	1,360	1,475	1,525	1,585	5,945		
Total red meat & poultry	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	23,938	24,141	94,615	23,729	23,922	24,756	24,945	97,352		
Table eggs, mil. doz.	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	1,681	6,784	1,715	1,735	1,765	1,830	7,045		
Per capita disappearance, retail lb 1/																											
Beef	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	13.3	53.9	13.4	13.6	13.8	13.5	54.3		
Pork	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	13.6	49.9	12.5	11.8	12.5	13.4	50.2		
Lamb and mutton	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	0.3	1.0	0.3	0.2	0.2	0.2	0.9		
Broilers	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	22.2	88.9	22.3	22.5	23.1	22.6	90.6		
Turkeys	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	4.9	16.0	3.4	3.5	4.3	5.0	16.2		
Total red meat & poultry	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	54.6	211.1	52.2	52.1	54.3	55.1	213.8		
Eggs, number	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	63.9	250.1	64.5	64.0	64.0	65.9	258.3		
Market prices																											
Choice steers, 5-area Direct, \$/cwt	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	127.71	148.12	131-135	135-143	132-144	133-145	133-142		
Feeder steers, Ok City, \$/cwt	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	173.59	202.52	168-172	176-184	179-191	181-193	176-185		
Cutter Cows, National L.E., \$/cwt	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	77.80	99.56	71-75	84-92	84-96	87-99	82-91		
Choice slaughter lambs, San Angelo, \$/cwt	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	144.14	138-142	139-147	137-149	144-156	140-149			
Nat'l base cost, 51-52 % lean, live equivalent, \$/cwt	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	44.66	50.23	43-45	50-54	50-54	39-43	46-49		
Broilers, 12 City, cents/lb	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	77.20	90.50	84-86	83-89	86-94	85-93	85-90		
Turkeys, Eastern, cents/lb	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	130.10	116.20	113-117	112-118	106-114	111-121	110-118		
Eggs, New York, cents/doz.	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	174.10	181.80	136-140	126-134	144-156	158-172	141-150		
U.S. trade, million lb																											
Beef & veal exports	558	624	650	620	2,452	557	636	716	680	2,589	583	667	679	644	2,573	526	606	541	593	2,266	545	635	660	635	2,475		
Beef & veal imports	582	669	516	453	2,220	590	629	515	516	2,250	597	767	765	818	2,947	876	991	890	613	3,370	760	790	675	620	2,845		
Lamb and mutton imports	38	36	38	41	154	49	44	36	44	173	46	49	45	55	195	53	56	46	59	213	55	46	46	48	195		
Pork exports	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	1,270	4,941	1,250	1,275	1,225	1,375	5,125		
Pork imports	207	191	198	205	802	208	210	229	233	880	212	240	256	299	1,008	278	264	269	300	1,111	250	225	250	275	1,000		
Broiler exports	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	1,493	6,319	1,615	1,675	1,725	1,750	6,765		
Turkey exports	180	184	216	216	797	179	182	198	202	760	163	188	223	231	805	154	123	125	131	533	145	165	180	200	690		
Live swine imports (thousand head)	1,445	1,444	1,387	1,380	5,656	1,326	1,285	1,223	1,113	4,948	1,195	1,216	1,264	1,272	4,947	1,312	1,538	1,371	1,520	5,741	1,500	1,525	1,550	1,575	6,150		

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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Updated 2/10/2016

Dairy Forecasts

	2014	2015					2016				
	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thous.) 1/	9,256	9,305	9,320	9,314	9,320	9,315	9,295	9,300	9,295	9,290	9,295
Milk per cow (pounds)	22,260	5,583	5,757	5,546	5,498	22,383	5,690	5,810	5,650	5,645	22,795
Milk production (bil. pounds)	206.0	51.9	53.7	51.7	51.2	208.5	52.9	54.0	52.5	52.4	211.9
Farm use	1.0	0.2	0.2	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0
Milk marketings	205.1	51.7	53.4	51.4	51.0	207.5	52.6	53.8	52.3	52.2	210.9
Milkfat (bil. pounds milk equiv.)											
Milk marketings	205.1	51.7	53.4	51.4	51.0	207.5	52.6	53.8	52.3	52.2	210.9
Beginning commercial stocks	11.2	11.2	13.3	15.6	14.1	11.2	13.3	14.9	15.8	13.8	13.3
Imports	4.3	1.2	1.3	1.5	1.6	5.7	1.4	1.4	1.5	1.7	5.9
Total supply	220.6	64.2	68.0	68.5	66.6	224.4	67.3	70.1	69.5	67.7	230.1
Commercial exports	12.4	2.4	2.5	2.1	1.8	8.8	1.8	2.1	2.2	2.2	8.3
Ending commercial stocks	11.2	13.3	15.6	14.1	13.3	13.3	14.9	15.8	13.8	12.2	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	196.9	48.5	50.0	52.4	51.5	202.4	50.5	52.2	53.5	53.3	209.6
Skim solids (bil. pounds milk equiv.)											
Milk marketings	205.1	51.7	53.4	51.4	51.0	207.5	52.6	53.8	52.3	52.2	210.9
Beginning commercial stocks	11.7	13.1	13.7	14.6	14.0	13.1	13.8	14.3	15.9	14.7	13.8
Imports	5.6	1.4	1.5	1.4	1.6	5.9	1.4	1.5	1.6	1.7	6.2
Total supply	222.4	66.2	68.6	67.4	66.6	226.6	67.9	69.6	69.7	68.6	230.9
Commercial exports	39.1	8.8	10.7	9.1	8.7	37.3	8.7	9.6	9.5	9.3	37.0
Ending commercial stocks	13.1	13.7	14.6	14.0	13.8	13.8	14.3	15.9	14.7	14.0	14.0
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	170.2	43.7	43.3	44.3	44.1	175.4	44.9	44.1	45.6	45.3	179.8
Milk prices (dol./cwt) 2/											
All milk	23.97	17.00	16.70	16.93	17.70	17.08	15.50	14.60	15.35	15.80	15.30
							-15.80	-15.20	-16.25	-16.80	-16.00
Class III	22.34	15.73	16.24	16.14	15.07	15.80	13.55	13.70	14.50	14.40	14.05
							-13.85	-14.30	-15.40	-15.40	-14.75
Class IV	22.09	13.62	13.77	13.71	16.28	14.35	13.15	12.75	13.05	13.05	13.00
							-13.55	-13.45	-14.05	-14.15	-13.80
Product prices (dol./pound) 2/											
Cheddar cheese	2.155	1.567	1.663	1.718	1.634	1.645	1.500	1.520	1.595	1.580	1.550
							-1.530	-1.580	-1.680	-1.680	-1.620
Dry whey	0.654	0.529	0.444	0.316	0.233	0.380	0.230	0.225	0.235	0.245	0.230
							-0.250	-0.255	-0.265	-0.275	-0.260
Butter	2.136	1.647	1.838	2.135	2.648	2.067	2.075	1.955	1.990	1.935	1.990
							-2.135	-2.045	-2.110	-2.065	-2.090
Nonfat dry milk	1.768	1.024	0.948	0.794	0.841	0.902	0.750	0.765	0.785	0.815	0.775
							-0.780	-0.815	-0.855	-0.885	-0.835

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 USDA *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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