



Economic
Research
Service

Situation and
Outlook

LDP-M-261

Mar. 15, 2016

Livestock, Dairy, and Poultry Outlook

Kenneth Mathews
kmathews@ers.usda.gov

Mildred Haley
mhaley@ers.usda.gov

Export Share of Red Meat and Poultry Production Expected To Rise in 2016 to 16 Percent; Dairy’s Share Expected To Decline to 17 Percent

In 2016, the United States is expected to export 16 percent of total red meat and poultry production and 17 percent of dairy production (on a skim-solids milk-equivalent basis). Last year, comparable export shares were 15 percent for red meat and poultry and 18 percent for dairy. Forecasts for 2016 production and trade—updated to reflect January 2016 data—show that export shares of production for beef, pork, broilers, and turkey will each be slightly higher than in 2015 and lower for dairy.

While each category of red meat, broiler, and turkey production is forecast to increase this year, rates of export growth are expected to be greater, increasing export shares of production, across the board. Dairy production is expected to increase, but exports are expected to decline from 2015, causing dairy’s export share of production to be lower than last year.

Contents

- [Cattle/Beef](#)
- [Cattle/Beef Trade](#)
- [Dairy](#)
- [Pork/Hogs](#)
- [Poultry](#)
- [Poultry Trade](#)
- [Contacts and Links](#)

Tables

- [Red Meat and Poultry Dairy Forecast](#)

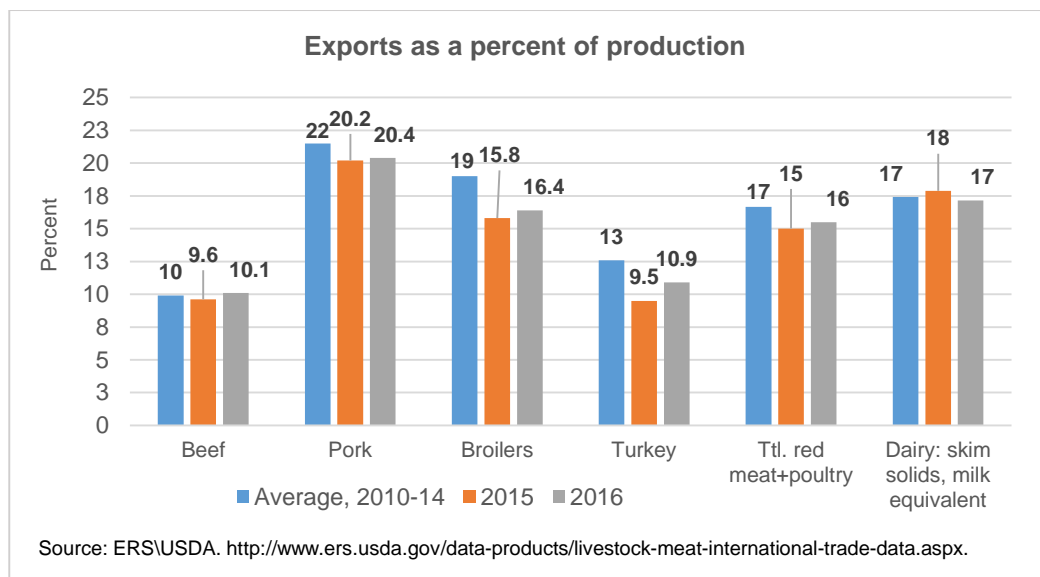
Web Sites

- [Animal Production and Marketing Issues](#)
- [Cattle](#)
- [Dairy](#)
- [Hogs](#)
- [Poultry and Eggs](#)
- [WASDE](#)

Tables will be released on Mar. 29, 2016

The next Outlook Report release is April 14, 2016

Approved by the World Agricultural Outlook Board.



Cattle/Beef: Fall and winter precipitation were sufficient to maintain wheat and other pasture through the winter, resulting in large numbers of feeder cattle currently being marketed. At the same time, volatile prices and heavy cattle-feeding losses have motivated cattle feeders to resist taking lower fed cattle prices, while lackluster beef demand has reduced packer enthusiasm for fed cattle, exerting downward pressure on fed cattle prices that is not quite offsetting the upward pressure from cattle feeders.

Cattle/Beef Trade: U.S. cattle imports are expected to decline further in 2016 due to smaller exportable supplies of cattle in Mexico and Canada, and the current 2016 forecast has been lowered an additional 75,000 head to 1.825 million head.

Dairy: The all-milk price forecast for 2016 has been lowered to \$14.95-\$15.55 per hundredweight (cwt), a reduction from the \$15.30-\$16.00 per cwt forecast last month. Forecasts have been raised for imports and lowered for exports.

Pork/Hogs: First-quarter commercial pork production is expected to be almost 2 percent larger than a year ago. Hog prices, though seasonally increasing as hog slaughter numbers ease, are forecast at \$45-\$46 per cwt for the first quarter, about 6 percent lower than in the same period of 2015. The U.S. dollar exchange rate is expected to be a key determinant of U.S. pork trade flows again in 2016. January pork exports were larger than a year earlier, when labor disputes hindered exports from West Coast ports, but almost 14 percent below shipments in January 2014. January pork imports were almost 7 percent above a year ago. With the repeal of country of origin labeling legislation in December, in January live swine imports from Canada increased 3 percent, year over year.

Poultry: The forecast for first-quarter broiler production was raised due to strong production data. The first-quarter forecast for ending stocks was revised down on recent declines in total broiler meat in cold storage. Whole-broiler price forecasts were lowered as recent prices have remained weaker than expected. Turkey meat production for 2016 is forecast to total 6.0 billion pounds, an increase of 65 million pounds from the previous estimate. With higher production, turkey cold storage holdings at the end of first-quarter 2016 were increased to 375 million pounds. Table egg production in January was 584 million dozen, down 7 percent with a smaller flock and a lower rate of lay. Table egg production is forecast at 1.7 billion dozen in first-quarter 2016, 4 percent lower than the previous year, but production is forecast to be higher than the previous year during the remainder of 2016.

Poultry Trade: Broiler, turkey, and egg shipments in January 2015 remained down from a year ago. Broiler shipments totaled 496 million pounds, a decrease of 6 percent from a year earlier. January turkey shipments decreased 35 percent from a year ago, totaling 34 million pounds, while egg and egg product exports totaled 19 million dozen, shell-egg equivalent, a 43-percent decrease from the previous January.

Wheat-Pasture Cattle Heading to Feedlots

The February 23, 2016, Drought Monitor showed a spotty increase in D0 Abnormally Dry and D1 Moderate Dry areas in most of the United States east of the Basin and Range of the West—a major improvement, however, from this time last year, with most of cattle country experiencing favorable weather and improved forage conditions in the first quarter of 2016, allowing cattle to stay on pasture for longer periods. Further, Oklahoma’s “mild winter has produced wheat that looks to be in great condition” (*Crop Progress – State Stories*, <http://usda.mannlib.cornell.edu/usda/current/WWStateStories/WWStateStories-03-01-2016.pdf>).

Recent auction receipts indicate year-over-year larger feeder cattle-sale runs in many areas, which in the Southern Plains could indicate that feeder cattle are coming off wheat pasture in significant numbers. However, given that feeder cattle supplies outside feedlots on January 1 were 5 percent higher year over year and forage supplies in much of the country were adequate for over-wintering cattle, these large runs could reflect sales of more than just wheat cattle. At any rate, the heavy end of these feeder cattle have to be moved off wheat relatively soon, having little potential for further economically efficient weight gains on pasture; this could boost year-over-year cattle-on-feed inventories over the near term, exerting downward pressure on feeder cattle prices. The current mid-\$150s prices for 750-800-pound feeder steers—down significantly year over year and from last fall, when many of these cattle were placed on wheat pasture at 500 -600 pounds—combined with current feed prices, imply breakevens near or below current fed cattle prices, with some profit potential for cattle feeders over the next several months.

Recent year-over-year lower net placements of cattle on feed may reflect that stocker operators were able to keep cattle on pasture longer and that cattle feeders dealt with very volatile prices and a disappointing fed-cattle market by feeding cattle longer and to heavier weights. In addition to lush pastures and adequate supplies of hay, which have allowed stockers to continue gaining weight on pasture, first-quarter 2016 fed steer and heifer weights continue to be heavier year over year and are likely to continue above 2015 levels for the next few months. For the week ending March 6, 2016, 5-area all grade fed-steers were \$135.53/cwt, roughly \$25 lower than year-earlier fed steer prices (http://www.ams.usda.gov/mnreports/lm_ct150.txt). For first-quarter 2016, the 5-area direct total all grades steer prices are projected to be \$131-135/cwt, down about \$29 compared with first-quarter 2015.

Packer Resistance and Herd Expansion Reduce Slaughter

Cumulative weekly federally inspected cow slaughter and estimated monthly commercial cow slaughter through February appear close to 2015 levels, with dairy cow slaughter slightly ahead of year-earlier slaughter and beef cow slaughter about even with a year earlier. The share of January 1 beef cow inventories represented by current cow slaughter levels implies ongoing expansion, based on year-over-year larger cow herds, implying a slower *rate* of cow slaughter. Combined with year-over-year larger January 1 inventories of heifers expected to

calve in 2016, the U.S. beef cow herd could have another year of expansion during 2016. With more heifers expected to calve during the year and because retained heifers are generally not placed on feed, inventories of heifers available for placement on feed will likely be relatively lower than they would be in the absence of expansionary activities.

Although the relative paucity of heifers available for cattle feeding this year may dampen the expansion of inventories of cattle on feed over the next several months on-feed inventories are expected to increase later in the year. In addition to the higher number of cattle outside feedlots, the length of time cattle are kept on feed before being marketed is a factor in determining feedlot inventories. This has led to higher inventories of cattle on feed during much of the last year, despite lower year-over-year net placements of cattle on feed. Thus far, since November 2014, cattle on feed numbers have been relatively inflated, in part because cattle were kept on feed for longer periods. The inflation occurred even as cattle continued to be placed on feed at lower year-over-year rates, which resulted in the large inventories of overfinished, extremely large cattle in much of 2015. Keeping cattle on feed for longer periods has been a rational decision up to this point because of relatively inexpensive feed, high prices for feeder cattle to replace marketed fed cattle, and inconsequential discounts for large carcasses or excess fat. To some extent, the backlog of overfinished cattle has been reduced, aided somewhat by the impact of cold winter weather on weight gains and the greatly reduced calf crops of recent years (a result of ongoing drought and resulting reductions in U.S. cow inventories).

Cattle slaughter continues at somewhat reduced levels, implying that packers are reluctant to pay recent asking prices for fed cattle in the upper \$130s to \$140s. Packer margins typically are weak in the winter before beef demand moves seasonally higher ahead of “grilling season”.

Beef Complex at a Standstill

Wholesale boxed beef prices have moved lower since the beginning of the year and in the first week of March, Choice-grade boxes were \$7.02 per cwt lower than the first week of January, while Select boxes were \$7.56 per cwt lower. Typically, there is a slight rebound in prices during February, but this year’s price movements have been small. Wholesale prices are likely under pressure from large supplies of beef and competition from large supplies of other meats.

On the retail side, choice beef prices have fallen, but it appears beef products are continuing to experience some resistance from consumers, especially in demand for ground beef products. Beef prices remain relatively high compared with competing meats, creating a bit of a conundrum for retailers in determining feature selections. With beef processing margins being squeezed between firm asking prices for live cattle and limited upside movement in wholesale beef prices, packers have opted to reduce weekly kill schedules—a strategy that supported higher cutout values while alleviating margin pressures due to high cattle prices, in 2015.

Cattle/Beef Trade

Live Cattle Trade Forecast Lower in 2016

Cattle inventory data released by StatsCanada depict a scenario of tight slaughter supplies in Canada this year. As of January 1, the number of Canadian beef cows were reported lower, as was the number of heifers available for slaughter. The survey also showed the number of steers (one year and over) on operations as of January 1st, slightly lower. Further supportive of the notion that Canadian supplies of live cattle crossing the border will be limited in 2016 is the weekly AMS *Canadian Live Animal Imports* report that shows live imports down 35 percent year to date as of the week ending February 20, 2016. With regard to Mexico, the steep decline in U.S. cattle prices relative to prices in the first half of 2015, coupled with tight domestic supplies in Mexico, has created a disincentive for producers to ship feeder cattle to the United States. According to AMS data (https://www.ams.usda.gov/mnreports/al_ls625.txt), feeder cattle imports from Mexico are down 19 percent year to date. Total U.S. cattle imports are expected to decline further in 2016 due to smaller exportable supplies of cattle in Mexico and Canada, and the current 2016 forecast has been lowered an additional 75,000 head to 1.825 million head.

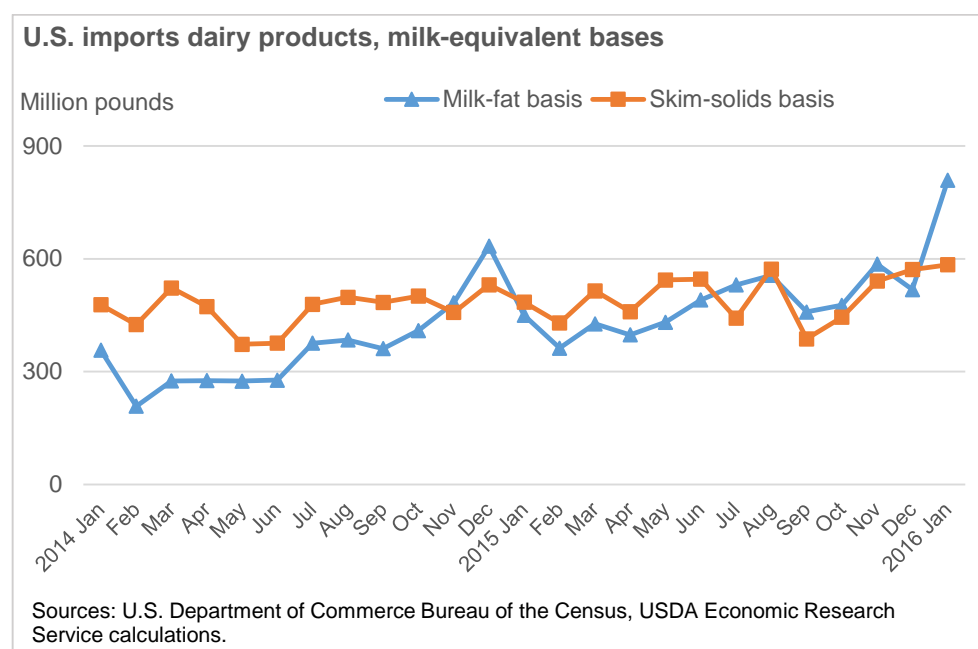
Beef Exports Higher in January, Imports Decline

U.S. beef exports were reported around 174.8 million pounds in January, 7 percent higher than January 2015. U.S. beef prices have declined significantly since reaching very high levels in 2015, and this will be a supportive factor for exports this year. In addition, expectations of higher U.S. domestic beef production should increase interest in U.S. beef exports, especially since Australian beef production and export shipments are expected to be constrained by smaller supplies and reduced slaughter. The 2016 export forecast remains unchanged at 2.48 billion pounds.

U.S. beef imports declined approximately 3 percent year over year in January. Imports from Australia fell by the largest volume, down 12 percent in January. Annual U.S. beef imports from Australia skyrocketed 16 percent in 2015 as a result of strong demand for lean processing beef. Prolonged drought in Australia led to significant increases in slaughter last year, but weather conditions have improved and cattle slaughter rates have decreased relative to the pace of slaughter in 2015. This could be an indication that herd rebuilding is taking place, limiting the amount of beef available for export in 2016. The forecast for U.S. beef imports in 2016 is 2.85 billion pounds, 16 percent lower than in 2015. Imports are expected to decline due to increased U.S. domestic beef production and decreased demand for lean processing beef.

Recent Developments in Dairy Markets

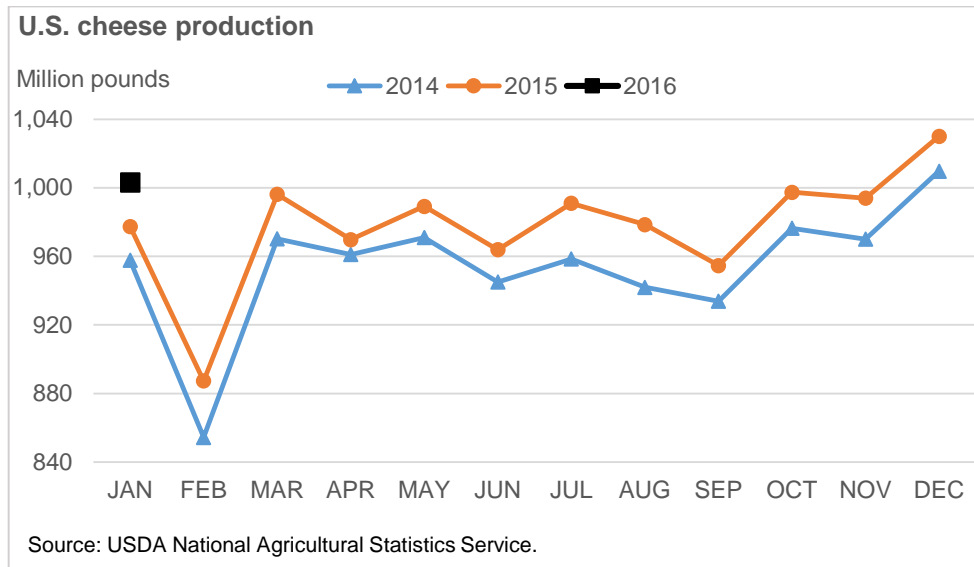
U.S. dairy imports surged for several major products in January. Cheese imports were 66 percent higher than January 2015. Imports of butterfat products (butter, butter oils, and anhydrous milk fat) were nearly double over the previous year. There were also large increases in imports of food preparations with substantial dairy content. Altogether, January imports were 809 million pounds on a milk-fat milk-equivalent basis, an increase from 518 million pounds in December and the highest level for a single month since January 2006. On a skim-solid milk-equivalent basis, imports were 584 million pounds, an increase from 571 million pounds in December and the highest level since February 2009. While January exports were relatively low for many dairy products, nonfat dry milk (NDM) and skim milk powder (SMP) exports remained strong, 23 percent higher than January 2015.



The surge of imports and the relative weakness of exports reflect price differences with major competitors, large global supplies, and relatively weak global demand. The U.S. domestic butter price exceeded the Oceania export price by about 69 and 79 cents in January and February, respectively, while the price differences between the U.S. and Oceania for Cheddar cheese were about 13 and 22 cents.¹ Expansion in milk production for the European Union (EU) has contributed to an abundance of global supplies of dairy products and relatively low prices abroad. In December, EU cow's milk marketings were 4.9 percent higher than in December 2014.

¹ Price differences are between U.S. average prices as reported in the USDA *Announcement of Class and Component Prices* and the midpoints of Oceania export price ranges reported in USDA *Dairy Market News*.

U.S. cheese production for January was 26 million pounds higher than in January 2015. The high cheese production contributed to abundant supplies, with January ending cheese stocks 12.4 percent above January 2015. January production of dry whey, a byproduct of cheese, was up 7 million pounds over January 2015. As more milk moved to cheese and the whey stream, less milk was available for other products. January butter production was 4 million pounds less than the previous year, and NDM and SMP production combined was 21 million pounds less.



U.S. milk production was 17,730 million pounds in January, an increase of 0.3 percent over January 2015. Although milk production continued to expand, the expansion was at a lesser rate than the 0.7 percent year-over-year increase in December. Milk cows in January numbered 9.310 thousand head, 2 thousand more than in January 2015, and the average yield was 1,904 pounds per cow, a year-over-year increase of 4 pounds.

Price directions of major dairy commodities, as reported in the USDA *National Dairy Products Sales Report*, were mixed in February. From the week ending January 30 to the week ending February 27, the price of butter decreased from \$2.150 to \$2.074 per pound. For the same weeks, the price of 40-pound blocks of Cheddar cheese increased from \$1.498 to \$1.504 per pound, but 500-pound barrels (adjusted to 38-percent moisture) decreased from \$1.542 to \$1.521 per pound. The price of dry whey rose from \$0.239 for the week ending January 30 to \$0.259 for the week ending February 27. NDM prices were fairly stable during the month, with prices declining from \$0.771 to \$0.768 per pound.

Dairy Forecasts for 2016

Feed price forecasts continue to remain relatively low. The corn price forecast for 2015/16 is \$3.40-\$3.80 per bushel, unchanged from last month at the midpoint of the range. The 2015/16 soybean meal price forecast is \$270-\$300 per short ton, a \$10 reduction at the top of the range from last month's forecast. The national average price for alfalfa hay decreased from \$150 per short ton in December to \$147 in January.

Based on recent data, the 2016 forecast for milk cows has been raised to 9.305 million head, 10 thousand more than forecast last month. Milk per cow has been lowered to 22,745 pounds per head, 50 pounds less than forecast last month, based on recent yield data and lower milk prices. Milk production for 2016 is forecast at 211.6 billion pounds, a decrease of 0.3 billion pounds from last month's forecast.

Import forecasts have been raised and export forecasts have been lowered for several interrelated reasons:

- Recent changes in imports and exports as reflected in the January trade data,
- Price differentials between the United States and its competitors,
- The strong value of the U.S. dollar,
- Higher expected domestic demand,
- Large global supplies expected for dairy products, particularly from the EU, and
- Expectations of relatively weak global demand for dairy products.

Import forecasts have been raised by 1.1 billion pounds on a milk-fat basis and by 0.2 billion pounds on a skim-solids basis, primarily due to higher expected imports of butterfat products and cheese. Export forecasts have been lowered by 0.1 billion pounds on a milk-fat basis and by 0.7 billion pounds on a skim-solids basis, primarily due to lower expectations for whey exports.

Consumption expectations are raised due to perceived shifts in demand and changes in price forecasts. The upward trend in imports, including the surge in January, may be a sign of a positive shift in consumers' tastes for butter and cheese. Lower expected domestic prices for cheese and NDM, compared to last month's forecasts, are expected to contribute to an increase in domestic use of those products. The forecasts for domestic commercial use have been increased by 0.7 billion pounds on both a milk-fat and a skim-solids basis. The forecasts for ending stocks have been raised by 0.2 billion pounds on a milk-fat basis and 0.1 billion pounds on a skim-solids basis.

Price forecasts this month are based upon counteracting supply and demand influences. Generally, higher imports and lower exports have negative effects on dairy product prices while lower milk production has a positive effect. The cheese price forecast has been lowered to \$1.505-\$1.565 per pound due to more milk allocated to cheese, higher expected imports, and lower expected exports. The butter price has been raised to \$2.010-\$2.100 per pound, as the effects of the lower milk supply, milk reallocation, and the positive shift in demand more than offset the effect of higher imports. The price forecast for nonfat dry milk has been lowered to \$0.770-\$0.820 per pound as global trade effects more than offset the effects of lower expected U.S. milk production and milk reallocation. The annual whey price forecast is unchanged at \$0.230-\$0.260 per pound, as effects of supply and demand on price are expected to be offsetting.

With the lower expected cheese price, the 2016 Class III milk price forecast has been lowered to \$13.60-\$14.20 per hundredweight (cwt). The Class IV milk price forecast is \$13.05-\$13.75 per cwt, unchanged at the midpoint, as changes in the underlying dairy product prices are offsetting. With a lower expected Class III milk price, the all-milk price forecast for 2016 has been lowered to \$14.95-\$15.55 per cwt, a reduction from \$15.30-\$16.00 forecast last month.

Hog Prices Trend Seasonally Upward

First-quarter commercial pork production is expected to be about 6.3 billion pounds, about 2 percent higher than a year ago. This production forecast is slightly lower than last month's forecast due to a small downward adjustment to average dressed weights. Average first-quarter prices of live equivalent 51-52 percent lean hogs will likely average \$45-\$46 per cwt, more than 6 percent below the first quarter a year ago.

Hog prices began 2016 significantly below a year ago, but they have slowly trended upward as slaughter hog numbers have eased. January prices of live equivalent 51-52 percent lean hogs averaged \$40.35 per cwt, more than 25 percent below a year earlier. Prices averaged \$46.61 in February, about 2 percent below a year earlier but 16 percent higher than January. While still below a year ago, hog prices in the first week of March were almost 24 percent higher than they were in the first week of January.

Hog prices typically begin to trend upward in the mid-to-late winter as the U.S. hog processing industry works its way through seasonally tightening supplies. During January, with 20 slaughter weekdays and 5 Saturdays, federally inspected hog slaughter equaled 9.7 million head, implying an adjusted daily slaughter of about 430 thousand head. In February, with 21 slaughter days and 4 Saturdays, the daily kill averaged 389 thousand head, about 40 thousand head fewer daily than in January. Hog prices are expected to continue to trend seasonally upward into the summer months as the relatively smaller fall and winter pig crops move to slaughter. Second-quarter prices of live equivalent prices of 51-52 percent lean hogs are expected to average \$51-\$53 per cwt, more than 14 percent above first-quarter prices, but still more than 2 percent below the same period last year.

Pork Exports Begin 2016 on a Tenuous Note

U.S. pork exports in January were 383 million pounds, 10 percent above a year earlier, when labor difficulties on West Coast port facilities slowed exports generally. Comparing January 2016 shipments to those of January 2014—a period without factors affecting export transportation—shows a decline of almost 14 percent. Particular sources of weakness this past January were Mexico (-3.4 percent), Canada (-4.7 percent), and South Korea (-16 percent). The 10 largest foreign destinations for U.S. pork in January are listed in the table below.

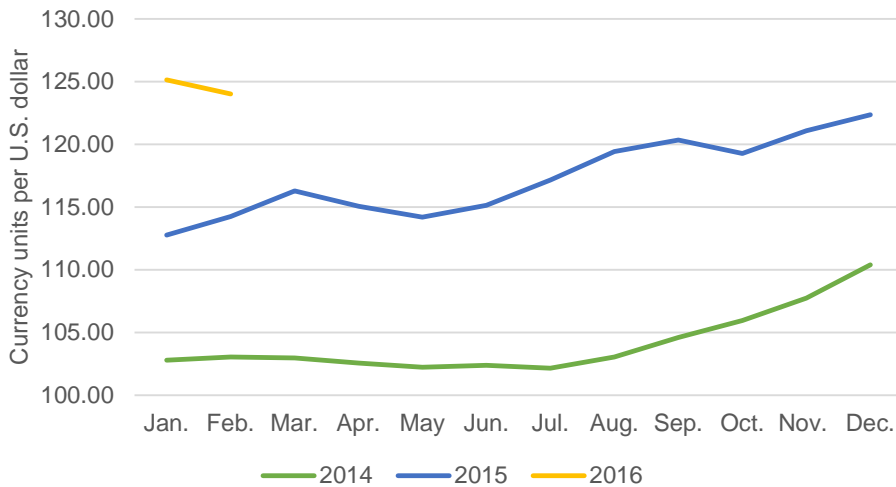
U.S. pork export quantities to the 10 largest foreign destinations, January 2016, 2015, and 2014

	Country	2016 million lbs	2015 million lbs	2014 million lbs	Percent change	
					2016/2015	2016/2014
	World	383.0	347.7	443.0	10.1	-13.6
1	Mexico	119.6	123.8	124.0	-3.4	-3.6
2	Japan	93.1	85.3	115.5	9.2	-19.4
3	Canada	38.0	39.9	42.6	-4.7	-10.8
4	South Korea	36.7	43.7	34.1	-16.0	7.4
5	China-Hong Kong	35.5	11.8	54.3	200.1	-34.7
6	Australia	16.2	7.8	19.8	108.5	-18.2
7	Colombia	8.1	8.9	14.0	-9.5	-42.4
8	Dominican Rep.	6.1	3.9	3.2	55.7	93.0
9	Honduras	5.7	3.5	4.0	62.3	43.1
10	Philippines	5.0	3.4	5.2	45.2	-4.3

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

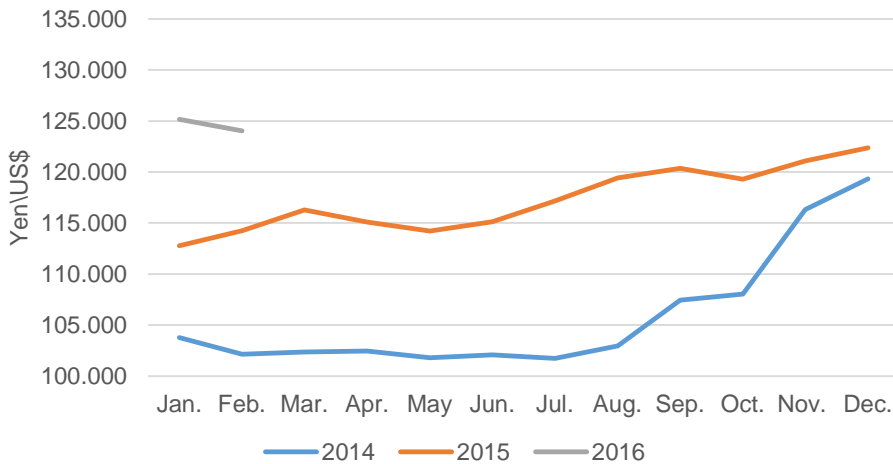
It appears all but certain that the exchange-rate value of the U.S. dollar relative to currencies of trading partners will again be a key variable for U.S. pork trade in 2016. The graph below shows the nominal broad dollar index from 2014 to February 2016. An increasing value of the index indicates that more foreign currency units are needed to purchase dollar-denominated goods. In more concrete terms, the next graph shows the increasing yen price of U.S. dollars. As U.S. pork becomes more expensive to Japanese buyers, they tend to source more pork from U.S. competitors such as the European Union and Canada, whose currencies have also depreciated against the U.S. dollar. First-quarter U.S pork exports are expected to be 1.2 billion pounds, more than 5 percent above exports last year. For 2016 in total, exports are expected to be 5.1 billion pounds, about 3 percent above a year ago, as lower U.S. pork prices, and modest growth in major importing countries drive shipments above year-ago levels.

Nominal broad dollar index, monthly, 2014-Feb. 2016



Source: Board of Governors of the Federal Reserve System.
<http://www.federalreserve.gov/releases/g5/>.

Exchange rate: yen per U.S. dollar, monthly, 2014-Feb. 2016



Source: Board of Governors of the Federal Reserve System.
<http://www.federalreserve.gov/releases/g5/>.

Despite larger forecast pork production in 2016, U.S. pork imports are expected to be about the same as last year: approximately 1.1 billion pounds. This is the flip-side of the strong U.S. dollar, as pork products denominated in foreign currencies are more competitive against domestic pork in U.S. domestic markets. In January, U.S. pork imports of 98 million pounds were 6.6 percent larger than a year ago. Canada accounted for 76 percent of these imports; 22 percent of January imports were sourced from European Union. While most European pork comes from Denmark (29 percent), Poland's share of U.S. imports has increased significantly from last year: almost 10 million pounds of Polish pork were imported into the United States in January versus 6 million pounds a year ago. Pork imported from

Brazil was also more prominent in January. U.S. sources imported more than 215,000 pounds of Brazilian pork, compared with 22,000 pounds in January 2015.

January trade data gives a first indication of hog trade following the repeal of Country of Origin Labeling legislation by the U.S. Congress in late December 2015. U.S. imports of live swine from Canada in January were almost 476,000 head, just over 3 percent above a year earlier. More than 60 percent of January imports were comprised of isowean piglets weighing less than 7 kilograms per head. U.S. imports of feeder pigs weighing between 23 and 50 kilograms increased nearly 44 percent to almost 60 thousand head. U.S. hog buyers imported Canadian animals at a rate of about 119,000 head per week, versus 115,000 head a year ago when COOL was still in place. U.S. imports of slaughter-ready animals were down 6.5 percent to about 80,500 head.

According to weekly AMS data, so far in 2016 about 70 percent of U.S imported swine entered the United States from North Dakota, implying a Manitoba origin of these animals. About 25 percent of U.S. swine imports entered the United States from Michigan, implying an Ontario origin. Of the animals entering the United States from North Dakota, almost 80 percent have been finishing animals, while about 21 percent of animals entering from Michigan have been finishing animals.

Broiler Production Forecast Increased for the First Quarter

2016 broiler production through the week ending March 5 was higher than expected, with a 3.4-percent year-to-date increase according to preliminary data for ready-to-cook (RTC) meat. These data showed 2 percent more birds slaughtered in 2016 than in 2015 and showed average live weights at slaughter again at record levels. On this basis, the first-quarter production forecast was increased to 10.1 billion pounds from 10.025 billion pounds, with outlying quarters unchanged from previous forecasts.

Trends for month-ending stocks of all broiler meat in cold storage are diverging across the broiler categories but are headed down on the whole. As of January 31, breast meat stocks were at their highest level since the series began in 2003, while leg quarter stocks were at their lowest level for the month since 2014. All broiler meat in cold storage as of January 31 totaled 798 million pounds, declining for the second consecutive month. On this basis, the forecast for first-quarter ending stocks was revised down to 780 million pounds from 790 million pounds.

Wholesale prices for broiler meat are also moving in different directions. The price for boneless/skinless breasts in the Northeast has been heading down every week since February, hitting \$1.02 per pound for week ending March 5. Leg quarter prices have been trending up in the Northeast and Southeast markets, respectively hitting \$0.28 and \$0.21 for week ending March 5.

The national composite price for whole birds at wholesale has been trending down on a weekly basis since mid-January, reversing the previous upward trend that began in the fourth quarter. Some of the price decline may be due to increased stocks of whole broilers, up 34 percent from October 31 to January 31. Due to lower recent prices and more expected production, whole-bird price forecasts were reduced for the first, third, and fourth quarters, with an annual price forecast at \$0.84-\$0.88 per pound.

Turkey Production Forecast at 6.0 Billion Pounds

Turkey meat production for 2016 is forecast to total 6.0 billion pounds, an increase of 65 million pounds from the previous estimate. This total is 7 percent higher than in 2015, when production was depressed by the Highly Pathogenic Avian Influenza (HPAI) outbreak. Turkey production is expected to be sharply higher during the second half of the year. Production in 2016 is expected to increase as producers continue to restock turkey houses after last year's HPAI losses. Support for increased production will likely come from lower feed costs, higher exports, and relatively strong domestic economic conditions.

Turkey meat production in January 2016 totaled 476 million pounds, down 3 percent from the previous year. However, much of this decline is due to 1 less slaughter day in January 2016 than in the previous year. The number of birds slaughtered was down 4 percent from the previous year, but this was partially offset by a 1-percent increase in average live weights to 31.8 pounds. The number of turkeys slaughtered is forecast to be slightly lower in first-quarter 2016, but to increase during the remainder of the year. During 2016 average turkey live weights are forecast to show significant gains in the second half of the year.

Turkey Stocks 3 Percent Higher

The turkey stocks estimate for the end of January 2016 was 290 million pounds, 3 percent higher than in the same period the previous year. The increase in January stems primarily from higher stocks of breast meat and products in the unclassified category. At the end of January, whole-birds stocks were estimated at 105 million pounds, down 10 percent from the previous year. However, stocks of whole toms were down 22 percent from the previous year, while whole hen stocks were 3 percent higher. With only a small decline in production in the first quarter and lower exports, the total turkey ending stocks forecast for first-quarter 2016 was increased by 50 million to 375 million pounds.

With turkey meat production expected to be higher in 2016, stocks of whole turkeys and turkey products are expected to increase seasonally and remain above their 2015 levels. The higher stock levels, along with relatively low exports, are expected to place downward pressure on prices.

Lower production and tighter whole-turkey stocks have continued to boost whole bird prices. In February, prices for frozen whole hens averaged \$1.15 per pound, 16 percent higher than the previous year. Prices for frozen whole hens had been higher on a year-over-year basis since April of 2015. Weekly prices for boneless/skinless breast meat and breasts continue to be higher than the previous year, boosted by lower stock levels for tom turkeys. Most other turkey parts are lower compared to the previous year. Prices for frozen whole hens are forecast to remain above year-earlier levels for the first half of 2016 but then to become lower as production increases.

Table Egg Production Declines in January

Table egg production in January was 584 million dozen, down 7 percent from the previous year. The number of birds in the table egg flock in January was 292 million, down 5 percent from a year earlier, and this was combined with a 1-percent decline in the average rate of lay for the table egg flock in January. The size of the table egg flock has been expanding over the last several months but still remains below its pre-HPAI levels. Table egg production is forecast at 1.7 billion dozen in first-quarter 2016, down 4 percent from a year earlier, but production is forecast higher than the previous year during the remainder of 2016.

The NASS Annual *Chicken and Eggs* Report contained upward revisions to table egg production in 2013, 2014, and 2015. The revisions in 2014 increased each of the quarterly totals and added an additional 161 million dozen to the annual total (7.4 billion). The 2015 revisions also increased each of the quarterly totals and added 83 million dozen to the total (6.9 billion).

Hatching egg production in January was 95 million dozen, a 3-percent increase from the previous year. The gain in production came from an increase of 2 percent in the number of hens in the hatchery egg flocks and a 1-percent increase in their average rate of lay. The number of meat-type hens in the hatchery egg flock rose to 54.7 million in January. Hatching egg production during 2016 is forecast to be up 2 percent to 1.1 billion dozen eggs as the broiler industry expands production and the rebuilding of the table egg flock increases the demand for egg-type pullets. As with table eggs, the NASS Annual Chicken and Egg Report

contained some revisions to hatching egg production in 2014 and 2015, but the revisions were all relatively minor.

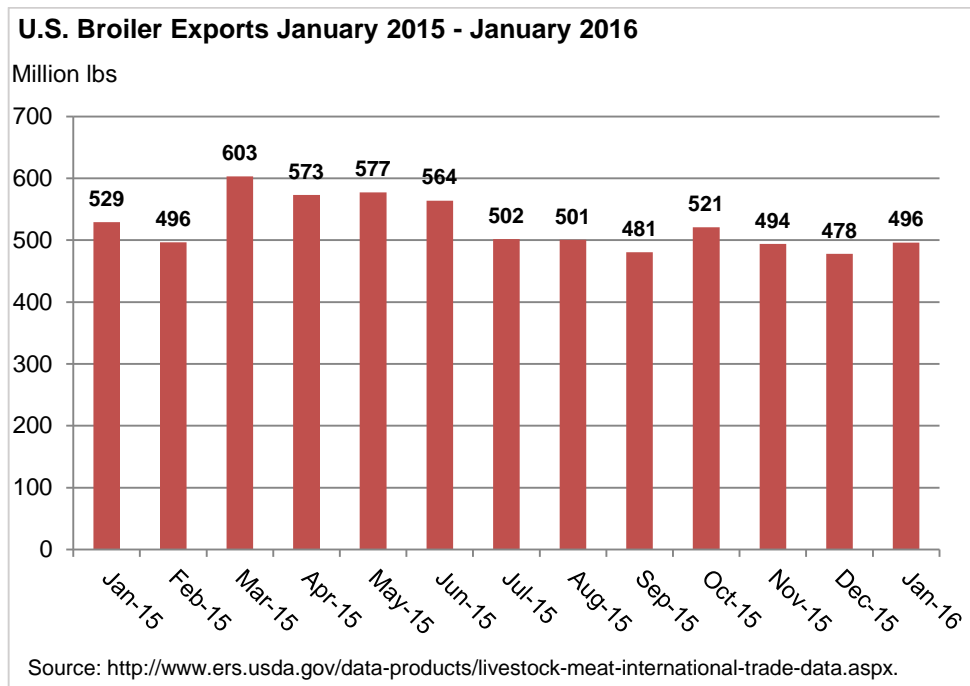
Although varying widely throughout the months, wholesale table egg prices ended up only slightly different in January and February at \$1.34 and \$1.31 per dozen, respectively, for Grade A large eggs in the New York market. With an early Easter (March 27) table egg prices normally would have been expected to increase in early March. However, over the last week of February and the beginning of March, prices have been flat at \$1.05 per dozen. The first-quarter 2016 average price average forecast was lowered to \$1.31-\$1.34 per dozen, well below the previous year. The estimates for both the third and fourth quarters were revised downward to \$1.34-\$1.46 and \$1.54-\$1.66 per dozen, respectively. With an expected expansion in table egg production, egg prices for 2016 are expected to average sharply lower than the 2015 price of \$1.82 per dozen.

Poultry Trade

Broiler Trade

U.S. Broiler Shipments Down in January

Broiler shipments dropped 6 percent in January compared with a year earlier, totaling 496 million pounds. Exports to Mexico, the United States' largest market, decreased by 8 percent from January 2015 levels to 113 million pounds. National bans by China, Russia, and South Korea continued to impact exports (South Korea opened up its market temporarily in January, but reinstated its ban after the January 15 H7N8 Avian Influenza outbreak in Indiana). Shipments to most key trading partners were strong in January, but large year-over-year declines to Mexico, Georgia, and Vietnam were sufficient to put the month in negative territory. The forecast for 2016 exports was reduced by 25 million pounds to 6.74 billion pounds as export recovery remains slower than expected.

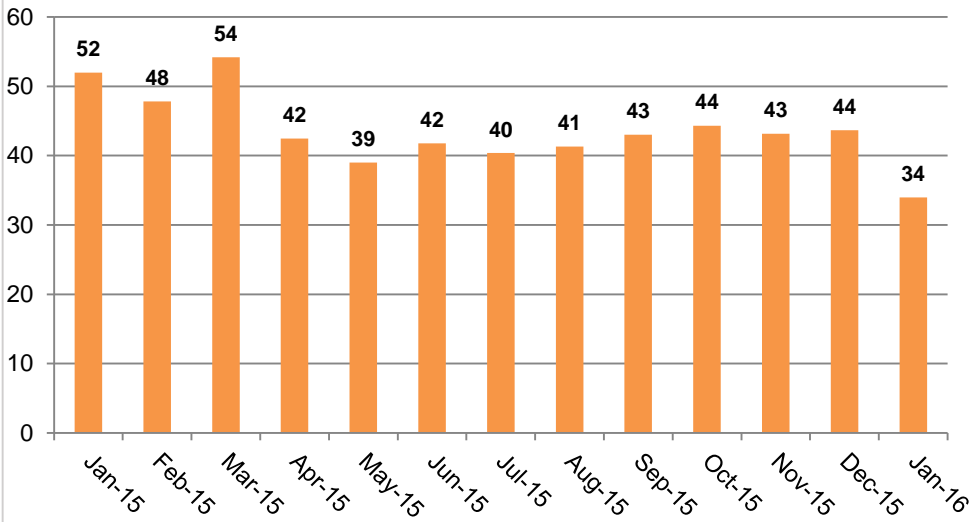


Turkey Exports Drop in January from a Year Earlier

In January, turkey exports totaled 34 million pounds, 35 percent lower than the previous January. The decrease was mainly due to a sharp decline in exports to Mexico, the largest market for U.S. turkey products. The 21 million pounds shipped to Mexico in January were 40 percent lower than the previous January but still represented 63 percent of U.S. turkey meat shipments this January. The drop was likely due to the decline in production caused by HPAI outbreaks in spring 2015 and continued bans on imports from U.S. States where there have been outbreaks. The 2016 forecast is reduced to 655 million pounds, 35 million pounds less than last month. Exports in 2016 are still expected to recover 23 percent as producers regain production capacity following the 2015 HPAI outbreak.

U.S. Turkey Exports January 2015 - January 2016

Million lbs



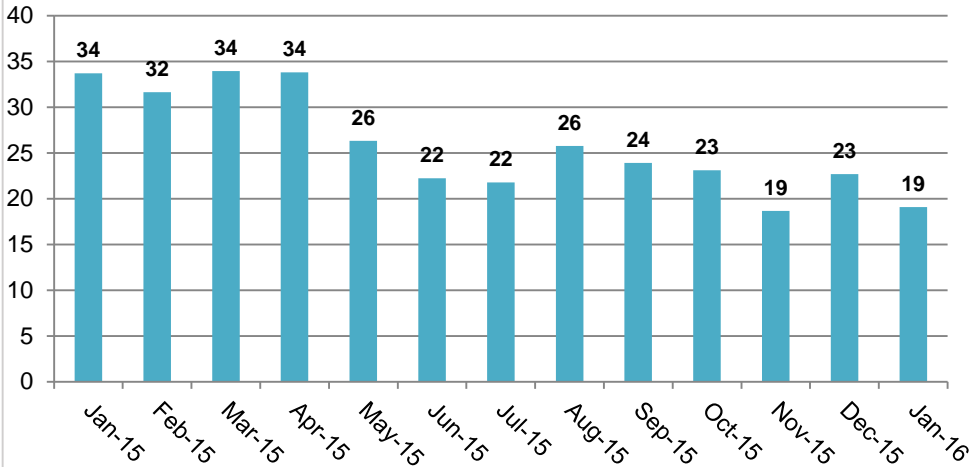
Source: <http://www.ers.usda.gov/data-products/livestock-meat-international-trade-data.aspx>.

Egg Exports Down in January

Total egg exports (shell eggs and egg products) reached the shell egg equivalent of 19 million dozen in January, 43 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 66 percent lower in January than a year earlier, while shipments to Japan and Hong Kong fell by 67 percent and 34 percent, respectively. As with the turkey market, declining egg and egg product exports are likely due to reduced production caused by HPAI outbreaks in spring 2015 and bans on imports from U.S. States where there have been outbreaks. The forecast for 2016 exports is reduced to 320 million dozen, 10 million dozen less than last month's forecast, as trade recovery has yet to match the pace of the domestic recovery.

U.S. Egg and Egg Product Exports January 2015 - January 2016

Million Dozen



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

Contact Information

Ken Mathews (coordinator, cattle/beef and veal)	(202) 694-5183	kmathews@ers.usda.gov
Sahar Angadjivand (beef/cattle and veal)	(202) 694-5187	sangadjivand@ers.usda.gov
Seanicaa Edwards (beef/cattle and beef/cattle trade)	(202) 694-5333	seanicaa.edwards@ers.usda.gov
Alex Melton (poultry trade)	(202) 694-5409	awmelton@ers.usda.gov
Mildred M. Haley (coordinator, hogs/pork)	(202) 694-5176	mhaley@ers.usda.gov
David J. Harvey (poultry, eggs, aquaculture)	(202) 694-5177	djharvey@ers.usda.gov
Sean Ramos (poultry, eggs)	(202) 694-5443	sean.ramos@ers.usda.gov
Roger Hoskin (dairy)	(202) 694-5148	rhoskin@ers.usda.gov
Jerry Cessna (dairy)	(202) 694-5171	jgcessna@ers.usda.gov
Sahar Angadjivand (sheep and goats)	(202) 694-5187	sangadjivand@ers.usda.gov
Carolyn Liggon (web publishing)	(202) 694-5056	cvliggon@ers.usda.gov

Subscription Information

Subscribe to ERS e-mail notification service at <http://www.ers.usda.gov/subscribe-to-ers-e-newsletters.aspx> to receive timely notification of newsletter availability.

Data Products

Meat Price Spreads, <http://www.ers.usda.gov/data-products/meat-price-spreads.aspx>, provides monthly average values at the farm, wholesale, and retail stages of the marketing chain for selected animal products.

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>
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>

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

E mail Notification

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

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

- Receive weekly notification (on Friday afternoon) via the ERS website. Go to <http://www.ers.usda.gov/subscribe-to-ers-e-newsletters.aspx> and follow the instructions to receive notices about ERS outlook reports, Amber Waves magazine, and other reports and data products on specific topics. ERS also offers RSS (really simple syndication) feeds for all ERS products. Go to <http://www.ers.usda.gov/rss/> to get started.

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	5,845	6,115	6,365	6,215	24,540		
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	6,270	5,935	6,170	6,650	25,025		
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	9,299	9,618	9,835	9,814	38,565	9,718	10,021	10,372	9,937	40,048	10,100	10,200	10,500	10,300	41,100		
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	5,627	1,425	1,475	1,525	1,585	6,010		
Total red meat & poultry	22,865	23,084	23,274	23,739	92,963	22,743	23,183	23,563	23,844	93,333	22,471	22,934	23,111	23,671	92,187	23,156	23,381	23,937	24,146	94,619	23,825	23,922	24,756	24,945	97,448		
Table eggs, mil. doz.	1,684	1,680	1,707	1,778	6,849	1,733	1,746	1,775	1,829	7,083	1,794	1,823	1,852	1,895	7,364	1,809	1,712	1,646	1,700	6,867	1,745	1,750	1,800	1,875	7,170		
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	13.3	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	12.6	11.9	12.5	13.5	50.4		
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	1.0		
Broilers	20.1	20.4	20.3	19.7	80.4	20.0	20.3	21.0	20.5	81.8	20.3	20.8	21.2	21.1	83.3	21.4	22.1	23.3	22.2	89.0	22.6	22.5	23.1	22.6	90.8		
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	3.6	3.7	4.3	5.0	16.5		
Total red meat & poultry	49.3	50.3	50.6	52.0	202.1	49.5	50.2	51.3	52.4	203.4	48.7	49.8	50.5	53.1	202.1	50.9	51.8	53.8	54.6	211.1	52.6	52.3	54.3	55.2	214.5		
Eggs, number	63.2	62.2	63.3	65.6	254.3	64.3	63.4	64.7	66.1	258.6	65.5	66.2	67.2	66.7	266.6	65.1	62.3	61.1	64.6	253.2	65.4	64.8	65.3	67.6	263.0		
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	132-135	136-142	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	154-157	162-168	164-176	169-181	162-171		
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	72-75	85-91	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	138-141	140-146	137-149	144-156	139-148			
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	45-46	51-53	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	83-84	84-88	84-92	84-90	84-88		
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	114-117	112-118	106-114	111-121	111-117		
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	131-134	127-133	134-146	154-166	137-145		
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	1,225	1,275	1,225	1,375	5,100		
Pork imports	207	191	198	205	802	208	210	229	233	880	212	240	256	299	1,008	278	264	269	300	1,111	1,280	250	270	300	1,100		
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	1,590	1,675	1,725	1,750	6,740		
Turkey exports	180	184	216	216	797	179	182	198	202	760	163	188	223	231	805	154	123	125	131	533	120	155	180	200	655		
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	1,450	1,525	1,550	1,575	6,100		

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.

For further information, contact: Mildred M. Haley, mhaley@ers.usda.gov

Updated 3/14/2016

Dairy Forecasts

	2014	2015					2016				
	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thousand) 1/	9,257	9,309	9,321	9,315	9,321	9,317	9,305	9,310	9,300	9,295	9,305
Milk per cow (pounds)	22,260	5,579	5,763	5,549	5,503	22,394	5,670	5,800	5,640	5,635	22,745
Milk production (billion pounds)	206.1	51.9	53.7	51.7	51.3	208.6	52.8	54.0	52.5	52.4	211.6
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	53.5	51.4	51.1	207.7	52.5	53.8	52.2	52.1	210.6
Milkfat (billion pounds milk equiv.)											
Milk marketings	205.1	51.7	53.5	51.4	51.1	207.7	52.5	53.8	52.2	52.1	210.6
Beginning commercial stocks	11.2	11.2	13.3	15.6	14.1	11.2	13.3	15.1	16.0	14.0	13.3
Imports	4.3	1.2	1.3	1.5	1.6	5.7	1.7	1.7	1.7	1.8	7.0
Total supply	220.6	64.2	68.1	68.6	66.7	224.6	67.6	70.5	69.9	68.0	230.9
Commercial exports	12.4	2.4	2.5	2.1	1.8	8.8	2.0	2.1	2.1	2.0	8.2
Ending commercial stocks	11.2	13.3	15.6	14.1	13.3	13.3	15.1	16.0	14.0	12.4	12.4
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	50.1	52.4	51.5	202.5	50.5	52.4	53.8	53.6	210.3
Skim solids (billion pounds milk equiv.)											
Milk marketings	205.1	51.7	53.5	51.4	51.1	207.7	52.5	53.8	52.2	52.1	210.6
Beginning commercial stocks	11.7	13.1	13.7	14.6	14.0	13.1	13.9	14.4	16.0	14.8	13.9
Imports	5.6	1.4	1.5	1.4	1.6	5.9	1.5	1.6	1.6	1.7	6.4
Total supply	222.4	66.2	68.7	67.5	66.6	226.7	67.9	69.7	69.8	68.6	230.8
Commercial exports	39.1	8.8	10.7	9.1	8.7	37.3	8.6	9.4	9.2	9.1	36.3
Ending commercial stocks	13.1	13.7	14.6	14.0	13.9	13.9	14.4	16.0	14.8	14.1	14.1
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	43.4	44.3	44.1	175.5	44.9	44.4	45.8	45.5	180.5
Milk prices (\$/cwt) 2/											
All milk	23.97	17.00	16.70	16.93	17.70	17.08	15.45	14.30	14.65	15.40	14.95
							-15.65	-14.80	-15.45	-16.40	-15.55
Class III	22.34	15.73	16.24	16.14	15.07	15.80	13.55	13.10	13.65	14.00	13.60
							-13.75	-13.60	-14.45	-15.00	-14.20
Class IV	22.09	13.62	13.77	13.71	16.28	14.35	13.10	12.85	13.10	13.00	13.05
							-13.40	-13.45	-14.00	-14.10	-13.75
Product prices (\$/pound) 2/											
Cheddar cheese	2.155	1.567	1.663	1.718	1.634	1.645	1.500	1.450	1.510	1.550	1.505
							-1.520	-1.500	-1.590	-1.650	-1.565
Dry whey	0.654	0.529	0.444	0.316	0.233	0.380	0.235	0.235	0.225	0.225	0.230
							-0.255	-0.265	-0.255	-0.255	-0.260
Butter	2.136	1.647	1.838	2.135	2.648	2.067	2.050	1.955	2.015	1.985	2.010
							-2.090	-2.075	-2.125	-2.115	-2.100
Nonfat dry milk	1.768	1.024	0.948	0.794	0.841	0.902	0.765	0.760	0.780	0.785	0.770
							-0.785	-0.800	-0.840	-0.885	-0.820

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.

For further information, contact Jerry Cessna, 202-694-5171, jgcessna@ers.usda.gov, or contact Roger Hoskin, 202 694 5148, rhoskin@ers.usda.gov.

Published in *Livestock, Dairy, and Poultry Outlook*, <http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook.aspx>.