



Economic  
Research  
Service

Situation and  
Outlook

LDP-M-263

May 16, 2016

# Livestock, Dairy, and Poultry Outlook

Mildred Haley  
[mhaley@ers.usda.gov](mailto:mhaley@ers.usda.gov)

Kenneth H. Mathews, Jr.  
[kmathews@ers.usda.gov](mailto:kmathews@ers.usda.gov)

## 2017 Production Forecasts Released in May WASDE

USDA published production forecasts for 2017 for red meat, poultry, eggs and milk in the May *World Agricultural Demand and Supply Estimates*. As depicted in the figure below, production of all animal protein components is expected to increase in 2017. In the aggregate, percent increases in 2017 compared with 2016 are: total red meat (+3.3 percent), total poultry (+2.5 percent), and total red meat and poultry (+2.9 percent). Milk production, adjusted for leap year, is expected to increase 1.6 percent in 2017.

### Contents

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

### Tables

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

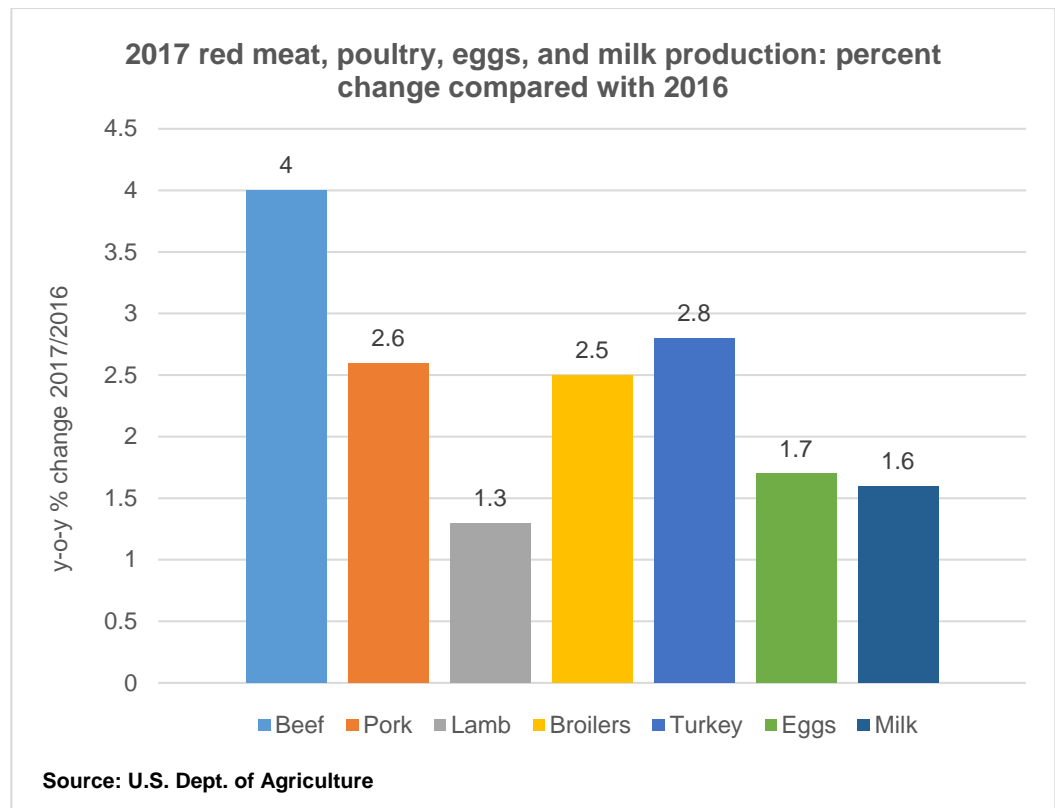
### Web Sites

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

Tables will be released on May 31, 2016

The next Outlook Report release is June 16, 2016

Approved by the World Agricultural Outlook Board.



**Cattle/Beef:** Recent rains improve the cattle outlook for spring and early summer, but cattle prices are moving lower and supplies of cattle remain large. Given a larger 2015 calf crop and expectations of increases in the 2016 calf crop, placements of cattle in feedlots in 2016 and early 2017 are expected to be higher. With larger fed cattle supplies and higher carcass weights, beef production for 2017 is forecast at 25.8 billion pounds, 4 percent above 2016. Prices in 2017 are expected to average \$118-128 per hundredweight (cwt).

**Cattle/Beef Trade:** Increased domestic U.S. beef availability for export, lower beef prices, and a weakening U.S. dollar have all contributed to renewed global buying interest in U.S. beef. Beef exports in 2017 are expected to strengthen for most major trading partners, increasing nearly 5 percent to 2.6 billion pounds.

**Dairy:** With high stocks of dairy products and higher expectations for milk production and imports, the all-milk price forecast for 2016 is \$14.60-\$15.10 per hundredweight (cwt), a reduction from last month's forecast of \$15.00-15.50 per cwt. The milk production forecast for 2017 is 215.2 billion pounds, an increase of 1.6 percent above the 2016 forecast, adjusted for leap year. With tighter expected world supplies and higher global demand bringing about greater exports in 2017, the all-milk price forecast is \$15.25-\$16.25 per cwt.

**Pork/Hogs:** Larger hog supplies are expected to drive 2017 pork production almost 3 percent above volumes in 2016. Both hog and retail pork prices are likely to be lower as a result. Pork exports are expected to increase almost 2 percent in 2017.

**Poultry:** First-quarter broiler production was slightly below forecast, and outlying forecasts were left unchanged. Broiler stocks forecasts were reduced on lower-than-expected data, and whole-broiler price forecasts were raised slightly on stronger price trends. Turkey meat production in 2016 was reduced to 5.9 billion pounds, still 6 percent above the HPAI-reduced production of 2015. Turkey production in 2017 is expected to increase by 3 percent to 6.1 billion pounds, boosted by good general domestic economic conditions, expanding exports, and only modest gains in feed costs. Both table egg and hatching egg production are forecast to expand in 2016 and 2017, with production in 2017 up 2 percent for both groups. With weak demand in the table egg market, the price forecast for second-quarter 2016 was reduced to \$0.77-\$0.79 per dozen. The forecast prices for the third and fourth quarters were also reduced. Prices for 2017 are forecast to average \$1.08-\$1.18 per dozen.

### *Spring and Early Summer Outlook Improves on Good Weather*

Significant precipitation during the first week in May improved the pasture and crop outlook for the Southern Plains, Southeastern United States, and other U.S. areas in which drought conditions were beginning to appear—with the exception of the Southwest and Southern California. The May 3, 2016, U.S. Drought Monitor showed very little change in drought conditions in much of the Southern Plains (<http://droughtmonitor.unl.edu/>). New Mexico and Arizona continued to show D0 Abnormally Dry and D1 Moderate Drought conditions, and despite slight improvements, the West continues to be constrained by D4 Exceptional Drought conditions.

Recent heavy precipitation (especially in Texas) boosted crop progress; for the week ending May 1, 2016, only 10 percent of U.S. pastures were in poor or very poor condition—down 3 percentage points compared with last year. In addition, for the same week, 87 percent of topsoil moisture conditions in selected States were reported adequate or better—up 15 percentage points from last year (<http://usda.mannlib.cornell.edu/usda/current/CropProg/CropProg-05-02-2016.pdf>). Although a large number of cattle appear to have been taken off wheat in February and March in response to more rapid wheat pasture development than is typical, decisions by some producers to graze-out wheat could have the effect of extending both the number of heavy-weight feeder cattle and the period during which they would be available for placement in feedlots.

The most recent *Cattle on Feed* report showed that placements of 800-pound-or-heavier feeder cattle in 1,000-plus head feedlots in March 2016 were above year-earlier levels; placements in this weight category have been at or higher than a year earlier since August 2014. Any additional cattle remaining on wheat pasture will likely be placed on feed in April and into early May. Many of these cattle will be in the 800-plus-pound category when placed on feed. The heaviest feeder cattle placed on feed in March, April, and May will likely go to slaughter beginning in August and continue through fall and possibly longer. If the heavy cattle slaughter continues into winter, it will occur along with slaughter of cattle placed on feed at lighter weights earlier in the winter, potentially creating a fed-cattle bubble and likely supporting second-half 2016 beef production at higher year-over-year levels.

The April *Cattle-On-Feed* report also showed year-over-year increases in both the number of heifers on feed in 1,000-head-plus feedlots (up 4 percent from April 1, 2015) and the heifer share of total steers and heifers on feed on April 1 (up from 31.0 percent on April 1, 2015, to 32.2 percent on April 1, 2016). The increase in the percentage of heifers on feed may point toward a potential slowdown in heifer retention for rebuilding the cow herd, implying a slower pace of herd rebuilding than previously anticipated. To the extent producers hold back fewer heifers than earlier expected, more heifers may be available for placement on feed.

Fed cattle weights have been declining seasonally, in part a reflection of earlier, seasonally lower cattle placement weights, but also reflecting recent incentives to market cattle earlier. This recent move to earlier marketing reflects a reversal of an earlier move to feed cattle to higher weights as feedlot operators attempted to maximize returns from relatively expensive feeder calves purchased during 2015.

For the remainder of 2016, the availability of forage will likely support placements of relatively heavy cattle in feedlots, while moderating feed prices are expected to support finishing cattle to relatively heavy weights. Cattle weights are expected to move seasonally higher during the second half of 2016, but a return to more typical marketing patterns will likely preclude year-over-year gains in carcass weights of the magnitude seen in late 2015.

Third- and fourth-quarter 2016 beef production forecasts were raised on expectations of higher steer and heifer slaughter, partially the result of larger calf crops in 2014 and 2015 and a more normal marketing pace during the last half of the year. The annual 2016 beef production forecast is 24.8 billion pounds, up 5 percent from 2016. Higher beef production will likely carry over into 2017 as expansion continues and more cattle are slaughtered at heavier weights. Annual beef production in 2017 is forecast 4 percent higher year over year at 25.8 billion pounds.

### ***Wholesale Prices Plummet on Bearish Fundamentals***

Wholesale beef prices have yet to gain momentum as the spring grilling season gets underway. Historically heavy slaughter weights—although weights have decreased noticeably in recent weeks—coupled with larger-than-anticipated weekly cattle slaughter in late April and early May have resulted in growing weekly beef supplies, which have kept wholesale beef prices under pressure. Weak demand for ground beef products and the popular middle-meat grilling items amid expanding weekly beef production remain a negative force across the entire beef complex. The Choice cutout price for the week ending May 6th was \$205.72/cwt, down \$9.79/cwt from the previous week and \$50.89/cwt lower than last year. The Select cutout was reported at \$196.49/cwt, down \$9.82/cwt from the previous week and \$48.40/cwt below last year. The current fundamentals of the beef complex are the exact opposite of this time last year, with lower prices and higher production. Although retailers will likely take advantage of price declines in featuring beef in June and July, lower prices for competing proteins such as pork and chicken will remain a factor in retailer decisions.

### ***Cattle Imports Expected To Be Lower in 2017***

U.S. cattle imports for 2016 are forecast at 1.8 million head, 9.3 percent below year-earlier levels on steep declines in cattle purchases from both Canada and Mexico. According to AMS weekly report (AL\_LS625), cattle imports from Mexico through May 6th were running about 6 percent below year-earlier levels. According to the AMS report (WA\_LS637), through April 23rd, increases in imports of Canadian slaughter cattle (steers and heifers) have been significant, up 33 percent, while imports of feeder cattle year-to-date are running about 52 percent below year-prior levels. The U.S. cattle import forecast for 2017 is at 1.7 million head or 4 percent lower year-over-year.

### ***U.S. Beef Exports Expected To Expand in 2016 and 2017, Imports Seen Lower***

U.S. beef exports for the first quarter of 2016 totaled 534 million pounds, 2 percent higher than a year ago. Increased domestic U.S. beef availability for export, lower prices, and a weakening U.S. dollar have all contributed to renewed buying interest in U.S. beef globally. Despite lower first-quarter exports to

Canada (-9 percent) and Mexico (-11), first-quarter exports to Japan (+6 percent), Korea (+17 percent), Taiwan (+20 percent) and Hong Kong (+10 percent) were noticeably higher and it's expected that U.S. beef will remain in strong demand globally given the attractive prices and decreased competition from Australian beef exports. U.S. beef exports for 2016 are expected to total 2.5 billion pounds, about a 9-percent increase year over year. Beef exports in 2017 are expected to strengthen as domestic beef production continues to expand and beef prices decline further, increasing exports nearly 5 percent to 2.6 billion pounds.

U.S. beef imports for the first quarter of 2016 totaled 793 million pounds, down 10 percent compared to first-quarter imports in 2015. Through March, U.S. beef imports from Mexico and Canada were 12 and 6 percent higher than the first quarter last year. Imports from Australia and New Zealand were 18 and 4 percent lower than a year earlier. Imports from Oceania are expected to trend lower throughout the calendar year, particularly from Australia given the country's current tight domestic cattle inventories and expected limited beef availability for export. First-quarter imports from Brazil (thermally processed beef), Central American countries, and Uruguay were also 39, 36, and 27 percent lower, respectively. Second, third and fourth quarter import forecasts remain unchanged from the previous month, bringing the 2016 annual beef import forecast to 2.9 billion pounds. Total beef imports for 2017 are forecast at 2.6 billion pounds, about a 12-percent decline relative to 2016.

**Authors:**

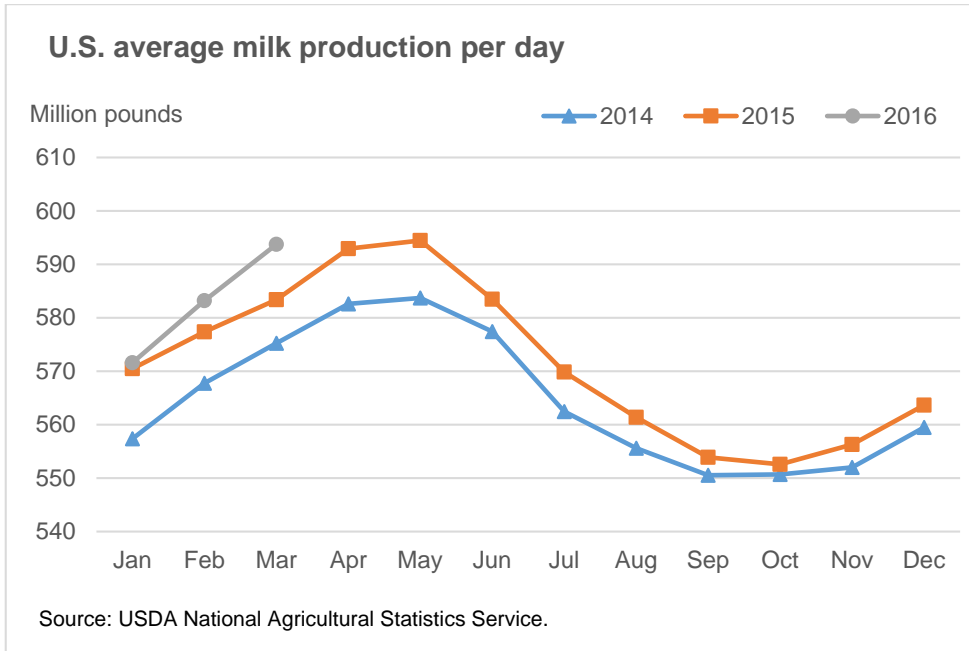
Kenneth Mathews, [kmathews@ers.usda.gov](mailto:kmathews@ers.usda.gov)

Seanicaa Edwards, [seanicaa.edwards@ers.usda.gov](mailto:seanicaa.edwards@ers.usda.gov)

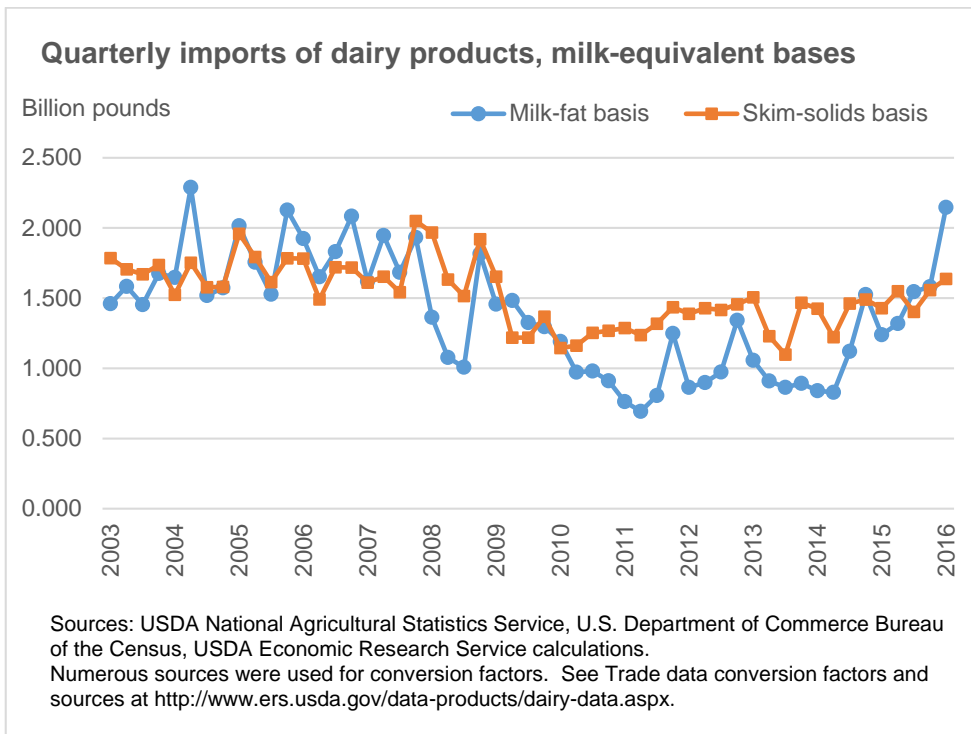
Sahar Angadjivand, [sangadjivand@ers.usda.gov](mailto:sangadjivand@ers.usda.gov)

## Recent Developments in Dairy Markets

Since the beginning of the year, milk production has been growing at an increasing rate. In January, daily milk production was only 0.2 percent over January 2015. The year-over-year increase grew to 1.0 percent in February and 1.8 percent in March, reaching 594 million pounds per day. Production per cow averaged 1,974 pounds for March, 32 pounds above March 2015. Milk cows numbered 9.325 million head, 14 thousand head more than March 2015, and 10 thousand head more than February 2016.



Imports remained high in March, especially for butterfat products, cheese, and milk protein products. For the first quarter, imports on a milk-fat milk-equivalent basis were 2.146 billion pounds, the highest level since the second quarter of 2004. Imports on a skim-solids milk-equivalent basis were also high, reaching 1.637 billion pounds in the first quarter, the highest level since the first quarter of 2009.



Exports on a milk-fat basis fell by 17 million pounds from February to March, while exports on a skim-solids basis declined by 6 million pounds. Exports of cheese and butterfat products have been higher than expected despite high domestic prices compared to foreign export prices. Butter and cheese stocks continued to remain well above previous-year levels, with March ending stocks higher than the previous year by 32.1 percent (butter) and 11.4 percent (cheese). Nonfat dry milk (NDM) ending stocks for March were 7.5 percent lower than the previous year.

Price directions of major dairy commodities were mixed in April. From the week ending April 2 to the week ending April 30, the butter price reported in the *USDA National Dairy Products Sales Report* (NDPSR) increased by \$0.118 per pound. Prices for the other commodities declined over the same weeks, including 40-pound cheddar cheese blocks (-\$0.063 per pound), 500-pound cheddar cheese barrels adjusted to 38-percent moisture (-\$0.038 per pound), NDM (-\$0.019 per pound), and dry whey (-\$0.005 per pound).

### ***Outlook for Feed Prices***

Feed prices for remainder of 2015/2016 and for 2016-17 are expected to remain relatively low. The corn price forecast for 2015/2016 is \$3.50-\$3.70 per bushel, and the soybean meal price forecast is \$310 per short ton. The national average price for alfalfa hay increased from \$142 per short ton in February to \$144 in March. For 2016/2017, corn and soybean meal price forecasts are \$3.05-\$3.65 per bushel and \$300-\$340 per short ton, respectively.

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

Based on recent data, milk production forecasts have been raised to 212.4 billion pounds for 2016, an increase of 0.6 billion pounds from last month's forecast. The

2016 forecast for milk cows is 9.320 million head, 10 thousand more than forecast last month. Milk per cow has been raised to 22,795 pounds per head, 40 pounds more than forecast last month.

Based on recent trade data and the price gap between domestic and foreign export prices, the forecasts for 2016 imports have been raised by 0.2 billion pounds on both the milk-fat and skim-solids bases. With higher expected exports of cheese and butterfat products, the forecast for commercial exports has been raised by 0.5 billion pounds on a milk-fat basis. On a skim-solids basis, the annual forecast for 2016 exports is unchanged.

With lower expected prices for cheese, butter, and NDM, the 2016 forecasts for domestic commercial use have been raised by 0.1 billion pounds on a milk-fat basis and by 0.7 billion pounds on a skim-solids basis. The forecast for ending stocks has been raised by 0.2 billion pounds on a milk-fat basis but is unchanged on a skim-solids basis.

With higher expected milk production, recent high stock levels for butter and cheese, and higher expected imports, 2016 dairy product price forecasts have been lowered for cheese, butter, and NDM to \$1.455-\$1.505, \$1.985-\$2.065, and \$0.740-\$0.780 per pound, respectively. The dry whey price forecast has been raised slightly to \$0.235-\$0.265 per pound.

The 2016 Class III milk price forecast is lowered to \$13.15-\$13.65 per hundredweight (cwt) as the decrease in the cheese price forecast more than offsets the increase in the dry whey price. The Class IV milk price forecast is lowered to \$12.65-\$13.25 per cwt due to lower NDM and butter price forecasts. The all-milk price forecast for 2016 is \$14.60-\$15.10 per cwt., a reduction from last month's forecast of \$15.00-\$15.50 per cwt.

### ***2017 Dairy Forecasts***

A summary of market conditions for 2015 and 2016 provides context for our 2017 forecasts. In 2015 and the first few months of 2016, dairy prices have been significantly below 2014 levels, and they are expected to remain relatively low for the rest of 2016. Prices of major competitors, the EU and Oceania, have generally been even lower. The low world prices are the result of large global supplies and relatively weak demand abroad. Low input prices for feed and fuel have encouraged growth in the U.S. milk supply. A positive shift in domestic demand for products with high milk-fat content has supported U.S. butter and cheese prices at levels higher than prices of foreign competitors. Under highly competitive conditions, U.S. exports have been lower than in 2014. Imports have been higher, although limited to some extent by tariff rate quotas for cheese, butter, and butterfat products.

Global demand for dairy products is expected to strengthen in 2017. Global milk supplies are expected to grow at a slower rate, but continued low feed prices are expected to encourage growth in U.S. milk production. The gaps between domestic and foreign prices for butter and cheese are expected to narrow. These changes are expected to support an increase in exports and a decrease in imports. While domestic demand for products with high milk-fat content is expected to continue to grow, the rate of growth is expected to decrease.



Year-over-year exports for 2017 are forecast to rise by 0.2 billion pounds on a milk-fat basis and 1.4 billion pounds on a skim-solids basis. Imports are expected to fall by 0.7 pounds on a milk-fat basis and 0.2 billion pounds on a skim-solids basis. Domestic use in 2017 is forecast to grow by 2.3 billion pounds on a milk-fat basis and 1.9 billion pounds on a skim-solids basis, significantly slower than growth rates forecast for 2016.

With relatively low expected feed prices and forecasts for growing domestic and foreign demand, milk production is forecast to grow to 215.2 billion pounds, 1.6 percent more than forecast for 2016 (adjusted for leap year). While cow numbers in 2017 are forecast to remain at 9.320 million head, yield per cow is forecast to increase to 63.3 pounds of milk per day, an increase of 1.6 percent above the 2016 forecast.

With higher exports, lower imports, and continued growth in domestic demand, most 2017 dairy product prices are expected to increase from 2016. The forecasts for cheese, NDM, and dry whey are \$1.540-\$1.640, \$0.855-\$0.925, and \$0.255-\$0.285 per pound, respectively. The butter price forecast of \$1.880-\$2.010 per pound for 2017 is lower than the 2016 forecast due to a lower expected growth in butter demand and an expected increase in butter supplies.

With year-over-year cheese and whey prices expected higher in 2017, the Class III milk price forecast for 2017 is \$14.05-\$15.05 per cwt. The higher year-over-year NDM price is expected to more than offset the lower butter price, resulting in a Class IV price forecast of \$13.15-\$14.25. The all-milk price forecast for 2017 is \$15.25-\$16.25.

**Author:**

Jerry Cessna, [jgcessna@ers.usda.gov](mailto:jgcessna@ers.usda.gov)

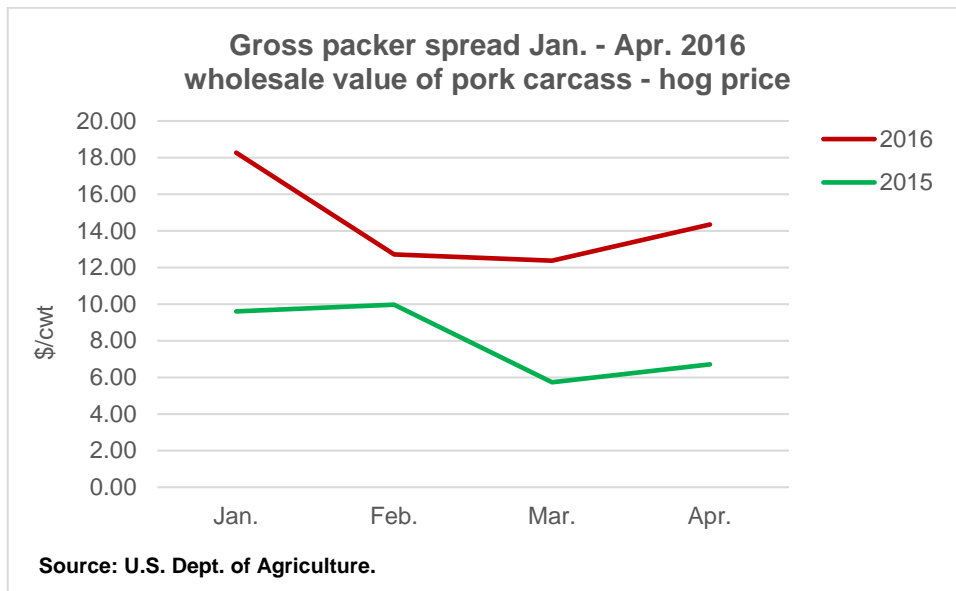
### *Pork Production To Increase in 2017*

Expanded farrowings and continued strong increases in litter rates are expected to drive U.S. pork production in 2017 to nearly 26 billion pounds, a 2.6 percent increase over production this year. Prices of live equivalent 51-52 percent lean hogs are expected to average \$42-\$46 per cwt in 2017. These hog prices—combined with 2016\2017 feed costs that are forecast to average \$3.05-\$3.65 per bushel for corn and \$300-\$340 per ton for soybean meal—will likely challenge many hog producers in covering production costs for most of next year.

Exports in 2017 are expected to be 5.3 billion pounds, about 2 percent above exports this year. A weaker U.S. dollar will enhance competitiveness of U.S. pork in foreign markets, particularly in Asia. Pork imports in 2017 are likely to be about the same as this year, 1.1 billion pounds, while live swine imports from Canada are expected to increase by almost 3 percent. However, these imports from Canada will be limited by constraints on expansion, particularly in Western Canada.

Retail pork prices next year will be pressured by larger animal-protein supplies, not only of pork products, but of meats that compete with pork in domestic consumers' food budgets; beef and poultry production are also expected to increase in 2017. The ERS retail pork composite is expected to average in the mid-\$3 region next year, down about 4 percent from the retail composite forecast for 2016.

In the first 4 months of 2016, most hog operations likely did not do as well as a year ago: January-April hog prices averaged \$45.46, 4.6 percent lower than in the same period last year. On the other hand, it appears that wholesale pork demand increased in the first 4 months of 2016. Through April, estimated federally inspected pork production was about 8.2 billion pounds, almost the same as a year ago. The wholesale value of January-April production averaged \$76.20 per cwt, almost 5 percent more than in the same January-April period a year ago. In effect, this year, the wholesale market valued roughly the same volume of pork 5 percent higher than a year ago, suggesting that wholesale demand increased. Year-over-year lower hog prices and higher wholesale values imply a greater gross packer spread than a year ago.



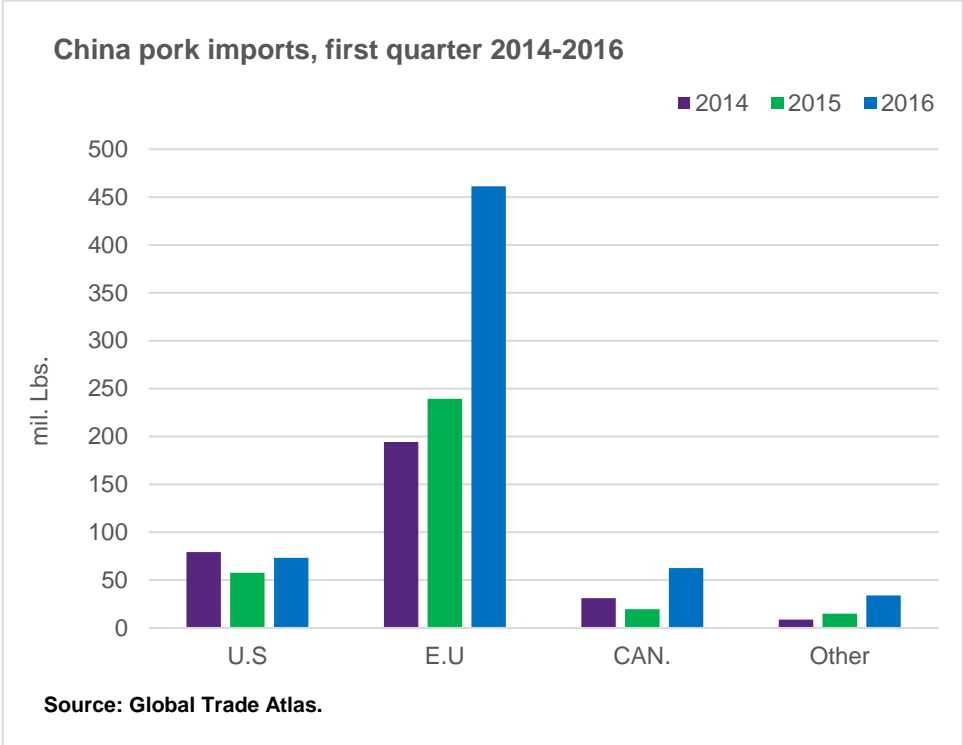
March 2016 pork exports were 453 million pounds, almost 3 percent above a year earlier. Larger exports in March contributed to the year-over-year increase in export volume for the first quarter: 1.2 billion pounds, 5 percent more than the first quarter of 2015. The 10 largest export markets for U.S. pork in the first quarter, along with unit values and trade shares, are listed below.

**Volumes, unit values, and trade shares of U.S. pork exports to the 10 largest foreign destinations first-quarter 2015 and first-quarter 2016**

Country	Exports	Exports	Percent change	Unit value	Unit value	Trade share	Trade share
	2016	2015		2016	2015	first qtr. 2016	first qtr. 2015
	(mil. lbs)	(mil. lbs)	(2016 / 2015)	\$/lb	\$/lb	%	%
<b>World</b>	1,223	1,165	5	0.96	1.09		
<b>1 Mexico</b>	350	383	-9	0.66	0.72	28.6	32.9
<b>2 Japan</b>	298	262	14	1.25	1.42	24.4	22.5
<b>3 China/Hong Kong</b>	150	57	164	0.66	0.86	12.2	4.9
<b>4 Canada</b>	124	127	-2	1.68	1.82	10.2	10.9
<b>5 South Korea</b>	119	168	-29	0.83	1.03	9.7	14.4
<b>6 Australia</b>	45	36	27	0.85	1.09	3.7	3.1
<b>7 Colombia</b>	22	31	-28	0.81	0.98	1.8	2.6
<b>8 Dominican Republic</b>	18	17	9	0.74	0.81	1.5	1.4
<b>9 Honduras</b>	18	14	27	0.57	0.71	1.5	1.2
<b>10 Philippines</b>	16	11	38	0.90	0.96	1.3	1.0

Source: U.S. Dept. of Agriculture.

U.S. exports to China\Hong Kong continue to run well ahead of the same period last year. China has increased imports this year to relieve high pork prices brought about by reduced domestic pork production. Chinese customs data indicate that most imported pork is sourced from the European Union, likely due favorable exchange rates and European production practices that prohibit ractopamine usage. With a recently lower-valued U.S. dollar, and increased ractopamine-free pork production, U.S. pork exports to China are increasing.



**Author:**  
Mildred Haley, [mhaley@ers.usda.gov](mailto:mhaley@ers.usda.gov)

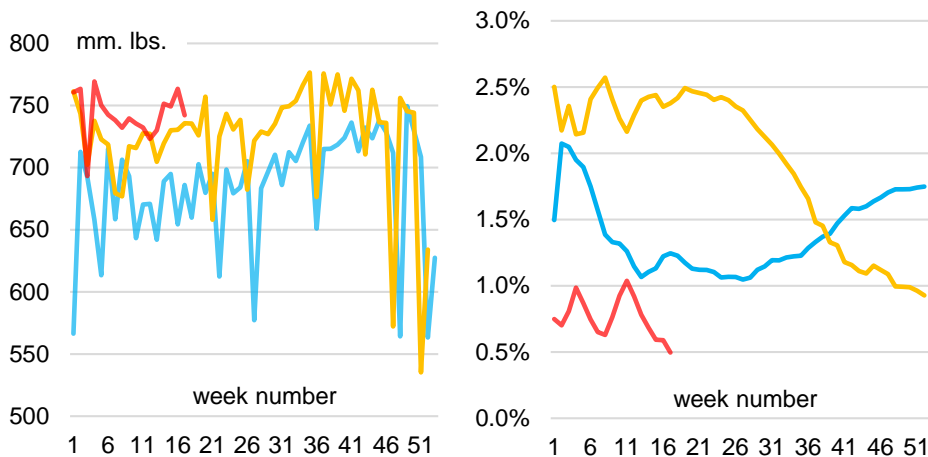
## Broilers

### 2016 Production Forecasts Hold

First-quarter broiler production was slightly below forecast, but weekly broiler production in April was quite strong according to preliminary slaughter data (see figure below, left panel). Production growth was led by higher weights, but head counts were also up significantly compared to last year. Broiler egg sets in April were mostly down from last year, however, and appeared tepid on a year-to-date basis (figure below, right panel). Therefore, the production forecasts were maintained for outlying quarters in 2016.

#### Broiler production up in April but hatchery data was weak

*Weekly broiler slaughter and year-to-date growth of eggs set in incubators\**



Source: Agricultural Marketing Service (USDA), and National Agricultural Statistics Service (USDA).

\*Note: Broiler slaughter is live weight basis. Eggs set covers only the first 52 weeks for consistency in the ytd calculation.

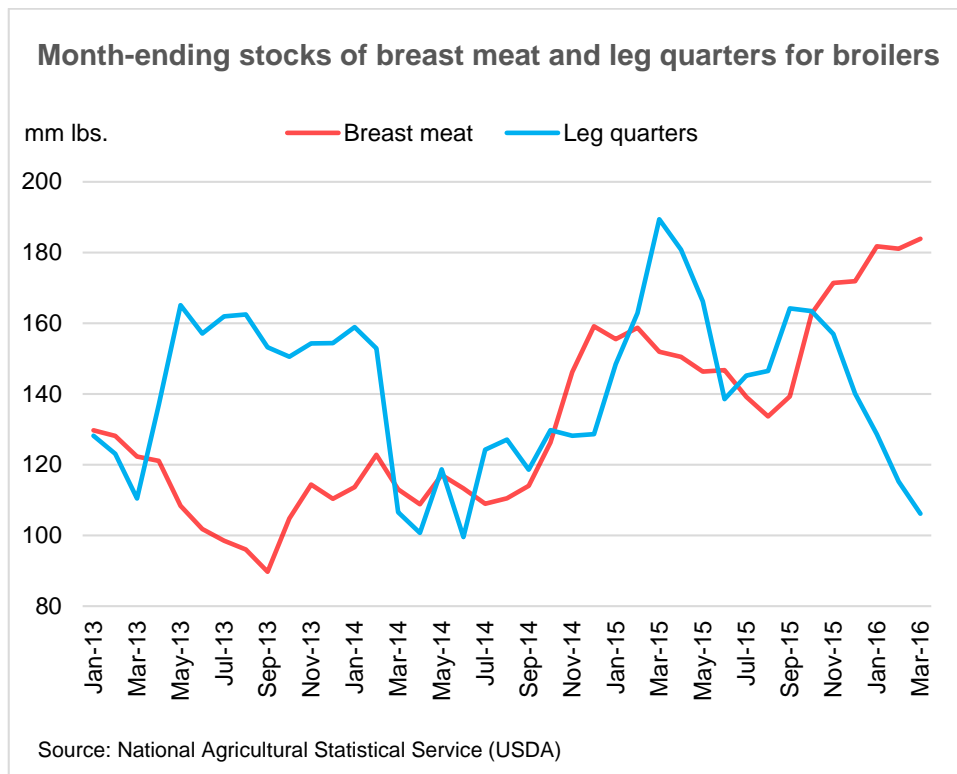
### 2017 Production Forecast at 2.5 Percent Growth

The 2017 forecast of 2.5 percent expected growth in broiler production is based on an incomplete recovery in exports to pre-avian influenza levels, along with relatively weak broiler prices. A moderate increase in feed costs will also weaken producer margins, although grain prices are expected to remain at relatively low levels.

### Total Stocks Down, but Breast Meat at Record High

Stocks of all broiler meat in cold storage as of March 31 were lower than previously expected, at 762 million pounds, led once again by declining leg quarters. Stocks are still high compared to recent years, but on the basis of recent trends the forecast was reduced for the outlying quarters this year. Fourth-quarter 2016 ending stocks are now expected at 655 million pounds.

Stocks for broiler meat parts have continued to diverge, with breast meat now much higher than leg quarters (see figure below). Leg-quarter stocks have been down at month's end for every month since September, while breast meat stocks have increased to record levels. The decline of leg quarters reflected increasing demand as prices remained well below 2015 during March, but the continued buildup of breast meat occurred despite prices averaging below year-earlier.



### ***Whole-Broiler Price Forecast Raised Slightly***

April wholesale prices for broiler meat were mostly trending up, led by leg quarters, but they remained relatively low. The national composite price for whole birds at wholesale reached its seasonal low during February and has increased fairly consistently since then. With a relatively strong increase in prices during April and May, the whole-broiler price forecast was raised for the outlying quarters of 2016, with an annual average of \$0.86-\$0.90 per pound. The 2017 price was forecast to average \$0.84-\$0.91 per pound, as expected growth in exports partly offsets the effects of increased production.

### ***Turkey***

Turkey meat production in 2017 is expected to increase to 6.1 billion pounds, up 3 percent from a year earlier. The production increase is forecast as a result of a combination of both an increase in the number of birds slaughtered and slightly higher average live weights at slaughter. The general market for turkey products is expected to give turkey producers an incentive to expand production due to relatively small increases in feed prices, gains in per capita real disposable incomes, and continued declines in unemployment. A higher forecast for turkey exports may also place some support for higher prices. These factors are forecast

to be partially countered by growth in production for the other major meats (beef, pork, and chicken) and a strong U.S. dollar relative to many other currencies.

In first-quarter 2016, turkey meat production was 1.43 billion pounds, up 0.4 percent from first-quarter 2015. The small increase in turkey meat production was the result of a combined fractional increase in the number of turkeys slaughtered due largely to the extra day in February and slightly higher average live weights compared to the same period in 2015. With only a small increase in net poult placements during first-quarter 2016, the forecasts for turkey meat production during the remaining quarters of 2016 were lowered slightly. The forecast total for 2016 is now 5.9 billion pounds, about 6 percent higher than the HPAI-reduced production of 2015.

### ***Turkey Stocks Higher***

With a year-over-year gain in production and a sharp decline in exports during first-quarter 2016, ending stocks were 368 million pounds, 6 percent higher than the previous year. Ending stocks of products moved in 2 divergent directions. Stocks of both whole hens and whole toms were lower than a year earlier, while stocks of all other turkey products were considerably higher. Cold storage holdings of whole birds totaled 160 million pounds, a decline of 10 percent from the previous year. Lower production in 2015 resulted in a decline in the supply of whole birds, but with a reduction in exports, cold storage holdings of heavily exported turkey products increased. This pattern has carried over through the first quarter, but is likely to slow somewhat over the rest of 2016 as exports are forecast to expand. Quarterly ending stocks are forecast to remain above year-earlier levels through the end of 2016 and ending stocks for 2017 are forecast at the same level as in 2016.

In April 2016, the year-over-year changes in the prices for turkey products basically reflected the changes that had occurred in cold storage holdings from the previous year. Prices in April for frozen whole hens averaged \$1.16 per pound, 12 percent higher than a year earlier. With lower cold storage holdings at the beginning of the second quarter, and smaller increases in production forecast, prices for frozen whole hens were increased in each of the three remaining quarters. The average for the year is forecast at \$1.14 to \$1.18 per pound. In 2017, with higher production and plenty of competition from other meats, frozen whole hens are forecast to average slightly lower at \$1.11 to \$1.20 per pound.

With exports of turkey products still down considerably from the previous year and cold storage of turkey parts higher, wholesale prices of almost all turkey parts and products were lower than the previous year. In April, prices for boneless/skinless breast meat averaged \$2.50 per pound, 18 percent lower than the previous year, and wing prices had fallen to \$0.24 per pound, a decline of 60 percent from April 2015. The only turkey part with an increase in value was breasts which were 7 percent higher than the previous year at \$1.34 per pound. Even with only modest gains forecast for turkey production and expanding exports, prices for most turkey products are not expected to have much upward movement until cold storage levels are reduced.

## ***Eggs***

Table egg production during first-quarter 2016 totaled 1.8 billion dozen, a decline of 3 percent from the previous year even with an additional day in 2016. Most the decline can be attributed to the fact that the table egg flock averaged 3 percent smaller during this period (298 million), but the average rate of lay for the table egg flock was also down fractionally. The table egg flock is forecast to continue to expand, and the production forecast for second-quarter 2016 was increased by 25 million to 1.78 billion dozen. However, the current low wholesale egg prices are forecast to put downward pressure on production in the second half of the year, although production is forecast to be significantly higher than the HPAI-reduced production of second-half 2015. Production in 2017 is forecast to continue expanding but only at a modest pace, with total production for the year at 7.3 billion dozen, 2 percent higher than in 2016.

Hatching egg production is forecast to continue to expand in both 2016 and 2017, chiefly to supply additional chicks for the broiler industry. In 2016, total production is forecast at 1.13 billion dozen, 2 percent higher than the previous year, and production is forecast to expand an additional 2 percent in 2017 to 1.16 billion dozen.

### ***Table Egg Prices Continue Lower***

Table egg prices have continued to remain at a low level in April and into May after declining in March. Wholesale prices for one dozen Grade A eggs in the New York market averaged just over \$0.75 per dozen in April and by early in May had declined to \$0.62 per dozen. With this weaker demand in the egg market, the price forecast for second quarter was reduced to \$0.77-\$0.79 per dozen. The forecast prices for the third and fourth quarters were also reduced. The average price for 2016 is now forecast at \$0.96 to \$1.00 per dozen. With generally good domestic economic conditions forecast for 2017, egg prices are forecast to strengthen somewhat even with higher production. Prices in 2017 are forecast to average \$1.10 to \$1.18 per dozen, an increase of 16 percent from the previous year.

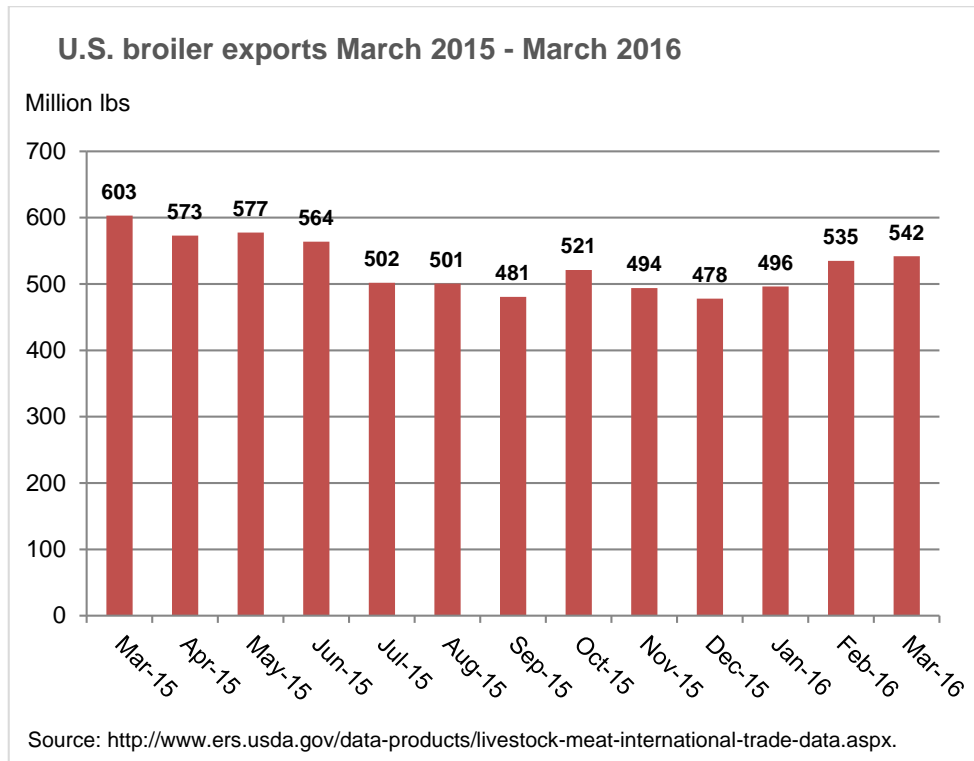
### ***U.S. Broiler Shipments Stay Down in March***

Broiler shipments decreased 10 percent in March compared with a year earlier, totaling 542 million pounds. Exports to Mexico, the United States' largest market, decreased by 10 percent from March 2015 levels to 121 million pounds. National bans by China, Russia, and South Korea continued to impact exports. Asian markets like Hong Kong, Vietnam, and Taiwan were down from a year earlier, failing to make up for losses to China and South Korea. Additionally, Angola, a major U.S. market, was down significantly in March. The 8 million pounds shipped to Angola in March was 73 percent below the same period last year. Increased shipments to Ghana and the Democratic Republic of Congo helped counter the losses in Angola, with both markets seeing increased shipments of over 8 million pounds compared with a year earlier. Similar gains were seen in Chile and Turkey, and all four markets exceeded 100 percent increases over a year earlier.

Market conditions for U.S. exports have been difficult over the past 18 months. Coupled with bans on U.S. poultry in a number of markets, weak oil prices and a



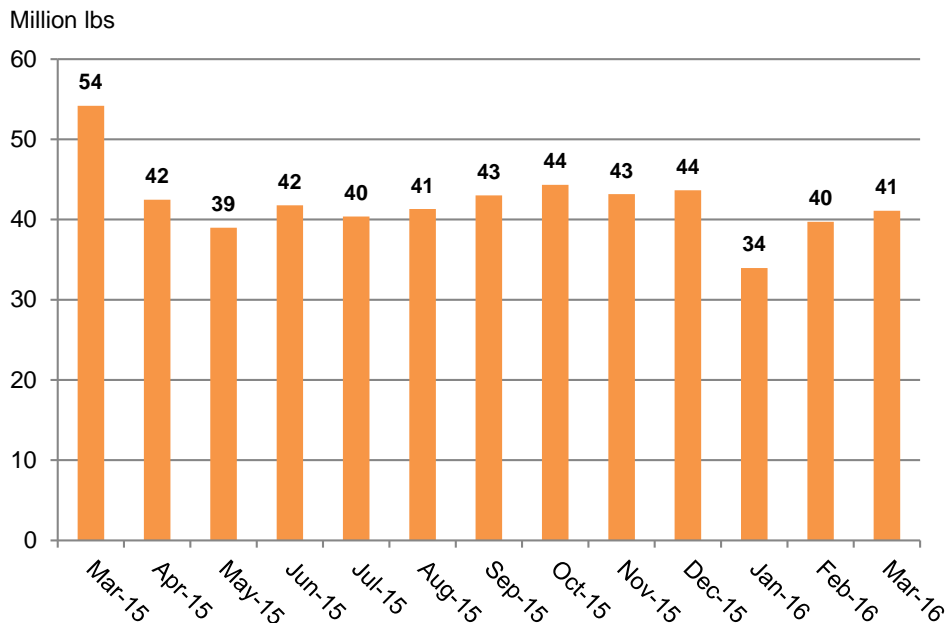
strong U.S. dollar have taken a toll on exports. However, some improvement in those metrics have been seen in recent months. Crude oil prices have increased from a low of roughly \$32 per barrel in January to \$44 per barrel in May. In addition, the trade-weighted U.S. dollar index published by the Federal Reserve Bank of St. Louis has declined by 6 percent since its peak in January. However, compared to 2014, oil prices, remain weak and the dollar strong, conditions generally unfavorable for U.S. exports. The forecast for 2016 broiler exports is 6.723 billion pounds, indicating a 6-percent increase over 2015.



### ***Turkey Exports Drop in March from a Year Earlier***

In March, turkey exports totaled 41 million pounds, 24 percent lower than 2015. The decrease continues to be due mainly to a sharp decline in exports to Mexico, the largest market for U.S. turkey products. The 25 million pounds shipped to Mexico in March were 23 percent lower than the previous March but still represented 61 percent of U.S. turkey meat shipments this March. 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 605 million pounds, Exports in 2016 are still expected to recover 14 percent as producers regain production capacity following the 2015 HPAI outbreak.

### U.S. turkey exports March 2015 - March 2016



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

### ***Egg Exports Down in March***

Total egg exports (shell eggs and egg products) reached the shell egg equivalent of 27 million dozen in March, 21 percent lower than the previous year. The decline was primarily due to a decrease in exports to Mexico and Canada. Shipments to Mexico were 54 percent lower in March than a year earlier, while shipments to Canada fell by 15 percent. The United States' other leading markets, Japan and Hong Kong, both increased in March by 47 percent and 7 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 315.8 million dozen, less than 1 percent below 2015 levels.

#### **Authors:**

David Harvey, [djharvey@ers.usda.gov](mailto:djharvey@ers.usda.gov)

Alex Melton, [awmelton@ers.usda.gov](mailto:awmelton@ers.usda.gov)

Sean Ramos, [sean.ramos@ers.usda.gov](mailto:sean.ramos@ers.usda.gov)

## Contact Information

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

## 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**

	2013					2014					2015					2016					2017	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
<b>Production, million lb</b>																						
Beef	6,175	6,513	6,609	6,423	25,720	5,866	6,184	6,179	6,021	24,250	5,665	5,856	6,068	6,109	23,698	5,935	<b>6,085</b>	<b>6,455</b>	<b>6,335</b>	<b>24,810</b>	<b>6,050</b>	<b>25,790</b>
Pork	5,775	5,516	5,622	6,274	23,187	5,784	5,504	5,424	6,131	22,843	6,162	5,925	5,958	6,457	24,501	6,230	<b>5,965</b>	<b>6,170</b>	<b>6,625</b>	<b>24,990</b>	<b>6,290</b>	<b>25,640</b>
Lamb and mutton	38	41	40	38	156	37	43	38	38	156	38	39	37	37	150	38	<b>38</b>	<b>37</b>	<b>39</b>	<b>152</b>	<b>38</b>	<b>154</b>
Broilers	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	10,038	<b>10,200</b>	<b>10,500</b>	<b>10,300</b>	<b>41,038</b>	<b>10,250</b>	<b>42,050</b>
Turkeys	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	1,434	<b>1,450</b>	<b>1,500</b>	<b>1,575</b>	<b>5,959</b>	<b>1,450</b>	<b>6,125</b>
Total red meat & poultry	22,743	23,183	23,563	23,844	93,333	22,469	22,934	23,111	23,671	92,185	23,156	23,382	23,940	24,150	94,630	23,828	<b>23,898</b>	<b>24,821</b>	<b>25,030</b>	<b>97,577</b>	<b>24,228</b>	<b>100,396</b>
Table eggs, mil. doz.	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	1,762	<b>1,775</b>	<b>1,800</b>	<b>1,865</b>	<b>7,202</b>	<b>1,785</b>	<b>7,315</b>
<b>Per capita disappearance, retail lb 1/</b>																						
Beef	13.7	14.5	14.3	13.9	56.3	13.1	14.0	13.7	13.4	54.1	13.1	13.6	13.9	13.3	53.9	13.6	<b>13.5</b>	<b>14.0</b>	<b>13.6</b>	<b>54.7</b>	<b>13.2</b>	<b>55.4</b>
Pork	11.5	11.3	11.4	12.7	46.8	11.3	11.0	11.1	13.0	46.4	12.3	11.8	12.1	13.5	49.8	12.6	<b>11.8</b>	<b>12.4</b>	<b>13.4</b>	<b>50.1</b>	<b>12.6</b>	<b>51.0</b>
Lamb and mutton	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	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>1.1</b>	<b>0.2</b>	<b>0.9</b>
Broilers	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	22.1	88.9	22.5	<b>22.5</b>	<b>23.1</b>	<b>22.5</b>	<b>90.6</b>	<b>22.3</b>	<b>91.4</b>
Turkeys	3.7	3.6	4.0	4.7	15.9	3.4	3.5	3.9	4.9	15.7	3.5	3.6	3.9	4.9	16.0	3.6	<b>3.7</b>	<b>4.2</b>	<b>5.0</b>	<b>16.5</b>	<b>3.7</b>	<b>16.8</b>
Total red meat & poultry	49.5	50.2	51.3	52.4	203.4	48.7	49.8	50.5	53.0	202.0	50.9	51.8	53.8	54.5	210.9	52.9	<b>52.2</b>	<b>54.3</b>	<b>55.1</b>	<b>214.5</b>	<b>52.4</b>	<b>217.0</b>
Eggs, number	64.3	63.4	64.7	66.2	258.6	65.5	66.2	67.2	67.7	266.6	65.0	62.3	61.1	64.5	252.9	66.2	<b>65.3</b>	<b>65.1</b>	<b>66.9</b>	<b>263.6</b>	<b>64.3</b>	<b>262.1</b>
<b>Market prices</b>																						
Choice steers, 5-area Direct, \$/cwt	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	134.81	<b>123-127</b>	<b>118-126</b>	<b>119-129</b>	<b>124-129</b>	<b>118-128</b>	<b>118-128</b>
Feeder steers, Ok City, \$/cwt	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	155.82	<b>148-152</b>	<b>151-159</b>	<b>151-161</b>	<b>152-157</b>	<b>150-160</b>	<b>149-159</b>
Cutter Cows, National L.E., \$/cwt	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	73.50	<b>75-79</b>	<b>69-77</b>	<b>69-79</b>	<b>72-77</b>	<b>70-80</b>	<b>79-89</b>
Choice slaughter lambs, San Angelo, \$/cwt	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	142.52	144.00	133.33	<b>130-134</b>	<b>131-139</b>	<b>133-143</b>	<b>132-137</b>	<b>125-135</b>	<b>122-132</b>
Nat'l base cost, 51-52 % lean, live equivalent, \$/cwt	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	44.63	<b>49-51</b>	<b>50-54</b>	<b>41-45</b>	<b>46-48</b>	<b>40-44</b>	<b>42-46</b>
Broilers, 12 City, cents/lb	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	84.60	<b>89-91</b>	<b>86-92</b>	<b>85-93</b>	<b>86-90</b>	<b>82-88</b>	<b>94-91</b>
Turkeys, Eastern, cents/lb	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	114.70	<b>116-120</b>	<b>110-116</b>	<b>113-123</b>	<b>114-118</b>	<b>107-115</b>	<b>111-120</b>
Eggs, New York, cents/doz.	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	121.50	<b>77-79</b>	<b>84-90</b>	<b>101-109</b>	<b>96-100</b>	<b>96-104</b>	<b>108-118</b>
<b>U.S. trade, million lb</b>																						
Beef & veal exports	557	636	716	680	2,589	583	667	679	644	2,573	526	606	541	593	2,266	534	<b>635</b>	<b>660</b>	<b>635</b>	<b>2,464</b>	<b>550</b>	<b>2,580</b>
Beef & veal imports	590	629	515	516	2,250	597	767	765	818	2,947	876	991	890	613	3,370	793	<b>805</b>	<b>695</b>	<b>600</b>	<b>2,893</b>	<b>625</b>	<b>2,550</b>
Lamb and mutton imports	49	44	36	44	173	46	49	45	55	195	53	56	46	59	213	68	<b>60</b>	<b>56</b>	<b>58</b>	<b>242</b>	<b>50</b>	<b>188</b>
Pork exports	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	1,223	<b>1,300</b>	<b>1,275</b>	<b>1,400</b>	<b>5,198</b>	<b>1,250</b>	<b>5,300</b>
Pork imports	208	210	229	233	880	212	240	256	299	1,008	278	264	269	300	1,111	293	<b>265</b>	<b>285</b>	<b>315</b>	<b>1,158</b>	<b>295</b>	<b>1,160</b>
Broiler exports	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	1,573	<b>1,665</b>	<b>1,735</b>	<b>1,750</b>	<b>6,723</b>	<b>1,660</b>	<b>6,905</b>
Turkey exports	179	182	198	202	760	163	188	223	231	805	154	123	125	131	533	115	<b>140</b>	<b>165</b>	<b>185</b>	<b>605</b>	<b>150</b>	<b>670</b>
Live swine imports (thousand head)	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	1,475	<b>1,540</b>	<b>1,565</b>	<b>1,590</b>	<b>6,170</b>	<b>1,500</b>	<b>6,350</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.

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

Updated 5/10/2016

## Dairy Forecasts

	2015				2016					2017	
	Qtr II	Qtr III	Qtr IV	Annual	Qtr I	Qtr II	Qtr III	Qtr IV	Annual	Qtr I	Annual
Milk cows (thousands) 1/	9,321	9,315	9,321	9,317	9,316	9,325	9,320	9,315	9,320	9,310	9,320
Milk per cow (pounds)	5,763	5,549	5,503	22,394	5,693	5,835	5,635	5,630	22,795	5,725	23,095
<b>Milk production (billion pounds)</b>	53.7	51.7	51.3	208.6	53.0	54.4	52.5	52.4	212.4	53.3	215.2
Farm use	0.2	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0	0.2	1.0
Milk marketings	53.5	51.4	51.0	207.7	52.8	54.2	52.3	52.2	211.4	53.1	214.2
<b>Milkfat (billion pounds milk equiv.)</b>											
Milk marketings	53.5	51.4	51.0	207.7	52.8	54.2	52.3	52.2	211.4	53.1	214.2
Beginning commercial stocks	13.3	15.6	14.1	11.2	13.3	15.6	17.0	14.4	13.3	12.9	12.9
Imports	1.3	1.5	1.6	5.7	2.1	1.9	1.7	1.9	7.7	1.7	7.0
Total supply	68.1	68.6	66.7	224.6	68.3	71.7	71.0	68.5	232.4	67.7	234.1
Commercial exports	2.5	2.1	1.8	8.8	2.2	2.3	2.2	2.1	8.9	2.2	9.1
Ending commercial stocks	15.6	14.1	13.3	13.3	15.6	17.0	14.4	12.9	12.9	14.3	12.0
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	50.1	52.4	51.5	202.5	50.4	52.4	54.4	53.5	210.7	51.2	213.0
<b>Skim solids (billion pounds milk equiv.)</b>											
Milk marketings	53.5	51.4	51.0	207.7	52.8	54.2	52.3	52.2	211.4	53.1	214.2
Beginning commercial stocks	13.7	14.6	14.0	13.1	13.9	14.7	16.0	14.8	13.9	14.1	14.1
Imports	1.5	1.4	1.6	5.9	1.6	1.6	1.6	1.6	6.4	1.6	6.2
Total supply	68.7	67.5	66.6	226.7	68.3	70.4	69.8	68.6	231.7	68.7	234.5
Commercial exports	10.7	9.1	8.7	37.3	8.5	9.5	9.3	9.0	36.2	9.0	37.6
Ending commercial stocks	14.6	14.0	13.9	13.9	14.7	16.0	14.8	14.1	14.1	13.9	13.7
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	43.4	44.3	44.1	175.5	45.2	44.9	45.7	45.5	181.3	45.8	183.2
<b>Milk prices (dollars/cwt) 2/</b>											
All milk	16.70	16.93	17.70	17.08	15.70	14.25	13.95	14.65	14.60	14.95	15.25
						-14.55	-14.55	-15.55	-15.10	-15.95	-16.25
Class III	16.24	16.14	15.07	15.80	13.75	12.85	12.80	13.25	13.15	13.50	14.05
						-13.15	-13.40	-14.15	-13.65	-14.50	-15.05
Class IV	13.77	13.71	16.28	14.35	13.18	12.65	12.50	12.45	12.65	12.55	13.15
						-13.05	-13.20	-13.45	-13.25	-13.65	-14.25
<b>Product prices (dollars/pound) 2/</b>											
Cheddar cheese	1.663	1.718	1.634	1.645	1.517	1.435	1.420	1.465	1.455	1.490	1.540
						-1.465	-1.480	-1.555	-1.505	-1.590	-1.640
Dry whey	0.444	0.316	0.233	0.380	0.243	0.240	0.235	0.235	0.235	0.245	0.255
						-0.260	-0.265	-0.265	-0.265	-0.275	-0.285
Butter	1.838	2.135	2.648	2.067	2.067	2.020	1.955	1.940	1.985	1.815	1.880
						-2.080	-2.045	-2.060	-2.065	-1.945	-2.010
Nonfat dry milk	0.948	0.794	0.841	0.902	0.766	0.725	0.735	0.735	0.740	0.815	0.855
						-0.755	-0.785	-0.805	-0.780	-0.885	-0.925

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](mailto:jgcessna@ers.usda.gov), or contact Roger Hoskin, 202 694 5148, [rhoskin@ers.usda.gov](mailto:rhoskin@ers.usda.gov).

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