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Situation and Outlook

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# Livestock, Dairy, and Poultry Outlook

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## 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](#)

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Tables will be released on June 28, 2017

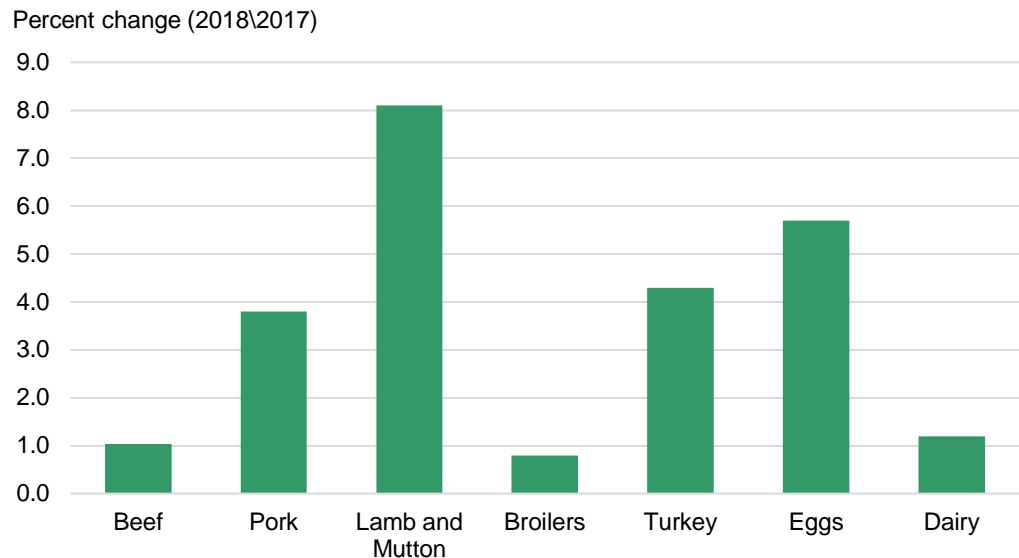
The next Outlook Report release is July 18, 2017

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Approved by the World Agricultural Outlook Board.

## Animal Protein Exports Forecast Higher in 2018

USDA export forecasts for 2018 for red meats, poultry, eggs and dairy all register increases compared with forecasts for 2017. For each animal protein—with the exception of lamb and mutton—year-over-year larger export forecasts accompany forecasts for increased production next year. For lamb and mutton, exports are expected to increase from 7 million pounds this year to 8 million pounds in 2018. Lamb and mutton production is expected to fall 1.5 percent, from 147 million pounds this year to 145 million in 2018.

## 2018 Export forecasts for red meats, poultry, eggs and dairy: percent change from 2017



Source: World Agricultural Outlook Board, U.S. Dept. of Agriculture.  
Note: Percent change for dairy is on a skim-solids milk equivalent basis.

**Cattle/Beef:** Third-quarter commercial beef production is expected to be 6.8 billion pounds, an increase of 5 percent from the same period last year. Beef production for 2017 is revised downward slightly at 26.2 billion pounds, but remains 4 percent above last year. Beef-trade forecasts for 2017 and 2018 are unchanged from last month. Prices for 1,100-1,300 pound Choice steers are expected to average \$118-\$124 per hundredweight (cwt) for the third quarter and \$122-\$126 per cwt for the year.

**Dairy:** Milk price forecasts have been raised due to expectations for strong demand on a milk-fat milk-equivalent basis, higher exports on a skim-solids milk-equivalent basis, and lower expected milk production. The 2017 all-milk price forecast is \$17.80-\$18.20 per cwt, an increase from \$17.35 to 17.85 forecast last month. The 2018 all-milk price forecast is \$18.10-\$19.10 per cwt, an increase from \$17.55 to \$18.55 forecast last month.

**Pork/Hogs:** Strong pork demand and lower dressed hog weights limited hog price declines and kept packer margins wide. U.S. pork exports in April were year-over-year higher for the 12th consecutive month.

**Poultry:** Forecast broiler production was reduced for the second quarter, and the price forecast was increased due to a strong price trend in May. Forecast egg production was slightly increased, while the second-quarter price forecast was reduced marginally. Turkey production faltered slightly in April, totaling 436 million pounds, 10 percent below the same month in 2016. Overall, the 2017 forecast was reduced 30 million pounds to 6.092 billion pounds.

### ***Dressed Weights Limit Beef Production on Higher Slaughter***

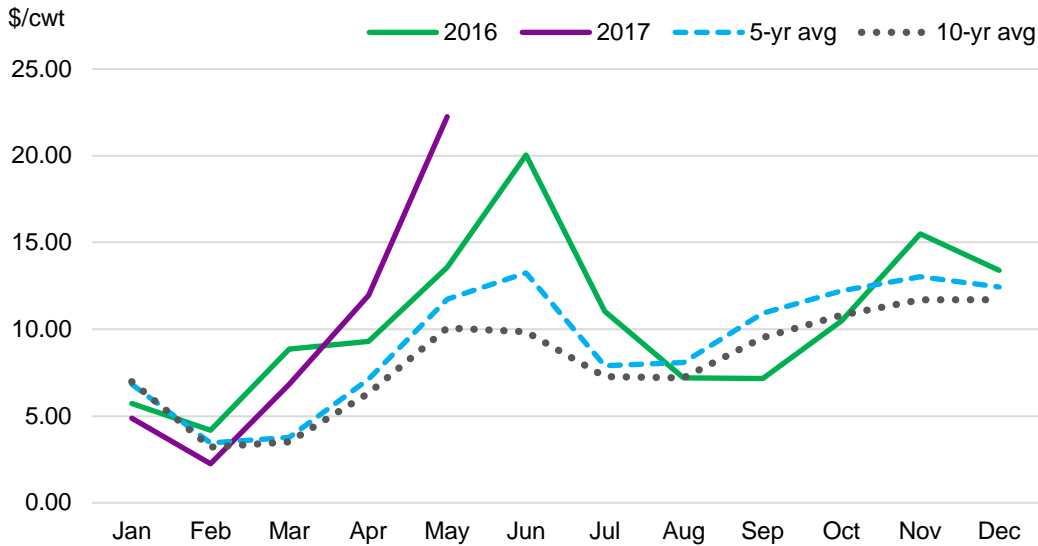
Commercial beef production for April 2017 was fractionally below a year ago. However, with 1 less slaughter day in the month, meatpackers slaughtered 2 percent, or 54,000 head, more cattle than last year. According to the USDA/NASS *Livestock Slaughter* report released in May 2017, dressed weights for steers and heifers slaughtered under Federal inspection declined 25 and 22 pounds, respectively, year over year. The decrease in the average carcass weight more than offset the increase in the number of cattle slaughtered and kept production from increasing. The USDA report on beef production under Federal inspection for the week ending May 27 indicates that average dressed weights for steers and heifers continue to decline, falling another 9 and 13 pounds, respectively, from the week ending April 29. Weights are expected to move higher seasonally, but gains will likely be limited while there are incentives to market cattle as rapidly as possible.

Loads sold for delivery in 22 to 60 days averaged above year-earlier levels through mid-April. For meatpackers to meet their commitments as dressed weights decreased, they likely increased slaughter late in the month and into early May. According to the USDA weekly recap of the 5-Area weighted average fed steer price ([LM CT 150](#)), the price experienced a spike in the first week of May to \$144.60 per cwt. The demand by meatpackers likely contributed to that price surge. Relative price strength is likely to persist as demand for beef remains strong. However, as summer demand winds down, packer margins will likely decline and cattle prices will be pressured. Third-quarter fed prices are expected to decline seasonally, averaging \$118-\$124 per cwt, up from \$113.26 in third-quarter 2016.

Retailer demand for featuring Choice beef at the start of the summer holidays widened the spread between wholesale prices for Choice and Select beef to historic levels at \$30.38 per cwt in the week ending June 9. However, the spread typically reaches its seasonal peak around mid-June, as indicated in the chart below. As demand for grilling-type cuts diminishes and supplies of Choice beef increase seasonally, the spread is expected to decline through late summer.

Third-quarter production is forecast at 6.8 billion pounds, and USDA revised its 2017 commercial beef production down slightly to 26.2 billion pounds. For 2018, beef production was adjusted upward to 27.1 billion pounds on the expectation that more steers and heifers would be available for slaughter next year due to the higher forecast 2017 calf crop.

## Monthly Choice/Select price spread



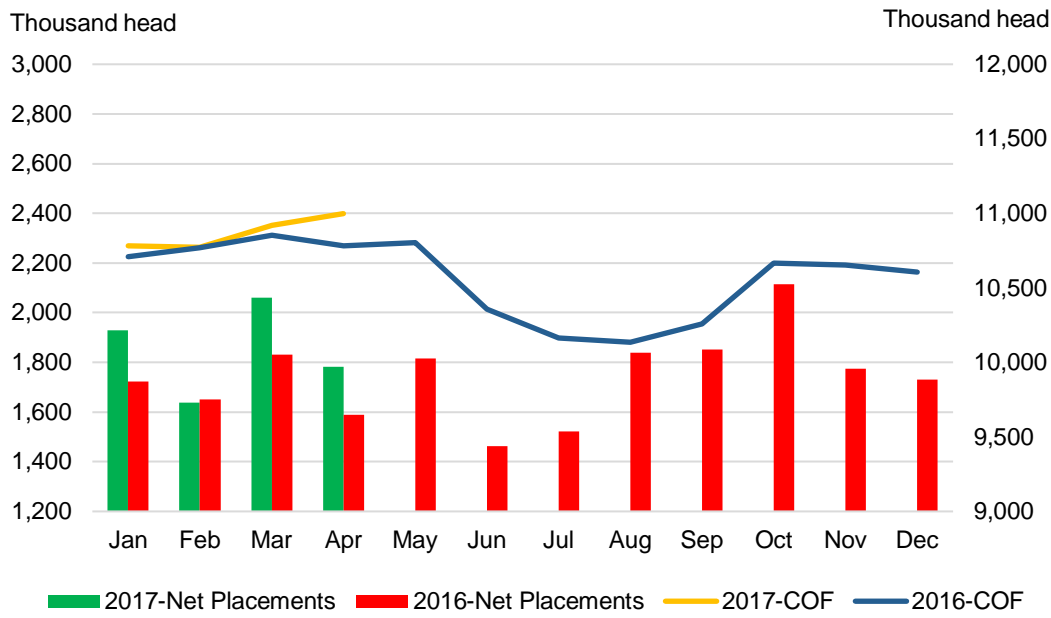
Source: U.S. Dept. of Agriculture Agricultural Marketing Service and Economic Research Service.

## Feeder Cattle Supply Outside Feedlots Tightens

According to the May 2017 USDA/NASS *Cattle on Feed* report, year-over-year net placements increased by 12 percent to 1.78 million head during April, surpassing marketings that totaled 1.70 million head. The large placement number would imply proportionately greater steer and heifer marketings late in the third quarter or early in the fourth. The sharp increase in placements can be attributed to a few factors. First, producers reacted to the unexpected price increase for feeder calves by marketing their calves. Second, higher than normal wheat graze-out likely occurred in the Southern Plains as a result of very low wheat prices. Then those calves on wheat pastures were likely marketed in April, allowing for wheat producers to plant a summer crop. However, according to the ERS estimate of feeder cattle supplies outside feedlots, on April 1 there was only a 0.42-percent year-over-year increase in the supply of feeder cattle to be placed in feedlots. Large placements of calves during April would likely have further tightened the number of feeder calves available outside the feedlots.

Returns to feedlot operators improved during 2017 as bids for fed cattle moved higher through much of the year and feedlots were marketing calves bought at relatively low prices during the second half of 2016. With expectations of moderate feed prices, feedlots have shown a willingness to bid higher for feeder calves. Although feeder calf prices are expected to decline from their second-quarter peak, they will remain above year-earlier levels into early 2018.

## Net placements and cattle on feed (COF) (2016-2017)

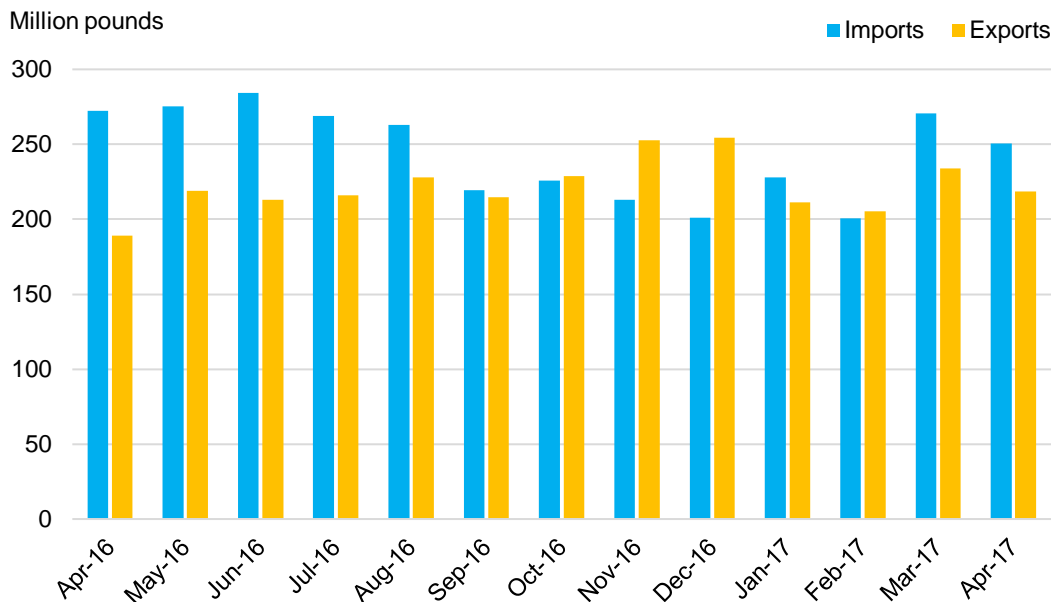


Source: U.S. Dept. of Agriculture National Agricultural Statistics Service and Economic Research Service.

## Beef Exports Up, Imports Down Through April 2017

U.S. beef exports for April 2017 increased by 15 percent to 218 million pounds over the same month a year ago, which was supported by growth in four major destinations—Japan (+18 percent), South Korea (+8 percent), Hong Kong (+7 percent), and Canada (+4 percent). Increases in exports are likely fueled by higher domestic production and lower beef prices. The U.S. dollar has weakened slightly over the past 2 months relative to most of its trading partners, making it less expensive to buy U.S. beef. Exports for the first 4 months of 2017 are also 20 percent higher than the same period last year, totaling 869 million pounds. Japan remained the number one export destination throughout this period.

## Beef Exports Up, Imports Down Through April 2017



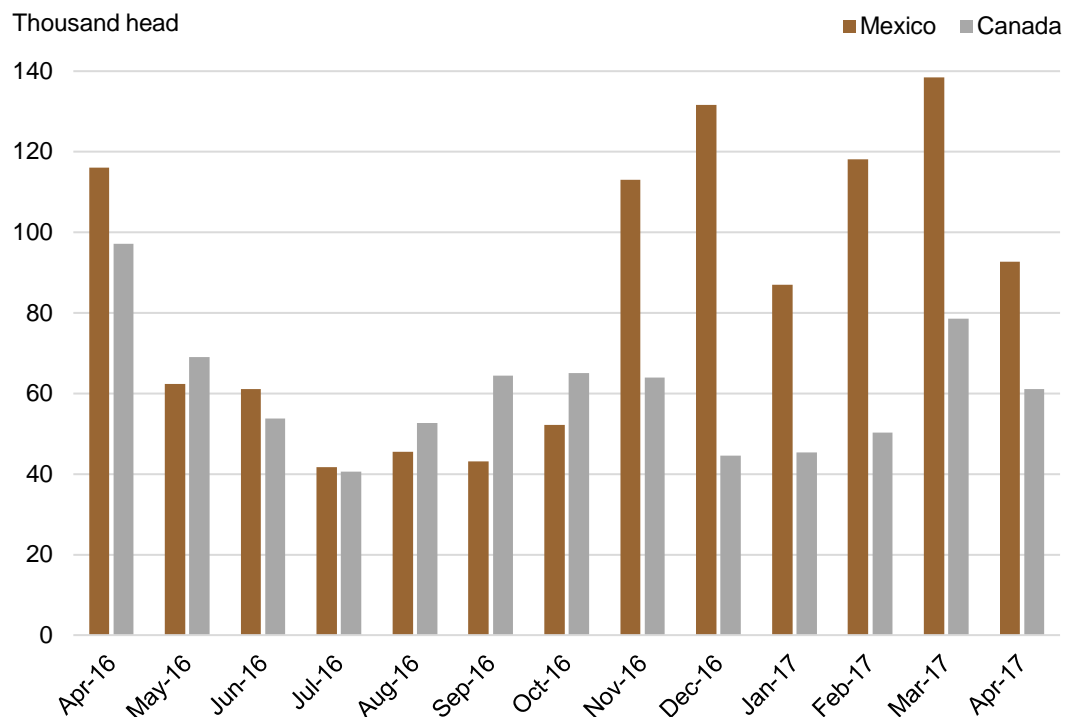
Source: Economic Research Service, U.S. Dept. of Agriculture.

In April 2017, U.S. beef imports totaled 250 million pounds, down 8 percent from the same month a year ago. U.S. beef imports from January through April 2017 totaled 950 million pounds, 11 percent lower than the same period last year. Increased imports from Canada and Mexico were outweighed by the heavier than expected decline in imports from Oceania through April 2017. Beef supplies remain tight in Australia as herd rebuilding appears to be continuing. As a result, the second-quarter 2017 import forecast was left unchanged, at 775 million pounds.

### ***Cattle Imports Declined and Exports Increased Through April 2017***

First-quarter 2017 cattle imports were 5 percent above the same period a year ago. April 2017 cattle imports were 153.9 thousand head, a 28-percent decline from the same month a year ago. Declines were seen in both Mexico (-20 percent) and Canada (-37 percent). These were the lowest April numbers since 2005. Lower imports during March and April have contributed to 4.5 percent lower cattle import numbers for the first 4 months of 2017 compared to the same period a year ago. Cattle imports so far this year have totaled 672 thousand head. At the same time, cattle exports increased to 44 thousand head for the first 4 months of 2017, 60 percent more than the same period a year ago. Higher shipments were made to both Canada and Mexico.

### **Cattle Imports Declined in April 2017**



Source: Economic Research Service, U.S. Dept. of Agriculture.

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## Recent Developments in Dairy Markets

In recent weeks, wholesale prices for most dairy products, as reported in the USDA *National Dairy Products Sales Report* (NDPSR), have moved upward. The butter price increased the most, by about 23 cents per pound from the week ending April 29 to the week ending June 3. The exception was dry whey, which decreased by 2.7 cents per pound over the same period. Export prices of foreign competitors have also strengthened significantly in recent weeks, especially for Europe. USDA *Dairy Market News* reported that for the 2 weeks ending June 9, the European export prices for butter and skim milk powder (SMP) were \$2.68-\$2.80 and \$0.99-\$1.07 per pound, respectively.<sup>1</sup> At the midpoints of the ranges, these prices were 49 cents and 15 cents higher, respectively, than the European export prices reported for the 2 weeks ending May 12.

### Dairy product prices (dollars per pound)

	For the week ending		Change <sup>1</sup>
	April 29	June 3	
Butter	2.089	2.321	0.231
Cheddar cheese			
40-pound blocks	1.515	1.675	0.161
500-pound barrels <sup>2</sup>	1.465	1.542	0.078
Nonfat dry milk	0.847	0.897	0.049
Dry whey	0.527	0.499	-0.027

<sup>1</sup> Change calculated from unrounded numbers.

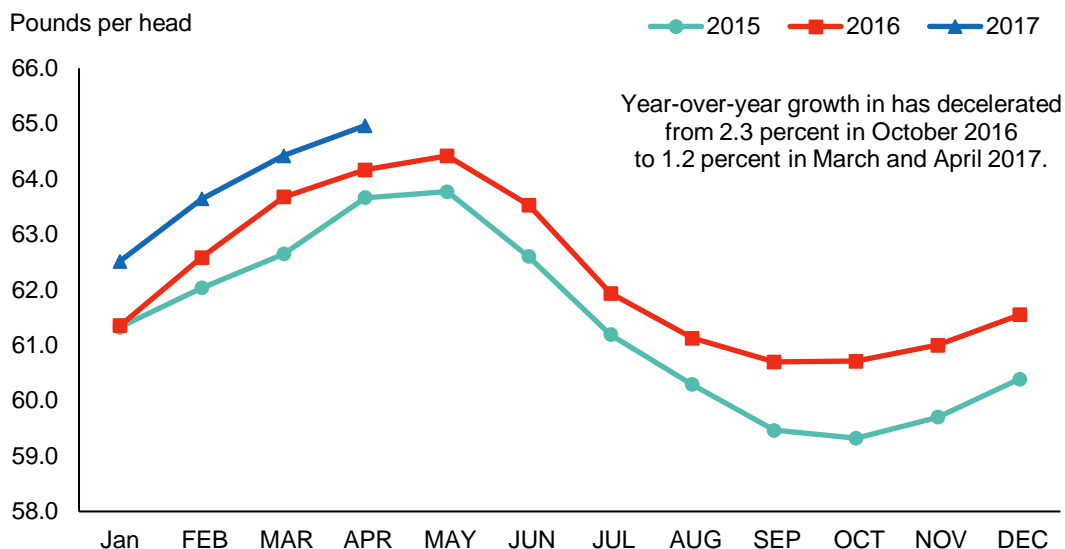
<sup>2</sup> Adjusted to 38-percent moisture.

Source: U.S. Dept. of Agriculture, Agricultural Marketing Service, *National Dairy Product Sales Report*.

April milk production totaled 18.3 billion pounds, 2.0 percent above April 2016. Milk cows numbered 9.390 million head, 8,000 head more than March 2017. April milk per cow averaged 65.0 pounds per day, 0.8 pounds higher than April 2016. While milk per cow continues to increase, the year-over-year rate of growth slowed significantly from 2.3 percent in October to 1.2 percent in March and April.

<sup>1</sup> Prices have been converted from metric units.

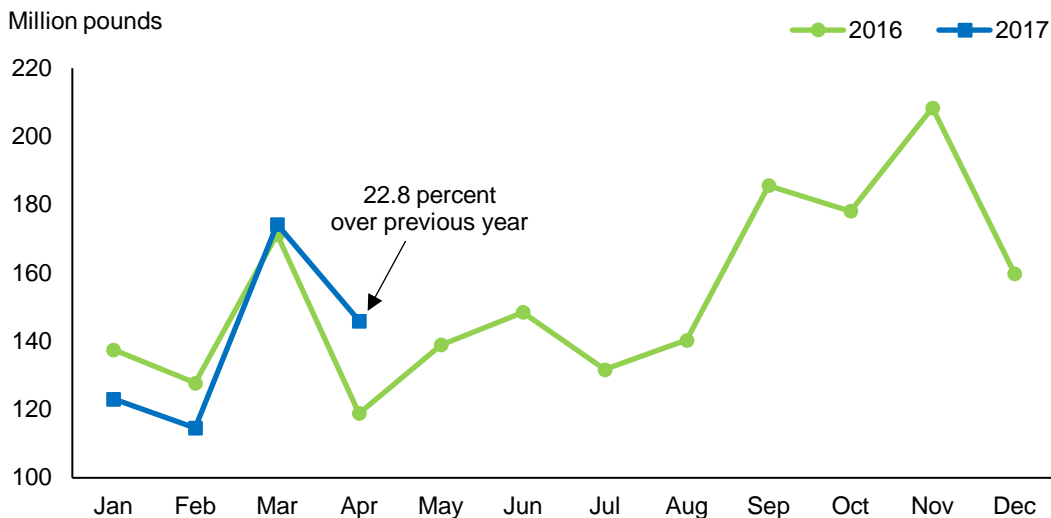
## Daily milk production per cow



Source: U.S. Dept. of Agriculture, National Agricultural Statistics Service.

Domestic use on a milk-fat milk-equivalent basis in April was 4.4 percent higher than April 2016. This contrasts with a year-over-year decline of 1.7 percent in the first quarter of 2017. Commercial disappearance of butter was particularly strong in April, 22.8 percent higher than April 2016. On a skim-solids milk-equivalent basis, commercial use in April was 0.6 percent lower than April 2016. This follows a 1.4 percent year-over-year decline in the first quarter of 2017.

## Domestic commercial disappearance of butter (30-day months)

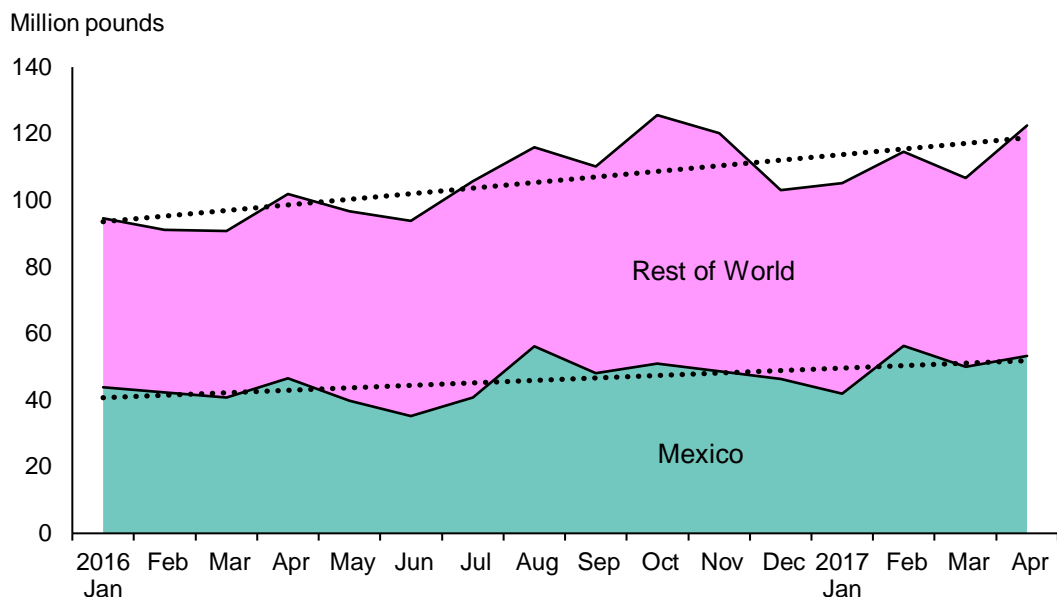


Sources: U.S. Dept. of Agriculture: National Agricultural Statistics Service, Farm Service Agency, Foreign Agricultural Service, and Economic Research Service calculations; and U.S. Dept. of Commerce, Bureau of the Census.

April dairy exports on a milk-fat basis were 724 million pounds, 53 million less than March but 64 million greater than April 2016. On a skim-solids basis, dairy exports have continued to grow, with April exports of 3.467 billion pounds, 68 million more than March and 348 million more than April 2016. Notably, exports of nonfat dry milk and skim milk powder (NDM/SMP) increased from 107 million to 123 million pounds from March to April. Exports of NDM/SMP have trended upward in 2016 and the first 4 months of 2017. Mexico has consistently been the largest export destination for NDM/SMP.



## U.S. exports of nonfat dry milk and skim milk powder



Sources: U.S. Dept. of Agriculture: Foreign Agricultural Service and Economic Research Service calculations; U.S. Dept. of Commerce, Bureau of the Census.

Imports on a milk-fat basis were 478 million pounds in April, 34 million pounds higher than April 2016. This contrasts with a year-over-year decrease of 15 million pounds on a skim-solids basis for April to 485 million pounds.

Overall, ending stock levels remained high for April, with year-over-year increases of 837 million pounds on a milk-fat basis and 437 million pounds on a skim-solids basis. However, it is notable that butter stocks of 292 million pounds at the end of April were 3.5 million pounds less than April 2016—the first month since March 2015 that butter stocks were below the previous year.

### Outlook for Dairy Feed Prices

For the 2016/17 marketing year, prices for corn and soybean meal are estimated to be \$3.25-\$3.45 per bushel and \$315 per short ton, respectively. The 2017/18 price forecasts for corn and soybean meal are unchanged from last month at \$3.00-\$3.80 per bushel and \$295-\$335 per short ton, respectively. The alfalfa hay price in April was \$148 per short ton, \$13 higher than March but \$6 lower than April 2016.

### Dairy Forecasts for 2017

Based on recent milk cow numbers, the milk cow forecast has been raised for all remaining quarters in 2017, averaging 9.395 million head, 10 thousand more than forecast last month. However, the yield forecast for 2017 has been lowered 45 pounds per head to 23,065 pounds, as year-over-year growth remains slow. The milk production forecast for 2017 is 216.7 billion pounds, 0.2 billion pounds lower than last month's forecast.

Small changes have been made in the trade forecasts on a milk-fat basis for 2017. The import forecast has been raised 0.1 billion pounds from last month's forecast to 6.0 billion, due to higher expected imports of cheese and butterfat products. The export forecast on a milk-fat basis has been lowered by 0.1 billion pounds to 8.4 billion pounds. The domestic use forecast on a milk-fat basis has been raised by 0.1 billion pounds to 213.1 billion, as recent data on consumption and prices indicate stronger domestic demand. Ending stocks

for the year on a milk-fat basis are forecast at 12.9 billion pounds, 0.3 billion lower than last month.

On a skim-solids milk-equivalent basis, the import forecast for the year is unchanged at 6.5 billion pounds. However, the export forecast has been raised 0.3 billion pounds to 40.8 billion, based on higher expected exports of NDM/SMP. Domestic use on a skim-solids basis is now forecast at 181.0 billion pounds for the year, 0.4 billion pounds lower than last month based on recent weakness in demand. Ending stocks for 2017 have been lowered to 9.9 billion pounds.

Product price forecasts for 2017 are mostly higher than last month due to lower expected milk production, greater expected demand on a milk-fat basis, and higher expected exports on a skim-solids basis. The butter price has been raised substantially, to \$2.280-\$2.350 per pound. The price forecasts for cheese and NDM have been raised to \$1.620-\$1.660 and \$0.895-\$0.935 per pound, respectively. The dry whey price forecast is \$0.490-\$0.510 per pound, one cent lower than last month's forecast at the upper end of the range. With the higher expected cheese price, the Class III price forecast has been raised to \$16.35-\$16.75 per cwt. The Class IV price forecast is also higher, at \$15.25-\$15.75, due to higher expected prices for butter and NDM. The all-milk price forecast for 2017 is \$17.80-\$18.20 per cwt, an increase from \$17.35-\$17.85 forecast last month.

### ***Dairy Forecasts for 2018***

In step with the higher expected number of milk cows in 2017, the milk cow forecast for 2018 has been raised to 9.435 million head, 10 thousand head higher than last month's forecast. Similarly, the milk per cow forecast has been lowered to 23,500 pounds. Due to these changes, 2018 milk production is now projected at 221.7 billion pounds, 0.3 billion less than last month's forecast.

The 2018 import forecast on a milk-fat basis has been lowered slightly to 5.9 billion pounds. The export forecast for the year has also been lowered slightly to 8.6 billion pounds. Domestic use on a milk-fat basis is forecast at 218.9 billion pounds, 0.3 billion lower than last month, as the tighter supplies and higher prices now forecast throughout 2018 are expected to result in lower consumption than expected last month. The forecast for ending stocks on a milk-fat basis has been lowered to 12.0 billion pounds.

The import forecast on a skim-solids basis is unchanged at 6.4 billion pounds for 2018. Exports on a skim-solids basis are now forecast at 41.3 billion pounds, 0.2 billion pounds higher than last month, with the increase led by NDM/SMP exports. Domestic use in 2018 is expected to be 0.7 billion pounds lower than last month, at 186.3 billion pounds. Ending stocks are forecast 0.1 billion pounds lower than last month, at 9.3 billion pounds.

Product prices for 2018 are forecast higher than last month's forecast. Following expectations for sustained price strength in 2017, the butter price for 2018 is also forecast higher, at \$2.210-\$2.340 per pound; the NDM price for the year is now forecast at \$0.935-\$1.005. The cheddar cheese price is forecast at \$1.665-\$1.765 per pound, while the dry whey price forecast has been raised slightly to \$0.480-\$0.510. These forecasts have pushed the projections for Class III and Class IV milk higher, to \$16.75-\$17.75 and \$15.25-\$16.35 per cwt, respectively. The all-milk price for 2018 is now forecast at \$18.10-\$19.10 per cwt, an increase from \$17.55-\$18.55 forecast last month.

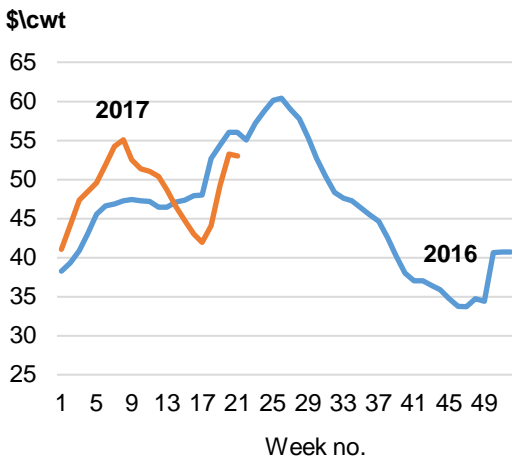
Authors: Jerry Cessna, [jgcessna@ers.usda.gov](mailto:jgcessna@ers.usda.gov), and Jonathan Law, [jonathan.law@ers.usda.gov](mailto:jonathan.law@ers.usda.gov).

# Pork/Hogs

## Strong Pork Demand Limits Hog Price Declines and Supports Packer Margins in May

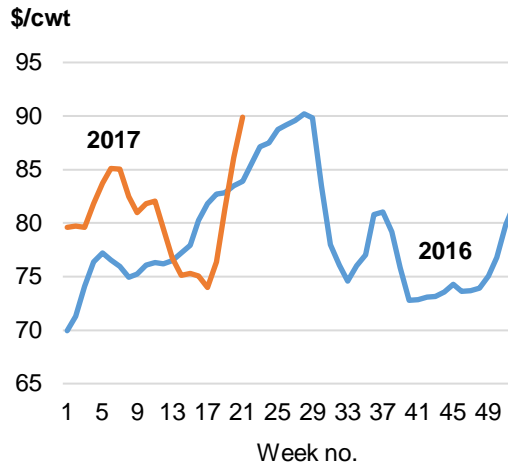
Ample supplies of slaughter hogs and continued-robust consumer demand for pork products yielded very strong packer margins in May. Estimated Federally inspected hog slaughter in May was 9.9 million head, which—after accounting for the month’s extra slaughter day—amounted to almost 3 percent more hogs processed on a daily basis compared with a year ago. While larger hog supplies were reflected in May hog prices—live equivalent 51-52 percent lean hogs, of \$50.46 per cwt, almost 8 percent lower than a year ago—lower dressed weights likely supported prices for hogs. Continued strong demand for pork products, particularly for bellies, ribs, and butts, prolonged a spike in wholesale pork prices that began in late April and continued through May. The estimated wholesale carcass value in May of \$84.47 per cwt averaged almost 2 percent higher than the average for May 2016. Lower input prices and higher output prices resulted in packer gross margins that were more than 69 percent higher than in May of last year.

**Live Equivalent 51-52 percent lean hogs: weekly, 2016- week ending May 26, 2017**



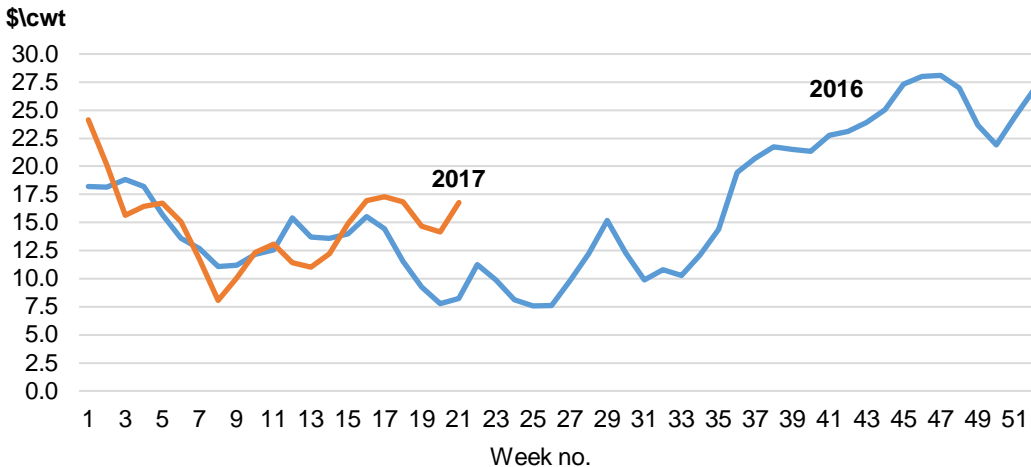
Source: Agricultural Marketing Service, U.S Dept. of Agriculture.

**Estimated wholesale pork carcass cutout: weekly, 2016-week ending May 26, 2017**



Source: Agricultural Marketing Service, U.S. Dept. of Agriculture.

**Gross Pork Packer Margin: Weekly, 2016 to week ending May 26, 2017**



Source: Economic Research Service, U.S. Dept. of Agriculture.

Third-quarter pork production is expected to be about 6.4 billion pounds, about 4 percent greater than a year ago. Robust domestic pork demand, supported particularly by seasonal demand and high beef prices, is expected to keep third-quarter hog prices in a range of \$47-\$49, about 3 percent below the same period last year.

**Exports in April Year-Over-Year Higher for 12th Month in a Row**

April marked the 12th consecutive month in which U.S. pork exports were year-over-year higher. Shipments were 463 million pounds, almost 8 percent ahead of a year ago. Mexico, Japan, and China\Hong Kong were the three largest export markets, together accounting for 62 percent of exports. The 10 largest U.S. export markets in April are summarized below.

**U.S. pork exports: Volumes and export shares of the 10 largest foreign destinations, April 2016, 2017**

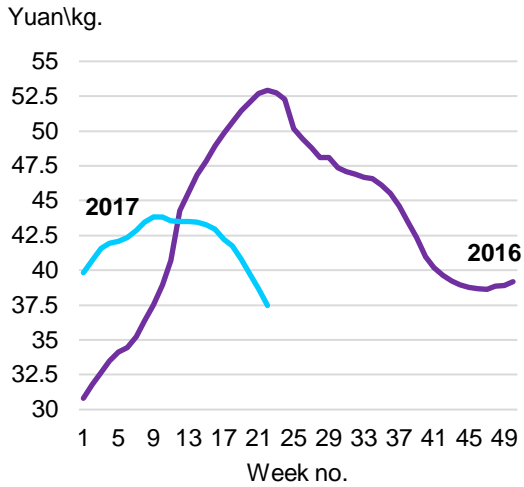
Country	Exports April 2016 (mil. lbs)	Exports April 2017 (mil. lbs)	Percent change (2017/2016)	Export share April 2016 %	Export share April 2017 %
World	430	463	7.7		
1 Mexico	115	129	12	27	28
2 Japan	103	103	1	24	22
3 China\Hong Kong	74	56	-23	17	12
4 South Korea	36	45	25	8	10
5 Canada	42	43	4	10	9
6 Australia	14	16	11	3	3
7 Colombia	8	14	82	2	3
8 Dominican Republic	7	11	55	2	2
9 Philippines	3	8	149	1	2
10 Chile	3	7	186	1	2

Source: Economic Research Service, U.S. Dept. of Agriculture.

**China Prices Suggest Adequate Supplies of Feeder Pigs, Hogs, and Pork**

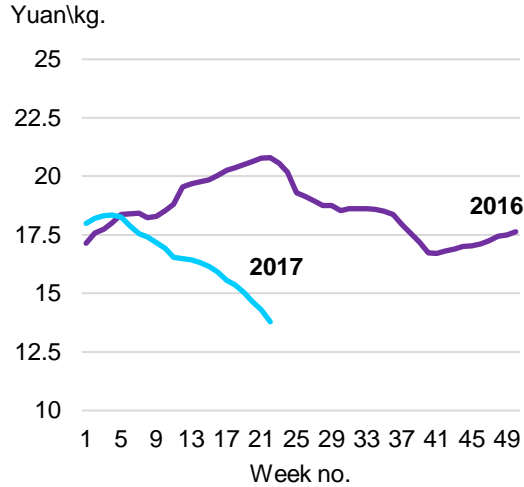
Weekly Chinese price data show national prices of feeder pigs, hogs, and pork carcasses at below-year-earlier levels well before the end of May (week 22). It is notable that prices of this pork complex began 2017 at above year-earlier levels. Lower prices suggest greater availability of supplies of feeder pigs, hogs, and pork carcasses in China.

### China, weekly feeder pig price



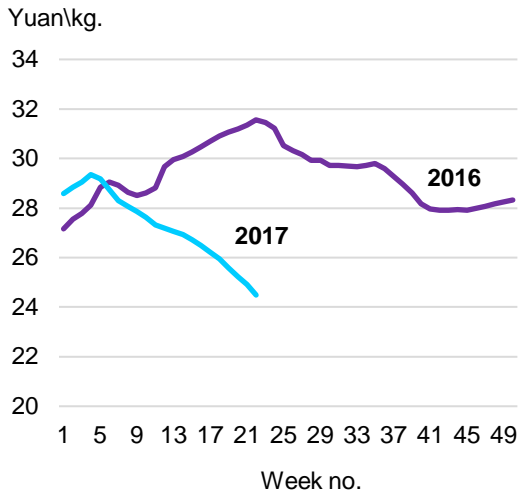
Source: China Ministry of Agriculture.

### China, weekly hog price



Source: China Ministry of Agriculture.

### China, pork carcass price



Source: China Ministry of Agriculture.

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### **Broilers**

April broiler meat production was 3.2 billion pounds, approximately 2.2 percent above last year on a per day basis. This growth derived from more birds slaughtered, since average weights were slightly below a year earlier. The continuation of relatively slow growth in weights contributed to a second-quarter forecast reduction of 25 million pounds.

Slower growth in broiler weights has encouraged expansion of the broiler egg-laying flock in order to produce more birds for meat. On May 1, the laying flock was the largest it has been since 2011; however, the proportion of eggs set in incubators that are later placed as chicks in growing facilities has trended downward.<sup>1</sup> This may reflect an older laying flock; among the quickest way for producers to expand their flock is holding older layers for longer, but that may reduce the proportion of eggs that actually hatch (as well as lay rates). If an older laying flock is constraining growth in the number of chicks available for placement, this challenge appears unlikely to persist for long, as the layer flock can be refreshed over time.

Broiler exports in April were 517 million pounds, down 4 percent from last year. Exports to Mexico were 19 million pounds less than last year and the lowest since 2012. Buying patterns again favored more exports to Angola, South Africa, Cuba, and Kazakhstan; in aggregate, these countries were shipped 77 million more pounds than last year. While April exports to South Africa were higher than last year, they slowed significantly compared to the 4 previous months. Cumulative exports of broiler meat to all destinations through April were still up 5 percent year-to-date, supporting the expected strength in aggregate exports for the year.

Weekly prices for whole broilers (national composite) trended stronger-than-expected in May, reaching \$1.16 per pound for the week ending June 2, the highest level since 2014. Although prices will likely experience a normal seasonal decline in the near future, the recent price strength supported an increase in the third-quarter price forecast to \$0.88-0.92 per pound, while the fourth-quarter forecast was raised to \$0.84-\$0.90 per pound. The 2017 price forecast was increased to \$0.91-\$0.94 and the 2018 forecast remained unchanged.

Boneless/skinless breast prices also trended strongly upwards in May, reaching \$1.65 for the week ending June 2. Relatively strong breast prices may have resulted from a normal seasonal increase in demand and less availability of the larger birds that are preferred for cut-up parts. Year-to-date meat production from the largest class of birds was down 7 percent through June 3 according to preliminary slaughter data.

### **Eggs and Egg Products**

April table egg production totaled 629 million dozen, approximately 4.7 percent above last year. More layers and increased eggs per hen contributed roughly equal amounts to the increase. The second-quarter forecast for all egg production was increased 15 million dozen to 1,890 million dozen, but the third-quarter forecast was left unchanged at 1,900 million dozen.

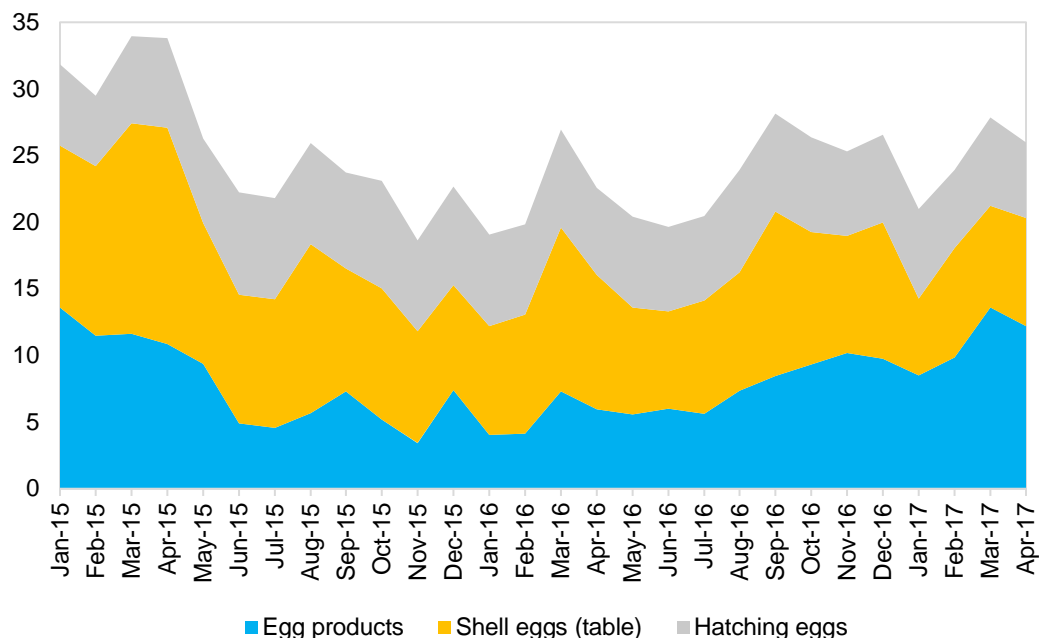
April egg and egg product exports were 26 million dozen (shell-egg equivalent), up about 15 percent from last year. This growth was led by larger shipments to South Korea, Italy, UAE, and Japan, totaling 7 million dozen more in aggregate compared to a year earlier. Many of the exports to these countries were processed products; these products have trended most strongly of all egg exports (see figure below), likely as a result of large available supplies.

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<sup>1</sup> For a visual representation of this trend, see the April 2017 newsletter (page 18): <http://usda.mannlib.cornell.edu/usda/ers/LDP-M/2010s/2017/LDP-M-04-17-2017.pdf>

## Monthly egg exports by product class, 2015 to date

Million dozen (shell-equivalent)



Source: U.S. Census Bureau and U.S. Dept. of Agriculture, Economic Research Service.

May egg prices (large grade A eggs, New York) moved up late in the month, but declined in early June and reached \$0.71 per dozen on June 9. The lack of sustained upward movement led to a slight decrease in the second-quarter forecast to \$0.73-\$0.74 per dozen. Subsequent forecasts were left unchanged.

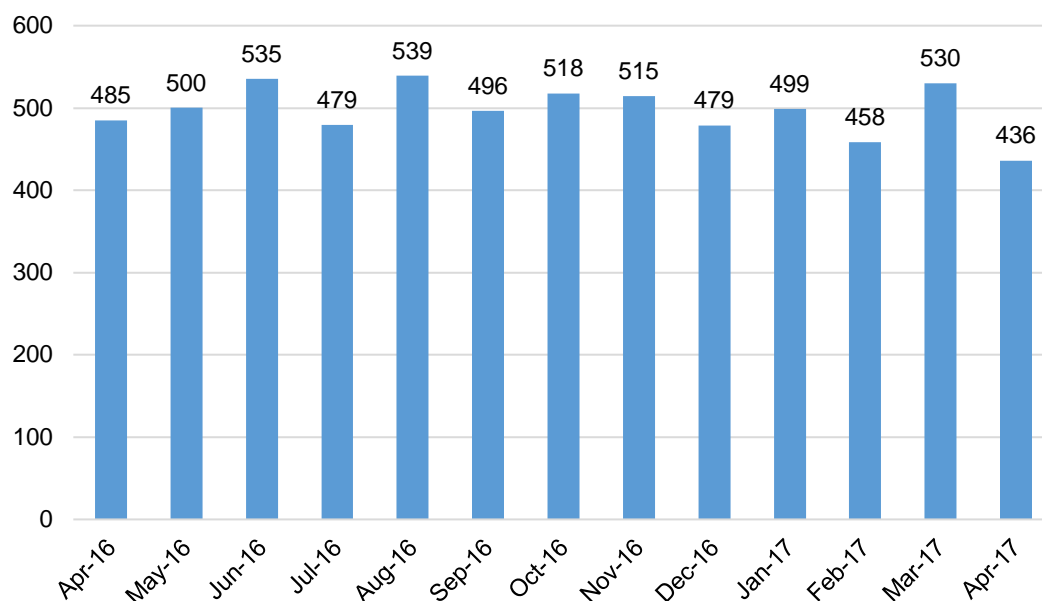
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## Turkey

Turkey production faltered slightly in April, totaling 436 million pounds, 10 percent below the same month in 2016. While 2016 had 1 additional slaughter day in April, the daily average in April 2017 was still nearly 6 percent below a year earlier. Prior to April, only April and October 2016 production had fallen below a year earlier in the previous 12 months. Due to the reduced pace of slaughter, second-quarter production was forecast downward. Concerns over weak demand, evidenced by falling prices, also led to the reduction of the third-quarter forecast. Overall, the 2017 forecast was reduced 30 million pounds to 6.092 billion pounds. The 2018 forecast was unchanged at 6.255 billion pounds.

## Turkey production, April 2016 - April 2017

Million pounds



Source: USDA, Economic Research Service Livestock and Meat Domestic Data.

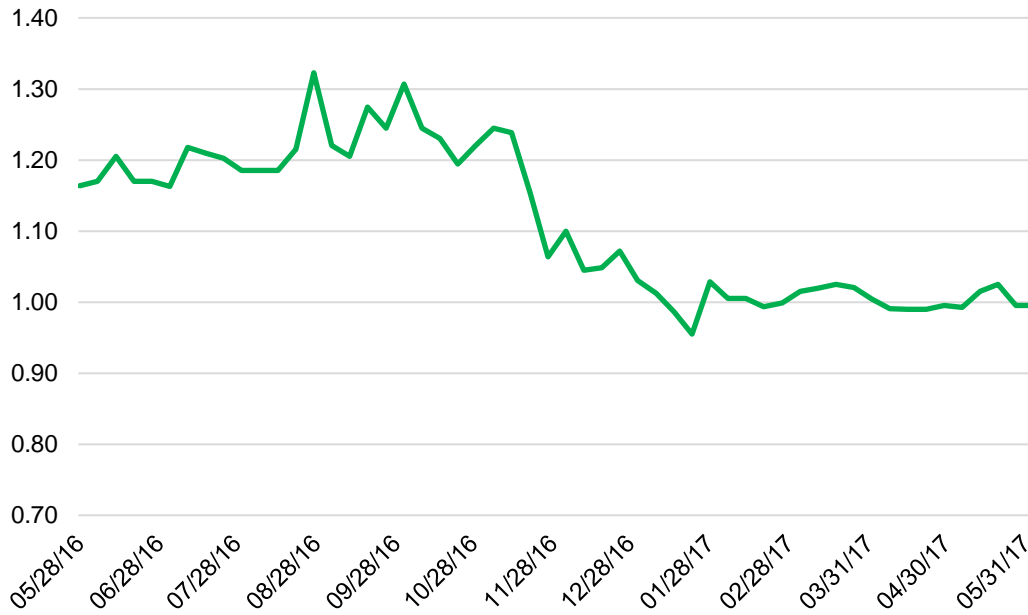
Exports also experienced a downturn in April, falling 6 percent relative to a year earlier at 44 million pounds. The drop can be traced to a 74-percent decline in exports to Hong Kong compared with April 2016. It should be noted that April 2016 turkey exports to Hong Kong were the highest single month since early 2000, but the 2 million pounds shipped in April 2017 were still the lowest since November 2015. The largest trading partner for U.S. turkey, Mexico, was up 11 percent compared with a year earlier. Mexico's share of U.S. turkey exports in April was 65 percent, the second highest share in the previous 12 months. The forecast for 2017 exports was reduced 20 million pounds to 603 million due to lower production and demand.

Turkey prices remain well below 2016 levels and have remained strikingly flat since the beginning of 2017. The average weekly price in 2017 for whole hen turkeys is down 13 percent compared with the same period in 2016. Low prices in 2017 indicate lower than expected demand in domestic as well as export markets. The 2017 forecast for average whole hen turkey prices was reduced by a half-cent and is expected to range between \$1.02 and \$1.05 per pound.



## Whole turkey prices (8-16 lbs, hens National, wholesale)

Dollars per pound



Source: USDA, Economic Research Service using USDA, Agricultural Marketing Service Market News Reports.

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## Related Websites

Livestock, Dairy, and Poultry Outlook, <http://www.ers.usda.gov/publications/?page=1&topicId=0&authorId=0&seriesCode=LDPM&sort=CopyrightDate&sortDir=desc>  
Animal Production and Marketing Issues, <https://www.ers.usda.gov/topics/animal-products/animal-production-marketing-issues/>  
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Poultry and Eggs, <https://www.ers.usda.gov/topics/animal-products/poultry-eggs/>  
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**U.S. red meat and poultry forecasts**

	2014					2015					2016					2017					2018				
	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	5,866	6,184	6,179	6,021	24,250	5,665	5,856	6,068	6,109	23,698	5,938	6,187	6,472	6,625	25,221	6,300	<b>6,355</b>	<b>6,770</b>	<b>6,800</b>	<b>26,225</b>	<b>6,545</b>	<b>27,110</b>			
Pork	5,784	5,504	5,424	6,131	22,843	6,162	5,925	5,958	6,457	24,501	6,230	5,963	6,100	6,648	24,941	6,409	<b>6,155</b>	<b>6,350</b>	<b>6,980</b>	<b>25,894</b>	<b>6,590</b>	<b>26,910</b>			
Lamb and mutton	37	43	38	38	156	38	39	37	37	150	38	39	36	37	150	37	<b>35</b>	<b>36</b>	<b>38</b>	<b>146</b>	<b>35</b>	<b>145</b>			
Broilers	9,299	9,618	9,835	9,814	38,565	9,718	10,021	10,372	9,937	40,048	10,039	10,253	10,338	10,065	40,695	10,233	<b>10,375</b>	<b>10,500</b>	<b>10,350</b>	<b>41,458</b>	<b>10,400</b>	<b>42,275</b>			
Turkeys	1,332	1,428	1,478	1,517	5,756	1,429	1,389	1,352	1,458	5,627	1,435	1,520	1,515	1,511	5,981	1,487	<b>1,515</b>	<b>1,515</b>	<b>1,575</b>	<b>6,092</b>	<b>1,510</b>	<b>6,255</b>			
Total red meat & poultry	22,469	22,934	23,111	23,671	92,185	23,157	23,382	23,940	24,150	94,630	23,834	24,118	24,623	25,037	97,612	24,612	<b>24,588</b>	<b>25,332</b>	<b>25,903</b>	<b>100,435</b>	<b>25,232</b>	<b>103,318</b>			
Table eggs, mil. doz.	1,794	1,823	1,852	1,896	7,366	1,820	1,726	1,664	1,728	6,938	1,793	1,827	1,876	1,939	7,435	1,902	<b>1,890</b>	<b>1,900</b>	<b>1,950</b>	<b>7,642</b>	<b>1,925</b>	<b>7,765</b>			
<b>Per capita disappearance, retail lb I/</b>																									
Beef	13.1	14.0	13.7	13.4	54.2	13.1	13.6	13.9	13.3	54.0	13.6	13.9	14.1	14.0	55.6	14.0	<b>13.9</b>	<b>14.4</b>	<b>14.2</b>	<b>56.5</b>	<b>14.1</b>	<b>58.0</b>			
Pork	11.2	10.8	11.0	12.8	45.8	12.2	11.8	12.1	13.6	49.8	12.6	11.8	12.1	13.5	50.1	12.3	<b>11.9</b>	<b>12.3</b>	<b>13.7</b>	<b>50.2</b>	<b>12.7</b>	<b>51.3</b>			
Lamb and mutton	0.2	0.2	0.2	0.3	0.9	0.2	0.3	0.2	0.3	1.0	0.3	0.3	0.2	0.3	1.0	0.3	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>1.0</b>	<b>0.3</b>	<b>1.0</b>			
Broilers	20.3	20.8	21.2	21.1	83.4	21.4	22.1	23.3	22.1	89.0	22.5	22.7	22.7	21.8	89.8	22.4	<b>22.6</b>	<b>22.7</b>	<b>22.3</b>	<b>90.0</b>	<b>22.7</b>	<b>91.3</b>			
Turkeys	3.4	3.5	3.9	5.0	15.8	3.5	3.6	3.9	4.9	16.0	3.6	3.9	4.2	4.9	16.7	3.7	<b>3.8</b>	<b>4.2</b>	<b>5.1</b>	<b>16.9</b>	<b>3.8</b>	<b>17.2</b>			
Total red meat & poultry	48.6	49.8	50.4	53.0	201.8	50.9	51.8	53.8	54.6	211.1	53.0	53.0	53.7	54.9	214.6	53.1	<b>52.7</b>	<b>54.2</b>	<b>56.0</b>	<b>216.1</b>	<b>54.0</b>	<b>220.3</b>			
Eggs, number	65.6	66.2	67.2	68.5	267.5	65.7	62.9	61.9	65.7	256.3	67.5	67.4	68.8	71.0	274.7	68.3	<b>68.0</b>	<b>68.6</b>	<b>69.9</b>	<b>274.9</b>	<b>68.8</b>	<b>276.8</b>			
<b>Market prices</b>																									
Choice steers, 5-area Direct, \$/cwt	146.34	147.82	158.49	165.60	154.56	162.43	158.11	144.22	127.71	148.12	134.81	127.68	113.26	107.69	120.86	122.96	<b>132-135</b>	<b>118-124</b>	<b>113-123</b>	<b>122-126</b>	<b>115-125</b>	<b>113-123</b>			
Feeder steers, Ok City, \$/cwt	168.49	188.64	220.90	234.25	203.07	210.31	219.65	208.11	173.59	202.92	155.83	146.49	140.66	128.30	142.82	129.56	<b>147-150</b>	<b>137-143</b>	<b>131-141</b>	<b>137-141</b>	<b>127-137</b>	<b>131-141</b>			
Cutter Cows, National L.E., \$/cwt	89.12	98.57	111.27	109.21	102.04	107.61	109.50	103.34	77.80	99.56	73.50	75.87	73.16	57.75	70.07	62.63	<b>67-70</b>	<b>65-71</b>	<b>64-74</b>	<b>65-69</b>	<b>60-70</b>	<b>60-70</b>			
Choice slaughter lambs, San Angelo, \$/cwt	166.69	148.99	156.02	162.69	158.60	147.17	140.09	146.23	142.52	144.00	133.33	136.15	137.52	131.88	134.72	138.91	<b>140-143</b>	<b>142-148</b>	<b>140-150</b>	<b>141-145</b>	<b>138-148</b>	<b>135-145</b>			
Nat'l base cost, 51-52 % lean, live equivalent, \$/cwt	68.69	85.40	83.30	66.74	76.03	48.47	53.20	54.59	44.66	50.23	44.63	53.71	49.26	37.02	46.16	49.73	<b>46-48</b>	<b>45-47</b>	<b>36-40</b>	<b>44-46</b>	<b>44-48</b>	<b>42-46</b>			
Broilers, 12 City, cents/lb	98.40	113.70	104.60	102.80	104.90	97.00	104.20	83.70	77.20	90.50	84.60	93.00	81.7	78.00	84.30	88.50	<b>97-99</b>	<b>83-89</b>	<b>81-87</b>	<b>87-91</b>	<b>85-93</b>	<b>85-92</b>			
Turkeys, Eastern, cents/lb	100.70	105.60	110.20	113.90	107.60	99.60	108.50	126.40	130.10	116.20	114.70	116.50	120.70	116.60	117.10	100.40	<b>98-102</b>	<b>102-108</b>	<b>107-115</b>	<b>102-106</b>	<b>98-106</b>	<b>104-112</b>			
Eggs, New York, cents/doz.	142.70	134.60	129.30	162.70	142.30	146.90	170.30	235.70	174.10	181.80	121.50	67.90	71.60	81.70	85.70	80.00	<b>74-76</b>	<b>81-85</b>	<b>99-107</b>	<b>83-87</b>	<b>84-90</b>	<b>87-94</b>			
<b>U.S. trade, million lb, carcass wt. equivalent</b>																									
Beef & veal exports	583	667	679	643	2,572	523	607	542	594	2,265	534	621	659	736	2,550	651	<b>710</b>	<b>730</b>	<b>715</b>	<b>2,806</b>	<b>660</b>	<b>2,835</b>			
Beef & veal imports	597	767	765	818	2,947	878	990	890	613	3,371	793	832	751	640	3,016	699	<b>775</b>	<b>685</b>	<b>600</b>	<b>2,759</b>	<b>700</b>	<b>2,825</b>			
Lamb and mutton imports	46	49	45	55	195	53	56	46	59	214	68	55	41	52	216	80	<b>53</b>	<b>46</b>	<b>56</b>	<b>235</b>	<b>77</b>	<b>242</b>			
Pork exports	1,399	1,342	1,146	1,205	5,092	1,223	1,338	1,173	1,274	5,009	1,223	1,320	1,236	1,454	5,233	1,432	<b>1,400</b>	<b>1,365</b>	<b>1,550</b>	<b>5,747</b>	<b>1,465</b>	<b>5,965</b>			
Pork imports	213	241	257	301	1,011	279	266	270	300	1,116	293	257	266	276	1,092	264	<b>270</b>	<b>255</b>	<b>275</b>	<b>1,064</b>	<b>250</b>	<b>935</b>			
Broiler exports	1,827	1,834	1,858	1,779	7,298	1,624	1,713	1,487	1,496	6,321	1,573	1,607	1,736	1,731	6,647	1,711	<b>1,730</b>	<b>1,765</b>	<b>1,770</b>	<b>6,976</b>	<b>1,720</b>	<b>7,030</b>			
Turkey exports	159	182	215	219	775	148	123	125	132	529	115	140	160	153	568	133	<b>140</b>	<b>160</b>	<b>170</b>	<b>603</b>	<b>145</b>	<b>650</b>			
Live swine imports (thousand head)	1,195	1,216	1,264	1,272	4,947	1,309	1,541	1,371	1,519	5,740	1,475	1,405	1,375	1,414	5,669	1,449	<b>1,425</b>	<b>1,480</b>	<b>1,470</b>	<b>5,824</b>	<b>1,475</b>	<b>5,925</b>			

Note: Forecasts are in bold.

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

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

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Updated 6/12/2017

## Dairy Forecasts

	2015	2016				2017					2018	
	Annual	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Milk cows (thousands)	9,314	9,323	9,331	9,344	9,328	9,370	9,395	9,400	9,410	9,395	9,420	9,435
Milk per cow (pounds)	22,397	5,828	5,636	5,620	22,775	5,717	5,900	5,730	5,720	23,065	5,810	23,500
<b>Milk production (billion pounds)</b>	<b>208.6</b>	<b>54.3</b>	<b>52.6</b>	<b>52.5</b>	<b>212.4</b>	<b>53.6</b>	<b>55.4</b>	<b>53.9</b>	<b>53.8</b>	<b>216.7</b>	<b>54.7</b>	<b>221.7</b>
Farm use	1.0	0.2	0.3	0.3	1.0	0.2	0.2	0.3	0.3	1.0	0.2	1.0
Milk marketings	207.6	54.1	52.3	52.3	211.4	53.3	55.2	53.6	53.6	215.7	54.5	220.7
<b>Milk-fat (billion pounds milk equiv.)</b>												
Milk marketings	207.6	54.1	52.3	52.3	211.4	53.3	55.2	53.6	53.6	215.7	54.5	220.7
Beginning commercial stocks	10.5	15.0	17.8	16.0	12.3	12.7	16.2	18.2	15.8	12.7	12.9	12.9
Imports	5.7	1.5	1.7	1.6	7.0	1.5	1.5	1.4	1.6	6.0	1.4	5.9
Total supply	223.8	70.6	71.8	70.0	230.8	67.5	72.9	73.3	70.9	234.4	68.8	239.5
Commercial exports	8.5	2.1	2.1	2.5	8.9	2.1	2.2	2.1	2.0	8.4	2.1	8.6
Ending commercial stocks	12.3	17.8	16.0	12.7	12.7	16.2	18.2	15.8	12.9	12.9	15.5	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	0.0
Domestic commercial use	203.0	50.7	53.7	54.7	209.2	49.2	52.5	55.3	56.0	213.1	51.2	218.9
<b>Skim solids (billion pounds milk equiv.)</b>												
Milk marketings	207.6	54.1	52.3	52.3	211.4	53.3	55.2	53.6	53.6	215.7	54.5	220.7
Beginning commercial stocks	9.4	10.2	10.3	9.7	9.2	9.5	10.6	11.5	10.5	9.5	9.9	9.9
Imports	6.0	1.6	1.6	1.7	6.5	1.7	1.6	1.6	1.6	6.5	1.6	6.4
Total supply	223.0	65.9	64.2	63.7	227.1	64.5	67.3	66.7	65.7	231.7	65.9	236.9
Commercial exports	37.3	9.7	10.2	10.4	38.9	9.8	10.4	10.3	10.3	40.8	9.9	41.3
Ending commercial stocks	9.2	10.3	9.7	9.5	9.5	10.6	11.5	10.5	9.9	9.9	9.6	9.3
Net removals	0.0	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	176.6	45.9	44.3	43.8	178.7	44.2	45.5	45.8	45.5	181.0	46.4	186.3
<b>Milk prices (dollars/cwt)<sup>1</sup></b>												
All milk	17.12	14.77	16.83	17.67	16.24	18.23	16.65	17.75	18.55	17.80	18.20	18.10
							-16.85	-18.25	-19.35	-18.20	-19.20	-19.10
Class III	15.80	13.20	16.18	16.33	14.87	16.49	15.55	16.65	16.75	16.35	16.55	16.75
							-15.75	-17.15	-17.55	-16.75	-17.55	-17.75
Class IV	14.35	13.18	14.58	14.13	13.77	15.37	14.70	15.60	15.40	15.25	15.00	15.25
							-15.00	-16.20	-16.30	-15.75	-16.10	-16.35
<b>Product prices (dollars/pound)<sup>2</sup></b>												
Cheddar cheese	1.645	1.454	1.735	1.714	1.605	1.648	1.535	1.645	1.660	1.620	1.650	1.665
							-1.555	-1.695	-1.740	-1.660	-1.750	-1.765
Dry whey	0.380	0.252	0.288	0.366	0.288	0.485	0.500	0.485	0.485	0.490	0.475	0.480
							-0.520	-0.515	-0.515	-0.510	-0.505	-0.510
Butter	2.067	2.080	2.206	1.958	2.078	2.200	2.225	2.385	2.325	2.280	2.235	2.210
							-2.265	-2.465	-2.435	-2.350	-2.365	-2.340
Nonfat dry milk	0.902	0.760	0.860	0.931	0.829	0.955	0.865	0.885	0.890	0.895	0.895	0.935
							-0.885	-0.925	-0.950	-0.935	-0.965	-1.005

Totals may not add due to rounding.

<sup>1</sup> Simple averages of monthly prices. May not match reported annual averages.

<sup>2</sup> Simple averages of monthly prices calculated by the Agricultural Marketing Service for use in class price formulas. Based on weekly U.S. Dept. of Agriculture, *National Dairy Products Sales Report*.

Sources: U.S. Dept. of Agriculture: National Agricultural Statistics Service, Agricultural Marketing Service, Foreign Agricultural Service, and World Agricultural Outlook Board.

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