



Economic Research Service

Situation and Outlook

LDP-M-277

July 18, 2017

Livestock, Dairy, and Poultry Outlook

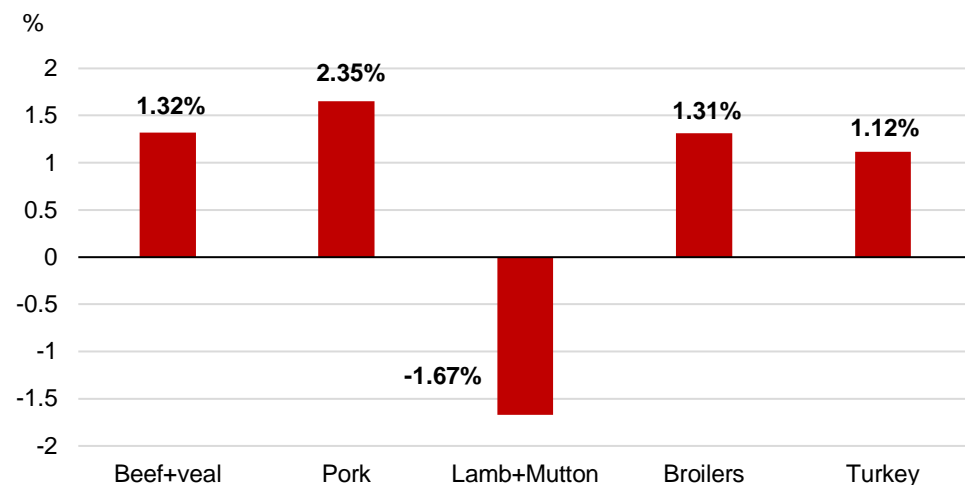
Mildred Haley
mhaley@ers.usda.gov

Keithly Jones
kjones@ers.usda.gov

Increases in 2018 Red Meat and Poultry Per Capita Disappearance Largely Due to Strong Production Forecasts Next Year

Positive changes in 2018 per capita beef, pork, and poultry disappearance are expected to be driven largely by production increases, but also by changes in trade. Lamb and mutton per capita disappearance is expected to decline 1.7 percent, however, due to a small decline in production and a small increase in exports. For beef, the 1.3-percent increase in per capita disappearance to 57.9 pounds is the result of a 2.2-percent increase in the 2018 production forecast, together with stronger beef imports (2.9 percent larger than the 2017 forecast) and a 1.9-percent increase in beef exports. The 1.7-percent change in the pork per capita in 2018—to 50.9 pounds, the largest per capita disappearance since 2004—is expected even though exports are forecast to increase 3.8 percent next year. The current pork industry expansion, with production next year expected to increase 3.5 percent, drives the expected increase in per capita pork disappearance. The broiler per capita disappearance increase—1.3 percent to 91.3 pounds—is due to anticipated production growth of 1.9 percent plus a small increase in exports (+0.8 percent, year over year). The turkey per capita in 2018 is expected to increase 1.1 percent to 17 pounds. The increase derives from larger production—1.9 percent over the 2017 turkey production forecast. The increase in turkey per capita is anticipated even though turkey exports are expected to increase 7.8 percent in 2018. The strong increase derives from the continued recovery of exports, after the sharp decline in 2015 due to disease problems.

2018 Per capita consumption of red meats and poultry, retail basis: percent change from a year earlier



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

Contents

- [Cattle/Beef](#)
- [Dairy](#)
- [Pork/Hogs](#)
- [Lamb/Mutton](#)
- [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 July 27, 2017

The next Outlook Report release is August 16, 2017

Approved by the World Agricultural Outlook Board.

Cattle/Beef: Fourth-quarter commercial beef production is expected to be 7.0 billion pounds, and beef production for the year is revised upward slightly to 26.5 billion pounds, or 5 percent above last year. Prices for 1,100-1,300 pound Choice steers are expected to average \$117-\$121 per hundredweight (cwt) for the third quarter and \$113-\$121 per cwt for the fourth quarter. Forecasts for U.S. beef imports in 2017 and 2018 are revised upward by 30 million and 45 million pounds, respectively. U.S. beef exports are forecast higher by 10 million pounds in 2017 and up 35 million pounds in 2018.

Dairy: Milk production forecasts have been reduced from last month's forecasts, as expectations for growth in milk per cow are lower, primarily due to relatively low yield-growth in recent months. Additionally, yields over the next several months may be affected by recent extreme heat in some western areas. With the recent increase in exports and competitive prices for cheese, expectations for exports are increased over last month. With lower expectations for domestic demand and recent declines in cheese prices, milk price forecasts have been lowered from last month's forecasts. The 2017 all-milk price forecast is \$17.65-\$17.95 per cwt, a reduction from \$17.80-\$18.20 forecast last month. The 2018 all-milk price forecast is \$18.00-\$19.00 per cwt, a reduction from \$18.10-\$19.10 forecast last month.

Pork/Hogs: Hog and pig inventories reported in the June *Quarterly Hogs and Pigs* report suggest pork production increases for the balance of 2017 and into 2018. Despite larger hog supplies, strong demand for pork—both domestic and foreign—is expected to keep hog prices year-over-year higher in the second half of 2017 and through the first quarter of 2018.

Lamb/Mutton: Second-quarter prices averaged \$153.46 per cwt, increasing nearly \$15 above the first-quarter levels. Thin markets continue to influence price variability, causing large swings in monthly Choice slaughter lamb prices at San Angelo. Prices are expected to weaken for the rest of the year as a result of expected lower demand.

Poultry: Forecast broiler production was increased slightly for the second quarter, and the price forecast was increased for the third quarter. Egg production has remained above last year as expected, and no forecasts for eggs were revised. Due to the slowdown in turkey poult placements, coupled with sustained low prices for whole birds and most cuts, the forecast for 2017 turkey production was reduced by 30 million pounds to 6.062 billion pounds. In addition, the 2018 forecast was reduced by 75 million pounds to 6.180 billion pounds.

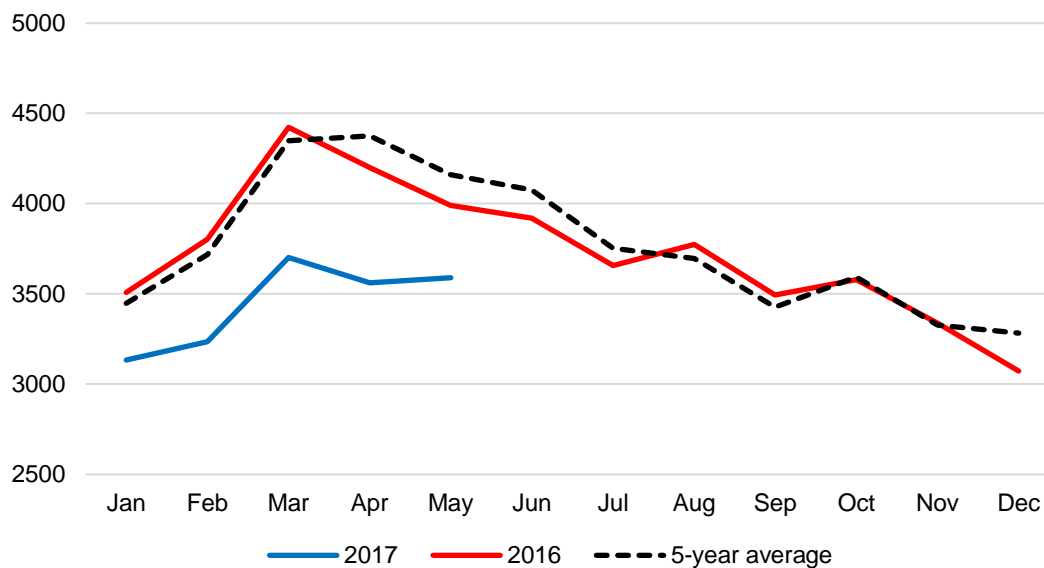
Cattle / Beef

Cattle Available for Slaughter Give Meatpackers Options

Commercial beef production for 2017 is revised upward slightly to 26.5 billion pounds, due to greater than expected commercial slaughter in the second quarter and higher anticipated commercial slaughter in the third and fourth quarters. As packers have bid higher for fed cattle for slaughter in the first and second quarters of 2017, feedlots experienced positive returns from marketing calves bought at relatively low prices during the second half of 2016. The price for feeder steers weighing 750-800 pounds sold at the Oklahoma City National Stockyards averaged \$128.30 per cwt in the fourth quarter of 2016, while the 5-Area price for fed cattle marketed at an average of \$132.76 per cwt in the second quarter of 2017. Feedlots' positive returns likely contributed to feedlots being willing to bid higher for feeder calves to keep their inventories current. According to the June 2017 USDA/NASS *Cattle on Feed* report, feedlot operations with more than 1,000-head capacity indicated year-over-year net placements during May increased by 12.9 percent to 2.05 million head, which surpasses marketings totaling 1.95 million head. Cattle on feed for longer than 120-days also rose to slightly above April levels, but well below the 5-year average and the same time last year.

Cattle on feed longer than 120 days

Number of Head ('000s)



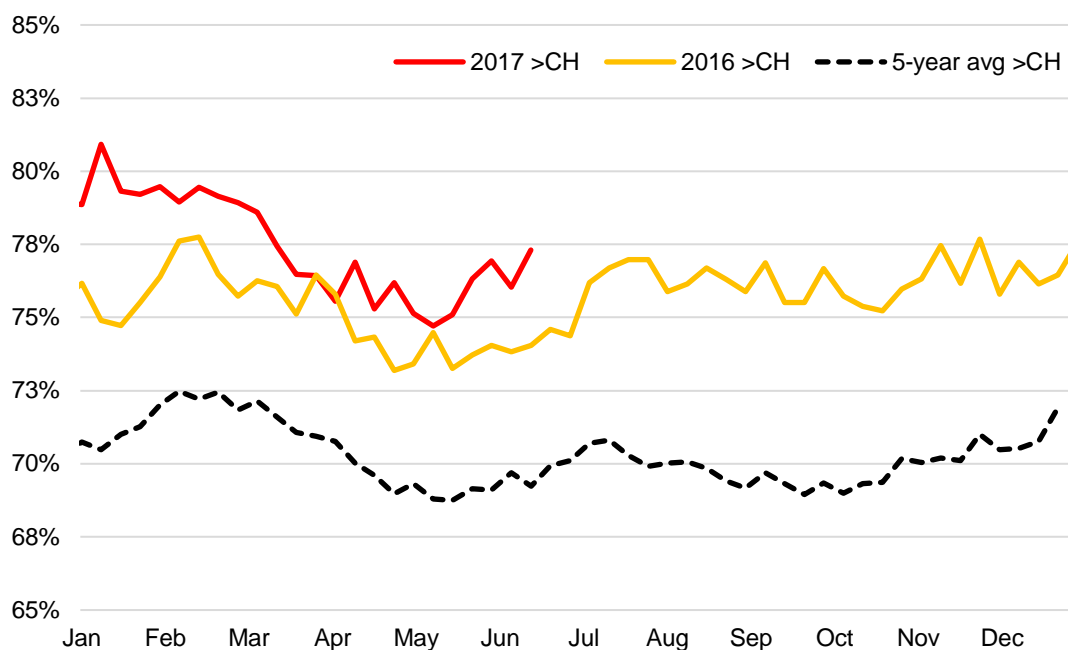
Source: National Agricultural Statistics Service, U.S. Dept. of Agriculture.

Feedlot demand bolstered calf prices in the second quarter of 2017 to an estimated \$147.37 per cwt, but prices in the fourth quarter, when most of these calves will likely be marketed, are expected to average \$113-\$121 per cwt. USDA forecasts feeder calf prices to peak in the third quarter at \$152-\$158 per cwt and to decline slightly in the fourth quarter at \$145-\$155 per cwt. However, relatively large feedlot placements should provide an abundant supply of fed cattle from which meatpackers can purchase as needed. The increased slaughter volume in June is likely a function of meatpackers taking advantage of their good margins and feedlots' accepting lower bids in anticipation of declining cash prices for live cattle.

Supply of Choice Beef To Grow as Demand Wanes

Volumes of cattle slaughtered through spring and early summer have been above a year ago, but dressed weights were below 2016. According to the USDA/NASS *Livestock Slaughter* report released in June, commercial cattle slaughter in May was up by 237.3 thousand head over last year, and dressed weights for both steers and heifers slaughtered under Federal inspection were down 25 pounds year-over-year. Despite lower weights, the USDA/AMS report of the weekly percentage of steers and heifers ([NW LS 196](#)) indicates that carcasses grading Choice or higher has remained above year-ago levels.

Weekly percentage of steers and heifers grading Choice and Prime



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

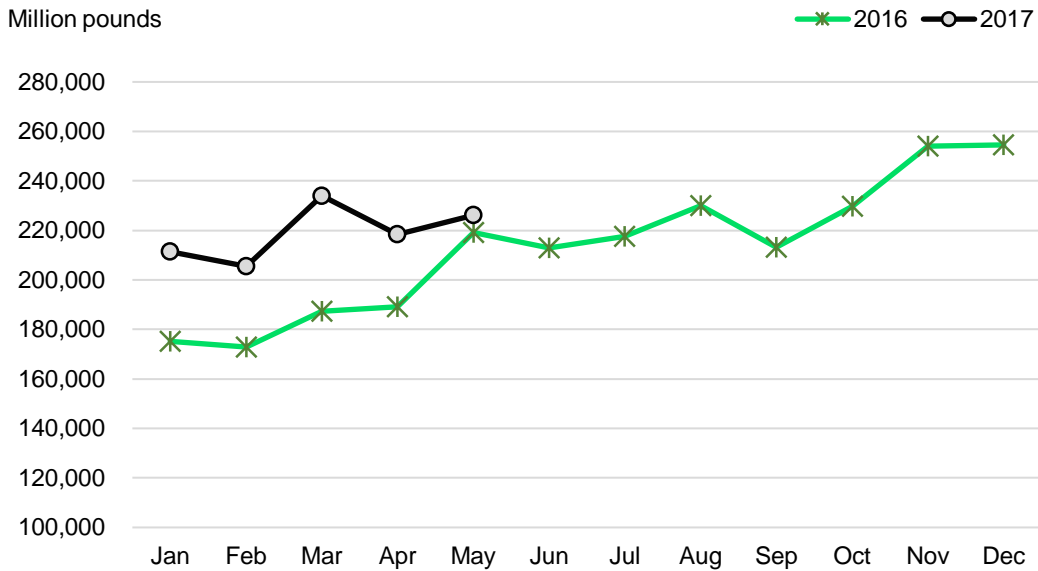
This would indicate that despite lighter carcass weights, supplies of Choice grade beef were above last year. Thus it would appear that strong demand for Choice beef helped pull the spread between wholesale prices of Choice and Select beef to historic levels. The spread has narrowed considerably in the last week, and demand for grilling-type cuts will likely diminish post-July 4th. The USDA/AMS report on beef production under Federal Inspection for the week ending June 24 indicates that average dressed weights for cattle have rebounded above 800 pounds for the first time since early April. As carcass weights increase seasonally and slaughter is expected to be above year-earlier, Choice beef supplies are expected to increase. Anticipated lower seasonal demand for middle meats will likely put additional pressure on the wholesale price of Choice beef in the coming weeks.

Beef Exports Up in May 2017

U.S. beef exports in May 2017 increased by 3 percent from the same month a year ago, to 226 million pounds. Increased exports to Hong Kong (+29 percent), Japan (+10 percent), and Taiwan (+23 percent) offset export declines to Canada (-30 percent), South Korea (-6 percent), and Mexico (-3 percent). Beef exports during January through May were 16 percent higher than the same period a year ago, totaling 1.1 billion pounds. Increased exports are supported by higher domestic production, lower prices, and a relative weakening of the U.S. dollar against trading partners during the period.

Second-quarter 2017 U.S. beef exports were revised downward by 15 million pounds to an expected 695 million pounds due to a slowing pace of exports in May year-over-year. Further, a recently concluded U.S.-China trade deal included reopening the Chinese market to U.S. beef for the first time in almost 14 years. Market access is provided for chilled, frozen, bone-in, and deboned beef, as well as a broad scope of offal products derived from cattle less than 30 months of age. Although shipments commenced in June, immediate and short-term gains may be constrained given China's market requirements such as traceability and its zero tolerance at ports of entry for prohibited substances. In the longer term, support for U.S. beef exports is likely to come from increased Chinese demand as incomes increase and consumers expand their preferences for a wider variety of meat protein. U.S. beef exports in 2018 are revised upward by 35 million pounds from the previous month to 2.9 billion pounds.

Monthly U.S. beef exports, January-May 2017



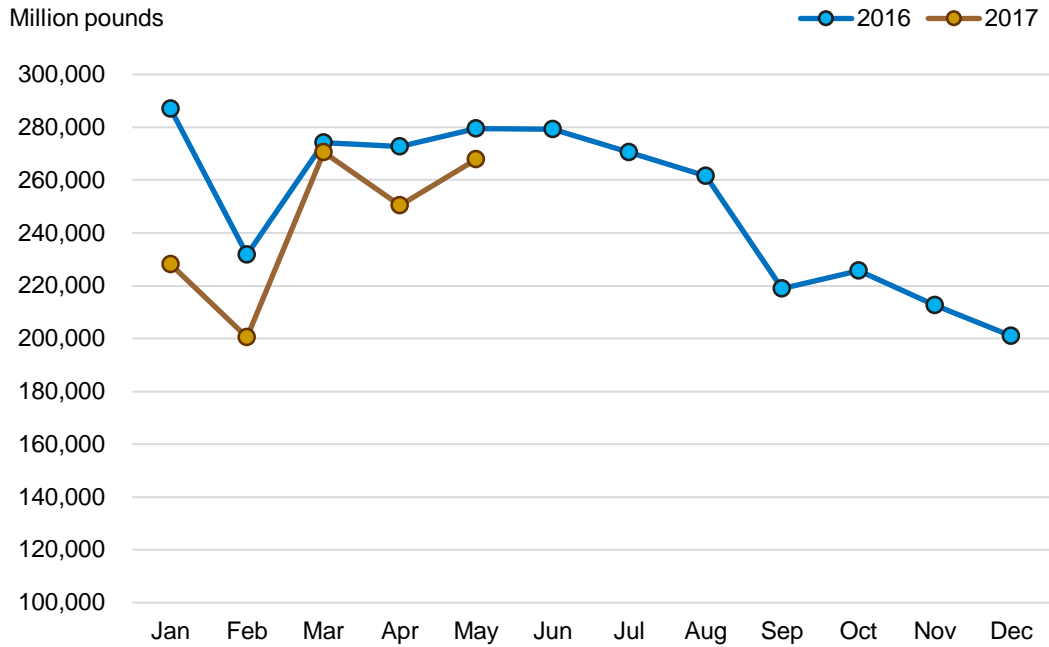
Source: Economic Research Service, U.S. Dept. of Agriculture.

Beef Imports Down in May 2017

U.S. beef imports in May declined 4 percent year-over-year. A sharp decline in imports from Oceania (-29 percent Australia, -27 percent New Zealand) outweighed the increased imports from other major suppliers (+76 percent Brazil, +31 percent Mexico, and +5 percent Canada, +67 percent Uruguay). Oceania imports were lower in each of the months from January through May 2017 compared to the same months a year ago due to lower production in Oceania. Dry conditions in Australia may likely continue to limit production. Cumulative imports through May declined by 10 percent year-over-year to 1.2 billion pounds. Higher domestic production and the weakening of the U.S. dollar also support the decline in imports.

Despite year-over-year declines in imports in May, imports were stronger than the previous month. Also, higher weekly imports reported by USDA/AMS for June supported an upward revision of second quarter 2017 imports by 20 million pounds, to 795 million pounds. Beef import forecasts for the fourth quarter 2017 and each of the quarters in 2018 have been also revised upward, likely due to higher expected imports from Oceania as herd rebuilding is likely to end there.

January through May 2017 monthly beef imports down

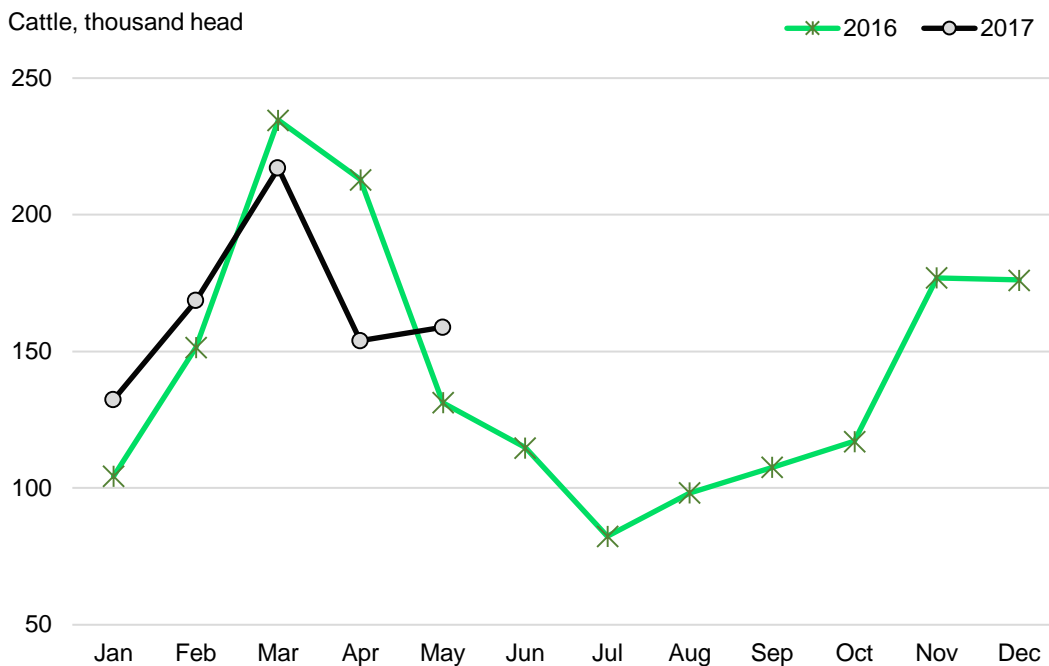


Source: Economic Research Service, U.S. Dept. of Agriculture.

Cattle Imports and Exports Both Up in May 2017

In May 2017, U.S. cattle imports increased by 21 percent from the same month a year ago to 159 thousand head. Total January through May cattle imports in 2017 were fractionally below the level of 2016. Weekly USDA-AMS data also suggest a similar pace of imports will likely continue in June due to an increase in feeder cattle imports from Mexico.

Cattle imports increased in May



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

U.S. cattle exported in May more than doubled year-over-year. Each month in 2017 through May had higher cattle exports than the previous year, contributing to 150 percent higher cumulative exports through May 2017, or 52 thousand head. Besides Mexico and Canada, significantly larger numbers of cattle were shipped to Turkey, Vietnam, and Sudan during this period. First-half 2017 cattle exports appear stronger than previously expected.

Authors: Russell Knight, Russell.H.Knight@ers.usda.gov; Lekhnath Chalise, Lekhnath.Chalise@ers.usda.gov

Recent Developments in Dairy Markets

Prices reported in the *National Dairy Products Sales Report* (NDPSR) have moved in mixed directions in recent weeks. From the week ending June 3 to the week ending July 8, prices for butter and nonfat dry milk (NDM) increased by 33.3 and 0.6 cents per pound, respectively. Prices for cheddar cheese blocks and barrels (adjusted to 38-percent moisture) decreased by 6.2 and 11.6 cents per pound, respectively, while the dry whey price fell 4.2 cents per pound. Notably, the block price has been considerably higher than the barrel price in recent weeks—19.2 cents higher for the week ending July 8.

Dairy product prices (dollars per pound)

	For the week ending		Change
	June 3	July 8	
Butter	2.3213	2.6540	0.3327
Cheddar cheese			
40-pound blocks	1.6758	1.6134	-0.0624
500-pound barrels ¹	1.5371	1.4211	-0.1160
Nonfat dry milk	0.8965	0.9021	0.0056
Dry whey	0.4992	0.4577	-0.0415

¹Adjusted to 38-percent moisture.

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

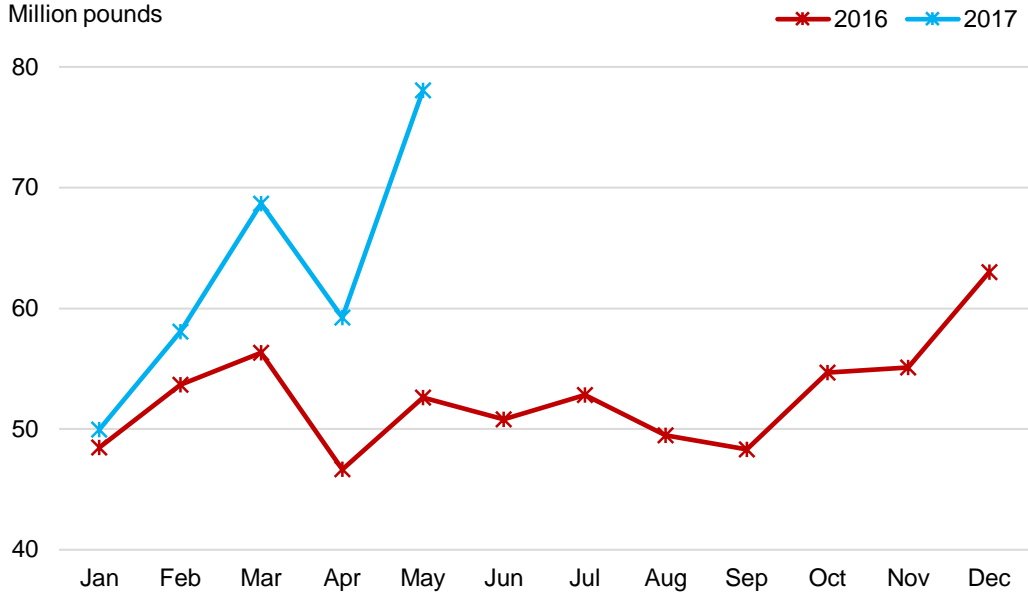
May milk production totaled 18.940 billion pounds, 1.8 percent above May 2016. Milk cows numbered 9.393 million head, 2 thousand more than April 2017. May milk per cow averaged 2,016 pounds, 19 pounds higher than May 2016. Although June milk production numbers are not yet available, extreme heat in some western areas of the country likely impacted production in those areas. The USDA *Weekly Weather and Crop Bulletin* for the week of June 18-24 reported that "...sustained, record-breaking heat—with temperatures averaging at least 10°F above normal—gripped California, the Great Basin, and the Southwest." In California, the State with the most milk production, thousands of cows reportedly died as a result, overwhelming some of the area rendering plants.

Exports increased significantly in May. On a milk-fat basis, they were 173 million pounds higher than April and 271 million higher than May 2016. On a skim-solids basis, exports were 94 million pounds higher than April and 370 million higher than May 2016. Cheese exports in May were particularly robust at 78 million pounds, 48 percent higher than the previous year. Competitive U.S. prices compared to foreign export prices since the beginning of the year have likely contributed to the increase in cheese exports. May exports of nonfat dry milk and skim milk powder (NDM/SMP) were also strong at 129 million pounds, 32 percent above the previous year. Exports of butter remained relatively weak at about 3 million pounds in May. While recent U.S. wholesale prices for butter have been substantially less than prices of competing exporters, they have been competitive for only the last 2 to 3 months. It usually takes several months of persistent gaps between U.S. domestic prices and foreign export prices to impact exports.¹

¹ U.S. domestic wholesale prices reported in the USDA *National Dairy Products Sales Report* are reported when products are shipped out and title has been transferred, and they do not include sales that were agreed to more than 30 days before shipment. By contrast, foreign export prices reported in USDA *Dairy Market News* are reported when sales are agreed upon, and products may be shipped in following months.

U.S. cheese exports

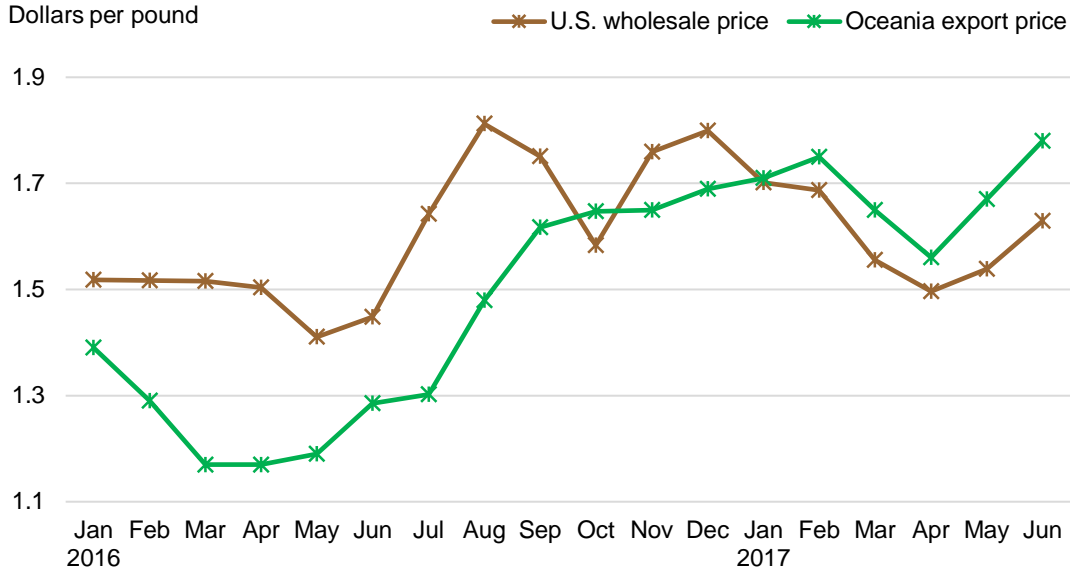
Million pounds



Sources: U.S. Dept. of Agriculture, Foreign Agricultural Service; U.S. Dept. of Commerce, Census Bureau.

U.S. wholesale price and Oceania export price for cheddar cheese

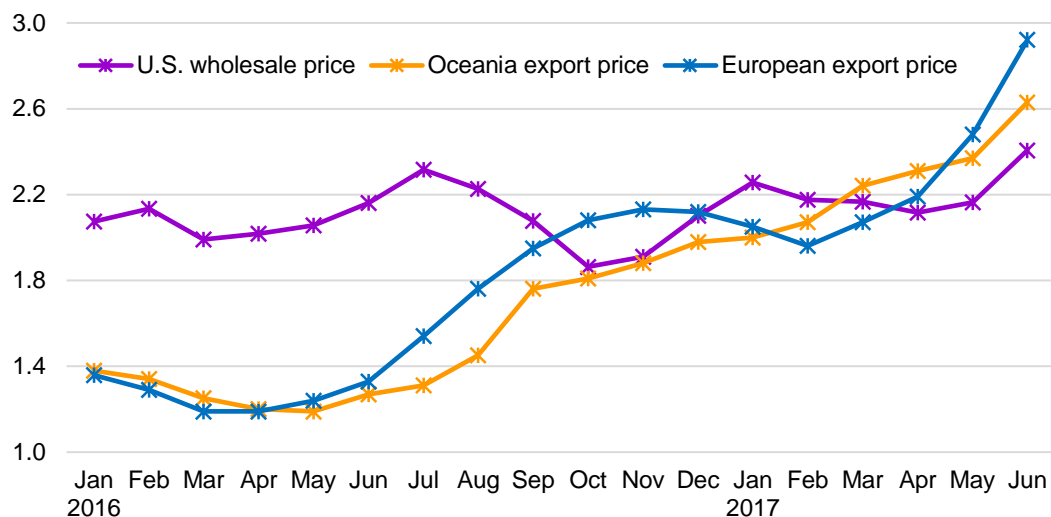
Dollars per pound



For the Oceania export price, midpoints of ranges are displayed. Prices have been converted from metric units.
Source: U.S. Dept. of Agriculture, Agricultural Marketing Service.

U.S. wholesale price and foreign export prices for butter

Dollars per pound



For export prices, midpoints of ranges are displayed. Prices have been converted from metric units.
Source: U.S. Dept. of Agriculture, Agricultural Marketing Service.

May imports were lower than May 2016 by 52 million pounds on a milk-fat basis and 105 million pounds on a skim-solids basis. Notably, May imports of milk protein concentrate were substantially lower than the previous month.

Dairy product supplies have been abundant, with May ending stocks exceeding May 2016 by 2.8 percent on a milk-fat basis and 8.3 percent on a skim-solids basis. Stocks of American-type cheese and NDM have been particularly high, with May ending stocks exceeding May 2016 by 11.8 percent and 21.6 percent, respectively.

In examining commercial disappearance, it is usually best to look at data for several months.² For January through May, growth in domestic use was a modest 0.3 percent on a milk-fat basis over the previous year, but January-through-May domestic use fell by 1.7 percent on a skim-solids basis.

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 \$320 per short ton, respectively. The 2017/18 price forecast for corn is \$2.90-\$3.70 per bushel, 10 cents lower at the midpoint of the range than last month's forecast. The 2017/18 soybean meal forecast is \$300-\$340 per short ton, \$5 higher than last month's forecast at the midpoint of the range.

The alfalfa hay price in May was \$155 per short ton, \$7 higher than April and \$8 higher than May 2016.

Dairy Forecasts for 2017

The annual average milk cow forecast for 2017 is 9.395 million head, unchanged from last month's forecast. However, the 2017 milk-per-cow forecast has been lowered to 23,020 pounds, 45 pounds less than last month's forecast, primarily due to relatively slow yield growth in recent months. Additionally, the recent extreme heat in some western areas may

² Commercial disappearance is an imperfect proxy for consumption. It is estimated with data collected from sources that have some inconsistencies. In addition, it does not account for goods that have been shipped out of the warehouse but have not yet been bought by ultimate consumers and are, therefore, still in the distribution pipeline.

have an impact on regional milk production growth for several months as milk yields and reproductive performance of some dairy cows could be adversely affected. The milk production forecast has been lowered by 0.4 billion pounds to 216.3 billion.

Due to recent strong export numbers for cheese and competitive U.S. prices, the export forecast on a milk-fat basis for 2017 has been raised 0.7 billion pounds to 9.1 billion. Imports for the year on a milk-fat basis are unchanged from last month, at 6.0 billion pounds. With higher exports and lower milk production expected for the remainder of the year, ending stocks on a milk-fat basis are forecast lower than last month, at 12.3 billion pounds. Due to modest domestic use in recent months, the 2017 forecast for domestic use on a milk-fat basis is now 212.5 billion pounds, 0.6 billion pounds lower than last month's forecast.

With higher expected exports of NDM/SMP and cheese, the export forecast for 2017 on a skim-solids milk-equivalent basis has been raised to 41.2 billion pounds. The import forecast on a skim-solids basis has been lowered to 6.3 billion pounds for the year. Ending stocks for 2017 are forecast higher than last month, as stocks of NDM/SMP have ticked upward in recent months; stocks on a skim-solids basis are now projected to total 10.0 billion pounds at the end of the year. With relatively low domestic use in recent months, the 2017 forecast for domestic use on a skim-solids basis has been lowered to 179.9 billion pounds, 1.1 billion pounds less than last month's forecast.

Due to recent weakness in cheese prices and persistently high stock levels, the cheddar cheese price forecast for the year has been lowered to \$1.575-\$1.605 per pound. Domestic and international butter prices have continued to climb in recent weeks; as a result, the butter price forecast has been raised to \$2.365-\$2.425 per pound. The dry whey price is forecast slightly lower in the second half of the year; the new price forecast for 2017 is \$0.475-\$0.495 per pound. The nonfat dry milk price forecast for 2017 is \$0.900-\$0.930 per pound. The Class III price forecast has been lowered to \$15.85-\$16.15, while the Class IV price forecast has been raised to \$15.65-\$16.05. With the lower Class III price more than offsetting the higher Class IV price, the all-milk price forecast is \$17.65-\$17.95 per cwt, a reduction from \$17.80-\$18.20 forecast last month.

Dairy Forecasts for 2018

The milking herd estimate for 2018 is 9.435 million head, unchanged from last month's forecast. The 2018 forecast for milk per cow has been lowered by 60 pounds to 23,440 pounds per head, based on modest growth in recent months and lower expected milk prices. These estimates result in a milk production forecast of 221.2 billion pounds for the year, 0.5 billion pounds lower than previously forecast.

The forecast for imports on a milk-fat basis is unchanged at 5.9 billion pounds. Strength in exports is expected to carry over to 2018; as a result, exports on a milk-fat basis for 2018 are forecast higher this month at 9.1 billion pounds, 0.5 billion more than last month's forecast. The estimate for ending stocks on a milk-fat basis has been lowered to 11.8 billion pounds. Domestic use on a milk-fat basis is projected to be 217.5 billion pounds, 1.4 billion pounds less than last month's forecast, based on modest growth in recent months.

Imports on a skim-solids basis are forecast at 6.4 billion pounds for 2018, the same as last month. Export gains in the second half of 2017 should continue into 2018; as a result, the export forecast for 2018 has been raised to 41.9 billion pounds, 0.6 billion higher than last month's forecast. Ending stocks on a skim-solids basis are now expected 0.2 billion pounds lower in 2018 than last forecast, at 9.1 billion pounds. Domestic use is now forecast at 185.5 billion pounds, 0.8 billion pounds lower than the previous forecast.

With the recent increase in butter prices and lower expected milk production, the butter price forecast for 2018 has been raised to \$2.310-\$2.440 per pound. The cheese price

forecast for 2018 has been lowered from last month's estimate to \$1.630-\$1.730 per pound, as expectations for domestic demand have been lowered. Price forecasts for dry whey and nonfat dry milk are unchanged at \$0.480-\$0.510 and \$0.935-\$1.005 per pound, respectively. Due to lower expected cheese prices, the Class III price forecast has been lowered to \$16.45-\$17.45 for the year. With higher expected butter prices, the Class IV price forecast for 2018 has been raised to \$15.70-\$16.80 per cwt. With the lower Class III price more than offsetting the higher Class IV price, the all-milk price forecast is \$18.00-\$19.00 per cwt, a reduction from \$18.10-\$19.10 forecast last month.

Authors: Jerry Cessna, jgcessna@ers.usda.gov, and Jonathan Law, jonathan.law@ers.usda.gov.

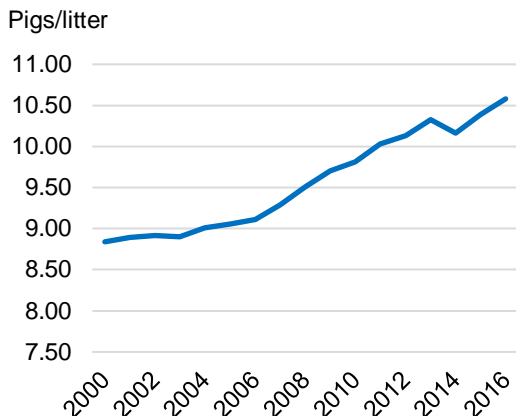
Pork/Hogs

June Quarterly Hogs and Pigs Report: Inventories Up, More Pork Coming

Hog inventories and farrowing intentions reported in the June *Quarterly Hogs and Pigs* foreshadow strong year-over-year production increases in the second half of 2017 and into 2018. The June 1 inventory of market hogs was up 4 percent compared with a year ago, with stronger increases (+4 percent) skewed toward the 120 pound and heavier weight categories and 3-percent increases for lighter animal categories. These increases in animal numbers are expected to jump third-quarter pork production to 6.3 billion pounds—more than 3 percent above a year earlier—and fourth-quarter production to 7 billion pounds, more than 5 percent above production in the same quarter of last year. Pressure on hog prices that is anticipated from increased hog numbers is expected to be alleviated somewhat by anticipated openings of newly constructed/renovated Corn Belt slaughter plants, along with a continuation of the robust demand for pork—both domestic and foreign—that has occurred thus far in 2017. Third-quarter prices of 51-52 percent live equivalent hogs are expected to be \$51-\$53 per cwt, almost 6 percent above a year earlier. Fourth-quarter prices are forecast at \$41-\$45 per cwt, more than 16 percent above the same period last year.

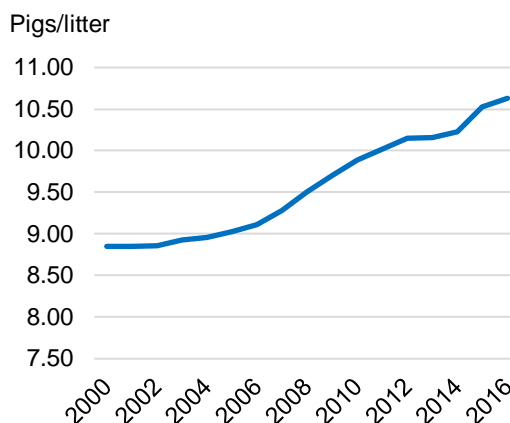
In the June report, producers reported second-half 2017 farrowing intentions only slightly above a year earlier. However, the reported modest increases in farrowings, when combined with trending increases in litter rates, imply strong increases in pork production in the early part of next year. First-quarter 2018 pork production is expected to be 6.5 billion pounds, 2 percent above a year earlier. First-quarter 2018 hog prices are expected to average \$48-\$52 per cwt, about 1 percent above first-quarter prices this year.

Litter rates: June-Aug. quarter, 2000-2016



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

Litter rates: Sept.-Nov. quarter, 2000-2016



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

Strong Export Momentum Continues in May

U.S. pork exports were 515 million pounds in May, more than 12 percent ahead of a year ago. The 10 largest foreign destinations for pork exports in May are summarized in the table below. It is notable that Mexico picked up 3 percentage points in the share of total U.S. exports compared with May 2016. Mexico's share of U.S. pork exports through May 2017 has averaged 31 percent, compared with 28 percent for the same 5-month period last year.

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

Country	Exports May 2016 (mil. lbs)	Exports May 2017 (mil. lbs)	Percent change (2017/2016)	Export share May 2016 %	Export share May 2017 %
World	458	515	12.3		
1 Mexico	125	154	23	27	30
2 Japan	99	111	12	22	22
3 China\Hong Kong	89	61	-32	19	12
4 South Korea	32	48	51	7	9
5 Canada	45	45	1	10	9
6 Dominican Republic	7	15	104	2	3
7 Australia	21	14	-33	5	3
8 Colombia	7	12	61	2	2
9 Philippines	6	9	50	1	2
10 Chile	1	9	1007	0	2

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

U.S. trade data shows that exports to Mexico are largely comprised of hams. The data below show that through May of this year Mexico accounted for an overwhelming share of fresh bone-in ham exports. For fresh bone-in processed hams, Mexico accounts for almost 99 percent of U.S. exports. Mexico's share of fresh bone-in ham exports (excluding processed) is of the same magnitude: more than 97 percent. Mexico accounts for much less of U.S. export shipments of frozen hams; in each category, Mexico's share is less than 50 percent. Cost is likely a significant factor for Mexico's limited demand for frozen hams. The unit values of frozen hams—over \$1 per pound—is much larger than the unit values of the same cuts in fresh form: \$0.70 per pound for fresh hams with some processing, and \$0.84 for fresh nonprocessed hams.

U.S. ham exports, Jan.-May 2017: Mexico trade shares and unit values

Description	U.S. exports	U.S. exports	Mexico	Unit value
	total	Mexico	share	
	TMT	TMT	(%)	\$/lb
Hams/shoulders and cuts, bone in processed, fresh/chilled	79	78	98.7	0.70
Hams/shoulders and cuts, bone in excluding processed, fresh/chilled	104	101	97.1	0.84
Hams/shoulders and cuts, bone in processed, frozen	2,690	1103	41.0	1.09
Hams/shoulders and cuts, bone in excluding processed, frozen	52,608	6720	12.8	1.03

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

Author: Mildred Haley, mhaley@ers.usda.gov

Large Increases in Lamb and Mutton Prices

Second-quarter 2017 Choice slaughter lamb prices at San Angelo averaged \$153.46, increasing nearly \$15 from the first-quarter levels. Relatively thin markets at San Angelo coupled with tight supplies of market lambs resulted in large second-quarter increases in monthly prices, with a price gain in excess of \$20 between April and June. The June Choice slaughter lamb price at San Angelo was \$160.88 cents, up \$1 from May, but May prices had increased nearly \$20 from the April price levels. Monthly price increases are expected to moderate for the rest of the year as lower demand is expected to become more in line with the tighter supplies of slaughter animals. Third-quarter 2017 prices are forecast to average \$148-\$152 cwt, which at the midpoint is about \$3 below second-quarter levels.

Production Lower; Imports Strong

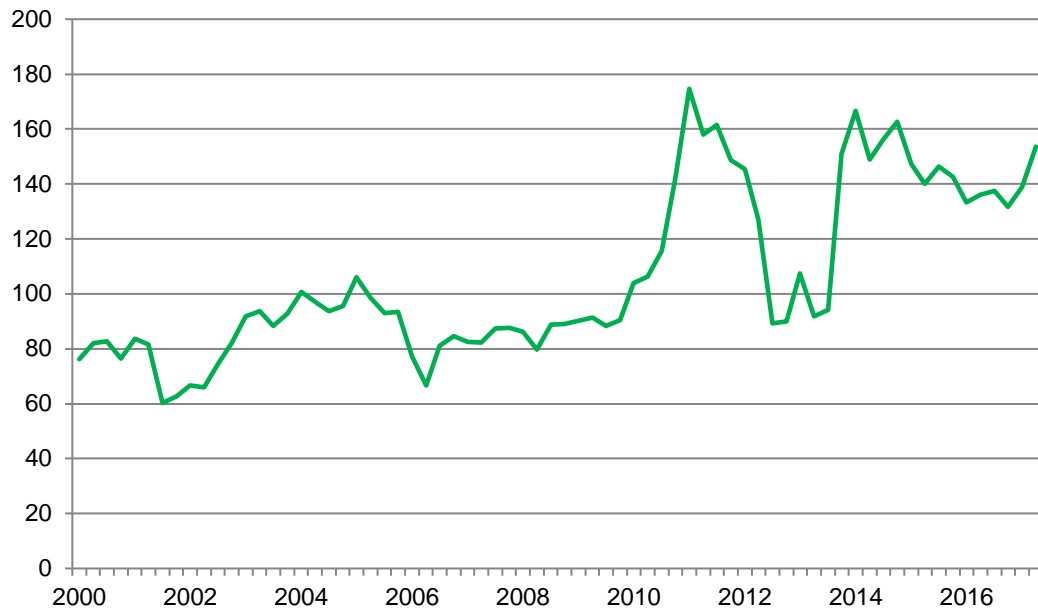
Second-quarter 2017 commercial lamb and mutton production will likely be 35 million pounds, down 10 percent from the same period in 2016. Production for both April and May 2017 slipped to 11.5 million and 11.8 million pounds, respectively. Production is expected to stabilize and remain near 2016 levels for the rest of 2017.

First-quarter 2017 lamb and mutton imports totaled a record 80 million pounds, 18 percent above the first-quarter 2016 levels. Second-quarter lamb and mutton imports continue to show strength; imports for both April and May came in well above the previous-year. In April they totaled 20.6 million pounds and in May 20.2 million pounds, 7 percent above last year's levels for both months. Second-quarter 2017 imports are expected to be around 60 million pounds, about 9 percent above second-quarter 2016. New Zealand and Australia are still the primary sources for U.S. lamb and mutton imports.

Lamb and mutton exports continue to remain relatively weak. First-quarter 2017 exports totaled 1.4 million pounds, 0.2 million pounds above the same period in 2016. Exports for April and May totaled 0.7 million pounds, slightly below the same months in 2016. Exports for June typically show improvements as increased culling is likely to result in higher exports of mutton. However, tight supplies may limit culling in June. Second-quarter 2017 exports are forecast slightly above 1 million pounds.

Slaughter lamb prices have been volatile since 2010

Price (\$/CWT)



Source: Economic Research Service, USDA, 2000-2017.

Author: Keithly Jones, kjones@ers.usda.gov

Broilers

May broiler meat production was 3.6 billion pounds, approximately 0.4 percent above last year on a per day basis. Growth in the average weight of broilers has remained sluggish, but more birds have been available for slaughter. Greater bird availability contributed to the second-quarter forecast being raised slightly to 10.4 billion pounds.

Broiler exports in May were 573 million pounds, up 1.7 percent from last year. Shipments to Angola were 37 million pounds higher than May 2016, a month that represented abnormally low exports to the country compared to prior years. While May shipments to South Africa were 9 million pounds higher than last year, they have slowed in the last 2 months, as an impending quota limit has loomed.¹ Cumulative exports of broiler meat to all destinations through May were up 4.2 percent.

Weekly prices for whole broilers (national composite) remained strong in recent weeks, following seasonal expectations. As of the week ending July 7, prices were at \$1.08 per pound. While 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 \$0.91-0.95 per pound. The fourth-quarter forecast and the 2018 forecasts were left unchanged.

Eggs and Egg Products

May table egg production totaled 644 million dozen, approximately 3.3 percent above last year. More layers and increased eggs per hen contributed to the increase. Forecast production of all eggs was left unchanged at 8,749 million dozen in 2017 and 8,890 million dozen in 2018.

May egg and egg product exports were 26 million dozen (shell-egg equivalent), up about 29 percent from last year but weaker than either 2013 or 2014.² Most of the export increase over last year was accounted for by more shipments to South Korea and United Arab Emirates. Respectively, these countries were shipped 1.8 and 1.4 million dozen eggs (shell-egg equivalent); most of these exports were processed egg products. Canada, Italy, and Mexico accounted for much of the remaining export growth in May.

Recent egg prices (large grade A eggs, New York) moved up late in June and have carried some momentum into July, reaching \$0.84 per dozen on July 12. The third-quarter price forecast remained at \$0.81-\$0.85 per dozen as prices were not expected to increase much further until later in the year. Subsequent forecasts were left unchanged.

Author: Sean Ramos, sean.ramos@ers.usda.gov

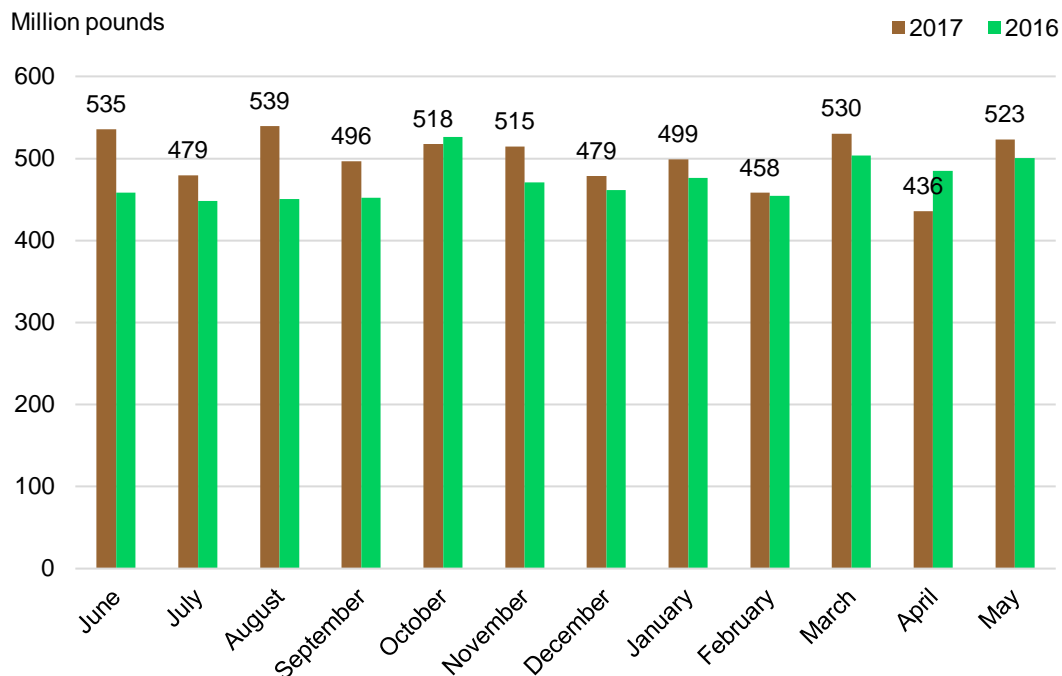
¹ For more information, see: <https://www.fas.usda.gov/data/south-africa-sunset-review-anti-dumping-duties>

² Comparing 2015 would reflect the outbreak of avian influenza that year, as the outbreak caused many trade restrictions.

Turkey

Turkey production in May totaled 523 million pounds, 5 percent more than the same month in 2016. However, an additional slaughter day in May 2017 suggests that growth was flat on an average per day basis. Hatchery reports have shown a modest slowdown in the number of poult being placed for growout. In both April and May, placements were 2 percent below a year earlier. This followed 14 consecutive months of year-over-year growth in placements. Due to the slowdown in poult placements, coupled with sustained low prices for whole birds and most cuts, the forecast for 2017 turkey production was reduced by 30 million pounds to 6.062 billion pounds. In addition, the 2018 forecast was reduced by 75 million pounds to 6.180 billion pounds.

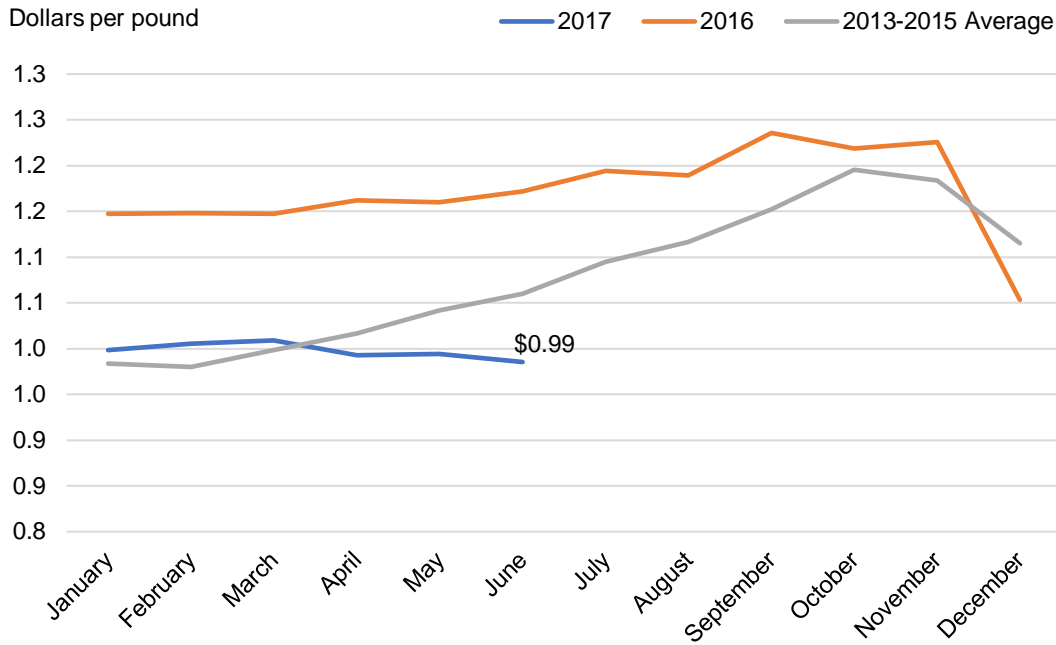
Turkey production, May 2016 - May 2017



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

Whole turkey prices in 2017 have fallen relative to 2016 and have remained strikingly flat since January. Typically, wholesale turkey prices have a seasonal trend, with prices climbing from their bottom level in the beginning of the year to a peak near Thanksgiving. This year, whole turkey prices have not increased as in years past. The average price for a whole frozen hen in June was actually slightly below January. Between 2013 and 2015, June whole turkey prices averaged 8 percent higher than in January. Prices for breast meat are also below 2016 levels, indicating that demand may not be keeping up with current supply levels. The forecast for whole frozen hen prices was reduced slightly and is expected to average \$1.01-\$1.04 per pound for 2017. In 2018, prices are expected to recover slightly and average \$1.02-\$1.11.

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



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

In May, turkey exports increased by 9 percent relative to May 2016, totaling 51 million pounds. Mexico is the leading destination for U.S. turkey exports, averaging 64 percent of all U.S. turkey shipments since the start of the year. In May, exports to Mexico reached their highest levels since January 2015. The 34 million pounds shipped to Mexico represented 66 percent of total U.S. shipments and were 15 percent greater than in May 2016. The forecast for 2017 turkey exports remains at 603 million pounds, and the 2018 forecast is unchanged at 650 million pounds.

Author: Alex Melton, awmelton@ers.usda.gov

Contact Information

Mildred M. Haley (coordinator)	(202) 694-5176	mhaley@ers.usda.gov
Keithly Jones (coordinator)	(202) 694-5172	kjones@ers.usda.gov
Keithly Jones (Cattle/beef)	(202) 694-5172	kjones@ers.usda.gov
Lekhnath Chalise (Cattle/beef)	(202) 694-5371	lekhnath.chalise@ers.usda.gov
Russell Knight (Cattle/beef)	(202) 694-5566	russell.h.knight@ers.usda.gov
Mildred M. Haley (hogs/pork)	(202) 694-5176	mhaley@ers.usda.gov
Sean Ramos (poultry, poultry trade, eggs)	(202) 694-5443	sean.ramos@ers.usda.gov
Alex Melton (Turkey)	(202) 694-5409	awmelton@ers.usda.gov
Jerry Cessna (dairy)	(202) 694-5171	jcessna@ers.usda.gov
Jonathan Law (dairy)	(202) 694-5544	jonathan.law@ers.usda.gov
Keithly Jones (sheep and lamb)	(202) 694-5172	kjones@ers.usda.gov
Carolyn Liggon (web publishing)	(202) 694-5056	cvliggon@ers.usda.gov

Subscription Information

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

Data Products

Meat Price Spreads, <https://www.ers.usda.gov/data-products/meat-price-spreads/>, 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-and-meat-international-trade-data/>, 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-meat-domestic-data/>, contains domestic supply, disappearance, and price data.

Dairy Data, <https://www.ers.usda.gov/data-products/dairy-data/>, 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/?page=1&topicId=0&authorId=0&seriesCode=LDP&sort=CopyrightDate&sortDir=desc>
Animal Production and Marketing Issues, <https://www.ers.usda.gov/topics/animal-products/animal-production-marketing-issues/>
Cattle, <https://www.ers.usda.gov/topics/animal-products/cattle-beef/>
Dairy, <https://www.ers.usda.gov/topics/animal-products/dairy/>
Hogs, <https://www.ers.usda.gov/topics/animal-products/hogs-pork/>
Poultry and Eggs, <https://www.ers.usda.gov/topics/animal-products/poultry-eggs/>
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, audiotape, 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 <https://www.ers.usda.gov/topics/farm-economy/commodity-outlook/email-notification/> 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.

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	II	Annual		
Production, million lb																									
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	6,410	6,815	6,970	26,495	6,450	6,655	27,065		
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	6,135	6,290	7,000	25,834	6,535	6,380	26,735		
Lamb and mutton	37	43	38	38	156	38	39	37	37	150	38	39	36	37	150	37	35	36	38	146	35	37	145		
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	10,400	10,500	10,350	41,483	10,400	10,625	42,275		
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	1,500	1,500	1,575	6,062	1,510	1,540	6,180		
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	24,633	25,302	26,093	100,640	25,082	25,396	103,023		
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	1,890	1,900	1,950	7,642	1,925	1,900	7,765		
Per capita disappearance, retail lb 1/																									
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	14.2	14.4	14.5	57.1	13.9	14.4	57.9		
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	11.9	12.2	13.6	50.1	12.4	12.4	50.9		
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	0.2	0.2	0.3	1.1	0.3	0.3	1.0		
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	22.6	22.8	22.3	90.1	22.7	22.9	91.3		
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	16.6	3.7	3.8	4.1	5.2	16.8	3.9	3.8	17.0		
Total red meat & poultry	48.6	49.8	50.4	53.0	201.8	50.9	51.8	53.8	54.6	211.1	52.9	53.0	53.7	54.9	214.6	53.1	53.0	54.2	56.3	216.6	53.5	54.1	219.6		
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	68.0	68.6	69.9	274.9	68.8	67.6	276.8		
Market prices																									
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	132.76	117-121	113-121	121-125	115-125	113-123	113-123		
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	147.4	153-157	146-154	143-147	130-140	135-145	134-144		
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	69.7	67-71	66-74	66-70	62-72	60-70	61-71		
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	153.0	148-152	146-154	146-150	143-153	137-147	140-150		
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	51.7	51-53	41-45	48-50	48-52	49-53	46-49		
Broilers, national composite, 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	104.7	91-95	84-90	92-95	86-94	86-94	85-92		
Turkeys, national, 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	99.1	100-104	106-114	101-104	96-104	99-107	102-111		
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	74.7	81-85	99-107	84-86	84-90	79-85	87-94		
U.S. trade, million lb, carcass wt. equivalent																									
Beef & veal exports	583	667	680	644	2,574	523	607	542	595	2,267	535	621	661	738	2,556	651	695	740	730	2,816	670	720	2,870		
Beef & veal imports	597	767	765	818	2,947	878	990	890	613	3,371	793	831	751	639	3,015	699	795	685	610	2,789	710	785	2,870		
Lamb and mutton imports	46	49	45	55	195	53	56	46	59	214	68	55	41	52	216	80	60	46	56	242	77	57	242		
Pork exports	1,399	1,342	1,146	1,205	5,092	1,224	1,339	1,173	1,274	5,010	1,229	1,318	1,235	1,457	5,239	1,432	1,420	1,345	1,550	5,747	1,465	1,425	5,965		
Pork imports	213	241	257	301	1,011	279	266	270	300	1,116	293	257	266	275	1,091	264	270	255	275	1,064	250	220	935		
Broiler exports	1,827	1,833	1,858	1,779	7,297	1,624	1,713	1,487	1,496	6,321	1,585	1,605	1,734	1,720	6,644	1,711	1,730	1,765	1,770	6,976	1,720	1,750	7,030		
Turkey exports	159	182	215	219	775	148	123	125	132	529	116	141	160	153	569	133	140	160	170	603	145	155	650		
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	1,468	1,406	1,371	1,412	5,656	1,449	1,450	1,480	1,470	5,849	1,475	1,475	5,950		

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 7/14/2017

Dairy Forecasts

	2015	2016			2017					2018		
	Annual	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thousands)	9,314	9,331	9,344	9,328	9,370	9,395	9,405	9,410	9,395	9,420	9,430	9,435
Milk per cow (pounds)	22,397	5,636	5,620	22,775	5,717	5,895	5,710	5,700	23,020	5,800	6,000	23,440
Milk production (billion pounds)	208.6	52.6	52.5	212.4	53.6	55.4	53.7	53.6	216.3	54.6	56.6	221.2
Farm use	1.0	0.3	0.3	1.0	0.2	0.2	0.3	0.3	1.0	0.2	0.2	1.0
Milk marketings	207.6	52.3	52.3	211.4	53.3	55.1	53.5	53.4	215.3	54.4	56.3	220.2
Milk-fat (billion pounds milk equiv.)												
Milk marketings	207.6	52.3	52.3	211.4	53.3	55.1	53.5	53.4	215.3	54.4	56.3	220.2
Beginning commercial stocks	10.5	17.8	16.0	12.3	12.7	16.2	18.0	15.5	12.7	12.3	15.5	12.3
Imports	5.8	1.7	1.7	7.0	1.5	1.5	1.4	1.6	6.0	1.4	1.4	5.9
Total supply	223.9	71.9	69.9	230.8	67.6	72.8	72.9	70.4	234.0	68.1	73.3	238.3
Commercial exports	8.5	2.0	2.5	8.4	2.1	2.5	2.4	2.2	9.1	2.1	2.4	9.1
Ending commercial stocks	12.3	16.0	12.7	12.7	16.2	18.0	15.5	12.3	12.3	15.5	17.4	11.8
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	53.9	54.8	209.7	49.3	52.3	55.0	55.9	212.5	50.5	53.5	217.5
Skim solids (billion pounds milk equiv.)												
Milk marketings	207.6	52.3	52.3	211.4	53.3	55.1	53.5	53.4	215.3	54.4	56.3	220.2
Beginning commercial stocks	9.4	10.3	9.7	9.2	9.5	10.6	11.5	10.5	9.5	10.0	9.6	10.0
Imports	6.0	1.6	1.7	6.5	1.7	1.5	1.5	1.6	6.3	1.6	1.6	6.4
Total supply	223.1	64.2	63.7	227.1	64.5	67.2	66.5	65.5	231.1	66.0	67.5	236.5
Commercial exports	37.3	10.2	10.9	39.0	9.8	10.6	10.5	10.4	41.2	9.9	10.9	41.9
Ending commercial stocks	9.2	9.7	9.5	9.5	10.6	11.5	10.5	10.0	10.0	9.6	10.1	9.1
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use	176.6	44.3	43.3	178.5	44.2	45.1	45.5	45.1	179.9	46.5	46.6	185.5
Milk prices (dollars/cwt) ¹												
All milk	17.12	16.83	17.67	16.24	18.23	16.85	17.35	18.25	17.65	18.05	17.55	18.00
						-16.95	-17.75	-18.95	-17.95	-19.05	-18.55	-19.00
Class III	15.80	16.18	16.33	14.87	16.49	15.74	15.50	15.80	15.85	16.20	16.20	16.45
							-15.90	-16.50	-16.15	-17.20	-17.20	-17.45
Class IV	14.35	14.58	14.13	13.77	15.37	14.80	16.35	16.15	15.65	15.45	15.40	15.70
							-16.85	-16.95	-16.05	-16.55	-16.50	-16.80
Product prices (dollars/pound) ²												
Cheddar cheese	1.645	1.735	1.714	1.605	1.648	1.555	1.535	1.565	1.575	1.610	1.610	1.630
							-1.575	-1.635	-1.605	-1.710	-1.710	-1.730
Dry whey	0.380	0.288	0.366	0.288	0.485	0.509	0.465	0.465	0.475	0.475	0.475	0.480
							-0.485	-0.495	-0.495	-0.505	-0.505	-0.510
Butter	2.067	2.206	1.958	2.078	2.200	2.229	2.565	2.500	2.365	2.335	2.285	2.310
							-2.635	-2.600	-2.425	-2.465	-2.415	-2.440
Nonfat dry milk	0.902	0.860	0.931	0.829	0.955	0.874	0.885	0.890	0.900	0.895	0.915	0.935
							-0.925	-0.950	-0.930	-0.965	-0.985	-1.005

Totals may not add due to rounding.

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 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.

For further information, contact Jerry Cessna, 202-694-5171, jgcessna@ers.usda.gov, or contact Jonathan Law, 202-694-5544, jonathan.law@ers.usda.gov.

Published in Livestock, Dairy, and Poultry Outlook, <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1350>.