



Economic Research Service

Situation and Outlook

LDP-M-278

August 16, 2017

# Livestock, Dairy, and Poultry Outlook

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

Keithly Jones  
[kjones@ers.usda.gov](mailto:kjones@ers.usda.gov)

## Contents

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

## Tables

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

## Web Sites

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

Tables will be released on August 29, 2017

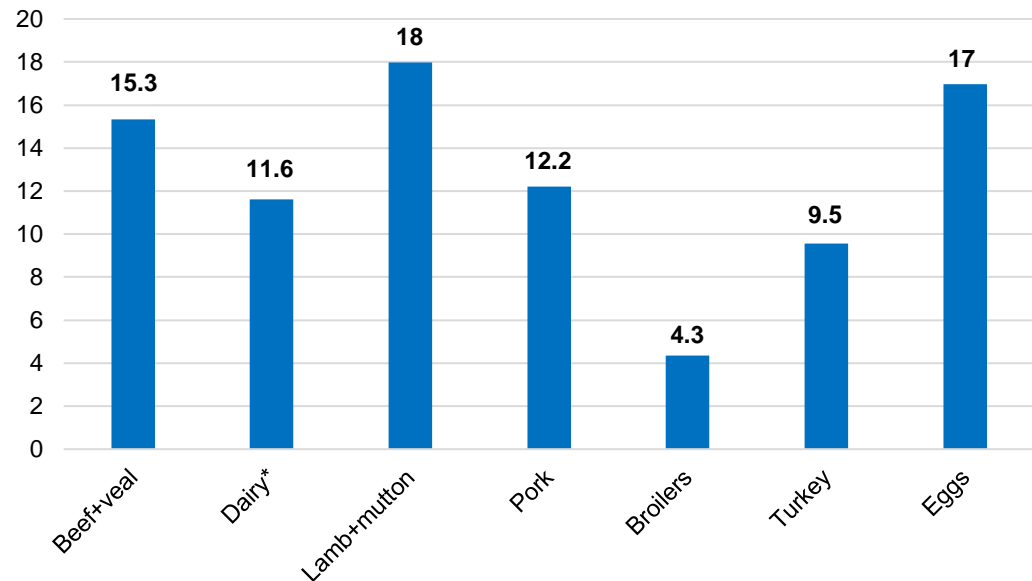
The next Outlook Report release is September 18, 2017

Approved by the World Agricultural Outlook Board.

## First-Half Meat and Dairy Exports Year-Over-Year Higher

Latest available U.S. trade data shows first-half exports of animal products year-over-year higher across the board. An increase in global demand and a decline in the U.S. dollar likely contributed to favorable conditions for exports. The value of the U.S. dollar has fallen 5.9 percent since December as measured by the Price-adjusted Broad Dollar Monthly Index reported by the U.S. Federal Reserve. With the exception of U.S. exports of beef and veal, the largest share of which went to Japan, Mexico accounted for the largest share of U.S. animal product exports. The figure depicts year-over-year growth of U.S. animal products exports.

First-half 2017 animal protein exports: percent change from first-half 2016



\*Dairy exports on a skim-solids milk-equivalent basis.  
Source: Economic Research Service, U.S. Dept. of Agriculture.

**Cattle/Beef:** On July 1, the U.S. cattle herd expanded to 102.6 million head, the largest since 2008. More cattle are available outside feedlots, and a larger calf crop will provide an ample supply of cattle for placement into 2018. Commercial beef production is forecast higher in 2018 to 27.4 billion pounds. U.S. beef exports for 2017 are revised slightly lower, and 2018 is unchanged.

**Dairy:** With slower expected growth of milk per cow offsetting higher expected cow numbers, milk production forecasts are lower than last month's forecasts. Price forecasts have been raised for butter and cheese but lowered for nonfat dry milk and dry whey. The all-milk price forecast for 2017 is \$17.80-\$18.00 per cwt, an increase from last month's forecast of \$17.65-\$17.95 per cwt. With offsetting forecasts for dairy products, the all-milk price forecast for 2018 is \$18.00-\$19.00 per cwt, unchanged from last month's forecast.

**Pork/Hogs:** Larger second-half supplies of hog and pork are expected to clear the market at higher year-over-year prices. Third-quarter hog prices are expected to be \$57-\$59 per cwt, almost 18 percent above the same period last year. Fourth-quarter hog prices are expected to be \$44-\$46 per cwt, almost 22 percent higher than fourth-quarter 2016. Third- and fourth-quarter pork exports are forecast at rates almost 9 percent and more than 6 percent above year-earlier quarters, respectively.

**Poultry:** The 2017 export forecast for broiler meat was lowered on recent data that showed lower export levels than expected; third- and fourth-quarter price forecasts were increased due to relatively strong trends. Egg production has remained well above last year, as expected; the third-quarter price was increased on recently strong demand that anticipates the typical fall-seasonal increase. The forecast for 2017 turkey production was reduced due to poor returns and continued softness in demand. Whole hen turkey prices were reduced as prices remain below seasonal averages.

### **July 2017 U.S. Cattle Herd Largest Since 2008**

The NASS *Cattle* report for July 1, 2017,<sup>1</sup> estimated that the U.S. cattle herd expanded by 4 percent from July 1, 2015 to 102.6 million head, the largest headcount since July 1, 2008. This year's calf crop is estimated at 36.3 million head, which is 3.5 percent larger than in 2016 and 6.5 percent larger than in 2015. The January 1, 2017, cattle and calves inventory was up 5 percent from January 1, 2015. The number of beef cows was up almost 7 percent over the same period. The U.S. cattle herd began the expansion phase of its production cycle during 2014. The herd on July 1 was 6.9 million head, or 7.2 percent larger than on July 1, 2014.

The estimate for commercial beef production in 2017 was revised higher at 26.7 billion pounds, mainly due to relatively large second-quarter cattle placements and the impact on fourth-quarter cattle slaughter. Based on the relatively large number of cattle available outside feedlots, it is anticipated that a greater number of cattle will be placed on feed in the remainder of 2017 to bolster commercial beef production in 2018. The 2018 forecast is raised to 27.4 billion pounds.

### **Heifer Retention Slows, Signaling More Feeder Cattle**

Although growth in the cattle herd implies increased availability of heifers for feeding, there are signs that slower heifer retention for addition to the beef herd may affect supplies of cattle for feeding. Heifers in feedlots with 1,000-head or greater capacity on July 1 were up 10.6 percent from 2016, and thus far this year heifer slaughter is up nearly 4.0 percent. Although to some extent this likely reflects the large supply of heifers due to herd expansion, the number of heifers on feed as a percent of total on-feed numbers increased from 33.7 percent in 2016 to 35.6 percent. Although comparisons to 2016 are not possible, the *Cattle* report estimated that heifers retained for beef cow replacement were 2 percent below 2015. Replacement heifers represented 14.5 percent of the cow inventory, lower than 2014-2015 but above the percentages of 2007-2012, a period of relatively strong cow liquidation. A lower percentage of beef replacement heifers would tend to indicate a leveling-off in the expansion of the herd in 2018. To the extent that heifer retention has slowed, it will further increase feeder cattle supplies for placement on feed. Based on the NASS *Cattle* report, 37.7 million head of cattle were estimated to be available outside feedlots on July 1, 2017, which was 1.6 million more head than on the same date in 2015.

### **Cattle Prices To Soften in Second Half of 2017**

Based on NASS *Cattle on Feed* data through June 2017, net placements in feedlots with 1,000-head or greater capacity during the second quarter reached 5.5 million head, a 10.5-percent increase since 2016 and the highest since 2003. Further, based on the NASS *Cattle* report, the estimated number of cattle on feed in all size feedlots on July 1, 2017, reached 12.8 million head, 5.8 percent higher than in 2015. This was the highest total number of cattle on feed reported for a month since 2006.

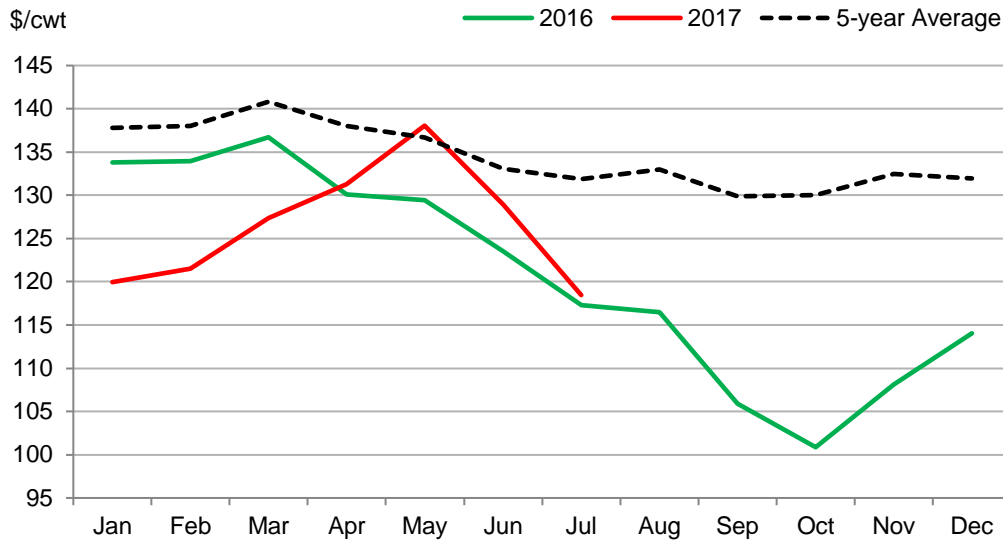
The larger than expected number of calves placed in feedlots increases the likelihood of greater steer and heifer marketings late in the third quarter and early in the fourth quarter, providing an abundance of fed cattle from which meatpackers can purchase supplies. As a result, the third-quarter price for 5-Area Choice steers is forecast lower to \$113.00-\$117.00 per hundredweight (cwt) and to \$110.00-\$116.00 per cwt in the fourth quarter. Similarly, with more cattle outside feedlots, and lower fed cattle prices expected to pressure cattle feeders' returns, the average price for feeder steers weighing 750-800

---

<sup>1</sup> The mid-year *Cattle* report was temporarily suspended in 2013 and 2016.

pounds is forecast lower in the third and fourth quarters to \$146.00-\$150.00 and \$141.00-\$147.00 per cwt, respectively.

**Monthly price for 5-area fed steers**



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

Author: Russell Knight, [Russell.H.Knight@ers.usda.gov](mailto:Russell.H.Knight@ers.usda.gov)

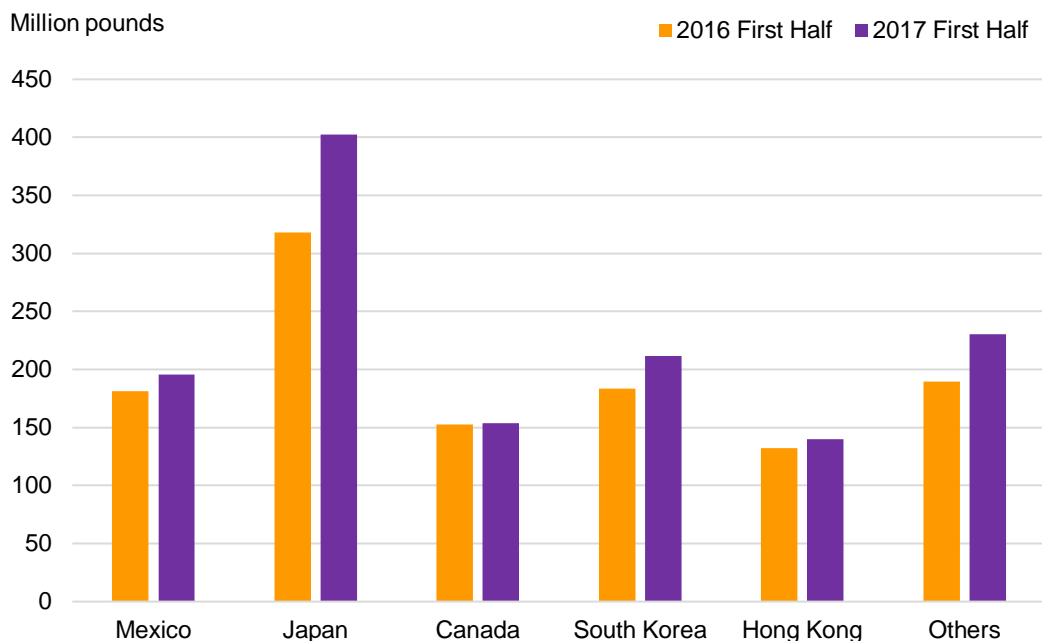
**Cattle/Beef Trade:**

During the first half of 2017, U.S. beef exports increased by 15 percent while imports declined 7 percent year-over-year. U.S. cattle imports and exports increased in first-half 2017 compared to first-half 2016.

**Beef Exports Up in the First Half of 2017**

U.S. beef exports during the first half of 2017 increased by 15 percent from a year ago, to 1.3 billion pounds. Beef exports were higher year-over-year in each month during the first half of 2017: January (+21 percent), February (+19 percent), March (+25 percent), April (+15 percent), May (+3 percent), and June (+12 percent). Major export destinations during this period were Japan, South Korea, Mexico, Canada, and Hong Kong, together accounting for approximately 83 percent of total exports. Exports to Japan were up 26 percent from the same period a year ago at 402 million pounds, which represented 30 percent of the total U.S. beef exports in the first half of 2017. Higher domestic production and lower prices likely enhanced the export competitiveness of U.S. beef during the period.

## First Half 2017 U.S. Beef Exports Up



Source: Economic Research Service, US Dept. of Agriculture.

Export forecasts for the second half 2017 and the first quarter 2018 have been revised downward about 1 percent from the previous month due to prospects of increasing competition from other major beef exporters, and to the anticipated impact of the recently announced Japanese Safeguard designed to raise the tariff on U.S. beef imports from August 2017 through March 2018. Regarding the imposition of the Safeguard, USDA noted, in part,

The government of Japan has announced that rising imports of frozen beef in the first quarter of the Japanese fiscal year (April-June) have triggered a safeguard, resulting in an automatic increase to Japan's tariff rate under the WTO on imports of frozen beef from the United States. The increase, from 38.5 percent to 50 percent, will begin August 1, 2017 and last through March 31, 2018. The tariff would affect only exporters from countries, including the United States, which do not have free trade agreements with Japan currently in force.<sup>2</sup>

Beef exports in 2017 are forecast at 2.8 billion pounds, 9 percent higher than a year earlier. This is due to greater available U.S. beef supplies and to anticipated increased shipments to export destinations outside of the top five major U.S. beef export destinations. For the first half of 2017, 41 million pounds more beef were shipped to destinations outside of the top five export destinations, an increase of 22 percent compared to the same period a year earlier.

### **Beef Imports Down in First Half 2017**

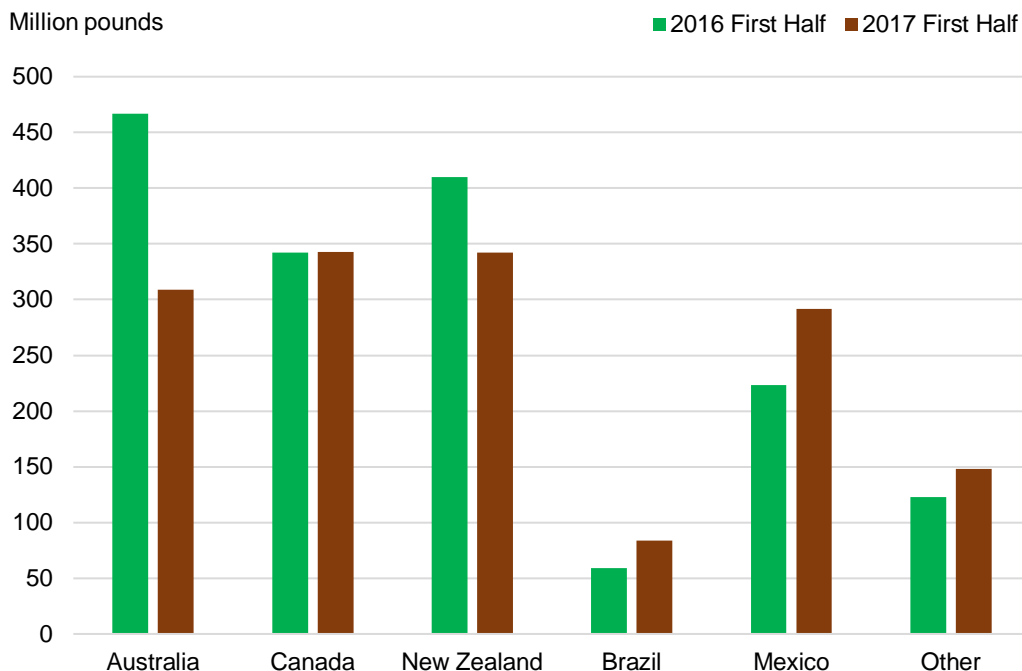
First-half 2017 U.S. beef imports declined 7 percent from year-earlier levels to 1.5 billion pounds. Notable declines during the first 6 months came from Australia (-34 percent) and New Zealand (-17 percent), likely due to tighter domestic supplies in Oceania. These

<sup>2</sup> <https://www.fas.usda.gov/newsroom/statement-secretary-perdue-regarding-japans-planned-increase-tariff-us-frozen-beef>.

Additional background information on the Japan safeguard is available in *Japan's Beef Market* ([https://www.ers.usda.gov/webdocs/publications/37410/8501\\_ldpm19401\\_1.pdf?v=41080](https://www.ers.usda.gov/webdocs/publications/37410/8501_ldpm19401_1.pdf?v=41080)) and the U.S. Meat Export Federation (<http://www.usmef.org/news-statistics/member-news-archive/japans-frozen-beef-safeguard-triggered-in-first-quarter-of-japanese-fiscal-year/>)

declines were partially offset by increased imports from Brazil (+42 percent) and Mexico (+31 percent).

### U.S. Beef Imports Declined in First Half 2017



Source: Economic Research Service, US Dept. of Agriculture.

U.S. beef imports in third-quarter 2017 are expected to be 710 million pounds, 5.5 percent below a year ago. Fourth quarter imports are expected to be 610 million pounds almost 5 percent below a year earlier. Total 2017 beef imports are forecast at 2.8 billion pounds a 6 percent decline from 2016. Greater domestic beef supplies and continued herd rebuilding in Oceania will likely limit incentives to import beef.

### Live Cattle Trade Increased

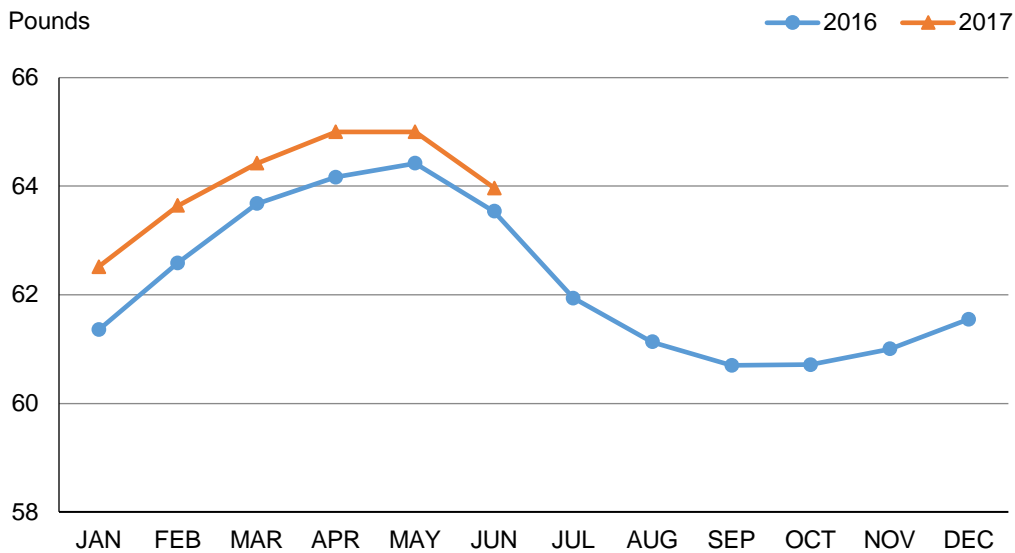
The U.S. live cattle trade increased during the first half of 2017. Imports increased by 8 thousand head to 958 thousand head, while exports increased by 38 thousand head to 63 thousand head. Declines in cattle imports from Canada during this period were offset by increases from Mexico. Higher feeder cattle prices in the United States likely provided incentives for Mexico to supply more feeder cattle during the period.

Author: Lekhnath Chalise, [Lekhnath.Chalise@ers.usda.gov](mailto:Lekhnath.Chalise@ers.usda.gov)

## Recent Developments in Dairy Markets

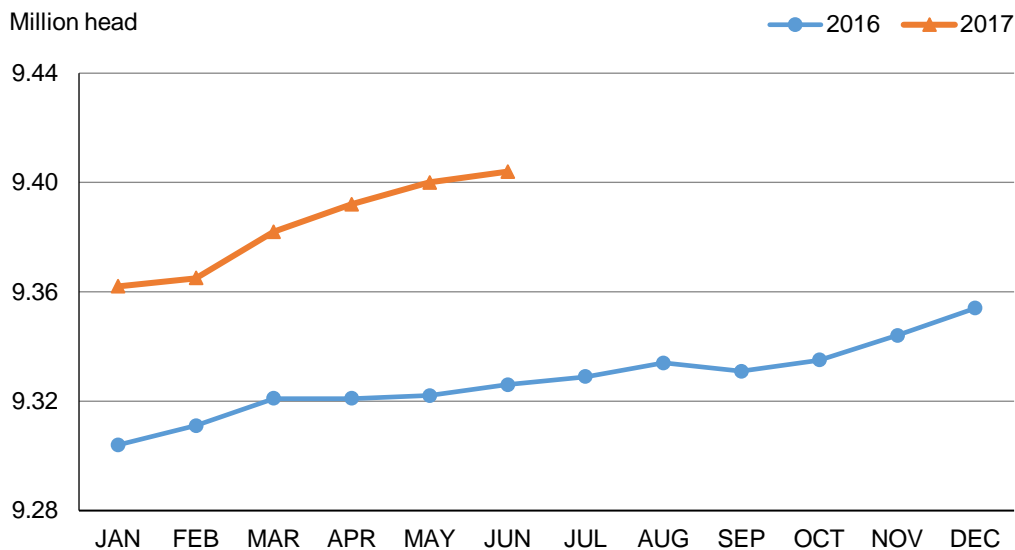
June milk production totaled 18.047 billion pounds, 1.6 percent above June 2016. Milk per cow has been increasing at a slowing rate in recent months. In June, it was 64.0 pounds per day, an increase of 0.7 percent over June 2016. This is a substantial difference from the start of the year; in January, milk per cow was 1.9 percent over January 2016. Milk cows in June numbered 9.4 million head, 4 thousand more than May and 78 thousand more than June 2016. The *Cattle* report, published semiannually by USDA National Agricultural Statistics Service, shows that milk-replacement heifers numbered 4.2 million head as of July 1. This is about 45 percent of the milk cow number, a typical percentage for the July 1 inventory.

### Average daily milk per cow



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

### Number of milk cows



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

Prices reported in the USDA *National Dairy Products Sales Report* (NDPSR) have moved in mixed directions in recent weeks. From the week ending July 1 to the week ending August 5, the butter price increased by 7.3 cents. Cheddar cheese prices rose by 3.3 cents for 40-pound blocks and 7.4 cents for 500-pound barrels. Prices for nonfat dry milk (NDM) and dry whey fell by 5.6 and 4.1 cents, respectively.

**Dairy product prices (dollars per pound)**

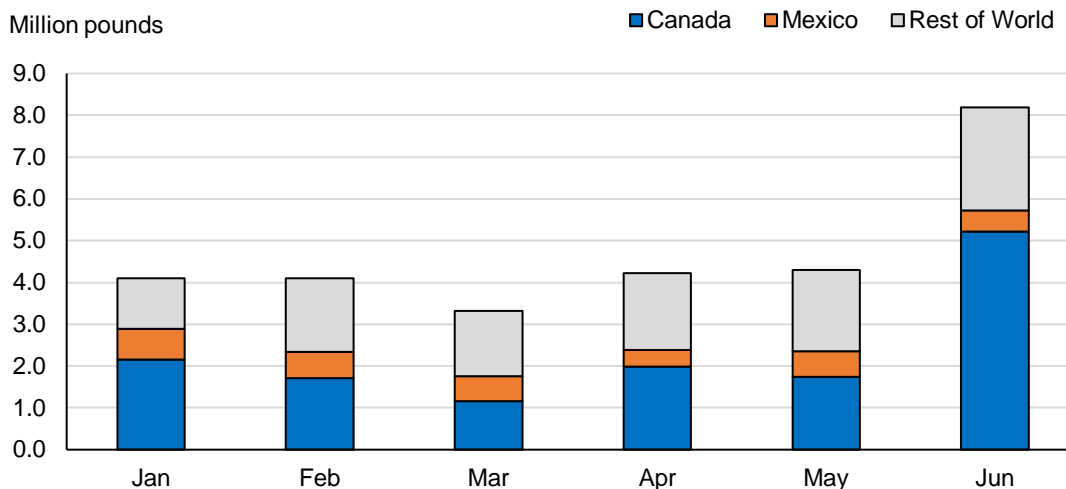
	For the week ending		Change
	July 1	Aug. 5	
Butter	2.5727	2.6456	0.0729
Cheddar cheese			
40-pound blocks	1.6484	1.6813	0.0329
500-pound barrels <sup>1</sup>	1.4381	1.5124	0.0743
Nonfat dry milk	0.9176	0.8620	-0.0556
Dry whey	0.4753	0.4344	-0.0409

<sup>1</sup>Adjusted to 38-percent moisture.

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

Exports in the first half of the 2017 have been significantly higher than the previous year. An increase in global demand and a decline in the U.S. dollar have contributed to favorable conditions for exports. The value of the U.S. dollar has fallen 5.9 percent since December, as measured by the Price-adjusted Broad Dollar Monthly Index reported by the U.S. Federal Reserve. Dairy exports declined from May to June, as they typically do. Notably, exports of NDM/SMP declined from 129 million pounds in May to 100 million in June, with significant declines in exports to Mexico and China. However, exports of butterfat products increased substantially, with about 64 percent of them going to Canada in June.

**U.S. exports of butter, other fats and oils derived from milk, and dairy spreads, January through June, 2017**



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

**International Dairy Outlook**

Global prices for butter, cheese, and whole milk powder in 2017 have increased significantly from 2016. The most notable price movements have been for butter, especially for Europe. In July, the Western Europe export price for butter averaged \$3.27



per pound, an increase from \$1.54 in July 2016. For the 2 weeks ending August 4, the price reached a record high of \$3.37 per pound at the midpoint of the range.<sup>1</sup> Tight world supplies and high demand for products with high butterfat content have driven the rapid rise in butter prices. Demand for butterfat products has risen globally due to consumer perceptions that butterfat is healthier than trans-fat, and several studies have indicated possible health benefits of butterfat or lower risk of consuming butterfat than previously assumed. With higher global production of butterfat, more skim solids become available for SMP, putting downward pressure on SMP prices.

Production growth for the five major exporters (Argentina, Australia, EU, New Zealand, and the United States) is expected to be a modest 0.9 percent in 2017. EU milk production for the first part of 2017 was below the previous year due to low milk prices in the latter part of 2016 and a voluntary Government program that compensated farmers for producing less milk. For the year, EU milk production is projected to be 0.2 percent above 2016. For New Zealand, higher cow numbers, favorable weather conditions, and rising milk prices are expected to bring about a milk production increase of 3.2 percent in 2017. For more information, see the USDA Foreign Agricultural Service publication *Dairy: World Markets and Trade*, at <https://www.fas.usda.gov/data/dairy-world-markets-and-trade>.

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

For the 2016/17 marketing year, prices for corn and soybean meal are estimated to be \$3.30-\$3.40 per bushel and \$320 per short ton, respectively. The 2017/18 price forecast for corn is \$2.90-\$3.70 per bushel, unchanged from last month's forecast. The 2017/18 soybean meal forecast is \$295-\$335 per short ton, \$5 lower than last month's forecast at the midpoint of the range. The alfalfa hay price in June was \$152 per short ton, \$3 lower than May but \$10 higher than June 2016. For more information, see the USDA Economic Research Service publication *Feed Outlook*, at <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1273>.

### **Dairy Forecasts for 2017**

With recent growth in cow numbers, rising milk prices, relatively low feed prices, and an adequate supply of replacement heifers, the 2017 forecast for milk cows has been raised to 9.4 million head, 5 thousand more cows than last month's forecast. With only small yield increases in recent months, the 2017 forecast for average milk per cow is reduced to 22,945 pounds per head, 75 pounds less than last month's forecast. The forecast for 2017 milk production is now 215.7 billion pounds, 0.6 billion less than last month's forecast. Year over year, milk production is expected to increase by 1.8 percent (adjusted for leap year).

With higher expected exports of butterfat products, the 2017 forecast for exports on a milk-fat milk-equivalent basis has been raised to 9.3 billion pounds, 0.2 billion higher than last month's forecast. The 2017 forecast for exports on a skim-solids milk-equivalent basis has been lowered to 40.7 billion pounds, 0.5 billion pounds less than last month's forecast, due to lower expected exports of whey products. Annual import forecasts for 2017 are unchanged from last month's forecast.

The 2017 domestic-use forecast on a milk-fat basis is 211.9 billion pounds, 0.6 billion less than forecast last month. Higher butter prices are expected to result in lower consumption than previously expected on a milk-fat basis. The 2017 forecast for domestic use on a skim-solids basis is 179.9 billion pounds, unchanged from last month's forecast. Ending stock forecasts for 2017 have been lowered by 0.2 billion pounds on a milk-fat basis and 0.1 billion pounds on a skim-solids basis.

---

<sup>1</sup> The source for international export prices is U.S. Dept. of Agriculture, *Dairy Market News*. In this article, foreign export prices are provided at midpoints of reported ranges and converted from dollars per metric ton to dollars per pound.

With recent price increases, expectations of continued strength of global demand, and a lower milk supply, the 2017 butter price forecast has been increased to \$2.425-\$2.465 per pound. A tighter supply of milk available for cheese is expected than last month due to lower expected milk production and more milk going to butter manufacturing. Due to recent price gains, more milk allocated to butter production, and continued demand strength, the cheese price forecast for 2017 has been raised to \$1.590-\$1.610 per pound. Greater global allocation of milk for butter, both domestically and internationally, is expected to result in more skim solids available for NDM and SMP. With recent price declines and a looser expected global supply of skim solids, the 2017 NDM price forecast has been lowered to \$0.885-\$0.905 per pound. The dry whey price forecast has been lowered to \$0.455-\$0.475 per pound due to recent price declines and possible substitution of NDM for dry whey for some applications.

The 2017 Class III price forecast is \$15.90-\$16.10 per cwt, unchanged at the midpoint from last month's forecast, as the higher cheese price forecast is offset by the lower whey price forecast. The Class IV price forecast is \$15.75-\$16.05 per cwt, 10 cents higher than last month's forecast at the lower end of the range, as the higher butter price forecast slightly more than offsets the lower NDM price. The 2017 all-milk price forecast is \$17.80-\$18.00 per cwt, an increase from last month's forecast of \$17.65-\$17.95.

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

The 2018 forecast for milk cows is 9.455 million head, an increase of 20 thousand head from last month's forecast. The 2018 forecast for milk per cow has been lowered by 145 pounds to 23,295 pounds per head, based on slow growth in recent months. These estimates result in a milk production forecast of 220.3 billion pounds for the year, 0.9 billion pounds lower than previously forecast. Year-over-year milk production is expected to increase by 2.1 percent.

Changes to dairy trade forecasts are relatively small. The export forecast for 2018 on a milk-fat basis has been raised by 0.1 billion pounds due to higher expectations of butterfat exports. The 2018 forecast for exports on a skim-solids basis has been raised by 0.2 billion pounds due to higher expected sales of NDM/SMP and other dairy products. Import forecasts have been lowered by 0.1 billion pounds on a milk-fat basis but are unchanged on a skim-solids basis.

The 2018 forecasts for domestic commercial use have been lowered by 1.3 billion pounds on a milk-fat basis and 1.1 billion pounds on a skim-solids basis. Higher expected prices for butter and cheese are expected to contribute to lower consumption of these products than expected last month. The forecast for 2018 ending stocks is unchanged on a milk-fat basis but lowered by 0.1 billion pounds on a skim-solids basis.

The 2018 butter price forecast has been raised to \$2.375-\$2.505 per pound due to stronger expected global demand for butterfat products. The cheese price forecast has been raised slightly to \$1.640-\$1.740 per pound due to higher expected demand. NDM and dry whey price forecasts for 2018 have been lowered to \$0.905-\$0.975 and \$0.445-\$0.475 per pound, respectively, due to a higher expected global supply of skim solids and weaker expected demand.

The 2018 Class III milk price forecast is lowered to \$16.30-\$17.30 per cwt, as the lower expected dry whey price more than offsets the higher expected cheese price. The Class IV milk price forecast is unchanged at \$15.70-\$16.80 per cwt, as the higher butter price forecast is offset by the lower NDM price forecast. The all-milk price forecast for 2018 is \$18.00-\$19.00 per cwt, unchanged from last month's forecast.

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

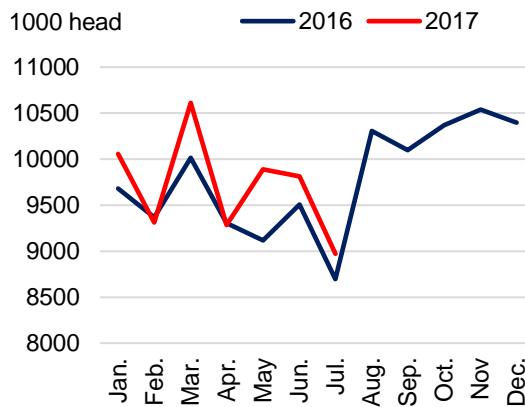
## Slaughter Hog Supplies To Accelerate Shortly, but Pork Demand Increase Likely Firm

Pork production in the third quarter of 2017 is expected to be 6.2 billion pounds, slightly less than last month's forecast but still 2.6 percent greater than production a year ago. The third-quarter forecast was lowered due to smaller than expected July slaughter numbers, the full effects of which were mitigated by heavier dressed weights.

July likely represents the low point for the year in terms of hog slaughter numbers. Typically, from August through the end of the calendar year, slaughter-hog supplies accelerate and hog prices decline. While it is not expected that this year will be an exception to this seasonal pattern, for the remainder of the third quarter and through the fourth quarter, year-over-year larger supplies of slaughter hogs will likely clear the market at year-over-year higher prices.

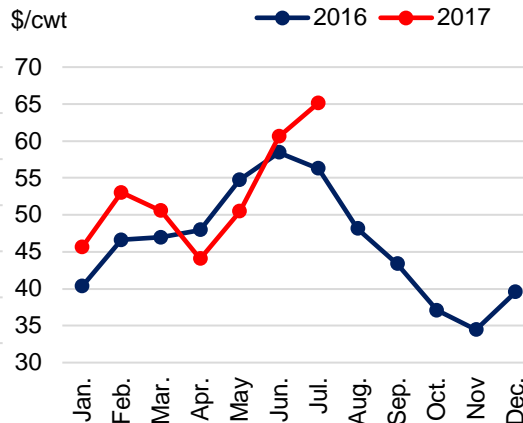
Increased demand for hogs and pork—that is, larger supplies of hogs and pork accompanied by higher hog and pork prices—has characterized much of 2017 so far. Estimated federally inspected hog slaughter through July of this year (67.9 million head) was 3.4 percent larger than slaughter over the same period a year ago (65.7 million head). Prices of 51-52 percent lean live equivalent hogs have averaged \$52.78 through July, 5.2 percent higher than January-July 2016.

**Federally inspected hog slaughter, monthly, Jan. 2016-Jul 2017\***



\*July= estimated f.i. slaughter.  
Source: National Agricultural Statistics Service, U.S. Dept. of Agriculture.

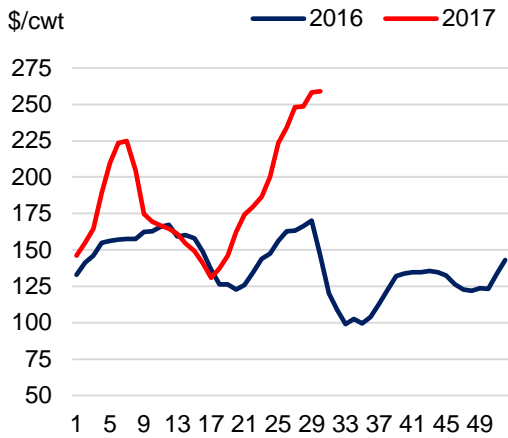
**Live equivalent 51-52 percent lean hog price, monthly, Jan. 2016-Jul. 2017**



Source: World Agricultural Outlook Board, U.S. Dept. of Agriculture.

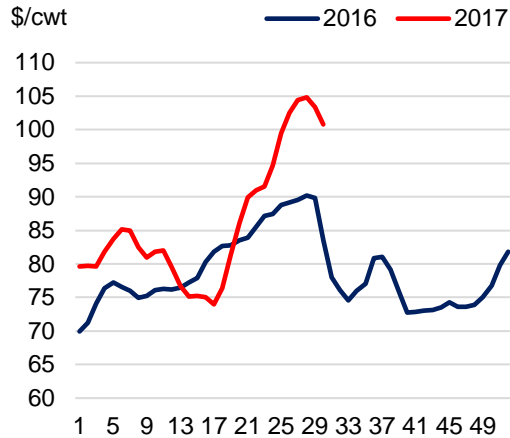
The demand for slaughter hogs is derived from demand for pork products, and all indications through July 2017 are that a significant portion of the increase in the pork cutout price has resulted from strong demand in the face of tight stocks for the belly cut of the hog, which is further processed into bacon. Of the \$16.32 increase in the value of the estimated wholesale pork carcass cutout between January 2 and July 31, 2017, the belly primal accounted for \$14.19. Recent market indications are that pork belly prices have peaked. Moderating—but still high—belly prices are reflected in weakening of the wholesale pork carcass cutout.

**Derind belly 13-17 lb, weekly prices  
Jan. 2016- Jul. 28, 2017**



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

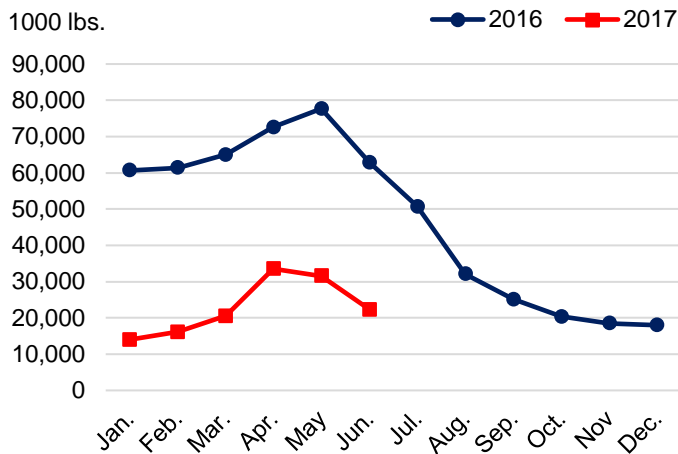
**Composite pork carcass cutout, weekly prices Jan. 2016- Jul. 28, 2017**



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

It is notable, however, that June ending stocks of bellies were 65 percent below a year earlier, 65 percent below their 3-year average, and 61 percent below their 5-year average. As pork supplies ramp up between now and the end of 2017, demand for stocks replenishment are likely to be an important source of pork demand.

**Pork belly ending stocks, Jan. 2016-July 2017**



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

**First-Half Pork Exports Strong**

Total demand for U.S. pork has a domestic component and an export component. U.S. export data for the first half of 2017 shows that in the January-June period of 2017, 22.8 percent of U.S. pork production was exported, compared to 20.8 percent in the same period last year. Total second-quarter pork exports were more than 1.4 billion pounds, an increase of 8.2 percent above 2016. This means that, effectively, foreign consumers bid 311 million additional pounds out of the domestic U.S. pork market in the first half of 2017, very likely contributing to higher pork and hog prices. The 10 largest foreign markets for U.S. pork in the first half are summarized in the table below.

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

Country	Exports 2Q16 (mil. lbs)	Exports 2Q17 (mil. lbs)	Percent change (2017/2016)	Export share 2Q16 %	Export share 2Q17 %
World	1,318	1,426	8.2		
1 Mexico	358	425	18.6	27.2	29.8
2 Japan	304	309	1.6	23.1	21.7
3 South Korea	99	133	34.5	7.5	9.3
4 Canada	131	128	-2.1	9.9	9.0
5 China/Hong Kong	233	167	-28.5	17.7	11.7
6 Australia	54	47	-13.9	4.1	3.3
7 Colombia	21	38	76.5	1.6	2.6
8 Dominican Republic	19	35	83.1	1.4	2.4
9 Philippines	19	27	45.7	1.4	1.9
10 Chile	5	22	352.2	0.4	1.6

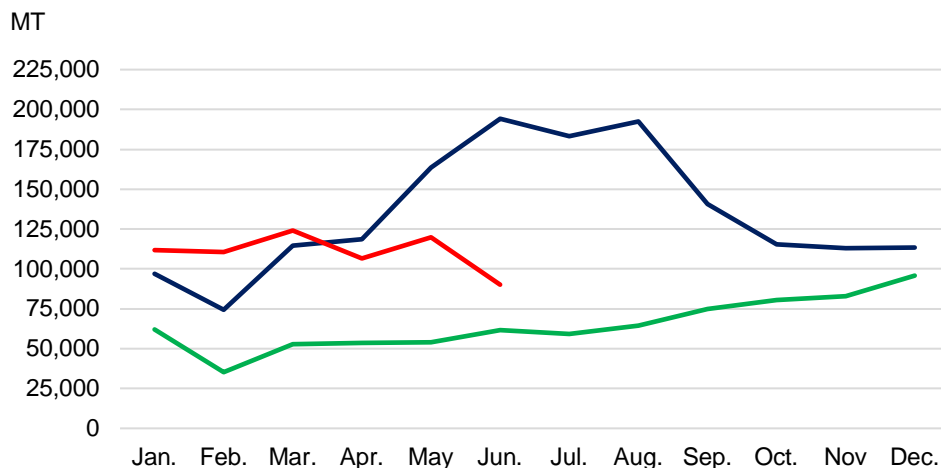
Source: Economic Research Service, U.S. Dept. of Agriculture.

U.S. pork exports are expected to be just over 1.3 billion pounds in the third quarter, almost 9 percent above a year earlier. Fourth-quarter exports are forecast at almost 1.6 billion pounds, more than 6 percent higher than the same period last year. Forecasts for third- and fourth-quarter commercial pork production—6.3 billion pounds, and 7 billion pounds, respectively—imply that 21.8 percent of U.S commercial pork production is expected to be exported in the second half of 2017.

**Pig and Pork Price Declines in China Appear To Have Slowed in July**

First-half pork import data shows that China is importing significantly less pork than last year. First-half imports were almost 663 thousand MT, more than 13 percent lower than a year ago. Most of the reduction is attributable to lower shipments from Europe and the United States. Europe’s share of first-half 2017 China imports was 63.4 percent, while that of the United States was 13.5 percent; Canada’s share was 15.6 percent.

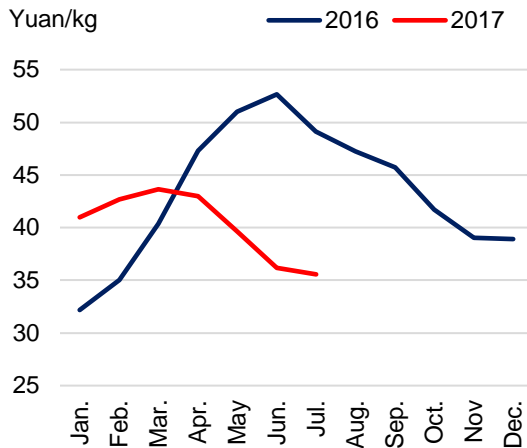
**China pork imports, monthly, Jan. 2015-June 2017**



Source: Global Trade Atlas Navigator.

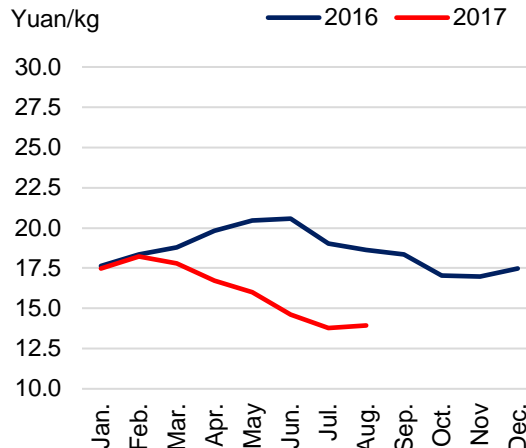
Declines in prices of feeder pigs, live hogs, and pork carcasses have slowed since the beginning of the year. In July, live hog prices increased 1.3 percent relative to prices in June, and July pork carcass prices were just slightly lower than June prices. Slower price declines for feeder pigs and carcasses, and a small increase in hog prices, may signal supply tightening brought on by some combination of lower imports or by a slower industry rebound from the 2015 pork sector contraction.

**China feeder pig price, Jan. 2016-July, 2017**



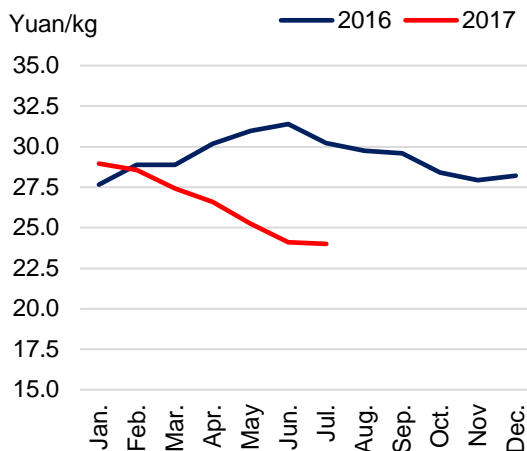
Source: China Ministry of Agriculture.

**China live hog price, Jan. 2016-July 2017**



Source: China Ministry of Agriculture.

**China pork carcass price, Jan. 2016-July 2017**



Source: China Ministry of Agriculture.

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

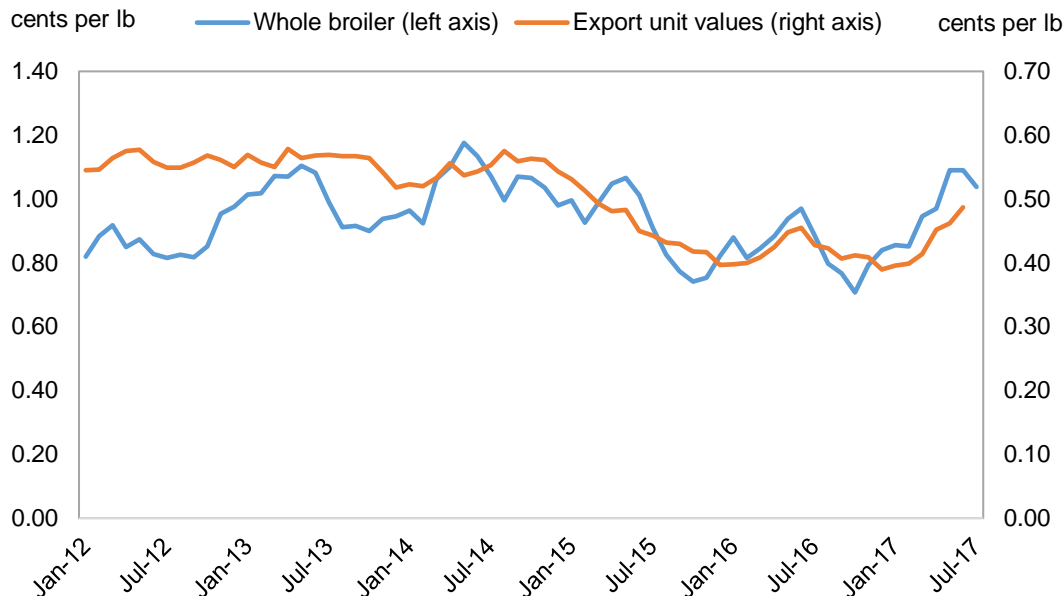
# Poultry

## Broilers

June broiler meat production was 3.5 billion pounds, approximately 1.6 percent above last year on a per day basis. Nearly all the growth resulted from more birds slaughtered, as average weights increased only marginally. As of July 1, the layer inventory of broiler-type chickens expanded to its highest level since 2011, reaching 56.4 million. This suggests that growing more birds will continue to support expected production growth.

Broiler exports in June were 528 million pounds, up 5.1 percent from last year. However, growth has been slower than expected, reducing expectations for the remainder of the year. The 2017 export forecast was lowered to 6.8 billion pounds. Part of the recent cooling in export growth may have been relatively strong broiler meat prices. This is reflected in the chart below showing whole broiler prices and export unit values (average price per pound). The 2018 export forecast was left unchanged, in part because prices are not expected to remain at the levels of the recent second quarter.

### Domestic and export value of U.S. broiler meat, 2012-July 2016



Source: U.S. Dept. of Agriculture, Agricultural Marketing Service; U.S. Census Bureau via GTIS (HS trade codes 20711, 20712, 20713, 20714).

Weekly prices for whole broilers (national composite) declined in July on a normal seasonal pattern but remained a bit stronger than expected; the price was 95 cents per pound for the week ending August 5. This was the highest level for the first week of August since 2014 and was higher than 2013. The price strength supported upward revision of the third-quarter forecast to 95-97 cents per pound. The fourth-quarter forecast was increased slightly to 85-91 cents per pound. Forecasts for 2018 were left unchanged.

## Eggs and Egg Products

June table egg production totaled 623 million dozen, approximately 3.4 percent above last year, with more layers and increased eggs per hen contributing to the increase. Forecast production of all eggs was left unchanged for the remainder of the year and for 2018.

Egg and egg product exports in June were 25 million dozen (shell-egg equivalent), up about 28 percent from last year.<sup>1</sup> Much of the export increase over last year was accounted for by more shipments to Japan, where exports reached the highest level since early 2014. The export forecasts for 2017 and 2018 were not revised.

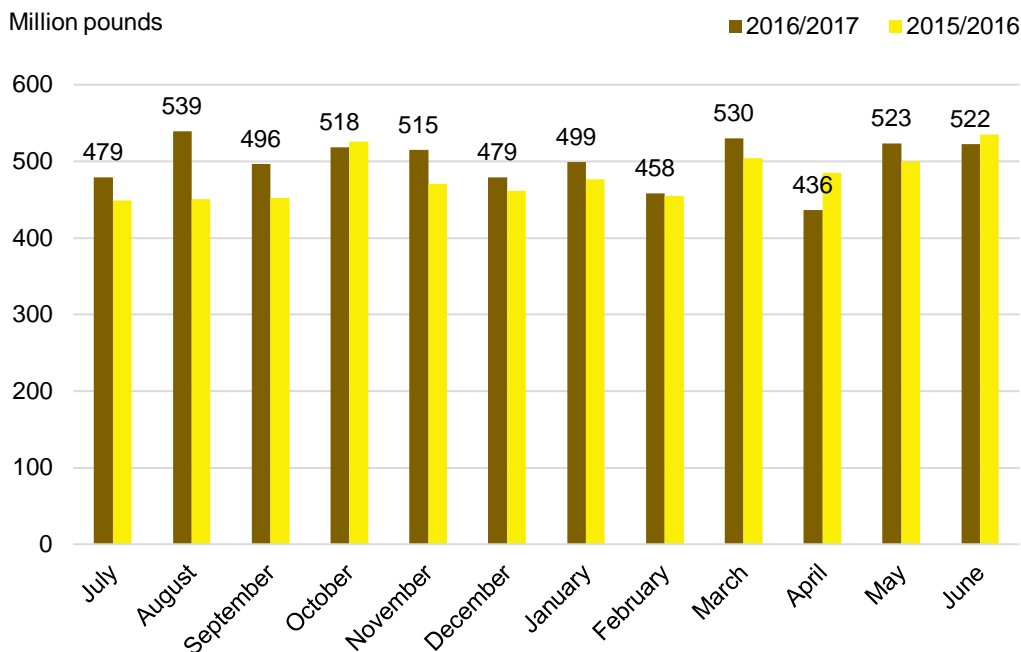
Recent egg prices (large grade A eggs, New York) have been considerably stronger than expected, reaching 97 cents per dozen on August 9. This indicated anticipation of typically robust demand for the approaching fall season. The third-quarter price forecast was increased to 89-91 cents per dozen, as price expectations will likely temper in the coming weeks. Last year, fall prices experienced a relatively small seasonal increase, due in part to robust supply levels, a trend that has continued since then. No changes were made to subsequent forecasts.

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

## Turkey

Turkey production in June totaled 522 million pounds, 2 percent below the same month in 2016. The total for second-quarter production stands at 1.481 billion pounds. Hatchery reports have shown a modest slowdown in the number of poults being placed for growout. In the second quarter of 2017; placements were 2 percent below the same period in 2016. This followed 14 consecutive months of year-over-year growth in placements. Due to signs of continued slow growth, sustained low prices, and poor producer returns, the forecast for 2017 turkey production is reduced 79 million pounds to 5.983 billion pounds. The 2018 forecast is unchanged at 6.180 billion pounds.

### Turkey production, July 2015-June 2017



Note: Brown-colored bars cover July 2016 through June 2017. Yellow bars cover July 2015 through June 2016.  
Source: USDA, Economic Research Service Livestock and Meat Domestic Data.

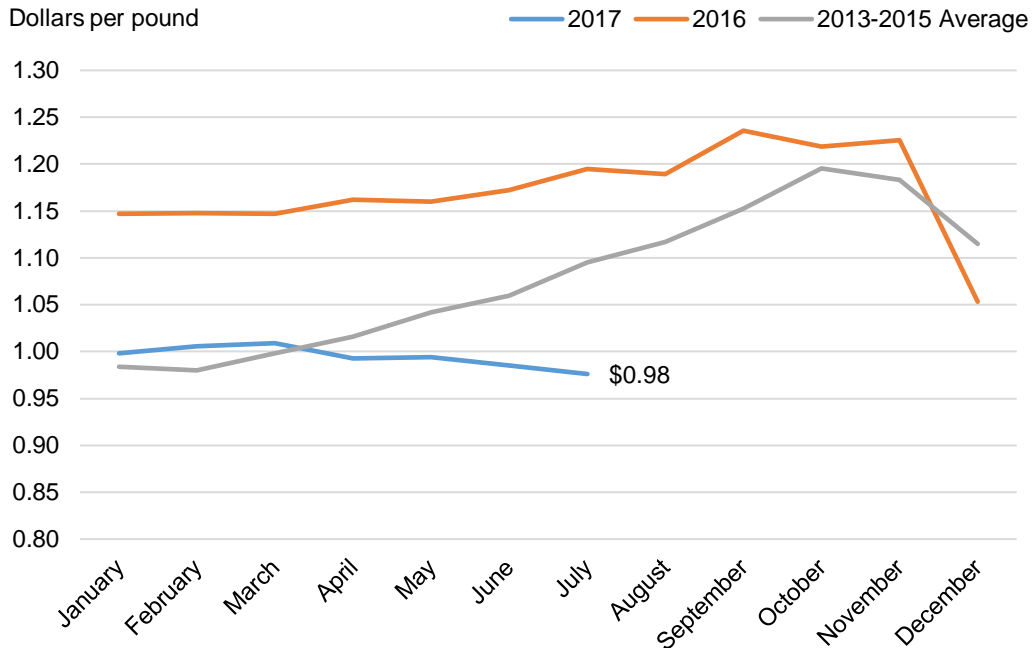
Whole turkey prices in 2017 have fallen relative to 2016 and have remained below historical averages since January. Typically, wholesale turkey prices have a seasonal trend, with prices climbing from their bottom level in the beginning of the year to a peak

<sup>1</sup> Egg and egg product exports are still not expected to reach the levels of 2013-2014, prior to the 2015 outbreak of avian influenza.



near Thanksgiving. This year, whole turkey prices have not increased as in years past and have begun to dip further. The average price for a whole frozen hen in July was just under 98 cents per pound, 2 percent below January and 18 percent below July 2016. As of the second week of August, prices have fallen farther to below 97 cents. 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 and is expected to average \$0.99- \$1.02 per pound for 2017. In 2018, prices are expected to recover slightly from 2017 and average \$1.00-\$1.09.

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



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

In June, turkey exports increased by 13 percent relative to June 2016, totaling 54 million pounds. Second-quarter exports totaled 148 million pounds, or 5 percent more than the same period in 2016. 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 June, exports to Mexico increased further after reaching their highest levels since January 2015 in May. The 34 million pounds shipped to Mexico represented 63 percent of total U.S. shipments and were 15 percent greater than in June 2016. The forecast for 2017 turkey exports is 611 million pounds, with no changes made to second-half exports, the 2018 forecast is unchanged at 650 million pounds.

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

## Contact Information

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

## Subscription Information

Subscribe to ERS e-mail notification service at <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=LDPM&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		
<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	6,404	<b>6,830</b>	<b>7,165</b>	<b>26,699</b>	<b>6,325</b>	<b>7,005</b>	<b>27,360</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	6,137	<b>6,260</b>	<b>7,000</b>	<b>25,806</b>	<b>6,535</b>	<b>6,380</b>	<b>26,735</b>		
Lamb and mutton	37	43	38	38	156	38	39	37	37	150	38	39	36	37	150	37	36	<b>36</b>	<b>38</b>	<b>147</b>	<b>35</b>	<b>37</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	10,405	<b>10,500</b>	<b>10,350</b>	<b>41,488</b>	<b>10,400</b>	<b>10,625</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	1,481	<b>1,450</b>	<b>1,565</b>	<b>5,983</b>	<b>1,510</b>	<b>1,540</b>	<b>6,180</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	24,616	<b>25,237</b>	<b>26,278</b>	<b>100,743</b>	<b>24,957</b>	<b>25,746</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	1,896	<b>1,910</b>	<b>1,950</b>	<b>7,658</b>	<b>1,925</b>	<b>1,900</b>	<b>7,765</b>		
<b>Per capita disappearance, retail lb 1/</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	14.2	<b>14.6</b>	<b>15.0</b>	<b>57.9</b>	<b>13.7</b>	<b>15.2</b>	<b>58.7</b>		
Pork	11.2	10.8	11.0	12.8	45.8	12.2	11.8	12.1	13.6	49.8	12.6	11.9	12.1	13.5	50.1	12.4	11.8	<b>12.3</b>	<b>13.8</b>	<b>50.2</b>	<b>12.4</b>	<b>12.4</b>	<b>51.1</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	0.3	<b>0.2</b>	<b>0.3</b>	<b>1.1</b>	<b>0.3</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	22.9	<b>22.9</b>	<b>22.5</b>	<b>90.7</b>	<b>22.7</b>	<b>23.0</b>	<b>91.5</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	16.6	3.7	3.7	<b>4.0</b>	<b>5.1</b>	<b>16.5</b>	<b>3.9</b>	<b>3.8</b>	<b>17.0</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	52.9	53.0	53.7	54.9	214.6	53.2	53.2	<b>54.4</b>	<b>57.1</b>	<b>217.9</b>	<b>53.3</b>	<b>55.0</b>	<b>220.7</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	68.5	68.2	<b>69.1</b>	<b>70.1</b>	<b>275.9</b>	<b>69.0</b>	<b>67.8</b>	<b>277.5</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	132.76	<b>113-117</b>	<b>110-116</b>	<b>120-122</b>	<b>112-122</b>	<b>111-121</b>	<b>112-121</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	147.39	<b>146-150</b>	<b>141-147</b>	<b>141-143</b>	<b>129-139</b>	<b>134-144</b>	<b>133-143</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	69.65	<b>67-71</b>	<b>67-73</b>	<b>67-69</b>	<b>62-72</b>	<b>60-70</b>	<b>61-71</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	153.00	<b>146-150</b>	<b>147-153</b>	<b>147-149</b>	<b>143-153</b>	<b>137-147</b>	<b>140-150</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	51.70	<b>57-59</b>	<b>44-46</b>	<b>51-52</b>	<b>48-52</b>	<b>50-54</b>	<b>46-50</b>		
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	104.70	<b>95-97</b>	<b>85-91</b>	<b>93-95</b>	<b>86-94</b>	<b>86-94</b>	<b>85-92</b>		
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	99.10	<b>96-98</b>	<b>102-108</b>	<b>99-102</b>	<b>94-102</b>	<b>97-105</b>	<b>100-109</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	74.70	<b>89-91</b>	<b>100-106</b>	<b>86-88</b>	<b>84-90</b>	<b>79-85</b>	<b>87-94</b>		
<b>U.S. trade, million lb, carcass wt. equivalent</b>																									
Beef & veal exports	583	667	680	644	2,574	523	607	542	595	2,267	535	621	661	738	2,556	651	683	<b>730</b>	<b>720</b>	<b>2,784</b>	<b>660</b>	<b>720</b>	<b>2,860</b>		
Beef & veal imports	597	767	765	818	2,947	878	990	890	613	3,371	793	831	751	639	3,015	699	813	<b>710</b>	<b>610</b>	<b>2,832</b>	<b>710</b>	<b>785</b>	<b>2,870</b>		
Lamb and mutton imports	46	49	45	55	195	53	56	46	59	214	68	55	41	52	216	80	58	<b>46</b>	<b>56</b>	<b>240</b>	<b>77</b>	<b>57</b>	<b>242</b>		
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	1,426	<b>1,345</b>	<b>1,550</b>	<b>5,753</b>	<b>1,465</b>	<b>1,425</b>	<b>5,965</b>		
Pork imports	213	241	257	301	1,011	279	266	270	300	1,116	293	257	266	275	1,091	264	281	<b>275</b>	<b>275</b>	<b>1,095</b>	<b>250</b>	<b>220</b>	<b>935</b>		
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	1,618	<b>1,740</b>	<b>1,745</b>	<b>6,814</b>	<b>1,720</b>	<b>1,750</b>	<b>7,030</b>		
Turkey exports	159	182	215	219	775	148	123	125	132	529	116	141	160	153	569	133	148	<b>160</b>	<b>170</b>	<b>611</b>	<b>145</b>	<b>155</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	1,468	1,406	1,371	1,412	5,656	1,449	1,458	<b>1,480</b>	<b>1,470</b>	<b>5,857</b>	<b>1,475</b>	<b>1,475</b>	<b>5,950</b>		

Note: Forecasts are in bold.

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

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

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

Updated 8/15/2017

## 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	9,399	9,410	9,420	9,400	9,440	9,450	9,455
Milk per cow (pounds)	22,397	5,636	5,620	22,775	5,717	5,884	5,675	5,670	22,945	5,790	5,980	23,295
<b>Milk production (billion pounds)</b>	<b>208.6</b>	<b>52.6</b>	<b>52.5</b>	<b>212.4</b>	<b>53.6</b>	<b>55.3</b>	<b>53.4</b>	<b>53.4</b>	<b>215.7</b>	<b>54.7</b>	<b>56.5</b>	<b>220.3</b>
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	53.1	53.2	214.7	54.4	56.3	219.3
<b>Milk-fat (billion pounds milk equiv.)</b>												
Milk marketings	207.6	52.3	52.3	211.4	53.3	55.1	53.1	53.2	214.7	54.4	56.3	219.3
Beginning commercial stocks	10.5	17.8	16.0	12.3	12.7	16.2	17.9	15.3	12.7	12.1	15.5	12.1
Imports	5.8	1.7	1.7	7.0	1.5	1.4	1.4	1.6	6.0	1.4	1.4	5.8
Total supply	223.9	71.9	69.9	230.8	67.6	72.7	72.5	70.0	233.4	68.0	73.2	237.2
Commercial exports	8.5	2.0	2.5	8.4	2.1	2.5	2.5	2.3	9.3	2.1	2.4	9.2
Ending commercial stocks	12.3	16.0	12.7	12.7	16.2	17.9	15.3	12.1	12.1	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	54.7	55.6	211.9	50.3	53.3	216.2
<b>Skim solids (billion pounds milk equiv.)</b>												
Milk marketings	207.6	52.3	52.3	211.4	53.3	55.1	53.1	53.2	214.7	54.4	56.3	219.3
Beginning commercial stocks	9.4	10.3	9.7	9.2	9.5	10.6	11.6	10.5	9.5	9.9	9.6	9.9
Imports	6.0	1.6	1.7	6.5	1.7	1.5	1.6	1.6	6.3	1.6	1.6	6.4
Total supply	223.1	64.2	63.7	227.1	64.5	67.1	66.3	65.2	230.5	65.9	67.4	235.5
Commercial exports	37.3	10.2	10.9	39.0	9.8	10.3	10.4	10.3	40.7	10.0	10.8	42.1
Ending commercial stocks	9.2	9.7	9.5	9.5	10.6	11.6	10.5	9.9	9.9	9.6	10.1	9.0
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	176.6	44.3	43.3	178.5	44.2	45.2	45.4	45.1	179.9	46.4	46.6	184.4
<b>Milk prices (dollars/cwt) <sup>1</sup></b>												
All milk	17.13	16.90	17.80	16.30	18.23	16.83	17.55	18.45	17.80	18.15	17.55	18.00
							-17.85	-19.05	-18.00	-19.05	-18.55	-19.00
Class III	15.80	16.18	16.33	14.87	16.49	15.74	15.65	15.70	15.90	16.15	16.15	16.30
							-15.95	-16.30	-16.10	-17.05	-17.15	-17.30
Class IV	14.35	14.58	14.13	13.77	15.37	14.80	16.60	16.30	15.75	15.65	15.45	15.70
							-17.00	-17.00	-16.05	-16.65	-16.55	-16.80
<b>Product prices (dollars/pound) <sup>2</sup></b>												
Cheddar cheese	1.645	1.735	1.714	1.605	1.648	1.555	1.575	1.580	1.590	1.625	1.620	1.640
							-1.605	-1.640	-1.610	-1.715	-1.720	-1.740
Dry whey	0.380	0.288	0.366	0.288	0.485	0.508	0.420	0.415	0.455	0.435	0.445	0.445
							-0.440	-0.445	-0.475	-0.465	-0.475	-0.475
Butter	2.067	2.206	1.958	2.078	2.200	2.229	2.635	2.635	2.425	2.440	2.355	2.375
							-2.695	-2.725	-2.465	-2.360	-2.485	-2.505
Nonfat dry milk	0.902	0.860	0.931	0.829	0.955	0.874	0.875	0.845	0.885	0.865	0.885	0.905
							-0.905	-0.895	-0.905	-0.935	-0.955	-0.975

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.

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>.