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Livestock, Dairy, and Poultry Outlook

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Dry Conditions Push Cows to Market

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Tables will be released on July 29, 2008

The next newsletter release is Aug. 19, 2008

Approved by the World Agricultural Outlook Board.

Coming Soon: Register for ERS' conference on Emerging Issues in Global Meat Trade, September 18 and 19, 2008. Check www.ers.usda.gov/ConferenceCenter/GlobalMeat/ in **mid-August** for information and registration.

Cattle and Beef: Daily live cow prices in July remain at relatively high levels despite heavy commercial cow slaughter that continues to be supported by dry conditions, high supplemental feed costs, and imported cows from Canada. In early July, weekly fed cattle prices and beef cutout values had moved countercyclically to levels not seen since October 2003.

Cattle and Beef Trade: Total beef imports are expected to fall 12 percent from last year. Exports are expected to expand as Japanese and NAFTA markets have been strong heading into the peak of summer. Live cattle imports are expected to be above last year's levels. Imports from Canada continue to have a higher percentage of feeder cattle due to more advantageous feeding opportunities in the United States.

Poultry and Eggs: Broiler production estimates for the 2nd, 3rd and 4th quarters were increased due to higher average weights and a less-than-expected drop in chicks being placed for growout. Broiler meat production is now expected to be slightly higher in the second half of 2008 and to be over 2 percent higher for the year. Even with strong production and higher stock levels, whole turkey prices continue to be considerably above year-earlier levels.

Poultry Trade: May broiler and turkey shipments exceeded last year's volumes for the second time in the second quarter. Broiler exports totaled 636 million pounds, an increase of 50 percent, and turkey exports totaled 50 million pounds, an increase of almost 5 percent from a year ago. Forecasts for 2008 were raised 100 million pounds to total 6.26 billion pounds.

Dairy: Higher feed costs should ultimately slow increases in milk production next year. However, this year, the dairy herd continues to expand and output per cow continues to rise, albeit at a slower pace. Herd expansion should slow in the third and fourth quarters compared with the first half of 2008. A slight contraction should become apparent in 2009. Milk production will continue to expand both this year and next as output per cow continues a gradual rise. Demand in the major product sectors remains strong, especially export demand. Prices both this year and next will remain near 2007 levels.

Cattle and Beef

Dry Conditions Push Cows to Market

Despite a spotty reprieve in early July, dry conditions are generally spreading over wider areas in the Southern Plains and are spreading over a wider area in the Southeastern United States. The areas in the best condition—the Central Plains and areas in the Central and Northern Rocky Mountains—are those between the dry areas and the flooded areas of the Midwest. Except for the areas mentioned above, most hay-growing areas are experiencing adequate precipitation and hay prices are increasing. Area planted to corn is below original plans. As of the week ending July 6, 89 percent of the U.S. corn crop was in fair to excellent condition, equaling conditions at the same time last year. However, feed grain and protein prices continue to increase, maintaining significant cost pressure on all cattle sectors.

Rising fuel, energy, and feed costs increasingly affect cow-calf and backgrounding (stocker) profit margins, especially in those areas with inadequate precipitation where supplemental feeding has begun again or winter feeding never ceased. Commercial cow slaughter, especially beef cow slaughter, has been extensive over the last year. However, U.S. commercial cow slaughter currently includes a significant share of Canadian cows, averaging about 3,700 head per week since the first week of 2008 through June 26th (Agriculture and Agri-Food Canada). Meanwhile, the domestic beef cow contribution to U.S. Federally Inspected cow slaughter appears to be declining in recent weeks.

Another sign of pressure on beef cow inventories is that the heifer share of cattle on feed on April 1, 2008, was the highest since April 1, 2004, the year of the last cyclical low in cattle and calf inventories. The following year, 2005, saw the lowest number of heifers entering the cow herd in more than a quarter century and set the stage for January 1, 2008's lowest cow inventory since 1952. The mid-year *Cattle* inventory report, to be released by the National Agricultural Statistics Service July 25, 2008, will provide additional information on the direction of cow and cattle-on-feed inventories in the near term.

Feeder cattle prices, while increasing, are below year-earlier levels and, because of high feeding costs, have not enjoyed, proportionally, the percentage increases gained by cattle feeders for fed cattle. Net placements of feeder cattle in feedlots in May 2008 were 12 percent below May 2007 placements, in part because of heavy feedlot placements of lighter weight feeder cattle last fall and winter. May 2008's placements were 2 percent above May 2006 placements, but still 13 percent below the May 5-year average for 2003-07. Suggestive of heavier feeder cattle being placed in feedlots in response to higher feed costs, the breakout among feeder cattle placement weight groups shows the over-800-pound group down 10 percent from May 2007 and up 7.5 percent from May 2006, compared with the under-600-pound group, which was down 19 percent from May 2007 and down 23 percent from May 2006.

Central and Southern Plains cattle feeders have seen prices for live cattle increase to the low $100s per cwt through the first week in July, prices that bring them near breakeven levels for the first time since May 2007.

Early July fed cattle prices were approaching levels last observed in Fall 2003, just prior to the confirmation of the first U.S. BSE case, when BSE-motivated bans against importing Canadian cattle and beef reduced already declining U.S. beef supplies to cyclically low levels. How long these price levels can be maintained in the face of seasonally increasing dressed weights and declining demand for grilling beef remains to be seen, especially given relatively low prices for competing meats.

Commercial beef production in April and May 2008 was at all-time record highs for those 2 months, as were average commercial live weights of cattle slaughtered for both months and average Federally Inspected dressed weights for April. As of mid-July 2008, weekly cutout values for Choice beef were increasing counter-seasonally, even as dressed weights were increasing seasonally. Packers were also enjoying record values for byproducts.

The spread between carcass cutout values for Choice and Select beef has widened into July, a time when the spread usually approaches a seasonal low. A widening spread can suggest either inadequate supplies of Choice beef or plentiful supplies of Select and processing beef. However, the percent of carcasses grading Choice or better, at almost 58 percent (as of June 28), is 3 percentage points above year-earlier (June 28, 2007) levels. Prices for 90-percent-lean processing beef are running almost 19 percent above year-earlier (June to June) levels, but still below imported frozen 90-percent-lean beef prices. Retail prices also continue to rise, reaching $4.30 per pound for Choice beef in June 2008, 2 percent above the June 2007 price and 10 percent above the June 2006 price.

Cattle and Beef Trade

Beef Imports Continue To Lag

Through May this year, beef imports were down 22 percent year-to-date as a result of a confluence of issues. The U.S. dollar remains weak, making foreign beef relatively more expensive. Additionally, domestic cow and bull slaughter has remained above last year's levels and is expected to remain so through the second and third quarters, resulting in high supplies of lean-processing beef for hamburger. The supplies of lean-processing meat will further depress the domestic demand for imported processing meat from Australia and New Zealand, which is generally processing meat used for products such as ground beef. Uruguay, which also sends fresh and frozen product to the United States, has also declined dramatically in 2008. Uruguay has diverted much of its beef exports from North America to the European Union and Russia.

Quantities of imported thermo-processed beef, used in many ready-to-eat products, have also been declining steadily since the beginning of the year. This is illustrated by declines in imports, particularly from Brazil and Argentina, whose exports to the United States are limited to thermo-processed beef products and account for about 80 percent of such imports.

Moderate and sporadic precipitation in Australia has made it difficult for producers to rebuild their herds after a drought-induced liquidation. However, U.S. imports of Australian beef have been low, perhaps signaling that, at least thus far, Australian producers have not begun liquidating again.

Total beef imports are expected to be 2.692 billion pounds, a 12-percent decrease from last year. They are expected to rebound in 2009 to 2.955 billion pounds.

Exports to Japan Increase

U.S. beef exports to Japan historically increased in the second quarter as Japanese went into their Golden Week holiday period. The same pattern has reemerged since the resumption of exports. Strong official export numbers were reported for April and May, and FAS Weekly Export Sales Reports indicate that June was also a good month for U.S. beef exports to Japan. However, export levels have not come close to reaching their pre-BSE levels in 2003.

The United States and South Korea concluded an agreement on April 18, 2008 to fully reopen South Korea's market to all U.S. beef and beef products consistent with international standards and the World Organization for Animal Health (OIE) guidelines. However, in response to significant public outcry in Korea, Korean importers and U.S. exporters reached a commercial understanding that only U.S. beef from cattle under 30 months of age will be shipped to Korea as a transitional measure, until Korean consumer confidence in U.S. beef improves. U.S. beef which has been in storage in Korea is being inspected and being offered for sale, and U.S. plants are preparing beef for export under the protocol and transitional measures. U.S. beef exports to South Korea are expected to gradually increase into next year.

U.S. exports to Mexico, Canada, and relatively new trading partners such as Vietnam have also helped exports in 2008 grow from last year. This year U.S. beef exports are expected to be 1.7 billion pounds, a 19-percent increase from 2008. Next year's exports are expected to increase an additional 11 percent, to 1.89 billion pounds.

Canadian Cattle Imports Still Above Last Year

Imports of Canadian live cattle into the United States have been 37 percent above 2007 year-to-date through July 5th, according to AMS reports. Slaughter cows and bulls, which were not able to be imported from Canada until November 19, 2007, account for 12 percent of all live cattle imports this year and are responsible for some of this increase. Imports of feeder cattle have also increased 42 percent relative to last year, as feed costs and the competitiveness of the Canadian packing industry continue to provide incentive for animals to be fed in the United States.

In contrast, cattle imports from Mexico are down 32 percent from last year according to AMS reports. Good rainfall, particularly in the eastern half of the country, has generated good grazing conditions, which could potentially lead to more exports coming late in the year.

Total cattle imports this year are expected to be 2.65 million head, a 6-percent increase from last year. Next year, 2.5 million head of cattle are expected to be imported.

Poultry and Eggs

2008 Quarterly Broiler Meat Production Estimates Increased

U.S. broiler meat production over the first 5 months of 2008 was 15.5 billion pounds, up 5.3 percent from the same period in 2007. This has been due to a number of trends—only recently has the number of chicks placed for growout been lower than a year earlier, the average weight at slaughter continues to be up considerably from the previous year, and the number of birds in the broiler breeder flock has been higher on a year-over-year basis, in each of the first 5 months. With production not declining as fast as earlier anticipated, the production estimates for the second, third, and fourth quarters were increased. The estimate for the second quarter is now 9.45 billion pounds, and the estimates for the third and fourth quarters were increased to 9.25 and 9.2 billion. This brings the revised total for 2008 to just over 37 billion pounds, 2.4 percent higher than the previous year. However, with the steep climb in the expected prices for corn and soybean meal in late 2008 and through most of 2009, the estimate for 2009 broiler production was lowered to 36.6 billion pounds, just over a 1-percent decline compared with 2008.

Over the last 5 weeks (June 14 to July 12), the average weekly number of chicks being placed for growout was 179 million, down less than 1 percent from the same period in 2007. With a typical growout period of 7 to 8 weeks, chicks being placed during this period are expected to go to slaughter during the second half of July through the end of August.

Broiler meat production in May totaled 3.2 billion pounds, down slightly from a year earlier. The decrease in meat production was due to a smaller number of birds slaughtered in May, down 2.8 percent from the previous year. This, in turn, was influenced by 1 less slaughter day in May 2008 than May 2007. Most of this decline was offset by an increase of 1.5 percent (to 5.60 pounds) in the average live weight of birds going to slaughter compared with a year earlier. Preliminary data point toward a small decrease in total broiler meat production in June. Again, this will mostly be due to a decline in the number of birds slaughtered. Average bird weights at slaughter are expected to be up somewhat compared with June 2007.

Broiler production is now expected to increase slightly in the second half of 2008, putting some downward pressure on prices, especially for breast meat products. Some of this pressure is expected to be counterbalanced by strong export demand that is expected to help to boost prices for leg meat products. Prices for whole birds averaged 79.4 cents per pound during first-half 2008, 2 percent higher than a year earlier. Price changes for broiler parts have been mixed. Boneless/skinless breast meat prices in the Northeast market averaged $1.41 per pound in first-half 2008, down 7 percent from the same period in 2007, while leg quarter prices averaged 45.6 cents per pound, up 11 percent from the previous year.

Broiler stocks at the end of May totaled 725 million pounds, 23 percent higher than a year earlier. Most of the increase has been in the "other" category so an explanation for the increase is not available. However, stocks of leg quarters were 90 million pounds, 49 percent higher than at the same point in 2007. The high stock levels at a time when wholesale prices for leg quarters were very strong indicates that although the product was in storage it already had been sold, since the buildup in stocks had not had a depressing effect on wholesale prices.

Broiler ending stocks for the second and third quarters of 2008 are expected to be higher than in the previous year, but the levels are expected to be below a year earlier in the fourth quarter due to strong export demand and slowing production.

Turkey Production Rises in May

Turkey production totaled 521 million pounds in May, up 1.8 percent from the previous year. The number of turkeys slaughtered was down less than 1 percent, largely reflecting one less slaughter day, but this decline was offset by a 2-percent increase in the average weight at slaughter to 29 pounds. With the increase in May, turkey meat production during the first 5 months of 2008 increased 8.2 percent compared with the same period in 2007. The increase in meat production is basically a combination of 5.1 percent more turkeys being slaughtered and a 2.4-percent gain in average weight at slaughter, compared with the first 5 months of 2007.

As with broiler production, the higher grain prices forecast for the next crop year are expected to place downward pressure on turkey production. Turkey production in 2009 is now expected to total 6.05 billion pounds. This would be a 2.2-percent decline compared with 2008.

Turkey meat production in the second half of 2008 is estimated at 3.1 billion pounds, up less than 1 percent from second-half 2007, and production is expected to decline slightly in the fourth quarter. The most recent turkey hatchery report showed net placement of poults for growout at 2.3 percent lower in June than in the previous year. Over the first 6 months of 2008, net poult placements have been lower than the previous year in 5 of the 6 months.

Even with a relatively strong increase in turkey meat production over the first 5 months of 2008, whole turkey prices are considerably above year-earlier levels. Prices for whole hen turkeys in the Eastern market averaged 88.9 cents per pound in second-quarter 2008, up 14 percent from the previous year and 25 percent higher than in second-quarter 2006. Whole turkey prices are expected to remain above those of a year earlier through the rest of the 2008 and into 2009.

At the end of May, cold storage holdings of turkey products totaled 516 million pounds, 30 percent higher than the previous year. The increase has come from larger stocks of both whole birds and parts. Cold storage holdings of whole turkeys totaled 233 million pounds, an increase of 10 percent from May 2007. Holdings of turkey parts increased more rapidly and totaled 284 million pounds at the end of May, up 52 percent from the same period in 2007. The growth of turkey products in cold storage has occurred even with strong export demand, but slowing production in the fourth quarter is expected to result in ending stocks for 2008 being only slightly higher than a year earlier.

Egg Production Continues Down in May

U.S. table-egg production totaled 536-million dozen in May, down 0.7 percent from the same period the previous year. Over the first 5 months of 2008, egg production has been lower in 4 of the 5 months compared with the same month the previous year. The lower production in May was the result of a smaller number of birds in the table-egg laying flock. During May, the number of birds in the laying flock averaged 280 million, down just under 1 percent from May 2007. It is expected that the number of birds in the table-egg laying flock will slowly begin to expand, as the number of egg-type chicks hatched has been above the previous year in each of the last 7 months. Table-egg production is expected to be slightly higher than the previous year in the second half of 2008, but still below the amount produced in the second half of 2006.

The smaller production of table eggs in the first 5 months of 2008 has translated into higher egg prices at the wholesale level. In first-quarter 2008, the average prices for a dozen grade A large eggs in the New York market was $1.59, an increase of 51 percent from the previous year. Even with a steep decline in prices after the Easter holiday, egg prices in second-quarter 2008 averaged $1.17 per dozen, up from only 92 cents the previous year. Even with the expected gradual expansion in production in the second half of 2008, egg prices are now estimated to be $1.32 to $1.38 per dozen in the third quarter and to rise seasonally in the fourth quarter to between $1.40 to $1.50 per dozen.

Poultry Trade

Broiler Shipments Continue Strong in May

In spite of leg quarter prices higher than those recorded a year ago, broiler shipments continued to climb in May 2008. May broiler shipments totaled 636 million pounds, exceeding May 2007 shipments by 50 percent. Along with the 50-percent increase in volume, the value of broiler shipments in May 2008 also increased by 52 percent from a year earlier. Thus, the story continues in May to be increased volumes of broiler meat shipments, fueled by strong consumer demand and a weakened U.S. dollar. Percentage-wise, major increases in shipments occurred for Ukraine (1,105 percent), Vietnam (476 percent), Cuba (280 percent), and Korea (230 percent). Russia's change in volume (136 to 215 million pounds) was by far the largest absolute increase among the U.S. major broiler markets.

To account for continued strong foreign demand for U.S. broiler meat, forecasts were adjusted. A total of 75 million pounds of broiler meat was added to the second-quarter estimates and 25 million pounds to the third quarter, changing the total for the year to 6.26 billion pounds, an increase of 8 percent.

May Turkey Shipments Show Signs of a Growing Market

Turkey shipments totaled 50 million pounds in May, up about 5 percent from a year ago. A strong demand, aided by a weakened U.S. dollar, continues to be the key reason for the increase in turkey shipments. While shipments to Mexico, the leading importer of U.S. turkey meat, were down by 11 percent from a year ago, the U.S. received a large boost in volume from Taiwan (203-percent increase), and China (107-percent increase). The value of U.S. turkey meat for May 2008 totaled 37.5 million dollars, up almost 7 percent from a year ago. Turkey shipments continue to be strong in the second quarter and are forecast to total 155 million pounds for the quarter.

Dairy

Higher Feed Costs Constrain Production Expansion

Higher feed costs have slowed milk production increases. The domestic dairy herd has continued to expand. The June *Milk Production* report estimated the number of milk cows in May at 9,281 thousand head, up 1.6 percent from a year earlier and slightly ahead of April's estimate. Production per cow also continued an upward trajectory, rising 1.4 percent in May 2008 compared with a year ago. The May rise reaches only to the level of the long term trend and comes after several months of below-trend production increases. The price of the benchmark dairy ration, which consists of corn, soybeans and alfalfa hay, is expected to be 37 percent higher in 2008 compared with 2007. Presently, the 2009 forecast is for the price of that ration to climb only slightly. The milk-feed price ratio slipped to 1.78 in June compared with 1.88 in May and a loftier 2.88 in June 2007.

Higher feed costs should ultimately slow herd expansion in the third and fourth quarter of 2008 relative to the first half of the year and lead to gradually declining herd size throughout 2009. Milk per cow will likely continue to increase, but at below-trend rates throughout the balance of 2008 and 2009. Forecast milk production is 189.5 billion pounds for 2008 and 190.3 billion for 2009.

Domestic cheese prices soared to over $2.21 a pound in mid-June this year before retreating to $1.99 a pound for the first week of July, according to *Dairy Product Prices.* Domestic disappearance through April 2008 lags slightly below that for the same period in 2007. Higher prices and a slowing domestic economy are limiting domestic demand. However, exports have risen to fill the gap, keeping cheese demand strong. The cheese processing sector may be close to capacity limits, slowing production increases. Although May fluid use was up fractionally, incremental increases in milk production are going largely to Class IV uses. Cheese prices have probably peaked for the year and could decline slightly in 2009, but should remain well above the average of recent years. Prices will likely average $1.935 to $1.965 per pound this year and remain firm, averaging $1.855 to 1.955 per pound in 2009.

The May *Cold Storage* report placed butter stocks 5 percent above April, but 3 percent below a year ago. The seasonal downturn in stocks may be beginning early, and according to *Dairy Market News*, demand is ahead of production and some sales are being met out of stocks. Prices remain strong and very close to 2007's peak. The 2008 season-average butter price is projected to be $1.360 to $1.420 per pound. Prices in 2009 should remain about the same, averaging $1.350 to $1.480 per pound. Nonfat dry milk and skim milk powder (NDM/SMP) production through May exceeds all years at least back to 2005. However, it is exports of NDM and SMP that are propelling the butter/powder market. Year-to-date exports of NDM/SMP are nearly double that for the same period of 2007 and comprise nearly 50 percent of total production. With Australia sidelined by drought, the United States remains the major exporter of powdered milk. The higher 2008 production has contributed to lower prices than in 2007, and NDM prices are expected to average $1.370 to $1.400 per pound. Next year's forecast modest milk production increase should help firm prices in 2009 to an average $1.475 to $1.545 per pound.

Whey stocks continue high, pressuring prices despite strong exports and domestic use. Prices are expected to average 28.0 to 30.0 cents per pound this year and 32.0 to 35.0 cents per pound next year.

Strong product demand and modest production increases for both this year and 2009 will keep Class III prices near 2007 levels. The Class III price is expected to average $18.10 to $18.40 per cwt in 2008 and $17.55 to $18.55 per cwt in 2009. The Class IV price is expected to average $15.70 to $16.10 per cwt in 2008 and climb to $16.55 to $17.65 next year. The all milk price will average $18.95 to $19.25 this year and be virtually unchanged in 2009, at $18.60 to $19.60 per cwt.

Contacts and Links

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Data Products

Meat Price Spreads, http://www.ers.usda.gov/Data/MeatPriceSpreads/, provides monthly average price values, and the differences among those values, at the farm, wholesale, and retail stages of the production and marketing chain for selected cuts of beef, pork, and broilers. In addition, retail prices are provided for beef and pork cuts, turkey, whole chickens, eggs, and dairy products.

Livestock and Meat Trade Data, http://www.ers.usda.gov/Data/MeatTrade/, contains monthly and annual data for the past 1-2 years for imports and exports of live cattle and hogs, beef and veal, lamb and mutton, pork, broiler meat, turkey meat, and shell eggs. The tables report physical quantities, not dollar values or unit prices. Breakdowns by major trading countries are included.

Related Websites

Animal Production and Marketing Issues,
http://www.ers.usda.gov/briefing/AnimalProducts/
Cattle, http://www.ers.usda.gov/briefing/cattle/
Dairy, http://www.ers.usda.gov/briefing/dairy/
Hogs, http://www.ers.usda.gov/briefing/hogs/
Poultry and Eggs, http://www.ers.usda.gov/briefing/poultry/
WASDE,
http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194

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

U.S. red meat and poultry forecasts

	2004	2005	2006					2007 1/					2008					2009	
	Annual	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Production, million lb																			
Beef	24,548	24,683	6,082	6,724	6,834	6,513	26,153	6,237	6,649	6,802	6,733	26,421	6,371	**6,900**	**6,915**	**6,380**	**26,566**	**6,255**	**26,385**
Pork	20,511	20,685	5,335	5,008	5,087	5,625	21,055	5,396	5,128	5,256	6,163	21,943	6,023	**5,590**	**5,665**	**6,200**	**23,478**	**5,830**	**22,750**
Lamb and mutton	195	187	49	47	42	47	185	49	44	42	48	183	46	**45**	**42**	**44**	**177**	**44**	**173**
Broilers	34,063	35,365	8,814	8,980	8,870	8,835	35,500	8,625	9,085	9,131	9,285	36,126	9,108	**9,450**	**9,250**	**9,200**	**37,008**	**8,920**	**36,590**
Turkeys	5,454	5,504	1,351	1,435	1,419	1,476	5,682	1,413	1,482	1,488	1,575	5,958	1,541	**1,550**	**1,530**	**1,560**	**6,181**	**1,490**	**6,045**
Total red meat & poultry	85,442	87,097	21,792	22,362	22,413	22,656	89,224	21,874	22,552	22,876	23,962	91,264	23,258	**23,715**	**23,572**	**23,551**	**94,096**	**22,704**	**92,612**
Table eggs, mil. doz.	6,365	6,413	1,617	1,617	1,632	1,656	6,522	1,598	1,593	1,602	1,642	6,435	1,590	**1,580**	**1,610**	**1,650**	**6,430**	**1,590**	**6,435**
Per capita disappearance, retail lb 2/																			
Beef	66.1	65.6	15.8	16.9	16.9	16.3	65.8	15.9	16.6	16.4	16.2	65.2	15.6	**16.6**	**16.3**	**15.1**	**63.6**	**15.1**	**62.7**
Pork	51.4	50.0	12.4	11.9	11.9	13.1	49.4	12.3	12.2	12.3	14.0	50.8	12.6	**12.1**	**12.4**	**13.1**	**50.2**	**12.4**	**49.3**
Lamb and mutton	1.1	1.1	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.3	0.3	1.1	0.3	**0.3**	**0.2**	**0.3**	**1.1**	**0.3**	**1.0**
Broilers	84.4	85.8	21.7	22.1	21.9	20.9	86.5	21.2	21.6	21.4	21.2	85.4	21.2	**22.0**	**21.5**	**21.2**	**85.9**	**20.7**	**83.9**
Turkeys	17.1	16.7	3.5	3.9	4.3	5.2	16.9	3.8	4.1	4.2	5.5	17.5	4.0	**4.2**	**4.3**	**5.4**	**18.0**	**3.8**	**17.3**
Total red meat & poultry	221.6	221.0	54.1	55.5	55.6	56.1	221.3	53.9	55.1	54.9	57.6	221.6	54.0	**56.6**	**55.3**	**55.5**	**220.4**	**52.7**	**215.8**
Eggs, number	257.3	255.8	64.1	63.7	63.9	64.7	257.8	62.2	61.7	62.4	63.8	250.1	61.8	**61.7**	**62.6**	**63.8**	**250.0**	**61.2**	**247.0**
Market prices																			
Choice steers, Neb., $/cwt	84.75	87.28	89.24	80.39	85.40	86.61	85.41	90.61	93.45	91.36	91.85	91.82	89.59	92.82	**91-95**	**92-98**	**91-94**	**90-98**	**91-99**
Feeder steers, Ok City, $/cwt	104.76	110.94	106.23	104.08	115.17	103.22	107.18	99.53	108.87	115.64	108.88	108.23	99.88	106.60	**108-112**	**109-115**	**105-109**	**105-114**	**108-116**
Boning utility cows, S. Falls, $/cwt	52.35	54.36	48.89	47.79	49.28	44.29	47.56	51.04	53.96	54.07	49.40	52.12	53.88	57.30	**56-58**	**53-57**	**55-57**	**52-56**	**52-56**
Choice slaughter lambs, San Angelo, $/cwt	96.69	97.76	77.03	66.56	81.10	84.53	77.31	82.59	82.23	87.33	87.55	84.93	86.23	79.62	**78-82**	**76-84**	**80-84**	**81-89**	**82-90**
Barrows & gilts, N. base, l.e. $/cwt	52.51	50.05	42.63	48.45	51.83	46.13	47.26	46.04	52.55	50.33	39.43	47.09	39.64	52.51	**50-52**	**43-47**	**46-48**	**45-49**	**48-51**
Broilers, 12 City, cents/lb	74.10	70.80	62.7	61.0	67.8	65.9	64.4	75.00	80.30	79.20	71.10	76.40	78.1	80.60	**82-86**	**82-88**	**81-83**	**84-90**	**85-92**
Turkeys, Eastern, cents/lb	69.70	73.40	67.3	71.3	79.4	89.8	77.0	69.70	77.90	89.90	90.80	82.10	77.4	88.90	**92-96**	**92-98**	**88-90**	**80-86**	**89-96**
Eggs, New York, cents/doz.	82.20	65.50	71.4	62.7	64.0	89.0	71.8	105.3	92.0	119.1	141.0	114.4	158.8	**117.00**	**132-138**	**140-150**	**137-141**	**130-140**	**123-133**
U.S. trade, million lb																			
Beef & veal exports	460	697	215	315	307	308	1,145	269	363	424	375	1,431	360	**420**	**480**	**440**	**1,700**	**425**	**1,890**
Beef & veal imports	3,679	3,599	843	790	730	722	3,085	770	884	774	624	3,052	637	**700**	**690**	**665**	**2,692**	**695**	**2,955**
Lamb and mutton imports	181	180	53	44	41	52	190	56	44	44	59	202	52	**46**	**44**	**51**	**193**	**52**	**192**
Pork exports	2,181	2,666	767	763	654	811	2,995	792	685	703	959	3,138	1,106	**1,150**	**1,000**	**1,300**	**4,556**	**1,075**	**4,135**
Pork imports	1,099	1,024	259	237	239	254	989	239	256	240	232	968	217	**215**	**225**	**235**	**892**	**205**	**865**
Broiler exports	4,783	5,203	1,270	1,297	1,234	1,404	5,205	1,275	1,393	1,493	1,610	5,771	1,507	**1,600**	**1,550**	**1,600**	**6,257**	**1,475**	**6,200**
Turkey exports	442	570	119	125	152	150	547	124	135	148	146	553	148	**155**	**160**	**160**	**623**	**145**	**635**
Live swine imports (thousand head)	8,506	8,191	2,133	2,088	2,204	2,338	8,763	2,302	2,370	2,464	2,869	10,005	2,915	**2,250**	**2,100**	**2,000**	**9,265**	**2,000**	**8,000**

1/ Forecasts are in **bold**.

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

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

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Dairy Forecasts

	2007			2008					2009	
	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Milk cows (thous.)	9,159	9,198	9,158	9,250	9,280	9,260	9,245	9,259	9,240	9,226
Milk per cow (pounds)	5,034	5,003	20,267	5,140	5,245	5,045	5,035	20,465	5,145	20,625
Milk production (bil. pounds)	46.1	46.0	185.6	47.5	48.7	46.7	46.5	189.5	47.5	190.3
Farm use	0.3	0.3	1.2	0.3	0.3	0.3	0.3	1.2	0.3	1.2
Milk marketings	45.8	45.7	184.4	47.3	48.4	46.4	46.3	188.3	47.3	189.1
Milkfat (bil. pounds milk equiv.)										
Milk marketings	45.8	45.7	184.4	47.3	48.4	46.4	46.3	188.3	47.3	189.1
Beginning commercial stocks	13.8	12.5	9.5	10.4	12.1	13.5	11.8	10.4	9.7	9.7
Imports	1.0	1.3	4.6	1.0	1.1	1.0	1.3	4.4	1.0	4.5
Total supply	60.6	59.6	198.6	58.6	61.6	60.9	59.4	203.0	58.0	203.3
Commercial exports	1.6	2.0	5.7	2.2	2.2	1.8	1.7	7.9	1.5	6.0
Ending commercial stocks	12.5	10.4	10.4	12.1	13.5	11.8	9.7	9.7	11.5	9.0
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	46.5	47.1	182.5	44.2	45.9	47.3	47.9	185.4	45.0	188.3
Skim solids (bil. pounds milk equiv.)										
Milk marketings	45.8	45.7	184.4	47.3	48.4	46.4	46.3	188.3	47.3	189.1
Beginning commercial stocks	10.2	9.7	9.1	9.9	10.1	10.4	9.5	9.9	9.4	9.4
Imports	1.1	1.2	4.4	1.0	1.0	1.0	1.2	4.2	1.0	4.3
Total supply	57.1	56.6	197.9	58.1	59.5	57.8	57.0	202.4	57.5	202.7
Commercial exports	7.0	6.5	28.2	6.7	6.7	6.0	6.0	25.4	6.1	23.7
Ending commercial stocks	9.7	9.9	9.9	10.1	10.4	9.5	9.4	9.4	9.4	9.1
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	40.4	40.2	159.8	41.4	42.4	42.3	41.7	167.7	42.0	169.9
Milk prices (dol./cwt) 1/										
All milk	21.67	21.60	19.13	19.23	18.60	18.90 -19.30	19.20 -19.90	18.95 -19.25	18.65 -19.65	18.60 -19.60
Class III	20.43	19.51	18.04	18.12	18.40	18.05 -18.45	17.95 -18.65	18.10 -18.40	17.36 -18.36	17.55 -18.55
Class IV	21.71	20.29	18.36	15.04	15.25	16.02 -16.52	16.65 -17.45	15.70 -16.10	16.42 -17.52	16.55 -17.65
Product prices (dol./pound) 2/										
Cheddar cheese	1.978	1.995	1.738	1.933	1.977	1.930 -1.970	1.905 -1.975	1.935 -1.965	1.840 -1.940	1.855 -1.955
Dry whey	0.610	0.435	0.600	0.305	0.267	0.272 -0.292	0.295 -0.325	0.280 -0.300	0.305 -0.335	0.320 -0.350
Butter	1.428	1.301	1.344	1.230	1.411	1.448 -1.518	1.380 -1.480	1.360 -1.420	1.325 -1.455	1.350 -1.480
Nonfat dry milk	2.043	1.940	1.708	1.364	1.300	1.363 -1.403	1.470 -1.530	1.370 -1.400	1.475 -1.545	1.475 -1.545

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 "Dairy Product Prices", National Agricultural Statistics Service. Details may be found at http://www.ams.usda.gov/dyfmos/mib/fedordprc_dscrp.htm

Source: World Agricultural Supply and Demand Estimates and supporting materials.
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