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Livestock, Dairy, and Poultry Outlook

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December *Quarterly Hogs and Pigs* Points to Strong Increase in 2008 Pork Production

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Tables will be released
on Jan 29, 2008

The next newsletter
release is Feb 15, 2008

Approved by the
World Agricultural
Outlook Board.

Hogs/Pork: Larger U.S. swine numbers reflected in the December *Quarterly Hogs and Pigs* report, together with USDA forecasts for year-over-year higher quarterly prices for 2008 corn, foreshadow lower 2008 hog prices and continued hog producer losses. Larger hog supplies in 2008 are expected to pressure hog prices lower. Live equivalent prices for 51-52 percent lean hogs in 2008 are expected to range between \$41 per cwt (hundredweight) and \$44 per cwt, more than 9 percent below prices in 2007.

Cattle/Beef: Inadequate winter pasture conditions and high feed costs continue to motivate cow slaughter and placements of feeder cattle in 1,000-plus feedlots. As a result, inventories, placements, and marketings of fed cattle during 2008 could vary from typical seasonal patterns.

Cattle/Beef Trade: Increased U.S. cow slaughter and a weak U.S. dollar are affecting the demand for foreign beef in the United States. Canadian cattle continue to be imported to the United States as Canadian market conditions make the United States more attractive for feeding cattle and producing beef.

Dairy: Higher feed costs are expected to limit dairy production expansion in 2008. Domestic and export demand for cheese will likely keep milk prices from falling precipitously.

Poultry: With continued higher chick placements, broiler meat production is expected to expand in fourth-quarter 2007 and into first-half 2008. With increasing production, prices for many broiler products will be under some downward pressure. Some of the higher production is expected to be taken up by a strong export market. Whole turkey prices remained relatively strong through the end of December. Whole hen turkey prices averaged 82 cents per pound in 2007, the fourth consecutive year that average prices have risen. Egg prices remained at very high levels through the end of 2007, as a smaller table-egg laying flock resulted in lower production. Egg prices are expected to gradually go down as producers respond to the high prices by raising production.

Poultry Trade: Broiler shipments were up, while turkey shipments were slightly above a year ago. Broiler exports totaled 605 million pounds, an increase of 10 percent, while turkey exports totaled 48 million pounds, an increase of less than 1 percent from a year ago. The broiler shipment forecast for the fourth quarter was increased by 90 million pounds due to a strong demand for broiler meat.

December Quarterly Hogs and Pigs Points to Strong Increase in 2008 Pork Production

The *Quarterly Hogs and Pigs* released on December 27, 2007 reported upward revisions in several key inventories: farrowings, pig crops, and litter rates. The revisions help to explain large year-over-year increases in fourth-quarter 2007 production, and point to continued production increases in 2008. The larger numbers of hogs and pigs reflected in the December report, together with USDA forecasts for year-over-year higher quarterly prices for 2008 corn, foreshadow lower 2008 hog prices and continued hog producer losses.

The December report makes upward revisions in market hog inventories for June and September, 2007, and in the variables that determine the spring pig crop. USDA/NASS added almost 1.1 million head of hogs to the previously reported inventory of market hogs for June 2007. The revised June inventory is an important explanatory factor in the comparatively large (+3.3 percent) year-over-year increase in third-quarter 2007 pork production. Upward revisions to the previously reported September 1 total hog inventory (+941,000 head), and to the March-May farrowing numbers (+67,000 head), pig crop (+755,000 head), and litter rate (from 9.15 pigs per litter (ppl), to 9.20 ppl), were important contributors to the expected 9.5 percent increase in fourth-quarter pork production.

Information in the December report points to year-over-year increases in 2008 commercial pork production. The report indicates that production increases in 2008 will likely derive from larger summer 2007 and fall 2007 pig crops, and year-over-year larger December-May 2008 farrowing intentions. The December report raised the June-August pig crop slightly on the basis of slightly larger farrowings and a record-high litter rate of 9.24 ppl. September-November farrowings came in higher than previously reported intentions, and when combined with a continued record-high litter rate of 9.24 ppl, yielded a 4 percent year-over-year larger fall pig crop. First-half 2008 producer farrowing intentions stated in the December report indicate that farrowings will be 1 percent above the December-May period last year. Taken together, a 4-percent year-over-year larger June-November pig crop and 1 percent larger December-May farrowing intentions will likely translate into 2008 commercial pork production of almost 22.8 billion pounds, almost 3.7 percent larger than 2007 production.

Hog Prices Likely To Remain Below Production Costs in 2008

Larger hog supplies in 2008 are expected to pressure hog prices lower. Live equivalent prices for 51-52 percent lean hogs in 2008 are expected to range between \$41 per cwt and \$44 per cwt, more than 9 percent below prices in 2007. USDA is forecasting 2007/08 corn prices at between \$3.70 and \$4.30 per bushel, more than 32 percent higher than in 2006/07. Higher feed prices can be expected to widen the existing negative gap between costs of producing market-ready slaughter hogs and the price that producers receive for finished animals. According to Iowa State University's Estimated Returns for Farrowing and Finishing Hogs in Iowa, (www.econ.iastate.edu/faculty/lawrence/Lawrence_website/livestockreturns.htm) the cost of producing a market-ready slaughter animal in December exceeded the hog prices by more than \$25 per head.

Fourth-Quarter Retail Prices Increase Moderately From a Year Ago

Fourth-quarter retail pork prices came in at \$2.88 per pound, 2.5 percent above fourth quarter a year ago. For the year, retail prices were \$2.87 per pound, 2.2 percent above 2006. The wholesale-to-retail spread for 2007 was almost 4 percent greater than in 2006. The increase likely represents, in part, higher costs of moving products through the supply chain to the consumer.

November Exports Continue Strong, 2008 Export Forecast Increased

U.S. pork exports for November 2007 were 339 million pounds, 16 percent above November 2006. For the January-November 2007, cumulative exports are 2.8 billion pounds, about 4 percent above the same period in 2006. The top five destinations for U.S. pork products in November were Japan, China, Mexico, Canada, and Russia. Together, these five countries accounted for more than 76 percent of U.S. exports in November.

On the strength of expected low prices from plentiful domestic pork supplies, and a continued competitive U.S. dollar exchange rate, USDA raised the 2008 pork export forecast to 3.7 billion pounds, over 17 percent above the 3.1 billion pounds forecast for 2007.

Winter Forage Conditions Send Cows to Slaughter and Calves to Feedlots

While some much-needed precipitation has fallen in areas of the Southeast and Southern Plains States, it is too late to produce much cool-season forage or wheat pasture for cattle for the remainder of the winter. It will, however, be of some value for Spring and Summer pastures, wheat, and other grain crops in 2008. Rising fuel prices, reported inadequate supplies of some fertilizers, large inventories of hogs and poultry, and a deteriorating domestic economic outlook are additional factors exerting negative pressures on the cattle and beef sector.

Although dairy cow slaughter appears to be moderating during the last part of December, apart from holiday effects, weekly total Federally inspected cow slaughter continued at relatively heavy rates during December 2007, above last year's heavy rates during the corresponding periods. These continuing high rates of cow slaughter reflect the lack of pasture forages in the Southeast and Southwest and the relatively high prices producers face for harvested forages and protein supplements this winter. January 1, 2008 cow inventories, especially beef cow inventories, to be reported in the upcoming National Agricultural Statistics Service's *Cattle* report may be reduced due to these rates. There is some speculation that heifers are being retained, replacing the cows going to slaughter, because they generally require less feed and pasture. Heifers often have the bonus of being genetically capable of producing higher quality calves than the cows they replace.

Feedlot placements were significantly higher in November 2007 than industry analysts had expected, especially in the lighter weight categories, and could be followed by heavy placements in December for the same reasons—lack of winter pastures and no lower cost options for providing homes for these calves for the remainder of the winter. In a normal year, a portion of calves born in the spring would be placed on wheat pasture after weaning, where they would remain until reaching feedlot placement weights in mid-March, or as late as May if wheat were grazed out. Placement of these calves in feedlots would normally have been spread throughout the winter and spring of 2008 as they came off cool season pastures, especially wheat pasture. Prospects for grazing on wheat pasture declined as wheat prices increased this fall, and prices for wheat are currently high enough that there is not likely to be wheat pasture available for graze-out this spring. Under present conditions, the greater fall placements will likely shift some fed cattle marketings ahead of a normal schedule, with some of these cattle likely to be marketed earlier in the year than is consistent with typical seasonal patterns. This shift is more likely if January 1 cattle-on-feed inventories in feedlots of 1,000-plus head are much over last year's record 11.8 million head.

This shift in marketings could also affect the percentage of cattle grading Choice or better because they will have been in feedlots during the winter months when gains are poorer with feed being utilized by the animal for maintenance of body condition rather than for growth. A lower percentage of cattle grading Choice or better could affect trade by necessitating the importation of more fed cattle, fed beef, and/or trimmings from Canada, or less processing beef from Australia, New Zealand, Uruguay, and other sources.

Reduced slaughter through the holiday period allowed wholesalers to reduce some inventories, providing at least a temporary boost to beef cutout values. Cutout values for Choice dressed beef increased somewhat in December 2007 compared with November 2007. The spread between Choice and Select beef cutout values is narrowing seasonally, after reaching a weekly peak of just over \$16 in the first week in December. The seasonal decline in the Choice-Select spread occurs as the percentage of steer and heifer carcasses grading Choice and Prime, the two highest grades for beef, climbs toward its seasonal winter peak, a result of seasonally better feeding conditions during the previous summer and fall than during the winter.

Farm-to-wholesale spreads declined as December 2007 retail prices for Choice beef were slightly lower than November 2007 prices. While fed cattle prices through December 2007 were 3 percent below November 2007 prices, recent declines—should they continue—combined with recent declines in the per unit byproduct values, will not improve farm-to-wholesale spreads. Negatives for beef prices at the retail counter include the deteriorating domestic economic outlook for the near term and plentiful supplies of competing meats.

Increased Domestic Cow Slaughter Reducing Demand for Foreign Beef

Increased U.S. cow slaughter rates, relatively low domestic beef and cow cutout prices, and a weak U.S. dollar have impacted beef imports into the United States. Import forecasts were lowered to 3.16 billion pounds in 2007 and 3.34 billion pounds in 2008. According to U.S. Customs, imports from Canada and New Zealand have shown significant declines in the last quarter compared with last year's fourth quarter. Higher rates of cow slaughter increase the supply of processing beef, which makes up the majority of imported beef. Combined with a weak U.S. dollar, the demand for imported meat overall has fallen.

Commerce and Customs data also indicate that imports from Uruguay slowed in the last quarter. However, imports of Uruguayan beef in the second and third quarters of this year were well above last year, leaving imports in the fourth quarter to be squeezed by the Tariff Rate Quota schedule. Additional imports in the fourth quarter would have been assessed a higher tariff rate. The higher cost of selling additional beef in the U.S. market, combined with a depreciating dollar relative to the Uruguayan Peso, most likely discouraged imports in the fourth quarter. The TRQ's entry levels reset with the new year, and Uruguayan imports could improve despite the weak dollar and a decrease in demand for processing beef.

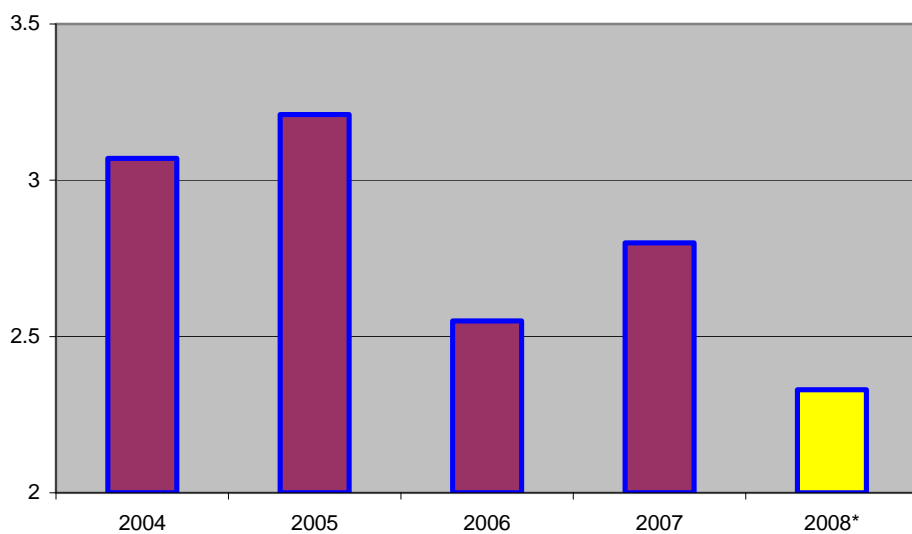
November Commerce data and weekly AMS reports in December show Canadian cattle entering the United States well above last year's levels. High feed costs in Canada, a tight labor market for Canadian packing plants, and a relatively strong Canadian dollar continue to give the United States a comparative advantage in feeding and producing beef, affecting the imports of both feeder and slaughter cattle. Three-and-a-half times as many feeder cattle crossed the Canadian border in the last 12 full weeks of 2007 compared with the previous year, according to the weekly reports. Total cattle entering the United States are forecast at 2.475 million head for 2007.

The weak U.S. dollar has facilitated beef exports to Canada and small quantities going to nontraditional trading partners, such as Moldova and Vietnam. The exports to smaller countries have offset some of the trade lost due to the inability to sell U.S. beef products in Korea at the end of 2007. Forecasts for 2007 are 1.404 billion pounds, while forecasts for 2008 remained unchanged at 1.71 billion pounds.

Despite Higher Feed Costs, the Milk Production Expansion Continues

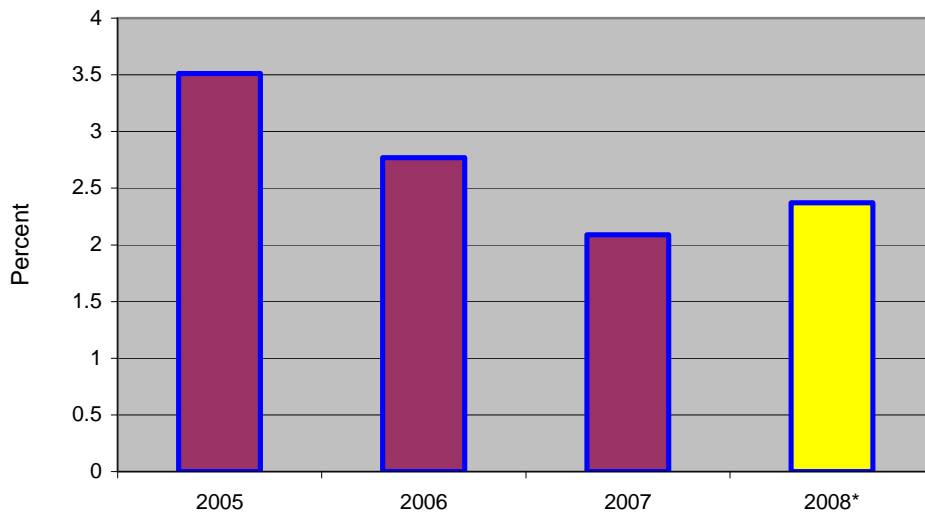
USDA projects 2007/08 corn and soybean meal prices at \$3.70 to \$4.30 per bushel and \$305 to \$335 per ton, respectively. The higher feed prices, coupled with expected continuing tight supplies of alfalfa hay, have pushed the expected milk-feed price ratio below 2.50 for most of 2008. Dairy cow slaughter for January-November 2007 is slightly ahead of the same period for 2006 according to December's *Livestock Slaughter* report. Replacement heifer prices remain relatively high, and imports from Canada are brisk. This suggests freshening of the herd, which would boost feed productivity and lower unit costs. Forecast 2008 cow numbers are reduced slightly in the last half of 2008. Moreover, higher feed prices could slow the growth in milk per cow by the second half of 2008. The lowered average age of the dairy herd should help the leading producers persevere against higher feed costs. USDA projects 2008 milk production at 190.0 billion pounds, up 2.3 percent from 2007's expected production.

Milk-feed price ratio



* Forecast

Percent change in production from previous year



* Forecast

Cheese prices on the Chicago Mercantile Exchange have been volatile of late. The National Agricultural Statistics Service reported U.S. barrel prices over \$2.12 per pound and blocks over \$1.99 per pound during the week ending December 29th. USDA forecasts 2008 cheese prices to peak in the first quarter of the year and then decline to average \$1.645 to \$1.725 per pound, just below 2007's average of \$1.738, with higher expected milk production this year and relative product prices likely favoring increased cheese production. Cheese prices should remain relatively high by historical standards because cheese exports are expected to remain strong, stocks are moderate, and production is limited. Cheese exports climbed to over 2.5 percent of total production through October and are expected to remain strong in 2008 because of the weak dollar and because the economies in buying countries, many of whom are energy exporters, remain strong. December's *Cold Storage* report places total cheese stocks at the end of November at 785,359 pounds, virtually unchanged from the same period in 2006, and 9 percent above the 5-year average for the end of November. The January *Dairy Products* report placed November production 1.2 percent behind that of a year earlier.

Butter prices have tumbled from their third-quarter highs to average \$1.3012 per pound for the fourth quarter. The butter price in 2008 is expected to remain in the \$1.195 to \$1.305 per pound range for the year. Monthly butter production through November exceeded that of 2006 in most months, especially in the second half of the year, in some months by double digits. Stocks were a third higher at the end of November 2007 compared with a year earlier. Lower prices could buoy exports which have recently accelerated and help draw down stocks in 2008.

Exports of nonfat dry milk (NDM) and skim milk powder (SMP) declined in 2007 by nearly 13 percent from the 2006 level, and commercial stocks as of the end of November were 227 percent above the corresponding period in 2006. Exports had been down by larger percentages throughout most of 2007, but exports of NDM/SMP to Mexico in November totaled 9,891 tons, the largest since October 2005, and exports to that important market are now up for the year.

As a result, it appears that stocks may be declining, and exports may be picking up. While prices have sharply declined from 2007 peaks, they should average \$1.580 to \$1.640 per pound for 2008. Similarly for whey, prices have fallen, but there appears to be support in the 40-cent-a-pound range. At that price, whey may price itself into other than food uses. The whey price is forecast at 43.0 to 46.0 cents a pound.

The softening in dairy product prices translates into lower prices for milk in all classes in 2008. The Class IV price is forecast at \$16.80 to \$17.70 per cwt, substantially below 2007's average of \$18.36 per cwt. The Class III price is expected to decline to \$16.15 to \$16.95 per cwt, down from 2007's \$18.04 per cwt average. The all milk price is forecast to average \$17.90 to \$18.70 per cwt, a drop from \$19.15 in 2007.

Broiler Production Expected Up Only Slightly in Fourth-Quarter 2007

During the fourth quarter of 2007, eggs set in incubators averaged 214 million per week, up 3.7 percent from the same period a year earlier. Chicks placed for growout averaged 173 million per week, an increase of 4 percent from the same period in 2006. The result has been a higher number of birds available for slaughter and increasing broiler meat production. This increase in birds going to slaughter and broiler meat production is expected to continue into first-half 2008, as eggs placed in incubators and chicks placed for growout have continued to be well ahead of their year-earlier levels through the end of December.

Broiler meat production in November was 2.99 billion pounds, an increase of 3.3 percent from a year earlier. The number of birds slaughtered was up 1.0 percent from the previous year, and this increase was compounded by a 2.0 percent increase in the average liveweight at slaughter to 5.63 pounds. Broiler meat production in December is expected to be up somewhat from the previous year, as chick placements have been consistently higher than a year earlier throughout all of October and November and average broiler liveweight at slaughter has been trending higher over the last several months.

Broiler stocks at the end of November totaled 697 million pounds, up about 37 million pounds from the end of October and 1.7 percent higher than at the end of November 2006. Stocks of whole birds totaled 17.3 million pounds at the end of November, down 2 million pounds from the same time a year earlier. The stock levels for many of the specific products were lower than a year earlier, but they were more than offset by gains in stocks for leg quarters and a relatively small increase in the Other Products category. Stocks of leg quarters were reported at 67 million pounds at the end of November, 17.5 million pounds higher than the previous year (up 35 percent). Even though this is a strong increase from the same period in 2006, so far in the second half of 2007, stocks of leg quarters have been relatively stable, ranging from 58 to 67 million pounds. Stocks of paws rose to 22 million pounds in November, up 49 percent from November 2006. Broiler stocks are expected to total 675 million pounds at the end of 2007, down about 70 million pounds from the same time in 2006. However, with broiler production expected to increase in the first half of 2008, ending stocks for the first and second quarters are expected to be above those for the same period in 2007.

With increases in broiler production over the last several months, a number of broiler product prices have been slowly trending downward from the levels they reached at the end of the second quarter and the beginning of the third quarter of 2007. After reaching a high of 81.3 cents per pound in June, the 12-City monthly average price for whole birds fell to 70.6 cents per pound by October. However, as the broiler supply situation tightened, prices have started moving higher. In early January, the weekly average 12-City whole bird price has been as high as 78 cents per pound. This pattern has been repeated for a number of broiler parts. Prices in the Northeast market for leg quarters and bone-in thighs were both higher in December compared with their November average.

Turkey Prices Higher in Fourth Quarter 2007

Although peak prices for whole turkeys in 2007 did not reach the levels they did in 2006, the average price in fourth quarter 2007 was 90.8 cents per pound for whole hens in the Eastern market, about a penny higher than the previous year. The average price for all of 2007 was 82.1 cents per pound, marking the fourth consecutive year of higher overall prices. In the first quarter of 2008, whole turkey prices are expected to remain above year-earlier levels, but higher production of turkeys, and to a lesser extent broilers, are expected to put downward pressure on prices during the remainder of 2008, with the overall price for 2008 expected to be down 5 percent from the previous year.

Turkey production in November was 524 million pounds, 3.9 percent higher than in November 2006. The increase in turkey meat production was chiefly due to a higher number of birds slaughtered and higher average weights. The number of turkeys slaughtered in November was up 1.5 percent from the previous year, and the average weight at slaughter rose 1.8 percent to 27.6 pounds. In addition, the average meat production per bird rose by 2.4 percent. Turkey meat production in December 2007 is also expected to be higher than the previous year, as the number of birds slaughtered and the average liveweight are both expected to remain above the previous year's levels. The estimate for turkey meat production in the fourth quarter was increased by 10 million pounds to 1.53 billion, up 3.9 percent from fourth-quarter 2006. The turkey meat production estimate for 2008 is 5.94 billion pounds, up less than 1 percent from 2007, with higher production in the first half of the year being moderated by slightly lower production in the second half of 2008.

Ending stocks for all turkey products in fourth-quarter 2007 are expected to be 235 million pounds, up 8 percent or 17 million pounds from the end of 2006. At the end of November, cold storage holdings for turkey totaled 213 million pounds, down slightly from a year earlier. The decrease was due to lower cold storage holdings of whole birds, as stocks of turkey parts were up slightly. During the first 11 months of 2007, stocks of whole birds compared with the previous year varied widely. In January 2007, whole-bird stocks were 42 percent higher than the previous year, yet by May they were 3 percent down from the same period in 2006. Stocks then moved higher in August, with whole-bird stocks 22 percent above their year-earlier levels. Ending stocks for turkey parts were mostly lower in 2007, with a period in April to June where they averaged over 20 percent below the previous year. With higher turkey production expected in 2008 and more broiler products available, turkey stocks in 2008 are expected to be above their year-earlier levels.

Eggs Prices \$1.41 in Fourth-Quarter 2007

With shell-egg production continuing to be below year-earlier levels through November, wholesale egg prices have been very high. The wholesale price for a dozen grade A large eggs in the New York market averaged \$1.41 in fourth quarter 2007, up 58 percent from the same period in 2006. For 2007, prices averaged \$1.14 per dozen, 43 cents higher than the previous year. Prices moved higher throughout the fourth quarter, with prices averaging \$1.14 in October, \$1.49 in November, and \$1.60 in December. Although production is expected to gradually increase, shell-egg prices through the first half of 2008 are expected to remain considerably higher than in 2007.

Table-egg production in November was reported at 535 million dozen, down 1.3 percent from November 2006. Over the first 11 months of 2007, table-egg production has consistently been below year-earlier levels. Table-egg production for fourth-quarter 2007 is expected to total 1.64 billion dozen, a 10-million dozen reduction from the previous estimate. The estimates for the first three quarters of 2008 were also reduced, but the estimates are still slightly higher than production in the first three quarters of 2007.

The reason for the lower production throughout 2007 has been that the table-egg laying flock has been smaller on a year-over-year basis throughout 2007. In November, the table-egg laying flock was reported to be 284.1 million birds, down 2 percent from November 2006. While the table-egg flock size in December is expected to remain below a year earlier, it is expected to gradually increase in 2008. The basis for this expectation is that over the September to November period, the number of hens in the egg-type hatching supply flock has been higher than in the same months in 2006. The egg-type hatching supply flock is the population of hens that supplies egg-type hens that go into the table-egg production flock. To increase the size of the table-egg flock, the number of hens in the hatching-egg supply flock has to increase first. Then the number of replacement hens going into the table-egg production flock increases.

November Broiler Shipments Reach a Record High

Broiler shipments in November 2007 totaled a record 605 million pounds, exceeding 2006 shipments by 10 percent. A strong demand, stemming mostly from a weakening U.S. dollar, continues to be the primary reason for the surge in broiler shipments. Accounting for most of the increase in total shipments for November were Russia, Ukraine, and Iraq. Shipments to Russia increased by 20 percent, while shipments that went to Ukraine and Iraq rose by 36 and 44 percent, respectively. Although Russia, the largest broiler market for the U.S., is drawing close to fulfilling its tariff-quota with the U.S., the purchasing power of the Russian ruble has made U.S. broiler meat more attractive. Like Russia, many other importers of U.S. broiler meat are capitalizing on such trade opportunities by maximizing the value of their currency in the U.S. market place.

Broiler shipments for the fourth quarter were increased by 90 million pounds due to a strong demand for broiler meat, raising expected total shipments for the fourth quarter to 1.540 billion pounds. Total broiler exports have received a boost due to a weakened U.S. dollar, and are expected to be at an all time high at the end of 2007.

Turkey Shipments Remained Strong in November

Turkey shipments totaled 48 million pounds in November, up slightly less than 1 percent from a year ago. The primary reason for the increase in turkey shipments was a strong demand driven by a weakened U.S. dollar. In spite of a small dropoff in turkey shipments to Mexico, total turkey exports remained strong. Russia and China were the markets responsible for most of the increase in shipments. Shipments to Russia, the third-largest turkey market, increased by 53 percent from a year ago, while shipments to China increased by 16 percent over the same period. Turkey exports are expected to remain strong throughout the fourth quarter, due mostly to a weakened U.S. dollar.



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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/>
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U.S. red meat and poultry forecasts

	2004	2005	2006	2007 1/							2008						
	Annual	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Production, million lb																	
Beef	24,548	24,683	6,082	6,724	6,834	6,513	26,153	6,235	6,649	6,801	6,725	26,410	6,200	6,665	6,895	6,340	26,100
Pork	20,509	20,685	5,335	5,008	5,087	5,625	21,055	5,396	5,128	5,255	6,160	21,939	5,605	5,465	5,535	6,145	22,750
Lamb and mutton	195	187	49	47	42	47	185	49	44	42	47	182	50	44	42	45	181
Broilers	34,063	35,365	8,938	9,130	8,884	8,801	35,752	8,574	9,021	9,106	9,175	35,876	8,875	9,300	9,350	9,325	36,850
Turkeys	5,454	5,504	1,355	1,440	1,419	1,473	5,686	1,410	1,473	1,489	1,530	5,902	1,430	1,495	1,490	1,525	5,940
Total red meat & poultry	85,441	87,097	21,920	22,516	22,428	22,619	89,483	21,819	22,478	22,851	23,798	90,946	22,316	23,134	23,478	23,548	92,476
Table eggs, mil. doz.	6,365	6,411	1,611	1,610	1,624	1,649	6,494	1,592	1,586	1,596	1,635	6,409	1,600	1,600	1,625	1,670	6,495
Per capita disappearance, retail lb 2/																	
Beef	66.0	65.4	15.8	16.8	16.8	16.2	65.7	15.9	16.6	16.4	16.5	65.4	15.6	16.3	16.5	15.3	63.8
Pork	51.3	49.9	12.3	11.9	11.9	13.1	49.3	12.3	12.2	12.3	13.9	50.6	12.5	12.5	12.6	13.4	51.0
Lamb and mutton	1.1	1.1	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.2	0.3	1.1
Broilers	84.2	85.6	21.8	22.5	21.9	20.7	86.9	21.0	21.4	21.3	21.2	84.9	20.9	21.9	21.9	21.5	86.2
Turkeys	17.0	16.7	3.5	3.9	4.3	5.2	16.9	3.8	4.0	4.2	5.4	17.4	3.7	4.0	4.3	5.2	17.1
Total red meat & poultry	221.4	220.5	54.1	55.8	55.6	55.9	221.4	53.7	54.8	54.8	57.6	220.9	53.4	55.3	56.0	56.1	220.8
Eggs, number	256.9	255.3	63.9	63.5	63.8	64.5	255.7	61.7	61.2	62.0	63.8	248.8	62.1	61.7	62.7	64.1	250.6
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	90-94	90-96	87-95	86-94	88-95
Feeder steers, Ok City, \$/cwt	104.76	110.94	106.23	104.08	115.17	103.22	107.18	99.32	108.87	115.63	108.88	108.18	103-107	104-110	101-109	104-112	102-109
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	49-51	49-55	48-52	47-51	46-53
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	88-92	89-95	86-94	84-92	88-95
Barrows & gilts, N. base, i.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	39-41	43-47	44-48	38-42	41-44
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	72-74	72-78	73-79	69-75	72-76
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	73-75	73-79	76-82	80-86	75-81
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	122-128	101-109	87-95	92-100	101-108
U.S. trade, million lb																	
Beef & veal exports	460	698	223	315	307	308	1,153	270	365	425	390	1,450	380	415	460	455	1,710
Beef & veal imports	3,679	3,599	843	789	731	722	3,085	770	884	775	735	3,164	815	865	835	825	3,340
Lamb and mutton imports	180	180	53	44	41	52	190	56	44	44	53	196	55	50	44	51	200
Pork exports	2,181	2,665	770	763	653	811	2,997	785	679	696	1,000	3,160	900	870	815	1,100	3,685
Pork imports	1,099	1,024	259	237	239	254	989	239	256	240	265	1,000	235	240	250	260	985
Broiler exports	4,784	5,203	1,338	1,298	1,224	1,412	5,272	1,275	1,393	1,493	1,540	5,701	1,350	1,425	1,475	1,525	5,775
Turkey exports	442	570	119	125	152	149	546	124	135	148	155	562	135	150	160	160	605
Live swine imports (thousand head)	8,506	8,192	2,133	2,087	2,205	2,338	8,763	2,302	2,370	2,464	2,800	9,936	2,500	2,400	2,500	2,600	10,000

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

	2006		2007					2008				
	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thous.)	9,115	9,112	9,130	9,129	9,157	9,175	9,148	9,200	9,220	9,220	9,200	9,210
Milk per cow (pounds)	4,894	19,951	5,039	5,195	5,037	5,020	20,291	5,200	5,295	5,075	5,055	20,625
Milk production (bil. pounds)	44.6	181.8	46.0	47.4	46.1	46.1	185.6	47.8	48.8	46.8	46.5	190.0
Farm use	0.3	1.1	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.1
Milk marketings	44.3	180.7	45.7	47.1	45.8	45.8	184.5	47.6	48.5	46.5	46.2	188.8
Milkfat (bil. pounds milk equiv.)												
Milk marketings	44.3	180.7	45.7	47.1	45.8	45.8	184.5	47.6	48.5	46.5	46.2	188.8
Beginning commercial stocks	11.6	8.0	9.5	11.9	13.6	12.3	9.5	9.9	12.4	14.2	12.0	9.9
Imports	1.5	5.0	1.1	1.2	1.0	1.5	4.8	1.1	1.1	1.1	1.5	4.7
Total supply	57.5	193.6	56.3	60.2	60.5	59.6	198.8	58.5	62.1	61.9	59.7	203.4
Ending commercial stocks	9.5	9.5	11.9	13.6	12.3	9.9	9.9	12.4	14.2	12.0	9.3	9.3
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	48.0	184.1	44.4	46.6	48.2	49.7	188.9	46.1	47.9	49.8	50.4	194.1
Skim solids (bil. pounds milk equiv.)												
Milk marketings	44.3	180.7	45.7	47.1	45.8	45.8	184.5	47.6	48.5	46.5	46.2	188.8
Beginning commercial stocks	9.1	9.0	9.1	9.7	10.1	9.5	9.1	9.7	10.2	10.6	9.8	9.7
Imports	1.4	4.8	1.0	1.1	1.1	1.3	4.5	1.0	1.1	1.1	1.4	4.4
Total supply	54.8	194.4	55.8	58.0	57.0	56.6	198.1	58.2	59.8	58.2	57.4	203.0
Ending commercial stocks	9.1	9.1	9.7	10.1	9.5	9.7	9.7	10.2	10.6	9.8	9.3	9.3
Net removals	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	45.7	184.5	46.1	47.8	47.5	47.0	188.4	48.0	49.2	48.4	48.1	193.7
Milk prices (dol./cwt) 1/												
All milk	13.90	12.90	15.00	18.27	21.67	21.67	19.15	20.00	17.75	16.75	17.15	17.90
								-20.40	-18.45	-17.75	-18.15	-18.70
Class III	12.88	11.89	14.28	17.95	20.43	19.51	18.04	18.71	16.39	14.76	14.80	16.15
								-19.11	-17.09	-15.76	-15.80	-16.95
Class IV	11.97	11.06	12.98	18.45	21.71	20.29	18.36	17.22	16.90	16.47	16.69	16.80
								-17.72	-17.70	-17.57	-17.79	-17.70
Product prices (dol./pound) 2/												
Cheddar cheese	1.316	1.247	1.352	1.627	1.978	1.995	1.738	1.923	1.665	1.500	1.490	1.645
								-1.963	-1.735	-1.600	-1.590	-1.725
Dry whey	0.381	0.329	0.592	0.766	0.610	0.435	0.600	0.413	0.438	0.428	0.452	0.430
								-0.433	-0.468	-0.458	-0.482	-0.460
Butter	1.267	1.219	1.227	1.421	1.428	1.301	1.344	1.195	1.180	1.215	1.205	1.195
								-1.265	-1.280	-1.345	-1.335	-1.305
Nonfat dry milk	0.986	0.893	1.182	1.668	2.043	1.940	1.708	1.627	1.596	1.535	1.565	1.580
								-1.667	-1.656	-1.605	-1.635	-1.640

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/dyfmoms/mib/fedordprc_dscrp.htm

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

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