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# Livestock, Dairy, and Poultry Outlook

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## Cattle and Beef Sectors Continue To Adjust to Volatile Weather and Prices

### Contents

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

### Tables at a Glance

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

### Web Sites

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

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Tables will be released  
on September 30, 2008

The next newsletter  
release is Oct. 17, 2008

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Approved by the  
World Agricultural  
Outlook Board

**Cattle:** Recent rains may have kept feeder cattle on pasture longer and to heavier weights prior to feedlot placement than would otherwise have been the case. High feed costs, dry conditions remaining in some areas, and imports of Canadian cows are contributing to increased commercial cow slaughter. Fed cattle prices are holding in the upper \$90s per cwt, ahead of year-earlier prices, while feeder cattle prices are below year-earlier levels and retail Choice beef prices set another record high.

**Dairy:** While milk production continues to rise, the increases are small compared with recent years. Cow numbers should decline in 2009; production increases will come from slightly higher expected yields. Commercial use should pick up in 2009 compared with 2008, but export prospects will be limited. Class III prices are forecast lower, while Class IV prices should climb slightly. The overall impact is for a slightly lower all milk price in 2008 compared with last year and a lower price in 2009 compared with this year.

**Poultry:** Broiler meat production is expected to expand through the end of third-quarter 2008, but to be flat on a year-over-year basis in the fourth quarter as a lower number of birds being slaughtered is expected to offset higher average weights. The slowing of broiler production is expected to provide some upward strength to broiler prices, especially breast meat products. Even with higher stocks, whole turkey prices are expected to remain higher than the previous year through the third quarter. Fourth-quarter 2008 whole-turkey prices are expected to continue higher than a year earlier. With the number of hens in the table egg flock still below a year earlier, egg prices are expected to average between \$1.15 to \$1.18 per dozen at the wholesale level in the third quarter, but prices in fourth-quarter 2008 are expected to be lower than the very strong prices seen in fourth-quarter 2007.

**Hogs and Pork:** Retail pork prices are increasing modestly this year, with larger increases likely next year. Pork exports continued their sharp upward trajectory in July.

### *Cattle and Beef Sectors Continue to Adjust To Volatile Weather and Prices*

While devastating to producers directly in hurricane paths, the rains that have come with this year's hurricanes have improved conditions for winter wheat seeding and pasture conditions in many areas. Crop progress for corn and most other crops is behind last-year and 5-year averages. Dry conditions remain in the Southwest and the northern Appalachian mountains, which continue to challenge pasture-based producers. Prices for feed grains and proteins continued their declines of the last couple of months, but are forecast to average higher for 2008/09.

Beef cow slaughter continues at a level higher than would be expected with July 1 cow inventories and more typical slaughter patterns. Imports of Canadian cows and bulls are contributing to the relatively large numbers of cows and bulls going to slaughter. The July 2008 ratio of heifers in feedlots of 1,000-plus head capacity to total steer and heifer marketings from those feedlots was the highest since July 2003, during the last year of an 8-year liquidation before inventories began to temporarily increase again in 2004.

Despite higher prices compared with year-earlier prices for most categories of live cattle (feeder cattle being a notable exception) and increasing beef exports, the continuing levels of beef cow slaughter, lower beef heifer retention, and a high proportion of heifers on feed demonstrate the potential for further reductions in the U.S. beef breeding herd. This situation is likely a direct result of the much higher costs, primarily for feed and energy, faced by producers. It also portends the likelihood of higher cattle prices in 2009.

Price spreads between heavy- and lighter-weight feeder cattle prices have narrowed significantly in the last several weeks. In August 2008, prices for large and medium number 1 heifers at Oklahoma City weighing 700-750 pounds averaged almost a dollar per hundredweight (cwt) higher than 450-500-pound heifers, an inversion of the more typical pattern of discounts for heavier cattle. The spread between heavy and lighter placement-weight large and medium number 1 feeder steers at Oklahoma City, those weighing 750-800 pounds versus 600-650-pounders, has narrowed to \$1.29 per cwt, versus \$6.79 for August 2007. Rainfall since mid-July has likely kept feeder cattle on pasture longer than might have been the case otherwise, and with hurricane-fed rainfall continuing, prospects for wheat pasture are improving.

Increasing steer and heifer slaughter weights, a decline in the number of cattle on feed for more than 120 days (one indicator of how "current" feedlot inventories may be), and a decline in the percent of carcasses grading Choice and better are three factors that suggest cattle feeders are finally working out from under inventories of cattle placed last fall and winter at light weights due to the lack of wheat and other cool-season pasture. With July 2008 net placements up only 3.5 percent over July 2007 net placements, the stage is set for some larger placements of heavier cattle this fall and early winter, and again in late winter and early spring. Cattle feeders have been able to maintain prices in the upper \$90s per cwt, despite declining cutout values. However, breakeven values for fed cattle are still above current selling prices.

Setting yet another record for monthly average prices in August 2008, retail prices for Choice beef were 4.4 percent higher than the July 2008 estimate. August average retail prices for Choice beef were \$4.53 per pound, which was almost 9 percent over the August 2007 average.

Increased exports of U.S. beef are providing increasing support for U.S. cattle and beef prices. Exports of U.S. beef have increased, partially as a result of apparent pent-up demand by South Korea and despite some strength in the U.S. dollar. Prices of imported processing beef have declined since mid-July, partly as a result of the increasing value of the dollar against other currencies, particularly the Australian dollar. The declining prices for imported processing beef could begin to exert downward pressure on cull cow prices if the declines continue.

### ***Milk Production Increases Will Be Slight in 2009; Demand Increases Are Limited by a Slowing Economy and Lower Export Prospects***

The milk production forecast was raised slightly in September from last month as cow numbers were adjusted to continued herd growth. Cow numbers are projected to average 9,260-thousand head for 2008. Next year, herd size is forecast to contract to 9,235-thousand head. The forecast decline is based on expected higher feed costs and lower milk prices. Cow slaughter is higher than a year ago and replacement prices lower. Production is expected to rise incrementally to 190.8 billion pounds in 2009, less than a 1-percent rise from 2008's estimated production. The increase is based on gains in production per cow, which are estimated to average less than 1 percent in 2008. However, the milk per cow increase forecast for 2009 will be the smallest since 2004. It appears that higher feed prices and lower product prices are continuing to have an impact on the rate of increase in milk production, since the rate of increase in output per cow has been declining since 2005. That the impact has not developed more rapidly suggests that many larger operators may have lowered breakeven points in recent years.

Demand growth across all major products appears to be slowing. Cheese and butter production in 2008 lead last year's totals on a year-to-date basis. This month's forecast shows higher expected stock levels on skim-solids basis, indicating softening demand for butter and powder products. A slowing domestic economy has stressed the restaurant sector, which—along with higher food and energy prices—is dampening cheese demand. Butter and nonfat dry milk (NDM) had benefited from strong export sales, but exports are forecast to taper off toward the end of 2008 and decline slightly in 2009. A slowing global economy, the dollar strengthening against the Euro and other currencies, and increasing foreign production underpin the export forecast. Of special note, is that declining oil prices may affect a number of major NDM importers (Mexico and Algeria among others).

While slower milk production growth should limit price declines, softening demand both domestically and internationally contributes to lower prices for the balance of 2008 and into 2009 compared with 2007. The cheese price is forecast at \$1.905 to \$1.925 per pound this year and to decline to \$1.840 to \$1.940 per pound in 2009. Butter prices, which have been near record highs this year, are projected to average \$1.405 to \$1.445 per pound in 2008 and decline to \$1.350 to \$1.480 per pound next year. Slower exports take a toll on NDM prices both this year and next, as the annual price is expected to average \$1.375 to \$1.395 per pound in 2008 and \$1.455 to \$1.525 per pound in 2009. Whey prices, in the doldrums after 2007 highs, are expected to average 26.0 to 28.0 cents per pound this year and increase fractionally in 2009 at 26.0 to 29.0 cents per pound.

The Class III price is expected to average \$17.65 to \$17.85 per cwt in 2008 and slide to \$16.75 to \$17.75 per cwt in 2009. The Class IV price, in contrast, is forecast higher next year than this year. The price is expected to average \$15.80 to \$16.10 per cwt in 2008 and rise to \$16.10 to \$17.20 per cwt in 2009. These price projections apply the new make allowances. The new allowances are planned to go into effect on October 1, pending the outcome of ongoing litigation. Slightly higher production is forecast to tip the all milk price lower into next year. The all milk price is projected at \$18.65 to \$18.85 per cwt this year, declining to \$17.85 to \$18.85 per cwt next year.

### *Third-Quarter Broiler Meat Production Estimate Increased*

The U.S. broiler meat production estimate for third quarter 2008 was increased by 50 million pounds to 9.3 billion pounds, up 1.9 percent from third-quarter 2007. The estimate for fourth-quarter 2008 remained unchanged at 9.2 billion pounds, down less than 1 percent from a year earlier. While the number of broilers slaughtered was higher in July, most of the increase in production for the remainder of the third quarter is expected to come from higher average bird weights. The estimates for the third and fourth quarters of 2009 were also increased slightly due to a somewhat better outlook for feed prices in 2009. The revised production total for 2009 is now 36.7 billion pounds, still slightly lower than in 2008.

Two strong trends are currently in place in broiler meat production. First, over the last several weeks the number of chicks being placed for grow out has been sharply lower than the previous year. This will eventually result in a smaller number of market-size birds available for slaughter. This decline is expected to begin to show up in weekly slaughter numbers by the middle of September, and the recent number of broiler-type eggs being placed in incubators point toward a continuation of this pattern.

Second, so far in third-quarter 2008, almost all of the growth in the number of broilers slaughtered has been due to growth in the numbers of very heavy broilers slaughtered. In the Agricultural Marketing Service's *USDA Broiler Market News Report*, the broilers slaughtered weekly are divided into four weight categories. So far in third-quarter 2008 (July 5 through September 5), the number of broilers slaughtered in the heaviest weight category (over 7.75 pounds, live weight) has been 116 percent higher than during the same period in 2007. The increase in slaughter of these very heavy broilers has been the driving factor in broiler slaughter, as the number of birds slaughtered in the three lighter weight categories is down or only fractionally higher compared with the previous year.

Broiler meat production in July was 3.22 billion pounds, up 5.6 percent from a year earlier. However, much of this gain is due to one more slaughter day in July 2008 than in July 2007. The number of birds slaughtered in July was up 3.7 percent to 785 million, and the average live weight of these birds was 5.54 pounds, up 1.3 percent from July 2007.

For the week ending September 6, the National Agricultural Statistics Service estimated that 170 million broiler chicks were placed for grow out. This is a 3.4-percent decrease from a year earlier, continuing a pattern over the last 7 weeks of significantly fewer chicks being placed for grow out compared with the previous year. This pattern is expected to continue through the end of the third quarter and into the fourth. Broiler integrators are faced with both a weak economy that may result in reduced consumption and much higher prices for feed components. While large increases in exports have resulted in strong prices for leg meat products, prices for breast meat products have fallen in the last several months.

### ***Stock Levels Higher at the End of July***

Stock levels for broiler products continue to be above those of the previous year. Ending stocks for the second quarter were revised upward slightly to 739 million pounds. By the end of July stocks had fallen to 715 million, down 24 million pounds from June, but still 12 percent higher than a year earlier. Stocks for some of the various products seem to be running counter to recent wholesale price movements. Stocks of leg quarters were 27 percent higher at the end of July 2008 than in the previous July, yet wholesale leg quarter prices have been strong for several months. The same is true for thigh meat product stocks, which are about 12 percent higher than the previous year, but prices at the wholesale level have been increasing.

With the increase in very large broilers being slaughtered, there has been an increase in the amount of breast meat produced. This has led to declines in the price of breast meat products over the last several months. In August, wholesale prices for boneless/skinless breast meat in the Northeast market fell to \$1.29 per pound. This is down 21 cents per pound from just 3 months earlier and over 30 cents per pound lower than a year earlier. With high prices for leg quarters underpinning prices for leg meat products, the wholesale price for boneless/skinless thigh meat in the Northeast market rose to \$1.30 per pound in August. This may be the first time that boneless/skinless thigh meat has been priced above boneless/skinless breast meat. In May 2008, boneless/skinless breast meat sold at a 23-cent-per-pound premium to boneless/skinless thigh meat, and in July 2007 boneless/skinless thigh meat was priced at \$1.13 per pound, 49 cents below the price of boneless/skinless breast meat.

### ***Exports for 2008 Expected at Record Levels***

Broiler exports are estimated at a record 6.67 billion pounds in 2008, up 13 percent from the previous year. Second-quarter 2008 exports were a record 1.79 billion pounds, but shipments may slow somewhat in the fourth quarter, due mainly to the high level of leg quarter prices over the last several months. Exports to China were very strong over the first 7 months of 2008, but are expected to slow somewhat with the end of the Olympics. In 2009, exports are expected to drop to 6.28 billion pounds, mostly as a result of trade uncertainties.

Broiler exports in July totaled 646 million pounds, up 34 percent from the previous year. This large increase in shipments and continued strength in leg quarter prices has led the estimate for third-quarter exports to be increased by 100 million pounds to 1.75 billion. Exports over the first 7 months of 2008 have totaled 3.9 billion pounds, a 22-percent increase over the same period in 2007. While Russia continues to be the largest export market, shipments so far in 2008 have also been very strong to China, Cuba, South Korea, and Vietnam, among others. The average unit value for broiler exports so far in 2008 has also been rising as leg quarter prices have strengthened. Over the first 7 months of 2008, the value of broiler exports was \$2.0 billion, 37 percent higher than in the same period in 2007.

### ***Turkey Production Up 9 Percent in July***

Turkey meat production in July was 548 million pounds, up 9 percent from a year earlier. The increase was mostly the result of a higher number of birds slaughtered, as average weights rose less than 1 percent. In July, the number of turkeys slaughtered was 24.2 million, an increase of 7.1 percent from the previous year. The average live weight at slaughter was 28.4 pounds, up 0.7 percent from a year earlier.

Over the first 7 months of 2008, U.S. turkey meat production totaled 3.65 billion pounds, up 7.5 percent from the same period in 2007. The forecasts for the third and fourth quarters of 2008 have been raised slightly to 1.56 and 1.58 billion pounds. The forecast for the third quarter is now up 4.8 percent from a year earlier, and the expected production in the fourth quarter is even with the previous year. The estimate for 2009 production was increased to 6.1 billion pounds, down 2.2 percent from 2008, due to weak prices for many turkey products and higher feed and energy costs.

With the strong increase in turkey meat production over the first 7 months of 2008, cold storage holdings have also risen. At the end of July, cold storage holdings of whole turkeys were 288 million pounds, up 7 percent from the previous year. Holdings of turkey parts have risen even faster, totaling 331 million pounds at the end of July, 41 percent above a year earlier. This indicates a slowdown in domestic demand, as turkey exports over the first half of 2008 were up over 20 percent and exports are expected to remain relatively strong in the second half of 2008. Cold storage holdings are expected to remain above year-earlier levels through the remainder of the year.

While cold storage holdings of whole turkeys at the end of July were 7 percent higher than the previous year, prices for whole birds continue to remain well above year-earlier levels. In August the wholesale price for whole hen turkeys in the Eastern market was 97 cents per pound, up 8 percent from August 2007. Prices for whole hens in the third quarter are forecast to average between 96 and 97 cents per pound, up about 7 cents per pound from third-quarter 2007. Prices in the fourth quarter are forecast to average between 94 and 98 cents per pound. While whole bird prices remain above the previous year, prices for many turkey parts have fallen, a reflection of the large increase in stocks of these products. The largest price decreases have been for boneless/skinless breast meat.

### ***Exports Up 26 Percent in July***

Turkey exports in July continued to be well above year-earlier levels, totaling 59 million pounds, up 26 percent from a year earlier. Exports in 2008 have been strong to a number of markets, with growth especially strong to China and Hong Kong. Over the first 7 months of 2008, shipments to China and Hong Kong totaled 59 million pounds, up 84 percent from the same period in 2007. Some of this increase has likely been due to the Olympics, and the growth in shipments to this market is likely to be slow over the remainder of 2008.



### ***Egg Prices Climbing in Third Quarter***

In July, table egg production was reported at 541 million-dozen, up fractionally from a year earlier. This is the second consecutive month that table egg production has increased. However, table egg production over the first 7 months of 2008 was 3.7 billion-dozen, still down slightly from the same period in 2007. The reduction in table egg production has been due to a smaller number of hens in the table egg flock. In July, the overall number of hens in the laying flock was 278 million, a decrease of 1.1 percent from July 2007. This continued the long-term pattern of a smaller number of hens in the table egg flock. Table egg flock numbers have been continuously below the previous year (on a year-over-year basis) since January 2007.

Even with strong prices for table eggs during much of the first 7 months of 2008, the number of eggs used for breaking has also been higher. In July, over 183 million-dozen eggs were used in the breaking market (up 10 percent), and so far in 2008 breaking use has totaled 1.2 billion-dozen, a 4-percent increase over the same period in 2008.

Over the first 8 months of 2008, the wholesale price for a dozen eggs in the New York market has varied widely, from a high of \$1.62 per dozen in March to a low of \$1.04 in May. After the Easter holiday, egg prices had a seasonal decline in April and May, then rose in June, only to decline again in July. In August prices began climbing and averaged around \$1.22 per dozen. Prices have continued to strengthen, and by the beginning of September weekly prices were averaging over \$1.30 per dozen. In third-quarter 2008 prices are expected to average between \$1.15 and \$1.18 per dozen. Egg prices are forecast to average between \$1.22 and \$1.28 cents per dozen in fourth-quarter 2008, a high price in historical terms, but down from the very strong prices in fourth-quarter 2007.

### ***Strong Domestic Prices Depress Exports***

Strong prices for table eggs during much of the first 7 months of 2008 have depressed egg exports, with shipments down 18 percent through July compared with a year earlier. Exports of eggs have been lower to almost all of the major traditional markets; however, much of the decline stems from sharply lower egg and egg product shipments to Mexico and Hong Kong (both markets down over 40 percent). The only major market that has shown an increase is Canada. Exports to this market were up 23 percent in the first 7 months of 2008, compared with 2007. With strong domestic prices forecast for the remainder of the third quarter and into the fourth, exports are expected to remain below a year earlier through the rest of 2008.

## Hogs and Pork

### *Retail Pork Prices Increase Modestly*

Retail pork prices for July and August averaged \$2.99 per pound, 1.9 percent above the same period last year. Higher summer retail prices reflect strong hog prices, which in turn were likely brought about by very strong export demand during this period. Retail pork prices for 2008 are expected to be in the low \$2.90s per pound for the year, up about 1 percent, year over year. This modest increase in retail pork prices—at the same time that 2008 per capita pork consumption is expected to be almost 5.7 percent below 2007—is likely attributable, in part, to availability of competitively priced pork-substitutes such as ground beef and chicken breasts. Retail pork prices in 2009 are expected to average in the high \$2.90s per pound, up almost 3 percent from this year.

### *July Exports Continue Upward Trajectory*

Pork exports for July came in at more than 409 million pounds, slightly more than 86 percent above exports in July 2007. For the first 7 months of 2008, total exports were 2.9 billion pounds, almost 71 percent above the same period last year. Exports as a percentage of U.S. commercial pork production this year are expected to be more than 23 percent, compared with 14.3 percent for 2007. The 10 largest destination markets for U.S. pork products for the January-July 2008 period are listed below. These 10 markets, taken together, have accounted for 92 percent of U.S. pork exports so far in 2008.

#### 10 largest U.S. export markets, January-July 2008

Jan.- July 2008 Rank	Jan.- July 2008 Million lbs.	Jan.- July 2007 Million lbs.	Percent change	July 2008 Million lbs.	July 2007 Million lbs.	Percent change	
	World	2,902	1,699	71	409	220	86
1	Japan	771	633	22	115	79	45
2	Hong Kong	362	39	827	52	8	526
3	Mexico	349	255	37	67	34	98
4	China	334	107	212	21	19	13
5	Russia	267	109	144	38	14	168
6	Canada	237	189	26	39	28	38
7	South Korea	194	157	23	21	12	79
8	Australia	62	49	25	7	5	53
9	Philippines	50	9	452	6	1	502
10	Taiwan	32	26	21	6	2	144

Source: <http://www.ers.usda.gov/data/meattrade/>

U.S. pork imports in July were slightly more than 68 million pounds, down more than 17 percent from a year ago, and down 15 percent for the first 7 months of the year, compared with the same period last year. The reduction in imports is more than likely due to the low value of the U.S. dollar relative to currencies of countries exporting pork to the United States. So far in 2008, imports from Canada and Denmark have accounted for about 85 percent of total pork imports, down from 90 percent a year ago. This reduction in the combined share of pork from Canada and Denmark is attributable to small share increases this year of Mexico, Poland, and the Netherlands.

Live swine imports from Canada in July were close to 744 thousand head, more than 5 percent below live imports in July 2007. The reduction is attributable to lower imports of heavier-weight finishing animals and slaughter-ready hogs. Lower Canadian exports of these categories are likely due to increased packer demand in Manitoba and Ontario. Also, higher energy/transport costs probably reduce incentives to export heavier swine to the United States.

## 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/>  
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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	II	Annual	
<b>Production, million lb</b>																					
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	6,897	<b>6,900</b>	<b>6,520</b>	<b>26,688</b>	<b>6,275</b>	<b>6,285</b>	<b>26,550</b>	
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	5,593	<b>5,620</b>	<b>6,240</b>	<b>23,476</b>	<b>5,840</b>	<b>5,505</b>	<b>22,980</b>	
Lamb and mutton	195	187	49	47	42	47	185	49	44	42	48	183	46	43	<b>42</b>	<b>43</b>	<b>174</b>	<b>44</b>	<b>44</b>	<b>172</b>	
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	9,434	<b>9,300</b>	<b>9,200</b>	<b>37,040</b>	<b>8,945</b>	<b>9,345</b>	<b>36,740</b>	
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	1,565	<b>1,560</b>	<b>1,575</b>	<b>6,241</b>	<b>1,505</b>	<b>1,530</b>	<b>6,105</b>	
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	23,712	<b>23,601</b>	<b>23,754</b>	<b>94,325</b>	<b>22,779</b>	<b>23,375</b>	<b>93,149</b>	
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	1,581	<b>1,610</b>	<b>1,650</b>	<b>6,431</b>	<b>1,590</b>	<b>1,585</b>	<b>6,435</b>	
<b>Per capita disappearance, retail lb 2/</b>																					
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	16.3	<b>16.3</b>	<b>15.3</b>	<b>63.5</b>	<b>15.1</b>	<b>16.1</b>	<b>62.7</b>	
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	11.7	<b>11.5</b>	<b>12.3</b>	<b>48.2</b>	<b>12.1</b>	<b>11.8</b>	<b>47.4</b>	
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	0.2	<b>0.2</b>	<b>0.3</b>	<b>1.0</b>	<b>0.3</b>	<b>0.3</b>	<b>1.0</b>	
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	21.4	<b>21.2</b>	<b>21.1</b>	<b>84.9</b>	<b>20.6</b>	<b>21.4</b>	<b>84.0</b>	
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	4.1	<b>4.4</b>	<b>5.5</b>	<b>18.0</b>	<b>3.8</b>	<b>4.2</b>	<b>17.4</b>	
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	54.3	<b>54.1</b>	<b>54.9</b>	<b>217.4</b>	<b>52.3</b>	<b>54.2</b>	<b>214.1</b>	
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	61.4	<b>62.6</b>	<b>63.9</b>	<b>249.8</b>	<b>61.2</b>	<b>60.7</b>	<b>247.0</b>	
<b>Market prices</b>																					
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	<b>98-99</b>	<b>96-100</b>	<b>94-96</b>	<b>94-102</b>	<b>95-103</b>	<b>94-102</b>	
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	<b>100-114</b>	<b>100-114</b>	<b>106-110</b>	<b>106-114</b>	<b>110-118</b>	<b>109-117</b>	
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	<b>58-60</b>	<b>54-58</b>	<b>56-58</b>	<b>53-57</b>	<b>53-58</b>	<b>52-56</b>	
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	<b>86-90</b>	<b>95-93</b>	<b>82-90</b>	<b>86-94</b>	<b>88-96</b>	<b>87-95</b>	
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	39.64	52.51	<b>56-57</b>	<b>47-49</b>	<b>49-50</b>	<b>50-54</b>	<b>53-57</b>	<b>51-56</b>	
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	<b>80-81</b>	<b>79-83</b>	<b>79-81</b>	<b>80-86</b>	<b>82-88</b>	<b>82-89</b>	
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	89.90	<b>96-97</b>	<b>94-98</b>	<b>88-90</b>	<b>80-86</b>	<b>87-95</b>	<b>89-96</b>	
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	117.30	<b>115-118</b>	<b>122-128</b>	<b>128-131</b>	<b>126-136</b>	<b>123-133</b>	<b>122-132</b>	
<b>U.S. trade, million lb</b>																					
Beef & veal exports	460	697	215	315	307	308	1,145	269	363	424	375	1,431	360	<b>460</b>	<b>460</b>	<b>445</b>	<b>1,725</b>	<b>425</b>	<b>500</b>	<b>1,915</b>	
Beef & veal imports	3,679	3,599	843	790	730	722	3,085	770	884	774	624	3,052	637	<b>660</b>	<b>640</b>	<b>615</b>	<b>2,552</b>	<b>665</b>	<b>745</b>	<b>2,835</b>	
Lamb and mutton imports	181	180	53	44	41	52	190	56	44	44	59	202	52	<b>44</b>	<b>43</b>	<b>50</b>	<b>189</b>	<b>51</b>	<b>44</b>	<b>188</b>	
Pork exports	2,181	2,666	767	763	654	811	2,995	792	685	703	959	3,138	1,106	<b>1,350</b>	<b>1,400</b>	<b>1,550</b>	<b>5,406</b>	<b>1,150</b>	<b>1,200</b>	<b>5,100</b>	
Pork imports	1,099	1,024	259	237	239	254	989	239	256	240	232	968	217	<b>205</b>	<b>215</b>	<b>225</b>	<b>862</b>	<b>215</b>	<b>205</b>	<b>850</b>	
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	<b>1,775</b>	<b>1,650</b>	<b>1,630</b>	<b>6,562</b>	<b>1,525</b>	<b>1,575</b>	<b>6,275</b>	
Turkey exports	442	570	119	125	152	150	547	124	135	148	146	553	148	<b>155</b>	<b>160</b>	<b>160</b>	<b>623</b>	<b>145</b>	<b>155</b>	<b>635</b>	
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	<b>2,150</b>	<b>2,050</b>	<b>1,950</b>	<b>9,065</b>	<b>1,950</b>	<b>1,950</b>	<b>7,800</b>	

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	II	Annual
Milk cows (thous.)	9,159	9,198	9,158	9,249	9,274	9,270	9,255	9,262	9,250	9,240	9,236
Milk per cow (pounds)	5,034	5,003	20,267	5,140	5,250	5,045	5,035	20,470	5,155	5,315	20,660
<b>Milk production (bil. pounds)</b>	46.1	46.0	185.6	47.5	48.7	46.8	46.6	189.6	47.7	49.1	190.8
Farm use	0.3	0.3	1.2	0.3	0.3	0.3	0.3	1.2	0.3	0.3	1.2
Milk marketings	45.8	45.7	184.4	47.3	48.4	46.5	46.3	188.4	47.4	48.8	189.6
<b>Milkfat (bil. pounds milk equiv.)</b>											
Milk marketings	45.8	45.7	184.4	47.3	48.4	46.5	46.3	188.4	47.4	48.8	189.6
Beginning commercial stocks	13.8	12.5	9.5	10.4	12.1	13.6	11.6	10.4	9.5	11.0	9.5
Imports	1.0	1.3	4.6	1.0	0.7	0.9	1.1	3.7	1.0	0.9	4.0
Total supply	60.6	59.5	198.6	58.6	61.3	61.0	59.0	202.5	57.9	60.7	203.1
Commercial exports	1.6	2.0	5.7	2.2	2.5	2.1	1.9	8.7	1.8	1.7	6.7
Ending commercial stocks	12.5	10.4	10.4	12.1	13.6	11.6	9.5	9.5	11.0	12.8	8.9
Net removals	0.0	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	45.1	47.3	47.6	184.3	45.1	46.2	187.5
<b>Skim solids (bil. pounds milk equiv.)</b>											
Milk marketings	45.8	45.7	184.4	47.3	48.4	46.5	46.3	188.4	47.4	48.8	189.6
Beginning commercial stocks	10.2	9.7	9.1	9.9	10.1	10.6	10.0	9.9	9.8	9.7	9.8
Imports	1.1	1.2	4.4	1.0	0.8	0.8	1.0	3.6	0.9	1.0	3.9
Total supply	57.1	56.7	198.0	58.1	59.3	57.9	57.3	201.9	58.1	59.5	203.3
Commercial exports	6.1	6.5	24.5	6.7	7.6	6.7	6.2	27.2	6.2	6.1	24.0
Ending commercial stocks	9.7	9.9	9.9	10.1	10.6	10.0	9.8	9.8	9.7	10.6	9.6
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	41.3	40.2	163.6	41.4	41.1	41.2	41.3	164.9	42.2	42.8	169.7
<b>Milk prices (dol./cwt) 1/</b>											
All milk	21.67	21.60	19.13	19.23	18.57	18.55	18.20	18.65	17.85	17.60	17.85
						-18.75	-18.70	-18.85	-18.65	-18.60	-18.85
Class III	20.43	19.51	18.04	18.12	18.40	17.35	16.71	17.65	16.57	16.83	16.75
						-17.55	-17.21	-17.85	-17.37	-17.83	-17.75
Class IV	21.71	20.29	18.36	15.04	15.25	16.54	16.53	15.80	15.90	15.61	16.10
						-16.84	-17.13	-16.10	-16.80	-16.71	-17.20
<b>Product prices (dol./pound) 2/</b>											
Cheddar cheese	1.978	1.995	1.738	1.933	1.977	1.873	1.842	1.905	1.830	1.850	1.840
						-1.893	-1.892	-1.925	-1.910	-1.950	-1.940
Dry whey	0.610	0.435	0.600	0.305	0.267	0.240	0.242	0.260	0.265	0.255	0.260
						-0.260	-0.272	-0.280	-0.295	-0.285	-0.290
Butter	1.428	1.301	1.344	1.230	1.411	1.543	1.453	1.405	1.345	1.365	1.350
						-1.583	-1.533	-1.445	-1.455	-1.495	-1.480
Nonfat dry milk	2.043	1.940	1.708	1.364	1.300	1.383	1.453	1.375	1.433	1.392	1.455
						-1.403	-1.493	-1.395	-1.493	-1.462	-1.525

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/dyfmoss/mib/fedordprc\\_dscrp.htm](http://www.ams.usda.gov/dyfmoss/mib/fedordprc_dscrp.htm)

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

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