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Outlook

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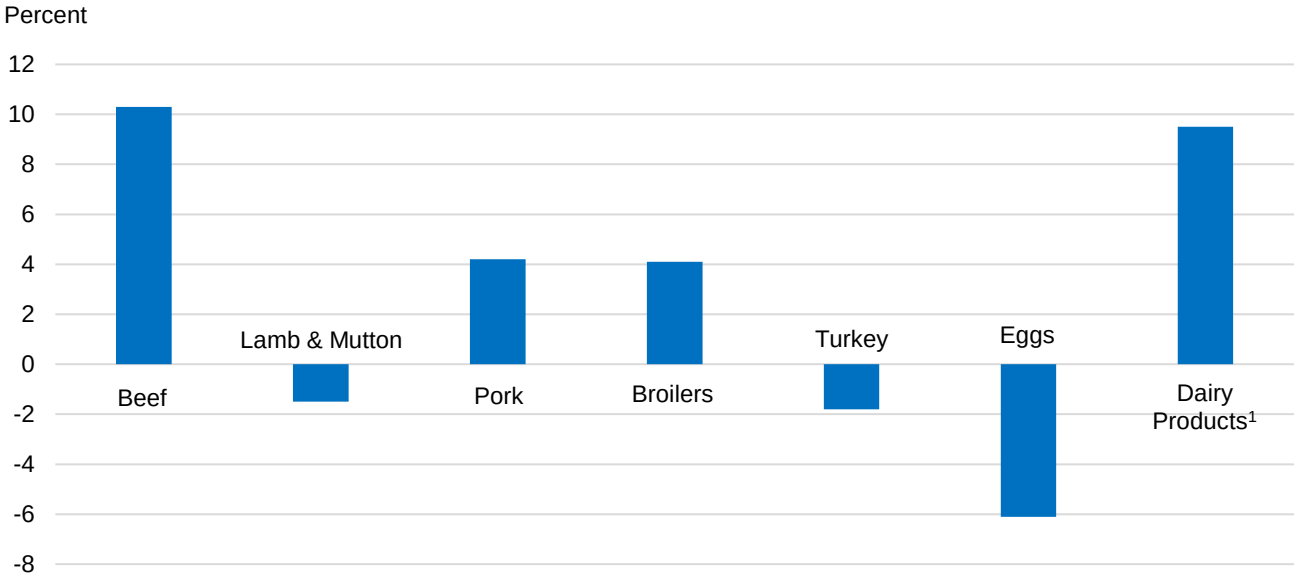
Livestock, Dairy, and Poultry Outlook

Most Animal Protein Exports Year-Over-Year Higher in 2018

2018 exports of beef, pork, broilers, and milk were strong in 2018, driven by domestic production increases and favorable foreign demand. U.S. beef exports increased 10.3 percent last year, pork exports increased 4.2 percent, and broiler exports were 4.1 percent higher than in 2017. Although milk production increases were modest last year (+0.9 percent over 2017), strong foreign demand led to a 9.5-percent increase in dairy product exports. Lamb and mutton exports were 1.5 percent lower despite stronger domestic production, however, while lower turkey production was likely a contributing factor to 1.8 percent lower turkey exports. Egg exports were 6.1 percent lower in 2018 than a year earlier, while production increased 2.1 year over year. Lower egg exports were driven in part by reduced shipments to key Asian markets.

Year-over-year percent changes in selected 2018 animal product exports



[1]The increase in dairy product exports is on a skim-solids milk equivalent basis.
Source: USDA, Economic Research Service.

Beef/Cattle: The semiannual *Cattle* report was released last month showing continued expansion during 2018, but at a slower pace than in 2017. The revised-lower calf crop estimate for 2018 reduces the outlook for placements this year, which coupled with lower-than-expected placements in December will result in lower expected marketings in 2019. Although expected cow slaughter was raised, partly offsetting lower expected fed cattle marketings, reduced forecast carcass weights are also contributing to the lowered 2019 beef production forecast. Large available supplies and robust demand from key Asian markets helped U.S. beef exports reach record levels in 2018. The 2019 export forecast is unchanged from last month.

Dairy: As milk production fell slightly below expectations in December and dairy cow slaughter levels remain above those of a year ago, milk production is forecast 0.4 billion pounds lower at 219.7 billion pounds for 2019. However, dairy exports also generally fell short of forecasts in December, and as a result, lower production should have a muted (but still positive) impact on prices. Exports for 2019 are forecast 1.0 billion pounds lower on a skim-solids milk-equivalent basis and 0.2 billion pounds lower on a milk-fat milk-equivalent basis. Forecasts for most dairy product prices have been raised slightly, with the exception of the dry whey price, which is forecast lower due to lower exports. The all-milk price forecast for 2019 is $17.00-$17.60 per cwt, a slight increase from February's forecast of $16.90-$17.60.

Pork/Hogs: Large hog numbers continue to pressure hog prices, with hog prices anticipated to be year-over-year lower through the second half of 2019. Total 2018 pork exports were 5.9 billion pounds, 4.2 percent above exports in 2017. Total 2019 exports are anticipated to be 6.1 billion pounds, 4.3 percent more than last year.

Sheep/Lamb: First-quarter production was increased based on the year-over-year increase in market lamb inventory, while the decrease in the breeder flock suggests a decrease in total 2019 production. Total 2019 imports are lowered based on reduced production in Australia. Slaughter lamb prices for 2019 are expected to be higher than in 2018, based on tightening supplies.

Poultry/Eggs: First-quarter broiler production was lowered on year-over-year declines in average bird weights and birds slaughtered, while second- and third-quarter production was increased on eggs set and placement data. First-quarter broiler prices were revised down on lower-than-expected February wholesale prices. Table egg production increased on expectations for continued expansion and rejuvenation of the layer flock, while wholesale egg prices were revised down based on anticipated downward pressure from increasing supplies. Egg ending stocks were increased on accumulating dried egg stocks.

Beef/Cattle

Russell Knight and Lekhnath Chalise

Cattle Report Shows Fifth Year of Expansion but at Slower Rate

The USDA National Agricultural Statistics Service (NASS) released its semiannual *Cattle* report on February 28, which provided a snapshot of the U.S. cattle inventory on January 1, 2019. The number of cattle and calves was estimated at 94.8 million head, about 0.5 percent above a year ago. States with the largest increases in all cattle and calves include Texas (+500,000 head), Oklahoma (+200,000 head), and Idaho (+80,000 head). This marks the fifth year of expansion, but at a slower rate than last year. The expansion began with a combination of strong cow-calf operator returns in 2014 and 2015, as well as good pasture and range conditions in much of the Plains region. However, in recent years, dry conditions have plagued much of the region. Producers have seen feeder calf prices fall from the record levels of 2014-15 and hay prices climb during 2018. Hay stocks on December 1, 2018, were the smallest since 2012, potentially adding to producer costs.

On January 1, total cow inventory was estimated at 0.5 percent above a year ago at 41.1 million cows. However, a number of indicators point toward an even lower rate of expansion in 2019. Heifers for beef and milk cow replacement are often used as barometers of herd expansion or contraction rates. Compared to last year, cow-calf producers are indicating their intentions to retain 3.0 percent fewer beef heifers. As a percentage of the beef cow herd, this is a smaller number of replacements being held than last year. Of those replacement heifers, the number expected to calve during the year is 5.8 percent below a year ago. This may also suggest producers may not be as committed to expanding their herds. Heifers for milk cow replacement show similar patterns, registering at 1.4 percent below 2018 levels, largely reflecting poor returns in the dairy sector.

Cow Slaughter Partly Offsets Lower Fed Cattle Slaughter in 2019

According to the February 27 NASS *Livestock Slaughter* report, 2018 commercial beef production is estimated at 26.9 billion pounds, 2.6 percent above 2017. The number of cattle slaughtered was 2.5 percent above 2017 levels at 33 million head. Despite only one more slaughter weekday in 2018 than in 2017, 2018 averaged 5,000 head more per slaughter weekday than in 2017.

The beef production forecast for 2019 was reduced by 310 million pounds from last month's forecast to 27.3 billion pounds. This reduction is based on fewer-than-expected cattle placed in December 2018 and fewer anticipated placements in first-half 2019. Winter weather across cattle feeding regions likely led to deteriorated pen conditions, limiting placements. As a result, the anticipated fed cattle slaughter for 2019 was reduced. Based on the USDA Agricultural Marketing Service weekly slaughter reports, the winter weather likely contributed to lighter carcass weights of fed cattle. For the week ending February 23, carcass weights for steers and heifers were 9 pounds and 10 pounds below the same week a year ago. Further contributing to lower overall carcass weights is the expectation of a greater proportion of cows in the slaughter mix than expected. The production forecast for 2019 is reduced lower on both lower expected fed cattle slaughtered and lighter cattle carcass weights, although this will be partly offset by higher cow slaughter.

Fewer Expected Placements in 2019

Based on the January *Cattle on Feed* report—released by NASS on February 22—there were 1.9 percent fewer net placements and 0.6 percent fewer marketings in December, for a year-over-year January 1 cattle on feed number of 11.7 million head. As a result, the supply of slaughter-ready cattle available in January grew as the number of cattle held on feed over 150 days increased. The February *Cattle on Feed* report estimated that placements during January were 5.1 percent below 2018, leaving the February 1 cattle on feed number slightly above year-earlier levels. Winter weather has likely continued to hinder feedlots' ability to finish and market cattle in a timely manner.

The 2018 calf crop estimate was revised lower from the July 2018 *Cattle* report. Although this reduces the pool of cattle that might be expected to be placed in 2019, the 2018 calf crop was still estimated to have increased 1.8 percent from 2017 to 36.4 million calves. For the near term, several factors support expectations that feedlot placements in 2019 will be above 2018 levels. The number of cattle outside feedlots on January 1, 2019 is up nearly 1 percent from a year ago. Included in the cattle outside feedlots are the cattle on small-grains pastures. The *Cattle* report also indicated 1.9 million head were on small-grains pastures in the Southern Plains (Kansas, Oklahoma, and Texas). This is 27 percent more cattle than at the same time last year. Although the increase seems large, the number of cattle on small-grains pastures last year was low as producers reduced winter wheat planted area in 2017/18.

Lighter Weights and Fewer Marketings Could Buoy 2019 Prices

On January 1, 2019, there were almost 2 percent more cattle in feedlots and about 1 percent more outside feedlots than last year. As expected, improved forage conditions in the Southern Plains allowed producers to stock a greater number of calves on small-grains pasture. However, feedlots' pace of marketings slowed more than expected in late 2018. With continued large supplies of cattle in feedlots and a slower expected pace of placements in early 2019, feeder steer prices in first-half 2019 were little changed, but prices in second-half 2019 were raised as calf supplies are expected to be tighter. This brought the annual price forecast up to $141-$149 per hundredweight, with a midpoint price of $145/cwt.

The number of fed cattle marketed in 2019 is anticipated to be lower than in 2018 as feedlots continue to slow the pace of marketings. Since the February *Outlook* report, fed cattle prices have continued their seasonal trend upward; prices typically peak in the spring. This reflects a period when fewer fed cattle are slaughtered, carcass weights are lighter, and demand picks up in anticipation of the grilling season, and the current pace of slaughter combined with lower carcass weights could help support higher boxed-beef prices. Based on current price data and expected lower marketings and lighter carcass weights in 2019, the annual price forecast was raised to $116-$123/cwt.

Record U.S. Beef Exports in 2018

Beef exports in 2018 increased about 300 million pounds, or more than 10 percent, to 3.156 billion pounds from 2017. Exports were higher from year-earlier levels to most of the major destinations, excepting Hong Kong and Canada (see table below). This was the third consecutive year of double-digit growth, each year with record-high volumes. Expected overseas demand and readily available exportable U.S. beef supplies result in the 2019 export forecast being unchanged from the previous month's forecast at 3.255 billion pounds.

2017-2018 beef export growth

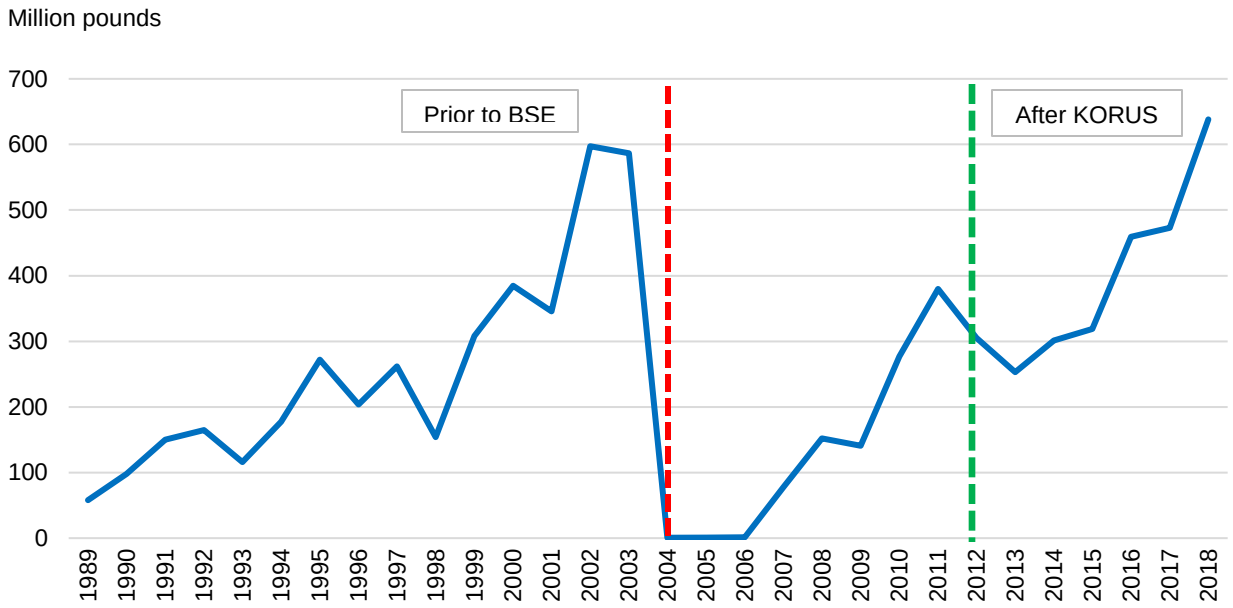
Major destinations	Export 2017 (mil. lbs)	Export share % (2017)	Export 2018 (mil. lbs)	Export share % (2018)	Year-over-year volume change (mil. lbs)	Year-over-year % change
Japan	826	28.9	881	27.9	55	6.6
South Korea	473	16.5	638	20.2	165	35.0
Mexico	419	14.7	449	14.2	29	7.0
Hong Kong	336	11.7	307	9.7	-28	-8.5
Canada	309	10.8	300	9.5	-9	-3.0
Taiwan	138	4.8	185	5.9	47	34.4
Others	359	12.6	395	12.5	36	10.2
U.S. Total	2860	100.0	3156	100.0	296	10.3

Source: USDA, Economic Research Service.

U.S. Beef Exports to Korea Exceed 2002 Record Levels

Fifteen years ago, U.S. beef exports were banned in South Korea after the discovery of bovine spongiform encephalopathy (BSE) in the United States at the end of 2003, resulting in the loss of the entire Korean market. Although the ban was partially lifted in 2006, U.S. beef exports have accelerated in recent years since implementation of the United States-South Korea (KORUS) free trade agreement in 2012 (see chart below) that reduced tariffs and non-tariff barriers. South Korea has become a booming market for U.S. beef that contributed more than half of the increase in the volume of U.S. exports in 2018, with 35 percent year-over-year growth. Further, more than 20 percent of total U.S. beef exports were shipped to South Korea in 2018. Strong consumer demand, lower tariffs than its largest competitor Australia, increased exportable supplies in the United States, and a relatively weaker U.S. dollar in the first half of the year were likely drivers of this growth. As a result, beef exports exceeded the pre-BSE level of exports to become the largest supplier of beef to South Korea in 2018.

2018 U.S. beef exports to South Korea exceeded pre-BSE levels



Source: USDA, Economic Research Service.

Beef Imports Fractionally Higher in 2018

With 1.7 percent higher year-over-year beef imports in December, U.S. beef imports in 2018 were 2.998 billion pounds. Seven major suppliers contributed more than 98 percent of total U.S. imports. Higher beef production in Canada coincided with an increase of its share of total U.S. imports in 2018 from year-earlier levels. Canada continued to be the largest source of U.S. beef imports. Among major suppliers, year-over-year increases in volume in 2018 were from Canada, Nicaragua, New Zealand, and Brazil, while declines in volume were from Mexico, Australia, and Uruguay (see table below).

2018 beef imports from major suppliers

Major suppliers	Import 2017 (mil. lbs)	Import share % (2017)	Import 2018 (mil. lbs)	Import share % 2018	Year-over-year volume change (mil. lbs)	Year-over-year % change
Canada	741	24.8	792	26.4	50.6	6.8
Australia	695	23.2	673	22.4	-21.8	-3.1
New Zealand	557	18.6	572	19.1	15.3	2.8
Mexico	574	19.2	508	16.9	-65.3	-11.4
Nicaragua	133	4.5	157	5.2	23.5	17.6
Brazil	138	4.6	141	4.7	3.0	2.2
Uruguay	120	4.0	115	3.8	-5.5	-4.5
Others	35	1.2	40	1.3	5.4	15.5
Total	2993	100.0	2998	100.0	5.3	0.2

Source: USDA, Economic Research Service.

Increased cow slaughter in the United States increased the domestic supply of fresh lean meat, which likely pressured imported frozen lean prices. These lower U.S. prices likely diverted some beef

shipments from Oceania and Mexico to Asian markets due to price incentives. This is noticeable in that it represents over an 11-percent decline in U.S. imports from Mexico in 2018 compared to a year ago. The 2019 beef import forecast was left unchanged from the previous month at 3.010 billion pounds.

Cattle Exports and Imports Higher in 2018

Year-over-year higher December imports resulted in total U.S. cattle imports up 5 percent in 2018 at 1.899 million head. Increased cattle slaughter in Canada likely reduced shipments to the United States for most of 2018. Increased cattle supplies in Mexico from the expansion of its cow herd likely enhanced shipments to the United States. AMS weekly reports estimated higher year-over-year imports from both Mexico and Canada in first 2 months of 2019. Cattle imports for 2019 were revised upward on stronger weekly estimates by 10,000 head from the previous month's forecast to 1.980 million head.

Although cattle exports in December were lower by more than 15 percent from year-earlier levels, exports in 2018 totaled 238,700 head, up 24 percent from year-earlier levels. Increased shipments to Canada more than offset the decline in shipments to Mexico. Relatively higher feeder prices in Canada compared to the United States in first-half 2018, along with increased feedlot demand in Canada throughout the year, were likely drivers of those increases. The 2019 cattle export forecast was unchanged from the previous month's forecast at 245,000 head.

Dairy

Jerry Cessna and Jonathan Law

Recap of the 2018 Dairy Industry Situation

The simple average all-milk price was $16.18 per cwt in 2018, a decrease from $17.65 in 2017 and the lowest annual average since the average price of $12.83 per cwt in 2009. Annual average prices for cheese, butter, nonfat dry milk (NDM), and dry whey fell from 2017 to 2018.

Milk production totaled 217.5 billion pounds in 2018, a modest 0.9-percent increase from 215.5 billion pounds in 2017.[1] Milk cows averaged 9.385 head in 2018, down 7,000 head from 2017. Average milk per cow was 23,173 pounds in 2018, a modest increase of 1.0 percent. This compares with a compound annual growth rate of 1.3 percent from 2007 to 2017.

The relatively low ratio of milk prices to feed prices in 2018 likely contributed to the relatively slow growth in milk production. The milk-feed ratio averaged 2.04 in 2018, a decrease from 2.42 in 2017. It reached its lowest point of 1.90 in April and May. Calendar-year average prices for corn, soybean meal, and alfalfa hay were all up from the previous year at $3.47 per bushel (+$0.11), $345 per short ton (+$29), and $174 per short ton (+$29), respectively.

Overall, domestic use for dairy products grew slightly in 2018, by 0.7 percent on a milk-fat milk-equivalent basis and by 0.7 percent on a skim-solids milk-equivalent basis. Demand grew for both butter and cheese, continuing a multiyear trend. While domestic demand for products with high skim-solids content grew overall, it was mixed among individual products. Nonfat dry milk (NDM) and skim milk powder (SMP) collectively saw an 18.6 percent drop in domestic use, but domestic use of dry whey and whey protein concentrate (WPC) increased. Notably, most domestic use growth for products with substantial high skim-solids content occurred in the second half of the year, concurrent with drops in exports of many of the same products.

Stocks on a skim-solids basis fell 11.4 percent during the year. Specifically, there were significant declines in NDM, dry whey, and WPC stocks during the year. On a milk-fat basis, stocks grew 3.4 percent in 2018. Butter and cheese both had higher stocks at the end of 2018 than the year prior.

[1] Statistics in this report do not reflect data from the most recent *Milk Production* report published by USDA, National Agricultural Statistics Service, on March 12, 2019.

Domestic use of milk and dairy products

	Units	2017	2018	Percent change
Milk in all products				
Milk-fat milk-equivalent basis	Billion pounds	210.5	211.9	0.7
Skim-solids milk-equivalent basis		177.6	178.7	0.6
Dairy products				
Fluid beverage milk [1]		48,060	47,075	-2.0
Butter		1,856	1,894	2.0
Nonfat dry milk/skim milk powder		936	762	-18.6
American-type cheese		4,938	4,971	0.7
Other-than-American cheese	Million pounds	7,190	7,432	3.4
Dry whey		533	560	5.1
Whey protein concentrate		211	252	19.4
Lactose		311	302	-2.9

[1] The source for fluid milk sales in this table is USDA, Agricultural Marketing Service. Data differ from those published by USDA, Economic Research Service (2018 data to be published in August 2019). Year-over-year percent changes are not usually much different between the two sources.

Sources: USDA: National Agricultural Statistics Service, Farm Service Agency, Foreign Agricultural Service, and Economic Research Service (ERS) calculations; and U.S. Dept. of Commerce, Bureau of the Census.

Numerous sources were used for conversion factors. For more information, see the ERS Dairy Data Documentation webpage.

In the first half of 2018, dairy export growth was robust. However, it was dampened in the second half of the year as some key U.S. dairy partners imposed retaliatory tariffs on U.S. dairy product imports in response to U.S. tariffs on various goods. Mexico implemented cheese tariffs on June 5 and then increased them on July 5. Canada implemented yogurt tariffs on July 1. China implemented tariffs on most U.S. dairy products on June 16 and then included tariffs on additional dairy products on August 23. On a milk-fat milk-equivalent basis, exports in the first half of 2018 grew by 18.9 percent, but the year-over-year growth declined to 8.0 percent in the second half of the year. On a skim-solids milk-equivalent basis, exports in the first half of 2018 grew by 19.8 percent over the first half of 2017, but in the third quarter the growth rate had declined to 12.8 percent, and 2018 fourth-quarter exports were below the previous year by 12.2 percent.

Imports on a milk-fat basis grew 6.1 percent in 2018, with much of the growth occurring in the second half of the year. Year-over-year growth of imports on a milk-fat basis was 16.2 percent in the second half of 2018. Growth in butter imports accounted for most of this increase, with Irish butter continuing to dominate the import market. Imports of butter from Ireland increased 46.2 percent in 2018, and Ireland's share of U.S. butter imports rose to 78.3 percent. On a skim-solids basis, imports fell 9.9 percent in 2018, as imports of both WPC and lactose fell during the year.

Recent Developments in Dairy Markets

During the month of February, movement of dairy product prices reported in the USDA *National Dairy Products Sales Report* (NDPSR) were mixed. The most significant change between the week ending February 2 and the week ending March 2 was in cheddar cheese prices, which increased 13.5 cents and 16.9 cents per pound for 40-pound blocks and 500-pound barrels, respectively. The dry whey

price fell 4.5 cents per pound during the same period, while prices for butter and nonfat dry milk rose 2.6 cents and 0.5 cents per pound, respectively.

Dairy wholesale product prices (dollars per pound)

	For the week ending		
	Feb. 2	Mar. 2	Change
Butter	2.2355	2.2612	0.0257
Cheddar cheese			
40-pound blocks	1.4310	1.5656	0.1346
500-pound barrels [1]	1.2492	1.4178	0.1686
Nonfat dry milk	0.9769	0.9822	0.0053
Dry whey	0.4669	0.4216	-0.0453

[1] Adjusted to 38-percent moisture.

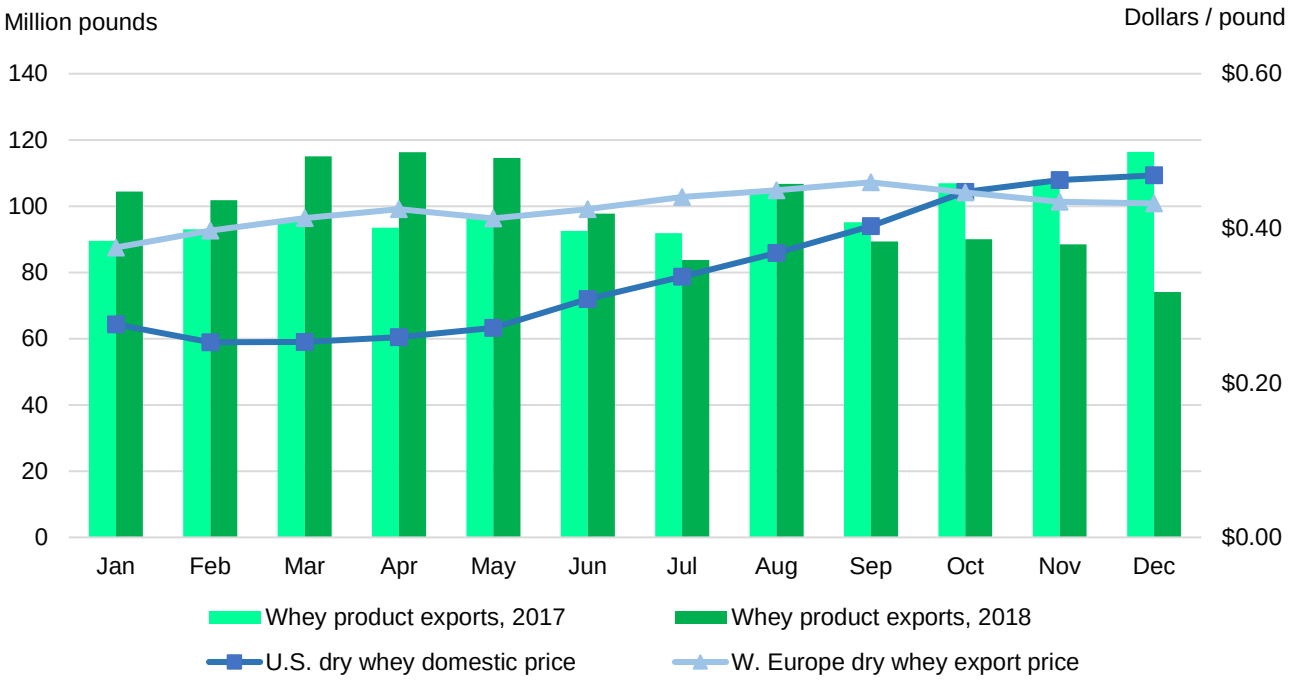
Source: USDA, Agricultural Marketing Service, *National Dairy Products Sales Report*.

The most recent weekly average spot prices for cheddar cheese sold on the Chicago Mercantile Exchange (CME) were not much different from the NDPSR average prices for the week ending March 8. CME average prices of 40-pound blocks and 500-pound barrels of cheese were $1.5615 and $1.4205 per pound, respectively, for the trading week ending March 8. CME cheese prices usually lead NDPSR prices by 1 to 2 weeks. The CME butter price for the same trading week was $2.2835 per pound, 2.2 cents higher than the NDPSR butter price for the week ending March 2. CME butter prices usually lead NDPSR prices by 1 week.

In the February 20, 2019, *Milk Production* report, USDA National Agricultural Statistics Service (NASS) estimated that U.S. milk production in December totaled 18.155 billion pounds, an increase of 0.5 percent from December 2017. This growth is in line with milk production growth in the 2 months prior. Milk cows totaled 9.351 million head in December, as the size of the U.S. milking herd continued to slowly contract. Dairy cow slaughter rates have remained above year-ago levels over the past month. Milk per cow increased in December, growing 21 pounds year over year to 1,942.

Cheese prices over the past month may have been bolstered by flagging growth in cheese stocks. While December cheese stocks were higher than December 2017, they did fall slightly from November to December, which has only happened in one other year since 2007. In contrast, domestic whey prices have fallen in recent weeks, likely due to the persistence of lower exports resulting from China's retaliatory tariffs as well as to competitive European whey prices.

Dry whey and WPC exports, domestic and international whey prices
(Export quantities, left axis; prices, right axis)



Sources: USDA: Agricultural Marketing Service and ERS calculations;
U.S. Dept. of Commerce, Bureau of the Census.

Exports on a milk-fat basis totaled 673 million pounds in December, a drop of 10.9 percent from December 2017. Notably, exports of anhydrous milk fat (AMF) and butteroil fell almost 98 percent between November and December. Exports on a skim-solids basis totaled 3.035 billion pounds in December, a drop of 22.2 percent year over year. The largest contributors to this drop were dry whey and WPC exports, which fell 35.8 percent and 52.6 percent year over year, respectively. Retaliatory tariffs implemented by China in the summer of 2018 appear to be having an impact on exports of whey products. Imports on a skim-solids basis amounted to 500 million pounds in December, a 4.2-percent decrease from December of 2017. On a milk-fat basis, imports grew 15.9 percent year over year in December, to 663 million pounds. Butter imports were 144 percent higher in December than the year before, at 7.6 billion pounds.

Year-over-year growth in domestic use remained solidly positive in the 4th quarter of 2018, at 2.1 percent on a milk-fat basis and 2.9 percent on a skim-solids basis. The most significant year-over-year growth in domestic use among products for the same period was for butter (4.6 percent) and WPC (112 percent).

Dairy Forecasts for 2019

December cow numbers came in slightly below expected levels; in addition, dairy cow slaughter rates have continued to top those of the prior year. Therefore, the forecast for size of the milking herd has been lowered 15 thousand head to 9.350 million for the year. The milk per cow forecast for the year is unchanged at 23,505 pounds. The milk production forecast for 2019 is now 219.7 billion pounds, 0.4 billion pounds lower than previously forecast.

Only small changes have been made to feed price forecasts. The 2018/19 price forecast for corn is $3.35-$3.75 per pound, 5 cents lower at the midpoint of the range than last month's forecast, while the 2018/19 price forecast for soybean meal is unchanged at $295-$335 per short ton. The alfalfa hay price in January 2019 was $181 per short ton, $1 higher than December and $28 higher than January 2018. For more information, see the publication *Feed Price Outlook* published by USDA, Economic Research Service.

On a milk-fat basis, the import forecast has been lowered 0.1 billion pounds to 6.5 billion. Exports on a milk-fat basis are now forecast at 10.1 billion pounds, 0.2 billion pounds lower than the last forecast, due to expectations for increased competition for butter and AMF exports. The forecast for ending stocks has been raised 0.3 billion pounds to 13.6 billion, largely due to December 2018 stocks coming in higher than expected. The forecast for domestic use in 2019 has been lowered 0.2 billion pounds to 215.3 billion, with higher prices for cheese and butter limiting demand growth.

On a skim-solids basis, the import forecast is unchanged at 5.2 billion pounds, which would represent a drop of 0.3 billion pounds from 2018. The impact of China's tariffs on products like whey products and NDM has remained strong, and international prices have only become more competitive with domestic prices in recent weeks, especially for dry whey. Therefore, the export forecast on a skim-solids basis has been lowered 1.0 billion pounds to 43.6 billion for the year, with the largest expected declines for whey products. Ending stocks are now forecast at 10.5 billion pounds, a reduction of 0.6 billion pounds from the previous forecast, due largely to NDM stocks beginning 2019 at lower-than-expected levels. The forecast for domestic use has been raised 0.5 billion pounds to 180.1 billion.

Due to lower expected milk production and recent price movements, product prices are generally forecast slightly higher in 2019 than last month's set of forecasts. Based on recent price data and expected domestic use, the cheddar cheese price has been raised 2.5 cents at the midpoint of the range to $1.510-$1.570 per pound for 2019. The butter price for the year has been raised 2 cents at the midpoint of the range, based on recent price data, to $2.255-$2.345 per pound. The NDM price forecast for the year is slightly higher than the previous forecast at $0.965-$1.015 per pound, as relatively low beginning stocks and relatively strong domestic use should support prices through the end of 2019. With lower expected exports of dry whey products, the dry whey price forecast has been lowered 1 cent at the midpoint of the range, to $0.425-$0.455 per pound.

With a higher cheese price forecast outweighing the lower forecast for dry whey, the Class III price forecast for the year has been raised 15 cents at the midpoint of the range to $14.90-$15.50 per cwt. Slightly higher butter and NDM price forecasts have resulted in a Class IV price forecast of $15.75-$16.45 per cwt, 15 cents higher at the midpoint of the range than the previous forecast. The all-milk price forecast for 2019 is now $17.00-$17.60 per cwt, 5 cents higher at the midpoint of the range than the last forecast.

Pork/Hogs

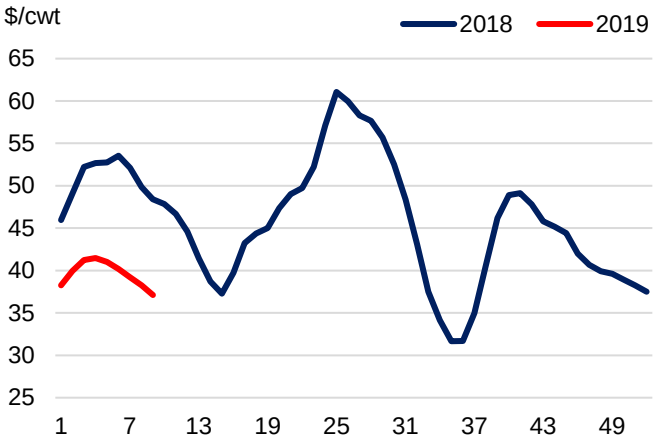
Mildred Haley

Large Supplies of Hogs and Pork Pressuring Prices of Both

The expanded U.S. pork industry continues to struggle in March with the price implications of large hog numbers and with the enormous volumes of pork that the hogs supply. From the beginning of this year through March 2, estimated federally inspected hog slaughter was 22.1 million head, or 821,000 head and 3.9 percent more than over the same period last year. These 22.1 million hogs yielded just under 4.8 billion estimated federally inspected pounds of pork, or almost 200 million more pounds of pork cuts—4.3 percent more—than in the same period last year.

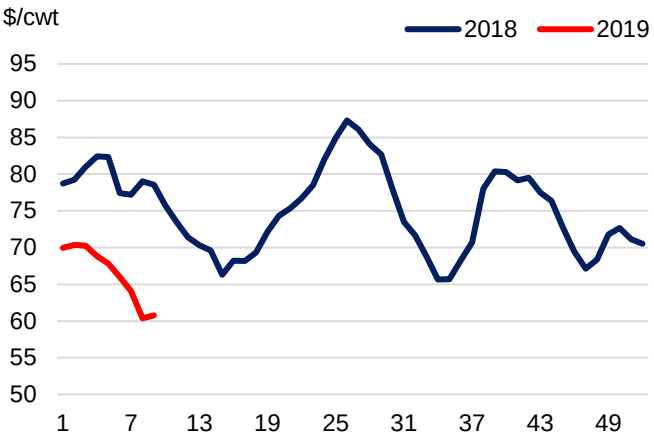
Greater quantities of hogs and pork continue to pressure prices for both. From the beginning of this year through March 1, prices of live equivalent 51-52 percent lean hogs averaged $39.63 per cwt, about 22 percent below the same period a year ago. Greater quantities of pork cuts have pushed wholesale pork prices lower as well. In the first 9 weeks of 2019, the wholesale pork carcass cutout averaged $66.06 per cwt, more than 17 percent below a year ago, when it averaged $79.64 per cwt.

Weekly hog prices, 51-52% live equiv.



Source: USDA, Agricultural Marketing Service.

Weekly wholesale pork carcass cutout



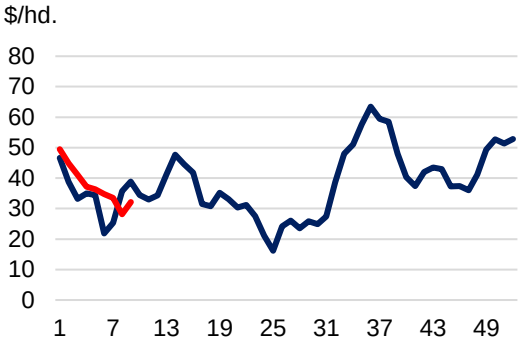
Source: USDA, Agricultural Marketing Service.

Low hog prices have obvious negative implications for hog producers. Iowa State University's most recent published producer returns calculated for Iowa farrow-to-finish hog operations show consecutive losses beginning in August 2018, and continuing through January of 2019. Moreover, while USDA 2019 price forecasts for corn, soybeans, and hogs imply a positive spread between the value of a finished hog and a standard corn-soybean feed ration, most producers are likely tipped into the red after factoring in other costs of production.

Declining hog prices supported processors' margins in the first few weeks of 2019, holding them above year-earlier levels until just recently, when the pork carcass cutout dropped to a 15-year low in week 8 of this year. The February weakness in the cutout was across the board—all primal values were lower compared to February 2018. However, losses in the ham primal value were particularly pronounced. In February, the wholesale pork carcass cutout lost $15.42 per cwt compared with its value in February

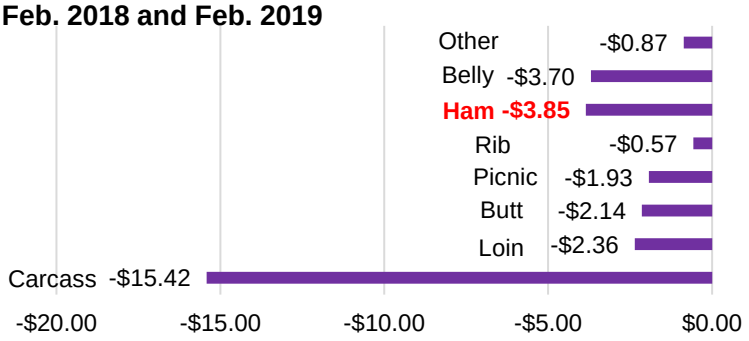
2018. Twenty-five percent of that loss was attributable to loss of value of the ham primal ($3.85). It is likely that some portion of this value loss is connected to lower Mexican import demand for fresh bone-in hams, due to Mexican retaliatory tariffs that have distorted U.S-Mexico pork trade since last June.

Weekly gross hog packer spread, drop value included



Source: USDA, Economic Reseach Service, with USDA, Agicultual Marketing Service data.

Differences in wholesale primal component values of the wholesale pork carcass cutout, between Feb. 2018 and Feb. 2019



Source: USDA, Economic Reseach Service, with USDA, Agricultural Marketing Service data.

U.S commercial pork production should finish out the first quarter at 6.8 billion pounds, about 3 percent above a year ago. Live equivalent prices of 51-52 percent lean hogs are expected to average $39-$40 per cwt, almost 20 percent below the first quarter of 2018. Second-quarter pork production is forecast at 6.5 billion pounds, an increase of over 3 percent over second-quarter 2018. Hog prices for the second quarter are expected to average $43-$45 per cwt, more than 8 percent below the same quarter last year. Third-quarter production is forecast at 6.7 billion pounds, over 6 percent more than a year earlier. Hog prices for the third quarter are expected to average $42-$46 per cwt, about even with a year earlier. For the last quarter of 2019, pork production is expected to be 7.3 billion pounds, more than 4 percent above the same quarter a year earlier. Fourth-quarter hog prices are forecast at $38-$42 per cwt, almost 7 percent below a year earlier.

USDA will release the *Quarterly Hogs and Pigs* report on March 28th. The report will detail March 1 hog and pig inventories, spring and summer producer farrowing intentions, and winter pig crop information.

December Exports Increase Modestly Year-Over-Year; Shipments to Mexico Decline Sharply

December pork exports were 514 million pounds, a 2.3 percent increase from December 2017. Major export destinations in December 2018 are summarized below.

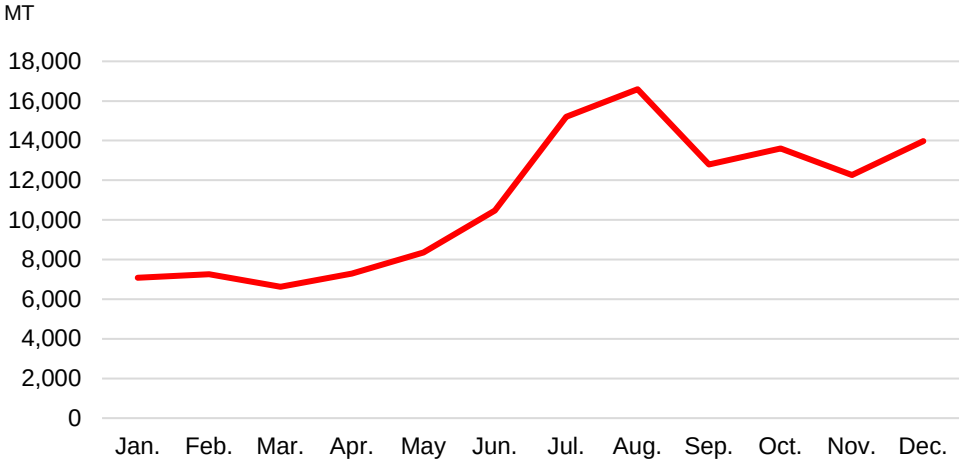
U.S. pork exports: Volumes and export shares for the 10 largest foreign destinations, December 2017 and 2018

Country	Exports Dec. 2017 (mil. lbs)	Exports Dec. 2018 (mil. lbs)	Percent change (2018/2017)	Export share Dec. 2017 %	Export share Dec. 2018 %
World	514	526	2.3		
Mexico	175	139	-20.2	34.0	26.5
Japan	99	93	-6.5	19.3	17.6
South Korea	59	77	30.8	11.5	14.6
Canada	46	48	4.4	8.9	9.1
Colombia	16	32	108.0	3.0	6.2
China/Hong Kong	42	34	-17.4	8.1	6.5
Australia	24	30	24.2	4.7	5.7
Panama	11	14	26.4	2.1	2.6
Chile	4	10	163.8	0.7	1.8
Dominican Republic	6	9	62.5	1.1	1.8

Source: USDA, Economic Research Service.

The standout country in the listing is Mexico, to which shipments were more than 20 percent lower than a year earlier. Two factors may be among those that diverted Mexican interest away from U.S. pork in December. First, U.S. trade data indicates that U.S broiler meat exports to Mexico accelerated in the second half of 2018, after declining year over year in the first half of the year. It is possible that the tariff regime created incentives to substitute toward very attractively priced U.S. broiler meat, whose unit value averaged $0.36 versus $0.64 per pound for U.S pork. Another factor that may explain part of the December weakness in Mexican demand for U.S. pork is suggested in World Trade Atlas data, which show that Mexico stepped up pork imports from both Canada and the E.U. Mexico's imports of Canadian pork, in particular, while comparatively modest, accelerated after Mexico imposed retaliatory tariffs on U.S. pork in June, 2018.

Monthly Mexican imports of Canadian pork, 2018



Source: World Trade Atlas.

Major foreign destination for U.S. pork exports in 2018 are summarized below. It is notable that Mexico, Japan, Canada, and China/Hong Kong all accounted for a smaller share of U.S. pork exports in 2018 compared with a year earlier, while the reverse was true for South Korea, Colombia, Australia, the Dominican Republic, the Philippines, and Honduras.

In 2019, U.S. exports are expected to increase 4.3 percent to 6.125 billion pounds.

U.S. pork exports: Volumes and export shares for the 10 largest foreign destinations, 2017 and 2018

Country	Exports 2017 (mil. lbs)	Exports 2018 (mil. lbs)	Percent change (2018/2017)	Export share 2017 %	Export share 2018 %
World	5,632	5,870	4.2		
Mexico	1,809	1,768	-2.3	32.1	30.1
Japan	1,229	1,212	-1.4	21.8	20.6
South Korea	525	727	38.4	9.3	12.4
Canada	531	530	-0.2	9.4	9.0
China/Hong Kong	525	397	-24.4	9.3	6.8
Colombia	192	283	47.5	3.4	4.8
Australia	207	231	11.5	3.7	3.9
Dominican Republic	91	123	35.7	1.6	2.1
Philippines	86	97	12.8	1.5	1.7
Honduras	79	91	15.2	1.4	1.6

Source: USDA: Economic Research Service.

Sheep/Lamb

Kim Ha

Sheep and Lamb Inventory Indicate Increase in Market Lambs, Lamb and Mutton Production Forecast Revised Up

December lamb and mutton production totaled 13.2 million pounds, finishing out 2018 for a total of 153 million pounds, an approximate 5-percent increase over 2017. January sheep meat production was 12.5 million pounds, equal to production from a year earlier. While January production maintained 2017 levels, commercial slaughter increased by 6 percent, while average live weights decreased by more than 5 percent. The January *Sheep and Goats* report estimated that the inventory of market lambs on January 1 was 2.5 percent higher than 2017. Based on the year-over-year increase in market lambs, the first-quarter production forecast was raised by 1 million pounds. Conversely, the sheep and lamb inventory indicated a 1-percent reduction in the breeding flock, suggesting a smaller 2019 lamb crop. Despite the increase in the first quarter forecast, total 2019 production is forecast at 151 million pounds, about 1 percent lower than 2018.

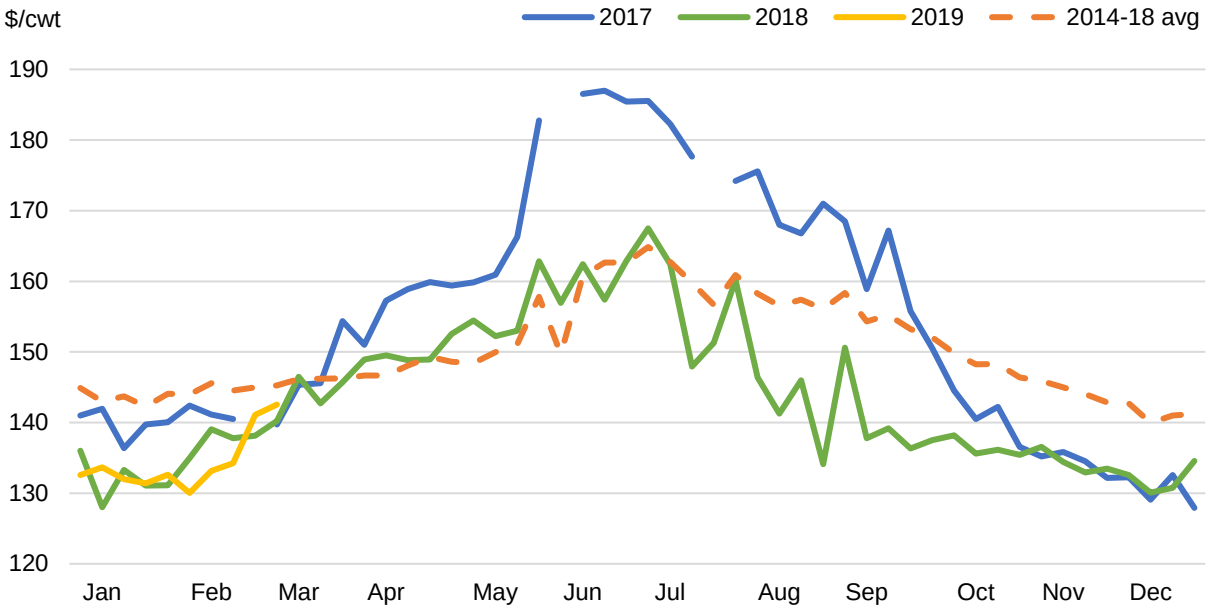
Lamb Imports Expected To Decrease in 2019, Forecast Revised Down

U.S. imports of lamb and mutton were 21.4 million pounds in December, finishing out 2018 at 273 million pounds, an 8-percent increase over 2017 volumes. In 2019, total imports are expected to decrease based on conditions in Australia, which supplies more than 76 percent of sheep meat shipments to the United States. Severe drought conditions during the 2018-19 growing season led to increased slaughter of Australia's breeding flock. As a result, the 2019-2020 growing season is expected to focus on rebuilding the breeding flock, reducing production and thus sheep meat available for export. Based on a decrease in the availability of sheep meat in Australia, the United States' largest supplier, import forecasts are revised down to 269 million pounds, about 1 percent lower than 2018.

Lamb Prices Expected To Increase in 2019 Based on Tightening Supplies; Forecasts Unchanged

The Choice/Prime slaughter lamb price forecast remains unchanged from last month. Choice/Prime slaughter lamb prices (national) averaged $132/cwt and $135/cwt in January and February, respectively—a fractional increase and decrease over year-ago prices, respectively. Prices are expected to strengthen into the summer months, consistent with seasonal patterns (see chart below). In 2019, lamb prices are expected to average $144 to $151 per cwt, higher than 2018 prices based on tightening supplies, both in terms of production and imports, as discussed above.

Weekly slaughter lamb (Choice/Prime) prices



Source: USDA, Economic Research Service calculations using data from USDA, Agricultural Marketing Service.

Poultry

Kim Ha and Alex Melton

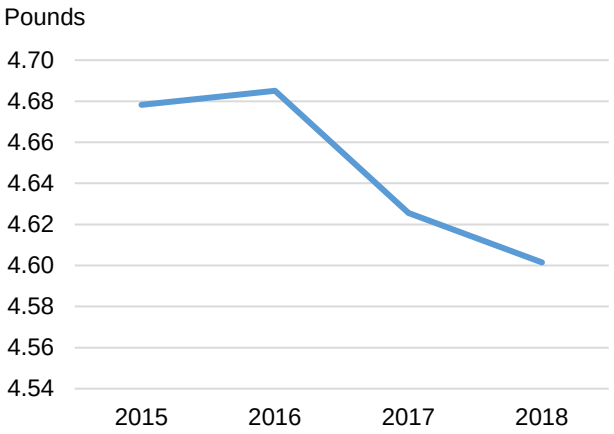
Despite Slow Start to 2019, Expanded Production Expected To Resume in Outlying Quarters; Quarterly Forecasts Revised

December broiler production was 3.2 billion pounds, more than a 3-percent decline year over year. This change was comprised of a 2.3-percent year-over-year decline in birds slaughtered and an almost 1-percent year-over-year decrease in bird weights. The decrease in bird weights was due to a combination of lighter weights for larger birds and an increase in the proportion of lighter weight birds slaughtered. Total production for 2018 amounted to 42.6 billion pounds, more than a 2-percent increase over 2017 production and the 6th consecutive year of record production.

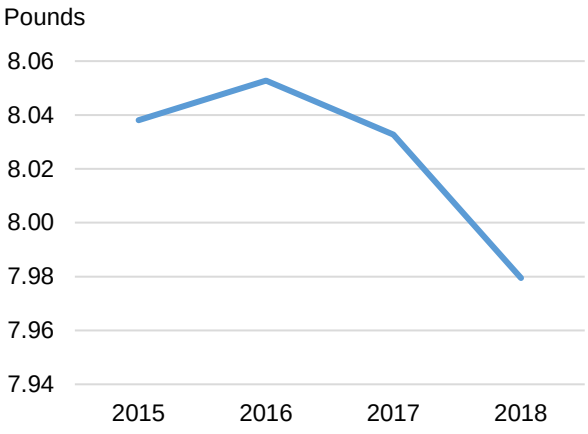
Based on preliminary weekly slaughter data from the USDA Agricultural Marketing Service, January production is expected to be characterized by a year-over-year increase in the number of head slaughtered and a decrease in average bird weights, while February production is expected to be characterized by year-over-year declines with regard to both production indicators. Based on reduced expectations for February, the first-quarter production forecast was reduced by 100 million pounds to 10.4 billion pounds.

Nonetheless, eggs-set and placement data from the end of December and beginning of 2019 suggest that producers intend to resume expanded slaughter, which occurred in the last week of February and is expected to last into March and well into the second quarter. Production for the remainder of 2019 is expected to be up, driven mainly by expanded slaughter, particularly as producers ramp up supply to meet expanded processing capacity planned for later in 2019. Average bird weights for 2019, however, are unclear as average weights in both the small- and large-bird category have not shown gains over the last 2 years (see charts below). Woody breast issues have led to dampened large-bird weights. Based on expectations for an increase in bird slaughter, second- and third-quarter production forecasts are raised by 50 million pounds each. Total 2019 production is estimated to be about 1 percent higher than 2018.

Average small-bird weights (<=6.25 lbs)



Average large-bird weights (>6.26 lbs)



Note: Annual bird weights calculated using weighted average of weekly slaughter data.
Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service.

2018 Broiler Trade Volumes Up From 2017

Broiler exports in December totaled 581 million pounds, finishing out 2018 at almost 7.1 billion pounds, a 4-percent increase over 2017. Broiler shipments were encouraged by competitive prices, particularly in the second half. The average value per unit of product exported was almost 4 percent lower than 2017 average values. Among the 10 largest foreign markets, the U.S. increased shipments to Mexico (+8 percent), Angola (+19 percent), Taiwan (+29 percent), Guatemala (+2 percent), the Philippines (+9 percent), Vietnam (+31 percent), and South Africa (+3 percent). Conversely, export volumes decreased to Cuba (-6 percent), Canada (-7 percent), and Hong Kong (-12 percent).

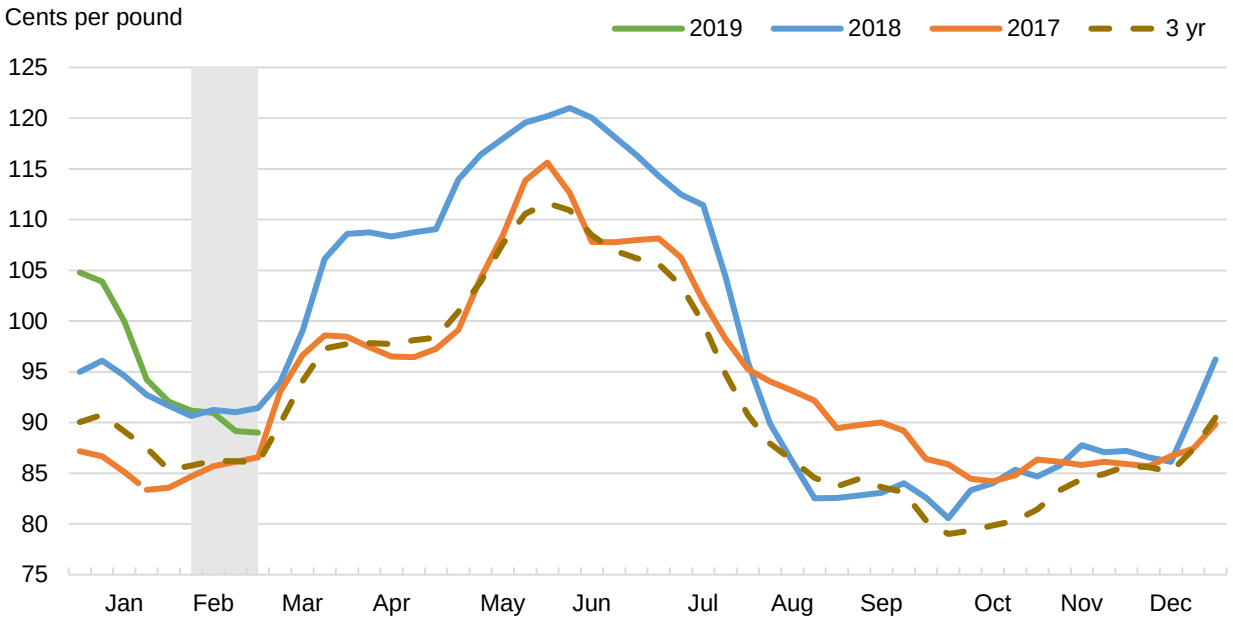
U.S. imports of broiler meat totaled 139 million pounds in 2018, a 10-percent increase over 2017. Product received from Chile, the U.S.'s largest supplier (representing 58 percent of imports), increased by 20 percent, while shipments from Canada, the second largest supplier (41 percent), decreased by 30 percent.

Forecasts for 2019 broiler exports and imports remain unchanged.

Benchmark Broiler Price Slumps, Forecast Revised Down

Weekly whole broiler (national composite) prices averaged 89.78 cents per pound in February, more than 1 percent lower than last year. This slump in wholesale prices was somewhat counterseasonal, as February prices usually begin edging upward before increasing into the Spring season in line with grilling season (see chart). The forecast for the first-quarter broiler price is revised downward to 94-95 cents per pound.

Weekly broiler (national composite) prices trend down in January and February



Source: USDA, Economic Research Service calculations using data from USDA, Agricultural Marketing Service.

Table Egg Production Expansion Continues; 2019 Forecasts Increased

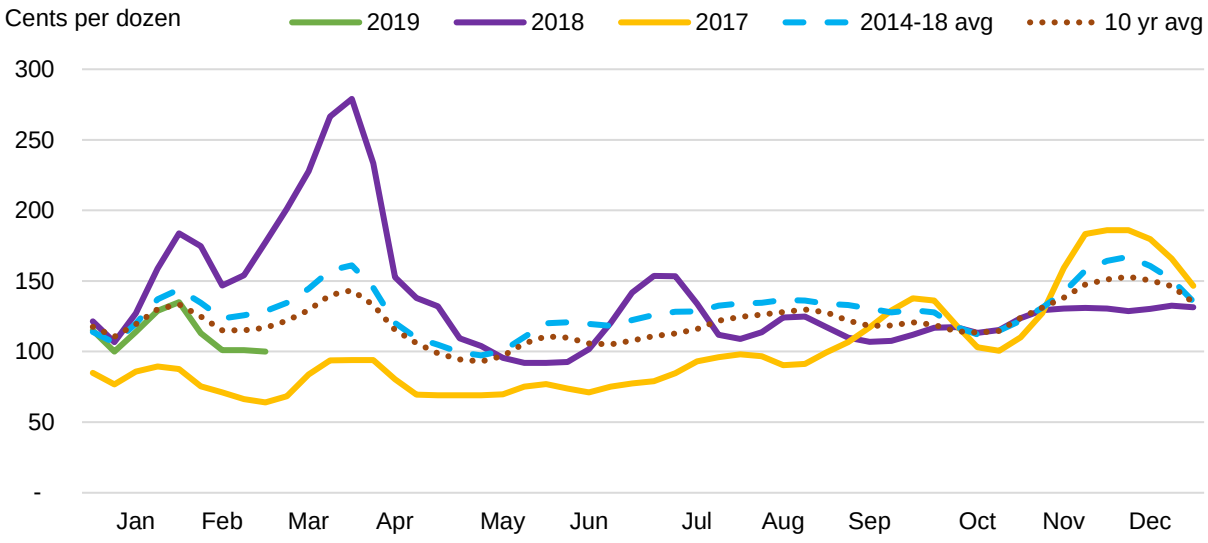
December table egg production was 688 million dozen, closing out 2018 egg production at 7.8 billion dozen, more than 2 percent higher than 2017. January table egg production was 686 million dozen, nearly 5 percent higher than a year earlier. The January growth was comprised of nearly a 3-percent increase in the table egg layer inventory and a 2-percent increase in eggs per layer.

While the January table-egg layer inventory contracted by a fraction of a percent relative to December, eggs in incubators and egg-type chicks hatched were up from year-earlier levels, suggesting that producers intend to continue expanding egg production. Additionally, pullet chicks intended for breeder flocks were also up from a year earlier, underscoring intentions for continued expansion. Based on continued expansion of the table-egg layer flock and egg-type-hatching laying flock, forecasts for 2019 table egg production are revised up by 75 million dozen to 8 billion dozen. Combined total table egg and hatching production for 2019 is estimated to be about 2 percent higher than 2018.

Increasing Supply of Table Eggs Expected To Put Downward Pressure on Wholesale Prices; Forecasts Revised Down

The increase in egg supply has been putting downward pressure on wholesale egg prices in 2019. As observed during the first 2 months, weekly wholesale prices (large grade A eggs, New York) have been running below the 5- and 10-year averages (see chart below). Most recently, in February midpoint prices for eggs averaged $1.09 per dozen. The wholesale price started the month at $1.35 per dozen and decreased to $1.01 by midmonth, where it remained for the rest of the month. Early March prices slid further but are expected to rebound in the weeks leading up to Easter in late April. First-quarter prices are revised downward to $1.10 - $1.13 per dozen.

Year-to-date weekly midpoint prices for New York eggs (wholesale, large grade A) running below 5- and 10-year averages



Source: U.S. Dept. of Agriculture, Economic Research Service calculations using data from U.S. Dept. of Agriculture, Agricultural Marketing Service and Livestock Marketing Information Center.

2018 Egg Export and Import Volumes Lower Than 2017

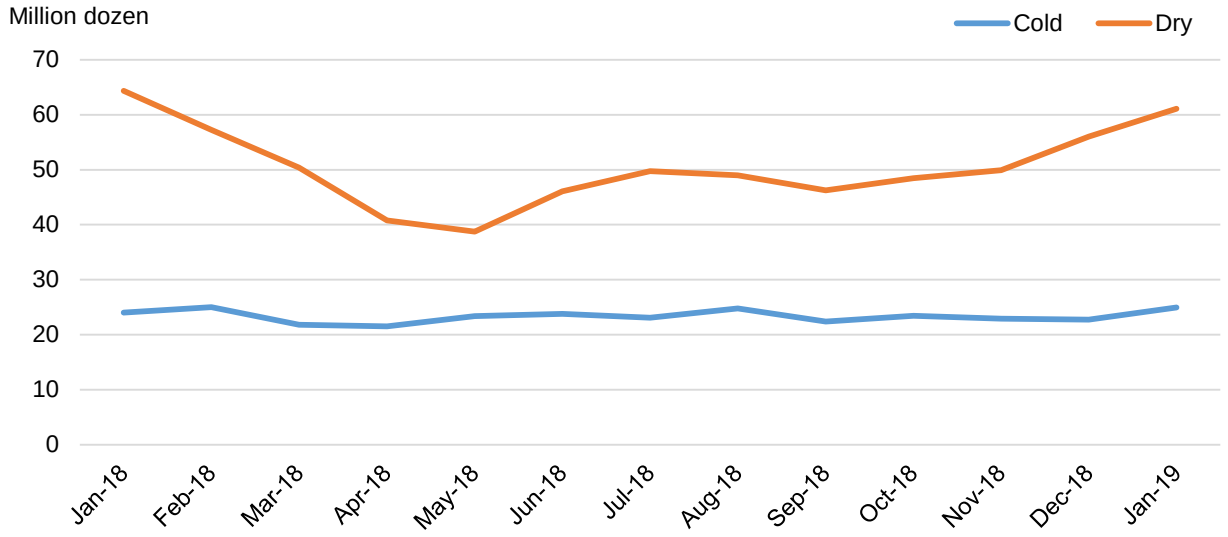
December exports of egg and egg products amounted to 26.1 million dozen (shell-egg equivalent), finishing out 2018 exports at 333.1 million dozen, 6 percent lower than 2017 volumes. Total 2018 shipments of shell eggs, which represented 58 percent of total egg exports, increased by more than 5 percent. Among the United States' major foreign markets, total shipments to Canada and Hong Kong during 2018 increased by nearly 48 and 27 percent, respectively, while shipments to Mexico, decreased by 14 percent. Conversely, total 2018 exports of egg products decreased by more than 18 percent year over year, driven by a decrease in shipments to Japan (-8 percent), Mexico (-29 percent), and South Korea (-58 percent), while shipments to Canada and the United Kingdom increased by 7 percent and 72 percent, respectively. The decrease in shipments to Asian markets was largely due to abnormally high export volumes in 2017 when highly pathogenic avian influenza (HPAI) caused domestic egg shortages in those countries.

U.S. imports of eggs and egg products totaled 17.8 million dozen in 2018, a 48-percent decrease from 2017 volumes. Forecasts of both exports and imports remain unchanged.

Dried Egg Stocks Accumulating; 2019 Forecast Increased

Ending stocks for 2018 were 79 million dozen, a 10-percent decrease compared to 2017 ending stocks. Despite this decrease, ending stocks are expected to increase in 2019 due to accumulating inventories of dried eggs. As seen in the chart below, dried egg stocks have been gradually increasing for the past 8 months. Conversely, frozen egg stocks have remained stable over the past year. The increase in dried egg stocks is likely in part due to the decrease in shipments of egg products, which have been on a downward trend since May. Based on expectations for dried stocks to continue accruing, forecasts for 2019 ending stocks were increased by 12 million dozen to 92 million dozen.

Shell-egg and egg product exports (shell-egg equivalent) (2018)

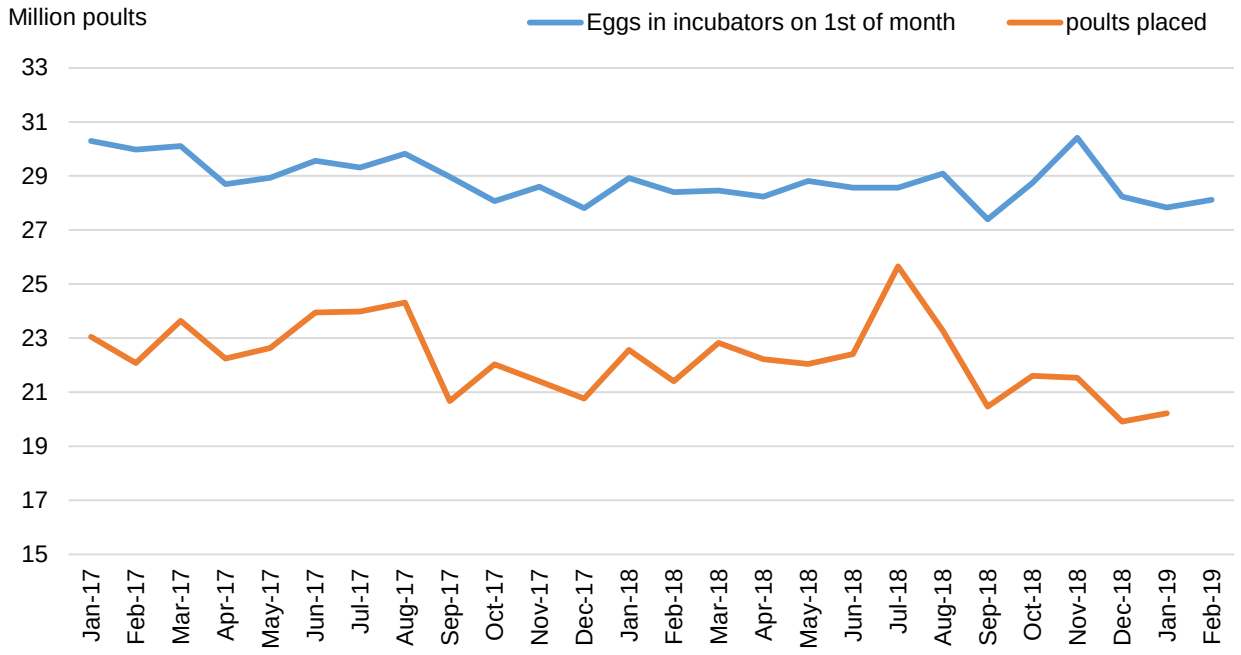


Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service and USDA, Agricultural Marketing Service.

Turkey Production Down 3 Percent in December

December 2018 turkey production totaled 448 million pounds, a 3-percent decrease from December 2017. Hatchery report data for January showed large year-over-year declines with a 7-percent decline in poults hatched and a decline of 10 percent in poult placements. Eggs in incubators on the first of the month were down 1 percent on the first of February, The strong percentage declines in poults hatched and poults placed run counter to comparatively high eggs in incubator levels. The data appears to indicate a lower rate of placements as a share of eggs set in incubators. 2018 turkey production totaled 5.878 billion pounds, 2 percent below 2017. Turkey production for 2019 is reduced by 60 million pounds from last month's forecast to 5.855 billion pounds, a half-percent decrease from 2018.

Turkey eggs in incubators and poults placed

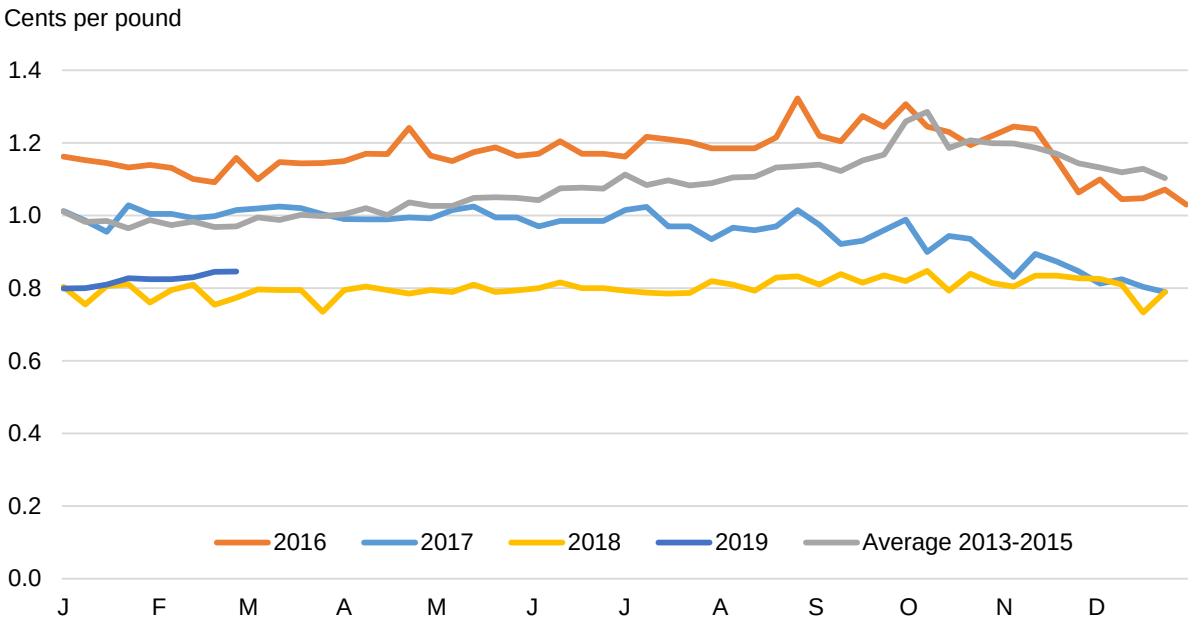


Source: USDA, Economic Research Service using USDA, National Agricultural Statistics Service Turkey Hatchery data.

Whole Turkey Prices Move Above 2018 Levels

Wholesale whole-hen frozen turkey prices were remarkably stable throughout 2018 after their nearly 2-year fall to prices last seen in 2010. The latest price data, covering the week ending March 9, 2019, shows frozen whole hen prices at 87 cents per pound. While still low relative to pre-2018 levels, the price reflects a modest increase over 2018 and possibly indicates a return to the more seasonal price patterns in the whole turkey market common before 2017. Turkey prices for 2018 averaged $0.80 per pound for the year, 17 percent below prices in 2017. In 2019, turkey prices are expected to average $0.84 to $0.89. If realized, prices at the midpoint of the range would be 8 percent higher than 2018.

Wholesale whole hen turkey prices

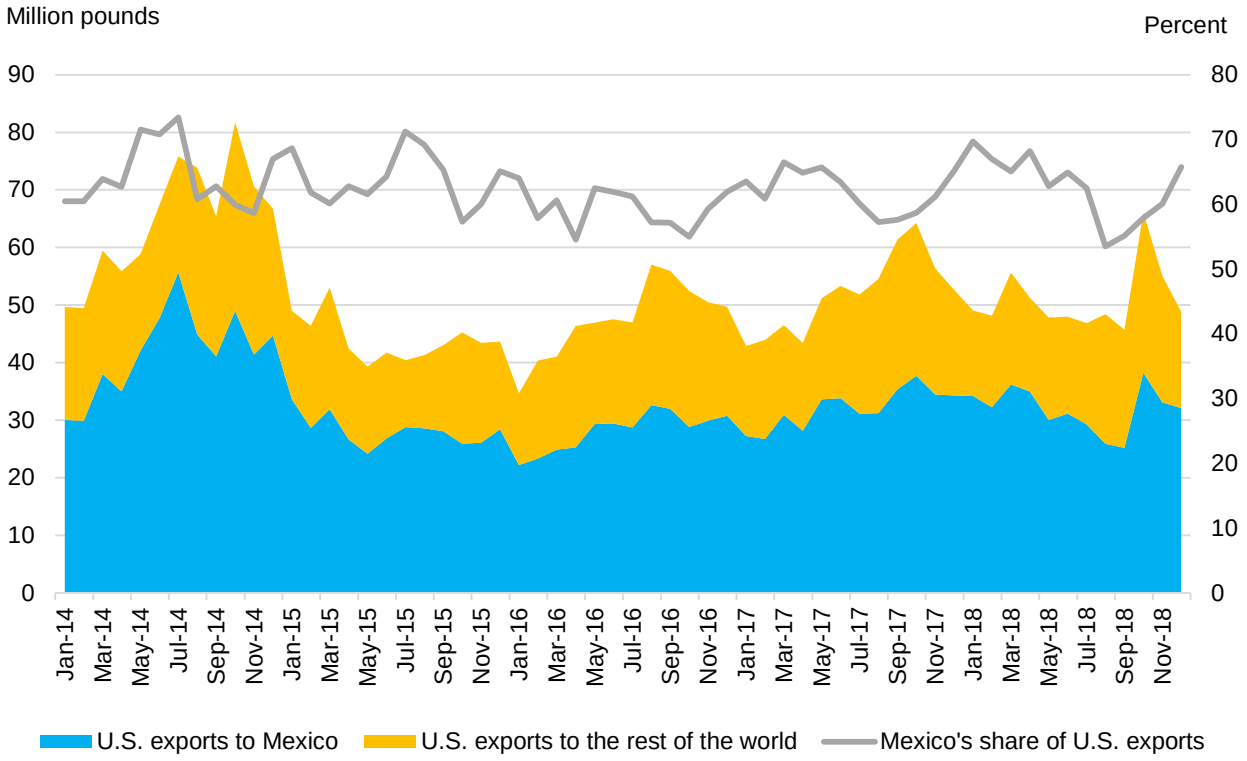


Source: USDA, Economic Research Service Livestock and Meat Domestic Data.

Turkey Exports Decrease Again in December

December 2018 turkey exports were 7 percent lower than a year earlier, totaling 49 million pounds. Mexico remains the largest destination for U.S. turkey shipments, with 32 million pounds shipped in December, or 66 percent of all U.S. shipments. December shipments to Mexico were down 6 percent from a year earlier. The share of exports shipped to Mexico in December is the highest since April 2018. Exports totaled 611 million pounds in 2018, a decrease of 2 percent relative to 2017. In 2019, turkey meat exports are expected to total 610 million pounds, nearly unchanged from the 2018 estimate.

U.S. turkey exports to Mexico and rest of world



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

Suggested Citation

Livestock, Dairy, and Poultry Outlook, LDP-M-297, U.S. Department of Agriculture, Economic Research Service, March 14, 2019

U.S. red meat and poultry forecasts

	2016					2017					2018					2019				
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Production, million lb																				
Beef	5,938	6,187	6,472	6,625	25,221	6,303	6,407	6,736	6,742	26,187	6,465	6,724	6,820	6,859	26,868	**6,390**	**6,810**	**7,070**	**7,030**	**27,300**
Pork	6,230	5,963	6,100	6,648	24,941	6,410	6,137	6,240	6,796	25,584	6,645	6,325	6,315	7,030	26,315	**6,845**	**6,540**	**6,720**	**7,325**	**27,430**
Lamb and mutton	38	39	36	37	150	37	36	35	37	145	39	38	37	39	153	**39**	**39**	**36**	**37**	**151**
Broilers	10,039	10,253	10,338	10,065	40,696	10,233	10,407	10,551	10,472	41,662	10,385	10,685	10,940	10,582	42,592	**10,400**	**10,850**	**11,100**	**10,750**	**43,100**
Turkeys	1,435	1,520	1,515	1,511	5,981	1,488	1,482	1,479	1,533	5,981	1,452	1,477	1,431	1,518	5,878	**1,440**	**1,450**	**1,445**	**1,520**	**5,855**
Total red meat & poultry	23,834	24,119	24,623	25,038	97,614	24,617	24,621	25,197	25,734	100,169	25,129	25,406	25,706	26,178	102,417	**25,258**	**25,848**	**26,532**	**26,819**	**104,457**
Table eggs, mil. doz.	1,793	1,827	1,876	1,940	7,436	1,906	1,904	1,916	1,950	7,677	1,906	1,939	1,969	2,021	7,835	**1,975**	**1,990**	**2,010**	**2,065**	**8,040**
Per capita disappearance, retail lb 1/																				
Beef	13.6	13.9	14.0	14.0	55.5	14.0	14.2	14.4	14.3	56.9	13.9	14.4	14.3	14.3	57.0	**13.6**	**14.5**	**14.7**	**14.5**	**57.3**
Pork	12.6	11.8	12.1	13.5	50.1	12.4	11.8	12.4	13.5	50.1	12.5	12.1	12.4	13.7	50.8	**13.0**	**12.3**	**12.9**	**14.1**	**52.3**
Lamb and mutton	0.3	0.3	0.2	0.3	1.0	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.3	0.3	1.1	**0.3**	**0.3**	**0.3**	**0.3**	**1.1**
Broilers	22.5	22.7	22.7	21.8	89.7	22.4	22.9	23.2	22.4	90.8	22.6	23.3	23.5	22.7	92.1	**22.3**	**23.4**	**23.7**	**22.9**	**92.3**
Turkeys	3.6	3.9	4.2	4.9	16.6	3.7	3.7	4.0	5.0	16.4	3.5	3.8	3.9	4.9	16.1	**3.5**	**3.6**	**3.9**	**4.9**	**15.9**
Total red meat & poultry	52.9	53.0	53.7	54.8	214.4	53.2	53.2	54.6	55.8	216.8	53.2	54.3	54.9	56.4	218.8	**53.0**	**54.4**	**55.9**	**57.1**	**220.5**
Eggs, number	67.4	66.3	67.3	70.6	271.6	68.5	68.6	69.3	69.9	276.3	68.2	68.9	70.3	71.4	278.8	**69.4**	**69.6**	**70.4**	**72.4**	**281.9**
Market prices																				
Choice steers, 5-area Direct, $/cwt	134.81	127.68	113.26	107.69	120.86	122.96	132.76	112.46	117.88	121.52	125.60	116.72	110.83	115.32	117.12	**124-127**	**121-127**	**110-120**	**109-119**	**116-123**
Feeder steers, Ok City, $/cwt	155.83	146.49	140.66	128.30	142.82	129.56	147.75	148.12	154.88	145.08	146.29	143.05	150.46	147.90	146.93	**140-143**	**142-148**	**145-155**	**139-149**	**142-149**
Cutter Cows, National L.E., $/cwt	73.50	75.87	73.16	57.75	70.07	62.63	69.55	69.78	58.68	65.16	61.60	61.32	57.74	49.07	57.43	**51-54**	**55-61**	**54-64**	**47-57**	**52-59**
Choice slaughter lambs, St Joseph, $/cwt	136.76	139.35	162.47	142.71	145.32	142.34	167.94	172.40	136.92	154.90	136.83	154.86	147.95	134.30	143.49	**137-140**	**156-162**	**149-159**	**135-145**	**144-151**
Nat'l base cost, 51-52 % lean, live equivalent, $/cwt	44.63	53.71	49.26	37.02	46.16	49.73	51.70	55.59	44.89	50.48	49.12	47.91	43.90	42.77	45.93	**39-40**	**43-45**	**42-46**	**38-42**	**41-43**
Broilers, national composite, cents/lb	84.6	93.0	81.7	78.0	84.3	88.5	104.7	94.9	86.1	93.5	95.7	115.1	93.7	86.7	97.80	**94-95**	**102-108**	**91-99**	**86-94**	**93-99**
Turkeys, national, cents/lb	114.7	116.5	120.7	116.6	117.1	100.4	99.1	96.9	88.0	96.1	79.4	79.6	80.4	81.4	80.20	**83-84**	**81-85**	**84-90**	**88-96**	**84-89**
Eggs, New York, cents/doz.	121.5	67.9	71.6	81.7	85.7	80.0	74.7	102.1	147.0	100.9	179.6	124.4	120.8	125.6	137.60	**110-113**	**112-118**	**120-130**	**130-140**	**118-125**
U.S. trade, million lb, carcass wt. equivalent																				
Beef & veal exports	535	621	660	740	2,557	653	680	746	781	2,860	730	799	826	801	3,156	**770**	**805**	**840**	**840**	**3255**
Beef & veal imports	792	831	751	638	3,012	700	812	814	668	2,993	722	805	807	664	2,998	**720**	**810**	**800**	**680**	**3010**
Lamb and mutton imports	68	55	41	52	216	80	58	57	57	252	80	66	70	57	273	**83**	**67**	**62**	**57**	**269**
Pork exports	1,229	1,317	1,235	1,457	5,239	1,432	1,425	1,230	1,544	5,632	1,516	1,518	1,295	1,541	5,870	**1475**	**1550**	**1400**	**1700**	**6125**
Pork imports	293	257	266	275	1,091	264	281	283	287	1,116	279	270	245	248	1,042	**260**	**250**	**240**	**255**	**1005**
Broiler exports	1,585	1,605	1,734	1,721	6,645	1,720	1,622	1,661	1,788	6,791	1,708	1,701	1,787	1,872	7,068	**1780**	**1750**	**1805**	**1810**	**7145**
Turkey exports	116	141	160	153	569	133	148	168	173	622	153	147	141	170	611	**150**	**155**	**145**	**160**	**610**
Live swine imports (thousand head)	1,468	1,406	1,371	1,413	5,657	1,449	1,458	1,296	1,394	5,597	1,358	1,350	1,259	1,286	5,253	**1,350**	**1,360**	**1,280**	**1,280**	**5270**

Note: Forecasts are in bold.

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

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

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Updated March 2019

Dairy Forecasts

	2017	2018					2019				
	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thousands)	9,392	9,406	9,402	9,375	9,357	9,385	9,345	9,345	9,350	9,355	9,350
Milk per cow (pounds)	22,941	5,780	5,936	5,755	5,702	23,173	5,845	6,035	5,820	5,805	23,505
Milk production (billion pounds)	215.5	54.4	55.8	54.0	53.3	217.5	54.6	56.4	54.4	54.3	219.7
Farm use	1.0	0.2	0.2	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0
Milk marketings	214.5	54.1	55.6	53.7	53.1	216.5	54.4	56.2	54.2	54.1	218.8
Milk-fat (billion pounds milk equiv.)											
Milk marketings	214.5	54.1	55.6	53.7	53.1	216.5	54.4	56.2	54.2	54.1	218.8
Beginning commercial stocks	12.7	13.4	16.4	19.1	17.3	13.4	13.9	16.4	18.6	16.5	13.9
Imports	6.0	1.2	1.6	1.7	1.8	6.3	1.4	1.5	1.7	1.9	6.5
Total supply	233.2	68.8	73.5	74.5	72.2	236.3	69.7	74.0	74.5	72.5	239.2
Commercial exports	9.2	2.4	3.0	2.6	2.4	10.5	2.3	2.8	2.6	2.4	10.1
Ending commercial stocks	13.4	16.4	19.1	17.3	13.9	13.9	16.4	18.6	16.5	13.6	13.6
Commodity Credit Corporation donations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2
Domestic commercial use	210.5	50.0	51.5	54.5	55.9	211.9	51.0	52.6	55.3	56.4	215.3
Skim solids (billion pounds milk equiv.)											
Milk marketings	214.5	54.1	55.6	53.7	53.1	216.5	54.4	56.2	54.2	54.1	218.8
Beginning commercial stocks	9.5	11.8	11.4	11.5	10.5	11.8	10.4	10.9	11.9	11.0	10.4
Imports	6.1	1.4	1.4	1.3	1.4	5.5	1.3	1.2	1.3	1.4	5.2
Total supply	230.1	67.3	68.4	66.5	65.0	233.7	66.1	68.3	67.3	66.5	234.4
Commercial exports	40.7	11.5	12.5	10.9	9.7	44.6	10.4	11.6	10.9	10.9	43.6
Ending commercial stocks	11.8	11.4	11.5	10.5	10.4	10.4	10.9	11.9	11.0	10.5	10.5
Commodity Credit Corporation donations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2
Domestic commercial use	177.6	44.4	44.3	45.1	44.9	178.7	44.9	44.8	45.4	45.1	180.1
Milk prices (dollars/cwt) [1]											
All milk	17.65	15.67	16.10	16.00	16.93	16.18	16.75	17.05	16.75	17.30	17.00
							-16.95	-17.55	-17.55	-18.30	-17.60
Class III	16.17	13.87	14.95	15.05	14.58	14.61	14.00	14.75	15.30	15.40	14.90
							-14.20	-15.25	-16.10	-16.40	-15.50
Class IV	15.16	13.01	14.32	14.53	15.05	14.23	15.60	15.85	15.85	15.65	15.75
							-15.90	-16.45	-16.75	-16.75	-16.45
Product prices (dollars/pound) [2]											
Cheddar cheese	1.634	1.515	1.608	1.565	1.463	1.538	1.410	1.505	1.550	1.560	1.510
							-1.430	-1.555	-1.630	-1.660	-1.570
Dry whey	0.444	0.260	0.280	0.369	0.459	0.342	0.440	0.405	0.425	0.425	0.425
							-0.460	-0.435	-0.455	-0.455	-0.455
Butter	2.330	2.161	2.320	2.284	2.264	2.257	2.235	2.270	2.275	2.235	2.255
							-2.275	-2.350	-2.385	-2.365	-2.345
Nonfat dry milk	0.867	0.700	0.774	0.816	0.887	0.795	0.965	0.970	0.970	0.965	0.965
							-0.985	-1.010	-1.030	-1.035	-1.015

Totals may not add due to rounding.

[1] Simple averages of monthly prices. May not match reported annual averages.

[2] Simple averages of monthly prices calculated by the Agricultural Marketing Service for use in class price formulas. Based on weekly U.S. Dept. of Agriculture, *National Dairy Products Sales Report*.

Sources: USDA: National Agricultural Statistics Service, Agricultural Marketing Service, Foreign Agricultural Service, and World Agricultural Outlook Board.

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