

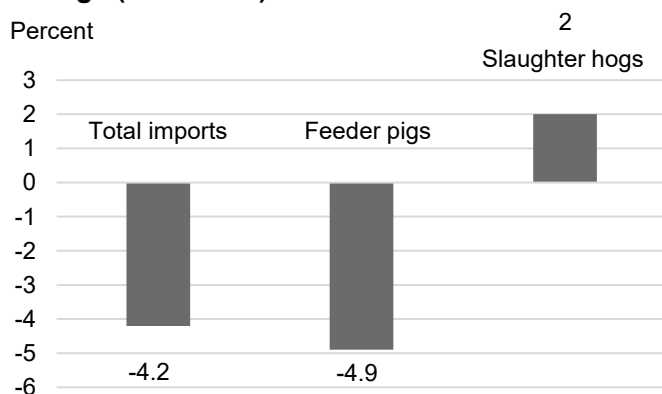


Livestock, Dairy, and Poultry Outlook

The United States Imported Fewer Swine and More Cattle in the First Half of 2019 Than in the Same Period of 2018

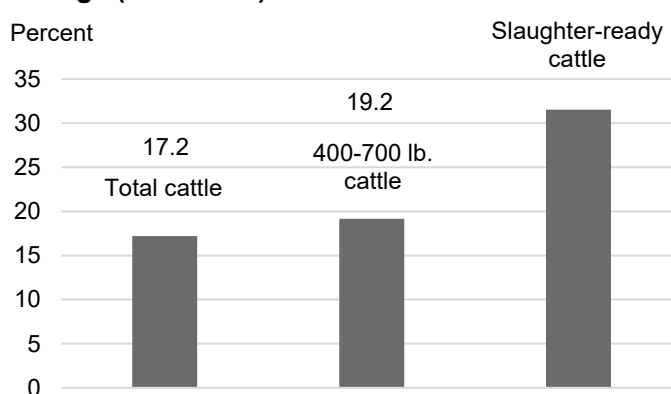
The United States is an important importer of live swine from Canada and of cattle from both Canada and Mexico. Almost all U.S. hog and pig imports are of Canadian origin. In the first half of both 2018 and 2019, about 85 percent of swine imports were animals for finishing; that is, young animals that are fed to slaughter weights, then processed in the United States. In the first 6 months of 2019, total U.S. imports of hog and pigs from Canada decreased 4.2 percent. U.S. finishing-animal imports were 4.9 percent lower in January to June of this year, likely due to stronger packer demand for hogs in Canada. However, first-half U.S. imports of hogs for immediate slaughter increased 2 percent, probably due to a recently opened slaughter plant with proximity to the Canadian border. Total first-half 2019 cattle imports increased 17.2 percent over a year earlier. About 63 percent of first-half imports were of Mexican origin, and 37 percent came from Canada. About two-thirds of total cattle imports were made up of young animals weighing 400-700 pounds, 92 percent of which were of Mexican origin, and slaughter-ready cattle, of which 99.5 percent came from Canada. Imports of cattle weighing 400-700 pounds increased more than 19 percent in the first half, likely due to attractive U.S. feeder cattle prices. Slaughter cattle imports increased 31.5 percent, due mostly to relatively stronger U.S. cattle prices.

U.S. imports of live hog and pigs: percent change (2019/2018)



Source: USDA, Economic Research Service.

U.S. imports of live cattle: percent change (2019/2018)



Source: USDA, Economic Research Service.

Beef/Cattle: The July *Cattle* report indicates the cattle herd has leveled off since herd expansion began in 2014. A smaller calf crop and fewer heifers retained for beef and dairy cow replacement suggest the herd may contract. Cattle slaughter weights remain below year-earlier levels, which continue to drag down the 2019 production forecast. The 2020 production forecast was raised on a greater expected pace of fed cattle slaughter in first-half the year. Fed cattle price forecasts were raised to reflect current price strength. The estimates for beef and cattle trade in second-quarter 2019 were adjusted to reflect June trade data, but the forecasts for second-half 2019 and all of 2020 were unchanged.

Dairy: With cow numbers declining again in June and milk per cow falling short of estimates, the 2019 and 2020 milk production forecasts have been lowered from last month's projections to 217.9 billion pounds (-0.3 billion) and 221.4 billion (-0.4 billion), respectively. Export forecasts have been lowered and import forecasts have been raised on both milk-fat and skim-solids bases for 2019 and 2020. Higher domestic use is expected to support domestic prices. The all-milk price forecast has been raised 10 cents in 2019 to \$18.30/cwt, but lowered 5 cents to \$18.80 for 2020.

Pork/Hogs: Third-quarter commercial pork production is forecast at almost 6.8 billion pounds, more than 7 percent higher than a year ago. Year-end pork cold stock estimates were moved higher for both 2019 and 2020 due to rising monthly stocks for some pork cuts. First-half pork exports were almost 2 percent lower than a year ago. On balance, shipments to Mexico and Asia were weak, with the exception of those to China\Hong Kong. Exports to Canada and Australia were strong, as well as to Latin America except for those to the Dominican Republic. Third-quarter exports are expected to increase more than 19 percent over a year ago.

Sheep/Lamb: The third- and fourth-quarter ending stocks forecast was revised up based on higher second-quarter ending stocks, while the forecast for sheep meat imports was revised down for the first quarter of 2020.

Poultry/Eggs: Expectations for broiler production are increased for the rest of 2019 and 2020 based on gains in average bird weights, while the benchmark price is revised down. Broiler imports are revised down on the expectation for fewer shipments from key suppliers. The table egg production forecast is lowered based on decreasing layer flock, while oversupply is the basis for decreasing the table egg price forecast. The egg stock forecast was revised up on increasing dried egg inventories, and the export forecast was revised up on increasing shell egg shipments.

Beef/Cattle

Russell Knight and Lekhnath Chalise

U.S. Cattle Herd Expansion Leveling Out

In July, USDA National Agricultural Statistics Service (NASS) released the midyear *Cattle* report,¹ which provided a snapshot of U.S. cattle inventory as well as a glimpse into cow/calf producers' intentions for retaining heifers. The report estimated the U.S. cattle herd at 103.0 million head, the same level as a year ago. Although the number of beef cows is the same as a year ago at 32.4 million head, the number of dairy cows is estimated 1 percent below year-ago levels at 9.3 million head. The calf crop is also estimated to be only fractionally below a year ago at 36.3 million head.

Based on the number of beef cows on July 1, ERS estimates that 9.7 percent fewer beef heifers entered the herd in first-half 2019 than over the same period last year. The ERS webpage "Livestock & Meat Domestic Data" has a table titled "Heifers Entering the Herd," which estimates heifers for beef cow replacement that entered the herd this year (January-June) at 2.5 million head. According to the *Cattle* report, producers intend to keep about 4.4 million beef heifers as beef cow replacements, 4 percent fewer than producers intended to keep at this time last year. Producers' intentions are signaling that herd expansion since 2014 likely has peaked.

With fewer heifers retained for beef and dairy cow replacements, the other females are being placed into feedlots. According to the July NASS *Cattle on Feed* report, the number of cattle on feed in feedlots with capacity of 1,000 head or more totaled 11.5 million head on July 1, 2019, up almost 2 percent from 2018. This is the largest number of cattle on feed for the month since the series began in 1996. The NASS report also estimated the classes of cattle on feed as 7.0 million steers and 4.5 million heifers. Compared to 2018, the number of heifers on feed increased by 8 percent, while steers declined by almost 2 percent. Heifers represented 39 percent of cattle on feed on July 1, compared to 37 percent last year.

The ERS webpage "Livestock & Meat Domestic Data" has a table titled "Feeder Cattle Supplies Outside Feedlots," which estimates the number of cattle available to place in feedlots at 37.1 million head, only 100,000 head, or 0.3 percent, larger than this time last year.

2019 Beef Production Forecast Reduced on Lower Weights

The 2019 beef production forecast was reduced by 86 million pounds from last month to 27.0 billion pounds, based primarily on lighter expected carcass weights through 2019 and a slower pace of fed cattle slaughter in the third quarter. For the week ending July 27, average carcass weights improved to 809 pounds, but weights were 2 pounds below the same week last year. For the same recent week, steer and heifer weights were 5 and 4 pounds, respectively, below the counterpart week last year.

The forecast for 2020 beef production was raised by 145 million pounds from last month's forecast to 27.6 billion pounds based on an expected quicker pace of fed cattle slaughter in first-half 2020 that more than offset a slower anticipated pace of fed cattle slaughter in late 2020. Based on the *Cattle* report, the 2019 calf crop is estimated slightly smaller by 102.7 thousand head, or less than 1 percent

¹ The July *Cattle* report was temporarily suspended in 2013 and 2016.

smaller than the previous year, suggesting that marketings in the latter part of 2020 will be lower than previously expected.

Fed Cattle Prices Raised in Second-Half 2019

For the week ending August 11, 2019, the weekly average fed steer price in the 5-area marketing region rose to \$112.37 per cwt, more than a dollar above the same week a year ago. The price forecast for third-quarter 2019 was raised \$3 to \$110 per cwt, and the price forecast for fourth-quarter 2019 was increased by \$2 to \$112 per cwt. As a result, the average 2019 annual price is forecast at \$116.50 per cwt, \$1.00 higher than last month.² The 2020 annual price is unchanged.

Prices for feeder steers weighing 750-800 pounds for the week of August 12, 2019, were \$137.71 cwt, more than \$10 below the same week last year. Based on recent price data, the third-quarter 2019 feeder steer price was lowered by \$1 to \$142 per cwt, and the 2019 fourth-quarter price forecast was lowered \$1 from the prior month to \$140 per cwt. This month's annual price forecast for 2019 is \$141 per cwt. The 2020 annual price forecast was unchanged.

U.S. Beef Exports Slowed in First-half 2019

U.S. beef exports in June 2019 were fractionally lower than year-earlier levels, at 274 million pounds. June exports were lower to Japan (-11.3 percent), Canada (-15.8 percent), and Mexico (-8.5 percent), while shipments increased to South Korea (+14.6 percent) and to Taiwan (+36.7 percent). Year-over-year lower exports in each month through June resulted a 3-percent decline in U.S. exports in first-half 2019, with the largest decline to Hong Kong (see table below). The 2019 and 2020 export forecasts were left unchanged from the previous month, at 3.151 billion and 3.245 billion pounds, respectively.

U.S. beef exports slowed in first-half 2019

	Beef exports first-half 2018	Beef exports first-half 2019	YOY change quantity	YOY Change percentage
	Million pounds	Million pounds	Million pounds	
Japan	431	406	-25	-6
Mexico	213	220	7	3
South Korea	301	338	37	12
Canada	153	130	-22	-15
Hong Kong	156	99	-57	-37
Taiwan	83	97	13	16
All Other	195	196	0	0
Total	1532	1486	-46	-3

YOY = Year Over Year. Source: USDA, Economic Research Service.

² The implications of the recent fire at Tyson's slaughter plant in Finney County, Kansas on national cattle prices over the coming months are uncertain as the damage to the plant is still being evaluated.

Beef Imports Increased in First-half 2019

June 2019 U.S. beef imports were down 8 percent year-over-year to 268 million pounds. Notable declines from Oceania more than offset increases from most other suppliers. However, for the second quarter of 2019, U.S. beef imports totaled 836 million pounds, with imports from all major suppliers higher year-over-year with the exception of New Zealand (see table below). New Zealand is exporting more product to Asian markets, resulting in lower shipments to the United States. Imports from Australia declined sharply in June after 3 consecutive months of increases. With slightly lower than expected second-quarter imports, forecasts for the outlying quarters were unchanged. The 2019 U.S. beef import forecast is 3.045 billion pounds; the forecast for 2020 imports is unchanged from the previous month at 2.960 billion pounds.

U.S. beef imports increased in first-half 2019

	Beef imports first-half 2018	Beef imports first-half 2019	YOY change quantity	YOY Change percentage
	Million pounds	Million pounds	Million pounds	
Australia	317	344	28	9
Canada	377	420	43	11
New Zealand	372	278	-94	-25
Mexico	249	288	39	16
Brazil	65	72	8	12
Uruguay	52	69	17	32
Nicaragua	74	83	9	12
All Other	22	21	-1	-6
Total	1527	1575	48	3

YOY = Year Over Year. Source: USDA, Economic Research Service.

Cattle Trade Slowed Year Over Year in June 2019

June was the first month of 2019 where both exports and imports declined year-over-year. At 150,436 head, U.S. cattle imports in June 2019 were 4,249 head lower than year-earlier levels. Lower imports from Mexico fully offset the increases from Canada in June. However, higher year-over-year imports in the first 5 months of 2019 offset this decline, resulting in first-half imports that were 165,880 head above the previous year. The 2019 and 2020 import forecasts were left unchanged from the previous month's forecast, respectively at 2.100 million head and 2.150 million head.

U.S. cattle exports in June were 1,958 head lower than year-earlier levels to 15,887 head. Exports were higher year over year in January through June, which resulted in over 2,300 head more cattle exported during the first half of 2019. U.S. cattle export forecasts were left unchanged from the previous month's forecast at 265,000 head for both 2019 and 2020.

Dairy

Jerry Cessna and Jonathan Law

Recent Developments in Dairy Markets

Price movements for dairy products, as reported in the *National Dairy Product Sales Report* (NDPSR) from the week ending July 6 to the week ending August 10, were mixed. The butter price fell 1.4 cents to \$2.3657 per pound, and the nonfat dry milk (NDM) price fell 0.9 cents to \$1.0405 per pound. Prices for Cheddar cheese 40-pound blocks and 500-pound barrels increased 1.6 cents and 4.5 cents to \$1.8371 and \$1.7522 per pound, respectively. The dry whey price rose 1.3 cents to \$0.3673 per pound.

Dairy wholesale product prices (dollars per pound)

	For the week ending		Change
	July 6	August 10	
Butter	2.3801	2.3657	-0.0144
Cheddar cheese			
40-pound blocks	1.8212	1.8371	0.0159
500-pound barrels ¹	1.7075	1.7522	0.0447
Nonfat dry milk	1.0493	1.0405	-0.0088
Dry whey	0.3541	0.3673	0.0132

¹ Adjusted to 38-percent moisture.

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

USDA, National Agricultural Statistics Service (NASS) estimated U.S. milk production at 18.230 billion pounds in June, a drop of 0.3 percent from June 2018. Milk cows numbered 9.323 million head in June, down 10 thousand from May. Milk per cow was estimated at 1,955 pounds, an increase of 0.6 percent from June 2018.

The number of replacement heifers on July 1 was lower than in July 2018, as reported in NASS *Cattle* report. Milk replacement heifers were estimated at 4.1 million head as of July 1, a drop of 601,500 from January 1, which is the largest decline from January to July since the July 1 series began in 1973. In addition, the ratio of heifers to milk cows fell to 44.1 percent, the lowest since 2009.

Milk cows and milk replacement heifer statistics (thousands of head)

Year	January 1			July 1 ¹			Change from January 1 to July 1		Year-over year change in heifers	
	Milk cows	Heifers	Heifers as % of cows	Milk cows	Heifers	Heifers as % of cows	Milk cows	Heifers	Jan	July
2015	9,312	4,710	50.6	9,300	4,200	45.2	-12	-510	172	100
2016	9,312	4,814	51.7	NA	NA	NA	NA	NA	NA	NA
2017	9,369	4,754	50.7	9,400	4,200	44.7	32	-554	-60	NA
2018	9,432	4,768	50.6	9,400	4,200	44.7	-32	-568	14	0
2019	9,353	4,702	50.3	9,300	4,100	44.1	-53	-602	-67	-100
Comments							lowest since 42.9% in 2009	largest Jan. to Jul. decline on record	Down year over year	

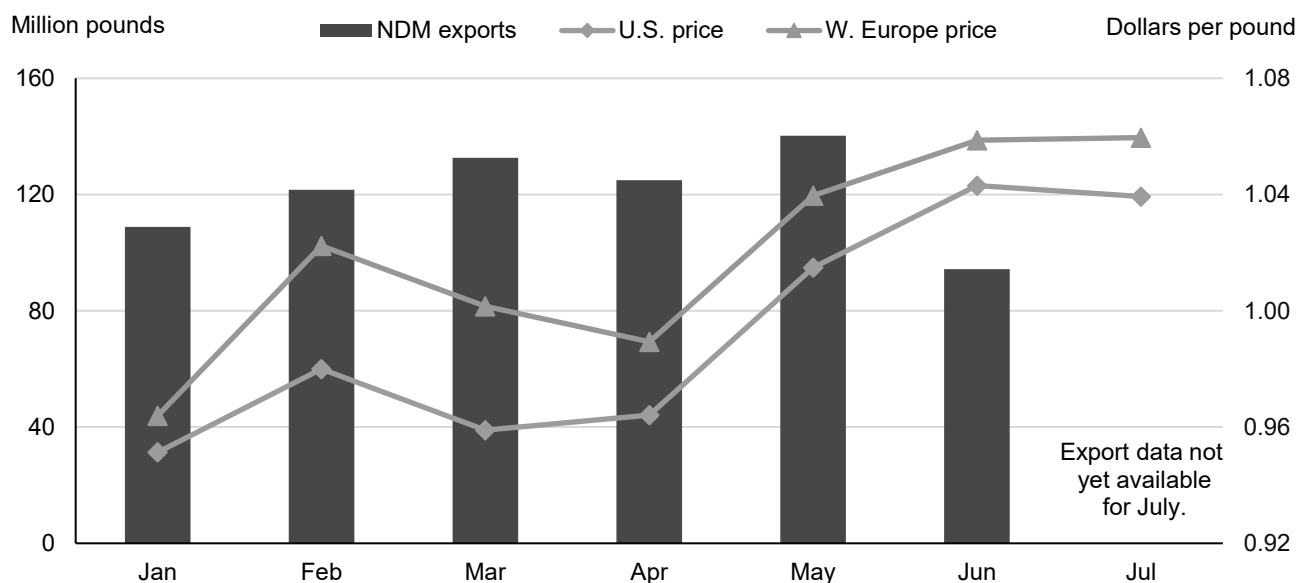
NA = not available

¹ In recent years, July 1 inventory estimates are rounded to the nearest 100,000 head.

Source: USDA, National Agricultural Statistics Service and Economic Research Service calculations.

On a milk-fat milk-equivalent basis, exports have been below the previous year every month since March. In June, milk-fat basis exports totaled 816 million pounds, 43 million less than May and 166 million less than June 2018. On a skim-solids milk-equivalent basis, exports have been below the previous year every month since November 2018. In June, exports on a skim-solids basis were 3.267 billion pounds, 337 million less than May and 538 million less than June 2018. Notably, skim milk powder exports fell to 94 million pounds in June, a drop of 32.7 percent from May. Domestic butter prices are currently significantly higher than butter prices overseas; in July, the Oceania and Western Europe export prices were \$2.00 and \$1.88 per pound, respectively, while the domestic wholesale price was \$2.39 per pound.

Nonfat dry milk exports, U.S. nonfat dry milk (NDM) wholesale price, and Western Europe skim milk powder export price (exports left axis, prices right axis)



Sources: USDA, Agricultural Marketing Service; USDA, Foreign Agricultural Service; U.S. Census Bureau.

On a milk-fat basis, imports totaled 641 million pounds, a drop of 13 million pounds from May, but an increase of 138 million pounds from June 2018. Imports on a skim-solids basis were 514 million pounds in June, a decrease from May of 45 million pounds, but an increase of 88 million pounds from June 2018. Imports of butterfat products remained particularly strong at 14.9 million pounds, 4.1 million pounds more than June 2018.

Ending stocks on a milk-fat basis totaled 18.252 billion pounds for June, a drop of 598 million pounds from June 2018. On a skim-solids basis, June ending stocks totaled 11.188 billion pounds, 340 million pounds less than June 2018. Cheese stocks fell slightly from the previous month for the second straight month to 1.382 billion pounds, and were also down slightly year over year.

Domestic use was relatively strong in the second quarter of 2019. Compared to the second quarter of 2018, it was 2.4 percent higher on a milk-fat basis and 5.4 percent higher on a skim-solids basis. Year-over-year growth of domestic use in the second quarter was 3.6 percent for cheese, 26.9 percent for NDM, 23.2 percent for dry whey, 21.6 percent for whey protein concentrate, and 89.1 percent for lactose.

Outlook for Feed Prices

The 2019/20 corn price forecast has been lowered 10 cents to \$3.60 per bushel. The soybean meal forecast for 2019/20 is \$300 per short ton, unchanged from last month's forecast. The June alfalfa hay price was \$193 per short ton, a drop of \$11 from May but \$12 higher than June 2018. The price for premium alfalfa hay in June was \$217 per short ton, \$5 lower than the May price. For more information, see *Feed Outlook*, published by USDA, Economic Research Service.

Dairy Forecasts for 2019

Based on recent milk cow and heifer statistics, the forecast of the milking herd in 2019 has been lowered 5 thousand head to 9.335 million. Due to a lower number than expected for milk per cow in June, the milk per cow estimate for the year has been lowered 15 pounds to 23,350. With these changes, total milk production for 2019 is now forecast at 217.9 billion pounds, 0.3 billion lower than the previous forecast.

Imports on a milk-fat basis are now forecast at 7.2 billion pounds for the year, 0.3 billion pounds higher than last month's forecast, as recent strength in imports of butter from the EU (particularly Ireland) should continue through year end. The export forecast on a milk-fat basis has been lowered 0.1 billion pounds to 9.4 billion. Ending stocks for 2019 are now forecast at 13.0 billion pounds, 0.1 billion pounds lower than the last forecast. Domestic use on a milk-fat basis for the year is forecast slightly higher than last month at 215.2 billion pounds.

On a skim-solids basis, the import forecast for 2019 has been raised 0.1 billion pounds to 5.5 billion due to higher expected imports of milk protein products. A weaker Chinese yuan, continued trade tensions with China, and strong competition for NDM exports have motivated a dimmer outlook for skim-solids exports; exports are now forecast at 40.6 billion pounds, 0.7 billion pounds lower than the last forecast. Ending stocks for 2019 are forecast at 10.0 billion pounds, unchanged from the last forecast. Helped by slightly lower NDM prices, domestic use is now forecast at 182.3 billion pounds for the year, 0.6 billion pounds higher than last month's forecast.

Slight changes in dairy product price forecasts have been made for the remainder of 2019. Recent strength in cheese prices and growth in domestic use have motivated an increase of 2.5 cents in the Cheddar cheese price for the year to \$1.685 per pound. The dry whey price has also been raised slightly for the year to \$0.380 per pound. Domestic demand continues to support the U.S. butter price; as a result, the butter price forecast has been raised slightly to \$2.320 per pound for the year. In contrast, weakening shipments of NDM in recent months have allowed the NDM price to weaken somewhat of late; therefore, the NDM price forecast has been lowered 1.5 cents to \$1.005 per pound for the year.

With slightly higher prices for cheese and whey, the Class III price for 2019 has been raised 25 cents to \$16.30 per cwt. The lower NDM price forecast has led to a decrease of 15 cents in the Class IV price forecast to \$16.30 per cwt. The all-milk price for 2019 is now forecast at \$18.30 per cwt, 10 cents higher than the previous forecast.

Dairy Forecasts for 2020

The decline in milk cows in the second half of 2019 is expected to continue into early 2020, before the inventory begins to increase; therefore, the estimate for the size of the milking herd in 2020 has been lowered 5 thousand head to 9.350 million. Similarly, the forecast for milk per cow has been lowered 35 pounds to 23,675. The forecast for milk production in 2020 is now 221.4 billion pounds, a reduction of 0.4 billion pounds from the last forecast.

Recent strength in butter imports should continue through next year; accordingly, the forecast for imports on a milk-fat basis for 2020 has been raised to 7.0 billion pounds. Exports on a milk-fat basis are projected 0.3 billion pounds lower than the previous forecast at 9.9 billion pounds, as domestic butter prices remain well above those in the EU and Oceania and show little sign of retreating substantially in the near future. Ending stocks are estimated at 13.0 billion pounds for 2020, a reduction of 0.1 billion pounds from last month's forecast. The forecast for domestic use on a milk-fat basis in 2020 has been raised slightly to 217.5 billion pounds.

Higher expected imports of milk protein products should continue into 2020; as a result, the import forecast on a skim-solids basis has been raised 0.2 billion pounds to 5.2 billion. The forecast for exports has been lowered 0.5 billion pounds to 42.4 billion, due to expectations for continued competition with the EU in NDM export markets. The ending stock forecast for the year is unchanged at 10.1 billion pounds. Domestic use on a skim-solids basis is now projected at 183.1 billion pounds, 0.3 billion pounds higher than last month's estimate, as recent strength in domestic demand and weaker NDM prices should replace some lost exports.

Most dairy product price forecasts for 2020 have been lowered slightly. The Cheddar cheese price is now forecast at \$1.725 per pound for the year, half a cent lower than last month's forecast. The projection for the dry whey price in 2020 is \$0.360 per pound, unchanged from the last forecast. The butter price forecast has been lowered 1 cent to \$2.335 per pound. As recent struggles for NDM exports suggest significant competition abroad, the NDM price forecast has been lowered 3 cents to \$1.015 per pound.

With the lower expected cheese price, the Class III milk price estimate for 2020 is now \$16.55 per cwt, 10 cents lower than last month's forecast. Since the butter and NDM price forecasts have been lowered, the Class IV milk price forecast has been lowered 30 cents to \$16.45 per cwt. The all-milk price forecast for 2020 is now \$18.80 per cwt, 5 cents lower than previously forecast.

Details Announced on USDA's Market Facilitation Program

On July 25th, USDA announced the terms of its Market Facilitation Program (MFP), which is intended to support farmers affected by retaliatory tariffs and non-tariff trade disruptions by China and other nations. Dairy producers who were in business as of June 1, 2019, will receive a per hundredweight payment on production history. The program is being administered by the Farm Service Agency (FSA), and signup for the program is currently open through December 6, 2019. For more information, see USDA Press Release No. 0114.19.

Pork/Hogs

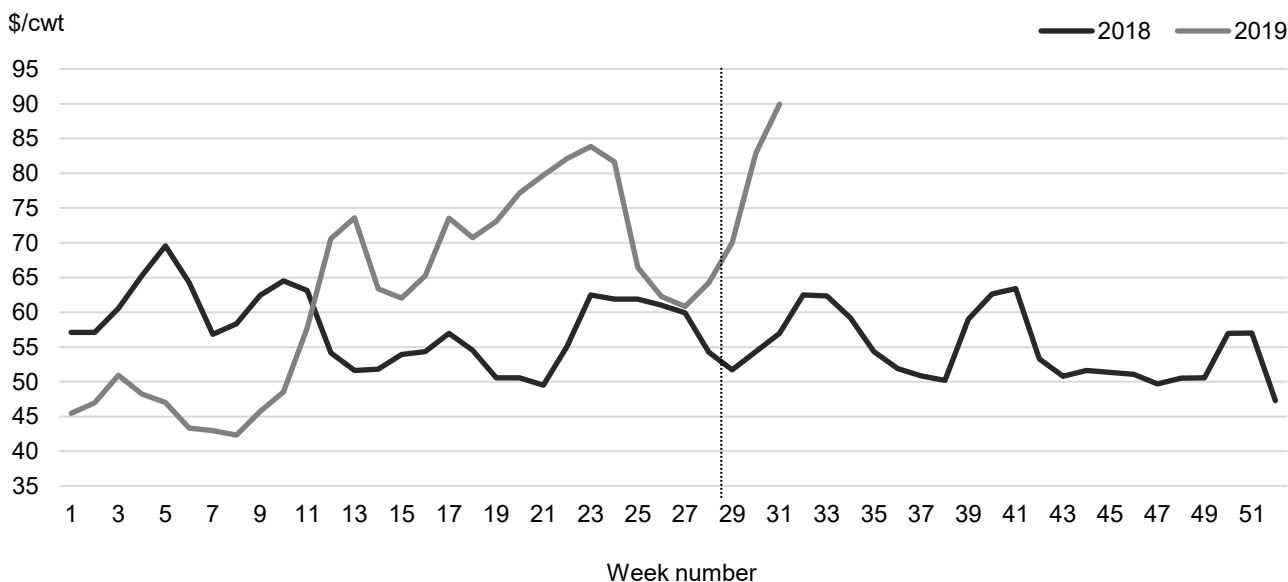
Mildred Haley

Pork Production Higher in July, With Hog Prices Turning Higher at Month's End

U.S. hog slaughter and pork production continued to run ahead of year-earlier rates in July due to sector expansion and an additional slaughter day. Estimated federally inspected hog slaughter in July was 10.5 million head. Taking account of the extra slaughter day this year in July, slaughter numbers were 5.4 percent ahead of July 2018. Estimated federally inspected pork production was about 2.4 billion pounds, an increase of more than 6 percent compared with a year ago, after accounting for the extra slaughter day. July prices of live equivalent 51-52 percent lean hogs averaged \$53.05 per cwt, 4.2 percent below a year ago.

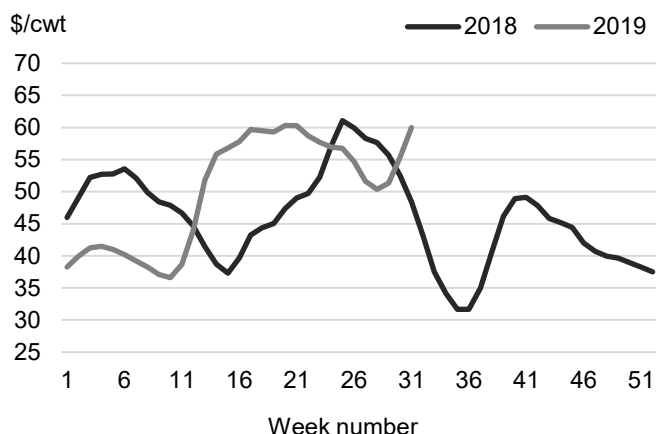
The estimated pork carcass cutout bottomed out in mid-July and turned higher, led by a spike in the prices of hams and bellies. The increase in ham prices may have resulted from an increase in foreign demand. Prices of 23- to 27-pound trimmed selected hams averaged \$60.83 per cwt the week ending July 5, 2019 (week 27 in the figure below), and finished July averaging \$89.93, an increase of almost 48 percent. Hog prices increased at the same time—more than 19 percent—from mid-July until the end of the month, likely as processors bid up hog prices and some processors slaughtered increased numbers of hogs to fill large ham orders. Even so, the weekly gross hog-processing spread in July averaged about \$21.60 per hog, almost 16 percent below the same period last year, largely a result of prices weaker than a year-ago for most pork cuts for most of July.

Trimmed selected hams, 23-27 pounds, weekly prices



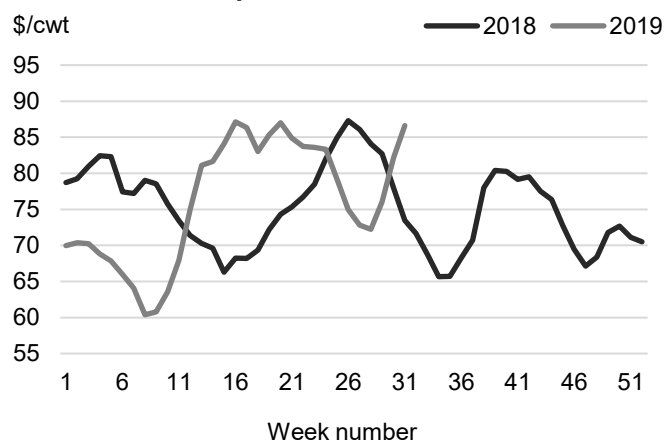
Source: USDA, Agricultural Marketing Service.

Live equiv. 51-52 percent lean hogs, weekly prices



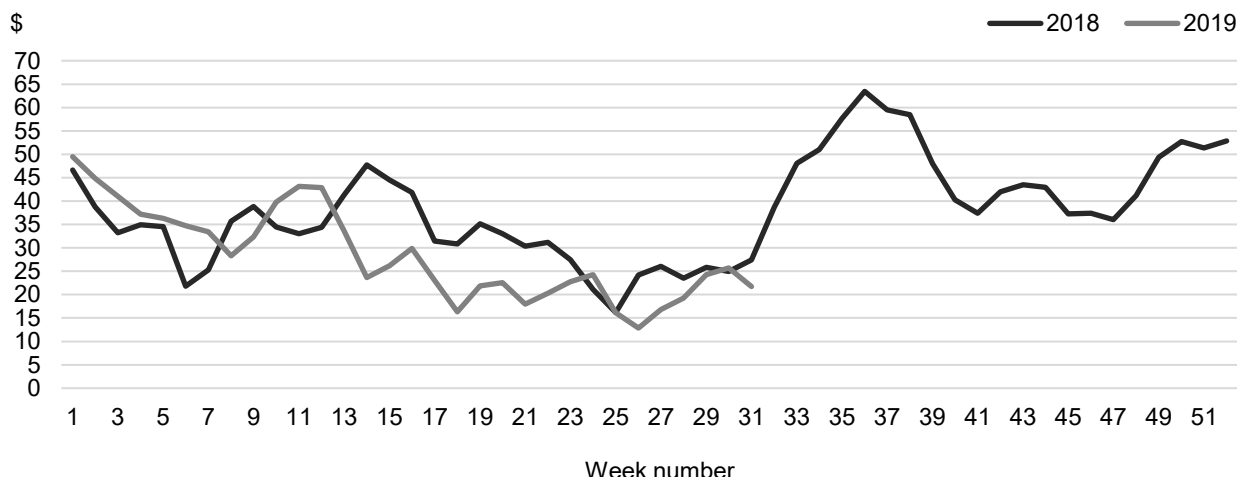
Source: USDA, Agricultural Marketing Service.

USDA estimated pork carcass cutout



Source: USDA, Agricultural Marketing Service.

Per hog gross processor margin

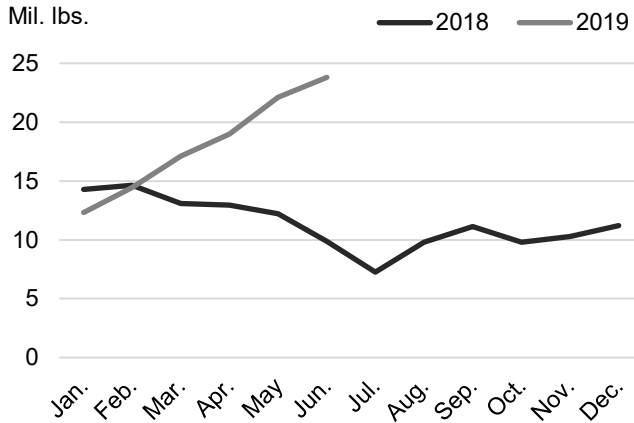


Source: USDA, Economic Research Service, with USDA, Agricultural Marketing Service data.

Large Ending Stocks in June of Bone-in Loins and Boneless Ham Prompt End-of-Year Stock Increases

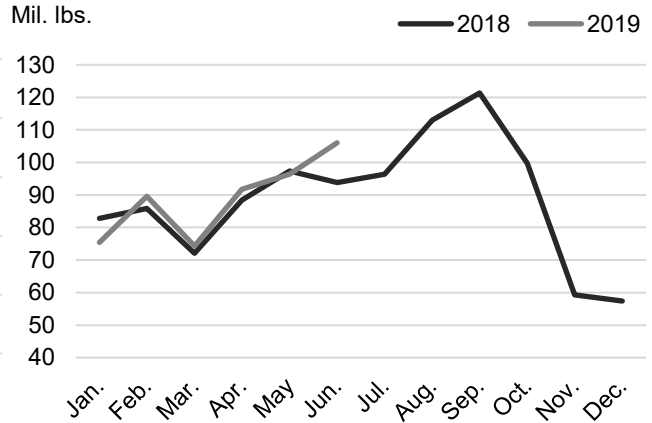
Larger than anticipated June ending stocks of bone-in loins and boneless hams prompted an increase in USDA's forecast for year-end pork stocks for both 2019 and 2020. June ending stocks for bone-in loins were almost 24 million pounds, more than double stocks of a year ago. Ending stocks of boneless hams, at 106 million pounds, were 13 percent higher than year-earlier levels. With increased pork production forecast for the remainder of the year, stocks of these categories are likely to remain large. Year-end stocks levels were raised for 2019 from 565 million pounds to 600 million pounds. For 2020 fourth-quarter, ending stocks were increased from 575 million pounds to 650 million pounds.

Bone-in loins, monthly cold stocks



Source: USDA, National Agricultural Statistics Agency.

Boneless hams, monthly cold stocks



Source: USDA, National Agricultural Statistics

Third-quarter commercial pork production is expected to be 6.8 billion pounds, more than 7 percent above production in the same period of 2018. Third-quarter prices of live equivalent 51-52 percent lean hogs are forecast to average \$53 per cwt, about 21 percent higher than the same period a year ago.

June Exports Surge, While First-Half 2019 Export Totals Sag

June pork exports totaled 499 million pounds, an increase of 9.3 percent above exports in June of last year. Shipments to China\Hong Kong carried the total higher: 72 million pounds of U.S. pork were exported to China\Hong Kong in June, compared with 29 million pounds a year ago. Strong shipments to Australia and Chile upped the total for June as well. Total exports and export shares to the 10 largest destinations of U.S. pork in June are summarized in the table below. Directly below that table is a summary of first-half 2019 exports. First-half U.S. pork exports were 1.8 percent lower year over year, totaling 749 million pounds, compared with 937 million pounds in the first half of 2018.

U.S. pork exports: Volumes and export shares for the 10 largest foreign destinations, June 2018 and 2019

Country	Exports June 2018 (mil. lbs)	Exports June 2019 (mil. lbs)	Percent change (2019/2018)	Export share June 2018 %	Export share June 2019 %
World	456	499	9.3		
Mexico	136	134	-1.8	0.30	0.27
Japan	100	98	-2.4	0.22	0.20
China/Hong Kong	29	72	146.6	0.06	0.15
Canada	42	43	3.6	0.09	0.09
South Korea	50	43	-14.7	0.11	0.09
Australia	17	24	43.8	0.04	0.05
Colombia	22	22	-1.7	0.05	0.04
Chile	8	14	80.8	0.02	0.03
Philippines	9	8	-4.4	0.02	0.02
Dominican Republic	9	7	-23.8	0.02	0.01

Source: USDA: Economic Research Service.

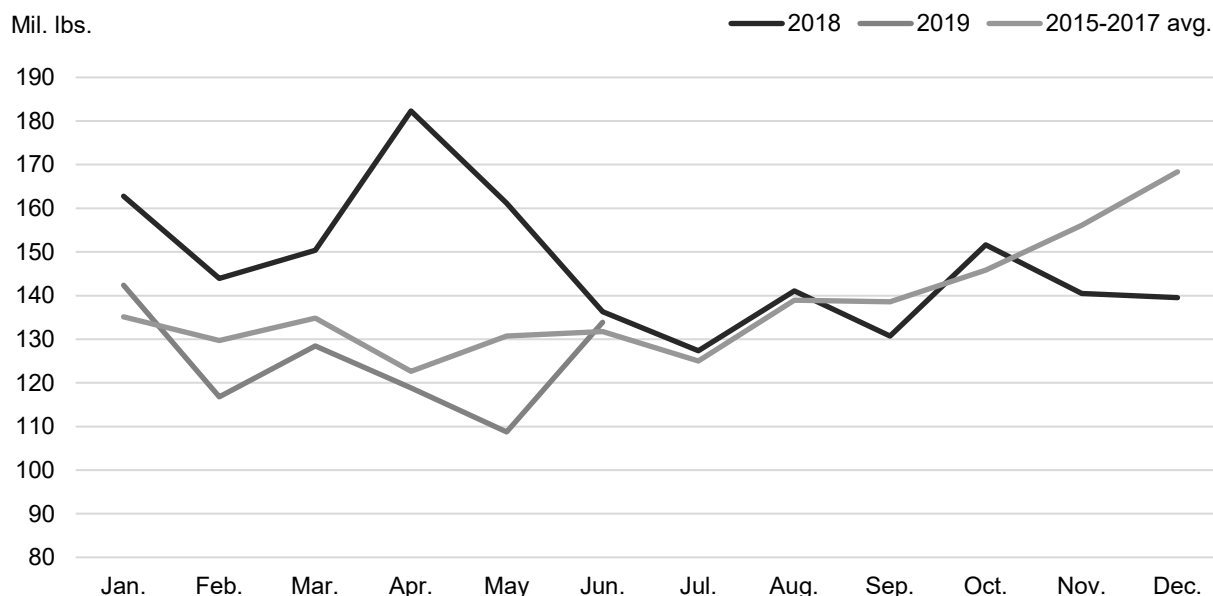
U.S. pork exports: Volumes and export shares for the 10 largest foreign destinations, January-June 2018 and 2019

Country	Exports Jan.-Jun.2018 (mil. lbs)	Exports Jan.-Jun.2019 (mil. lbs)	Percent change (2019/2018)	Export share Jan.-Jun. 2018 %	Export share Jan.-Jun. 2019 %
World	3,036	2,980	-1.8		
Mexico	937	749	-20.0	0.31	0.25
Japan	616	591	-4.2	0.20	0.20
South Korea	405	358	-11.7	0.13	0.12
China/Hong Kong	249	289	15.9	0.08	0.10
Canada	250	272	9.0	0.08	0.09
Colombia	134	166	23.8	0.04	0.06
Australia	112	164	46.0	0.04	0.06
Chile	31	58	87.0	0.01	0.02
Dominican Republic	63	56	-12.1	0.02	0.02
Honduras	46	47	1.6	0.02	0.02

Source: USDA: Economic Research Service.

It is apparent from the first-half summary that the Mexican retaliatory tariffs reduced pork exports in the first 6 months of this year. Mexico lifted its tariffs in mid-May. Without the tariffs, a 3-year average (2015-2017) shown in the figure below suggests an acceleration of U.S. exports to Mexico as U.S. production increases in the late summer months and pork prices decline.

U.S. pork exports to Mexico

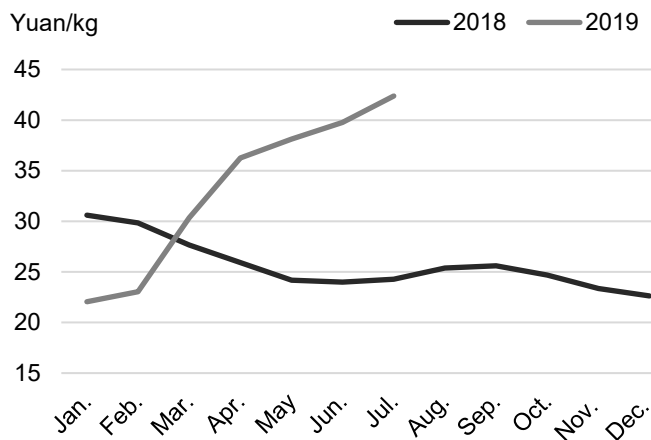


Source: USDA, Economic Research Service.

First-half U.S. pork exports to Japan were 4.2 percent lower than the same period a year ago. Trade data from the Government of Japan shows that total Japanese pork imports in the first half of 2019 were more than 3 percent higher than a year earlier, with gains registered by Canada (+4.19 percent) and the E.U. (+7.9 percent). Lower U.S. exports are attributable to Canadian and European membership in trade agreements that do not include the United States, i.e., the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the EU-Japan Economic Partnership Agreement, whose terms enhance Japanese-market competitiveness of signatories.

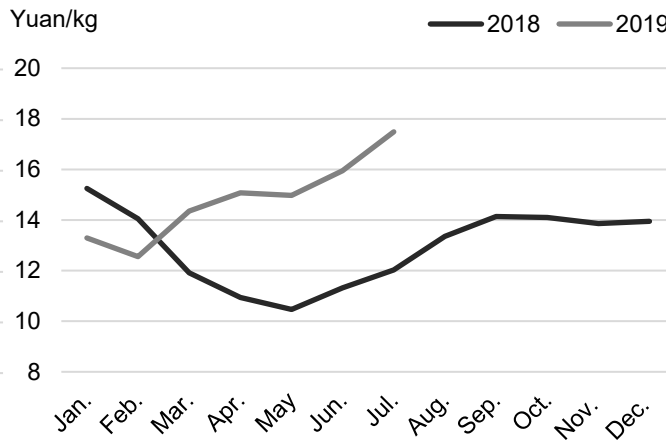
Pork sector data issued by the China Ministry of Agriculture show mounting destructive effects of African Swine Fever (ASF) on feeder pigs, live hogs, and pork. ASF is a viral disease that affects only swine. The virus is spread through direct contact with meat, tissue, and blood of infected hogs and pigs. Of the many known strains of the ASF virus, the one that has infected the Chinese herd is almost always lethal to swine; since it was identified in China 1 year ago, many millions of hogs and pigs have died or been culled due to the disease. Price effects reflected in Chinese Government data are shown below.

Piglets, monthly prices



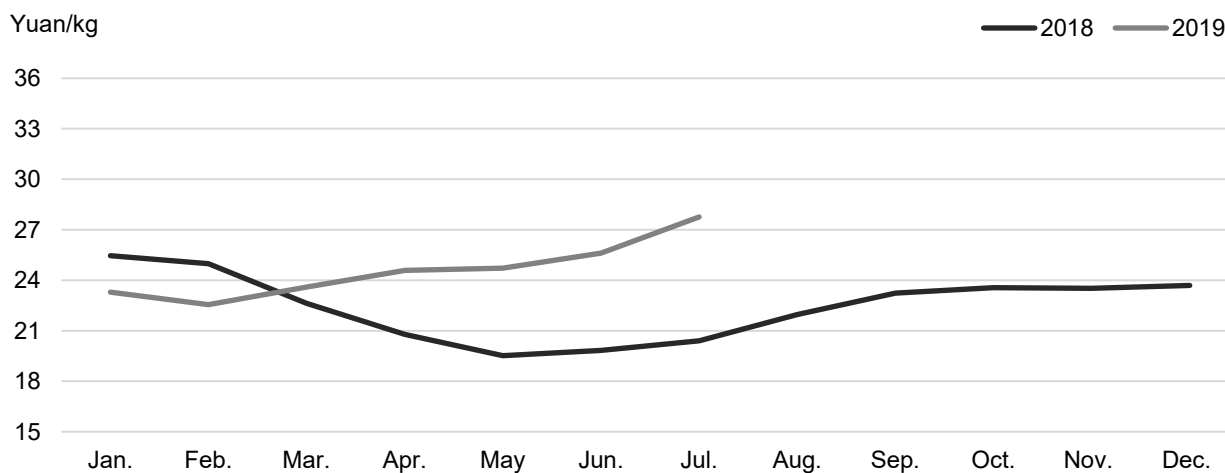
Source: China Ministry of Agriculture.

Live hogs, monthly prices



Source: China Ministry of Agriculture.

Pork, monthly prices



Source: China Ministry of Agriculture.

Chinese Government trade data provided to the Global Trade Atlas indicate that China imported almost 819,000 MT of pork in the first half of 2019, a volume more than 26 percent higher than imports a year earlier. The EU supplied 62 percent of those imports, Canada accounted for about 16 percent, and the United States held an 8-percent share of the total.

It is likely that U.S. pork exports to China will continue to hold a residual share of the total Chinese import pie. But it is also highly likely that the Chinese import pie will get bigger over time: currently, there is neither a cure nor a vaccine for ASF, and repopulating herds post-ASF is known to be difficult. As ASF continues to affect the Chinese swine herd—increasing the volume of imports necessary to stabilize pork supplies in China from a shrinking set of acceptable exporting countries like Europe and Brazil—another source for U.S. export growth is apt to be “backfilling.” Pork-importing countries foregone by major exporters vying for larger shares of a growing Chinese market could create significant export opportunities for U.S. pork exporters.

U.S pork exports in the third quarter of 2019 are expected to be almost 1.5 billion pounds, 19 percent above a year ago. Fourth-quarter exports are forecast at more than 1.9 billion pounds for a 2019 total of 6.5 billion pounds, almost 10 percent higher than exports in 2018.

Sheep/Lamb

Kim Ha

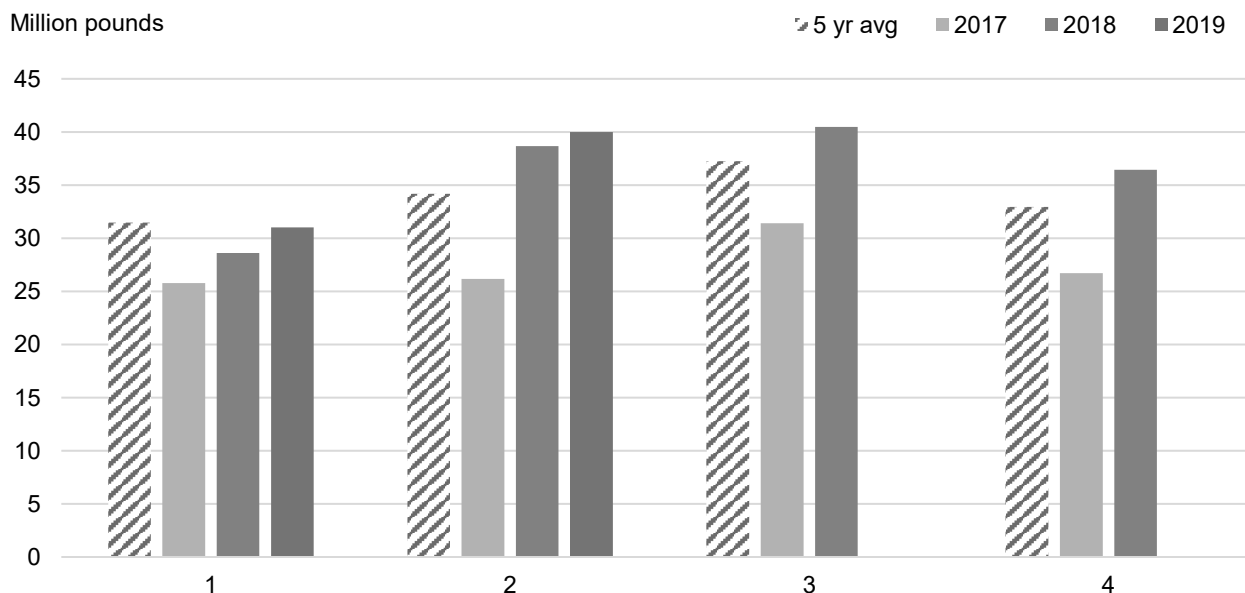
Increased Sheep-Meat Production and Imports Push Up U.S. Cold Storage Inventories

Second-quarter lamb and mutton production totaled 40 million pounds, a 3.6-percent increase over 2018. Commercial slaughter was up by 10 percent year over year, while live weights were down 5 percent. The increase in second-quarter slaughter can likely be attributed to the late Easter (April 20), as well as to Eid Al-Fitr falling on June 4. Year to date, commercial production is estimated at 76.7 million pounds, down half-a-percent year over year. For the remainder of 2019, production is expected to be down year over year, based on the expectation that there will be fewer lambs available for slaughter as well as lower live weights. The production forecast remains unchanged.

Similarly, second-quarter imports of sheep meat are estimated at 72.8 million pounds, a 10.1-percent increase year over year—again, likely due to anticipated high demand stemming from the two biggest lamb-consuming holidays. While imports were up 4.8 percent year over year in the first half of the year, imports in the second half are expected to be lower than year-earlier volumes based on less sheep-meat product available for export in Australia, the main supplier to the United States. The import forecast for the remainder of 2019 remains unchanged, while the 2020 first-quarter import forecast was revised down to 78 million pounds.

The increase in domestic production and imports likely contributed to the increase in lamb and mutton in cold storage, which reached 40 million pounds at the end of the second quarter, 3.4 percent higher than last year. The 2019 ending stock forecast was revised up to 35 million pounds.

Lamb and mutton ending stocks (quarterly)



Source: USDA, National Agricultural Statistical Service.

Poultry

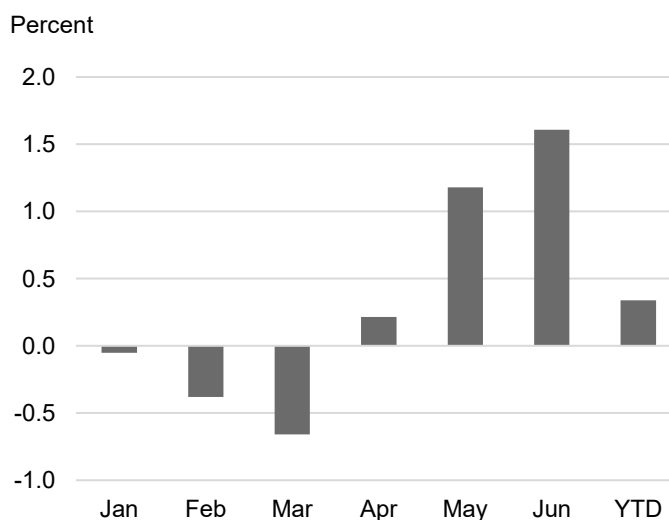
Kim Ha and Alex Melton

Production Forecast Revised Up On Expectations for Increased Average Bird Weights

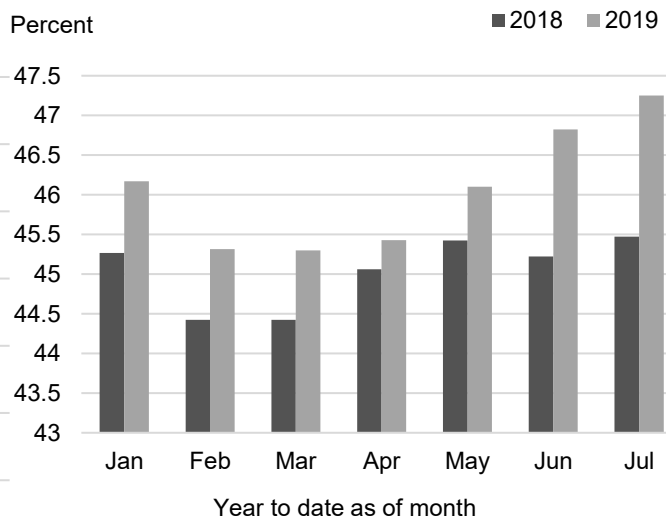
June broiler production is estimated at 3.5 million dozen, a 0.6-percent increase year over year or a 5.5-percent increase when adjusted for slaughter days. This increase was comprised of a 3.9-percent increase in birds slaughtered (adjusted for slaughter days) and a 1.6-percent increase in average aggregate bird weights. Preliminary weekly slaughter data from the Agricultural Marketing Service suggests that July slaughter and average weights will continue to be up year over year.

During the first 3 months of the year, aggregate bird weights were down year over year (see chart), signaling what was thought to be a potentially negative outlook for gains in 2019 bird weights. However, in the second quarter, consistent year-over-year increases in average weights have pushed year-to-date average weights 0.3 percent higher than for the same period in 2018. This increase can largely be attributed to the growing share of large-bird slaughter. On a year-to-date basis, the percent share of large-bird slaughter has consistently exceeded prior-year shares (see chart). It is expected that large-bird slaughter will continue to increase for the remainder of 2019 and into 2020, supporting higher aggregate bird weights. Based on expectations that average bird weights will continue to gain, the third-quarter production forecast is revised up to 11.2 billion pounds and the fourth quarter is revised up to 10.8 billion pounds. Production for 2020 is revised up to 43.8 billion pounds, more than 1 percent higher than the 2019 production forecast.

Percent change in aggregate average bird weights (2019/2018)



Percent share of large-bird slaughter (year to date)



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

Firm Prices in Parts Segment Offsets Soft Whole Bird Segment

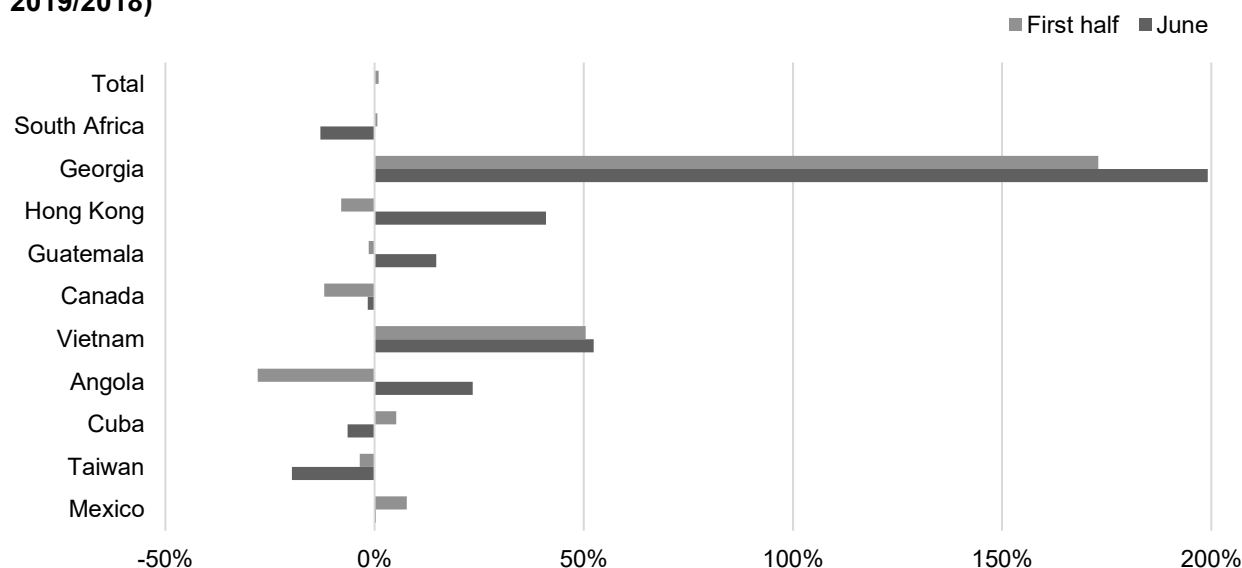
Whole bird (National Composite) wholesale prices averaged 88.24 cents per pound in July, nearly a 7-percent decrease from the previous month. While this decline is consistent with seasonal patterns, prices are down more than 20 percent compared to last year and 12 percent compared to the 5-year average. Based on expectations that the benchmark broiler price will continue to be down in the second half and into 2020, the third-quarter price forecast was revised down to 80 cents per pound and the fourth quarter to 75 cents per pound, while the 2020 price forecast was revised down to 92 cents per pound, about a 6-percent increase over forecast prices for 2019.

Despite low prices in the whole bird segment, producer margins continue to be supported by strong wholesale prices in the parts segment. With the exception of breast prices (for example, boneless/skinless breast prices were down 12.7 percent year over year in July), all other product categories—including whole legs (+33.1 percent), leg quarters (+31.3 percent), drumsticks (+9.5 percent), thighs (+32.5 percent), boneless/skinless thighs (+9.2 percent) and wings (+36.7 percent)—continue to outperform year-earlier prices as well as historical averages. Prices for dark-meat products continue to be supported by strong global demand stemming in part from African Swine Fever.

First-Half Broiler Exports Up Slightly Year Over Year

June broiler exports are estimated at 557.6 million pounds—more than 2 percent lower year over year—putting first-half shipments at 3.4 billion pounds, a year-to-date increase of nearly 1 percent. Among the 10 major export markets – which represent about 64 percent of total U.S. broiler export volumes—first-half year-over-year gains in Mexico (+7.7 percent), Cuba (+5.2 percent), Vietnam (+50.5 percent), Georgia (+173 percent), and South Africa (+0.7 percent) were slightly offset by year-over-year declines in Taiwan (-3.5 percent), Angola (-27.9 percent), Canada (-12 percent), Guatemala (-1.4 percent), and Hong Kong (-7.9 percent). The broiler export forecast for the outlying quarters remains unchanged.

Percent change in broiler export volumes to major markets (June 2019/2018, first-half 2019/2018)



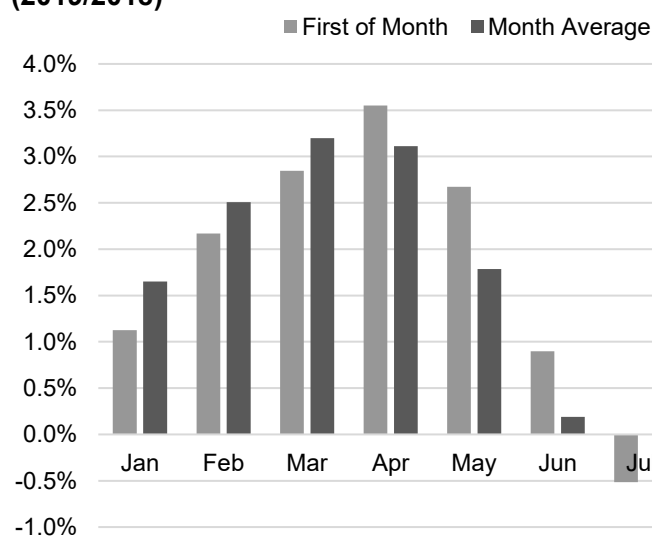
Source: ERS calculations using data from U.S. Department of Commerce, Bureau of the Census.

First-half broiler imports totaled 62.8 million pounds, a 3.6-percent decrease year over year. In particular, first-half shipments from Canada and Israel were down 22 percent and 28 percent, respectively, while imports from Chile were up more than 12 percent. Based on expectations that shipments from Canada and Israel will continue to decrease, the import forecast is revised down to 33 million pounds in the third quarter and 32 million pounds in the fourth quarter.

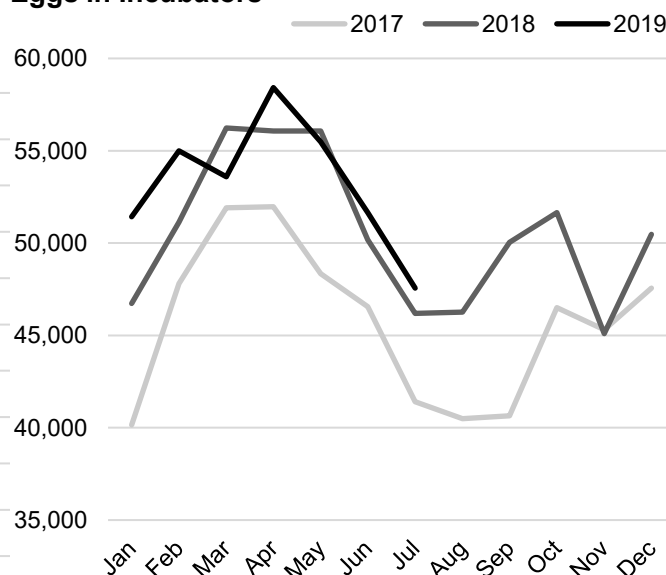
Shrinking Layer Flock Points To Decrease in Table Egg Production; Forecast Revised Down

June table egg production is estimated at 666 million dozen, a 2.4-percent increase year over year. This increase was comprised of a fractional increase in the average layer flock and a 2.2-percent increase in the lay rate. Despite the increase in egg production, several indicators point to producer intentions to scale back supply in the second half. For June, the average table egg layer flock continued to decline month over month at a rate exceeding historical averages (-1.5 percent versus a 10-year average of -0.6 percent). In addition, after consistent year-over-year expansion of the layer flock in the first half of 2019, the July 1 inventory suggests that the layer flock will fall below year-earlier levels for the first time this year (see figure below). As the chart shows, year-over-year changes in the monthly average closely follow those of the first-of-month inventory. Furthermore, recent data for eggs in incubators suggest that producers intend to maintain the layer flock at around year-earlier levels (see figure). Based on expectations that producers will continue to reduce the layer flock, the third-quarter table egg production forecast is revised down to 2,025 million dozen and the fourth quarter to 2,060 million dozen.

Year over year change in table egg layer flock (2019/2018)



Eggs in Incubators



Source: USDA, Economic Research Calculations using data from USDA, National Agricultural Statistics Service.

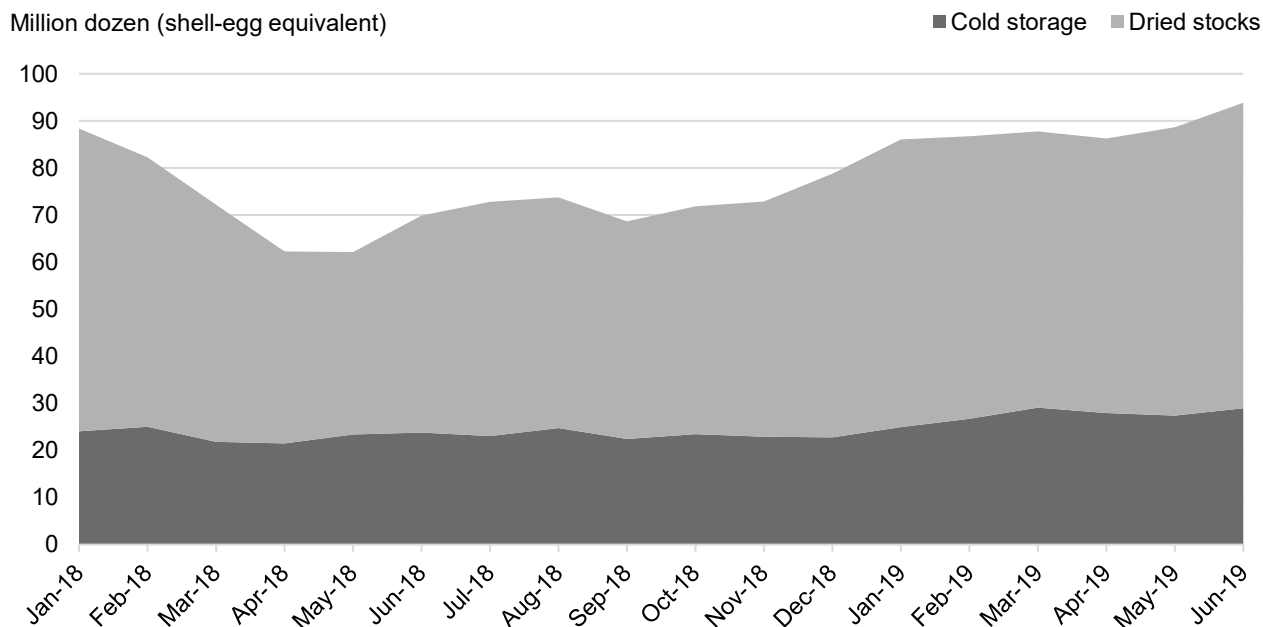
While it appears that producers are in the process of right-sizing their layer flocks and thus production, wholesale egg prices have yet to respond. Prices (New York, Grade A Large) averaged 62.55 cents per dozen in July, nearly 54 percent lower than a year earlier and 37 percent below the 3-year average. The current state of oversupply continues to put downward pressure on 2019 egg prices. The price forecasts for the outlying quarters are revised down as follows: 68 cents per dozen for third quarter, 89

cents per dozen for the fourth quarter, and 84 cents per dozen for the first quarter of 2020.

Dried Egg Inventories Push Up Egg Stocks, Forecast Revised Up

Second-quarter ending stocks reached 93.8 million dozen (shell-egg equivalent), with 28.9 million dozen in cold storage and 64.9 million dozen (shell-egg equivalent) in dried stocks. As shown in the chart below, dried egg inventories have been gradually accumulating since May 2018. Low breaking-egg prices, supported by low wholesale egg prices, have encouraged breaking of shell eggs to produce egg products. Based on expectations that dried stocks will continue to increase, the ending stock forecast is increased to 95 million dozen in both the third and fourth quarter.

Egg stocks (end of month)

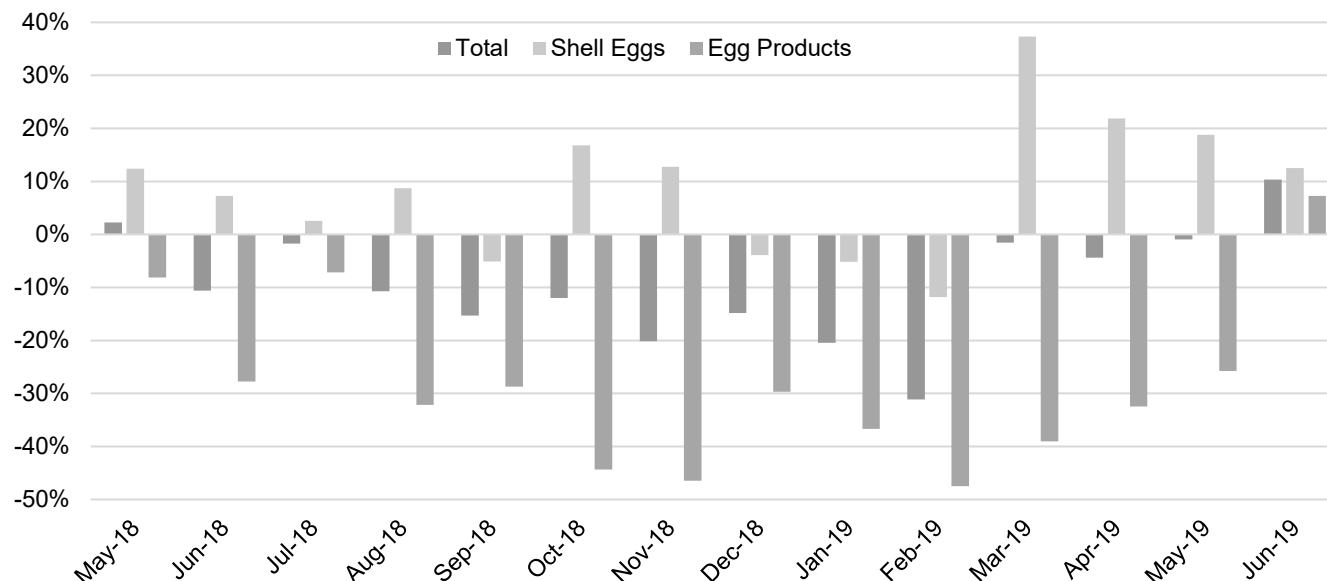


Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistical Service and USDA, Agricultural Marketing Service.

Egg Exports Increase Year Over Year in June, Forecast Revised Up

June egg and egg product exports totaled 27.6 million dozen, more than 10 percent higher than last year. This is the first month since May 2018 in which total egg export volumes exceeded year-earlier levels (see chart). This growth was comprised of increased shipments of both shell eggs (12.5 percent) and egg products (7.3 percent). Year-over-year decreases in egg product exports had been bringing down total egg export volumes for much of this period, but in June increased shipments of egg products to Canada (+33.8 percent), Mexico (+103 percent), and the Philippines (+2,586.8 percent) boosted June volumes.

Percent change of egg and egg product exports (2019/2018)



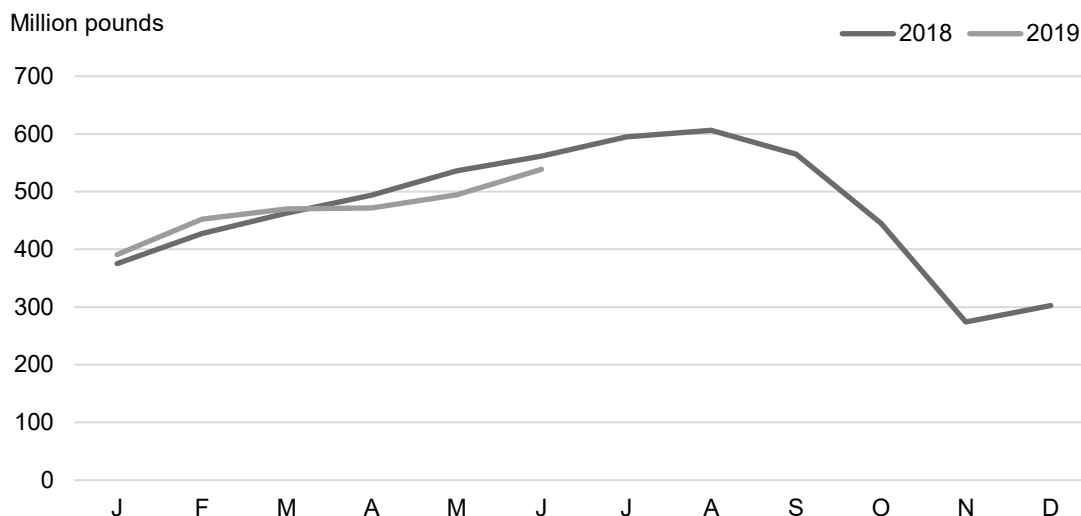
Source: ERS calculations using data from U.S. Department of Commerce, Bureau of the Census.

Nonetheless, year-to-date shipments of egg and egg products are down 8.4 percent year over year. In the first half the year, egg product volumes were down 31 percent, while shell egg exports were up 12.5 percent. Based on expectations that shell eggs will continue to bolster egg exports, the third- and fourth-quarter 2019 export forecasts are each revised up to 80 million dozen. The 2020 export forecast is revised up to 300 million dozen, nearly 5 percent lower than projected volumes for 2019.

Turkey Production Remains Down in June

June 2019 turkey production totaled 474 million pounds, a 2-percent decrease from May 2018. On a daily average slaughter basis, however, production was up 2.5 percent relative to a year earlier. Hatchery report data for June was mixed with a year-over-year decline of 5 percent in poults placed, a 2-percent decrease in poults hatched, and a 2-percent increase in the number of eggs in incubators on the first of the month (July 1). Although production remains down year to date relative to the same period in 2018, turkey ending stocks in cold storage as a percentage of monthly production have been below 2018 levels since April. Ending stocks at the end of June 2019 are 4 percent lower than in June 2018. Turkey production for 2019 is increased by 20 million pounds from last month's forecast to 5.886 billion pounds, less than 0.5 percent above 2018. Turkey production in 2020 is expected to total 5.930 billion pounds. If realized, production would be less than 1 percent higher than 2019.

Turkey meat ending stocks



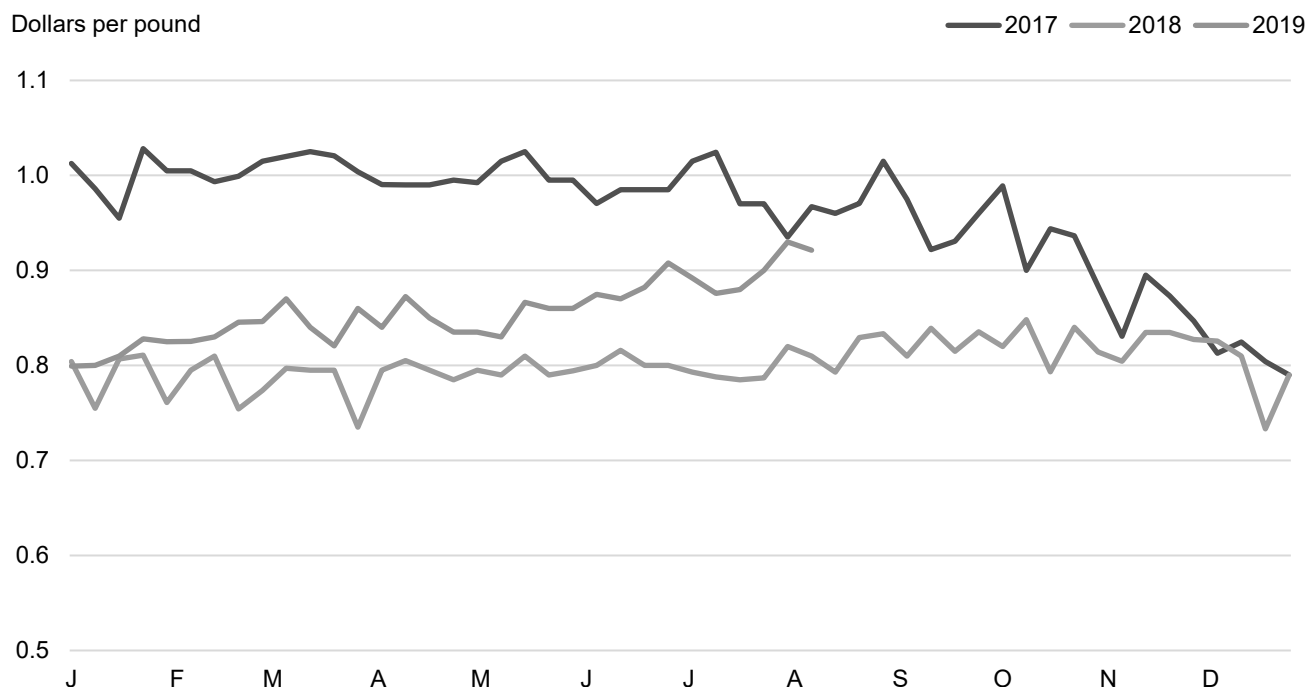
Source: USDA, Economic Research Service using USDA, National Agricultural Statistics Service Cold Storage data.

Whole Turkey Prices Continue Rising 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 August 10, 2019, shows frozen whole hen prices at 92 cents per pound. Prices are still below pre-2018 levels, but the upward price trend since the beginning of the year strongly suggests a return to the seasonal price patterns once typical in the turkey market. In 2019, turkey prices are expected to average \$0.885 per pound, 10 percent higher than 2018. In 2020, turkey prices are forecast to average \$0.90 per pound, 2 percent higher than in 2019.

Wholesale whole hen turkey

Dollars per pound

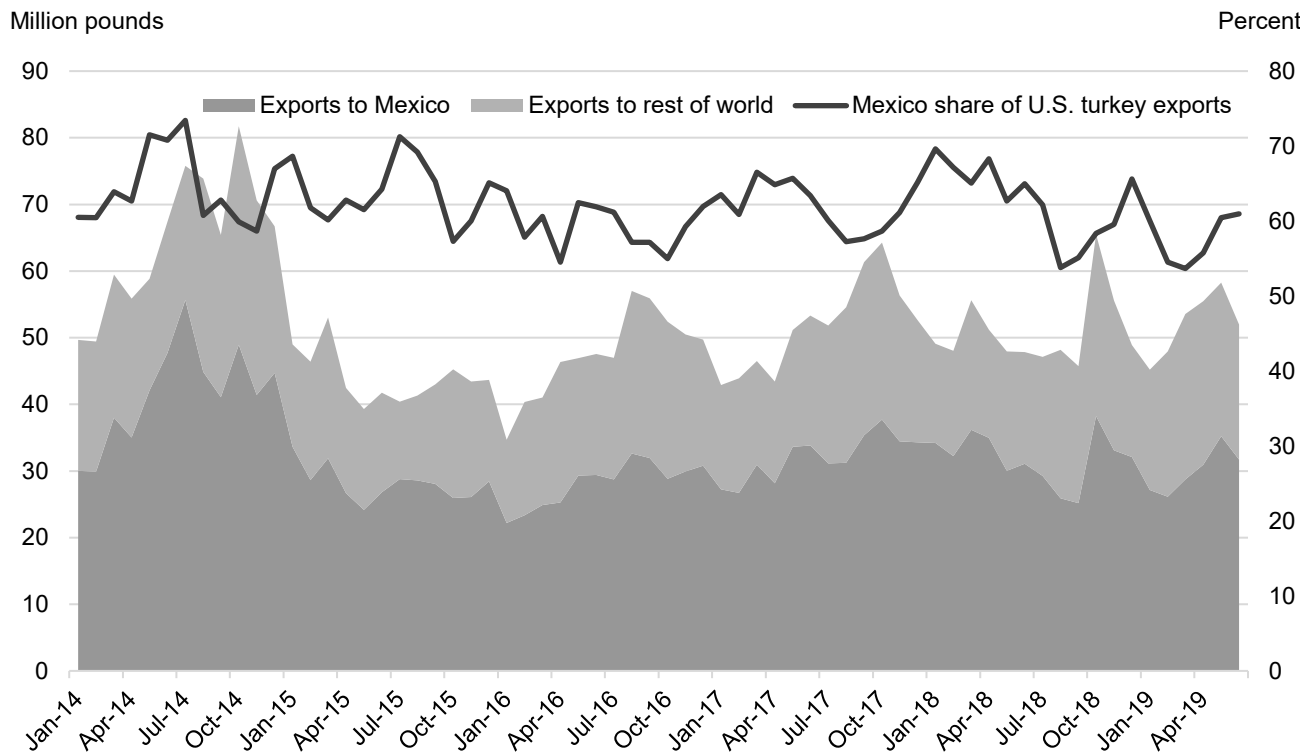


Source: USDA, Economic Research Service using USDA, Agricultural Marketing Service, Turkey Market News reports data.

Turkey Exports Grew Again in June

June 2019 turkey exports were almost 8 percent higher than a year earlier, totaling 52 million pounds. With production flat relative to year-earlier levels, the export market is increasing its share of total utilization. In June, exports' share of production was 11 percent, higher than most of 2018 but below the 12 percent recorded in May 2019. Mexico remains the largest destination for U.S. turkey shipments, with 32 million pounds shipped in June, or 61 percent of all U.S. shipments. June shipments to Mexico were up 2 percent from a year earlier. The year-over-year growth in exports to Mexico in June was the second (following May 2019) since October 2018 and only the third positive growth since April 2018. In 2019, total turkey meat exports are expected to total 627 million pounds, 3 percent higher than in 2018. In 2020, turkey exports are expected to total 630 million pounds. If realized, they would be almost 0.5-percent higher than in 2019.

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-302, U.S. Department of Agriculture, Economic Research Service, August 16, 2019

U.S. red meat and poultry forecasts

	2016				2017				2018				2019				2020			
	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	6,466	6,726	6,819	6,862	26,872	6,414	6,814	6,920	6,895	27,043
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	7,031	26,315	6,838	6,615	6,760	7,420	27,633
Lamb and mutton	38	39	36	37	150	37	36	35	37	145	39	39	37	39	153	37	40	36	37	150
Broilers	10,039	10,253	10,338	10,065	40,696	10,233	10,407	10,551	10,472	41,662	10,385	10,687	10,940	10,588	42,601	10,384	10,927	11,200	10,800	43,311
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	1,446	1,450	1,460	1,530	5,886
Total red meat & poultry	23,834	24,119	24,623	25,038	97,614	24,617	24,621	25,197	25,734	100,169	25,130	25,410	25,704	26,191	102,435	25,264	25,994	26,532	26,833	104,624
Table eggs, mil. doz.	1,812	1,846	1,895	1,957	7,509	1,928	1,934	1,953	1,992	7,807	1,940	1,970	2,003	2,039	7,952	2,018	2,041	2,025	2,060	8,144
Per capita disappearance, retail lb /																				
Beef	13.6	13.9	14.1	14.0	55.6	14.0	14.2	14.4	14.3	57.0	14.0	14.5	14.4	14.4	57.2	13.9	14.8	14.3	14.4	57.4
Pork	12.6	11.9	12.1	13.5	50.1	12.4	11.8	12.4	13.5	50.2	12.6	12.2	12.4	13.8	50.9	13.1	12.5	12.7	13.9	52.1
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	89.8	22.4	22.9	23.2	22.5	91.0	22.7	23.4	23.6	22.8	92.4	22.5	23.9	24.1	23.0	93.5
Turkeys	3.6	3.9	4.2	4.9	16.7	3.7	3.7	4.0	5.0	16.4	3.5	3.8	3.9	4.9	16.2	3.5	3.7	4.0	4.9	16.0
Total red meat & poultry	52.9	53.0	53.7	54.9	214.6	53.2	53.3	54.7	55.9	217.2	53.4	54.4	55.0	56.6	219.5	53.6	55.5	55.7	56.8	221.7
Eggs, number	68.3	67.3	68.2	71.5	275.2	69.4	69.9	70.9	71.6	281.8	69.6	70.3	71.8	72.4	284.0	71.8	72.1	72.2	73.2	289.3
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	125.27	118.95	110	112	116.5
Feeder steers, Ok City, \$/cwt	155.83	146.49	140.66	128.50	142.82	129.56	147.75	148.12	154.88	145.08	146.29	143.05	150.46	147.90	146.93	140.76	140.51	143	140	141
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	53.34	58.30	60	51	55.5
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	136.23	156.16	155	140	147
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	40.67	57.95	53	52	51
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	94.0	97.7	80	75	86.5
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	82.8	85.5	91	94	88.5
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	107.3	69.7	68	89	85.5
U.S. trade, million lb, carcass wt. equivalent																				
Beef & veal exports	535	621	660	740	2,557	653	680	746	781	2,859	731	801	828	800	3,161	696	790	835	830	3,151
Beef & veal imports	792	831	751	638	3,012	700	812	814	668	2,993	721	805	807	664	2,998	738	836	795	675	3,045
Lamb and mutton imports	68	55	41	52	216	80	58	57	57	232	80	66	70	57	273	80	73	62	55	270
Pork exports	1,229	1,317	1,235	1,457	5,239	1,432	1,426	1,230	1,544	5,632	1,516	1,520	1,298	1,542	5,876	1,446	1,535	1,545	1,930	6,455
Pork imports	293	257	266	275	1,091	1,091	281	283	259	1,116	279	270	245	248	1,042	259	227	230	240	956
Broiler exports	1,585	1,605	1,734	1,721	6,645	1,720	1,622	1,659	1,785	6,786	1,709	1,704	1,785	1,871	7,069	1,722	1,724	1,830	1,845	7,121
Turkey exports	116	141	160	153	569	133	148	168	173	622	153	147	141	170	611	147	166	155	160	627
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	1,357	1,349	1,258	1,286	5,250	1,339	1,255	1,200	1,200	4,994
Note: Forecasts are in bold.																				
1/ Per capita meat and egg disappearance data are calculated using the Resident Population Plus Armed Forces Overseas series from the Census Bureau of the Department of Commerce.																				
Source: World Agricultural Supply and Demand Estimates and Supporting Materials.																				
For further information, contact: Mildred M. Haley, mhaley@ers.usda.gov																				
Updated 8/15/2019																				

Dairy Forecasts

	2018			2019					2020		
	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thousands)	9,383	9,359	9,399	9,344	9,329	9,330	9,335	9,335	9,335	9,345	9,350
Milk per cow (pounds)	5,752	5,703	23,149	5,827	5,976	5,780	5,765	23,350	5,935	6,050	23,675
Milk production (billion pounds)	54.0	53.4	217.6	54.5	55.8	53.9	53.8	217.9	55.4	56.5	221.4
Farm use	0.3	0.3	1.0	0.3	0.3	0.3	0.3	1.0	0.3	0.3	1.0
Milk marketings	53.7	53.1	216.6	54.2	55.5	53.7	53.6	216.9	55.1	56.3	220.3
Milk-fat (billion pounds milk equiv.)											
Milk marketings	53.7	53.1	216.6	54.2	55.5	53.7	53.6	216.9	55.1	56.3	220.3
Beginning commercial stocks	18.9	17.1	13.4	13.8	16.1	18.3	16.2	13.8	13.0	16.0	13.0
Imports	1.7	1.8	6.3	1.4	1.9	1.9	2.0	7.2	1.5	1.8	7.0
Total supply	74.3	72.0	236.3	69.4	73.5	73.8	71.8	237.8	69.6	74.1	240.3
Commercial exports	2.6	2.4	10.4	2.4	2.5	2.4	2.2	9.4	2.4	2.6	9.9
Ending commercial stocks	17.1	13.8	13.8	16.1	18.3	16.2	13.0	13.0	16.0	18.4	13.0
Commodity Credit Corporation donations	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.0	0.0	0.0
Domestic commercial use	54.5	55.9	212.1	50.9	52.8	55.1	56.5	215.2	51.2	53.0	217.5
Skim solids (billion pounds milk equiv.)											
Milk marketings	53.7	53.1	216.6	54.2	55.5	53.7	53.6	216.9	55.1	56.3	220.3
Beginning commercial stocks	11.5	10.5	11.8	10.7	11.1	11.2	10.4	10.7	10.0	10.9	10.0
Imports	1.3	1.4	5.5	1.3	1.6	1.3	1.4	5.5	1.2	1.3	5.2
Total supply	66.5	65.1	233.8	66.2	68.2	66.1	65.4	233.1	66.4	68.5	235.5
Commercial exports	10.9	9.7	44.7	9.9	10.3	10.3	10.1	40.6	10.3	10.8	42.4
Ending commercial stocks	10.5	10.7	10.7	11.1	11.2	10.4	10.0	10.0	10.9	10.9	10.1
Commodity Credit Corporation donations	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.0	0.0	0.0
Domestic commercial use	45.1	44.7	178.5	45.1	46.6	45.3	45.2	182.3	45.2	46.8	183.1
Milk prices (dollars/cwt) ¹											
All milk	16.17	17.07	16.26	16.97	17.93	18.90	19.45	18.30	18.80	18.60	18.80
Class III	15.05	14.58	14.61	14.30	16.20	17.50	17.15	16.30	16.45	16.60	16.55
Class IV	14.53	15.05	14.23	15.68	16.28	16.70	16.50	16.30	16.35	16.40	16.45
Product prices (dollars/pound) ²											
Cheddar cheese	1.565	1.463	1.538	1.440	1.678	1.820	1.800	1.685	1.720	1.730	1.725
Dry whey	0.369	0.459	0.342	0.449	0.378	0.360	0.340	0.380	0.350	0.360	0.360
Butter	2.284	2.264	2.257	2.258	2.310	2.365	2.340	2.320	2.320	2.330	2.335
Nonfat dry milk	0.816	0.887	0.795	0.963	1.007	1.030	1.020	1.005	1.010	1.010	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 USDA, Agricultural Marketing Service, for use in class price formulas.

Based on weekly USDA, *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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