

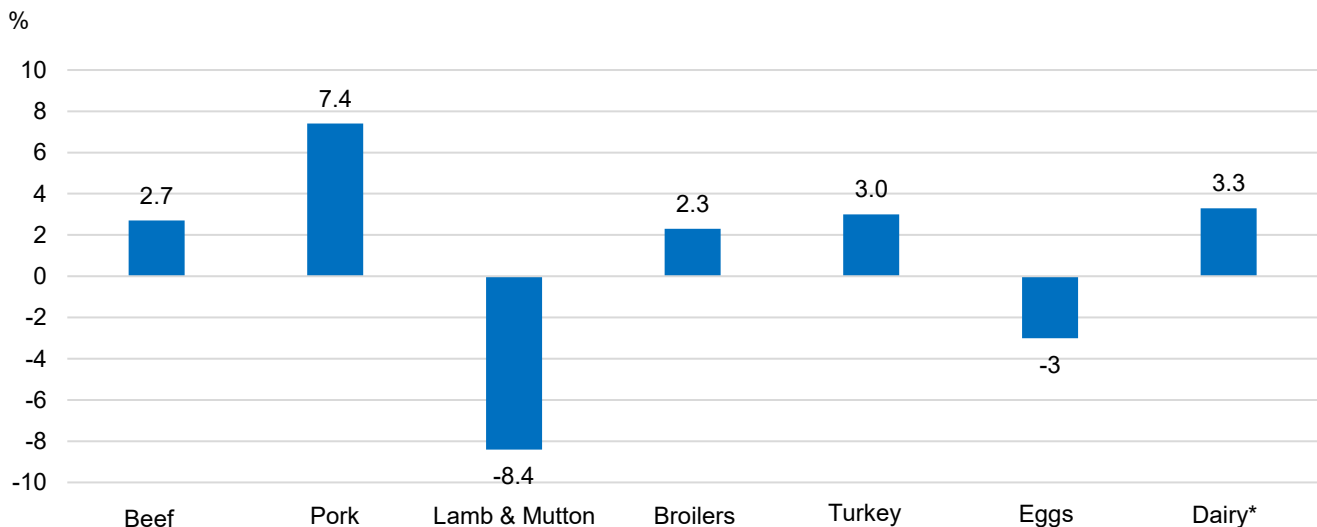


# Livestock, Dairy, and Poultry Outlook

## 2020 Exports for Most Red Meats and Poultry Forecast Higher

U.S. exports of red meat and poultry are expected to increase by more than 4 percent in 2020. Beef exports are forecast to increase 2.7 percent, largely due to lower anticipated competition in Asian markets, as beef supplies in Oceania will reflect weather-related herd reduction this year. Pork exports are expected to increase more than 7 percent next year as Mexican demand for U.S. pork is re-established following the removal of tariffs in mid-May, 2019. Broiler export growth is forecast at 2.3 percent based on expectations of increased demand in low- and middle-income countries, particularly as the global meat and poultry market is pressured by shifting Chinese demand. Growth of 3 percent is anticipated for turkey exports next year, supported by strength in shipments to Mexico—the largest buyer of U.S. turkey meat—with continued low turkey prices expected to draw additional international buying interest. Lamb and mutton exports are likely to fall as U.S. production trends lower. Export volumes for eggs and egg products are forecast to decrease by 3 percent, based on expectations of continued softness in foreign demand. Dairy exports are expected to grow 3.3 percent next year as global demand for dairy products grows.

### Percent change in exports (2020/2019)



Source: USDA, Economic Research Service.

\*Dairy exports are reflected on a skim-solids milk-equivalent basis.

**Beef/Cattle:** The cost of feeding cattle is expected to rise this year, likely slowing the pace of placements in feedlots and reducing anticipated marketings. This prompted forecasts for beef production in 2019 and 2020 to be reduced slightly on lower expected fed cattle slaughter. Cattle price forecasts were lowered to reflect current price weakness. Beef imports continue to exceed year-earlier levels, but exports lag behind in early 2019.

**Dairy:** Due to recent declines in milk cow numbers, relatively high slaughter levels, and higher expected feed prices, milk production forecasts have been lowered for 2019 and 2020. Dairy exports were relatively weak in April, and export forecasts have been lowered for both 2019 and 2020. The all-milk price forecast for 2019 is \$18.00 per cwt, 5 cents lower than last month's forecast. The all-milk price forecast for 2020 is \$18.90 per cwt, 10 cents higher than last month's forecast.

**Pork/Hogs:** Estimated gross processing margins have been consistently year-over-year lower since early April. While second-quarter prices of both hogs and wholesale pork cuts have been year-over-year higher, hog prices have increased relatively faster, and processor margins have been squeezed as a result. The rescission of Mexican tariffs on U.S. pork largely prompted upward revisions in U.S. pork export forecasts for both 2019 and 2020.

**Poultry/Eggs:** Second-quarter broiler forecast was revised up based on higher average weights, while the 2020 production forecast was lowered on expectations for higher feed costs. The 2019 and 2020 broiler price forecasts were lowered based on weak domestic demand and higher-than-anticipated cold storage inventories. The 2019 second-quarter export forecast was revised down on slower-than-expected global demand. The 2020 egg production forecast was decreased based on expectations for tightening producer margins. The egg price forecast was decreased for both 2019 and 2020 on the anticipation that supply will continue to outpace demand. The 2019 second-quarter egg and egg product export forecast was revised up based on increasing shipments of shell eggs. Turkey production is revised downward by 5 million pounds in 2019 and 40 million pounds in 2020 due to anticipated increased feed costs. If the forecast is realized, production growth would be virtually flat between 2018 and 2020.

# Beef/Cattle

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Russell Knight and Lekhnath Chalise

## 2019 and 2020 Beef Production Marginally Lower from Last Month

The 2019 beef production forecast was reduced marginally from last month to 27.2 billion pounds, as expected fourth-quarter production more than offsets a slight increase in expected second-quarter production. Production in second-quarter 2019 was raised based on greater expected fed cattle slaughter (i.e., steers and heifers) that was partially offset by lower expected carcass weights. Fourth-quarter 2019 production was lowered on anticipated reduced fed cattle slaughter due to fewer expected placements in second-quarter 2019. The forecast for 2020 beef production was lowered marginally from last month's forecast to 27.4 billion pounds, also based on anticipation of fewer fed cattle slaughtered.

## Feed Prices To Slow Feedlot Placements in Second-Half 2019

According to the May *Cattle on Feed* report,<sup>1</sup> the May 1 cattle-on-feed number increased more than 2 percent from the previous year to 11.8 million head, the largest number of cattle on feed for the month of May since reporting began in 1996. Nearly 7 percent more fed cattle were marketed in April than at the same time last year. When adjusted for the additional weekday of slaughter available compared to April 2018, marketings were only about 2 percent higher in April 2019.

Also based on the report, the number of net placements (total placements minus disappearance) of cattle in feedlots was 1.8 million head, which was about 9 percent above the previous year's level. The report showed that placements of feeder cattle 800 pounds or heavier in April 2019 as a percentage of total net placements was close to year-earlier levels, which is expected at a time when cattle held on winter pasture in the first quarter would likely be coming off pasture and placed in feedlots. Based on the weekly USDA Agricultural Marketing Service *National Feeder & Stocker Cattle Summary* reports for the month of May, there were about 25 percent fewer sales receipts compared to the same time last year.

Anticipated placements of steers and heifers in feedlots in late 2019 were reduced. Softening fed cattle prices in 2019 and the prospect of higher feed input costs could delay steers and heifers from entering feedlots. This could incentivize keeping lightweight cattle on pasture longer to add weight, which may lead to a more gradual pace of heavier cattle placed on feed so that feedlots will spend less time feeding them to the appropriate finishing weights. The slower pace of placement will likely be reflected in fewer fed cattle to be marketed for slaughter in early 2020.

## Cattle Prices Decline on Higher Input Prices

Since the spring peak, weekly average fed steer prices in the 5-area marketing region have fallen to \$113.76 per hundredweight (cwt) for the week ending June 09, 2019, about an 11-percent decrease. Based on recent price data and expectations of higher steer and heifer marketings, the price forecast for second-quarter 2019 was lowered \$3 to \$118 per cwt. Historically, prices drop about 15 percent

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<sup>1</sup> Of feedlots with capacity of 1,000 or more head.

from the seasonal peak, which would suggest that prices will continue to decline into the fall. With expectations of seasonally declining beef prices, the third-quarter 2019 price forecast was lowered \$3 to \$110 per cwt. As a result, the 2019 annual price is forecast at \$117 per cwt, \$1.50 lower than last month and just below 2018 price levels. The forecast for the 2020 annual price was lowered by \$2 to \$119 per cwt.

Lower fed cattle prices have turned feedlot margins negative, and higher forecast feed-input prices could make feedlots less willing to bid up prices for feeder cattle for the rest of 2019. Based on recent price data, the second-quarter 2019 feeder steer price was lowered by \$3 to \$142 per cwt. Faced with continued poor operating margins, the 2019 third- and fourth-quarter price forecasts were each lowered \$5 from the prior month to \$145 and \$142 per cwt, respectively. As a result, this month's annual price forecast for 2019 was \$4 lower at \$142 per cwt. The 2020 annual price forecast was reduced \$5 from last month's forecast to \$145 per cwt as higher forecast feed costs and a lower forecast for fed cattle prices weigh on feedlot margins.

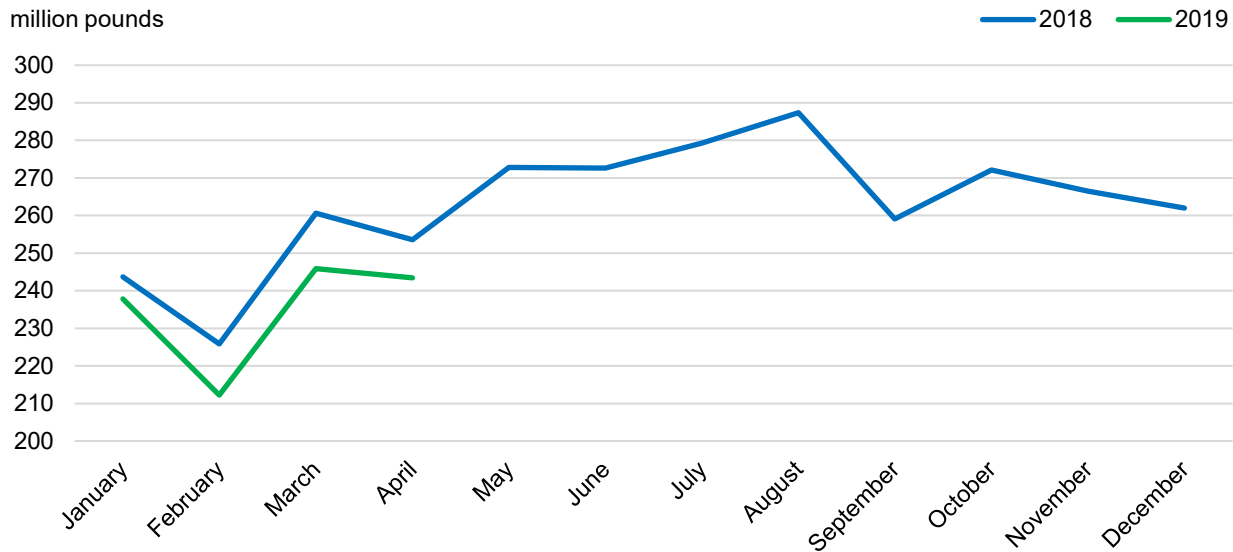
## Domestic Demand Lifts Import Forecast

U.S. beef imports in April 2019 were up 16 percent from year-earlier levels at 273 million pounds. Among major suppliers, higher imports were from Mexico, Australia, New Zealand, Uruguay, and Nicaragua, while imports from Canada and Brazil were lower. The price for imported beef (90-percent lean) in the United States was also higher year-over-year in April 2019, suggesting stronger demand for lean meat for processing. The strong import growth in April resulted in the year-to-date total of 1 billion pounds, 6 percent above the same period last year. The forecast for second-quarter beef imports was revised upward by 25 million pounds to 830 million pounds, raising the 2019 annual import forecast to 3.038 billion pounds. The 2020 import forecast is unchanged from the previous month's forecast at 2.960 billion pounds.

## Beef Exports Continue To Lag Year-Ago Levels

U.S. beef exports for the month of April were down 4 percent from year-earlier levels, which kept year-to-date exports almost 5 percent below the same period last year (see chart below). There were year-over-year declines in shipments to most of the major destinations, with the exception of South Korea and Taiwan. For the period January through April, most of the declines in U.S. beef exports reflected lower exports to Hong Kong, Canada, and Japan. Exports to Hong Kong have continued to decline year over year, with January to April shipments 44 percent lower compared to the same period last year. Exports to Canada are likely being offset by domestic production; through late-April, weekly federally inspected fed beef production in Canada was 12 percent above 2018. U.S. exports to Japan for January-April were 4 percent below 2018. The decline likely reflects increased competition with other suppliers such as Australia, Canada, and New Zealand, who have been granted tariff concessions under the implementation of the 11-member Pacific trade deal known as the Comprehensive and Progressive Trans-Pacific Partnership. In addition, larger beef production in Australia and Canada has increased their supplies of exportable beef, increasing competition with U.S. product. Nonetheless, through April, the U.S. share of Japan's imports was 39 percent, about the same as January-April 2018.

## U.S. beef exports trend lower in early-2019



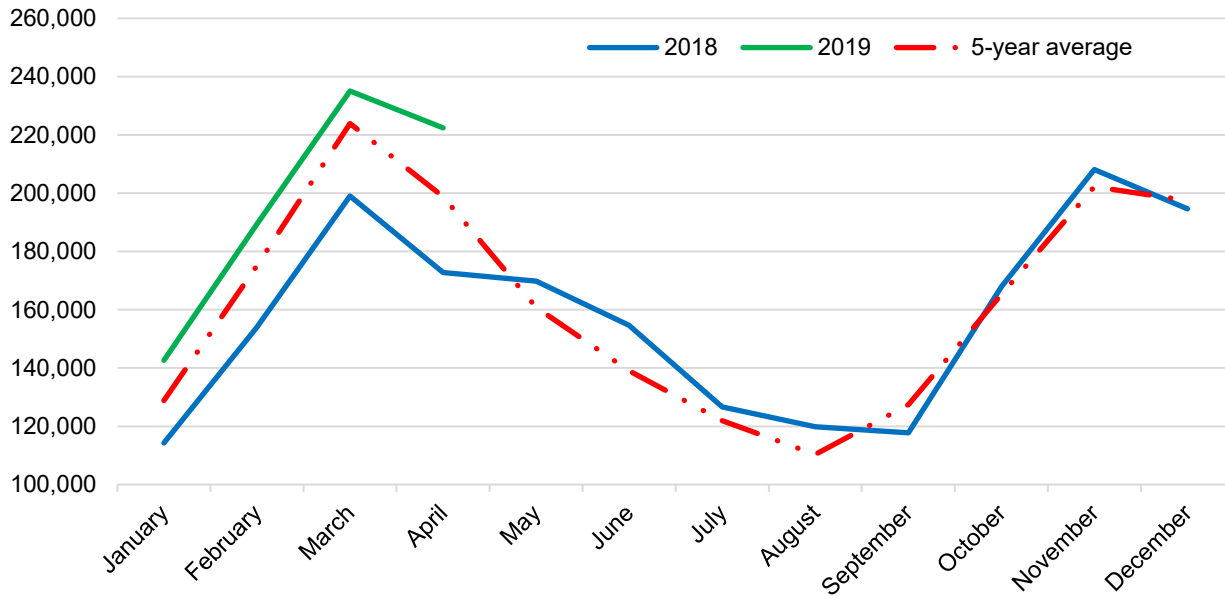
Source: USDA, Economic Research Service.

FAS weekly sales reports suggest year-over-year higher export sales in May. However, this is not expected to offset the decline in April. On this basis, the second-quarter 2019 export forecast was revised downward by 10 million pounds to 800 million pounds for a 2019 annual forecast of 3.161 billion pounds. The 2020 export forecast was left unchanged from the previous month at 3.245 billion pounds.

## The 2019 Cattle Imports Revised Upward

In April 2019, U.S. cattle imports increased by 29 percent from year-earlier levels to 222,429 head, with gains in imports of feeder cattle contributing two-thirds of the increase. Imports for the period were higher from both Mexico and Canada. Cattle imports for January-April were up 23 percent from the same period last year to 789,514 head, above the 5-year average levels (see chart below). The Mexican cattle herd is an expanding phase, producing more feeder cattle and thus increasing available shipments to the United States. Most of these calves will be for backgrounding. Slaughter-ready cattle imports from Canada were more than 32 percent higher from year-earlier levels in the first 4 months of 2019.

### 2019 cattle imports above 2018 and 5-year average



Source: USDA, Economic Research Service.

The cattle import forecast for 2019 was revised upward by 15,000 head from the prior month to 2.045 million head based on higher April imports and strong weekly imports reported by USDA, Agricultural Marketing Service. The import forecast for 2020 was unchanged from the previous month's forecast of 2.105 million head.

# Dairy

Jerry Cessna and Jonathan Law

## Recent Developments in Dairy Markets

From the week ending May 4 to the week ending June 8, price directions for domestic wholesale dairy product prices reported in the USDA *National Dairy Products Sales Report* were mixed. The largest change was for butter, which rose by 10.0 cents to \$2.3488 per pound. While the price for 40-pound blocks of cheddar cheese rose to \$1.7094 per pound, the price for 500-pound barrels (adjusted to 38 percent moisture) declined slightly to \$1.6227 per pound. The price for nonfat dry milk (NDM) rose to \$1.0377 per pound, and the price for dry whey fell to \$0.3667 per pound.

### Dairy wholesale product prices (dollars per pound)

	For the week ending		Change
	May 4	June 8	
Butter	2.2485	2.3488	0.1003
Cheddar cheese			
40-pound blocks	1.6884	1.7094	0.0210
500-pound barrels <sup>1</sup>	1.6253	1.6227	-0.0026
Nonfat dry milk	0.9921	1.0377	0.0456
Dry whey	0.3848	0.3667	-0.0181

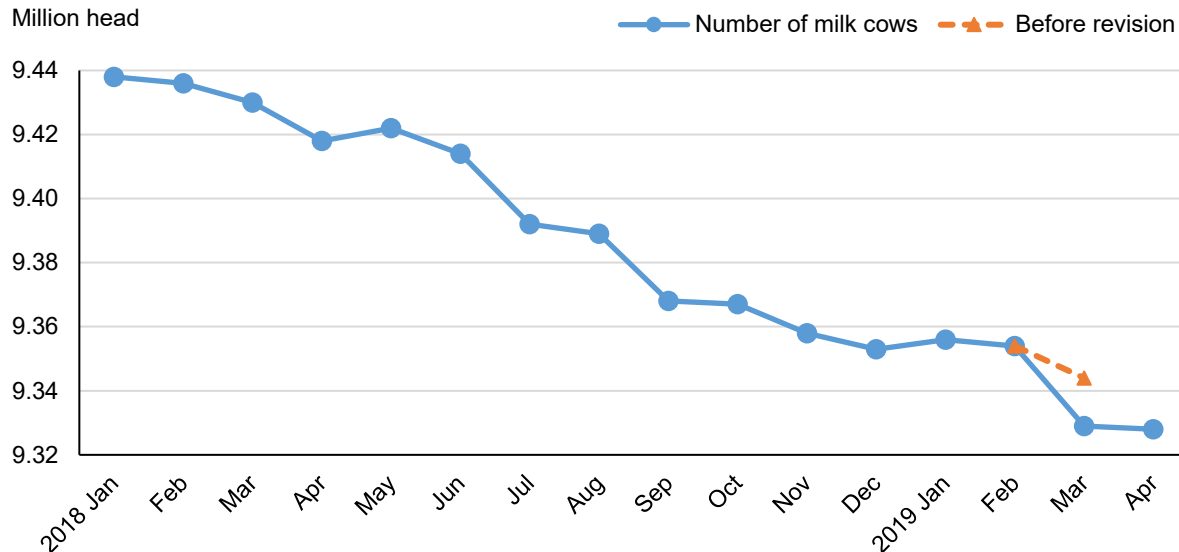
<sup>1</sup> Adjusted to 38-percent moisture.

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

For the trading week ending June 7, the average butter price on the Chicago Mercantile Exchange (CME) was \$2.3745 per pound. The CME cheddar cheese block-barrel spread for the trading week ending June 7 was relatively wide, with average prices for 40-pound blocks and 500-pound barrels of \$1.7330 and \$1.5110 per pound, respectively.

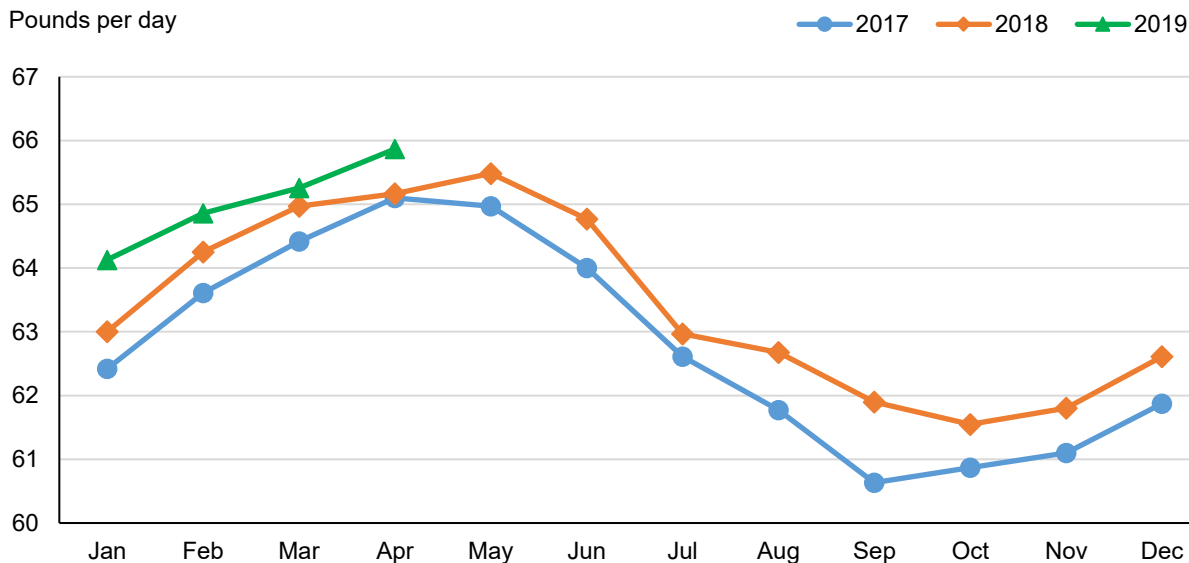
USDA, National Agricultural Statistics Service (NASS) estimated that U.S. milk production was 18.430 billion pounds in April, up 0.1 percent from April 2018. NASS reported a revised estimate of 18,873 for March, down -0.6 percent from March 2018. Milk cows in April numbered 9.328 million head, down 1,000 head from a revised estimate of 9.329 million head in March. Milk per cow averaged 65.9 pounds per day in April, 1.1 percent higher than April 2018. Dairy cow slaughter has remained above previous-year levels in recent weeks.

## Number of milk cows



Source: USDA, National Agricultural Statistics Service.

## Milk per cow



Source: USDA, National Agricultural Statistics Service.

Dairy exports generally weakened in April. On a milk-fat milk-equivalent basis, they were 776 million pounds, 82 million less than March and 284 million less than April 2018. On a skim-solids milk-equivalent basis, exports were 3.431 billion pounds, 288 million less than March and 1.057 billion less than April 2018. Exports of butterfat products (butter, anhydrous milk fats, and butteroil), cheese, nonfat dry milk and skim milk powder (NDM/SMP), whey products, and lactose declined from March to April.

Dairy imports generally strengthened in April. Imports on a milk-fat basis were 561 million pounds in April, 54 million higher than March and 45 million higher than April 2018. On a skim-solids basis,



imports were 501 million pounds, 127 million higher than March and 56 million higher than April 2018. Imports of milk protein products (milk protein concentrate and casein products) totaled 22 million pounds in April, about twice as much as March.

April ending stocks on a milk-fat basis were 17.127 billion pounds, 160 million pounds below April 2018. On a skim-solids basis, April ending stocks totaled 11.075 billion pounds, 22 million higher than April 2018.

## Trade Policy Changes Potentially Affecting U.S. Dairy Exports

In the summer of 2018, China levied supplementary tariffs on many products imported from the United States, including virtually all dairy products, in response to higher tariffs imposed by the U.S. Government on certain goods imported from China. On May 13, 2019, China announced that tariffs on imports of certain U.S. products would be increased in response to additional U.S. tariffs levied on imports from China. U.S. dairy products subject to the latest round of increased tariffs include whey products, lactose, infant formula, and casein products.

In the summer of 2018, Canada and Mexico levied retaliatory tariffs on some products imported from the United States in response to higher tariffs imposed by the U.S. Government on imports of steel and aluminum products. With respect to dairy-related products, Canada imposed a 10-percent surtax on yogurt and pizza imports, and Mexico imposed tariffs of 20 or 25 percent on cheese imports, depending upon the type of cheese. On May 17, 2019, the United States agreed to lift the tariffs on steel and aluminum imports from Mexico and Canada. On May 19, Canada responded by repealing retaliatory measures, including surtaxes on yogurt and pizza. Likewise, on May 20, Mexico responded by removing retaliatory measures, including tariffs on cheese.

## Outlook for Feed Prices

Unusually wet weather in corn production areas is expected to have significant effects on feed prices. According to the USDA *World Agricultural Supply and Demand Estimates* report, “Unprecedented planting delays observed through early June are expected to prevent some plantings and reduce yield prospects.” The 2019/20 corn price forecast has been raised 50 cents to \$3.80 per bushel. While the forecast last month was for a decrease in the corn price from 2018/19, the new forecast is for a year-over-year increase. The soybean meal forecast for 2019/20 has been raised to \$295 per short ton, \$5 higher than last month’s forecast. The April alfalfa hay price was \$199 per short ton, \$15 higher than March and \$16 higher than April 2018. For more information, see *Feed Outlook*, published by USDA, Economic Research Service.

### Feed price projections

Feed	Units	2017/18	2018/19 Estimate	2019/20 May projection	2019/20 June projection
Corn <sup>1</sup>	\$ per bushel	3.36	3.60	3.30	3.80
Soybean Meal <sup>2</sup>	\$ per short ton	345.02	305.00	290.00	295.00

<sup>1</sup> Marketing year beginning September 1 for corn.

<sup>2</sup> Marketing year beginning October 1 for soybean meal.

Source: USDA, *World Agricultural Supply and Demand Estimates*.

## Dairy Forecasts for 2019

Due to recent declines in milk cow numbers, relatively high slaughter levels, and higher expected feed prices, the forecast for the size of the milking herd in 2019 has been lowered 10 thousand head to 9.335 million. The higher expected feed prices should also impact yields; therefore, the milk per cow forecast for the year has been lowered 25 pounds to 23,375. Milk production in 2019 is now forecast at 218.2 billion pounds, 0.5 billion pounds lower than the last forecast.

Imports on a milk-fat basis for 2019 are forecast at 6.5 billion pounds, the same as last month's forecast. The export forecast for 2019 on a milk-fat basis has been lowered 0.5 billion pounds to 9.7 billion, as higher expected cheese exports to Mexico due to elimination of tariffs only partially offset lower expected exports of butterfat products. Ending stocks on a milk-fat basis are now forecast at 13.1 billion pounds, an increase of 0.1 billion pounds from last month's estimate. The forecast for domestic use has been lowered 0.1 billion pounds to 214.5 billion for the year.

Imports on a skim-solids basis are now forecast at 5.4 billion pounds for the year, an increase of 0.3 billion from last month's forecast due to higher expected imports of milk protein products. The export forecast has been lowered 0.6 billion pounds to 42.0 billion due to lower expected exports of NDM/SMP and lactose. Additional tariffs by China are expected to constrain lactose exports to some extent. Ending stocks are forecast at 10.2 billion pounds for the year, unchanged from last month's estimate. The forecast for domestic use on a skim-solids basis in 2019 has been raised 0.3 billion pounds to 180.8 billion.

Although lower milk production usually contributes to higher dairy product prices, expectations for cheese prices in 2019 are lower due to recent price movements. The cheese price forecast for 2019 has been lowered to \$1.64 per pound, 1 cent lower than last month's forecast. The whey price forecast has been lowered one-half cent to \$0.390 per pound due to recent price movements and continued weakness in exports. Prices for butter and NDM have been raised to \$2.325 (+3.5 cents) and \$1.015 (+1.0 cent), respectively, due to recent price movements and lower expected milk production.

With lower price forecasts for cheese and whey in 2019, the Class III price forecast for the year has been lowered 15 cents to \$15.90 per cwt. In contrast, higher butter and NDM price forecasts have resulted in a higher Class IV price forecast of \$16.40 per cwt. The all-milk price for 2019 is now forecast at \$18.00 per cwt, 5 cents lower than the previous forecast.

## Dairy Forecasts for 2020

With higher feed prices and lower expected milk cow numbers in 2019, the 2020 forecast for size of the milking herd has been lowered 10 thousand head to 9.355 million (a year-over-year increase of 20 thousand head). Milk per cow is forecast at 23,720 pounds for the year, 60 pounds lower than the last forecast, due to higher expected feed prices. The 2020 milk production is forecast at 221.9 billion pounds for 2020, a reduction of 0.8 billion pounds from last month's forecast.

The forecast for imports on a milk-fat basis in 2020 is unchanged at 6.6 billion pounds. The export forecast for the year on a milk-fat basis is also unchanged at 10.4 billion pounds, as higher expected cheese exports to Mexico will offset lower expected exports of butterfat products. Ending stocks are forecast at 13.1 billion pounds, unchanged from last month's estimate. The forecast for domestic use in 2020 has been lowered 0.7 billion pounds to 217.1 billion, as higher butter and cheese prices should contribute to less consumption.

On a skim-solids basis, the import forecast for 2020 remains at 5.0 billion pounds. Exports for the year are forecast at 43.4 billion pounds on a skim-solids basis, 0.2 billion lower than the last forecast, due to lower expected exports of lactose. Ending stocks in 2020 are forecast slightly lower than previously estimated, at 10.1 billion pounds. Domestic use for the year on a skim-solids basis is now forecast at 182.6 billion pounds, 0.4 billion pounds lower than the last forecast.

Most dairy product prices are expected to move higher in 2020. Due to lower milk production and higher expectations for exports, the cheese price forecast has been raised to \$1.725 per pound, 1.5 cents higher than last month's forecast. Recent price gains and relatively strong expected domestic demand have motivated a half-cent increase in the butter price forecast for 2020 to \$2.365 per pound. The NDM price forecast for the year is unchanged at \$1.045 per pound; this would represent price growth of 3 cents per pound from 2019 if forecasts are realized. The dry whey price for 2020 is now forecast at \$0.375 per pound, a half-cent lower than last month's forecast.

The higher cheese price forecast has resulted in an increase of 10 cents in the Class III price forecast for 2020, to \$16.65 per cwt. Similarly, with higher expected butter prices, the Class IV price forecast for the year is 5 cents higher than the previous forecast, at \$16.85 per cwt. The all-milk price is now forecast at \$18.90 per cwt for the year, an increase of 10 cents from the last forecast.

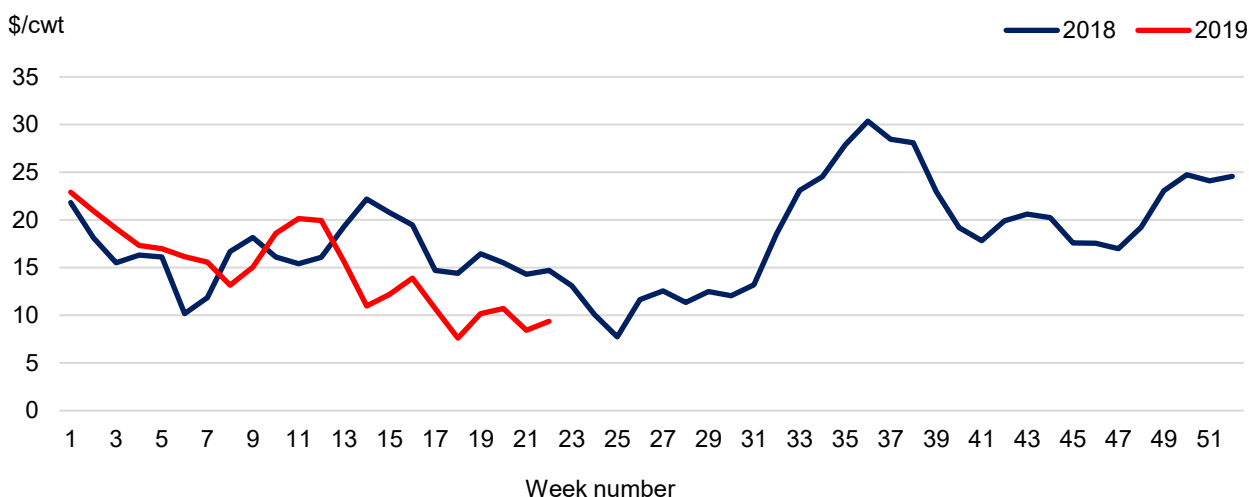
# Pork/Hogs

Mildred Haley

## High Hog Prices, Trailing Pork Prices, Compress Second-Quarter Processor Margins

The U.S. processing sector is struggling with year-over-year lower margins in the second quarter. Processor margins have been consistently below year-earlier levels since the beginning of April (week 14 in the figure below). Margins calculated for April and May averaged about \$10.50 per cwt, more than 39 percent below the same period of 2018. While April-May prices of both hogs and wholesale pork were year over year higher, hog prices increased relatively more than pork prices, thereby compressing processor margins.

### Estimated packers' margin, by-product drop value included



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

In April and May of this year, the price of 51-52 percent lean hogs averaged \$58.65, more than 35 percent above prices in the same period of 2018. Part of the price increase is attributable to an increase in the demand for hogs. An expanded processing industry is demanding greater numbers of animals, with processors often willing to pay higher prices for larger quantities of hogs. This increased demand for hogs is partially reflected in the 4 percent larger federally inspected hog slaughter in April and May compared with a year earlier.<sup>2</sup> The increase in hog prices that began in April also likely had some basis in market expectations relating to the African Swine Fever (ASF) situation in China and its implications for U.S. pork exports to China.

It is notable that along with the larger April-May slaughter numbers, the U.S. processing sector produced more pork products, and that those products cleared the wholesale market at higher

<sup>2</sup> Federally inspected slaughter for the April-May period translates to a 5-day weekly slaughter of 474 head per day this year compared to 467 head per day last year. The April-May period this year had 1 more slaughter day than April-May 2018.

wholesale prices. A larger volume of pork selling at higher prices points to increased pork demand. In particular, given that April pork exports were more than 4 percent lower than a year earlier, higher market-clearing wholesale pork prices suggest a strong increase in domestic demand. Weekly federally inspected pork production for April and May combined was 4 percent higher than a year ago, and the wholesale carcass cutout price averaged almost 20 percent above April-May of 2018. Wholesale cutout-price data for April indicate that more than half of the year-over-year increase was due to increases in wholesale belly prices. In May, more than half of the year-over-year increase of the wholesale carcass price change was attributable to increased ham primal prices. It is also likely that some part of the increase in wholesale prices was due to market adjustments connected with the China-ASF situation, and to Mexico's lifting of its retaliatory tariffs on U.S. pork in mid-May. Wholesale price increases were not sufficient to offset larger hog price changes, however, and processor margins declined as a consequence.

## Hog Price Forecasts Lowered Slightly but Still Above a Year Ago

For the second quarter, hog prices are expected to average \$58 per cwt, more than 21 percent higher than the same period a year ago. Forecasts for third- and fourth-quarter hog prices were lowered slightly to \$60 and \$56 per cwt, respectively. These prices reflect slightly weaker expected packer demand for hogs, although continued robust demand—both domestic and foreign—for U.S. pork products will underpin prices at above year-ago levels through the balance of 2019.

USDA will release its *Quarterly Hogs and Pigs* report on June 27, 2019. The report will detail June 1 hogs and pigs inventories, as well as producer farrowing intentions for the summer and fall production quarters.

## April Exports Year-Over-Year Lower; Mexico Lifted Tariffs on U.S. Pork in Mid-May

U.S. pork exports in April were 525 million pounds, 4.3 percent lower than a year earlier. The summary table of the 10 largest foreign exports markets in April shows that particular weaknesses were in Mexico (-34.9 percent), Japan (-1.4 percent), and South Korea (-2.4 percent). Shipments to China/Hong Kong, on the other hand, ran 2.3 percent ahead of last year at 53 million pounds.

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

Country	Exports April. 2018 (mil. lbs)	Exports April. 2019 (mil. lbs)	Percent change (2019/2018)	Export share April. 2018 %	Export share April. 2019 %
World	548	525	-4.3		
Mexico	182	119	-34.9	33.3	22.7
Japan	95	94	-1.4	17.3	17.9
South Korea	77	75	-2.4	14.1	14.4
China/Hong Kong	52	53	2.3	9.4	10.0
Canada	41	49	19.7	7.5	9.4
Colombia	22	32	45.4	4.0	6.1
Australia	19	30	60.7	3.4	5.7
Honduras	9	10	4.8	1.7	1.9
Chile	4	9	117.9	0.8	1.8
Dominican Republic	11	9	-18.3	2.1	1.8

Source: USDA: Economic Research Service.

## U.S. Pork Export Forecasts Revised Upward Due to Rescission of Mexican Tariffs

Mexico's lifting of its retaliatory tariffs, which had been in place since last June, prompted most of the upside revisions to U.S. pork export forecasts for the balance of 2019 and on through 2020. The second-quarter export forecast is revised upward to 1.545 billion pounds, 1.8 percent higher than a year earlier. Third-quarter exports are projected at 1.575 billion pounds and fourth-quarter exports at 1.9 billion pounds, bringing 2019's pork export total to 6.466 billion pounds, 10.1 percent above shipments in 2018. Exports in the first quarter of 2020 are expected to be 1.725 billion pounds, and for 2020 in total, 6.945 billion pounds, 7.4 percent higher than the projected total for 2019. Exports this year should account for 23.7 percent of commercial pork production. Next year, 24.6 percent of pork production is expected to be exported.

# Poultry

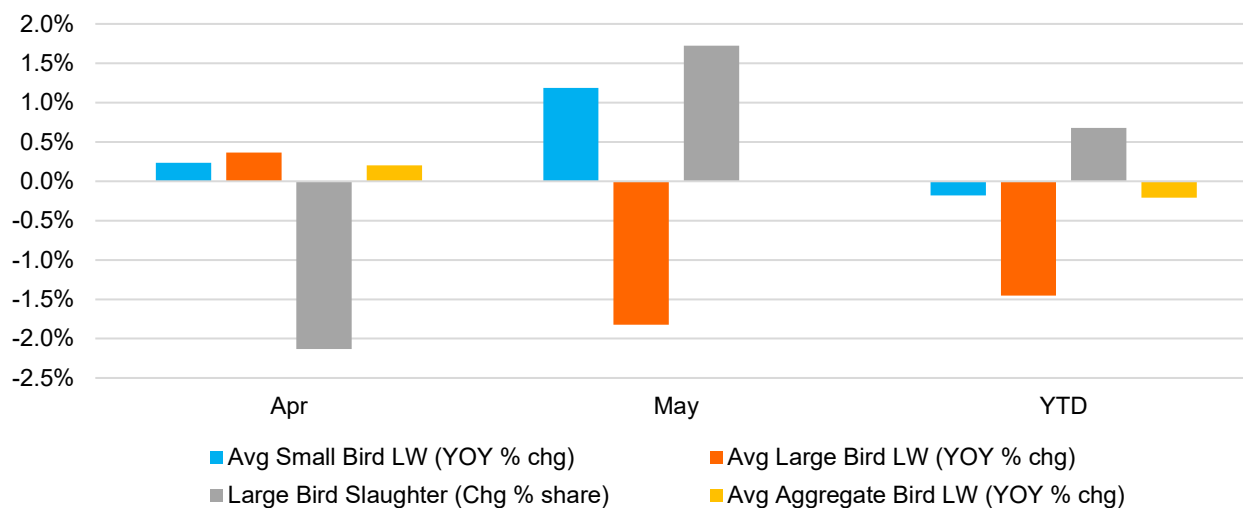
Kim Ha and Alex Melton

## Broiler Bird Weights Increase, 2019 Production Forecast Revised Up

April broiler production is estimated at 3,585 million pounds, nearly a 4-percent increase compared to last year. However, when adjusted for slaughter days, production decreased by 1 percent. Slaughter was down year over year by more than 1 percent (adjusted for slaughter days), while average live weights were up fractionally by 0.2 percent. After 4 months of year-over-year declines in aggregate bird weights, this is the first month in which bird weights increased year over year.

Weekly preliminary slaughter data from the USDA, Agricultural Marketing Service suggest that the year-over-year increase in average live weights in April was driven by slight increases in average bird weights among both the small and large bird-weight categories (see chart). Within the small bird category, more specifically, the increase was driven by a year-over-year increase in average live weights among birds in the 4.26-6.25 lb weight class. For the large bird category—as weights were down year over year for both weight classes—the increase in average weights was driven by a 1.2-percentage-point increase in the percent share of birds in the largest weight class (7.76 lbs and up). For May, preliminary slaughter data point to another month of higher bird weights, driven by a year-over-year gain in average weights among the small bird category and a 1.7-point increase in the percent share of large bird slaughter compared to the same period last year.

### Year-over-year percent change in weekly average live weights (LW) and percentage point change in share of large bird slaughter (2019/2018)



Notes: Average live weights for small and large birds and percent share of large bird slaughter from USDA, Agricultural Marketing Service. Aggregate live weight data from USDA, National Agricultural Statistics Service; data for May 2019 not yet available; YTD for Jan-April only.

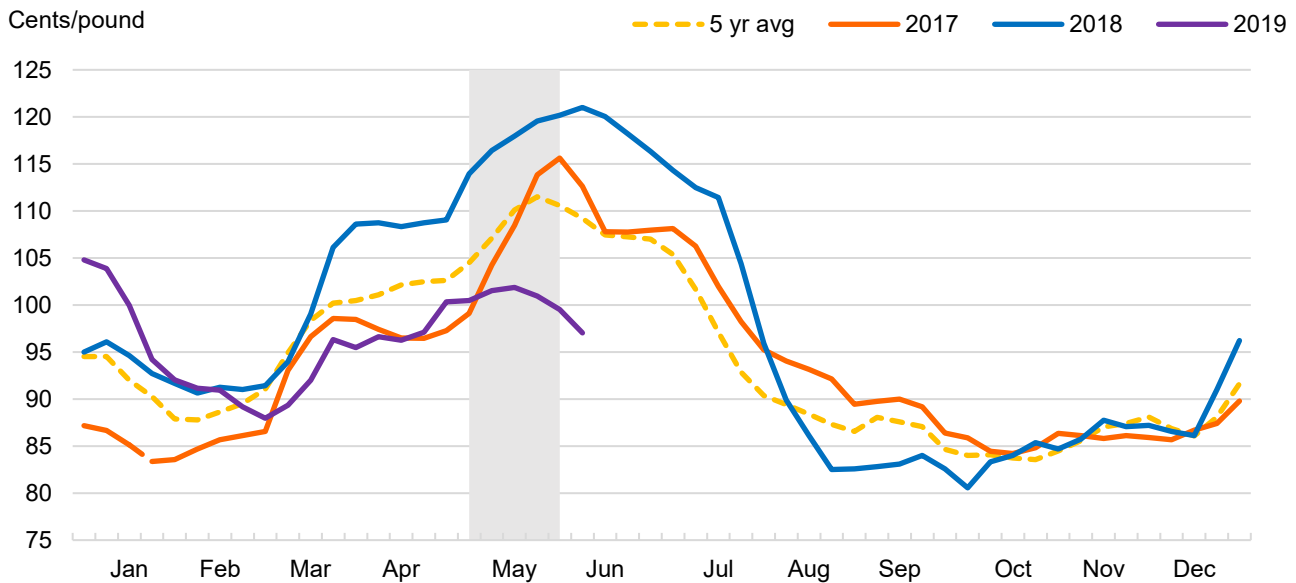
Source: USDA, Economic Research Service calculations using data from USDA, Agricultural Marketing Service and USDA, National Agricultural Statistics Service.

For the rest of 2019, it is expected that the industry will continue to increase the share of large bird slaughter. Additionally, potential weight gains in the small bird category could further bolster aggregate bird weights. Based on expectations that average live bird weights will continue to increase in May and June, the second-quarter production forecast was revised up to 10.8 billion pounds. For 2020, however, the feed price forecast was raised from last month and the broiler price forecast was reduced, which is expected to dampen production growth; thus, the forecast was revised down to 43.4 billion pounds (less than a 1-percent increase over the 2019 forecast).

## Slumping Broiler Prices and Increasing Cold Storage Inventories Suggest Weak Demand

Whole bird (National Composite) broiler prices averaged 100.89 cents per pound in May, a 14-percent decrease compared to last year and more than 7 percent lower than the 5-year average. A seasonal increase is typically observed in the Spring, leading up to grilling season (see chart); however, during the month of May this year, prices only increased by less than 2 cents before decreasing at the end of the month and continuing to fall in early June. These lower prices reflect relatively weak domestic demand and continued supply pressure. Based on expectations that supply growth will continue to outpace demand, the price forecast for the outlying quarters was revised down to 99 cents per pound for the second quarter, 87 cents per pound for the third quarter, and 80 cents per pound for the fourth quarter. In 2019, prices are forecast to average 90 cents per pound. In 2020, based on expectations of continued weak demand, the price forecast is revised down to 94 cents per pound, about a 4-percent increase over the forecast price for 2019.

### Weekly whole bird broiler prices (national composite weighted average)



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

As of April 30, broiler inventories in cold storage reached more than 860 million pounds, about a 3-percent increase over March-end volumes. This month-over-month increase was higher than the 5-year average of 1 percent and pushed end-of-April inventories almost 3 percent above 2018. Drumsticks, thigh meat, whole birds, and “other” were the main drivers of the increase in cold storage inventory.



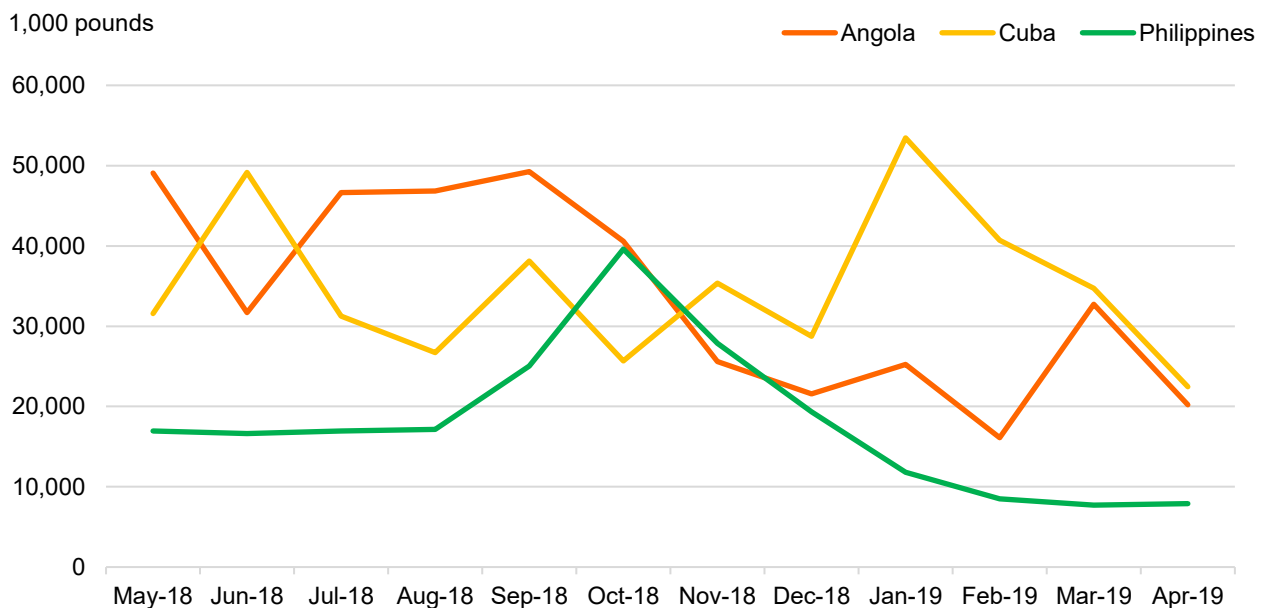
First-quarter ending stocks were revised higher, and based on expectations for low inventory turnover, the second- and third-quarter ending stocks forecasts were increased to 850 million pounds and 880 million pounds, respectively.

## Uncertainty in Broiler Export Markets Persists; Forecasts Revised Down

April broiler export volumes totaled almost 544 million pounds, nearly 7 percent down from last year. Shipment volumes were down year over year to several key markets, including Angola (-62 percent), Cuba (-43 percent), Philippines (-55 percent), Taiwan (-25 percent), Hong Kong (-21 percent), and Canada (-19 percent). In particular, shipments to Angola and Cuba – the second and fourth largest export markets in 2018 (in terms of volume) – have declined substantially over the last several months (see chart). In addition, shipments to the Philippines (eighth largest market in terms of volume) have been decreasing.

These decreases in export volumes were partially offset by exports to a number of markets. Those markets included South Africa (up 48 percent year over year), Vietnam (+38 percent), Guatemala (+13 percent), and Mexico (+1.3 percent). Based on lower-than-expected global demand for U.S. broiler products, the 2019 second-quarter export forecast was revised down to 1.725 billion pounds. Import forecasts for 2019 remain unchanged.

### U.S. Broiler export volumes to Cuba, Angola, and the Philippines



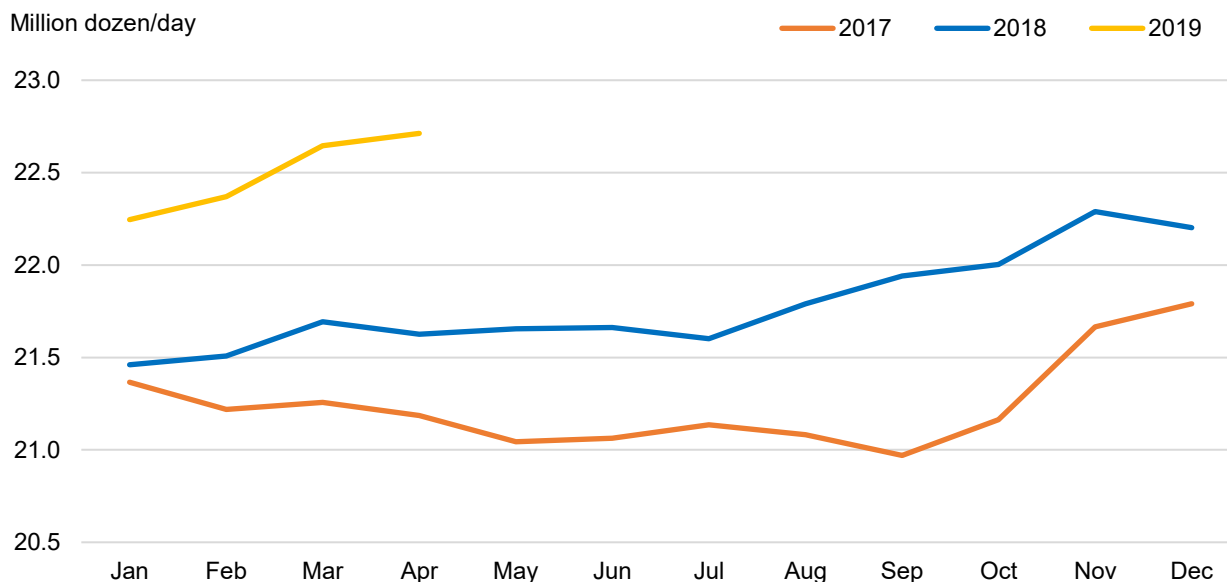
Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Census Bureau.

## Table Egg Production Continues To Expand

Table egg production continued to show strong year-over-year gains in April, totaling 681 million dozen, or a 5-percent increase. This growth was composed of more than a 3-percent year-over-year increase in the table egg layer flock and nearly a 2-percent increase in the average lay rate. Industry output (in

terms of eggs produced per day) has been on an upward trajectory and has increased by more than 2 percent since the beginning of the year (see chart).

### Table eggs produced per day



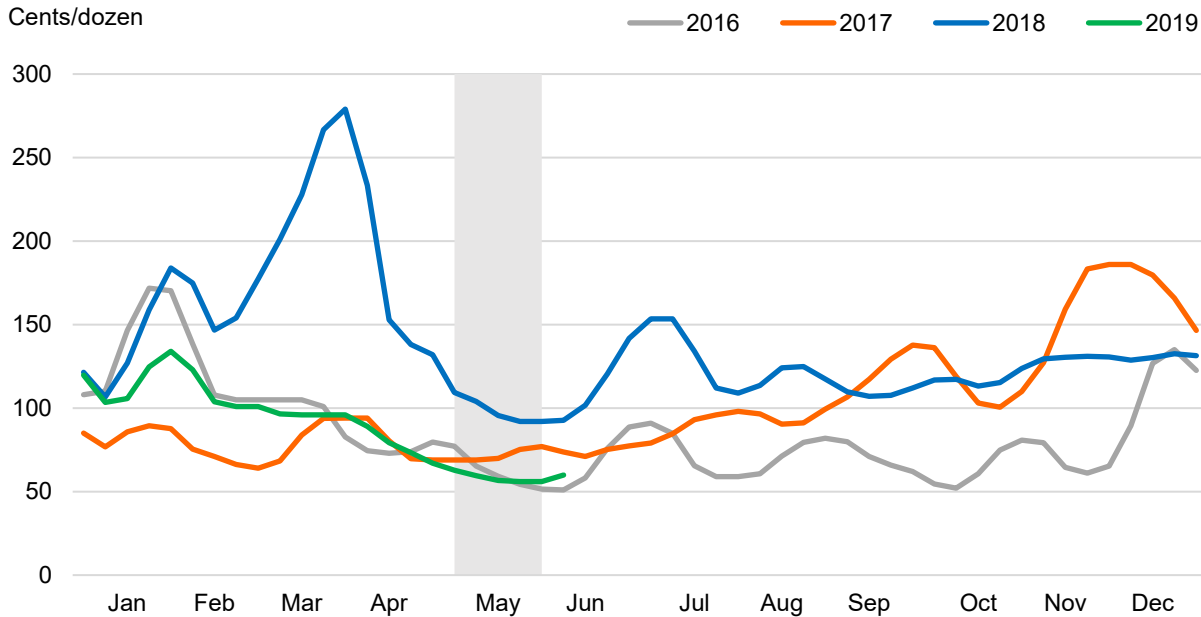
Source: USDA, Economic Research Calculations using data from USDA, National Agricultural Statistics Service.

The 2019 egg production forecast remains unchanged. In 2020, however, higher feed costs combined with ongoing low wholesale prices are expected to pressure producer margins and thus to slow production growth. Based on expectations for slowed production in 2020, the table egg production forecast was decreased to 8.240 million dozen, less than a 1-percent increase over the 2019 production forecast.

## Outlook for Wholesale Egg Prices Remains Bearish; 2020 Forecast Revised Down

Wholesale table egg prices (New York, Grade A Large) averaged 57.68 cents per dozen in May, a 41-percent decrease compared to last year. Nonetheless, prices in the beginning of June began to trend up (see chart) and are expected to gradually increase during the second half of the year leading up to the holiday season, consistent with seasonal patterns. Based on expectations for this recovery in prices, the forecast for 2019 is unchanged, averaging 87 cents per dozen (about 37 percent lower than 2018). However, excess supply and weaker-than-expected demand will likely continue to put downward pressure on wholesale prices in 2020. The price forecast for 2020 was lowered to 100 cents per dozen (15 percent higher than the price forecast for 2019).

## Weekly average midpoint prices for New York eggs (wholesale, Grade A Large)

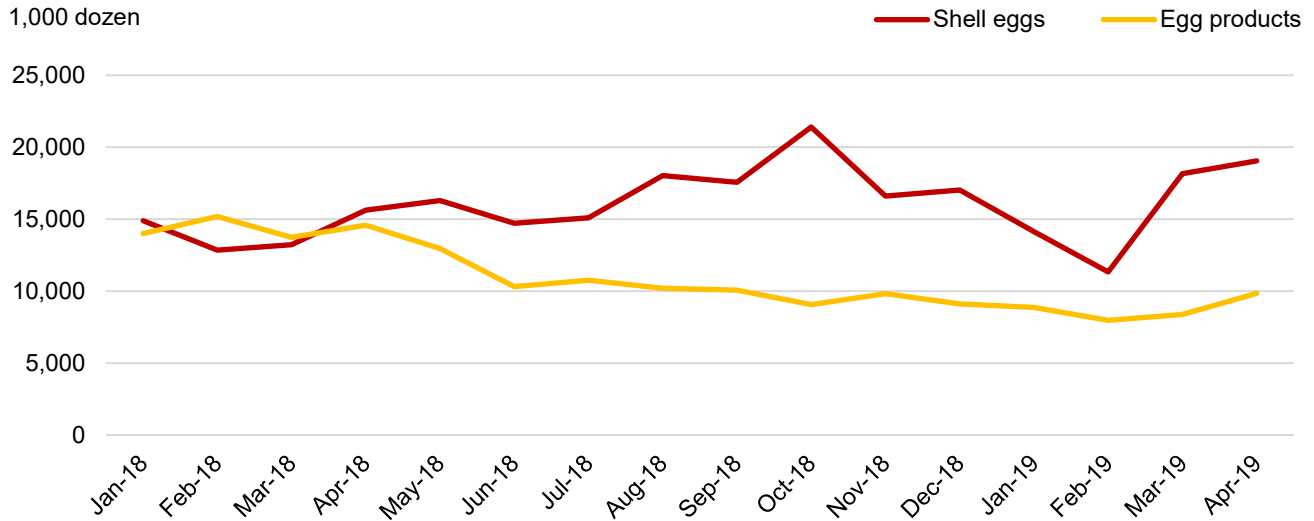


Source: USDA, Agricultural Marketing Service and Livestock Marketing Information Center.

## Competitive Egg Prices Stimulate Shell-Egg Export Volumes; Egg and Egg Product Forecast Revised Up

April exports of egg and egg products totaled 28.9 million dozen (shell-egg equivalent), more than 4 percent lower than last year. This decrease was comprised of a 22-percent year-over-year increase in shell egg exports but a 32-percent decrease of egg product exports. Since October 2018, shell egg exports had been on a downward trend, but volumes began increasing in March and April. While more subtle, there is a similar trend with egg product export volumes (see chart). This shift in momentum is likely due to attractive prices. Shipments increased year over year to several key markets, including: Canada (by more than 35 percent), Mexico (+17 percent), Hong Kong (+20 percent), Jamaica (+10 percent), Trinidad and Tobago (+134 percent), and South Korea (+18 percent). However, the gains in these markets were offset by lower shipment volumes to Japan (-74 percent), Taiwan (-24 percent), United Kingdom (-92 percent), and the Philippines (-10 percent). Based on expectations that low domestic egg prices will continue to make U.S. eggs attractive, the second-quarter export forecast was revised up to 79 million dozen. The import forecast remains unchanged.

## Egg and egg product export volumes



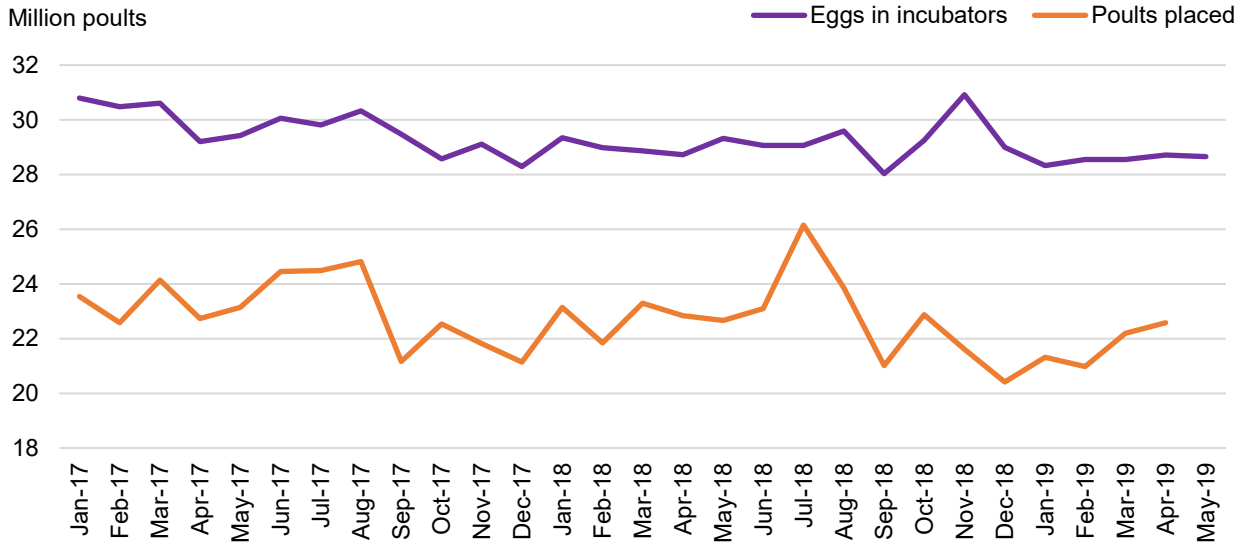
Note: Egg product export volumes in shell-egg equivalence.

Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Census Bureau.

## Turkey Production Down Slightly in April

April 2019 turkey production totaled 484 million pounds, less than a 1-percent decrease from April 2018. When adjusted for the extra slaughter day in April, production was 4 percent lower. Hatchery report data for April was mixed with a year-over-year decline of 1 percent in poults placed, a 2-percent increase in poults hatched, and a 2-percent decrease in the number of eggs in incubators on the first of the month (May 1). Hatchery data over the past several months has indicated a lower rate of placements as a share of eggs set in incubators. The gap between the two variables has closed somewhat in recent months, but still remains slightly below historical norms. Turkey production for 2019 is decreased by 5 million pounds from last month's forecast to 5.876 billion pounds, less than a 10th of a percent below 2018. Turkey production in 2020 is expected to total 5.900 billion pounds. If realized, production would be less than half-a-percent higher than 2019.

## Turkey eggs in incubators and poult placed

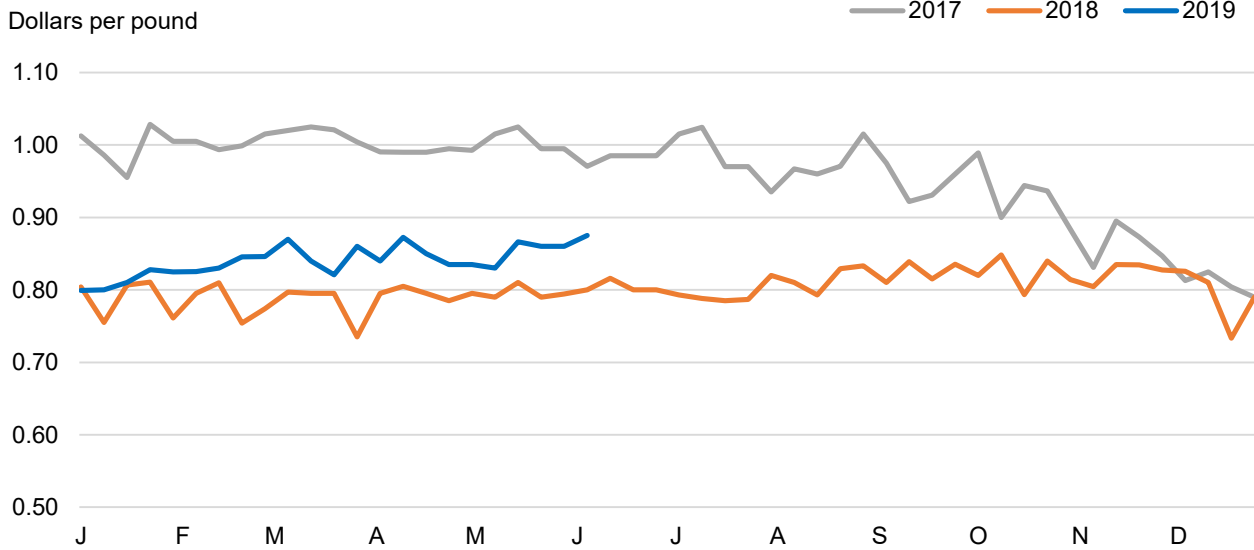


Source: USDA, Economic Research Service using USDA, National Agricultural Statistics Service Turkey Hatchery data.

## Whole Turkey Prices Remain 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 June 8, 2019, shows frozen whole hen prices at 87.5 cents per pound. Prices are still low relative to pre-2018 levels, but the upward price trend since the beginning of the year indicates a possible return to the seasonal price patterns once typical in the turkey market. In 2019, turkey prices are expected to average \$0.86 per pound, 7 percent higher than 2018. In 2020, turkey prices are forecast to average \$0.88 per pound, 3 percent higher than in 2019.

## Wholesale whole hen turkey prices

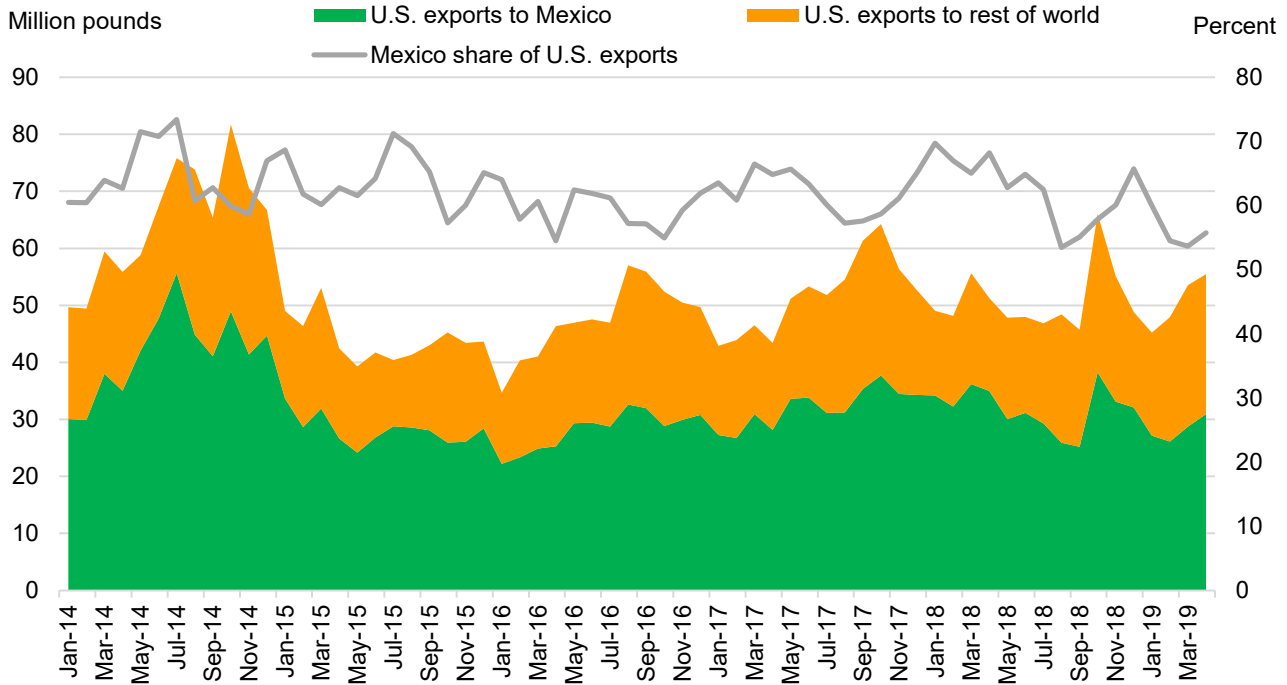


Source: USDA, Economic Research Service using USDA, Agricultural Marketing Service, Turkey Market News reports data.

## Turkey Exports Grew in April

April 2019 turkey exports were 8 percent higher than a year earlier, totaling 55 million pounds. This is the first month of year-over-year growth since October 2018. Mexico remains the largest destination for U.S. turkey shipments, with 31 million pounds shipped in April, or 56 percent of all U.S. shipments. However, April shipments to Mexico were down 12 percent from a year earlier. The growth in total exports, coupled with a contraction in exports to Mexico, suggests that U.S. producers are finding other markets to offset reduced demand from Mexico. Markets that have increased their imports are Benin, South Africa, and Peru. All three markets have more than doubled their imports so far in 2019 relative to the same period in 2018. In 2019, turkey meat exports are expected to total 612 million pounds, nearly unchanged from the 2018 estimate. In 2020, turkey exports are expected to total 630 million pounds. If realized, turkey exports would be 3 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

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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	I	Annual			
<b>Production, million lb</b>																									
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	<b>6,800</b>	<b>7,040</b>	<b>6,950</b>	<b>27,204</b>	<b>6,445</b>	<b>27,420</b>			
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	<b>6,535</b>	<b>6,675</b>	<b>7,240</b>	<b>27,288</b>	<b>7,065</b>	<b>28,225</b>			
Lamb and mutton	38	39	36	37	150	37	36	35	37	145	39	39	37	39	153	37	<b>40</b>	<b>36</b>	<b>37</b>	<b>150</b>	<b>38</b>	<b>148</b>			
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	<b>10,800</b>	<b>11,100</b>	<b>10,750</b>	<b>43,034</b>	<b>10,475</b>	<b>43,350</b>			
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	<b>1,450</b>	<b>1,460</b>	<b>1,520</b>	<b>5,876</b>	<b>1,450</b>	<b>5,900</b>			
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	<b>25,781</b>	<b>26,471</b>	<b>26,651</b>	<b>104,167</b>	<b>25,618</b>	<b>105,669</b>			
Table eggs, mil. doz.	1,793	1,827	1,876	1,941	7,437	1,915	1,920	1,938	1,982	7,755	1,940	1,970	2,003	2,039	7,952	2,018	<b>2,050</b>	<b>2,035</b>	<b>2,080</b>	<b>8,183</b>	<b>2,020</b>	<b>8,230</b>			
<b>Per capita disappearance, retail lb 1/</b>																									
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	<b>14.6</b>	<b>14.7</b>	<b>14.5</b>	<b>57.7</b>	<b>13.8</b>	<b>57.5</b>			
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	<b>12.4</b>	<b>12.5</b>	<b>13.4</b>	<b>51.4</b>	<b>12.8</b>	<b>52.1</b>			
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	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>1.1</b>	<b>0.3</b>	<b>1.1</b>			
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	<b>23.4</b>	<b>23.9</b>	<b>23.1</b>	<b>92.9</b>	<b>22.4</b>	<b>92.7</b>			
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	<b>3.7</b>	<b>4.0</b>	<b>4.9</b>	<b>16.1</b>	<b>3.4</b>	<b>15.9</b>			
Total red meat & poultry	52.9	53.0	53.7	54.9	214.6	53.2	53.3	54.7	55.9	217.1	53.4	54.5	55.0	56.6	219.5	53.6	<b>54.9</b>	<b>55.8</b>	<b>56.6</b>	<b>220.8</b>	<b>53.2</b>	<b>220.9</b>			
Eggs, number	67.4	66.4	67.4	70.8	272.0	69.0	69.3	70.3	71.2	279.9	69.6	70.3	71.8	72.4	284.0	71.8	<b>72.8</b>	<b>72.6</b>	<b>74.2</b>	<b>291.5</b>	<b>71.7</b>	<b>291.7</b>			
<b>Market prices</b>																									
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	<b>118</b>	<b>110</b>	<b>114</b>	<b>117</b>	<b>124</b>	<b>119</b>			
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	140.76	<b>142</b>	<b>145</b>	<b>142</b>	<b>142.5</b>	<b>140</b>	<b>145</b>			
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	<b>58</b>	<b>55</b>	<b>48</b>	<b>53.5</b>	<b>52</b>	<b>55</b>			
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	<b>157</b>	<b>155</b>	<b>140</b>	<b>147</b>	<b>138</b>	<b>146</b>			
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	<b>58</b>	<b>60</b>	<b>56</b>	<b>53.5</b>	<b>58</b>	<b>60</b>			
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	<b>99</b>	<b>87</b>	<b>80</b>	<b>90</b>	<b>92</b>	<b>94</b>			
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	<b>85</b>	<b>86</b>	<b>90</b>	<b>86</b>	<b>84</b>	<b>88</b>			
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	<b>70</b>	<b>80</b>	<b>90</b>	<b>87</b>	<b>95</b>	<b>100</b>			
<b>U.S. trade, million lb, carcass wt. equivalent</b>																									
Beef & veal exports	535	621	660	740	2,557	653	680	746	781	2,860	730	799	826	801	3,156	696	<b>800</b>	<b>835</b>	<b>830</b>	<b>3161</b>	<b>725</b>	<b>3245</b>			
Beef & veal imports	792	831	751	638	3,012	700	812	814	668	2,993	722	805	807	664	2,998	738	<b>830</b>	<b>795</b>	<b>675</b>	<b>3038</b>	<b>715</b>	<b>2960</b>			
Lamb and mutton imports	68	55	41	52	216	80	58	57	57	252	80	66	70	57	273	80	<b>72</b>	<b>62</b>	<b>55</b>	<b>269</b>	<b>80</b>	<b>271</b>			
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	1,446	<b>1545</b>	<b>1575</b>	<b>1900</b>	<b>6466</b>	<b>1725</b>	<b>6945</b>			
Pork imports	293	257	266	275	1,091	264	281	283	287	1,116	279	270	245	248	1,042	259	<b>240</b>	<b>235</b>	<b>250</b>	<b>984</b>	<b>245</b>	<b>945</b>			
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	1,722	<b>1725</b>	<b>1810</b>	<b>1830</b>	<b>7087</b>	<b>1780</b>	<b>7250</b>			
Turkey exports	116	141	160	153	569	133	148	168	173	622	153	147	141	170	611	147	<b>155</b>	<b>150</b>	<b>160</b>	<b>612</b>	<b>150</b>	<b>630</b>			
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	1,339	<b>1,375</b>	<b>1,280</b>	<b>1,280</b>	<b>5274</b>	<b>1,345</b>	<b>5,240</b>			

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 6/14/2019.



## Dairy Forecasts

	2018				2019					2020	
	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Milk cows (thousands)	9,418	9,383	9,359	9,399	9,346	9,325	9,325	9,335	9,335	9,340	9,355
Milk per cow (pounds)	5,928	5,752	5,703	23,149	5,827	5,985	5,795	5,770	23,375	5,945	23,720
<b>Milk production (billion pounds)</b>	55.8	54.0	53.4	217.6	54.5	55.8	54.0	53.9	218.2	55.5	221.9
Farm use	0.3	0.3	0.3	1.0	0.3	0.3	0.3	0.3	1.0	0.3	1.0
Milk marketings	55.6	53.7	53.1	216.6	54.2	55.6	53.8	53.6	217.2	55.3	220.9
<b>Milk-fat (billion pounds milk equiv.)</b>											
Milk marketings	55.6	53.7	53.1	216.6	54.2	55.6	53.8	53.6	217.2	55.3	220.9
Beginning commercial stocks	16.2	18.9	17.1	13.4	13.8	16.1	18.6	16.5	13.8	13.1	13.1
Imports	1.6	1.7	1.8	6.3	1.4	1.6	1.7	1.8	6.5	1.5	6.6
Total supply	73.3	74.3	72.0	236.3	69.4	73.3	74.0	71.9	237.4	69.8	240.6
Commercial exports	3.0	2.6	2.4	10.4	2.4	2.6	2.5	2.3	9.7	2.5	10.4
Ending commercial stocks	18.9	17.1	13.8	13.8	16.1	18.6	16.5	13.1	13.1	15.9	13.1
Commodity Credit Corporation donations	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.0	0.0
Domestic commercial use	51.5	54.5	55.9	212.1	50.9	52.1	55.0	56.5	214.5	51.4	217.1
<b>Skim solids (billion pounds milk equiv.)</b>											
Milk marketings	55.6	53.7	53.1	216.6	54.2	55.6	53.8	53.6	217.2	55.3	220.9
Beginning commercial stocks	11.4	11.5	10.5	11.8	10.7	11.1	11.9	11.0	10.7	10.2	10.2
Imports	1.4	1.3	1.4	5.5	1.3	1.5	1.2	1.4	5.4	1.2	5.0
Total supply	68.3	66.5	65.1	233.9	66.2	68.1	66.9	66.0	233.2	66.7	236.0
Commercial exports	12.5	10.9	9.7	44.7	9.9	11.1	10.6	10.4	42.0	10.3	43.4
Ending commercial stocks	11.5	10.5	10.7	10.7	11.1	11.9	11.0	10.2	10.2	10.9	10.1
Commodity Credit Corporation donations	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.0	0.0
Domestic commercial use	44.3	45.1	44.7	178.5	45.1	45.1	45.2	45.3	180.8	45.5	182.6
<b>Milk prices (dollars/cwt) <sup>1</sup></b>											
All milk	16.07	16.17	17.07	16.26	16.97	17.80	18.25	19.05	18.00	18.75	18.90
Class III	14.95	15.05	14.58	14.61	14.30	16.20	16.45	16.60	15.90	16.35	16.65
Class IV	14.32	14.53	15.05	14.23	15.68	16.25	16.90	16.80	16.40	16.60	16.85
<b>Product prices (dollars/pound) <sup>2</sup></b>											
Cheddar cheese	1.608	1.565	1.463	1.538	1.440	1.680	1.710	1.720	1.640	1.700	1.725
Dry whey	0.280	0.369	0.459	0.342	0.449	0.375	0.360	0.370	0.390	0.370	0.375
Butter	2.320	2.284	2.264	2.257	2.258	2.310	2.380	2.350	2.325	2.320	2.365
Nonfat dry milk	0.774	0.816	0.887	0.795	0.963	1.005	1.045	1.050	1.015	1.040	1.045

Totals may not add due to rounding.

<sup>1</sup> Simple averages of monthly prices. May not match reported annual averages.

<sup>2</sup> 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.

For further information, contact Jerry Cessna, 202-694-5171, [jgcessna@ers.usda.gov](mailto:jgcessna@ers.usda.gov), or contact Jonathan Law, 202-694-5544, [jonathan.law@ers.usda.gov](mailto:jonathan.law@ers.usda.gov).

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