



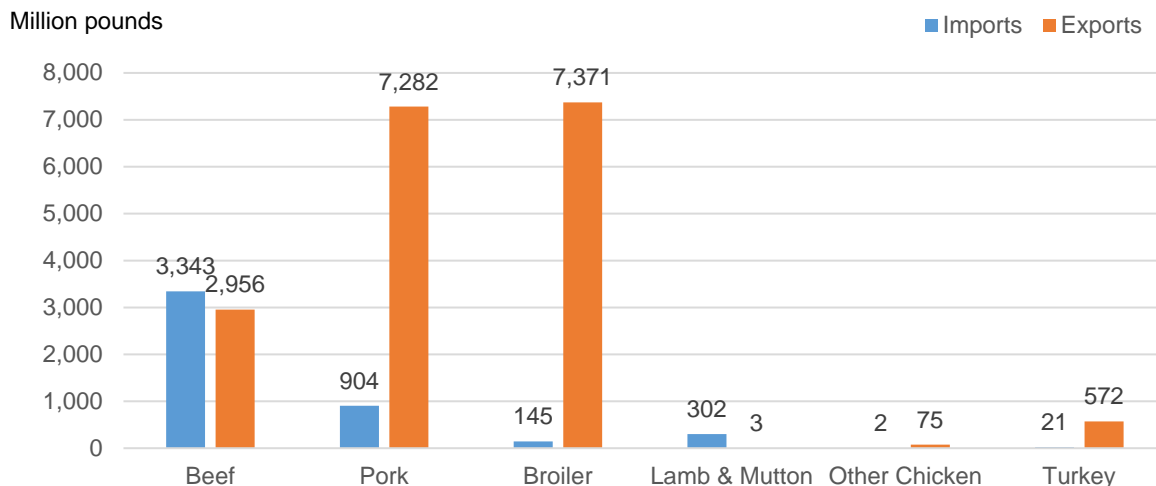
# Livestock, Dairy, and Poultry Outlook

## The Balance of Trade for U.S. Red Meats and Poultry in 2020

Christopher Davis

Over the past several years, the United States' red meats and poultry products have run a trade surplus as the quantity exported has exceeded the quantity imported. The chart below illustrates the U.S. trade balance in red meats and poultry for 2020. By volume, broiler meat was the largest U.S. meat traded in 2020, accounting for 92 percent of total poultry exports and exceeding broiler imports by almost fiftyfold. Pork exports contributed toward the growth in the red meat trade surplus. In 2020, pork exports were sevenfold higher than pork imports, increasing 15.2 percent, or almost 1 billion pounds above a year earlier, on strong Asian demand for pork. In contrast, apart from 2018, the amount of beef imported by the United States has exceeded exports 7 of the last 8 years. Last year, U.S. beef exports declined 2.3 percent from a year ago, while beef imports rose 9.3 percent over the same period. This trade deficit reflects, in part, a robust demand for processing-grade beef. Turkey imports were up 75 percent and turkey exports were down 10.5 percent in 2020, with export levels resulting in a trade surplus for turkey. Other Chicken also had a trade surplus. Lamb imports are far greater than exports.

### U.S. red meats and poultry trade in 2020



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

**Beef/Cattle:** March slaughter was up volume-wise by 75 thousand head from a year ago totaling 2.940 million head, with one extra slaughter day relative to March 2020. Cow slaughter was higher than anticipated, while steer and heifer slaughter was lower. In addition, shifts in slaughter proportions, and February storms also had the effect of lowering carcass weights. As a result, the first-quarter beef production estimate was down 40 million pounds from last month. Fed cattle marketings were lowered in the first half based on the pace of slaughter and raised in the second half of the year. The annual beef production forecast for 2021 was increased 60 million pounds to 27.640 billion pounds. Strong gains in beef exports in February to South Korea and China could not offset losses to other key export markets. However, the export forecast remains unchanged from last month at 3.145 billion pounds. Beef imports in February were weaker than expected on lower month over month and lower year over year imports from Australia and New Zealand. The beef import forecast was lowered by 35 to 2.900.

**Lamb/Sheep:** Prices for lambs were unexpectedly high in March 2021. The first-quarter 2021 price of lambs was \$165.42 per hundredweight (cwt). Lamb price forecasts for the rest of 2021 were raised by \$1 per cwt from \$160 to \$161. Year-to-date imports and exports were lower than expected. Forecast imports and exports in this month's report are all lower than those in the March 2021 report.

**Dairy:** All wholesale dairy product prices reported in the USDA National Dairy Product Sales Report (NDPSR) increased substantially from the week ending March 6 to the week ending April 3. The milk production forecast for 2021 has been raised to due to higher expected milk cow numbers and milk per cow. Dairy export forecasts for 2021 have been raised as international demand is expected to remain strong and the United States is expected to be price-competitive. The all-milk price forecast for 2021 has been raised to \$18.40 per cwt, \$0.65 higher than last month's forecast.

**Pork/Hogs:** The March *Quarterly Hogs and Pigs* report showed March 1 inventories of market hogs and breeding animals below those of March 1 a year ago, as well as lower producer farrowing intentions for the spring (March-May) and summer (June-August) quarters. The winter pig crop and its accompanying litter rate were also year-over-year lower. Lower animal numbers and expectations for lower pig crops later in 2021 are reflected in lower year-over-year pork production in the third quarter (-1 percent below the third quarter of 2020) and in the fourth quarter (-2.5 percent below production in fourth quarter of 2020.) Currently, the March report's year-over-year lower weight-class categories combine with continued-strong consumer pork demand to push 2021 hog price forecasts higher. Quarterly 2021 live equivalent 51-52 percent lean hog price forecasts average \$65.68 per cwt, more than 52 percent higher than a year ago.

**Poultry/Eggs:** The first-quarter broiler production forecast was lowered on February data, while the second-quarter production forecast was increased on hatchery data. Both the broiler export forecast and price forecast were unchanged. The egg price forecast was reduced on lower-than-expected March prices, while the 2021 table egg production forecast was lowered on the size of the current layer flock as well as expectations for restraint in supply-side growth. The egg export forecast was increased on expectations for continued strong demand for shell eggs. The turkey production forecast was revised down in the first half of 2021 on recent production and placement data. Turkey export forecasts were revised up in first-quarter 2021. Turkey prices were adjusted up slightly on production decreases.

# Beef/Cattle

Russell Knight and Christopher Davis

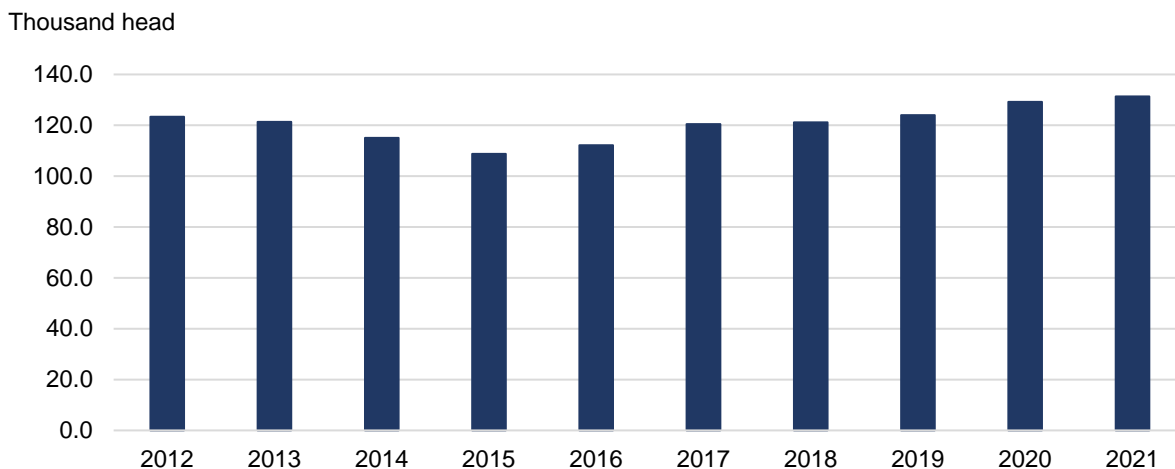
## Beef Production Was Up in March and Is Forecast Higher for 2021

Preliminary March 2021 federally-inspected slaughter volume was up by 75,000 head from a year ago, totaling 2.950 million head, due to one extra slaughter day relative to March 2020. Based on USDA, Agricultural Marketing Service (AMS) report Actual Slaughter Under Federal Inspection, on a per day basis, the slaughter pace through March 27 was 3.1 percent slower year over year for steers and heifers but 4.0 percent faster for cows and bulls. According to the AMS report for the weeks ending March 6 and 13, total slaughter was 2.6 percent and 1.2 percent, respectively, above the same weeks a year ago. This higher level of slaughter during the first 2 weeks of March was the result of residual animals from slaughter disruptions in mid-February's severe weather event.

In March, cow slaughter was higher than anticipated, while steer and heifer slaughter was lower. This change in slaughter proportions—an effect of the February storm--had the additional effect of lowering carcass weights. As a result, expected first-quarter beef production was lowered 35 million pounds from last month. Fed cattle marketings and carcass weights were lowered for the second quarter on current data. An increase in fed cattle marketings is anticipated in the third and fourth quarters and is expected to expand 2021 beef production in the second half of the year for a full-year increase of 60 million pounds from last month to 27.640 billion pounds.

According USDA, AMS slaughter data reported for January-March 2021, slaughter totaled 8.113 million head, about 1.9 percent lower than 2020 first quarter. The chart below presents changes in federally-inspected cattle slaughter over the last 10 years. As the chart shows, 2021 first-quarter slaughter was the second highest behind the 2020 total, partly due to increasing forage costs that resulted in higher cow slaughter.

### First-quarter total cattle slaughter per day



Note: The slaughter totals are adjusted to a 5-day week.

Source: USDA, Agricultural Marketing Service (AMS) Actual Slaughter Under Federal Inspection.

## Fed Steer and Feeder Cattle Prices Are Expected To Rise in the Coming Months

Based on the AMS weekly price reports for March 2021 from the Oklahoma City National Stockyards, feeder steers weighing 750-800 pounds averaged \$137.13 per hundredweight (cwt), more than \$10 above a year ago. In the first week of April, feeder steers averaged \$142.70 cwt, higher by almost \$25 than the same week last year. As a result, the outlying quarters were raised on current price strength by \$6.00 in the second quarter and \$3.00 in the third and fourth quarters for an annual price forecast of \$140 per cwt, up \$3.50 from last month.

Fed steer prices in the 5-area marketing region for March were reported at \$114.40 per cwt, almost \$2 higher year over year. Price data for April 6-8 is reported at \$122.14 per cwt, about 16 percent higher year over year and 3 percent below 2019 prices for the same week. Based on expected demand for cattle and relatively strong boxed-beef prices, second-quarter fed steer prices were raised by \$4 to \$117 per cwt, the third-quarter price was increased by \$1 to \$115 per cwt, and the fourth-quarter was raised \$1 to \$120 per cwt. As a result, this month's annual price forecast for 2021 was raised to \$116 per cwt.

## Exports to South Korea and China Gain; Shipments to Japan, Mexico, and Canada Struggle

In February, U.S. beef exports were 250 million pounds, almost 3 percent below a year earlier. Large shipments to South Korea and China only partially offset reduced exports to other top destinations. As the chart below shows, cumulative exports for January and February reached 496 million pounds, which was down just over 1 percent from a year ago. In early 2021, South Korea eclipsed Japan as the top market, and China surpassed Canada to become the fourth largest, pushing Hong Kong out of the top five destinations. U.S. beef exports to South Korea—whose beef imports from the world are up in early 2021—were driven by robust demand. Greater U.S. beef exports to South Korea are also likely related to trade data showing that South Korea's imports from Australia are lower year over year on limited supplies of beef for export, as Australia show signs of rebuilding its herd inventory.

Exports to China reached 24.2 million pounds in February, keeping a steady pace over the last 4 months of 22-27 million pounds per month. Total exports to China in January and February 2021 totaled 46.8 million pounds, about 11 times greater than the same period last year. This is largely a function of several factors, including changes to U.S. market access, that were implemented in March 2020. At that time, market access was expanded through recognition of the U.S. beef traceability system, updating the number of facilities that can export to China, and lifting the ban on imports of U.S. beef and beef products from animals over 30 months of age. In addition, continued demand for meat protein to offset low domestic supplies of pork is expected to continue supporting China's beef imports.

Lower U.S. exports to Japan are likely the result of reduced shipments in early 2021 to avoid triggering the safeguard<sup>1</sup> in place against U.S. beef. However, on March 17, 2021, it was announced that the safeguard was triggered. Japan has imposed a 30-day temporary tariff increase on U.S. beef above the safeguard level established in Year 2 of the U.S.-Japan Trade Agreement (USJTA). As a result, Japan

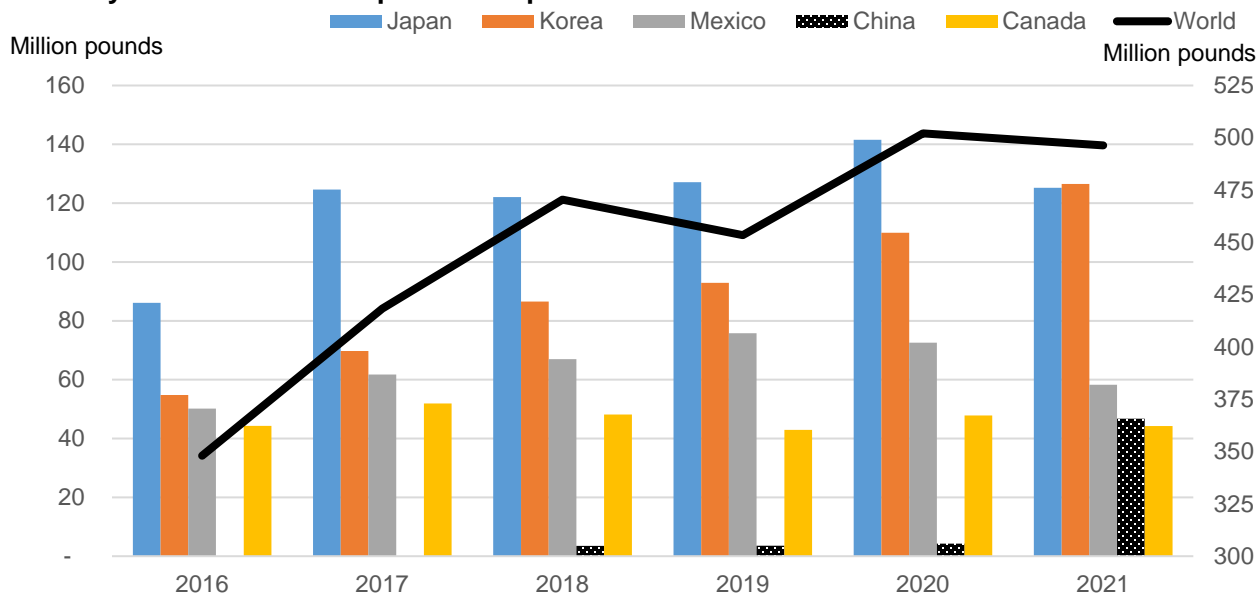
---

<sup>1</sup> A safeguard is a temporary import restriction, e.g. a quota or a tariff increase, that a country is allowed to impose on a product if imports of that product are increasing so as to cause, or threaten to cause, serious injury to a domestic industry that produces a similar or directly competitive product.

has increased tariffs from 25.8 percent to 38.5 percent beginning March 18 and ending April 16. On April 17, 2021, the import tariff on U.S. beef will drop to 25 percent as prescribed in the tariff reduction schedule of Year 3 of the USJTA.<sup>2</sup>

U.S. beef exports in early 2021 remain on trend with last month's forecast for 2021, which is unchanged at 3.145 billion pounds.

### Quantity of Jan-Feb beef exports for top destinations and world



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

## Supplies from Australia and New Zealand Limit U.S. Imports

In February, U.S. beef imports declined 14 percent year over year to 199 million pounds, principally on lower shipments from Australia and New Zealand. Australia has less exportable supplies and New Zealand has increased exports to China at the expense of other markets. Additional declines from these and other major suppliers more than offset gains from Canada and Brazil. In combination with January import data, the table below shows cumulative imports for early 2021 are down 52 million pounds, or 11 percent, from the same period last year. Because these declines were greater than expected, the import forecast for the first half of 2021 was reduced. Specifically, the first quarter was lowered 15 million pounds to 675 million pounds and the second quarter was revised down by 20 million to 760 million pounds. In total, the 2021 annual import forecast was thus lowered by 35 million to 2.900 billion pounds.

<sup>2</sup> For more information visit the USDA Foreign Agricultural Service website at <https://www.fas.usda.gov>.

## U.S. beef imports: Volume, January-February 2020 and 2021

Country	Imports			Import share	
	2019	2020	Change	2019	2020
Volume					
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Percent</i>
Top 5 largest foreign markets (per year-to-date 2021 export volumes)					
Canada	119	128	9	25.0	30.3
Mexico	98	88	-10	20.6	20.8
New Zealand	66	71	5	13.8	16.8
Australia	112	52	-60	23.6	12.3
Brazil	16	29	13	3.4	6.8
<b>World</b>	<b>475</b>	<b>423</b>	<b>-52</b>	<b>100</b>	<b>100</b>
Additional foreign markets of note					
Nicaragua	35	23	-12	7.3	5.4
Uruguay	13	21	7	2.8	4.9
Argentina	3	6	3	0.6	1.4

Note: Largest markets are based on 2021 export volumes.

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

# Lamb/Sheep

---

William F. Hahn

## Lamb Prices Forecast Higher for 2021

Lamb prices generally increase in the weeks before Easter; this March, lamb prices increased more than expected. The March LDP had a forecast 2021 first-quarter lamb price of \$162 per cwt. The actual average lamb price for 2021 first quarter is \$165.42 per cwt. Lamb price forecasts for the rest of 2021 were raised by \$1 per cwt from \$160 to \$161.

No changes were made in 2021 lamb and mutton production forecasts. However, Import and export forecasts have been changed. Australia and New Zealand are the most important sources of U.S. lamb and mutton imports. Both countries are rebuilding their herds following recent drought conditions. U.S. lamb and mutton imports have been smaller than expected so far this year. The previous forecast was that U.S. imports would total 282 million pounds in 2021; this month's forecast is 276 million pounds this year, a decrease of 2 percent from last month's forecast. Year-to-date exports have been lower than expected, and lamb and mutton export forecasts are lower this month than last. The exports forecasts in March's report were 2 million pounds in each of the four quarters. This report lowers the export forecasts for the first three quarters to 1 million pounds and keeps fourth-quarter exports at 2 million pounds.

# Dairy

Jerry Cessna and Angel Teran

## Recent Wholesale Dairy Product Prices

All wholesale dairy product prices reported in the USDA *National Dairy Product Sales Report* (NDPSR) increased substantially from the week ending March 6 to the week ending April 3. The price of 40-pound blocks of Cheddar cheese increased 16.7 cents to \$1.7807 per pound, and the price of 500-pound barrels (adjusted to 38-percent moisture) rose 4.9 cents to \$1.5220 per pound. Prices for butter, nonfat dry milk (NDM), and dry whey rose to \$1.6703 (+16.2 cents), \$1.1486 (+4.5 cents), and \$0.5889 (+5.9) per pound, respectively.

### Dairy wholesale product prices from USDA *National Dairy Products Sales Report* (dollars per pound)

	For the week ending		Change
	March 6	April 3	
Butter	1.5087	1.6703	0.1616
Cheddar cheese			
40-pound blocks	1.6134	1.7807	0.1673
500-pound barrels *	1.4727	1.5220	0.0493
Nonfat dry milk	1.1035	1.1486	0.0451
Dry whey	0.5300	0.5889	0.0589

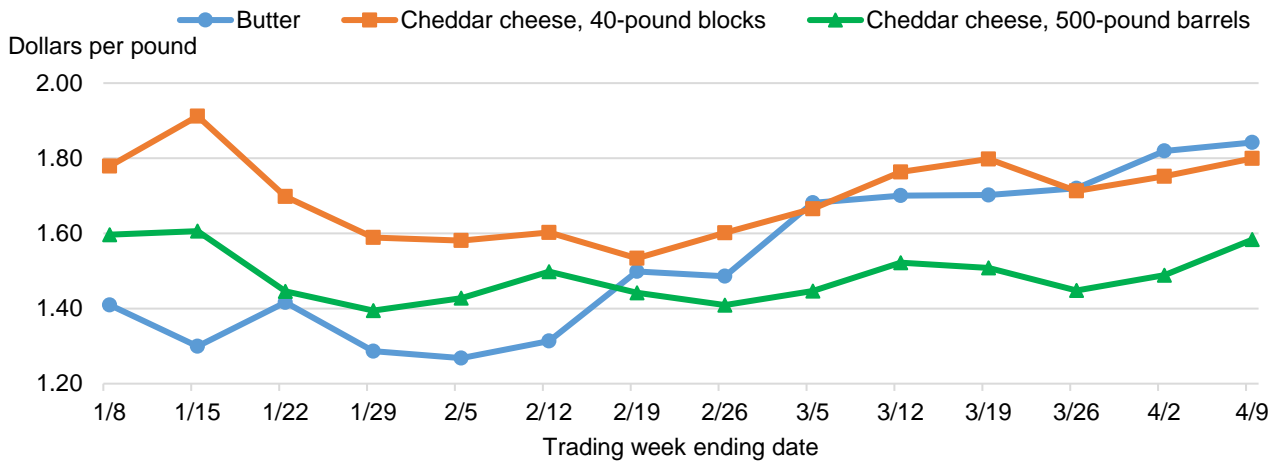
\* Adjusted to 38-percent moisture.

Source: USDA, Agricultural Marketing Service, *National Dairy Products Sales Report*, April 7, 2021.

Weekly average prices on the Chicago Mercantile Exchange (CME) have also been trending upward in recent weeks. For the trading week ending April 9, spot prices for 40-pound blocks and 500-pound barrels of Cheddar cheese averaged \$1.7995 and \$1.5835 per pound, respectively. Prices for butter, NDM, and dry whey averaged \$1.8420, \$1.1930, and \$0.6500 per pound, respectively.



## Chicago Mercantile Exchange (CME) spot prices for butter and cheese, 2021 weekly averages



Source: CME prices as reported by USDA, *Dairy Market News*.

Most of the U.S. wholesale prices of major dairy products have continued to be very competitive compared to international export prices.<sup>3</sup> In March, Oceania and Western Europe export prices for butter were \$2.58 and \$2.18 per pound, respectively. Skim milk powder (SMP) export prices for Oceania and Western Europe were \$1.54 and \$1.34 per pound, respectively. The Oceania export price for cheese was \$1.99 per pound. The Western Europe export price for dry whey in March was \$0.55 per pound, about the same as the NDPSR weighted-average U.S. domestic price for dry whey.

## Recent Dairy Supply and Use Data

The most recent dairy supply and use data available are from February. Since February had 28 days this year but 29 days in 2020, year-over-year comparisons in this section for most February quantities are based upon daily averages.

USDA National Agricultural Statistics Service (NASS) reported U.S. milk production of 17.630 billion pounds for February. Daily milk production averaged 629.6 million pounds, 2.0 percent higher than February 2020. While this was a substantial year-over-year increase, it is notable that the rate of increase has declined each month since the 3.5 percent year-over-year increase in November 2020. Milk cows numbered 9.458 million head in February, 3,000 more than January and 81,000 head more than February 2020. Average yield per cow was 1,864 pounds in February. Daily yield per cow averaged 66.6 pounds, 1.2 percent higher than February 2020.

Dairy exports were robust in February. On a milk-fat milk-equivalent basis, exports totaled 841 million pounds. Per day, they averaged 30.1 million pounds, 17.9 percent higher than February 2020. Dairy exports on a skim-solids milk-equivalent basis totaled 3.947 billion pounds in February. Per day, they averaged 141.0 million pounds, 17.2 percent higher than February 2020. Average daily exports of most major dairy products in February were significantly higher than February 2020, including butter (+120.4 percent), dry skim milk products<sup>4</sup> (+36.1 percent), cheese (+1.1 percent), and whey products<sup>5</sup> (+33.4

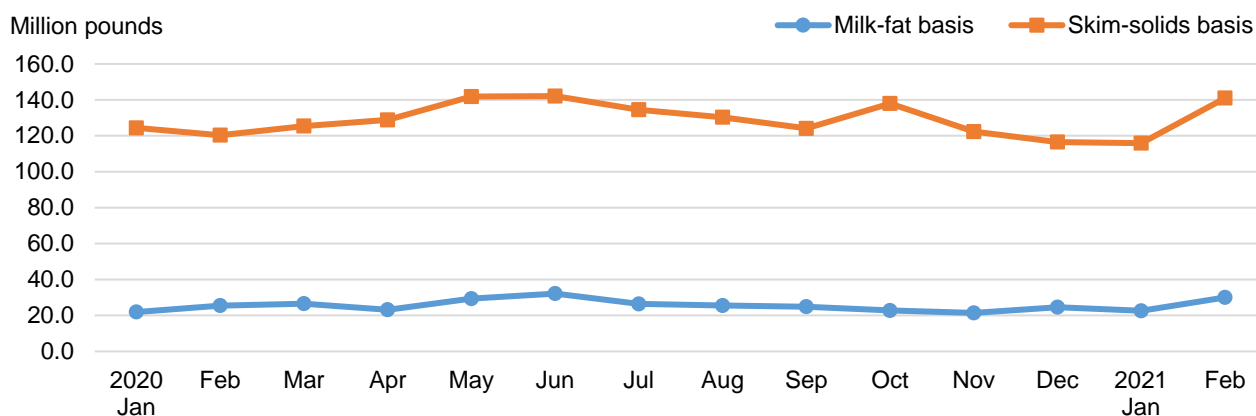
<sup>3</sup> The source for Oceania and Western Europe prices is USDA *Dairy Market News*. International prices are in U.S. dollars, free on board (F.O.B.) port. Prices listed in this report are at the midpoints of the ranges.

<sup>4</sup> Dry skim milk products include nonfat dry milk, skim milk powder, and dry skim milk for animal use.

<sup>5</sup> Whey products include dry whey, whey protein concentrate, modified whey, and milk albumin.

percent). An exception was lactose, with February average daily exports 17.1 percent lower than February 2021.

### Daily average exports of dairy products on milk-equivalent bases



Sources: USDA, Foreign Agricultural Service; U.S. Department of Commerce, Bureau of the Census; and USDA, Economic Research Service calculations.

Dairy imports were relatively low in February. On a milk-fat basis, they totaled 324 million pounds. Per day, they averaged 11.6 million pounds, 32.3 percent lower than February 2020. On a skim-solids basis, February dairy imports totaled 371 million pounds. Per day, they averaged 13.2 million pounds, 21.9 percent lower than February 2020. Products with substantial year-over-year decreases in average daily imports included cheese (-26.9 percent), anhydrous milkfat and butteroil (-80.5 percent), and milk protein products<sup>6</sup> (-37.0 percent).

Dairy stocks were relatively high at the end of February. They totaled 17.607 billion pounds on a milk-fat basis, 7.3 percent higher than February 2020. On a skim-solids basis, they totaled 11.772 billion pounds, 6.0 percent higher than February 2020. Products with notable year-over-year increases for stocks at the end of February included butter (+16.8 percent), American-type cheese (+4.8 percent), Other-than-American type cheese (+6.2 percent), NDM (+8.6 percent), and lactose (+17.0 percent).

## American Rescue Plan Act

President Biden signed the American Rescue Plan Act into law on March 11, 2021. The plan is designed to stimulate the economy and assist in containing the pandemic. With respect to agriculture, the Act includes provisions to provide nutritional assistance, strengthen the food supply chain, ensure equity for farmers of color, and invest in Rural America. For more information see *Fact Sheet: United States Department of Agriculture Provisions in H.R. 1319, the American Rescue Plan*, available from the USDA website.

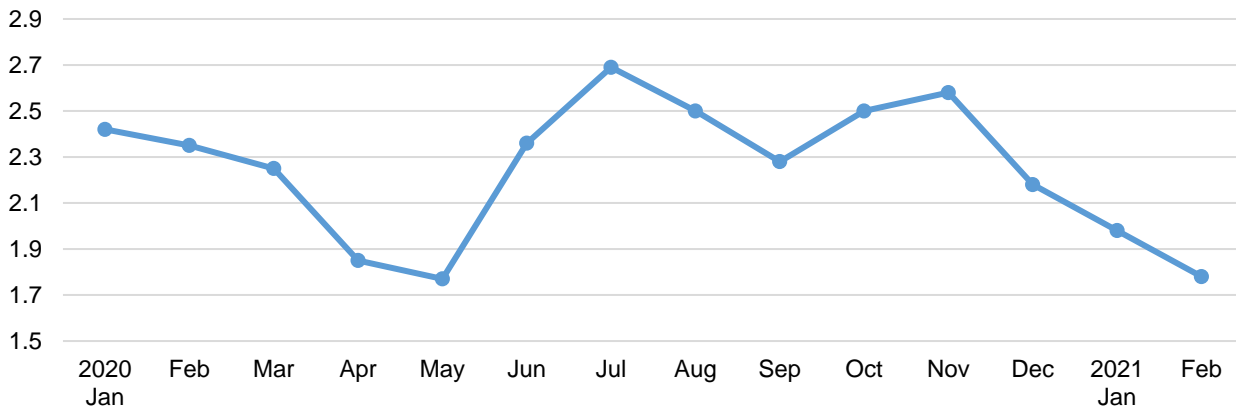
<sup>6</sup> Milk protein products include milk protein concentrate and casein.

## Outlook for Feed Prices

From November 2020 to February 2021, the all-milk price declined from \$21.30 to \$17.10 per hundredweight (cwt) of milk. For those same months, the 16-percent protein dairy feed value used by NASS increased from \$8.26 to \$9.61 per cwt of feed. As a result of these changes, the milk-feed ratio decreased from 2.58 in November to 1.78 in February.

### Milk-feed ratio \*

All-milk price / feed value



\* The milk-feed ratio measures pounds of 16-percent protein dairy feed equal in value to one pound of all milk. The feed value is based on the composite U.S. average prices of 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. Source: USDA, National Agricultural Statistics Service.

The 2020/21 corn price forecast is \$4.30 per bushel, unchanged from last month's forecast. The 2020/21 forecast for soybean meal is \$400 per short ton, also unchanged from last month's forecast. The alfalfa hay price in February was \$175 per short ton, \$4 higher than January and \$7 higher than February 2020. The 5-State weighted-average price for premium alfalfa hay in February was \$211 per short ton, \$5 higher than January and \$1 higher than February 2020. For more information, see *Feed Outlook*, published by USDA, Economic Research Service.

## Dairy Forecasts for 2021

Based on information from the most recent *Milk Production* report, the U.S. milking herd is projected to average 9.460 million head in 2021, 15,000 higher than last month's forecast. The number of milk cows is forecast to remain steady at 9.460 million for each quarter of the year. Relatively low milk-feed ratios in the first part of the year signal limited opportunities for expansion of the milking herd in 2021; milk production usually responds to changes in input prices with a lag of several months. Milk per cow is projected to average 24,070 pounds per head year-round, 5 pounds more than the previous forecast. The 2021 projection for milk production has been increased to 227.7 billion pounds, 0.4 billion more than last month's estimate.

The dairy export forecast for 2021 on a milk-fat basis is 10.7 billion pounds, 0.3 billion pounds higher than last month's projection. On a skim-solids basis, the dairy export forecast has been raised to 49.8 billion pounds, 1.1 billion above the last month's forecast. Expectations for exports of dry skim milk products, whey products, and cheese are higher than last month's forecast, but expectations for lactose exports are lower.

The 2021 forecast for dairy imports on a milk-fat basis has been reduced to 6.0 billion pounds, 0.5 billion pounds lower than last month's forecast. On a skim-solids basis, the dairy import forecast is 5.3 billion pounds, 0.2 billion lower than last month's projection. Lower imports are expected for butterfat products,<sup>7</sup> milk protein products, and milk powders.

The economy is expected to continue strengthening as more people receive COVID-19 vaccinations and pandemic-related restrictions are reduced. Government stimulus measures should increase purchasing power of American consumers. Foodservice purchases are expected to continue increasing. These factors are expected to contribute to year-over-year growth in domestic use of dairy products. However, higher dairy product prices, brought about by greater U.S. and foreign demand, are expected to limit growth in domestic use, especially on a skim-solids basis. On a milk-fat basis, the forecast for 2021 domestic use is 222.5 billion pounds, unchanged from last month's forecast. On a skim-solids basis, the domestic use forecast is 182.5 billion pounds, 1.0 billion pounds lower than last month's forecast.

The forecast for 2021 ending stocks on a milk-fat basis has been lowered to 15.1 billion pounds, 0.4 billion pounds lower than last month's estimate, as higher net exports more than offset higher expected milk production. On a skim-solids basis, the forecast for 2021 ending stocks is 10.6 billion pounds, 0.1 billion higher than last month's forecast.

Due to recent upward trends in dairy prices and expectations for greater domestic and foreign demand for dairy products, dairy price forecasts for 2021 have been raised. The price forecasts for Cheddar cheese, dry whey, butter, and NDM are \$1.710 (+1.5 cents), \$0.525 (+2.5 cents), \$1.730 (+11.5 cents), and \$1.160 (+2.0 cents) per pound, respectively.

With higher dairy product price forecasts for 2021, Class III and IV milk price forecasts have been raised to \$17.10 and \$15.15 per cwt, respectively. The all-milk price forecast for 2021 is \$18.40 per cwt, \$0.65 higher than last month's forecast.

---

<sup>7</sup> Butterfat products include butter, anhydrous milkfat, butteroil, and butter spreads with high milk-fat content.

# Pork/Hogs

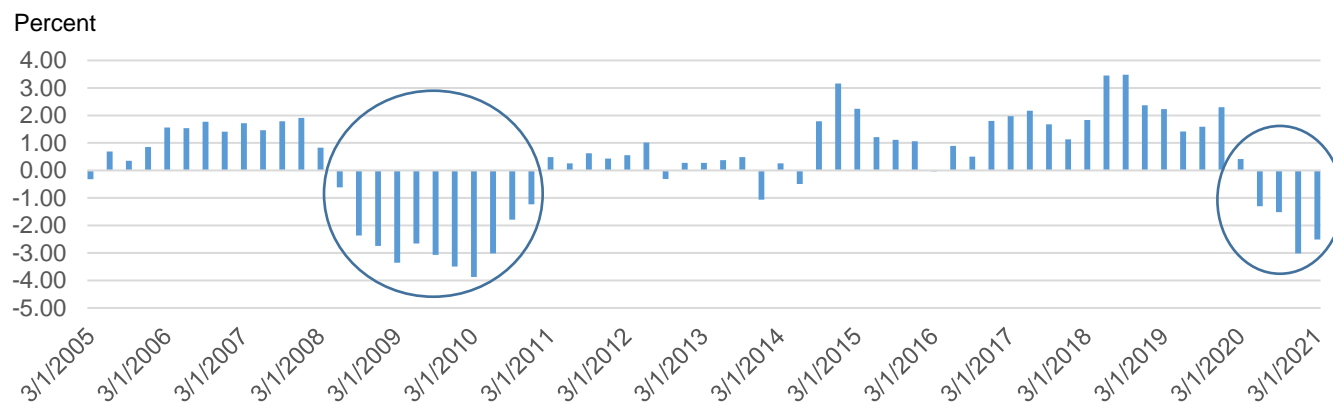
Mildred Haley

## March *Quarterly Hogs and Pigs* Shows Across-the-Board Reductions

The *Quarterly Hogs and Pigs* report released by USDA on March 25 showed across-the-board, year-over-year declines in all inventory categories, winter farrowings, and spring and summer farrowing intentions, as well as the winter litter rate and the winter pig crop. The March 1 inventory of all hogs and pigs, at about 74.8 million head, was 2 percent lower than a year ago. The inventory of market hogs—about 68.6 million head—was also 2 percent lower than a year earlier. These lower animal inventories are largely consequences of year-over-year lower pig crops from U.S. breeding inventories that have declined in every quarter since June 2020.

The March 1 inventory of breeding animals was 6.2 million head, about 3 percent lower than a year earlier, the fourth consecutive decline in the breeding inventory since June 2020. This is the first series of back-to-back declines sustained by the breeding inventory since the contraction of June 2008–December 2010. This continued breeding herd reduction is most likely attributable to sustained-low producer returns and may also have been influenced by recent increases in sow prices. December–February sow prices averaged \$44.74 per cwt, or 74 percent higher than a year ago. High sow prices increase the opportunity cost of holding low-productivity breeding animals.<sup>8</sup>

### Quarterly breeding inventory, percent change from a year earlier



Source: USDA, National Agricultural Statistics Service.

## March *Quarterly Hogs and Pigs* Report Has Production Implications For Second-Half 2021

Information contained in the March report points to lower pork production in the second half of this year. The reported December–February pig crop—33.3 million head—was down about 1 percent from a year

<sup>8</sup> Significantly higher year-over-year sow prices likely reflect, in part, a market environment in which consumers have responded to COVID-19-related restrictions by increasing in-home meal preparation and consumption, particularly breakfast--in which sausage, made from sow meat due to its high fat content, often plays a starring role.

earlier, due to lower farrowings (-1 percent) and to a lower litter rate (-1 percent) that was likely reduced by disease problems in a number of hog operations. Producers stated a second set of intentions to farrow about 3 percent fewer sows in the March-May period than a year earlier. Assuming steady-to-lower average dressed weights due to higher feed prices, third-quarter pork production is expected to be just short of 7.0 billion pounds, about 1 percent below year-earlier production. Anticipated fourth-quarter pork production is forecast at about 7.3 billion pounds, more than 2 percent lower than in the same period last year. Combined, new information from the March report implies total 2021 pork production of about 28.3 billion pounds, roughly equal to production in 2020.

## First-Half 2020 COVID-19-Related Market Turbulence Distorts First-Half 2021 Production Comparisons

First-quarter hog production is expected to have been 7.3 billion pounds, 1.8 percent lower than a year ago. First-quarter prices of live equivalent 51-52 percent lean hogs averaged \$55.71 per cwt, 31 percent higher than a year ago. It is notable that March hog prices averaged \$65.75 per cwt, 51 percent higher than a year-ago. While strong first-quarter hog prices in part reflected lower numbers of available hogs, stronger consumer demand this year for pork products is increasing demand for hogs—and increasing hog prices as well. This is apparent in the first-quarter 2021 wholesale value of the pork carcass cutout, which averaged \$89.97 per cwt, more than 27 percent higher than a year earlier. In March, the cutout averaged \$101.25 per cwt, more than 40 percent higher than March 2020, with most of the year-over-year value difference attributable to the belly primal. The fact that the belly primal value more than doubled from March 2020 to March 2021 is consistent with the idea that an increased number of U.S. consumers have been preparing breakfast at home. This increase has occurred as foodservice operations are gradually reopening across the United States, thus raising HRI (Hotel, Restaurant, Institution) demand for pork as well.

Second-quarter pork production is expected to be about 7 billion pounds, more than 6 percent above a year earlier. This comparison however is compromised because April-June 2020 marked the period when COVID-19-related turbulence was affecting pork processing sector output. Second-quarter prices of 51-52 percent lean live equivalent hogs are expected to average \$77 per cwt, almost 98 percent higher than a year earlier. The comparison is also compromised due to low hog prices from COVID-19-related market turbulence of a year ago. However, relatively high second-quarter 2021 prices also reflect lower supplies of available market hogs, as well as continued-strong demand for hogs that derives from strong foreign and domestic consumer demand for pork products.

Lower second-half 2021 pork production and continued-robust consumer demand are expected to support hog prices at well above year-earlier levels. Average live-equivalent 51-52 percent lean hogs are expected to average \$71 per cwt in the third quarter, more than 75 percent higher than year-earlier price levels. Fourth-quarter hog prices are forecast to average \$59 per cwt, more than 16 percent higher than in the same period last year.

## February Pork Exports Trend Lower

U.S. pork exports in February were about 592 million pounds, about 10 percent lower than a year-earlier. China/Hong Kong accounted for the largest share of exports in February (about 24 percent), but also for the largest year-over-year decline of major foreign buyers of U.S. pork: shipments to China/Hong Kong were 29 percent lower than a year earlier. It is notable, however, that exports to most major U.S. export markets in 2021 have been lower. High U.S. pork prices—relative to those of other pork-exporting countries—could be having some effect on foreign buying decisions. January-February 2021 exports to the Philippines are a notable exception, however. Shipments to the Philippines tripled

year-over-year in February and doubled in the January-February period. This is likely due to African Swine Fever infection of the Philippine hog herd and the rising pork prices that have resulted. The Government of the Philippines recently took action to reduce pork tariffs, which may continue to accelerate U.S. exports.

Total U.S. pork exports for 2021 are expected to be about 7.3 billion pounds, fractionally below year-ago volumes. Forecasts for the first half of 2021 were raised to reflect expectations for somewhat stronger shipments to major pork-importing countries. First-quarter exports are expected to be about 1.9 billion pounds, about 7 percent below a year ago, and second-quarter shipments are forecast at almost 1.8 billion pounds, about equal to those of the same period last year.

**U.S. pork exports: February volumes and cumulative 2021 volumes of the 10 largest foreign destinations**

Country	Exports February 2020 (Million pounds)	Exports February 2021 (Million pounds)	Percent change (2021/2020)	Cumulative exports Jan.-Feb. 2020 (Million pounds)	Cumulative exports Jan.-Feb. 2021 (Million pounds)	Percent change (2021/2020)
World	658.2	591.9	-10.1	1321.4	1197.9	-9.3
1 China\Hong Kong	198	142	-29	389.9	280.7	-28.0
2 Mexico	138	128	-8	293.9	274.3	-6.7
3 Japan	110	99	-10	207.8	200.0	-3.8
4 Canada	47	47	-1	94.3	92.3	-2.1
5 South Korea	52	42	-19	102.1	92.3	-9.6
6 Colombia	18	27	50	36.1	45.6	26.4
7 Australia	26	23	-14	58.4	43.7	-25.1
8 Philippines	6	18	221	10.0	28.8	188.0
9 Dominican Republic	11	16	47	20.8	31.7	52.3
10 Honduras	9	11	27	15.2	21.5	41.6

Source: USDA, Economic Research Service.

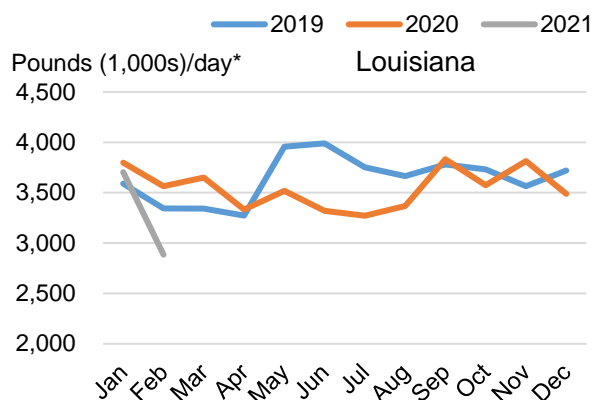
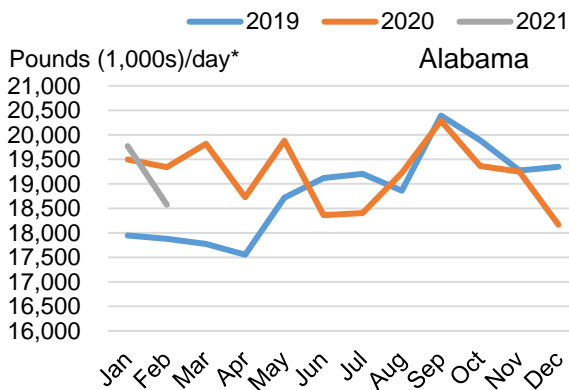
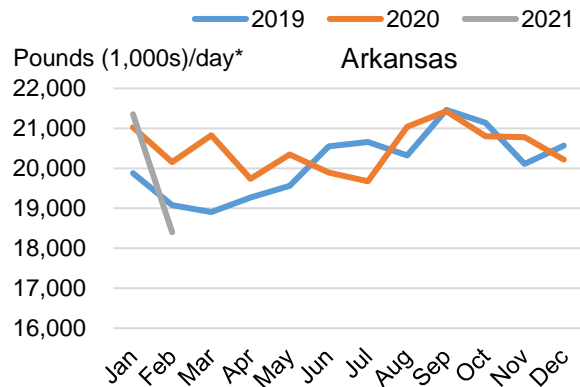
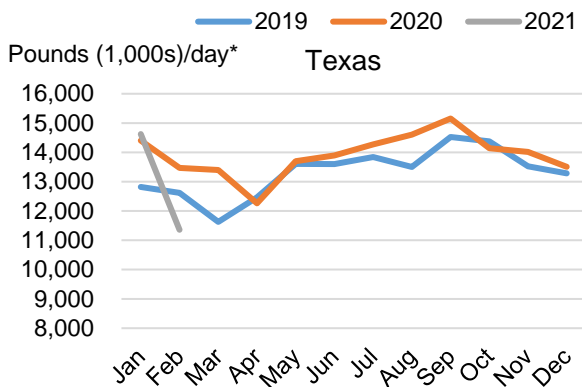
# Poultry

Kim Ha and Grace Grossen

## First-Quarter Broiler Production Forecast Lowered on February Data; Second-Quarter Increased on Hatchery Data

February broiler production estimates came in lower than expected at 3.27 billion pounds, a year-over-year decrease of 4.3 percent. The decline can largely be attributed to winter and ice storm disruptions in mid-February that impacted broiler production in the Southern States, particularly Texas, Arkansas, Alabama, and Louisiana, among others (see charts). Despite industry reports of increased shifts and weekend slaughter to make up for the loss in output, ready-to-cook production on a per slaughter-day basis dropped off markedly relative to January as well as to year-earlier levels in these States. Further, preliminary slaughter data for March points to a year-over-year decrease in slaughter volumes. As a result, the first-quarter production estimate was lowered to 10.90 billion pounds.

### Monthly ready-to-cook production per slaughter day in Texas, Arkansas, Alabama, and Louisiana



Note: \*Ready-to-cook pounds per slaughter day.

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



The second-quarter production forecast was increased to 11.18 billion pounds based on expectations for higher year-over-year slaughter in April, along with more birds available for slaughter in May and June. Despite lower egg sets in January and chick placements in February year over year,<sup>9</sup> April slaughter is expected to be higher year over year given that April 2020 slaughter volumes were significantly impacted by the onset of COVID-19-related market disruptions. Further, recent hatchery data point to more birds available for marketing into May and June. Production in 2021 is forecast to total 44.780 billion pounds, a year-over-year gain of less than 1 percent.

## Broiler Export Expectations Steady

February broiler export volumes are estimated at 572 million pounds, a year-over-year decrease of 1.7 percent. Despite higher shipments to Cuba (+36 million pounds), Angola (+22 million pounds), China (+20 million pounds), and the Philippines (+12 million pounds), lower shipments to Vietnam (-24 million pounds), Georgia (-22 million pounds), and Mexico (-17 million pounds), among others, offset these gains. The 2021 broiler export forecast is unchanged at 7.305 billion pounds, a decrease of 1 percent relative to 2020.

### U.S. broiler exports: Volume and export share, February 2020 and 2021

Country	Volume			Export share	
	February 2019	February 2020	Change in volume	February 2019	February 2020
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Percent</i>
Top 10 largest foreign markets (2020 export volumes)					
Mexico	129	112	-17	22	20
China	13	33	20	2	6
Taiwan	43	36	-6	7	6
Cuba	17	54	36	3	9
Canada	24	25	1	4	4
Vietnam	46	22	-24	8	4
Guatemala	19	22	3	3	4
Angola	7	29	22	1	5
Georgia	28	6	-22	5	1
Colombia	17	16	-2	3	3
<b>World</b>	<b>582</b>	<b>572</b>	<b>-10</b>	<b>100</b>	<b>100</b>
Additional foreign markets of note					
South Africa	25	18	-7	4	3
Philippines	20	32	12	3	6

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

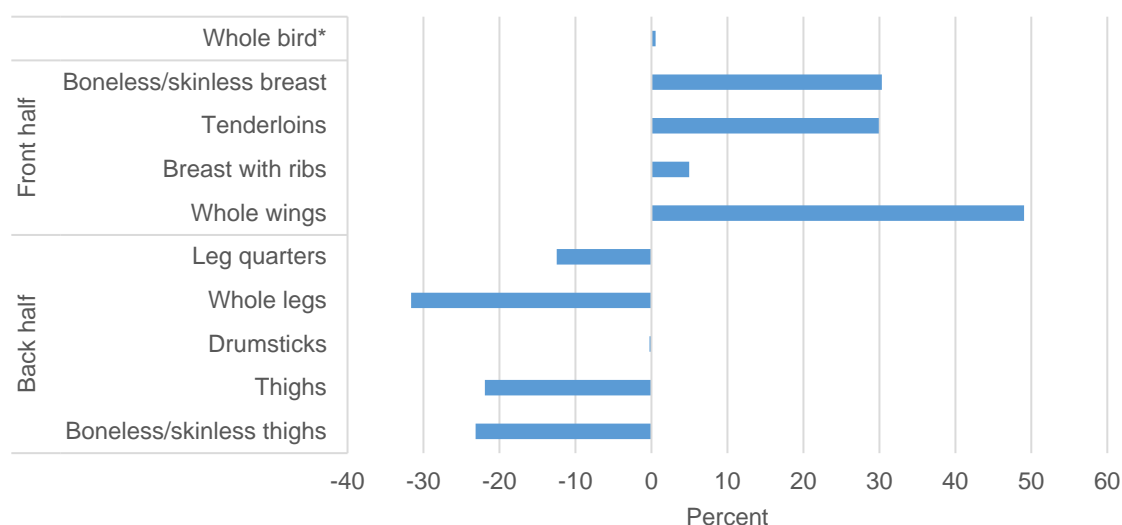
## Quarterly Benchmark Broiler Price Forecasts Unchanged

March wholesale broiler prices (National Composite Weighted Average) continued to trend higher year over year for the second consecutive month, averaging 86.7 cents per pound or 9.2 percent higher relative to last year. First-quarter broiler prices averaged 84 cents per pound, an increase of 0.6 percent year over year (see chart). The forecasts for the outlying quarters are unchanged.

<sup>9</sup> Hatchery data for these months correspond to those birds that would reach market weight in April.

As discussed in the January 2021 issue of the *Livestock, Dairy, and Poultry Outlook* report, 2020 wholesale broiler prices were down year over year across the board, with the exception of wings and drumsticks. In the first quarter of 2021, however, parts from the front-half of the bird have strengthened, while the back half continued to wane relative to last year. In particular, first-quarter whole wing (Northeast) prices increased 50.3 percent year over year, while boneless/skinless breasts and tenderloins increased 30.3 percent and 29.9 percent, respectively. The continued strengthening of wing prices can be attributed to generally tight supplies (stemming from labor challenges), as well as to strong domestic demand for wings. After depressed boneless/skinless (b/s) breast prices for much of the last few years, wholesale b/s breast prices strengthened significantly in the first quarter, in part due to increasing demand, particularly a result of the ongoing chicken sandwich wars. Conversely, prices for parts from the back half of the bird were lower year over year, especially whole legs (-31.6 percent), b/s thighs (-23.1 percent) and thighs (-21.9 percent).

### Year-over-year percent change in first-quarter wholesale broiler prices, 2021/2020



Note: Northeast broiler/fryer parts unless otherwise noted.

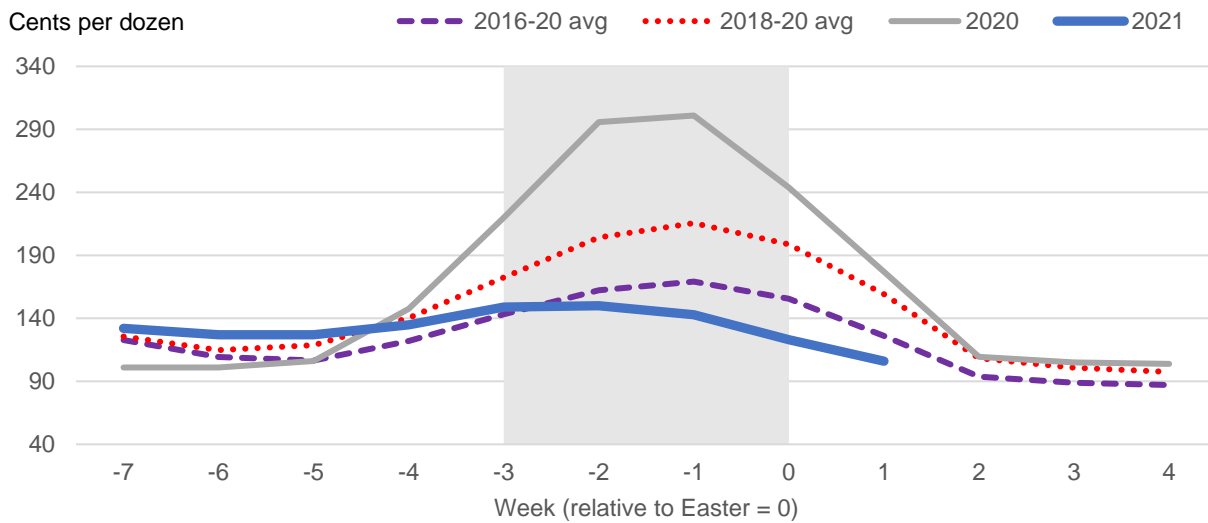
\* National Composite Weighted Average.

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

## Easter Rise in Egg Prices Breaks Earlier Than Expected; Egg Price Forecast Lowered

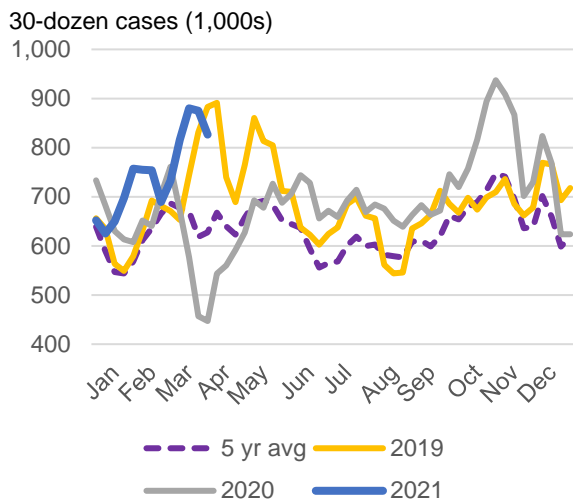
Wholesale table egg prices (New York, Grade A Large) averaged 141.9 cents per dozen in March, down 30.0 percent from last year, when COVID-19 market disruptions caused shell-egg prices to surge. Despite last month's expectations for egg prices to continue increasing in the few weeks prior to Easter, wholesale prices broke earlier than expected and have been trending downward, falling below historical averages (see chart below). Market indicators, including shell-egg inventories and retail egg purchases, point to the industry building up shell-egg stocks—perhaps in anticipation of a retail surge similar to last year—while retail demand was low relative to recent years (see charts). Based on recent price movements, the second- and third-quarter price forecasts were lowered to 92 cents and 102 cents per dozen, respectively. Egg prices in 2021 are forecast to average 111 cents per dozen, a decrease of about 1 percent compared to 2020.

## Average weekly wholesale egg prices in the weeks relative to Easter (New York, Grade A Large)

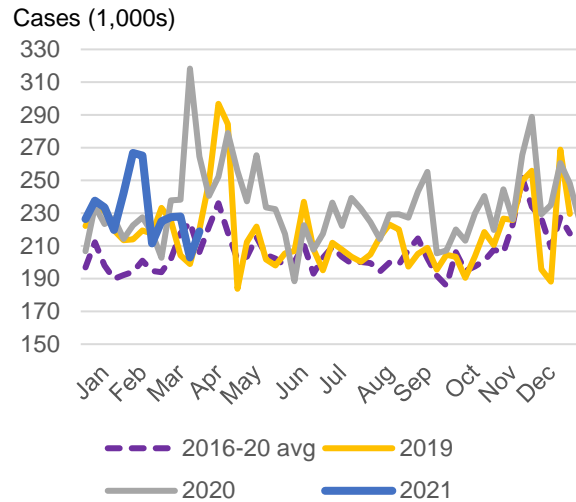


Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service.

### Weekly shell-egg inventory (large)



### Weekly national retail egg purchases



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

## Table Egg Production Forecast Decreased

February table egg production is estimated at 620 million dozen, down over 4 percent year over year. This reduction is based on a 1.6 percent decrease in the average table egg layer flock, with the average table egg lay rate down about 2.9 percent. The layer flock has remained relatively steady at around 327 million birds in recent months, when it would more typically increase in preparation for Easter-related demand. Throughout 2021, it is expected that the industry will continue to face the challenge of matching supply to shifting demand as the economy responds to the loosening of Covid-19 restrictions. Based on the current layer flock and expectations that the industry will likely approach any potential expansion cautiously, the table egg production forecast was lowered to 8,090 million dozen, a slight increase over 2020 production but 2 percent below 2019 production.

## Egg Export Forecast Increased

February exports of eggs and egg products totaled 29.8 million dozen, a fractional decrease from last year. This decrease was driven by a 24.1-percent year-over-year decrease in exports of egg products, while shell-egg shipments increased 22.9 percent. Total egg and product shipments were down to Mexico, the largest U.S. egg export market ( by -3,299 thousand dozen), as well as to a few other key markets. In contrast, shipments to some markets were higher year over year, most notably to South Korea (+3,372 thousand dozen) and Canada (+2,135 thousand dozen). Despite the slight year-over-year decrease in February export volumes, the outlook for overseas demand for U.S. eggs, particularly shell eggs, will support gains in exports. As a result, the 2021 egg export forecast was increased to 360 million dozen, a year-over-year increase of 5 percent.

### U.S. egg and egg product exports: Volume and export share, February 2020 and 2021

Country	Volume			Export share	
	February 2019	February 2020	Change in volume	February 2019	February 2020
	<i>Thousand dozen</i>	<i>Thousand dozen</i>	<i>Thousand dozen</i>	<i>Percent</i>	<i>Percent</i>
Mexico	11,712	8,413	-3,299	39	28
Canada	4,763	6,898	2,135	16	23
Hong Kong	3,615	3,267	-348	12	11
Japan	2,152	2,521	369	7	8
South Korea	1,122	4,494	3,372	4	15
United Arab Emirates	639	182	-457	2	1
Jamaica	620	544	-76	2	2
Trinidad and Tobago	514	318	-196	2	1
Denmark	600	457	-144	2	2
Bahamas	240	290	50	1	1
<b>World</b>	<b>29,881</b>	<b>29,782</b>	<b>-99</b>	<b>100</b>	<b>100</b>

Note: Largest markets are based on 2020 export volumes.

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

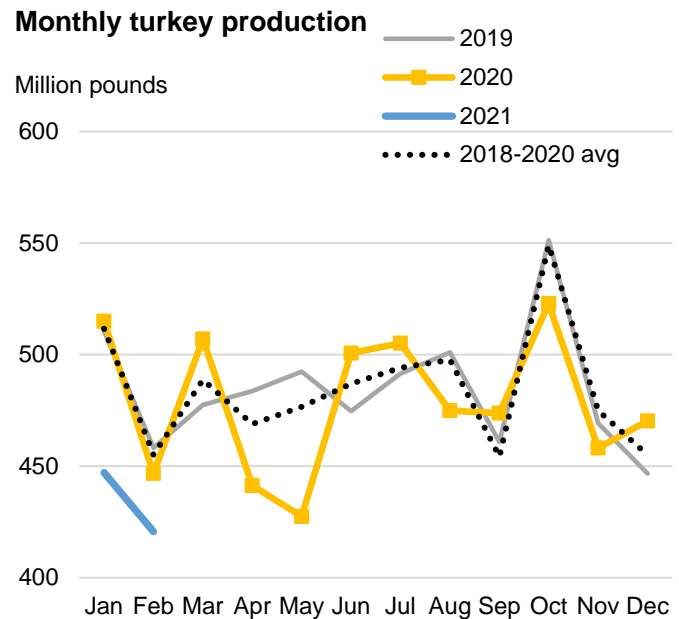
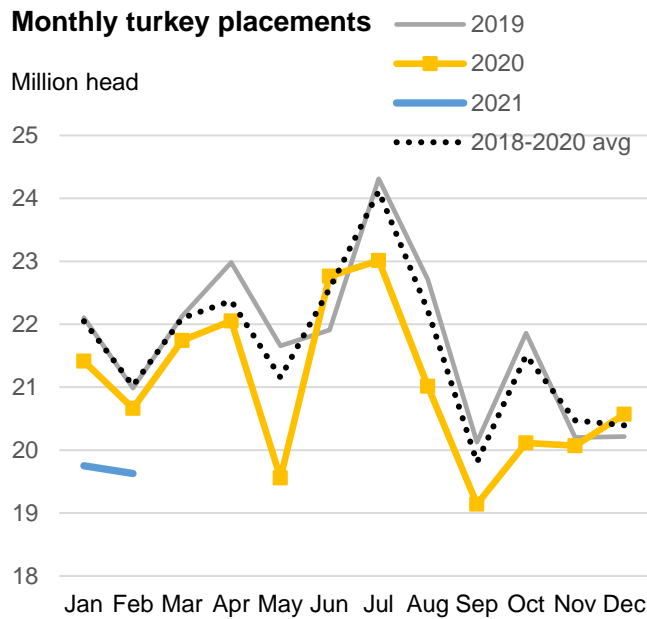
## Turkey Production Revised Down in First Half of 2021

In the March *Turkey Hatchery* report published by USDA, National Agricultural Statistics Service (NASS), the January placement figure was revised to 19.8 million head. This is higher than the previous estimate but still low, coming in 7.8 percent below January 2020. February turkey placements were estimated at 19.6 million head, 5 percent below a year earlier. Low placements in January and February indicate low production intentions for the second quarter.

February production was impacted by the extreme weather in much of the United States. Turkey slaughter on a per day basis was down 8 percent from February 2020. The average weight was 2.6 percent heavier than February 2020, likely due to delays in delivery of birds to plants, but this increase was not enough to offset the decrease in slaughter. Turkey production in February totaled 420.6 million pounds, 5.8 percent below a year prior. Preliminary weekly slaughter data indicate that March slaughter was close to that of 2020. March 2020 was the last month when production was not significantly impacted by the pandemic.

The first-quarter turkey production forecast was revised down by 25 million pounds to 1.375 billion pounds, 6.4 percent below the first quarter of 2020. The second-quarter forecast was revised down by

10 million pounds to 1.400 billion pounds, an increase of 2.2 percent from the second quarter of 2020. The second-half forecast is unchanged at 1.430 billion pounds in the third quarter and 1.450 billion pounds in the fourth quarter. The annual forecast for 2021 is 5.655 billion pounds, a decrease of 1.5 percent from 2020.



Source: USDA, National Agricultural Statistics Service.

## Turkey Exports Revised Up in First-Quarter 2021

In February 2021, U.S. exports of turkey totaled 41.5 million pounds, 2.21 million pounds less than February of last year. Shipments to Mexico increased from last February by 1.76 million pounds. While there was also growth in shipments to Peru, Canada, Benin, Haiti, Jamaica, and Guatemala, those increases were offset by year-over-year decreases elsewhere. Exports to China fell by 2.1 million pounds to 592 thousand pounds, a 1-percent share of total exports compared to a 6-percent share last year. Exports to the Dominican Republic fell by 404 thousand pounds, and exports to South Africa fell by 207 thousand pounds. The 3.15 million pound decrease in shipments to the rest of the world indicated in the table below is partially accounted for by reductions in shipments to South Korea, the Republic of the Congo, Chile, and Vietnam.

The 2021 turkey export forecast was revised up by 5 million pounds in the first quarter on stronger-than-expected February shipments. This brings the total 2021 forecast to 575 million pounds, up slightly from the 2020 total.

## U.S. turkey exports: Volumes and export shares of largest markets, February 2020 and 2021

Country	Volume (1,000 pounds)			Export share (percent)	
	February 2020	February 2021	Change in volume	February 2020	February 2021
<b>Mexico</b>	26,373	28,135	1,762	60	68
<b>Peru</b>	1,044	1,370	326	2	3
<b>Canada</b>	1,226	1,254	28	3	3
<b>Benin</b>	385	1,552	1,168	1	4
<b>China</b>	2,690	592	-2,098	6	1
<b>Dominican Republic</b>	892	488	-404	2	1
<b>Haiti</b>	946	1,080	134	2	3
<b>Jamaica</b>	663	831	167	2	2
<b>Guatemala</b>	732	799	67	2	2
<b>South Africa</b>	1,199	992	-207	3	2
<b>ROW</b>	7,589	4,439	-3,150	17	11
<b>World</b>	43,739	41,532	-2,207		

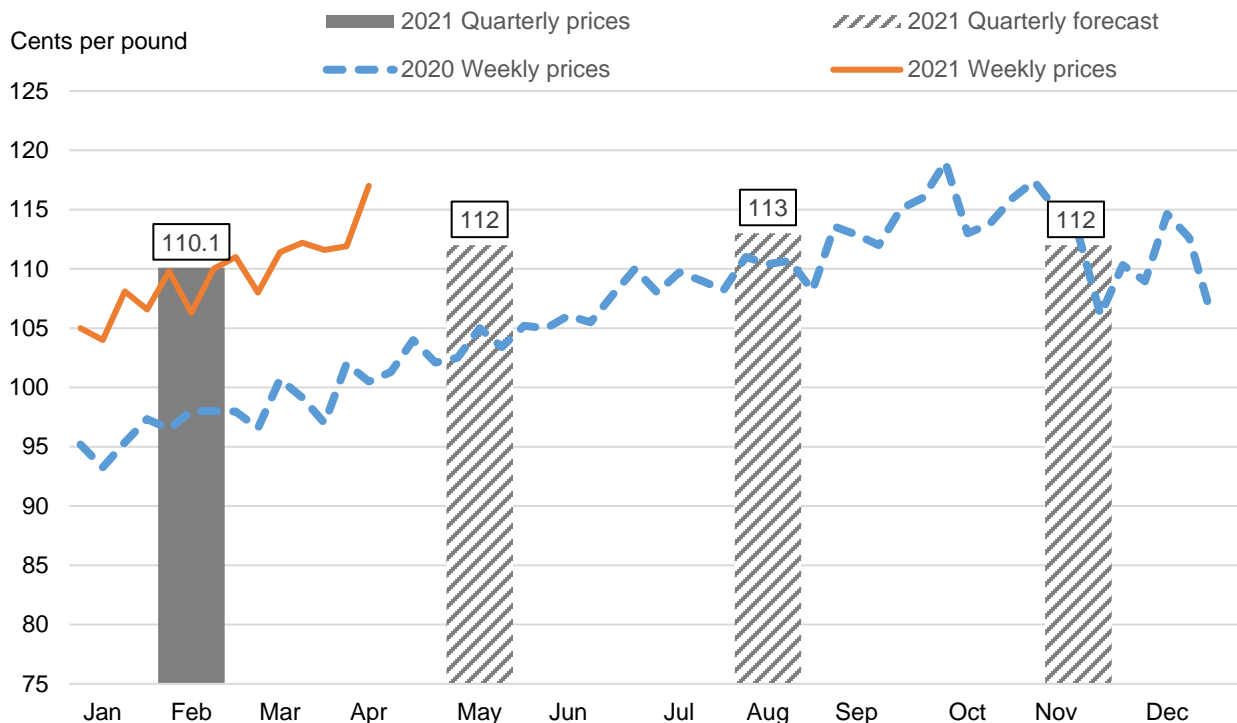
Note: Largest markets are based on 2021 year-to-date export volumes.

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

## Turkey Prices Revised Up in Second Quarter

In March, wholesale whole-hen frozen turkey prices averaged 111.99 cents per pound, bringing the first-quarter average price to 110.1 cents per pound. The weekly price reached 117 cents per pound in the week ending April 2nd, the highest weekly price of the year so far. Given this strong start to the quarter, with lowered production expectations, the second-quarter price was revised up to 112 cents per pound. Second-half prices remain unchanged. This brings the 2021 annual forecast to 111.8 cents per pound, a 5-percent increase over 2020.

## Wholesale whole-hen frozen turkey prices



Sources: USDA, Agricultural Marketing Service and USDA, *World Agricultural Supply and Demand Estimates*.

## Suggested Citation

*Livestock, Dairy, and Poultry Outlook*, LDP-M-322, U.S. Department of Agriculture, Economic Research Service, April 15, 2021.

Use of commercial and trade names does not imply approval or constitute endorsement by USDA.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

USDA is an equal opportunity provider, employer, and lender.





## Dairy forecasts

	2019	2020					2021				
	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thousands)	9,337	9,378	9,364	9,380	9,429	9,388	9,460	9,460	9,460	9,460	9,460
Milk per cow (pounds)	23,395	5,990	5,988	5,908	5,892	23,778	6,000	6,145	5,980	5,945	24,070
<b>Milk production (billion pounds)</b>	<b>218.4</b>	<b>56.2</b>	<b>56.1</b>	<b>55.4</b>	<b>55.6</b>	<b>223.2</b>	<b>56.8</b>	<b>58.1</b>	<b>56.6</b>	<b>56.2</b>	<b>227.7</b>
Farm use	1.0	0.3	0.3	0.3	0.3	1.0	0.3	0.3	0.3	0.3	1.0
Milk marketings	217.4	55.9	55.8	55.2	55.3	222.2	56.5	57.9	56.3	56.0	226.7
<b>Milk-fat (billion pounds milk equiv.)</b>											
Milk marketings	217.4	55.9	55.8	55.2	55.3	222.2	56.5	57.9	56.3	56.0	226.7
Beginning commercial stocks	13.8	13.6	16.9	19.0	17.7	13.6	15.6	18.2	20.3	18.4	15.6
Imports	6.9	1.5	1.9	1.8	1.6	6.8	1.2	1.6	1.6	1.7	6.0
Total supply	238.0	71.1	74.5	75.9	74.6	242.4	73.3	77.7	78.2	76.0	248.3
Commercial exports	9.1	2.2	2.6	2.4	2.1	9.3	2.5	2.9	2.7	2.5	10.7
Ending commercial stocks	13.6	16.9	19.0	17.7	15.6	15.6	18.2	20.3	18.4	15.1	15.1
Commodity Credit Corporation donations <sup>1</sup>	0.2	0.1	0.1	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Domestic commercial use <sup>2</sup>	215.2	51.9	52.9	55.9	56.8	217.4	52.6	54.5	57.1	58.4	222.5
<b>Skim solids (billion pounds milk equiv.)</b>											
Milk marketings	217.4	55.9	55.8	55.2	55.3	222.2	56.5	57.9	56.3	56.0	226.7
Beginning commercial stocks	10.7	10.2	11.6	11.4	10.4	10.2	10.8	12.0	11.6	10.4	10.8
Imports	5.8	1.5	1.5	1.4	1.3	5.6	1.3	1.4	1.4	1.3	5.3
Total supply	233.9	67.6	68.8	67.9	67.0	238.0	68.6	71.2	69.3	67.7	242.9
Commercial exports	41.5	11.2	12.5	11.9	11.6	47.2	12.4	13.4	12.5	11.6	49.8
Ending commercial stocks	10.2	11.6	11.4	10.4	10.8	10.8	12.0	11.6	10.4	10.6	10.6
Commodity Credit Corporation donations	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Domestic commercial use <sup>2</sup>	182.0	44.8	44.9	45.6	44.5	179.8	44.3	46.3	46.4	45.6	182.5
<b>Milk prices (dollars/hundredweight) <sup>3</sup></b>											
All milk	18.63	18.83	15.37	19.07	20.00	18.32	17.35	18.10	18.60	19.50	18.40
Class III	16.96	16.77	15.42	20.25	20.22	18.16	16.00	17.40	17.65	17.40	17.10
Class IV	16.30	15.91	11.66	13.01	13.38	13.49	13.70	15.20	15.75	16.00	15.15
<b>Product prices (dollars/pound) <sup>4</sup></b>											
Cheddar cheese	1.7586	1.7689	1.6389	2.1571	2.1296	1.9236	1.615	1.705	1.770	1.750	1.710
Dry whey	0.3799	0.3602	0.3729	0.3325	0.3827	0.3621	0.505	0.580	0.510	0.500	0.525
Butter	2.2431	1.8260	1.4257	1.5970	1.4746	1.5808	1.470	1.755	1.850	1.850	1.730
Nonfat dry milk	1.0419	1.2021	0.9050	0.9783	1.0812	1.0417	1.125	1.155	1.170	1.200	1.160

Totals may not add due to rounding.

<sup>1</sup> Commodity Credit Corporation donations include purchases made through the USDA Trade Mitigation program. They do not include products purchased under other programs.

<sup>2</sup> Domestic use for 2020 includes additional milk marketed but not processed.

<sup>3</sup> Simple averages of monthly prices. May not match reported annual averages.

<sup>4</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; USDA, Agricultural Marketing Service; USDA, Foreign Agricultural Service; and USDA, World Agricultural Outlook Board.

Published by USDA, Economic Research Service, in *Livestock, Dairy, and Poultry Outlook*.

Updated 4/15/2021