

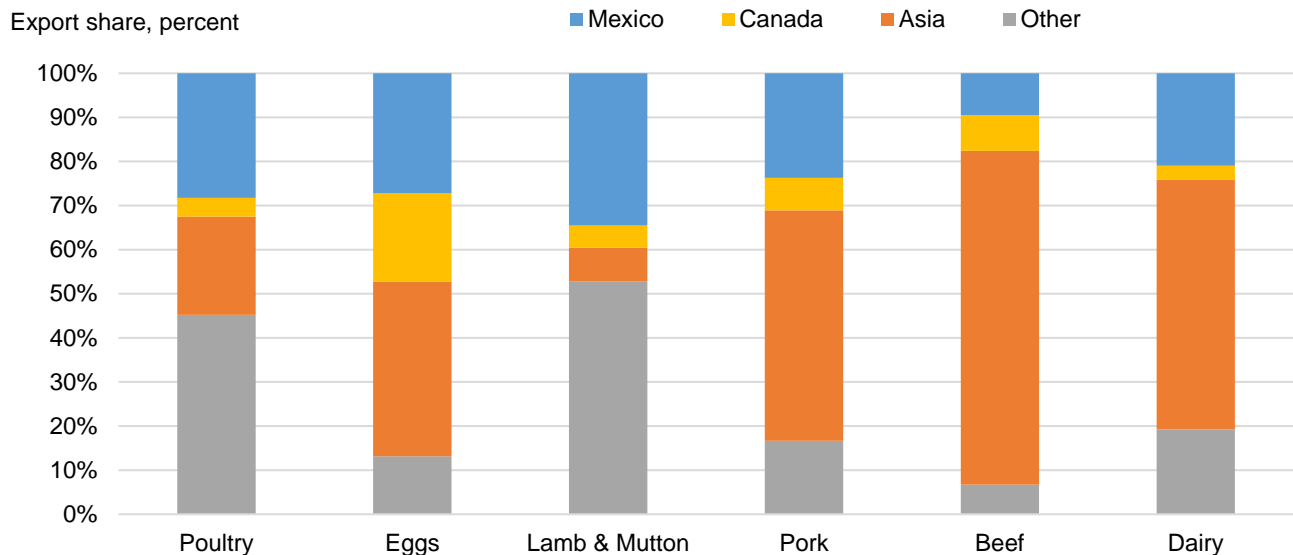


Livestock, Dairy, and Poultry Outlook

Major Destinations For U.S. Animal Product Exports in 2021

In the first half of 2021, 12 percent of U.S. beef production was exported, with about three-quarters of that shipped to Asia. The largest market for U.S. pork is also Asia, accounting for just over half of pork exports in the first half of 2021. Pork exports accounted for 28 percent of domestic production. Only about 2 percent of U.S. lamb and mutton production in the first half of 2021 was exported, with a large portion of that going to Mexico and more than half of exports being distributed elsewhere in the world. Most eggs and egg products produced in the United States are consumed domestically, with only 4 percent of production exported in the first half of 2021. The largest share of egg exports goes to Asia. Poultry exports accounted for 12 percent of production in the first half of 2021. The largest single destination for U.S. poultry was Mexico, accounting for 22 percent of exports. More than half of dairy exports on a skim-solids milk-equivalent basis in the first half of 2021 went to Asia.

Animal product export shares to major foreign destinations by quantity, January-June 2021



Source: USDA, Economic Research Service calculations from U.S. U.S. Department of Commerce, Bureau of the Census Data
Note: Dairy export shares are on a skim-solids milk-equivalent basis.

Beef/Cattle: July's USDA, National Agricultural Statistics Service *Cattle* report estimated the U.S. cattle herd at 100.9 million head, 1 percent less than the 2020 estimate, and the calf crop was estimated to be about unchanged from a year ago at 35.1 million head. The 2021 beef production forecast was reduced by 33 million pounds from last month to 27.872 billion pounds, based primarily on lighter expected carcass weights through second-half 2021. The 2021 annual price forecasts for fed and feeder steers were raised to \$121.2 and \$145.1 per cwt, respectively, from last month. U.S. beef imports totaled 320 million pounds, 3.9 percent or 12.1 million pounds larger than a year ago. The 2021 and 2022 annual forecasts for beef imports were raised from last month to 3.117 and 3.150 billion pounds, respectively. U.S. beef exports in June totaled 267 million pounds, up 85 million pounds from a year earlier. The 2021 and 2022 annual forecasts for beef exports were lowered from last month to 3.384 and 3.270 billion pounds, respectively.

Dairy: The all-milk price forecast for 2021 has been lowered to \$17.95 per hundredweight (cwt), \$0.35 lower than last month's forecast, due to relatively low wholesale domestic prices for most dairy products in recent weeks, recent downward trends in international prices, lower expected domestic demand, high stock levels, and higher expected imports. The all-milk price forecast for 2022 has been lowered to \$17.85 per cwt, \$0.65 lower than last month's forecast, as relatively low prices and high stock levels in 2021 are expected to carry forward into 2022.

Pork/Hogs: Second-half 2021 pork production is reduced 321 million pounds to 13.9 billion pounds to reflect lower slaughter numbers. This production volume is 4.8 percent lower than that of a year ago. First-quarter 2022 production is also reduced 44 million pounds to 7.2 billion pounds, almost 2 percent lower than a year earlier, also on expectations of lower available hog numbers. U.S. pork exports are expected to decline this year and next, largely because of lower shipments to China. Exports this year are expected to be 7.4 billion pounds, down 1.8 percent from a year ago. In 2022, pork exports are forecast at 7.3 billion pounds, almost 1.5 percent lower than anticipated shipments this year.

Poultry/Eggs: Broiler production was revised down on recent placement data. Broiler export forecasts from the third quarter onward are unchanged from last month. Broiler price forecasts for the remainder of 2021 were adjusted up on recent price trends. At 8,067 million dozen, 2021 table egg production is expected to be fractionally year-over-year higher due to a smaller but more productive layer flock. The third-quarter average price forecast for wholesale New York, Grade A eggs is increased to 109 cents per dozen based on early seasonal strength in domestic demand. Second-half 2021 export volume of eggs and egg products were revised up to 192 million dozen due to strong foreign demand. Turkey production was adjusted down slightly in the third quarter; and turkey export forecasts were also adjusted down in the second half of 2021. Turkey prices were adjusted up in the remainder of 2021 on recent price trends.

Beef/Cattle

Christopher Davis

U.S. Cattle Herd Contracts as Drought Continues

The USDA National Agricultural Statistics Service (NASS) released the midyear *Cattle* report on July 23, which provided a snapshot of U.S. cattle inventory as well as a glimpse into cow/calf producers' intentions for retaining heifers. July's *Cattle* report estimated the U.S. cattle herd at 100.9 million head, 1 percent less than the 2020 estimate of 102.2 million head. The number of beef cows is 2 percent lower than a year earlier at 31.4 million head, but the number of dairy cows is estimated 2 percent above last year levels at 9.5 million head. The 2021 calf crop is estimated to be about unchanged from a year ago at 35.1 million head.

According to the *Cattle* report, producers intend to keep about 4.3 million beef heifers as beef cow replacements, 2 percent fewer than producers intended to keep at this time last year. Based on the number of beef cows on July 1 and beef cow slaughter in the first half of the year, ERS estimates that 13 percent fewer beef heifers entered the herd in first-half 2020 than a year earlier. The ERS webpage "*Livestock & Meat Domestic Data*" has a table titled "Heifers Entering the Herd," which estimates heifers for beef cow replacement that entered the herd this year (January-June) at 2.3 million head.

While fewer heifers are being retained for beef cow replacement, milk replacement heifers are 3 percent above the previous year. Other heifers either on feed or available to be placed into feedlots are estimated at 7.60 million head or 3 percent below a year ago. According to the July NASS *Cattle on Feed* report, the number of cattle on feed in feedlots with capacity of 1,000 head or more totaled 11.3 million head on July 1, 2021, down 1 percent from the same time last year. The NASS report also estimated the sex of cattle on feed as 6.98 million steers, 1 percent lower than the previous year and 4.32 million heifers, 2 percent lower than a year ago. Heifers represented 38.2 percent of cattle on feed on July 1, compared to 38.59 percent last year.

The ERS webpage "*Livestock & Meat Domestic Data*" has a table titled "Feeder Cattle Supplies Outside Feedlots," which estimates the number of cattle available to place in feedlots at 36.1 million head, 600,000 head or 1.6 percent, less than this time last year.

2021 Beef Production Forecast Reduced on Lighter Weights as Drought Continues To Impact the Beef Industry

Based on the USDA, National Agricultural Statistics Service (NASS) *Crop Progress* report for the week ending August 1, 2021, dry and low-moisture soil on pastures and ranges continue to worsen in some of the Northwestern States (see table below). Some States experienced very poor to poor conditions on as much as 80 to 90 percent of their pasture and range areas. According to U.S. Drought Monitor Data, on August 3, approximately 32 percent of the cattle inventory was in areas experiencing some level of drought.

For the week ending July 24, average cattle carcass weights were 15 pounds below the average carcass weight the same week last year. Steer, heifer, and cow average carcass weights were 9, 13, and 7 pounds, respectively, below last year. While average carcass weights were lower, cow slaughter

was up 16 percent over the same period from a year earlier. Given the expected tight forage supplies, cow-calf producers will remain relatively aggressive in cow culling in the second-half of 2021 and third- and fourth-quarter cow slaughter expectations were raised, increasing the proportion of lighter-weight cattle in the slaughter mix. The 2021 beef production forecast was reduced by 33 million pounds from last month to 27.872 billion pounds, based primarily on lighter expected carcass weights through the second-half.

U.S. Weekly Pasture and Range Conditions

State	Very poor to Poor	Very poor to Poor
	August 1, 2021	August 2, 2020
	(percent)	(percent)
1. California	55	55
2. Idaho	58	9
3. Montana	96	13
4. North Dakota	79	13
5. Oregon	81	70
6. Utah	64	17
7. Washington	96	33

Source: USDA, National Agricultural Statistics Service, *Crop Progress Reports*.

Cattle Prices Are Forecast Higher in the Second Half of 2021 and in 2022

The July 5-Area price for fed steers was \$122.03 per hundredweight (cwt), up more than \$25 year over year and about \$9 higher than the July 2019 average price. The average 5-area steer price for the week ending August 8 was \$123.83, over \$22 above a year ago. While fed steer prices have been on the rise, fed steer slaughter was slightly lower for the week ending July 24 compared to a year earlier. The forecast for third- and fourth-quarter fed steer prices was raised \$4 to \$124 and \$127 per cwt, respectively. Given these changes, the 2021 annual price forecast for fed steers was raised \$2.00 to \$121.2 per cwt from a month ago. The 2022 annual price forecast for fed steers was raised \$4 from last month to \$126 per cwt on tighter supplies of fed cattle and firm demand.

For the week ending August 10, Oklahoma City National Stockyards feeder steers weighing 750-800 pounds averaged \$156.55 per cwt, \$13.62 above a year ago. The third- and fourth-quarter forecasts were raised by \$7.00 to \$153.00 per cwt and \$5.00 to \$153.00 per cwt, respectively. The feeder steer annual price forecast was increased by \$3.00 to \$145.1 per cwt from last month. The annual forecast for 2022 was also raised by \$5.00 to \$152 from a month ago.

Beef Imports Higher in June; Import Forecasts Raised

In June, U.S. beef imports totaled 320 million pounds, surpassing last June's imports by 3.9 percent or 12.1 million pounds. This month's beef imports were the third-largest since June 2015. U.S. beef imports from New Zealand, Brazil, Uruguay and Argentina were all notable. New Zealand supplied the United States with the second-largest beef shipment in June over the last 14 months with most of the

beef consisting of processing-grade beef. Beef imports from Brazil were up year-over-year and year-to-date. Uruguay and Argentina also contributed to June's increased beef imports.

In contrast, beef imports were down from three of the U.S. largest suppliers relative to a year ago. Canada, the U.S. largest beef supplier, was fractionally lower in June, accounting for 25 percent of U.S. total beef imports. While imports from Australia were down year-over-year, June's shipment was the largest volume imported since November. Mexico, the second-largest U.S. supplier in June, shipped almost 8 million pounds or 10 percent less in June than a year earlier. Beef shipments were also down from Nicaragua and from other minor suppliers, but these reductions were offset by strong imports from Brazil, New Zealand, Uruguay, and Argentina.

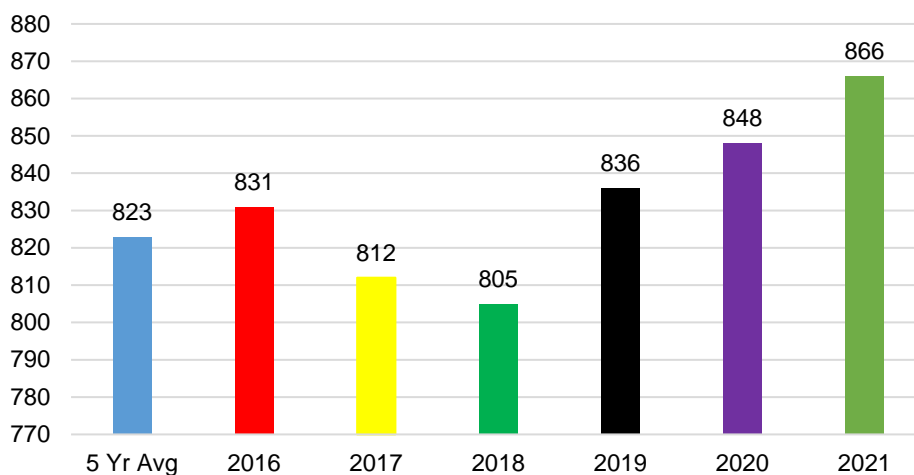
U.S. year-over-year beef imports from major suppliers						
	June 2020	June 2021	Difference in volume	Year-over-year change	Import share June 2020 Year to date	Import share June 2021 Year to date
	- Million pounds-			--- Percent --	--- Percent --	--- Percent --
Canada	81.6	80.7	-0.9	-1.1	23.6	28.2
Australia	51.2	41.8	-9.4	-18.4	19.8	11.9
Mexico	72.7	65.2	-7.5	-10.3	22.0	20.4
New Zealand	47.8	56.6	8.8	18.4	17.4	17.7
Brazil	17.9	31.6	13.7	76.5	4.2	8.8
Nicaragua	17.3	16.6	-0.7	-4.0	6.2	5.6
Uruguay	12.1	18.2	6.1	50.4	3.8	4.5
Argentina	1.9	4.8	2.9	152.6	1.0	1.3
ROW	5.8	4.9	-0.9	-15.5	2.0	1.6
Total Imports	308.3	320.4	12.1	3.9	100.0	100.0

ROW = Rest of the World.

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

U.S. beef imports in second quarter of 2016-2021

Million pounds



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

Over the past several years, the second quarter has been a strong trading period for U.S. beef imports. The chart above compares the second-quarter beef imports with the 5-year average and other years.

U.S. beef imports in the second quarter of 2021 were the largest volume since 2015. The large beef imports of 320 million pounds during the month of June provided the push for a strong second-quarter finish.

The forecasts for beef imports in the third and fourth quarters were raised by 20 and 30 million pounds from last month to 830 and 725 million pounds, respectively. This anticipated increase is expected to be driven mostly by strong U.S. imports from suppliers other than Australia. The annual forecast for 2021 beef imports is raised to 3.117 billion pounds. The annual forecast for 2022 is increased by 160 million pounds from last month to 3.150 billion pounds on expected lower U.S. cattle slaughter and beef production.

Beef Exports Up in June, but Lighter Carcass Weights Are Expected To Lower in the Rest of 2021 and 2022

U.S. beef exports in June remained robust, totaling 267 million pounds, up 85 million pounds from a year earlier when export supplies were limited due to production and logistic constraints caused by COVID-19. For the second consecutive month, six of the seven major U.S. export destinations were up year over year. Japan, currently, the largest U.S. beef destination, accounted for 24 percent of June's total exports and 25 percent of U.S. exports year to date. U.S. exports to Japan have been underpinned by a favorable tariff rate.

South Korea is the second-largest beef destination for the United States, supplying over 24 percent of Korea's beef during the first half of 2021. The United States has been a major beef supplier to South Korea, partly because it has a lower tariff rate relative to Australia, New Zealand, Canada, and Mexico. Beef exports to South Korea have been supported by firm demand. Exports to China continue to be up year over year as import demand for animal proteins remains strong because of China's limited domestic supplies of pork. China was the major source of the difference in June's increase in beef exports, with the U.S. shipping over 40 million pounds more to China than in the previous year.

Other noteworthy trading partners who made sizeable contributions to the increase in beef exports in June included Mexico and Taiwan. Shipments to Mexico in June were up 57 percent or almost 8 million pounds compared to a year ago, mainly because of the economic challenges the country experienced in 2020 from COVID. U.S. beef exports to Taiwan were up over 41 percent or over 5 million pounds in June. Canada, the United States' fifth-largest destination, was up only 1 percent year over year. In contrast, U.S. beef exports to Hong Kong were down about 8 million pounds or 48 percent from a year ago.

U.S. year-over-year beef exports to major destinations

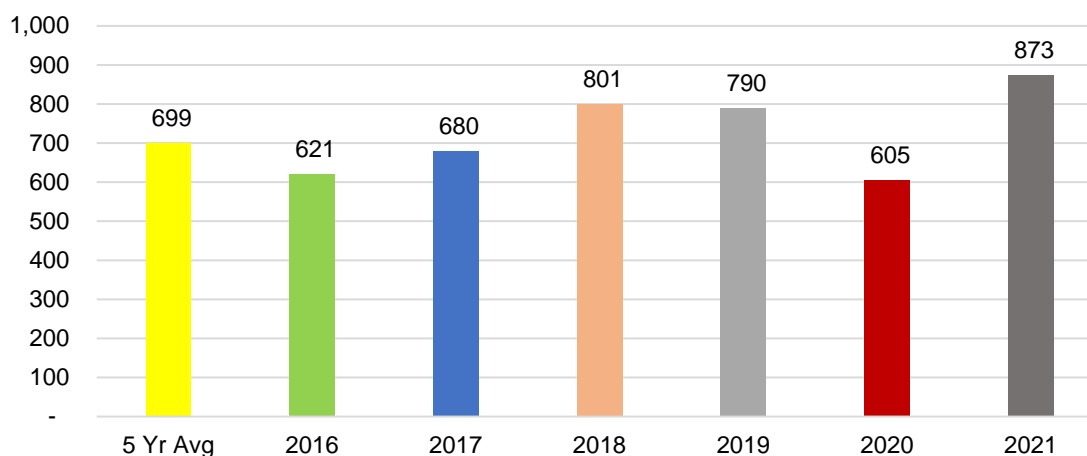
	June 2020	June 2021	Difference in volume	Year-over-year change	Export share June 2020 Year to date	Export share June 2021 Year to date
	- Million pounds-			--- Percent -	--- Percent --	--- Percent --
Japan	57.9	64.0	6.1	10.6	31.3	24.6
South Korea	41.0	57.7	16.7	40.8	22.7	24.1
China	5.2	45.9	40.7	782.7	1.4	13.9
Mexico	13.4	21.1	7.7	56.9	10.0	9.5
Canada	22.5	22.7	0.2	1.0	10.6	8.1
Taiwan	12.9	18.2	5.3	41.1	6.6	5.5
Hong Kong	15.7	8.1	-7.6	-48.4	6.7	4.0
ROW	14.1	29.5	15.4	109.2	10.7	10.3
Total Exports	182.7	267.2	84.5	46.3	100.0	100.0

ROW = Rest of the World.

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

U.S. beef export in the second quarter of 2016 - 2021

Million pounds



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

The chart above shows the second-quarter beef exports from 2016-2021 compared with the 5-year average. The United States exported record levels of beef in the second quarter of 2021, totaling 873 million pounds, 72 million pounds or 9 percent larger than the previous record in 2018. Japan and South Korea are the United States' two largest beef markets, and during the second quarter the United States shipped 210 and 209 million pounds, respectively. Besides Japan and South Korea, China was the other noteworthy key trading partner who contributed substantially to the growth in beef exports in the 2021 second quarter.

The forecast for beef exports in the third quarter was lowered by 20 million pounds from last month to 880 million pounds. The annual forecast for 2021 was lowered to 3.384 billion pounds. In 2022, the forecast was lowered by 50 million pounds to 3.270 billion pounds on expected slower slaughter pace and limited exportable supplies.

Dairy

Jerry Cessna and Angel Teran

Recent Wholesale Dairy Product Prices

From the week ending July 10 to the week ending August 7, directions of changes in wholesale dairy product prices reported in the USDA *National Dairy Products Sales Report* (NDPSR) were mixed. While the price of 40-pound blocks of Cheddar cheese rose to \$1.6599 per pound (+12.3 cents), the price of 500-pound barrels (adjusted to 38 percent moisture) fell to \$1.4609 per pound (-10.3 cents). Prices for butter and dry whey fell to \$1.7068 per pound (-8.0 cents) and \$0.5810 per pound (-4.8 cents), respectively. The price of nonfat dry milk rose to \$1.2677 per pound (+1.2 cents).

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

	For the week ending		Change
	July 10	August 7	
Butter	1.7863	1.7068	-0.0795
Cheddar cheese			
40-pound blocks	1.5365	1.6599	0.1234
500-pound barrels *	1.5637	1.4609	-0.1028
Nonfat dry milk	1.2553	1.2677	0.0124
Dry whey	0.6287	0.5810	-0.0477

* Adjusted to 38-percent moisture.

Source: USDA, Agricultural Marketing Service, *National Dairy Products Sales Report*, August 11, 2021.

For the trading week ending August 13,¹ spot prices reported on the Chicago Mercantile Exchange (CME) for 40-pound blocks and 500-pound barrels of Cheddar cheese averaged \$1.7540 and \$1.4115 per pound, respectively. Prices for butter, NDM, and dry whey averaged \$1.6740, \$1.2605, and \$0.5275 per pound, respectively.

Most U.S. wholesale prices of major dairy products have been very competitive with international export prices. Recent U.S. domestic prices for butter, NDM, and cheese have been substantially lower than foreign export prices.² Recent dry whey export prices for Western Europe have been lower than the latest U.S. price reported in the NDPSR but higher than the most recent CME weekly average. It is notable that all international dairy product prices reported by USDA *Dairy Market News* declined from June to July.

¹ While the end of each week for NDPSR average prices falls on a Saturday, the trading week for CME usually ends on a Friday.

² 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.

International dairy product export price averages (dollars per pound)

Product	Region	June	July	Change
Butter	Oceania	2.12	2.04	-0.08
	Western Europe	2.30	2.12	-0.18
Skim milk powder	Oceania	1.57	1.44	-0.13
	Western Europe	1.43	1.35	-0.08
Whole milk powder	Oceania	1.84	1.76	-0.08
	Western Europe	1.78	1.71	-0.07
Cheese	Oceania	1.97	1.89	-0.08
Dry whey	Western Europe	0.60	0.55	-0.05

Source: USDA, Agricultural Marketing Service, *Dairy Market News* 2021 price averages.

Recent Dairy Supply and Use Data

In the most recent *Milk Production* report, USDA National Agricultural Statistics Service (NASS) estimated that milk production totaled 18.955 billion pounds in June, 2.9 percent higher than June 2020. NASS revised its estimate for the average number of milk cows in May to 9.509 million head, 4,000 higher than reported the previous month. NASS estimated that milk cows averaged 9.508 million in June, 1,000 lower than May but 153,000 higher than June 2020. The decline in milk cow numbers from May to June this year was the first month-over-month decline since the decrease from May to June of 2020. Milk per cow averaged 1,994 pounds per head in June, an increase of 1.3 percent from June 2020.

Since the week ending June 26, 2021, weekly federally inspected dairy cow slaughter has averaged almost 5,000 higher than the corresponding weeks of 2020. While it appears that more milk cows have been leaving the U.S. milking herd than last year, more replacements may be entering the herd than last year. According to the recent NASS *Cattle* report, milk replacement heifers numbered 4.1 million head on July 1, 2021; this was 100,000 higher than July 1, 2020. The ratio of replacement heifers to milk cows was 0.432 as of July 1, 2021, compared to 0.428 of July 1 the previous year.

Unfavorable weather continues to be an issue for farmers in some parts of the country. According to the USDA *Drought Monitor*, 47 percent of the milk cow inventory, 37 percent of corn production, and 64 percent of alfalfa hay acreage were in areas experiencing drought as of August 3. For the week of July 26-30, USDA *Dairy Market News* reported that monsoon rains in the Southwest had alleviated some drought conditions but had also brought about some flash-flood situations, causing some delays in milk being picked up from dairy farms. Arizona contacts reported cow comfort issues due to heat, humidity, and muddy farm conditions. A press release on August 3 from California's State Water Resources Control Board stated that the Board had approved an emergency curtailment regulation for the Sacramento-San Joaquin Delta. Approximately 5,700 water-right holders in the Delta watershed could be ordered to curtail diversions as early as this month.

Dairy exports were strong in June, although they were down from May. On a milk-fat milk-equivalent basis, June dairy exports totaled 961 million pounds, 59 million pounds below May and 5 million pounds lower than June 2020. On a skim-solids milk-equivalent basis, June dairy exports totaled 4.514 million pounds, 365 million lower than May but 250 million higher than June 2020. Notably, exports of butter totaled 8.1 million pounds in June, declining from 10.9 million pounds in April and 9.7 million pounds in May. However, June butter exports were substantially higher than June 2020, when they totaled only 4.8 million pounds.

In aggregate, dairy imports increased from May to June. On a milk-fat basis, they totaled 701 million pounds, 169 million higher than May but 55 million below June 2020. On a skim-solids basis, June imports totaled 545 million pounds, 46 million higher than May and 63 million higher than June 2020. Notably, imports of butter totaled 10.0 million pounds in June, 1.9 million higher than May but 2.1 million lower than June 2020. Imports of anhydrous milk fat and butteroil totaled 4.1 million pounds in June, 1.7 million higher than May but 4.0 million lower than June 2020. Imports of milk protein products³ in June totaled 25.9 million pounds, 2.1 million higher than May and 4.9 million higher than June 2020.

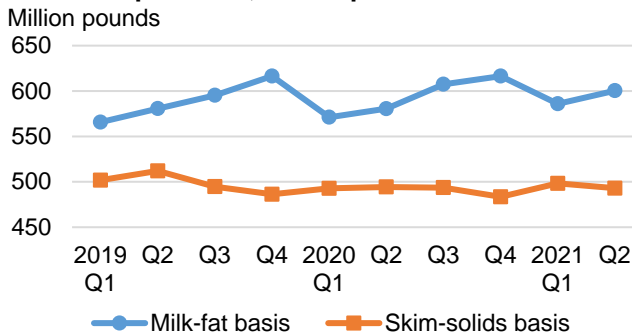
Domestic use in the second quarter of 2021 (2021-Q2) was relatively strong for some dairy products but weak for others. On a milk-fat basis, 2021-Q2 domestic use averaged 600 million pounds per day, 3.4 percent higher than 2020-Q2. On a skim-solids basis, domestic use averaged 493 million pounds per day, 0.3 percent lower than 2020-Q2.

Relatively high domestic use of cheese accounted for much of the year-over-year increase in domestic use on a milk-fat basis, with 2021-Q2 domestic use of American type and Other-than-American type cheese increasing by 10.8 percent and 5.4 percent, respectively. Stronger food service demand for cheese has likely contributed to the year-over-year increase in cheese sales. Butter domestic use for 2021-Q2 was down 8.3 percent from 2020-Q2. Strength in butter use in 2020-Q2 may have been due to increased demand for butter for baking purposes as U.S. residents consumed food at home. It is notable that domestic use of dry skim milk products has declined every quarter since 2020-Q2. As NDM prices trended upward over that time, sustained by strong exports, dry skim milk products likely became less attractive for domestic use. For the first 6 months of 2021, fluid beverage milk sales were down 5.1 percent from the first 6 months of 2020. Fluid milk sales were higher than usual during the stay-at-home months last year. Consumers tend to consume more fluid milk at home than away from home.

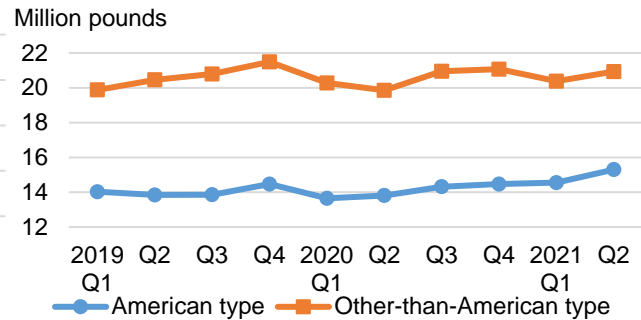
³ Milk protein products include milk protein concentrate, milk protein isolate, and casein products.

U.S. domestic use per day

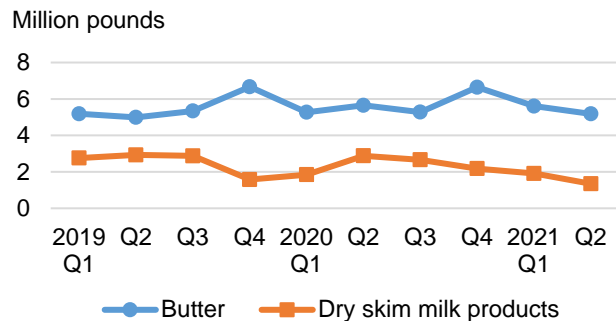
Milk in all products, milk-equivalent bases



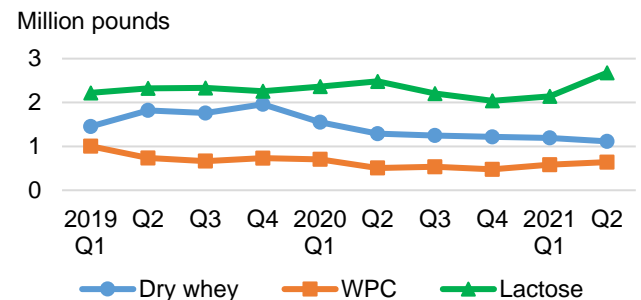
Cheese



Butter and dry skim milk products



Dry whey, whey protein concentrate (WPC), and lactose



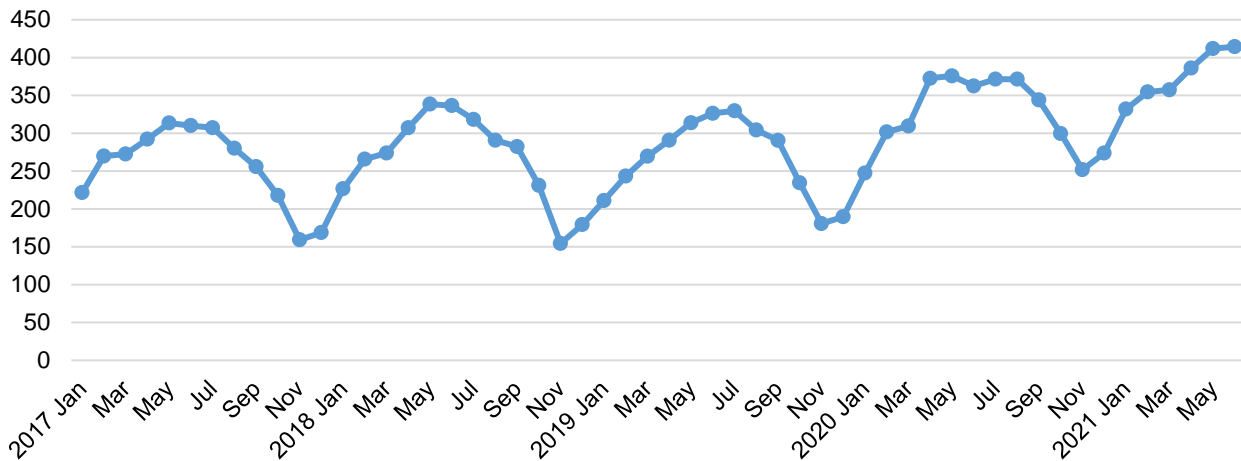
Q1 = January to March. Q2 = April to June. Q3 = July to September. Q4 = October to December.

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

Dairy ending stocks for June were high. On a milk-fat basis, they totaled 20.032 billion pounds, surpassing the record high from the month before. On a skim-solids basis, June ending stocks totaled 12.006 billion pounds, 35 million lower than May, but 811 million higher than June 2020. Notably, butter stocks in cold storage at the end of June totaled 414.5 million pounds, 2.6 million higher than the end of May and 52.0 million higher than the end of June 2020.

Butter ending stocks in cold storage

Million pounds



Source: USDA, National Agricultural Statistics Service.

International Outlook for Dairy

The table below displays milk production projections for the United States from the August publication of the USDA *World Supply and Demand Estimates* report and projections for major foreign competitors from the July publication of *Dairy: World Markets and Trade*, by USDA, Foreign Agricultural Service (FAS). FAS projections have been converted from metric tons to billions of pounds. Milk production from the five top dairy exporters is projected to total 673.0 billion pounds in 2021, an increase of 1.3 percent from 2020. While milk production for the United States is expected to grow 2.2 percent from 2020 to 2021, growth rates for the European Union and New Zealand are forecast at 0.6 percent and 1.9 percent, respectively.

Milk production of major dairy exporters (billions of pounds)

	2021 forecast		Year-over-year percent change
	2020	2021 forecast	
Argentina	25.1	25.8	2.8
Australia	20.1	20.3	1.0
European Union*	347.2	349.4	0.6
New Zealand	48.5	49.4	1.9
United States	223.2	228.1	2.2
Major exporter total	664.1	673.0	1.3

* To maintain data consistency, the estimates for the European Union (EU) include the United Kingdom even though it is no longer part of the EU.

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

Global dairy prices are relatively strong, in large part, due to the strong import demand from China. According to the FAS report, from January to May of this year, China's dairy imports totaled \$6.4 billion, an increase of nearly 17 percent from January to May of 2020.

Outlook for Feed Prices

The 2021/22 corn price projection is \$5.75 per bushel, 15 cents higher than last month's forecast. The 2021/22 price projection for soybean meal is \$385 per short ton, \$10 lower than last month's forecast.⁴ For more information, see *Feed Outlook*, published by USDA, Economic Research Service. The alfalfa hay price in June was \$199 per short ton, \$5 higher than May and \$20 higher than June 2020. The 5-State weighted-average price for premium alfalfa hay in June was \$230 per short ton, \$4 higher than May and \$29 higher than June 2020.

Dairy Forecasts for 2021

The milk production forecast for 2021 is 228.1 billion pounds, 0.1 billion less than last month's forecast. The lower milk production forecast is a result of NASS revisions for the first half of the year and a lower forecast for milk cow numbers in the third quarter (5,000 lower than last month's forecast). However, rounded annual forecasts for the average number of milk cows (9,500 million head) and milk per cow (24,020 pounds per head) are unchanged from last month's forecasts.

The forecast for 2021 dairy exports on a milk-fat basis is 11.0 billion pounds, down 0.1 billion from the previous month's projection due to lower anticipated exports of butter. On a skim-solids basis, 2021 exports are forecast at 51.5 billion pounds, 0.2 billion higher than forecast last month due to higher anticipated exports for whey products and lactose.

Due to higher-than-anticipated imports of butter, butterfat products, and cheese, the projection for 2021 imports on a milk-fat basis is 6.6 billion pounds, 0.4 billion higher than last month's forecast. On a skim-solids basis, the projection for imports is 5.8 billion pounds, 0.2 billion higher than projected last month, due to higher expected imports of milk protein products.

Domestic commercial use forecasts for 2021 are lower than projected last month. On a milk-fat basis, the annual forecast for 2021 domestic commercial use is 222.2 billion pounds, 0.6 billion lower than last month's forecast. The domestic use forecast on a skim-solids basis for 2021 is 181.1 billion pounds, 0.1 billion lower than last month's forecast.

The forecast for 2021 ending stocks is raised to 16.0 billion pounds on a milk-fat basis (+0.8 billion) due to expectations of higher imports, lower exports, and lower domestic use. On a skim solid basis, the 2021 forecast for ending stocks is raised to 11.2 billion pounds (+0.1 billion) as higher expected imports and lower expected domestic use offset higher expected exports.

Based on relatively low wholesale domestic prices for most dairy products in recent weeks, recent downward trends in international prices, lower expected domestic demand, high stock levels, and higher expected imports, wholesale price forecasts for dairy products have been lowered for 2021. Price forecasts for cheese, butter, NDM, and dry whey are \$1.635 (-2.0 cents), \$1.645 (-4.5 cents), \$1.205 (-0.5 cents), and \$0.555 (-1.5 cents) per pound, respectively.

⁴ The marketing year begins September 1 for corn and October 1 for soybean meal.

With lower estimated wholesale prices for cheese and dry whey, the Class III milk price forecast for 2021 is \$16.55 per hundredweight (cwt), \$0.25 lower than the previous month's forecast. Due to lower butter and NDM price forecasts, the Class IV milk price projection is \$15.15 per cwt, \$0.25 lower than last month's forecast. The all-milk price forecast for 2021 is \$17.95 per cwt, a decrease of \$0.35 from last month's forecast.

Dairy Forecasts for 2022

Changes in milk cow numbers usually respond to prices with a lag of several months. With higher expected feed prices and lower expected milk prices for the remainder of 2021 and throughout 2022, the forecast for the average number of milk cows in 2022 has been lowered to 9,500 million head, 15,000 head down from last month's forecast. The forecast for milk per cow is 24,335 pounds, unchanged from last month's forecast. The projection for 2022 milk production has been adjusted to 231.2 billion pounds, 0.4 billion lower than last month's forecast, but 3.1 billion pounds higher than 2021.

On a milk-fat basis, the export forecast for 2022 is 10.6 billion pounds, 0.3 billion higher than last month's forecast, as competitive domestic prices are expected to result in higher butter exports. On a skim-solids basis, 2022 dairy exports are projected to total 51.3 billion pounds, unchanged from last month's forecast.

Dairy imports for 2022 on a milk-fat basis are projected to total 6.6 billion pounds, 0.4 million pounds higher than last month's forecast, due to higher expected imports of butter and butterfat products and cheese. On a skim-solids basis, 2022 imports are estimated at 5.5 billion pounds, unchanged from last month's forecast.

On a milk-fat basis, the domestic use forecast for 2022 is 226.6 billion pounds, 0.2 billion higher than the previous forecast as lower expected prices should result in greater domestic use of cheese, butter, and butterfat products. On a skim-solids basis, the forecast for domestic use is 184.2 billion pounds, 0.5 billion lower than last month's forecast, as relatively low demand for dry skim milk products is expected to continue in 2022.

Ending stock forecasts for 2022 have been raised. On a milk-fat basis, the forecast for ending stocks has been increased to 15.5 billion pounds (+0.3 billion) as projections for higher beginning stocks and higher imports more than offset projections for lower milk supply, higher expected exports, and higher domestic use. On a skim-solids basis, the forecast for ending stocks has been raised to 11.4 billion pounds, due to projections of higher beginning stocks, higher imports, and lower domestic use more than offsetting a lower projection for milk production.

Dairy product price forecasts for 2022 have been lowered due to high beginning stock levels and expectations of relatively soft domestic demand. Wholesale price forecasts for Cheddar cheese, butter, NDM, and dry whey are lowered from last month's projections to \$1.630 (-5.0 cents), \$1.660 (-9.0 cents), \$ 1.210 (-1.0 cent) and \$0.500 (-1.0 cent), respectively.

With lower estimated wholesale prices for cheese and dry whey, the Class III milk price forecast for 2022 is \$16.15 per cwt, \$0.60 lower than the previous month's forecast. Due to lower butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$15.30 per cwt, \$0.45 lower than last month's forecast. The all-milk price forecast for 2022 is \$17.85 per cwt, a decrease of \$0.65 from last month's forecast.

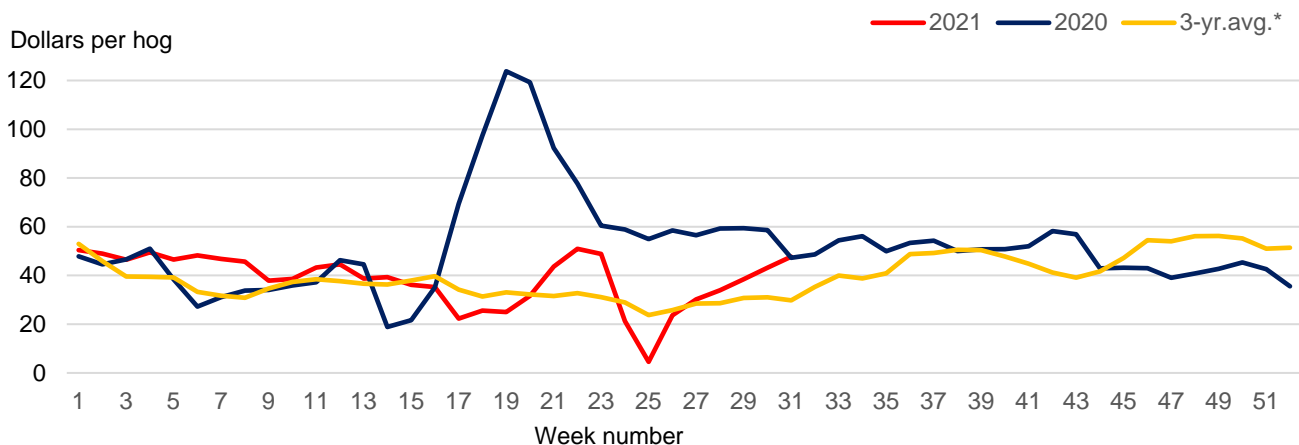
Pork/Hogs

Mildred Haley

Processor Margins Widen Through July and Into August

USDA federally inspected (FI) hog slaughter in July was about 9.7 million head. When adjusted for one less slaughter day in July compared to July 2020, FI hog slaughter was almost 9 percent lower than a year ago, much lower than that suggested by the applicable June 1 *Quarterly Hogs and Pigs* weight class categories. While year-earlier COVID-related market turbulence makes year-to-year market hog price comparisons questionable, it is notable that in late June—week 25 in the figure below—pork processors' gross margin declined to about \$4.50 per hog. By the end of July—week 30—processor margins had turned around, achieving about \$43 per hog. Low margins moving into July likely prompted processors to decrease demand for hogs. They appear to have done this by reducing Saturday slaughter numbers, bidding less aggressively on spot hogs in July, and slaughtering processor-owned hogs at lighter weights to fill customer orders. These measures taken together likely moderated hog prices, supported wholesale pork prices and bolstered processor margins in late July.

Weekly estimated gross pork processor margin, drop value included

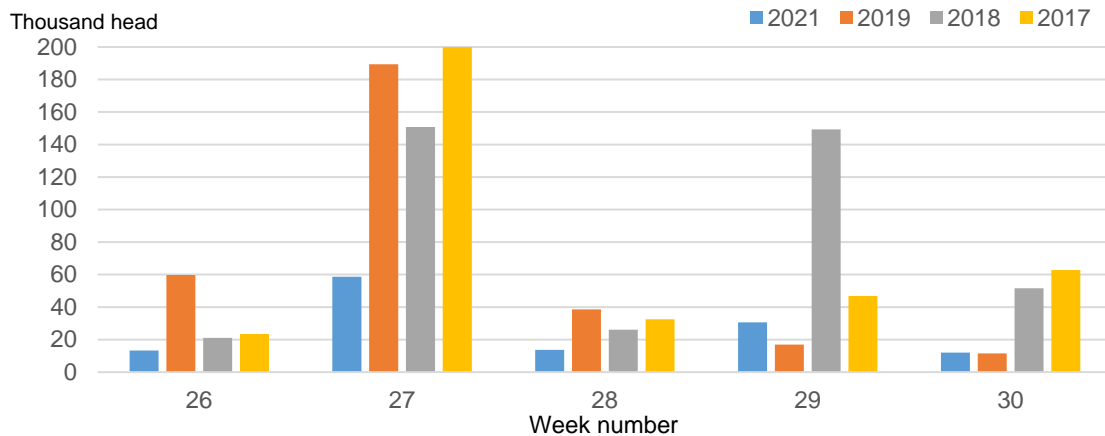


*3-yr. avg.= 2017-2019.

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

Federally inspected hog slaughter data shows that processors reduced Saturday slaughter numbers significantly in July compared with July Saturday slaughter numbers in past years. This year, July Saturday slaughter for weeks 26-30 averaged about 25.7 thousand head. For July 2019, Saturday slaughter numbers averaged 62.3 thousand head, for 2018, 79.8 thousand head, and for 2017, 73.1 thousand head. Lower Saturday slaughters this year likely reduced demand for hogs and contributed to lower hog prices. On the product side of the equation, lower Saturday slaughters reduce pork production, tightening supplies of pork products, and contribute to higher pork prices. Both of these price dynamics strengthen processor margins.

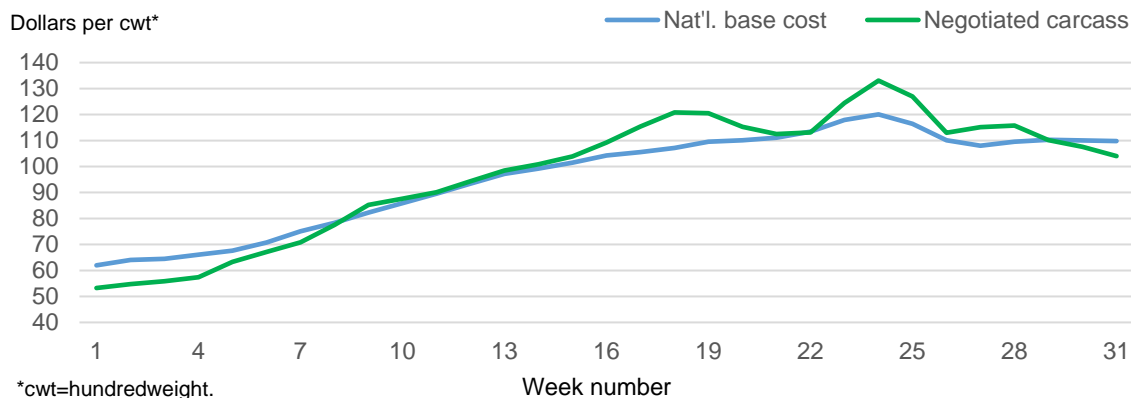
Saturday hog slaughter in July: 2021, 2019, 2018, and 2017



Source: USDA, Agricultural Marketing Service.

USDA price data for negotiated (spot) hogs suggests that weak margins may have caused processors to bid less aggressively for spot hogs, particularly in late July. The July data show that spot prices peaked at \$115.80 per cwt in week 28 (ending July 16) and declined to \$107.59 per cwt by week 30 (ending July 30). It is notable that spot hog prices had not been below the base hog cost (51-52 percent lean) for more than a day or 2 since early in the first quarter of 2021, when the base cost averaged less than 2/3 of its (live equivalent) July average of \$81.03 per cwt. Lower negotiated prices are important to the individual processor who buys spot hogs, but lower spot prices are also important industry-wide because they often function as a base from which hogs are priced in contracts and other purchase agreements.

Weekly hog prices: Negotiated Carcass and National Base cost 51-52 percent lean



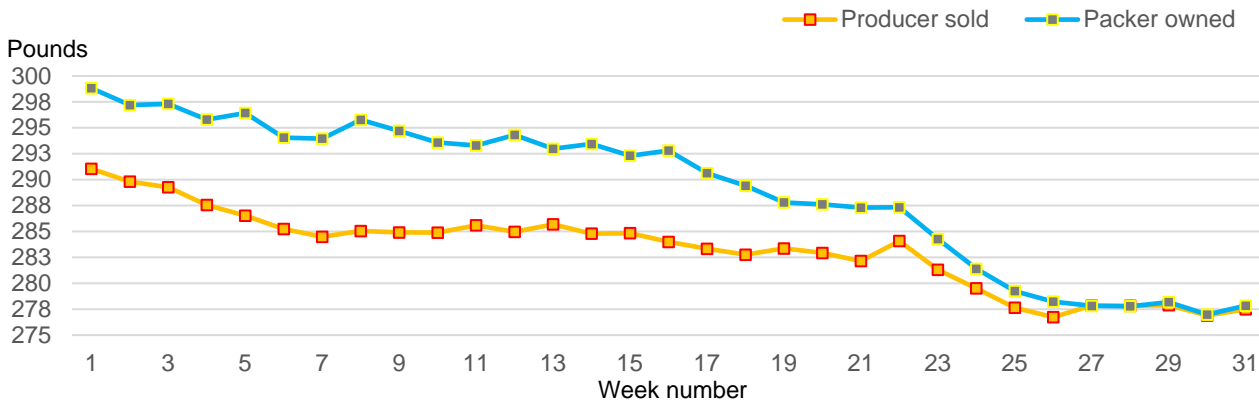
*cwt=hundredweight.

Source: USDA, Agricultural Marketing Service.

USDA Mandatory Price reporting (MPR) system hog slaughter data for July—the MPR system comprises producer-sold hogs (all purchase types), packer-sold hogs (all purchase types), and packer-owned hogs—shows that of all MPR hogs slaughtered in July 2021, packer-owned hogs accounted for a greater share in July 2021 than a year earlier and in 2019. In July 2021, packer-owned hogs accounted for about 38 percent of the July MPR hogs, compared with about 35 percent shares in July 2020 and 2019. A larger share of packer-owned hogs in the slaughter mix suggests that processors

may have faced hog availability problems at prices that did not conform with margin goals. MPR data also show accelerating declines in live weights of July 2021 packer-owned hogs. Lower weights suggest that packers may have pulled ahead hogs in July. Processors' decision to slaughter their own hogs at lower weights may have allowed them to fill customer orders without reducing processing margins by bidding up hog prices.

2021 Weekly live hog weights



Source: USDA, Agricultural Marketing Service.

Pork Production Trimmed in Line With Lower Expected Slaughter Numbers

Pork production for the second half of 2021 and the first quarter of 2022 was revised lower to reflect expectations for slightly lower slaughter numbers. Production in the third quarter of this year is expected to be about 6.6 billion pounds, roughly 255 million pounds less than forecast last month, and consistent with lower slaughter numbers in July and August. This revised third-quarter pork production would be about 6 percent lower than same-period pork production last year. Fourth-quarter 2021 pork production is expected to be about 7.2 billion pounds, about 65 million pounds lower than last month, and over 3 percent lower than year-earlier production.

With the exception of the third-quarter 2021 hog price, price forecasts are unchanged from last month. The average prices of third-quarter live equivalent 51-52 percent lean hogs are expected to average \$78 per cwt, an increase from last month's forecast of \$77 per cwt. The fourth-quarter 2021 hog price forecast is unchanged at \$64 per cwt. First-quarter and second-quarter 2022 price forecasts are also unchanged at \$60 and \$61 per cwt, respectively.

U.S. Pork Export Forecasts Reduced, Primarily on Lower Expectations for Shipments to China

U.S. pork exports in June were 564 million pounds, over 9 percent greater than a year earlier. Shipments to Mexico and Japan combined accounted for almost half of U.S. pork exports in June. Exports to China/Hong Kong were 91 million pounds, about 48 percent below shipments a year ago. June exports to the 10 largest foreign destinations for U.S. exported pork are summarized in the table below.

U.S. pork exports: Volumes and export shares of the 10 largest foreign destinations in June 2020 and 2021					
Country	Exports June 2020 (Million pounds)	Exports June 2021 (Million pounds)	Percent change (2021/2020)	Export share June 2020 Percent	Export share June 2021 Percent
World	515	564	9.5		
Mexico	109	167	52.5	21	30
Japan	75	103	37.5	15	18
China\Hong Kong	175	91	-48.1	34	16
South Korea	34	45	30.8	7	8
Canada	43	42	-1.8	8	7
Philippines	9	23	164.9	2	4
Colombia	8	17	105.1	2	3
Australia	13	16	25.2	2	3
Honduras	9	12	37.1	2	2
Dominican Republic	8	10	19.5	2	2

Source: USDA, Economic Research Service.

China's Ongoing Rebound From African Swine Fever Prompts U.S. Export Reductions

The United States' recent lower exports to China\Hong Kong follow China's increasing domestic pork production, and together with lower pork prices reflect the ongoing rebound from African Swine Fever (ASF)⁵. ASF is a virus lethal to swine, for which there currently exists no reliable vaccine or cure. Effective biosecurity remains the sole means of producing pork in an ASF endemic environment.

For 2021, total U.S. pork exports are lowered 144 million pounds, from 7.55 billion pounds, to 7.41 billion. This volume is about 1.8 percent higher than 2020's total. Exports in the second quarter of this year totaled about 1.9 billion pounds, almost 8 percent higher than a year ago. Third-quarter exports are expected to be about 1.63 billion pounds, slightly below a year ago. Fourth-quarter exports are forecast at 1.95 billion pounds, almost 5 percent above same-period shipments a year ago.

For 2022, exports are expected to total 7.3 billion pounds, about 1.5 percent lower than 2021's total. For the first quarter exports are expected to be 1.85 billion pounds, 4 percent below first-quarter 2021. The second-quarter 2022 forecast is also 1.85 billion pounds, about 3 percent below second-quarter 2021.

Lower forecasts for U.S. pork exports in the second half of 2021 and through 2022 primarily reflect lower shipments to China\Hong Kong as enhanced biosecurity in newly constructed production facilities improves prospects for higher pork production in China. Furthermore, high U.S. prices and a tariff rate disadvantage will leave the United States less competitive as Chinese import demand eases. As China demands less pork from major exporting countries such as the European Union, Canada, Brazil, and Mexico, U.S. pork will compete with pork from these countries for shares of markets in other pork

⁵ Production increases appear to have often been, in part, attributable to panic selling; i.e., producers slaughtering hogs to protect margins in anticipation of further price declines.

importing countries in Asia, North and South America, and the Caribbean. U.S. pork is expected to capture market share in these countries to offset part of the share it loses in China.

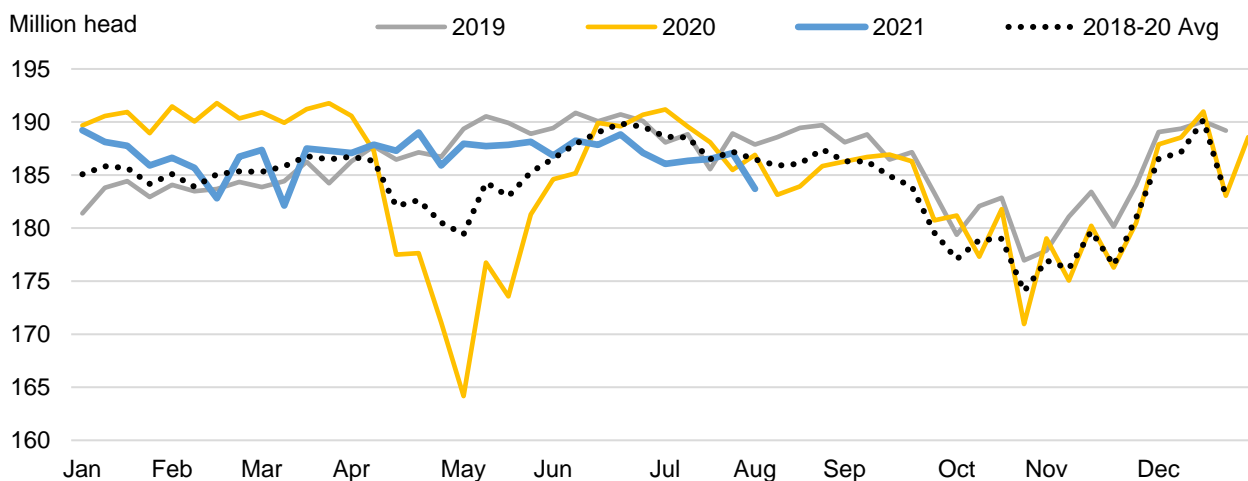
Poultry

Grace Grossen and Adriana Valcu-Lisman

Broiler Production Revised Down

June broiler production was slightly higher than expected at 3.913 billion pounds, an increase of 3.5 percent from June of last year. Second-quarter production totaled 11.221 billion pounds. Weekly broiler chicks placed have been below both 2019 and 2020 levels in most weeks since mid-June. The placement data indicate how many birds will be available for slaughter about 7 weeks later. In the week ending August 7th, placements were 2 percent below the same week in 2019. Production forecasts for the third and fourth quarters of 2021 were revised down to 11.40 billion pounds and 11.22 billion pounds, respectively. This brings the 2021 annual forecast to 44.734 billion pounds, an increase of less than half a percent over 2020. The 2022 production forecast is unchanged at 45.3 billion pounds, an increase of 1 percent over the 2021 forecast.

Weekly broiler chicken placements



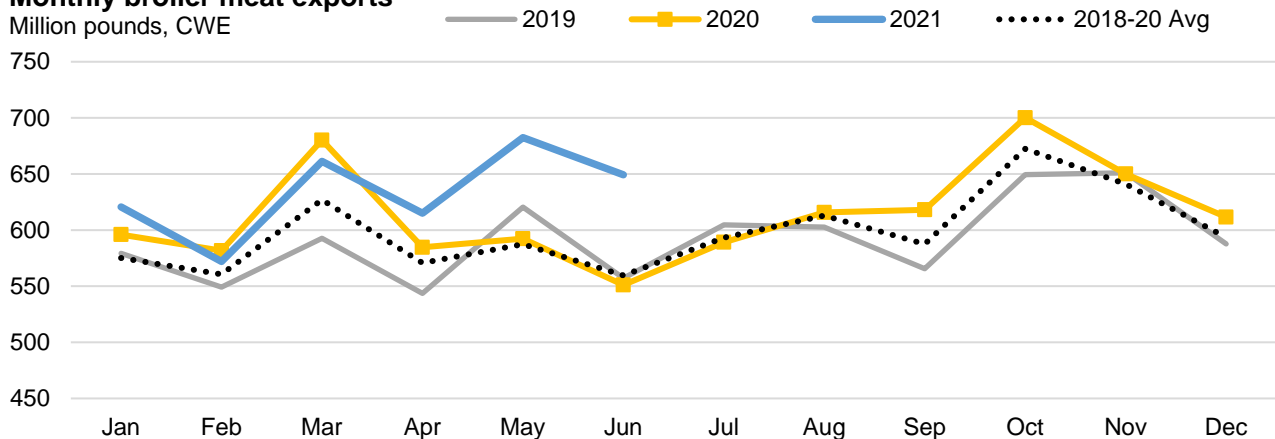
Source: USDA, National Agricultural Statistics Service.

Strong Second Quarter for Broiler Exports

Broiler exports in June totaled 649 million pounds, down from May but a 16 percent increase over last June. Thanks to a strong second quarter, exports in the first half of 2021 were 6 percent above the same period in 2020. Export forecasts in the third and fourth quarters are unchanged at 1.815 billion pounds and 1.890 billion pounds, respectively, as the rate of exports in May and June is not expected to be sustained, especially as total 2021 production is forecast to grow by less than half a percent from 2020. The 2022 export forecast is unchanged at 7.45 billion pounds, a decrease of 1 percent from the 2021 forecast.

Monthly broiler meat exports

Million pounds, CWE



Note: CWE = Carcass Weight Equivalent

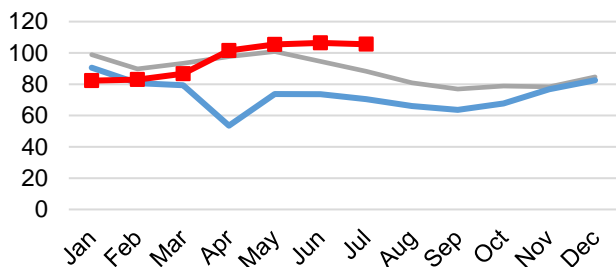
Source: USDA, Economic Research Service, Livestock and Meat International Trade Data.

Broiler Prices Adjusted Up in Second Half of 2021

Weekly wholesale broiler prices have stayed above 100 cents per pound since late-April, ending the first week of August at 104.98 cents. July prices averaged 105.5 cents per pound, 17.31 cents above July of 2019. Wholesale prices for high-demand parts like wings and breasts remain high. While monthly boneless/skinless breast prices have come down from a peak in May, July prices were still 67 cents above the same month last year. July average wholesale wing prices were above 3 dollars a pound for the third consecutive month. A seasonal decline in whole broiler prices is still expected in the second half of the year, but based on current price levels, third- and fourth-quarter price forecasts were increased to 99 and 89 cents per pound, respectively. The 2022 price forecast is unchanged at 93 cents per pound.

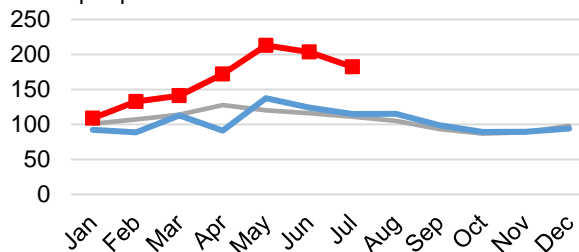
Monthly national composite whole broiler prices

Cents per pound



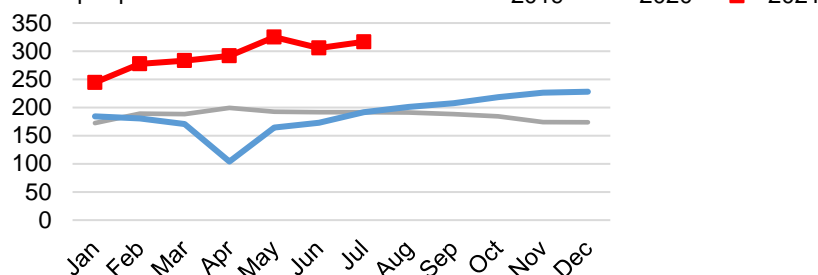
Monthly wholesale boneless/skinless chicken breast prices

Cents per pound



Monthly wholesale chicken wing prices

Cents per pound



Source: USDA, Agricultural Marketing Service.

Smaller but More Productive Layer Flock Keeps Table Egg Production Unchanged

June table egg production was 647.1 million dozen, a 2-percent year-over-year increase. This was due to a 2.5-percent year-over-year increase in the lay rate that compensated for a 0.7-percent decrease in the size of the layer flock.

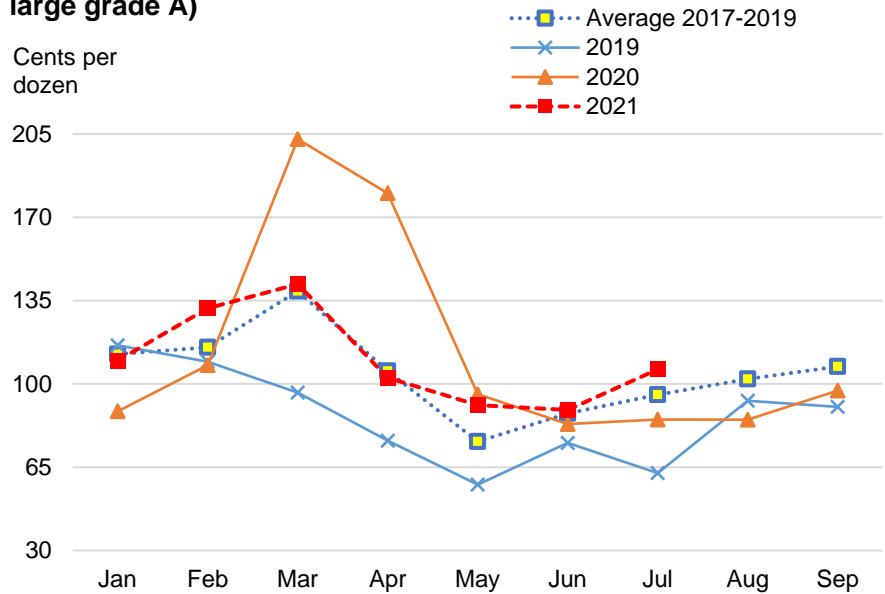
Total table egg production in the first 6 months of the year was 3,976.8 million dozen, fractionally lower than in 2020 and about 3 percent lower than 2019 production over the same period. Although first-half 2020 and 2021 table egg production numbers are similar, the 2021 monthly average size of the layer flock was 1.7 percent lower than in 2020. The 2021 decrease was compensated by an increase in the average lay rate of a similar magnitude. Going forward, given the smaller but more productive layer flock, egg production in the second half of the year is expected to be 4,090 million dozen, 0.71 percent higher than production in the same period of 2020.

Mid-Summer Table Egg Retail Demand Points to Stronger Wholesale Table Egg Prices; Forecast Revised Up

July wholesale table egg prices (New York, Grade A Large) averaged 105.9 cents per dozen, a 24.6 percent year-over-year increase. The retail demand for table eggs was counter-seasonally stronger in July, when the summer-related activities usually depress the demand (see chart). The strength in demand is expected to continue through the second half of August and early September as schools return to the fall schedule. Given the current expectations for demand and prospects for production, the third- and fourth- quarter wholesale table egg price forecasts were revised up 7 cents and 2 cents,

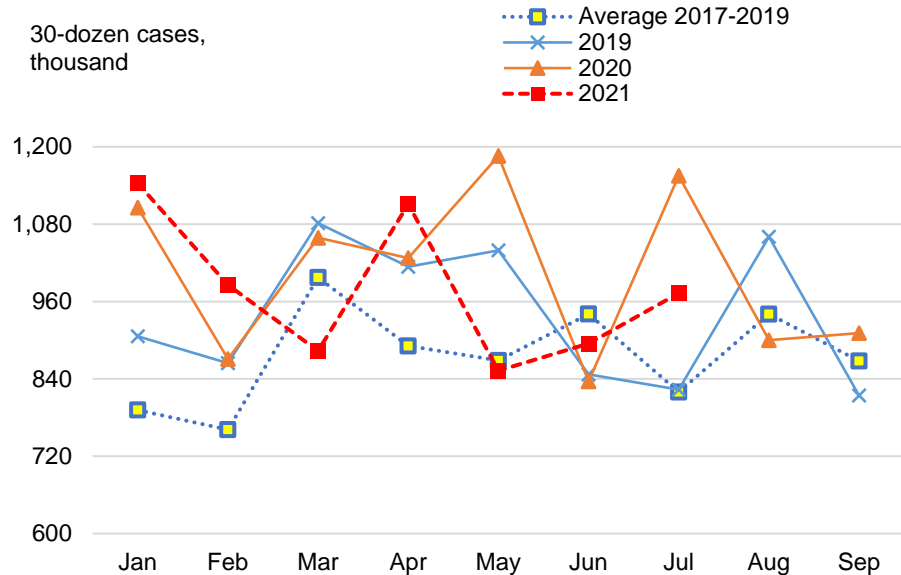
respectively. The 2021 average wholesale New York, Grade A large table egg prices are forecast at 112.8 cents per dozen, almost unchanged from a year ago.

Monthly average midpoint prices for New York eggs (wholesale, large grade A)



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

Monthly average national retail purchases using weekly data



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

Egg and Egg-Products Exports Revised Up

The shell eggs and shell egg-equivalent-product exports equaled 198 million dozen (126 million shell eggs and 71.4 million shell-egg-equivalent egg products) in the first half of the year. This represents a 16.7 percent year-over-year increase. Year-over-year first-half changes in egg exports were dominated by significant increases in shipments to Canada (+7,923 thousand dozen), South Korea (+ 24,000 thousand dozen), Japan (+4,986 thousand dozen), and Hong Kong (+2,456 thousand dozen). These increases more than compensated the decreases in shipments to some traditional markets such as Mexico, Bahamas, and Denmark. Given the expectation of robust foreign demand, especially from South Korea which is recovering from the recent Highly Pathogenic Avian Influenza (HPAI) outbreaks during the last winter and spring, the second- and third-quarter export forecasts were revised up to 97 and 95 million dozen shell egg equivalent respectively. The 2021 total egg exports are forecast 13.4 percent higher than in 2020. Total imports of egg and egg products in the first 6 months of 2021 were 9.2 million dozen (1.5 million shell eggs and 7.8 million shell-egg equivalent of egg products), a 19.8-percent increase from the same period last year.

U.S. egg and egg products exports: Volume and export share, January-June 2020-2021

Country	Volume (thousand dozen)			Export share (percent)	
	2020	2021	Change in volume	2020	2021
Mexico	56,087	53,852	-2,235	33	27
Canada	31,735	39,658	7,923	19	20
Hong Kong	24,146	26,602	2,456	14	13
Japan	15,606	20,592	4,986	9	10
South Korea	4,664	28,765	24,100	3	15
Jamaica	2,948	3,215	267	2	2
United Arab Emirates	2,923	2,827	-96	2	1
Trinidad and Tobago	2,934	2,672	-262	2	1
Denmark	3,542	789	-2,753	2	0
Bahamas	2,171	1,913	-257	1	1
World	169,621	198,003	28382	100	100

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.

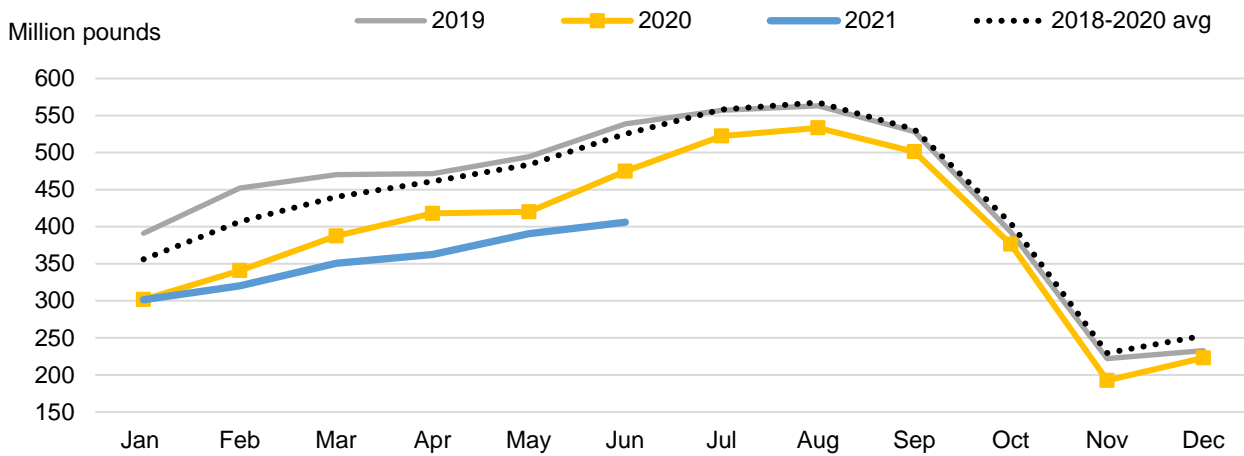
Turkey Production and Cold Storage Stocks Adjusted Down

Total turkey production in June was higher than expected at 488 million pounds, a decrease of 2.6 percent from last June. For the first half of 2021, turkey production was 1.7 percent less than the same period in 2020. While poult placements in June increased from May, they were still 8 percent below June of 2020. Production was adjusted down by 5 million pounds in the third quarter and left unchanged in the fourth quarter for a total 2021 forecast of 5.659 billion pounds.

With slowing production, turkey in cold storage has also been growing at a slower rate than is typical leading up to the holiday season (see chart). At the end of June 2021, there was 68.8 million pounds

less turkey meat in cold storage than at the same time in 2020. The beginning stocks projection for 2022 was adjusted down to 200 million pounds.

Turkey meat in cold storage at the end of the month

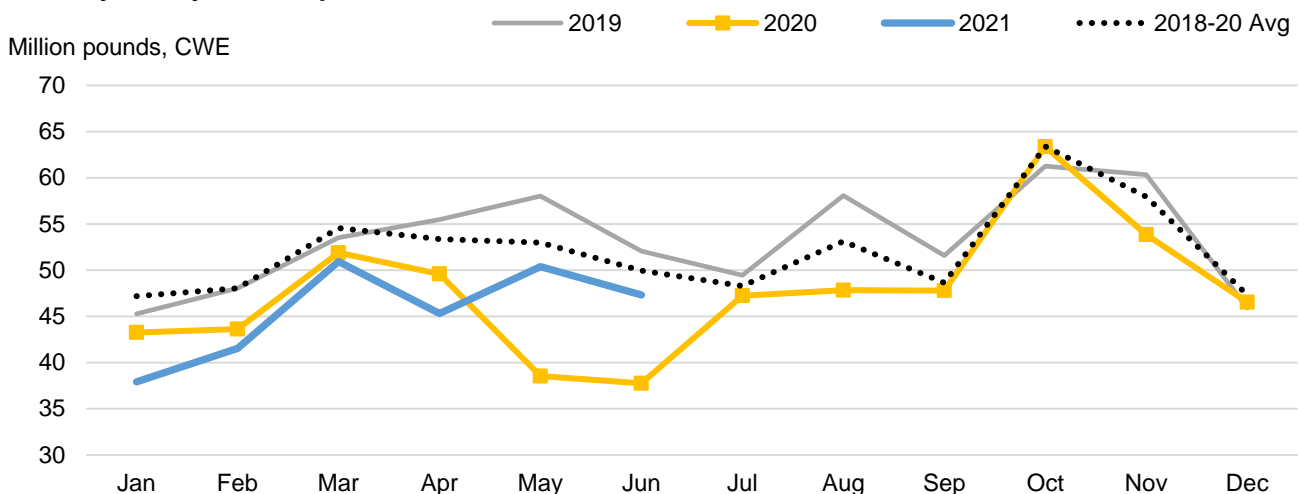


Source: USDA, National Agricultural Statistics Service.

Turkey Exports Revised Down in Second Half of 2021

Turkey exports in June totaled 47.3 million pounds. Both May and June exports surpassed 2020 levels but were below the same months in 2019 by 13 and 9 percent, respectively. Mexico accounted for the vast majority of turkey exports in June, while China's share continued to shrink year-over-year, accounting for about half-a-percent of total exports. Due to slightly lower production expectations, forecast exports in the second half of 2021 were revised down by 5 million pounds each quarter. This makes the 2021 total forecast 573 million pounds, 2 million pounds over the 2020 total. The 2022 turkey export forecast is unchanged at 580 million pounds.

Monthly turkey meat exports



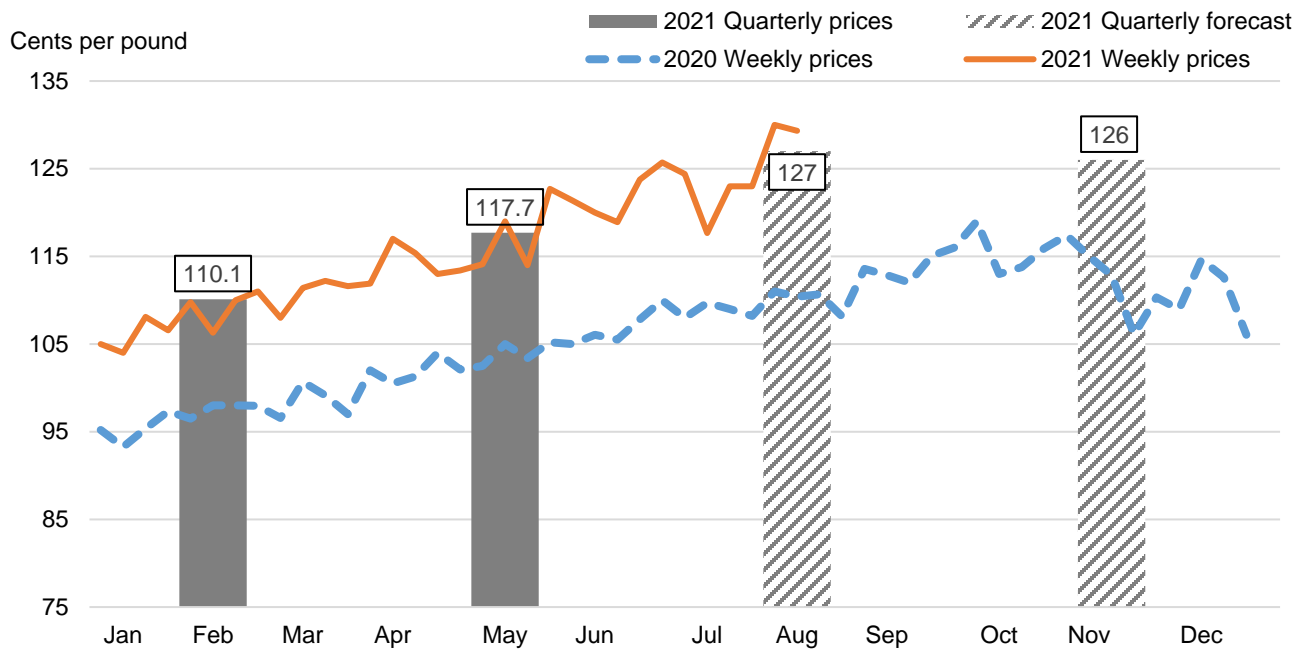
Note: CWE = Carcass Weight Equivalent.

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

Turkey Prices Adjusted Up in 2021

Wholesale prices for frozen whole hens averaged 123.55 cents per pound in July, the highest monthly price since September of 2016. The weekly wholesale frozen whole-hen price reached 129.33 cents per pound in the first week of August. Prices for tom turkey parts also remain elevated. Turkey breast prices averaged 156.17 cents per pound in July, 33 percent above July 2020. The third- and fourth-quarter price forecasts were adjusted up by 2 cents to 127 and 126 cents per pound, respectively. The 2022 average price forecast is unchanged at 118 cents per pound.

Wholesale whole-hen frozen turkey prices



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

Suggested Citation

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Dairy forecasts

	2020			2021					2022		
	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thousands)	9,380	9,429	9,388	9,458	9,505	9,510	9,520	9,500	9,520	9,505	9,500
Milk per cow (pounds)	5,908	5,892	23,778	6,003	6,117	5,960	5,940	24,020	6,060	6,200	24,335
Milk production (billion pounds)	55.4	55.6	223.2	56.8	58.1	56.7	56.5	228.1	57.7	58.9	231.2
Farm use	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.1	0.3	0.3	1.1
Milk marketings	55.1	55.3	222.1	56.5	57.9	56.4	56.3	227.1	57.4	58.7	230.2
Milk-fat (billion pounds milk equiv.)											
Milk marketings	55.1	55.3	222.1	56.5	57.9	56.4	56.3	227.1	57.4	58.7	230.2
Beginning commercial stocks	19.0	17.7	13.6	15.6	18.1	20.0	18.2	15.6	16.0	18.4	16.0
Imports	1.8	1.6	6.8	1.3	1.8	1.8	1.7	6.6	1.4	1.7	6.6
Total supply	75.9	74.5	242.5	73.4	77.8	78.3	76.2	249.3	74.8	78.8	252.7
Commercial exports	2.3	2.1	9.3	2.6	3.1	2.8	2.5	11.0	2.5	2.9	10.6
Ending commercial stocks	17.7	15.6	15.6	18.1	20.0	18.2	16.0	16.0	18.4	20.1	15.5
Commodity Credit Corporation donations ¹	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use ²	55.9	56.7	217.4	52.7	54.6	57.2	57.6	222.2	53.9	55.8	226.6
Skim solids (billion pounds milk equiv.)											
Milk marketings	55.1	55.3	222.1	56.5	57.9	56.4	56.3	227.1	57.4	58.7	230.2
Beginning commercial stocks	11.2	10.4	10.2	10.9	11.6	12.0	11.1	10.9	11.2	11.6	11.2
Imports	1.4	1.3	5.6	1.4	1.5	1.5	1.4	5.8	1.3	1.4	5.5
Total supply	67.7	66.9	237.9	68.8	71.0	69.9	68.8	243.7	69.9	71.7	246.9
Commercial exports	11.9	11.6	47.2	12.4	14.1	13.1	12.0	51.5	12.6	13.9	51.3
Ending commercial stocks	10.4	10.9	10.9	11.6	12.0	11.1	11.2	11.2	11.6	12.0	11.4
Commodity Credit Corporation donations	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use ²	45.4	44.5	179.7	44.8	44.9	45.7	45.7	181.1	45.8	45.8	184.2
Milk prices (dollars/hundredweight) ³											
All milk	18.97	19.80	18.24	17.33	18.67	17.60	18.20	17.95	17.90	17.65	17.85
Class III	20.25	20.22	18.16	15.98	17.95	16.00	16.20	16.55	15.85	16.05	16.15
Class IV	13.01	13.38	13.49	13.71	15.98	15.75	15.25	15.15	15.30	15.30	15.30
Product prices (dollars/pound) ⁴											
Cheddar cheese	2.1571	2.1296	1.9236	1.6146	1.7250	1.570	1.620	1.635	1.600	1.620	1.630
Dry whey	0.3325	0.3827	0.3621	0.5064	0.6358	0.565	0.520	0.555	0.500	0.500	0.500
Butter	1.5970	1.4746	1.5808	1.4677	1.7952	1.695	1.630	1.645	1.640	1.650	1.660
Nonfat dry milk	0.9783	1.0812	1.0417	1.1226	1.2256	1.250	1.220	1.205	1.220	1.220	1.210

Totals may not add due to rounding.

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

² Domestic use for 2020 includes additional milk marketed but not processed.

³ Simple averages of monthly prices. May not match reported annual averages.

⁴ 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*.

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