

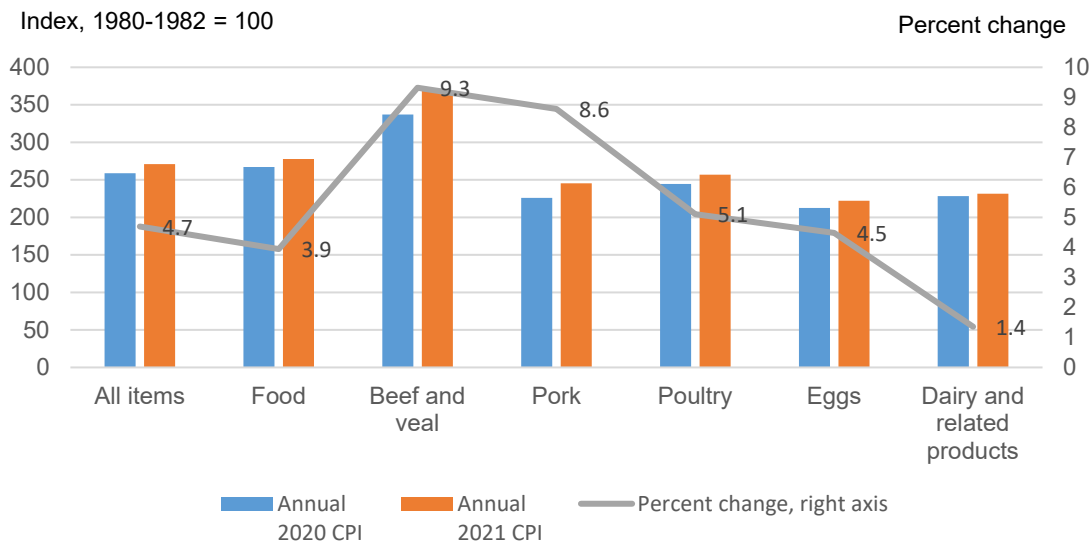


# Livestock, Dairy, and Poultry Outlook: January 2022

## Consumer Price Indexes for Animal Products Higher in 2021

The U.S. Department of Labor’s Bureau of Labor Statistics released consumer price indexes (CPIs) for 2021 on January 12, 2022. The chart below compares the 2021 and 2022 CPIs for all products and for food, beef, pork, poultry, eggs, and dairy products. The CPI for all items, a measure of inflation, increased 4.7 percent from 2020 to 2021. The CPI for food increased at less than the overall inflation rate, 3.9 percent. The inflation rates for beef and veal, pork, and poultry all exceeded the general inflation rate. The CPIs for eggs and dairy both increased less than the general inflation rate.

### Consumer price indexes for selected items



Source: U.S. Department of Labor, Bureau of Labor Statistics.

**Beef/Cattle:** The 2021 commercial beef production forecast was raised slightly from last month to 27.950 billion pounds on higher non-fed cattle slaughter and heavier carcass weights. Fed and feeder steer prices were raised in 2022. November's beef imports totaled 297 million pounds, up 27 percent from a year ago. The 2021 annual forecast for beef imports was increased by 40 million pounds from last month to 3.355 billion pounds. The 2022 beef import forecast was unchanged from last month at 3.265 billion pounds. Beef exports in October were up 298 million pounds, 8 percent above last year. The annual forecasts for 2021 and 2022 beef exports were unchanged from last month at 3.455 and 3.270 billion pounds, respectively.

**Dairy:** While November 2021 milk production fell below November 2020, domestic use in November was above November of the previous year, and dairy exports have continued to be robust. From the week ending December 11 to the week ending January 8, wholesale prices increased for all dairy products reported in the USDA *National Dairy Products Sales Report*. Recent dairy export prices of major global competitors have been relatively high. Due to the recent increase in dairy product prices, stronger expected demand, and expectations for only a modest increase in the global milk supply, wholesale price forecasts have been raised for major dairy products. The all-milk price forecast for 2022 is \$22.60 per hundredweight, \$1.85 higher than last month's forecast.

**Pork/Hogs:** Among the information in the December *Quarterly Hogs and Pigs* report, three take-aways are notable: that U.S. breeding inventory's decline may have ended; that litter rates will continue to increase, at times achieving new records; and, that there will likely be fewer animals available for processing in 2022. Pork production this year is expected to be 27.5 billion pounds, about 1 percent below production in 2021. U.S. quarterly pork export forecasts for 2022 are reduced as China's pork import demand declines in response to rebounding domestic production, with the country's African Swine Fever effects appearing subdued. U.S. pork exports in 2022 are expected to be 7 billion pounds, about 1 percent below export volumes in 2021, based largely on expectations for strong shipments to Western Hemisphere nations.

**Poultry/Eggs:** Based on recent data, broiler production was adjusted up in the fourth quarter of 2021 and the first quarter of 2022. Ending stocks for 2021 were adjusted down. After a major revision in 2021 data, broiler exports in 2021 are projected to be about even with 2020, and 2022 exports were adjusted down to 7.45 billion pounds. Based on recent strong price data, the broiler price forecast was adjusted up to average 112 cents per pound in 2022. Fourth-quarter 2021 table egg production was revised down due to recent production data. Fourth-quarter 2021 table egg production was revised down due to recent production data. First-half 2022 forecasts for wholesale egg prices were revised up based on higher-than-expected fourth-quarter 2021 average prices. Egg and egg products export forecasts for fourth-quarter 2021 and the first half of 2022 were revised down based on lower-than-expected October and November shipments. Turkey production was left unchanged in 2021 and 2022, while ending stocks for 2021 were adjusted down to 190 million pounds. Turkey exports were also adjusted down on recent data to 550 million pounds in 2021. Turkey prices were adjusted up on strong data and are forecast to average 125.5 cents per pound in 2022.

# Beef/Cattle

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## Cow and Bull Slaughter and Dressed Weights Lift Production Forecast

Beef production in 2021 is expected to total 27.950 billion pounds, up 55 million pounds from last month's forecast. This increase is driven by a more rapid pace of cow and bull slaughter as well as by heavier cattle dressed weights. Beef cow slaughter in December was up more than expected, likely reflecting the drought in the Western region of the country. According to the USDA Agricultural Marketing Service (AMS) *Livestock Slaughter* report, total estimated Federally Inspected slaughter for December was up 1.5 percent above a year ago, while cow and bull slaughter rose 5.8 and 5.3 percent, respectively, above last year's levels. Heavier dressed weights also contributed toward the increase in beef production. AMS weekly livestock slaughter reported for the week ending December 25 showed that average dressed weights were almost 10 pounds (1 percent) above the same week a year ago, and 13 pounds greater than the 3-year average for the same period. Overall, December average dressed weights are estimated to be 3 pounds heavier than in November, but little changed from a year ago.

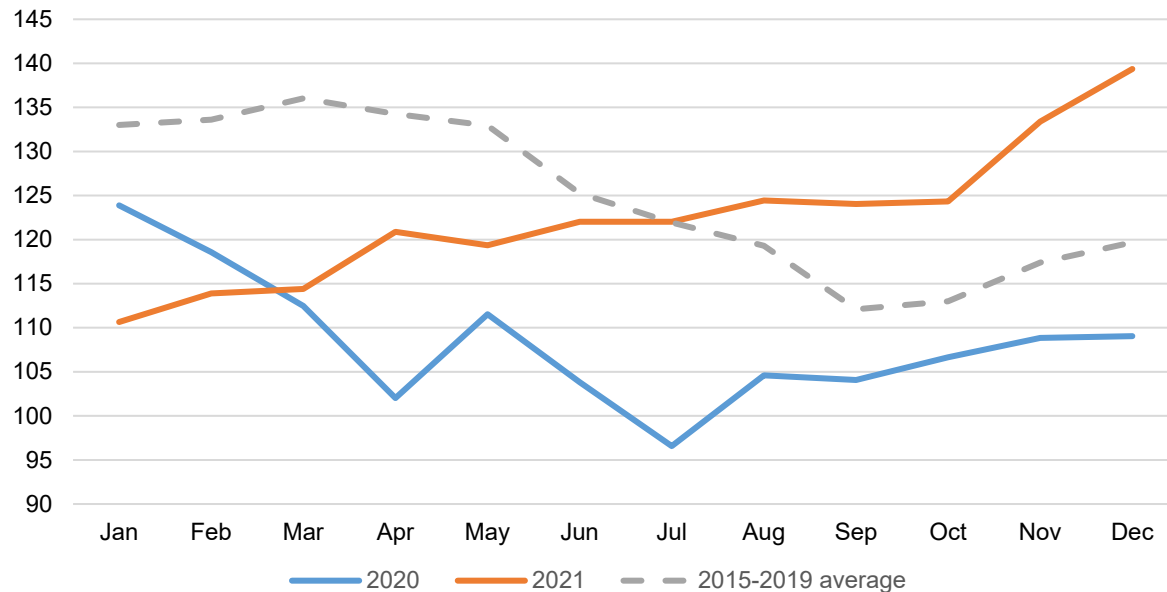
Net placements were raised for the 2021 fourth quarter, partly on stronger-than-expected cattle movement into feedlots during November. Given the anticipated rise in fourth-quarter net placements, fed cattle marketings and fed cattle slaughter expectations are raised in the second quarter and coupled with a stronger expected pace of marketings in the second half of the year, the beef production forecast is raised for 2022. The forecast for the 2022 beef production was raised to 27.165 billion pounds, up 165 million pounds from last month.

## Fed and Feeder Steer Prices Raised in 2022

This expansion in beef production was the result of an increase in the pace of slaughter likely supported by continued strength in packer demand. The average price for all grades of live steers sold in the 5-area marketing region for December was reported at \$139.36 per hundredweight (cwt), up 27.8 percent, or \$30.31, from December 2020. As the chart below shows, from August to December, the 2021 average 5-area market price exceeded the 2015-19 average steer price. During this period, the average 5-area steer price increased 12.0 percent, or \$14.91. The average fed steer price for the week ending January 9 was \$138.41 per cwt, up 24.4 percent, or \$27.14, from a year earlier. The 2022 first- and fourth-quarters forecasts for fed steers were increased by \$1.00 to \$139.00 and \$138.00 per cwt relative to last month, while the forecasts for the second and third quarters were raised by \$2.00 to \$1.36 and \$1.34 per cwt compared to a month ago. These increases in fed steer prices are based on expected continued strength in packer demand. The 2022 annual forecast was raised by \$1.50 to \$136.75 per cwt from a month ago.

### Monthly average 5-area market price

Dollars per cwt



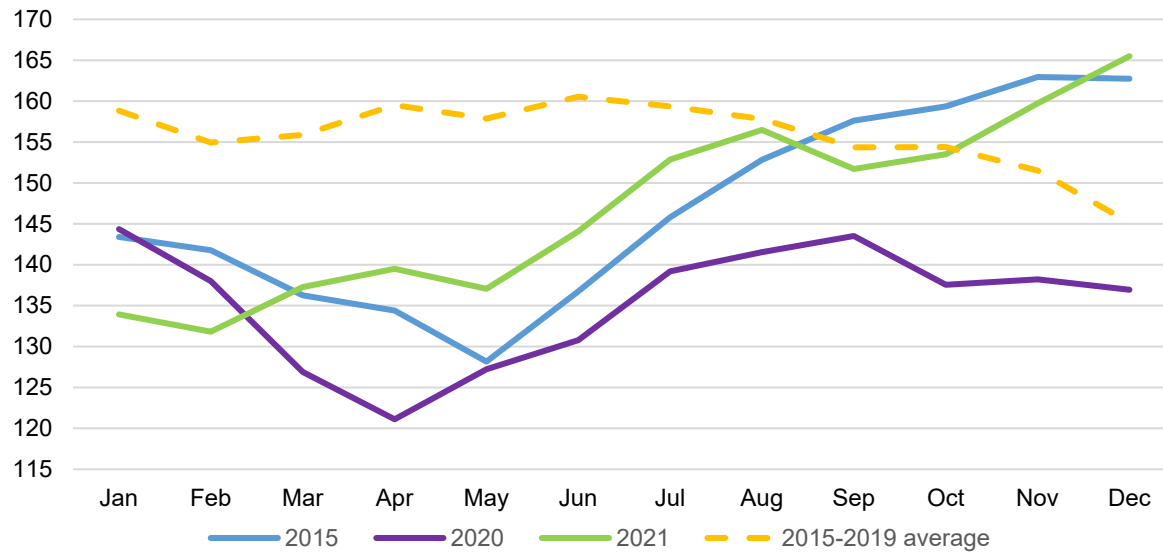
Note: cwt = hundredweight.

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

The 2021 average price for feeder steers weighing 750-800 pounds sold in the Oklahoma City National Stockyards was the highest since 2015. As illustrated in the chart below, the 2021 average feeder steer price was mainly on par with the 5-year average (2015–19) steer price from August through October but surged in November and December of 2021. The feeder steer price for the week ending January 10 was \$156.65 per cwt, up 14.2 percent, or \$19.13, from a year ago. Based on current price strength, the first- and third-quarter forecasts for feeder steers were raised by \$1.00 to \$159.00 and \$160.00 per cwt, respectively compared to last month, while the second-quarter forecast was increased by \$2.00 to \$156.00. As a result, the 2022 annual forecast was raised by \$1.00 to \$160.00 per cwt relative to last month.

## Monthly average feeder cattle price

Dollars per cwt



Note: cwt = hundredweight.

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

## Widespread Demand Extends U.S. Beef Export Record Pace

In November, U.S. beef exports were 298 million pounds, 8 percent above a year earlier and 15 percent above the 5-year average. Among major destinations, larger year-over-year shipments to China, South Korea, Japan, Canada, and Taiwan more than offset reduced exports to Hong Kong and Mexico. As a result, cumulative exports for January to November grew to 3.159 billion pounds, up 18 percent from a year ago and 19 percent above the 2016–20 average.

Further, year-to-date exports to other markets are up 21 percent, or 60 million pounds, from last year and 9 percent above the 5-year average. This suggests that demand for U.S. beef extends beyond major economies despite logistical issues, robust U.S. beef prices, and the global impact of the pandemic on hotels, restaurants, and institutional demands.

## U.S. beef exports: Volume, January-November 2020 and 2021

Country	Exports year-to-date				Export share	
	2020	2021	Year-over-year change		2020	2021
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
<b>Top 5 largest foreign markets</b>						
Japan	760.9	763.8	2.9	0.4	28.5	24.2
South Korea	617.5	728.0	110.5	17.9	23.2	23.0
China	91.9	491.2	399.3	434.7	3.4	15.5
Mexico	268.9	287.8	18.9	7.0	10.1	9.1
Canada	259.7	247.5	-12.2	-4.7	9.7	7.8
<b>World</b>	<b>2,666.2</b>	<b>3,159.1</b>	<b>492.9</b>	<b>18.5</b>	<b>100.0</b>	<b>100.0</b>
<b>Additional foreign markets of note</b>						
Taiwan	184.2	178.1	-6.1	-3.3	6.9	5.6
Hong Kong	198.4	118.4	-80.0	-40.3	7.4	3.7
Other markets	284.8	344.4	59.6	20.9	10.7	10.9

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.

Exports to China reached over 49 million pounds in November, and 491 million pounds year to date. Driven by China's demand for animal protein, U.S. beef exports to China through November were 399 million pounds above 2020. This represents 81 percent of the year-over-year net increase in cumulative exports through November.

U.S. beef shipments to South Korea set a record for the month of November. In addition, South Korea's aggregate beef imports from the world through November were also at their highest recorded levels. U.S. beef sales to Japan were 8 percent higher in November than last year, bringing year-to-date shipments 3 percent above 2020 levels, the first time this year cumulative imports exceeded 2020. U.S. exports to Mexico in November were down 37 percent from a year ago. Although year-to-date shipments to Mexico were up 7 percent from a year ago, they are down 20 percent from the 5-year average.

The estimate of beef exports in 2021 was unchanged from last month at 3.455 billion pounds, 17 percent over last year and 18 percent above the 5-year average. The 2022 beef export forecast was also unchanged at 3.270 billion pounds, a decline of about 5 percent year over year.

## Strong November Beef Imports Lift 2021 Estimate

Beef imports totaled 297 million pounds in November, up 27 percent year over year and 33 percent higher than the 5-year average. Total year-to-date imports through November were 2 percent behind the same period last year but 7 percent above the 5-year average.

November imports from Mexico, Brazil, New Zealand, and Argentina increased notably year over year. The United States imported 60 million pounds from Mexico, which was a record for the month of November and the eighth-largest overall. Brazil again set a record with 40 million pounds in November, a year-over-year increase of over 84 percent. Further, year-to-date imports from Brazil are up 58 percent year over year. November imports from Argentina increased by nearly 12 million pounds compared to last year, although year-to-date imports are down almost 12 percent from the same period last year.

Year-to-date imports from Canada and Brazil have increased markedly year over year. As the table below shows, import shares for Canada and Brazil have increased to 29 and 10 percent, respectively. The import share from Australia is down to 12 percent from 20 percent last year.

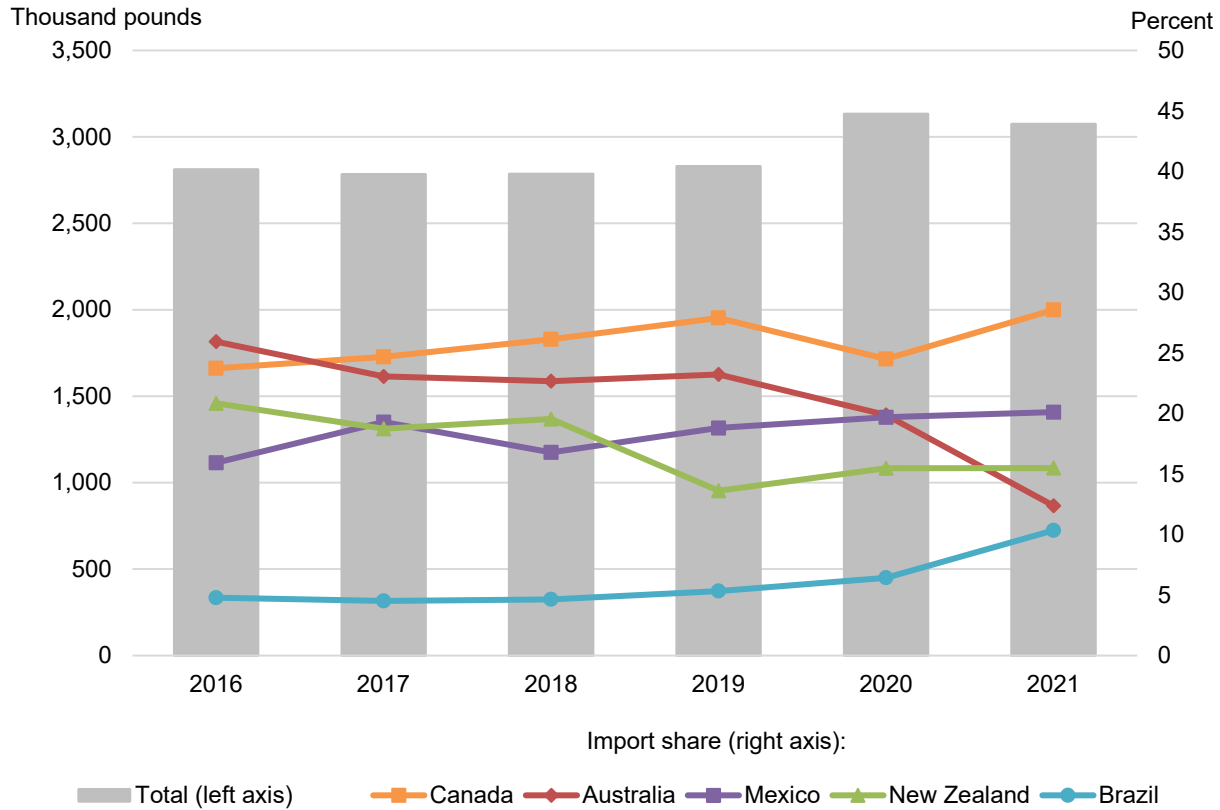
Country	Imports year-to-date				Import share	
	2020	2021	Year-over-year change		2020	2021
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
<b>Top 5 largest suppliers</b>						
Canada	767.5	878.1	110.6	14.4	24.5	28.6
Mexico	616.8	618.5	1.7	0.3	19.7	20.1
New Zealand	484.8	476.4	-8.3	-1.7	15.5	15.5
Australia	622.8	380.7	-242.0	-38.9	19.9	12.4
Brazil	201.3	318.0	116.7	58.0	6.4	10.3
<b>World</b>	<b>3132.2</b>	<b>3074.6</b>	<b>-57.6</b>	<b>-1.8</b>	<b>100.0</b>	<b>100.0</b>
<b>Additional suppliers of note</b>						
Nicaragua	176.9	173.4	-3.5	-2.0	5.6	5.6
Uruguay	137.5	123.2	-14.3	-10.4	4.4	4.0
Argentina	61.7	54.6	-7.1	-11.5	2.0	1.8

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

The chart below shows the import shares from the top five suppliers over the last 6 years. These imports from Australia are historically low. After a contraction in inventories due to drought, Australia has been experiencing nationwide cattle herd rebuilding, which has resulted in limited exportable supplies. Historically, Australia was one of the top-two suppliers of beef imports to the United States. So far this year, it has shipped 380 million pounds, outpaced by Canada, Mexico, and New Zealand.

Imports from Brazil have been increasing since February 2020 after the ban on fresh beef imports was lifted. This has resulted in significant growth in the share of imports originating from Brazil. Shares from Mexico and New Zealand have remained consistent with the previous year, while imports from Canada have been relatively strong in 2021.

## Year-to-date imports (January–November) and shares from top 5 suppliers



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

The fourth-quarter 2021 beef imports were increased by 40 million pounds to 870 million, based on current trade data showing stronger-than-expected imports. Annual imports for 2021 were increased to 3.355 billion pounds, slightly higher than 2020 annual imports and the fourth-largest annual import volume overall. The beef import forecast for 2022 was left unchanged at 3.265 billion, a year-over-year decrease of about 3 percent.



# Dairy

Jerry Cessna and Angel Teran

## Recent Wholesale Dairy Product Prices

From the week ending December 11 to the week ending January 8, all wholesale dairy product prices reported in the USDA *National Dairy Products Sales Report* (NDPSR) increased. Prices for butter, nonfat dry milk (NDM), and dry whey increased to \$2.3053 (+28.2 cents), \$1.6078 (+8.0 cents), and \$0.6723 (+4.2 cents) per pound, respectively. Cheddar cheese prices for 40-pound blocks and 500-pound barrels (adjusted to 38 percent moisture) increased to \$1.9263 (+7.4 cents) and \$1.7049 (+12.1 cents) per pound, respectively.

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

	For the week ending		Change
	December 11	January 8	
Butter	2.0236	2.3053	0.2817
Cheddar cheese			
40-pound blocks	1.8526	1.9263	0.0737
500-pound barrels*	1.5837	1.7049	0.1212
Nonfat dry milk	1.5277	1.6078	0.0801
Dry whey	0.6308	0.6723	0.0415

\*Adjusted to 38-percent moisture.

Source: USDA, Agricultural Marketing Service, *National Dairy Products Sales Report*, January 12, 2022.

Recent dairy product spot prices reported by the Chicago Mercantile Exchange (CME) have been relatively high. From the trading week<sup>1</sup> ending December 3 to the trading week ending January 14, the weekly average butter price skyrocketed from \$1.9850 to \$2.7930 per pound. Weekly average NDM prices for the latter part of December and the first half of January were the highest since 2014; the NDM price was \$1.7635 per pound for the trading week ending January 14. The dry whey price for the week ending January 14 was \$0.7645 per pound, a record high for the series, which began with CME's launch of the market in March 2018. Prices for 40-pound blocks and 500-pound barrels of Cheddar cheese have also increased in recent weeks; the prices were \$2.0025 and \$1.8905 per pound, respectively, for the trading week ending January 14.

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

## Butter spot price, Chicago Mercantile Exchange (CME) (weekly averages)

Dollars per pound



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

Almost all of the Oceania and Western Europe average export prices reported by USDA *Dairy Market News* rose substantially from November to December. The exception was the Oceania export price for whole milk powder, which declined slightly.

### Wholesale dairy product prices for Oceania and Western Europe

(dollars per pound)

Product	Region	November 2021	December 2021	Change
Butter	Oceania	2.5578	2.6440	0.0862
	Western Europe	2.7578	2.8721	0.1143
Cheddar cheese	Oceania	2.2829	2.3832	0.1002
Skim milk powder	Oceania	1.6343	1.6933	0.0590
	Western Europe	1.5853	1.7055	0.1202
Dry whey	Western Europe	0.5747	0.6001	0.0254
Whole milk powder	Oceania	1.7912	1.7862	-0.0050
	Western Europe	2.0230	2.1251	0.1021

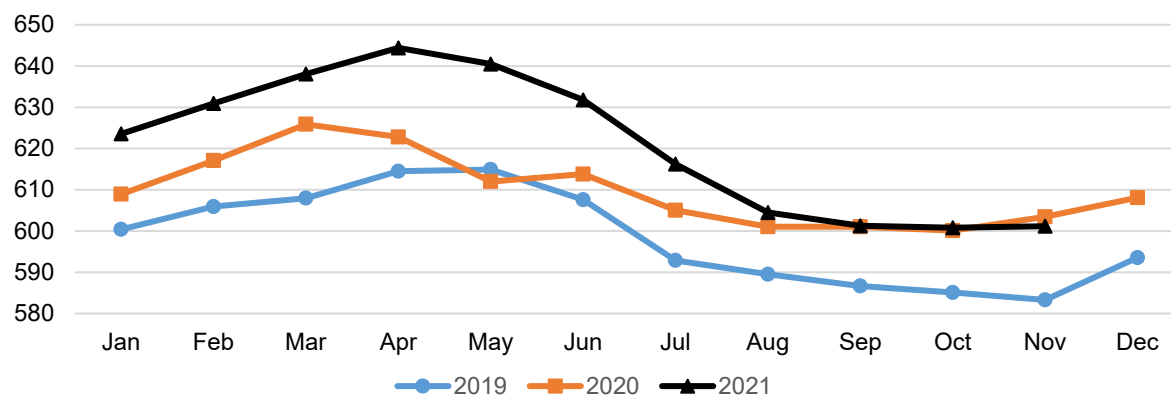
Source: USDA, Agricultural Marketing Service, *Dairy Market News*.

## Recent Dairy Supply and Use Data

In the most recent *Milk Production* report published by USDA, National Agricultural Statistics Service (NASS), the estimate for November U.S. milk production was 18.035 billion pounds (601.2 million per day), down 0.4 percent from November 2020. This was the first year-over-year decline in daily milk production since May 2020, when pandemic-related market disruptions caused many milk handlers to set terms limiting milk production. NASS estimates that the number of milk cows in November was 9.385 million head, 10,000 lower than October and 47,000 lower than November 2020. The milk per cow estimate for November was 1,922 pounds, 3 pounds above November 2020.

## U.S. milk production

Million pounds  
per day



Source: USDA, National Agricultural Statistics Service.

In November, dairy product exports were robust. On a milk-fat milk-equivalent basis, they totaled 900 million pounds, 259 million higher than November 2020. On a skim-solids milk-equivalent basis, they totaled 4.244 billion pounds, 605 million higher than November 2020. Notably, exports of dry skim milk products<sup>2</sup> totaled 168.5 million pounds in November, 33.3 million higher than November 2020.

Dairy imports were relatively strong in November. They totaled 576 million pounds on a milk-fat basis, 105 million higher than November 2020. On a skim-solids basis, November imports totaled 556 million pounds, 121 million above November 2020. Imports of butter totaled 8.8 million pounds, 4.8 million higher than November 2020. Cheese imports in November totaled 35.4 million pounds, 7.1 million higher than November 2020.

For the 3 months from September through November 2021, domestic use on a milk-fat basis totaled 57.548 billion pounds, 355 million pounds below the same months of 2020. While the September and October monthly totals were 583 million and 193 million pounds lower than the same months of the previous year, the November monthly total was 421 million pounds above November 2020.

On a skim-solids basis, the September-through-November total for domestic use was 44.877 billion pounds, 152 million pounds below the same months of 2020. The September monthly total was 861 million pounds lower than September 2020, but the October and November monthly totals were above the same months of the previous year by 567 million and 143 million pounds, respectively.

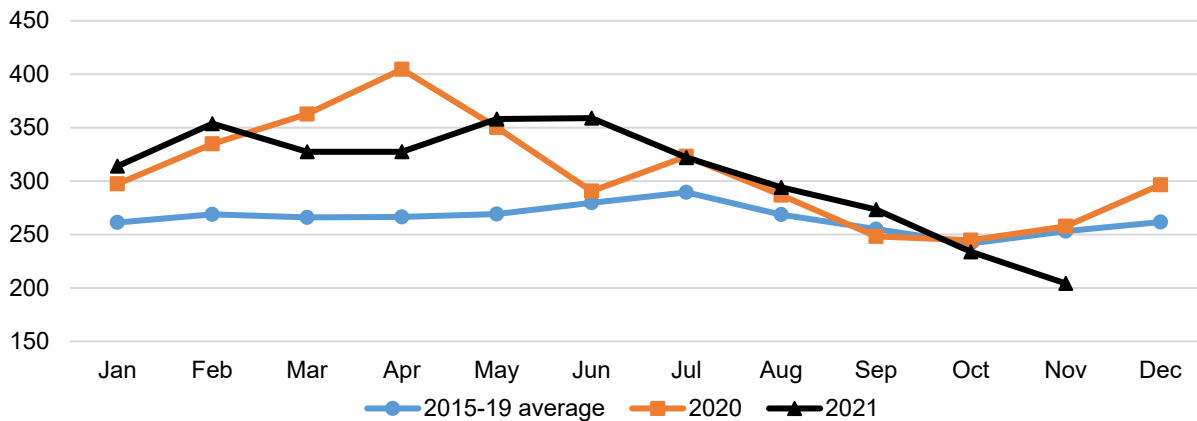
November ending stocks on a milk-fat basis totaled 14.550 billion pounds, 339 million lower than November 2020. On a skim-solids basis, ending stocks totaled 10.116 billion pounds at the end of November, 40 million lower than November 2020. Notably, November ending stocks of butter totaled 211.8 million pounds, 40.0 million lower than November 2020. November ending stocks of dry skim milk products<sup>3</sup> totaled 204.2 million pounds, 53.5 million lower than November 2020.

<sup>2</sup> Dry skim milk products include nonfat dry milk, skim milk powder, and dry skim milk for animal use.

<sup>3</sup> For stocks, dry skim milk products include nonfat dry milk and dry skim milk for animal use. Skim milk powder is not included because data are not available.

## Ending stocks of dry skim milk products\*

Million pounds



\* Dry skim milk products include nonfat dry milk and dry skim milk for animal use.  
Source: USDA, National Agricultural Statistics Service.

## Dairy Margin Coverage Signup

Signup for the Dairy Margin Coverage (DMC) program began on December 13, 2021, and it will continue until February 18, 2022. USDA has expanded the program to allow dairy producers to better protect their operations by enrolling supplemental production. USDA is also changing the DMC feed cost formula to calculate payments using 100 percent premium alfalfa hay rather than 50 percent. For more information, see the USDA, Farm Service Agency, Dairy Margin Coverage web page.

## Panel Report Concerning Dairy Trade Dispute with Canada

On January 4, United States Trade Representative (USTR) Katherine Tai announced that the United States prevailed in a dispute settlement panel brought by the United States under the United States-Mexico-Canada Agreement (USMCA). USTR had challenged Canada's allocation of dairy tariff rate quotas (TRQs)<sup>4</sup> under USMCA. Canada has set aside and reserved percentages of the TRQs for its domestic processors. According to USTR, this is contrary to Canada's USMCA commitments, limiting U.S. access to negotiated in-quota quantities. In a final report dated December 20, a USMCA panel agreed with the United States that Canada's allocation of dairy TRQs is inconsistent with the trade agreement. Under USMCA rules, Canada has 45 days from the date of the final report to comply with the Panel's findings. For more information, see the USTR website.

## International Outlook for Dairy

The December publication of *Dairy: World Markets and Trade*, by USDA, Foreign Agricultural Service (FAS), projects that milk production for the top five major exporters will total 647.1 billion pounds in 2022, a modest increase of 0.7 percent from the total expected for 2021. Milk production totals for the European Union (EU) and New Zealand are expected to grow by 0.7 percent and 0.5 percent, respectively.

<sup>4</sup> A tariff-rate quota applies a preferential rate of duty to an "in-quota" quantity of imports and a different rate to imports above that in-quota quantity.

### Milk production forecasts for major dairy exporters (in billions of pounds)

	2021 expected	2022 forecast	Change	Percent change
Argentina	26.2	26.7	0.4	1.7
Australia	19.8	20.1	0.2	1.1
European Union*	321.2	323.4	2.2	0.7
New Zealand	48.9	49.2	0.2	0.5
United States	226.2	227.7	1.5	0.7
Major exporter total	642.4	647.1	4.6	0.7

Totals may not add precisely due to rounding.

Source: USDA, Foreign Agricultural Service.

The FAS report points out that the U.S. market share of global trade in skim milk powder (SMP) has increased in recent years. Since 2014, the EU has been the dominant supplier. However, U.S. SMP exports for 2021 are expected to exceed EU shipments, making up 41 percent of the total SMP exports of the top four SMP suppliers (United States, EU, New Zealand, and Australia). The increase in U.S. market share is expected to continue in 2022.

## Outlook for Feed Prices

The 2021/22 corn price projection is \$5.45 per bushel, unchanged from last month's forecast. The 2021/22 price projection for soybean meal is \$375 per short ton, \$45 higher than last month's forecast.<sup>5</sup> For more information, see *Feed Outlook*, published by USDA, Economic Research Service. The alfalfa hay price in November was \$210 per short ton, \$3 lower than October but \$46 higher than November 2020. The 5-State weighted-average price for premium alfalfa hay in November was \$246 per short ton, \$1 lower than October but \$46 higher than October 2020.

## Dairy Estimates for 2021

Based on recent milk production data, the estimated number of cows for the last quarter of 2021 (2021–Q4) has been reduced by 10,000 head to 9.385 million head. The yield per cow estimate for 2021–Q4 has been increased by 5 pounds per cow to 5,905 pounds per head. The milk production estimate for 2021 is 226.2 billion pounds, unchanged from last month's forecast.

Dairy export estimates are robust for 2021–Q4. On a milk-fat basis, the 2021–Q4 estimate is 2.9 billion pounds, and the estimate for the 2021 annual total is 11.7 billion pounds, 0.1 billion lower than last month's forecast. On a skim-solids basis, the 2021–Q4 estimate has been raised to 12.2 billion pounds, and the estimate for 2021 has been raised to 51.6 billion pounds (+0.1 billion). Expectations are higher for exports of dry skim milk products.

Dairy imports for 2021–Q4 are estimated higher than last month's forecast. On a milk-fat basis, 2021–Q4 expected imports have been raised to 1.8 billion pounds, and the annual estimate is 6.7 billion pounds, 0.2 billion higher than last month's forecast. On a skim-solids basis, 2021–Q4 imports are estimated at 1.5 billion pounds, and the annual estimate is 5.8 billion (+0.1 billion). Expectations are higher for imports of cheese, butterfat products,<sup>6</sup> and milk protein products.<sup>7</sup>

<sup>5</sup> The marketing year begins September 1 for corn and October 1 for soybean meal.

<sup>6</sup> Butterfat products include butter, anhydrous milk fat, butteroil, and high-fat dairy spreads.

<sup>7</sup> Milk protein products include milk protein concentrate and casein products.

On a milk-fat basis, the 2021–Q4 forecast is 57.3 billion pounds, and the annual estimate is 221.0 billion pounds (+0.1 billion). On a skim-solids basis, the estimate for 2021–Q4 domestic use is 45.3 billion pounds, and the annual estimate is 179.8 billion pounds (+0.5 billion).

While dairy supply and use data are not yet available for December, complete 2021 price data are available with the exception of the all-milk price. For the year, average prices for Cheddar cheese, dry whey, butter, and NDM were \$1.6755, \$0.5744, \$1.7325, and \$1.2693 per pound, respectively. The Class III and IV milk prices averaged \$17.08 and \$16.09 per hundredweight (cwt), respectively. The all-milk price estimate for 2021–Q4 is \$20.60 per cwt, \$0.15 higher than last month's forecast. The annual all-milk price estimate for 2021 is \$18.65 per cwt, \$0.05 higher than last month's forecast.

## Dairy Forecasts for 2022

The number of milk cows is projected to continue decreasing in the first part of 2022. For the first half of the year, milk cows are projected to average 9.380 million head. However, in the second half of the year, they are projected to increase to 9.385 million head. The estimated number of cows for the year 2022 is 9.385 million head (rounded up to the nearest 5,000 head), unchanged from last month's projection. In 2022, average yield per cow is projected to be 24,265 pounds, unchanged from last month's projection. The milk production forecast for 2022 remains unchanged at 227.7 billion pounds.

Dairy export projections for 2022 have been lowered from the previous month's forecast. Foreign buyers may temper purchases in response to higher prices. Furthermore, if U.S. prices are higher relative to foreign export prices, this may reduce some of the expected U.S. price-competitive advantage. On a milk-fat basis, the dairy export forecast for 2022 is 11.2 billion pounds, 0.3 billion lower than last month's forecast. On a skim-solids basis, the 2022 dairy export forecast has been lowered 0.2 billion pounds to 51.8 billion. Expectations for exports of butterfat products, cheese, and dry skim milk products are lower than last month.

Due to recent strength in imports and higher anticipated domestic dairy product prices, 2022 dairy import forecasts are higher than last month's projections. On a milk-fat basis, the forecast for 2022 imports has been raised to 6.8 billion pounds (+0.3 billion). On a skim-solids basis, the forecast is 5.6 billion pounds (+0.1 billion). Higher imports are expected for cheese and butterfat products.

Projections for domestic demand in 2022 have been raised from last month's forecasts. The projection for 2022 domestic use on a milk-fat basis is 222.4 billion pounds (+0.6 billion). On a skim-solids basis, the forecast for domestic use is 180.3 billion pounds (+0.2 billion).

Due to the recent increase in dairy product prices, stronger expected demand, and expectations for only a modest increase in the global milk supply, price forecasts for 2022 have been raised for Cheddar cheese, dry whey, butter, and NDM to \$1.875 (+10.0 cents), \$0.645 (+7.0 cents), \$2.300 (+36.0 cents), and \$1.550 (+4.0 cents) per pound, respectively. With higher dairy product prices expected across the board, Class III and IV milk price forecasts for 2022 have been raised to \$19.65 per cwt (+\$1.50) and \$20.90 per cwt (+\$1.90), respectively. The all-milk price forecast for 2022 is \$22.60 per cwt, \$1.85 higher than last month's forecast.

# Pork/Hogs

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Mildred Haley

## December *Hogs and Pigs* Sketches a Production Path and Three Take-Aways for 2022

The December issue of the *Quarterly Hogs and Pigs* series represents the first report of the new hog “crop” year.<sup>8</sup> The December report provides new information on the September-November pig crop, which, when combined with past data on the June-August pig crop, gives strong indications about slaughter hog supplies for the first half of 2022. Further, the December report publishes a second set of producers’ farrowing intentions for the December-February 2022 quarter and a first set of intentions for the March-May quarter. These first-half 2022 farrowings supply slaughter hogs in the second half of 2022. Thus, information in the December *Hogs and Pigs* report effectively sketches a production path for the 2022 calendar year. In addition to data relating directly to production, the data in the quarterly report issued by USDA on December 23, 2021, suggest three “take-aways” concerning the breeding inventory, litter rates, and pig crops that may point to where the U.S. hog industry is headed in 2022.

The first take-away is that the recent contraction in the productive capacity of the U.S. hog industry, i.e, in the breeding inventory, may be over. After six consecutive quarters of year-over-year reductions, the data in the report showed a small year-over-year increase in the December 2021 inventory, the first since June 2020. The December 1 breeding inventory, reported at 6.2 million head, was 0.06 percent larger than the December 2020 inventory. Additional year-over-year quarterly increases will be necessary, however, to establish a new expansionary trend.

A second take-away from the December report is that, in the absence of disease, litter rates will likely continue to grow and even to establish new records. After having slowed significantly between March 2020 and June 2021, the September-November litter rate scored an all-time record of 11.19 pigs per litter. As the industry moves into winter, however, disease risk is the factor most likely to mitigate continued litter-rate growth.

The third take-away from the December report is the strong likelihood that fewer hogs will be available for processing in 2022. With assumptions for moderate litter rate growth and steady-to-slightly-higher average dressed weights, 2022 pork production is likely to be slightly lower compared with 2021. Data in the report suggest that expected year-over year larger first-half 2022 pig crops—December-February and March-May—will not be sufficient to offset smaller second-half 2021 pig crops—June-August and September-November. This means that expected increases in second-half 2022 pork production will likely not be sufficient to offset year-over-year reductions in the first half of this year. Pork production in 2022 is expected to be about 1 percent below production in 2021.

## Bottom Line for 2022 Pork Production: Slightly Lower Production and Lower Hog Prices

A year-over-year lower summer pig crop—June-August (-6 percent)—points to pork production of about 7 billion pounds in the first quarter of 2022, down almost 4 percent from a year ago. Live equivalent prices of 51-52 percent lean hogs are likely to average \$61 per cwt, more than 9 percent above same-

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<sup>8</sup> The hog year is comprised of four quarters: December-February, March-May, June-August, and September-November.

period prices in 2021. In the second quarter pork production is expected to be about 6.5 billion pounds, down about 2 percent from a year earlier. This forecast is based on the lower fall pig crop—September-November (-3.6 percent)—reported in the December *Quarterly* report. Live hog prices are expected to average \$65 per cwt, down almost 20 percent from a year ago, a period when record wholesale pork values supported hog prices.

If hog producers follow through on their stated intentions—December-February (unchanged from a year ago), and March-May (-1 percent), then farrowings in the December-May period of this year would be roughly equivalent to those of the first half of 2021. With assumptions of trend growth for litter rates and seasonal increases for average dressed weights, pork production in the third quarter is likely to be about 6.8 billion pounds (+3.5 percent year over year) and 7.2 billion pounds (+0.1 percent year over year) in the fourth quarter. Pork production forecasts for 2022 total about 27.5 billion pounds, down 0.6 percent from production in 2021.

Second-half 2022 hog prices (live equivalent, 51-52 percent lean) are expected to average \$60 per cwt in the third quarter (-21.2 percent, year over year), and \$55 per cwt (-2.4 percent, year over year). Quarterly prices for 2022 average to \$60.25 per cwt, about 10 percent below prices in 2021.

## November Pork Exports Lower, Due Mostly to China's Reduced Demand for U.S. Pork

U.S. pork exports were 580 million pounds in November, more than 8 percent lower than a year ago, due largely to China's reduced demand for U.S. pork. Shipments to China\Hong Kong totaled 47 million pounds, 72 percent lower than shipments in November 2021. As was the case in October, shipments to Mexico and other Western Hemisphere nations were particularly strong in November: exports to Mexico were 43 percent larger than a year earlier, shipments to Caribbean nations were 57 percent ahead of November 2021, and exports to Central and South American nations combined were 38 percent higher than a year ago. However, strong Western Hemisphere shipments were unable to offset the significant year-over-year shortfall in export volumes to China\Hong Kong.



U.S. pork exports: Volumes and export shares of the 10 largest foreign destinations in November 2020 and 2021					
Country	Exports November 2020 (Million pounds)	Exports November 2021 (Million pounds)	Percent change (2021/2020)	Export share November 2020 Percent	Export share November 2021 Percent
World	633	580	-8.2		
Mexico	151	215	43	24	37
Japan	107	100	-7	17	17
Canada	51	52	1	8	9
China\Hong Kong	171	47	-72	27	8
South Korea	35	42	20	6	7
Colombia	20	42	105	3	7
Dominican Republic	11	18	69	2	3
Honduras	13	15	22	2	3
Guatemala	6	7	17	1	1
Australia	18	7	-64	3	1
Source: USDA, Economic Research Service.					

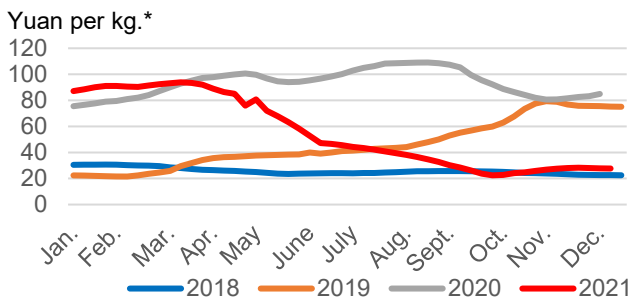
## Chinese Data for 2021 Show Reduced Pork Import Demand as Hog and Pork Prices Decline

Chinese customs data show that January-November 2021 pork imports declined almost 12 percent year over year. A breakdown of imports by exporting country show that Western Hemisphere nations accounted for the lion's share of the reduction from the decline: Chinese imports of U.S. pork declined by almost 41 percent compared to the same period a year earlier. China's imports from Canada and Mexico were lower by almost 38 percent, and 27 percent, respectively. Despite lower January-November imports, China imported increased volumes of pork from European Union member nations—especially Spain (+32 percent), and the Netherlands (+16 percent).

China pork imports from all sources: Cumulative volumes and import shares, January-November 2020 and 2021*					
Country	Imports Jan.-Nov. 2020 (Thousand metric tons)	Exports Jan.-Nov. 2021 (Thousand metric tons)	Percent change (2021/2020)	Export share Jan.-Nov. 2020 Percent	Export share Jan.-Nov. 2021 Percent
World	3,871	3,412	-11.9		
Spain	792	1,049	32.4	20	31
Brazil	433	510	17.7	11	15
United States	651	386	-40.7	17	11
Denmark	327	333	1.7	8	10
Netherlands	229	267	16.2	6	8
Canada	367	229	-37.5	9	7
Other Latin America**	168	151	-9.9	4	4
France	110	147	33.2	3	4
United Kingdom	105	93	-11.6	3	3
Mexico	92	68	-26.5	2	2
Ireland	58	65	12.2	1	2
Austria	33	43	32.1	1	1
Italy	13	25	100.0	0.3	1
Portugal	17	24	38.3	0.4	1
Finland	16	19	15.4	0.4	1
Germany	458	2	-99.5	12	0.1
Switzerland	1	1	18.1	0.02	0.03
*Data are in product-weight equivalents.					
**Other Latin America = Chile + Argentina + Costa Rica.					
Source: China Customs Statistics.					

Lower 2021 pork import volumes are consistent with Chinese Government price data for piglets, hogs, and pork. Prices in 2021 show relatively strong, consistent downward trends in each series into the third quarter of the year. Prices of piglets began 2021 at 87.11 yuan per kilogram (kg) in the first week of January and ended the year at 27.66 yuan per kg, for a decline of more than 68 percent. Hogs began the year at 33.63 yuan per kg and ended the year at 16.92 yuan per kg, a decline of almost 53 percent. Pork prices declined more than 48 percent in 2021, from 52.99 yuan per kg. in early January to 27.82 in late December. Persistent price weakness for piglets, hogs, and pork indicates that 2021 domestic supplies of pork were likely more than adequate, suggesting a continuous rebound from production problems caused by African Swine Fever (ASF).

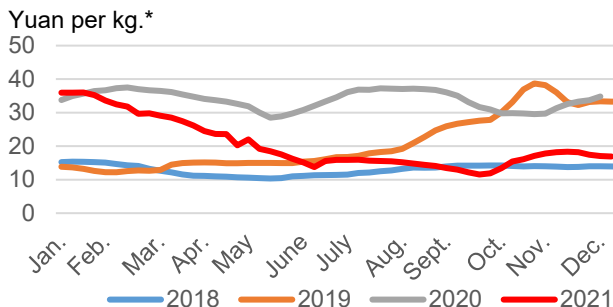
### China: Weekly piglet prices



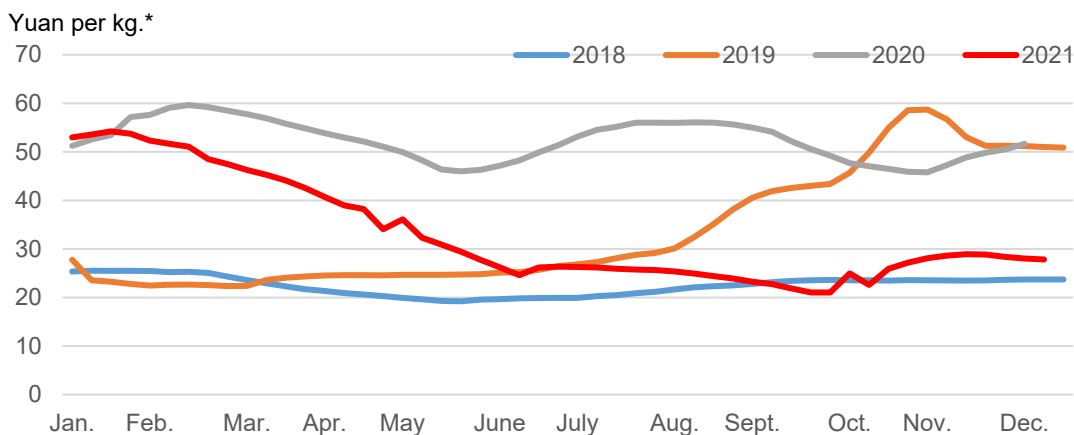
\*kg. = kilogram.

Source: China Ministry of Agriculture.

### China: Weekly pig prices



### China: Weekly pork prices



\*kg. = kilogram.

Source: China Ministry of Agriculture.

A further indication that the Chinese pork sector’s rebound from ASF may be gaining traction—with expectations that recovery will continue into 2022—was the Chinese Government’s announcement in December 2021 that import tariffs that had been lowered in 2020 on some pork products, when ASF sharply reduced domestic production, would be restored to established MFN (Most Favored Nation) rates beginning on January 1, 2022.<sup>9</sup>

On January 12, 2022, the Foreign Agriculture Service (FAS) of USDA updated its *Production, Supply and Distribution* (PS&D) database for major trading countries. Production and supply data for China were updated to reflect revised outlook and expectations for pork production and trade for 2022. Details are available in the *World Markets and Trade Report*, also released by FAS on January 12. To summarize major expectations for 2022, Chinese pork production is likely to increase more than 1 percent to 49.5 million metric tons (mmt). Pork imports in 2022 are expected to decrease almost 5 percent to 4.2 mmt. It is notable that this import forecast is almost 3 times higher than China’s pork imports before the onset of ASF in 2018.

<sup>9</sup> “China’s Annual Tariff Adjustment Increases Pork to MFN Lowers Wood Fishery Rates”. Global Agricultural Informational Network, Foreign Agricultural Service, U.S. Department of Agriculture, Report Number: CH2021-0169, December 22, 2021.

## 2022 U.S. Quarterly Export Forecasts Reduced on China's Revised 2022 Import Prospects

Consistent with USDA forecasts for China's 2022 pork imports and January-November 2021 evidence of a declining U.S. share of Chinese imports, quarterly U.S. export forecasts are revised lower for 2022 as follows: exports in the first quarter are expected to be 1.67 billion pounds, more than 13.3 percent lower than a year earlier. Second-quarter exports are forecast at 1.74 billion pounds, 8.8 percent below the same period of 2021. Third-quarter exports are expected to be 1.65 billion pounds, 6.9 percent above the same period a year earlier, and the fourth quarter is forecast at 1.94 billion pounds, about 13.5 percent higher than in the fourth quarter of 2021. For 2022, U.S. pork export forecasts total to 7 billion pounds, 1.2 percent below 2021.

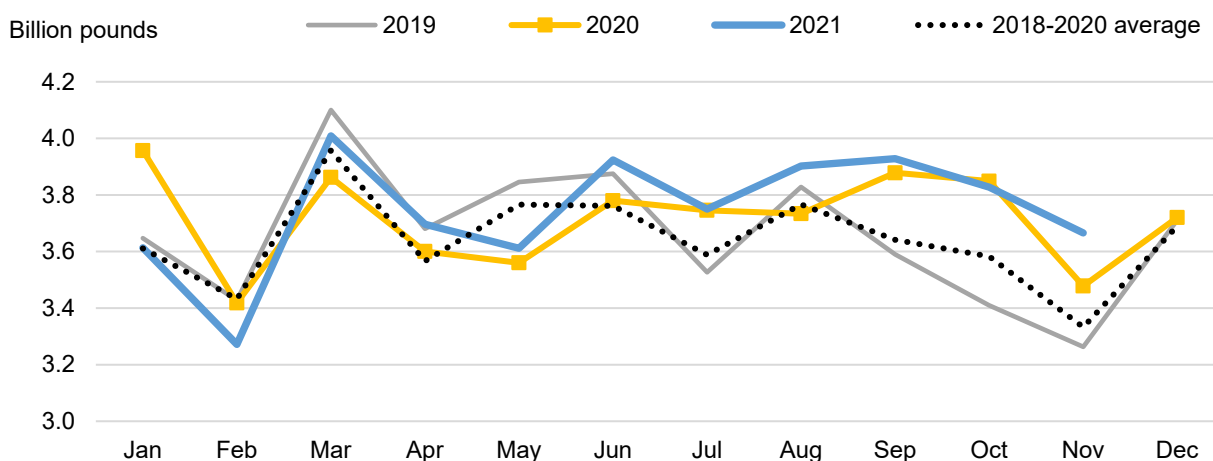
# Poultry

Grace Grossen, Adriana Valcu-Lisman, and Margaret Cornelius

## Broiler Production Forecasts Increased on Strong November

November broiler production totaled 3.666 billion pounds, a year-over-year increase of 5 percent. While slaughter per day was fractionally lower than last year, 1-percent heavier bird weights and an extra slaughter day in November 2021 boosted production. Fourth-quarter broiler production was increased by 150 million pounds to 11.175 billion pounds. This would bring 2021 production to 44.88 billion pounds, a year-over-year increase of 1 percent. The production forecast was also increased by 100 million pounds in the first quarter of 2022. This makes the 2022 total forecast 45.6 billion pounds, a 2-percent increase from 2021.

### Monthly broiler production

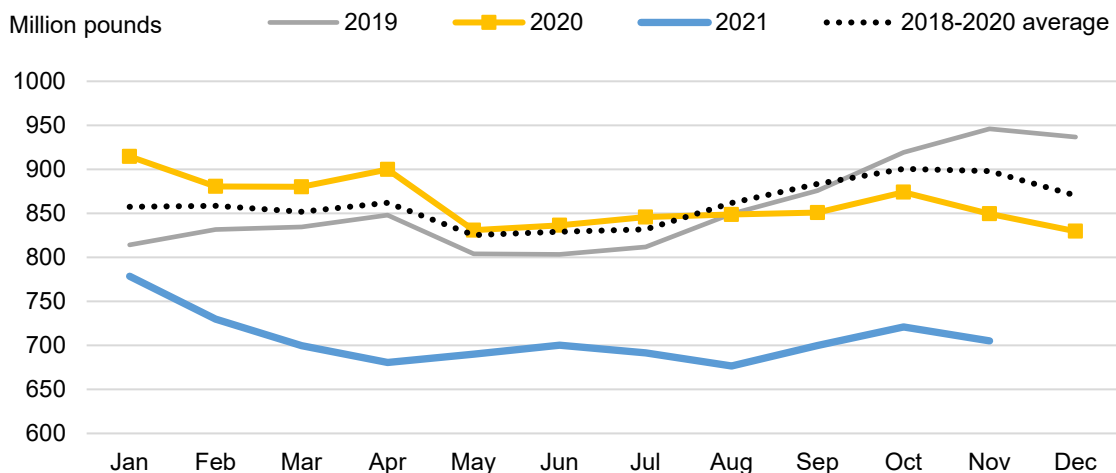


USDA, National Agricultural Statistics Service.

Source:

Broiler meat in cold storage fell in November, ending the month at 705 million pounds. This is 17 percent below the same time a year ago, though this low level of cold storage has been typical in 2021, in spite of increased production. It is possible cold storage levels could remain near these levels during the coming months. The 2021 ending stocks projection for broiler meat was lowered to 750 million pounds.

## Broiler meat in cold storage at the end of the month



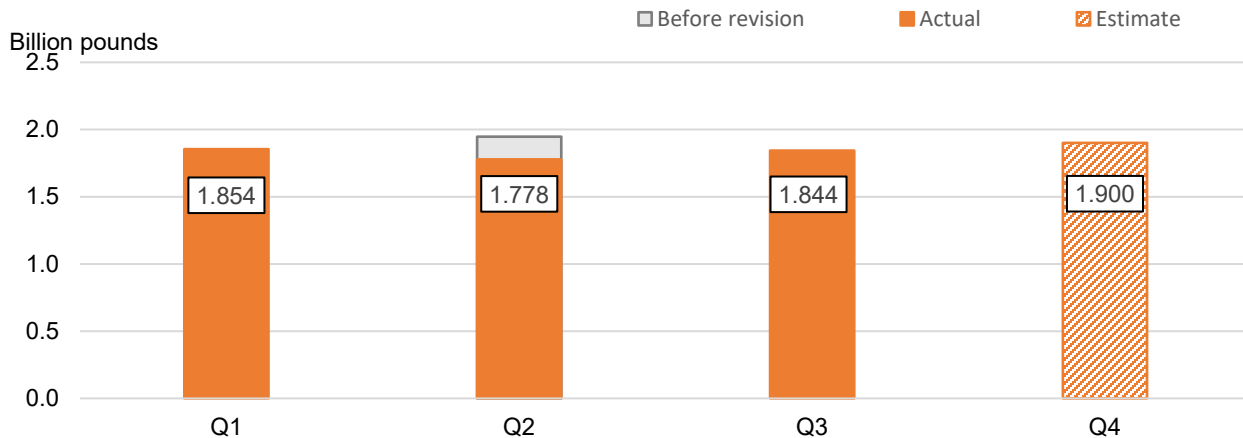
Source: USDA, National Agricultural Statistics Service.

## Broiler Exports Revised Down in Second-Quarter 2021; 2022 Forecast Lowered

In December, the U.S. Bureau of the Census made a major correction to broiler exports for 2021: the second-quarter total was revised down to 1.778 billion pounds. The corrected value is shown in the solid orange bars on the chart, while the previous value for the second quarter is shown in grey. November broiler exports totaled 618.8 million pounds, a year-over-year decrease of 4 percent from last November. Mexico accounted for 20 percent of the November shipments. The fourth-quarter forecast is unchanged at 1.9 billion pounds. The revision brings the projected total for 2021 broiler exports to 7.376 billion pounds, essentially flat from 2020. This would represent 16 percent of projected total production in 2021.

The 2022 broiler export forecast was revised down by 50 million pounds to 7.45 billion pounds, reflecting slower expected growth to a number of markets. This would be a 1-percent increase from 2021 and represent 16 percent of projected 2021 production.

## 2021 Quarterly broiler exports

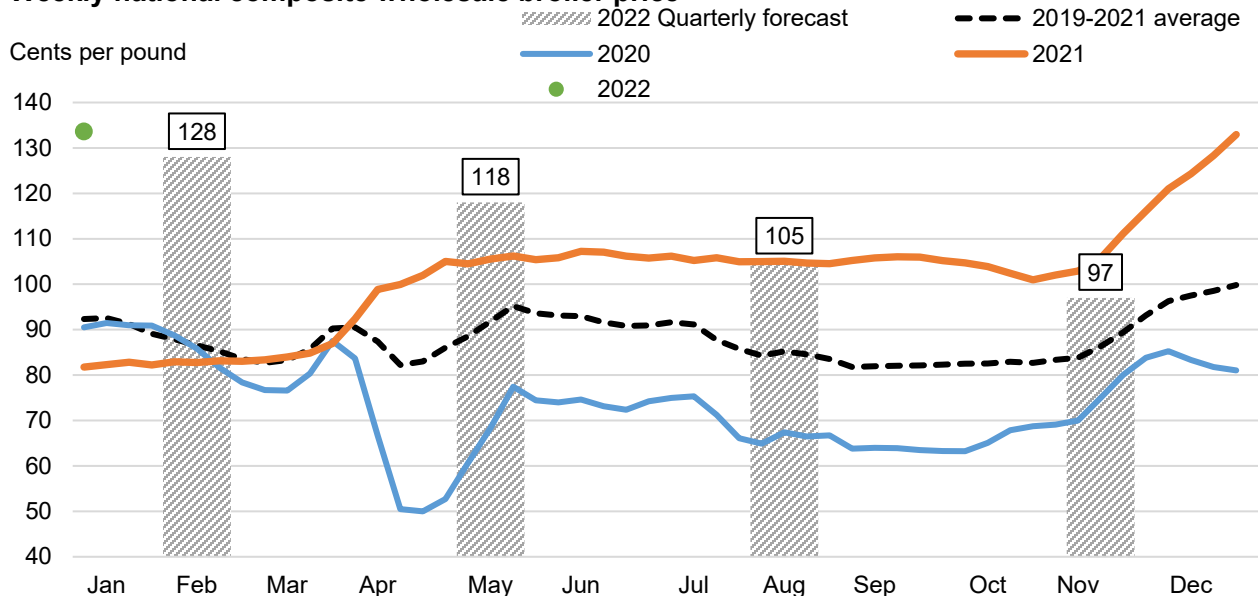


Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

## Broiler Price Forecasts Increased in 2022

National composite wholesale broiler prices continue to climb. December's average price was 124.39 cents per pound, making the fourth-quarter average 110.9 cents per pound. Weekly prices have increased since the first week of November. In the first week of 2022, prices averaged 133.63 cents per pound, a new high. The 2022 quarterly price forecasts were adjusted to 120 cents per pound in the first quarter, 115 cents in the second quarter, 105 cents in the third quarter, and 97 cents in the fourth quarter. This yields an annual average forecast of 112 cents per pound for 2022, 11 cents above the 2021 average.

### Weekly national composite wholesale broiler price



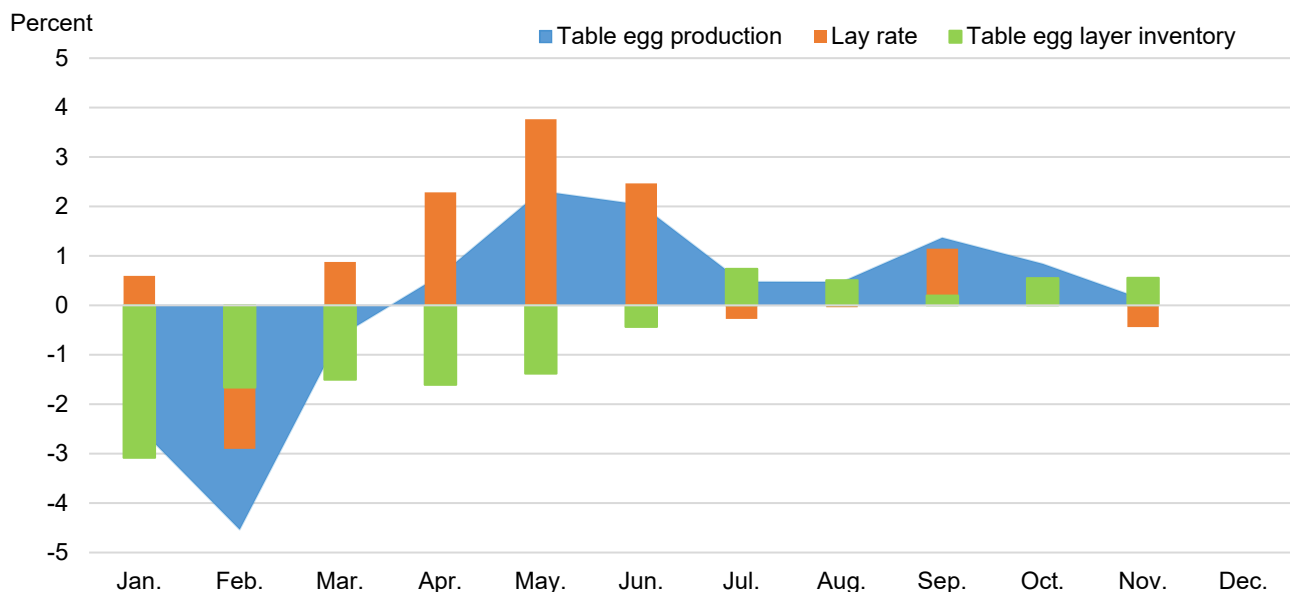
Source: USDA, Agricultural Marketing Service.

## Fourth-Quarter Table Egg Production Revised Down

The table egg laying flock in November was 327.3 million hens, 0.6 percent above November 2020. The lay rate per 100 layers was 82.8 eggs per day, fractionally lower than the prior year. Table egg production for November was estimated at 677.4 million eggs, almost unchanged from the year-ago levels. Data for December 1 estimates that the size of the table egg flock was above 2020 levels while the lay rate was below them.

Monthly 2021 table egg production has been above the previous-year levels since April. However, the 2020 table egg production levels in the first 3 months were trending high due to a historically larger layer flock at the conclusion of 2019. April-to-June 2021 year-over-year increases in production were supported by increases in the lay rates (productivity) that compensated for smaller flock sizes (see chart). Starting in July, year-over-year increases in production were supported by higher flock sizes that either compensated for slightly lower productivity rates (July, August, and November) or were aided by higher productivity rates (September, October). However, these year-over-year monthly increases are expected to be insufficient to offset early-year declines, and 2021 table egg production is expected to be just above 2020 levels.

### Year-over-year percent change in monthly table egg production, average table egg layer inventory, and average lay rate, 2021/2020



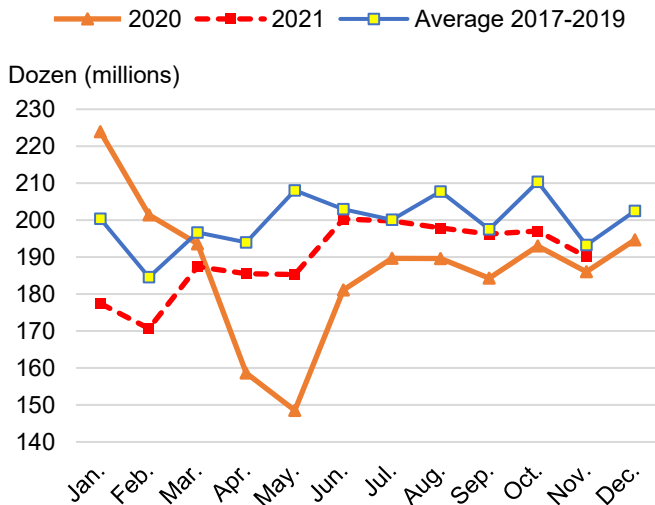
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.

Based on recent production data, the fourth-quarter 2021 estimate of table egg production was revised down to 2,075 million dozen eggs. The 2021 table egg production is expected to be about 8,068 million dozen, just above year-ago levels. Higher feed, costs together with recent hatching data (table egg type in incubators and egg-type hatched) may hamper production growth in 2022. Table egg production for 2022 is forecast at 8,185 million dozen, 1.4-percent above 2021 but still below the 2019 record-high level.

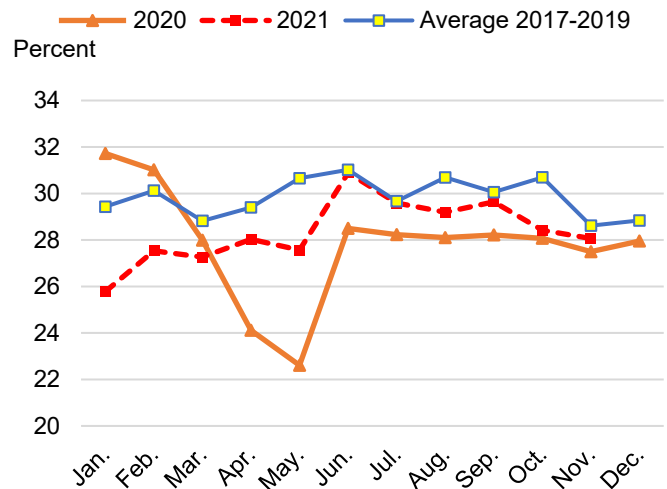
January-to-November 2021 egg product production totaled 2,087.7 million dozen, less than a 2-percent year-over-year increase. The monthly shares of egg products to table egg production were highly comparable with 2019 in June and July and then decreased slightly in the second part of the year (see the two following charts). Despite the overall increases throughout the year, the share of eggs processed are still below the historical averages.



### Federally inspected shell broken eggs



### Federally inspected shell eggs broken as percentage share of table egg production

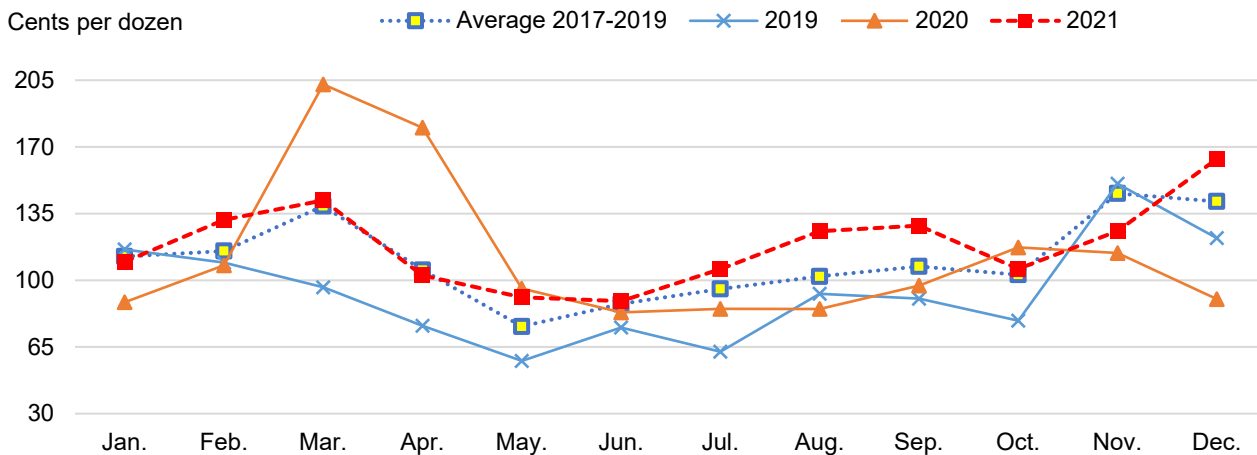


Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.

## Egg Prices Declined After Surging in December

December wholesale shell-egg prices (New York, Grade A Large) averaged 163.7 cents per dozen. This represented an 81.7-percent year-over-year increase, a record increase for December. The early-December price rally continued through most of the month. Average prices reached a high of 173 cents per dozen the week before Christmas and maintained this level for several days. However, following seasonal patterns, the prices started declining at end of the year. As of January 12, prices were significantly down from early December, moving in the expected direction for the post-holiday period. Despite the large increase in the fourth quarter, the 2021 wholesale egg prices averaged 118.5 cents per dozen, a 5.6-percent year-over-year increase. Based on higher-than-expected December average prices and a slower post-holiday decline in prices, the first- and second-quarter forecasts for 2022 were increased to 128 and 115 cents per dozen, respectively.

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



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

## Export Forecast Lowered Following Recent Data

November exports of eggs and egg products totaled 25.6 million dozen shell-egg equivalent, a 2.9-percent year-over-year increase. This increase was driven by a 5.2-percent increase in shell-egg shipments that more than compensated for a 1-percent reduction in egg products shipments. Among the major destinations, higher year-over-year shipments to Canada, Hong Kong, South Korea, United Arab Emirates, and Bahamas more than offset lower shipments to Mexico, Japan, Jamaica, and Trinidad and Tobago. Exports to the Philippines were also sharply lower.

Based on lower-than-expected October and November shipments, fourth-quarter exports were decreased to 85 million dozen. In 2021 exports are expected to have totaled 392 million dozen, a 13.9-percent year-over-year increase. Going forward, the 2022 forecasts for the first two quarters were revised down to 85 and 90 million dozen, respectively.

### U.S. egg and egg products exports: Volume and export share, November 2020–21

Country	Volume			Export share	
	2020	2021	Change in volume	2020	2021
	Thousand-dozen			Percent	
Mexico	7,216	6,075	-1,142	29	24
Canada	4,634	7,114	2,480	19	28
Hong Kong	4,198	4,674	476	17	18
Japan	2,301	2,069	-232	9	8
South Korea	928	1,140	212	4	4
Jamaica	540	523	-16	2	2
United Arab Emirates	256	743	487	1	3
Trinidad and Tobago	432	382	-51	2	1
Bahamas	292	351	59	1	1
Philippines	727	90	-637	3	0
<b>World</b>	<b>24,854</b>	<b>25,567</b>	<b>712</b>	<b>100</b>	<b>100</b>

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

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

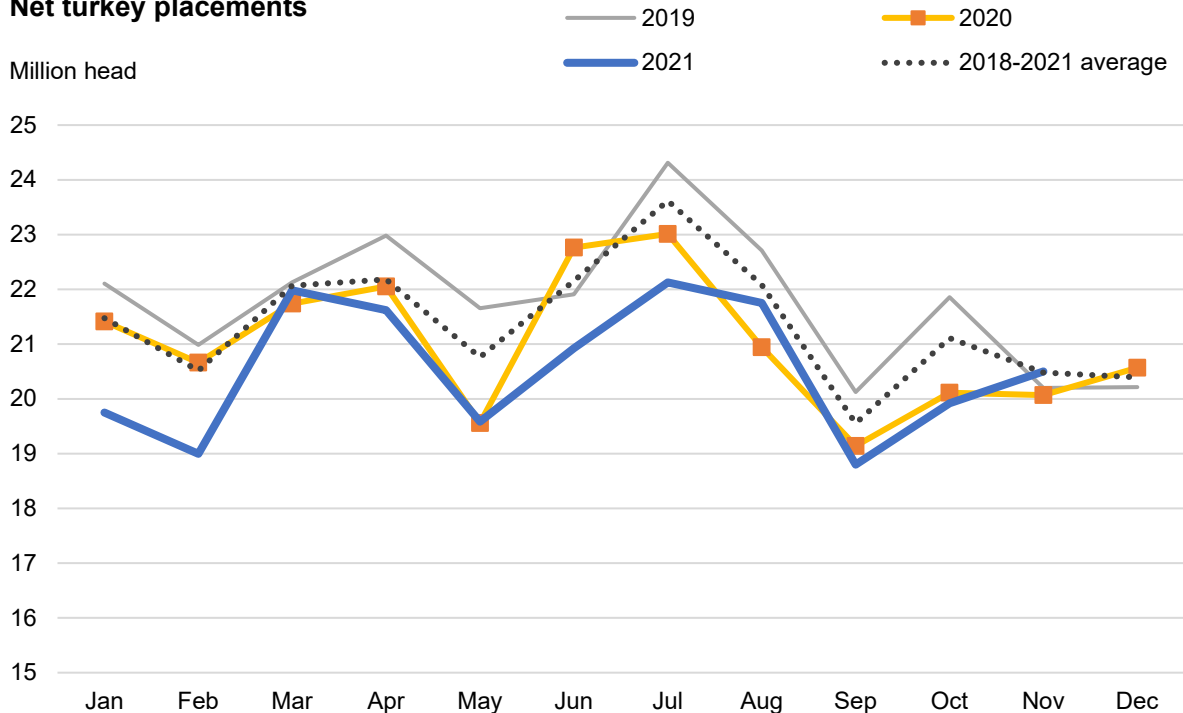
November imports of eggs and egg products totaled 1.6 million dozen shell-egg equivalent, almost unchanged from year-ago levels. Based on recent import data, fourth-quarter imports were revised up to 4.2 million dozen, while the 2022 first-quarter forecast is raised to 4.1 million dozen.

## Turkey Production Unchanged From Last Month

November turkey production totaled 453.3 million pounds. This was 1 percent lower than last November's total and a 6-percent reduction on a per day basis. The average live weight was 30.49 pounds, a marginal increase from October 2021 and from the previous year. Fourth-quarter production was unchanged at 1.4 billion pounds after being revised down in the previous *World Agricultural Supply and Demand Estimates* report, due to low production indicators in the first half of the fourth quarter.

Placements of turkey hatchlings in poultry houses during November were 20.5 million head. Placements were up 2.15 percent year over year, only the third time this year that 2021 placements exceeded 2020 placements. This slow rate of growth implies that turkey production growth will likely remain muted through the first part of the year. The production projection for 2022 is unchanged at 5.64 billion pounds. November cold storage stocks, at 142 million pounds, were down 26 percent year over year. Beginning stocks for the first quarter of 2022 were revised down to 190 million pounds.

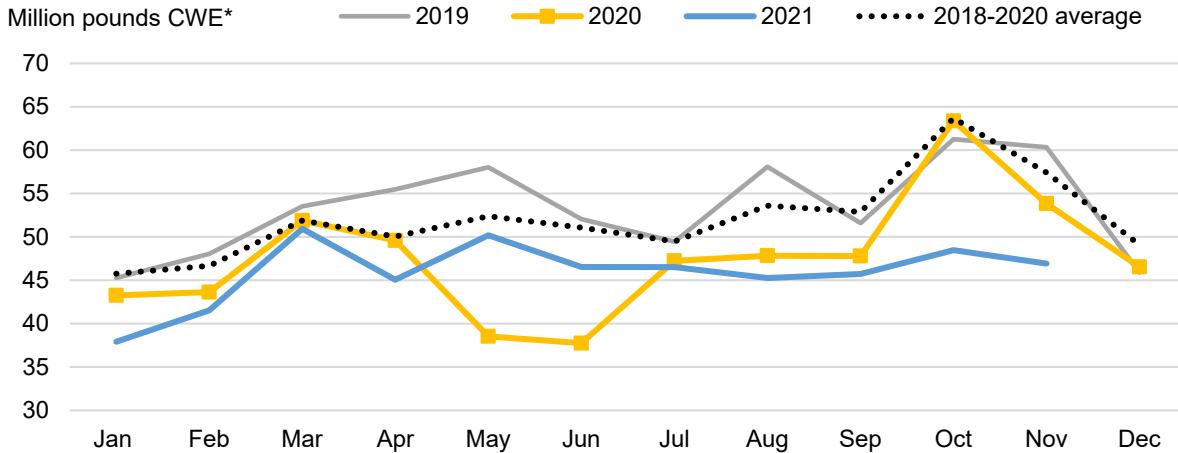
### Net turkey placements



Source: USDA, National Agricultural Statistics Survey.

November's turkey meat exports totaled 46.92 million pounds, a 13-percent year-over-year decrease. During January through November 2021, the United States exported 4 percent less turkey meat than in the same period the previous year, but exports as a share of production are similar to the last year. Mexico remains the largest destination for U.S. turkey, accounting for 67 percent of shipments in November. The 2021 turkey export estimate was revised down to 550 million pounds on the November data. The 2022 forecast for turkey exports is unchanged at 565 million pounds, which would represent 10 percent of forecast 2022 turkey production.

## Monthly turkey exports



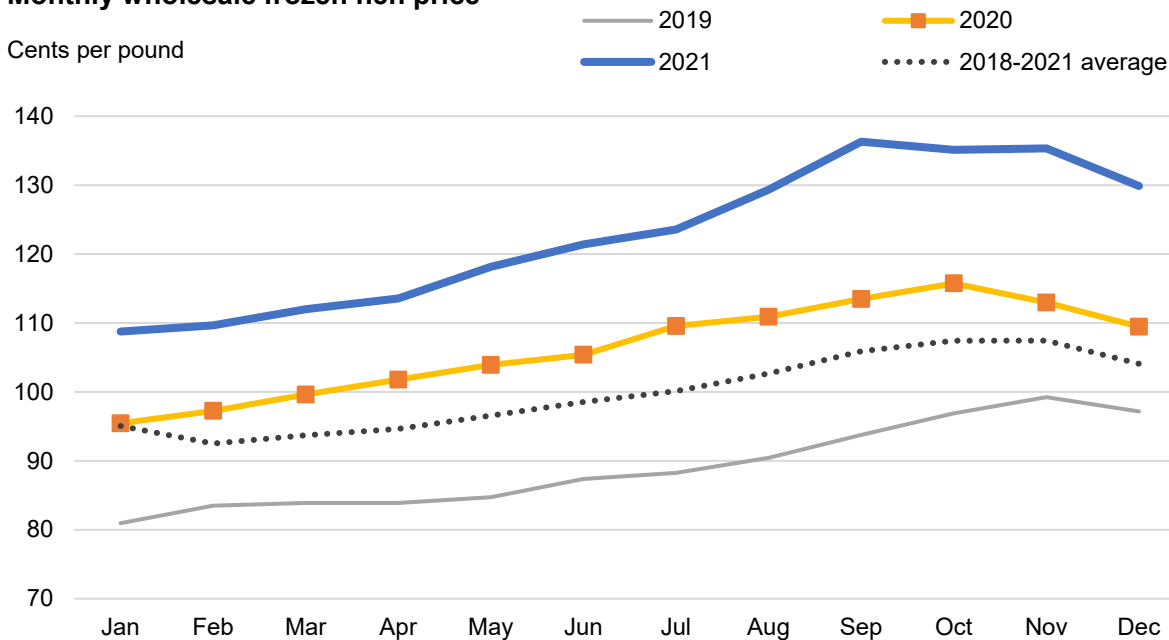
\*CWE= Carcass weight equivalent.

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

## Turkey Prices Adjusted Up in 2022

December wholesale frozen turkey hen prices averaged 129.87 cents per pound. This is a 15.7-percent increase from December 2020. The fourth-quarter average wholesale price was 133.4 cents per pound. First-quarter prices for 2022 were raised 4 cents to 128 cents per pound, due to very strong prices reported in the first week of January. Second-quarter prices were raised 2 cents, and quarters three and four raised 1 cent, due to lower expected stocks for much of 2022. The 2022 annual price forecast for turkeys was raised 2.5 cents to 125.5 cents per pound.

### Monthly wholesale frozen hen price



Source: USDA, Agricultural Marketing Service.

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**U.S. red meat and poultry forecasts**

	2017					2018					2019					2020					2021					2022									
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual					
<b>Production, million pounds</b>																																			
Beef	6,303	6,407	6,736	6,742	26,187	6,466	6,726	6,819	6,862	26,872	6,414	6,817	6,923	7,001	27,155	6,931	6,059	7,115	7,069	27,174	6,895	6,957	6,978	7,120	27,950	6,885	6,855	6,745	6,680	27,165					
Pork	6,410	6,137	6,240	6,796	25,584	6,645	6,325	6,315	7,031	26,315	6,838	6,615	6,706	7,478	27,638	7,426	6,313	7,048	7,515	28,303	7,291	6,668	6,529	7,205	27,693	7,005	6,535	6,765	7,210	27,515					
Lamb and mutton	37	36	35	37	145	39	39	37	39	153	37	40	36	36	149	35	36	34	33	138	35	36	32	35	138	35	35	32	33	135					
Birds <sup>1</sup>	10,233	10,407	10,551	10,472	41,662	10,395	10,687	10,940	10,588	42,601	10,384	10,945	11,402	11,175	43,905	11,238	10,940	11,358	11,047	44,583	10,893	11,231	11,581	11,175	44,880	11,250	11,400	11,690	11,260	45,600					
Turkeys	1,488	1,482	1,479	1,533	5,981	1,452	1,477	1,431	1,518	5,878	1,446	1,431	1,453	1,467	5,818	1,469	1,369	1,454	1,451	5,743	1,380	1,399	1,403	1,400	5,592	1,390	1,405	1,420	1,425	5,640					
Total red meat and poultry	24,617	24,621	25,197	25,734	100,169	25,130	25,410	25,704	26,191	102,435	25,264	26,019	26,675	27,308	105,266	27,251	24,870	27,172	27,263	106,556	26,645	26,443	26,675	27,070	106,833	26,710	26,389	26,812	26,372	106,665					
Table eggs, million dozen	1,928	1,934	1,953	1,997	7,811	1,952	1,987	2,024	2,079	8,043	2,047	2,056	2,046	2,111	8,260	2,047	1,950	2,000	2,061	8,058	1,996	1,982	2,015	2,075	8,068	2,025	2,020	2,040	2,100	8,185					
<b>Per capita disappearance, retail pounds<sup>1/</sup></b>																																			
Beef	14.1	14.2	14.4	14.3	57.0	14.0	14.5	14.4	14.4	57.3	14.0	14.8	14.5	14.8	58.1	14.7	13.6	15.6	14.5	58.4	14.6	14.9	14.7	14.9	59.1	14.6	14.7	14.2	14.0	57.4					
Pork	12.4	11.8	12.4	13.5	50.2	12.6	12.2	12.4	13.8	51.0	13.1	12.5	12.9	13.9	52.4	13.2	11.6	13.3	14.0	52.0	13.1	11.8	12.3	13.9	51.1	13.1	11.9	12.6	13.3	51.0					
Lamb and mutton	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.2	0.3	1.1	0.4	0.4	0.3	0.3	1.2	0.3	0.4	0.3	0.4	1.4	0.4	0.3	0.3	0.3	1.4					
Birds <sup>1</sup>	22.4	22.9	23.2	22.5	91.1	22.7	23.4	23.6	22.9	92.6	22.5	24.0	24.7	23.8	95.1	24.4	23.9	24.6	23.4	96.2	23.6	24.3	25.0	23.7	96.6	24.1	24.6	25.1	23.8	97.6					
Turkeys	3.7	3.7	4.0	5.0	16.5	3.5	3.8	3.9	4.9	16.2	3.5	3.7	4.0	4.9	16.0	3.6	3.5	3.9	4.7	15.8	3.4	3.6	3.8	4.5	15.4	3.4	3.6	3.9	4.5	15.3					
Total red meat and poultry	53.3	53.3	54.7	56.0	217.3	53.4	54.5	55.1	56.8	219.8	53.7	55.7	56.8	58.1	224.4	56.6	53.2	58.0	57.4	225.3	55.3	55.5	56.6	57.8	225.1	56	55.5	56.5	56.3	224.4					
Eggs, number	69.4	69.6	70.3	71.0	280.3	69.6	70.9	72.7	74.3	287.5	73.1	73.0	72.8	74.4	293.4	72.5	69.4	71.2	73.4	286.5	70.5	69.9	70.7	73.6	284.6	71.4	71.1	71.8	73.9	288.1					
<b>Market prices</b>																																			
Steers 5-area Direct, Total all grades, dollars/cwt	122.96	132.76	148.12	117.88	121.52	125.60	116.72	110.83	115.32	117.12	125.27	118.79	108.16	114.88	116.78	118.32	105.79	101.74	108.18	108.51	112.98	120.75	123.51	132.36	122.40	139.00	136.00	134.00	138.00	136.75					
Feeder steers, Medium Frame No. 1, OK City, dollars/cwt	129.56	147.75	148.12	154.88	145.08	146.29	143.02	150.46	147.90	146.93	140.76	140.51	140.19	147.44	142.23	136.42	126.57	141.42	137.57	135.45	134.30	140.22	153.69	159.59	146.95	159.00	156.00	160.00	165.00	160.00					
Cows, Live equivalent, Culler 90% lean, 500 lbs and up, National, dollars/cwt	62.63	69.55	69.78	58.68	65.16	61.60	61.32	57.74	49.07	57.43	53.34	56.30	60.42	53.66	60.61	59.38	63.14	64.97	54.93	60.61	59.63	67.54	69.21	63.24	64.91	68.00	72.00	73.00	63.00	69.00					
Choice/Prime slaughter lambs, National, dollars/cwt	142.34	167.94	172.40	136.92	154.90	136.83	154.86	147.95	134.30	143.49	136.23	156.16	154.93	150.99	149.58	159.12	N/A	N/A	164.31	161.72	165.42	211.79	256.86	233.61	216.92	230.00	225.00	220.00	220.00	223.75					
Barrows and gilts, National base cost, 51-52% lean, live equivalent, dollars/cwt	49.73	51.70	55.59	44.89	50.48	49.12	47.91	43.90	42.77	45.93	40.67	57.95	50.08	43.11	47.95	42.52	38.96	40.50	50.75	43.18	55.71	80.92	76.15	58.36	67.29	60.00	65.00	60.00	55.00	60.25					
Broilers, Wholesale, National composite, weighted average, cents/lb	88.5	104.7	94.9	86.1	93.5	95.7	115.1	93.7	86.7	97.8	94.0	97.7	82.0	80.6	88.6	83.5	67.0	66.7	75.7	73.2	84.0	104.4	105.4	110.9	101.2	128.0	118.0	105.0	97.0	112.0					
Turkeys, National 8-16 lb hens, National, cents/lb	100.4	99.1	96.9	88.0	96.1	79.4	79.6	80.4	81.4	80.2	82.8	85.5	90.8	97.8	88.2	97.4	103.7	111.3	113.6	106.5	110.1	117.7	120.7	133.4	122.8	128.0	125.0	124.0	124.0	125.3					
Eggs, Grade A large, New York, volume buyers, cents/dozen	80.0	74.7	102.1	147.0	100.9	179.6	124.4	120.8	129.6	137.6	107.3	89.7	81.9	117.2	94.0	133.1	119.6	89.0	107.2	112.2	127.8	94.2	120.1	131.8	118.5	128.0	115.0	111.0	128.0	120.0					
<b>U.S. trade, million pounds, carcass-weight equivalent</b>																																			
Beef and veal exports	653	680	746	781	2,859	731	801	828	799	3,160	700	790	788	749	3,026	769	605	759	819	2,951	796	873	911	875	3,455	800	820	840	810	3,270					
Beef and veal imports	700	812	814	668	2,983	721	805	807	664	2,998	739	836	771	712	3,058	774	848	1,028	693	3,342	696	866	923	870	3,355	750	860	880	775	3,265					
Lamb and mutton imports	89	58	57	57	282	80	66	70	57	273	80	73	53	66	272	102	67	62	70	302	69	93	100	114	375	115	93	89	93	390					
Pork exports	1,432	1,426	1,230	1,544	5,632	1,515	1,521	1,298	1,542	5,877	1,445	1,535	1,515	1,826	6,321	2,021	1,773	1,627	1,859	7,280	1,927	1,907	1,544	1,710	7,088	1,670	1,740	1,650	1,940	7,000					
Pork imports	284	281	283	287	1,116	279	270	245	248	1,042	259	227	232	227	945	206	220	226	252	904	247	260	308	375	1,190	300	290	325	385	1,300					
Boiler exports	1,720	1,622	1,659	1,785	6,786	1,709	1,704	1,871	1,871	7,069	1,721	1,721	1,773	1,888	7,103	1,860	1,729	1,821	1,958	7,367	1,854	1,778	1,844	1,900	7,376	1,860	1,805	1,860	1,925	7,450					
Turkey exports	133	148	168	173	622	153	147	141	170	611	147	166	159	167	639	139	126	143	164	571	130	142	138	140	550	130	140	140	155	565					
Live swine imports (thousand head)	1,449	1,458	1,296	1,394	5,597	1,357	1,349	1,258	1,286	5,250	1,338	1,253	1,200	1,305	5,096	1,332	1,202	1,272	1,487	5,293	1,607	1,651	1,773	1,650	6,681	1,500	1,450	1,325	1,450	5,725					

Note: Forecasts are in bold, cwt=hundredweight.

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

Source: *World Agricultural Supply and Demand Estimates* and supporting materials.

For further information, contact: Mildred Haley, Economic Research Service, USDA.

Updated 1/11/2022

## Dairy forecasts

	2020	2021					2022				
	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thousands)	9,388	9,458	9,502	9,451	9,385	9,450	9,380	9,380	9,385	9,385	9,385
Milk per cow (pounds)	23,777	6,003	6,119	5,913	5,905	23,940	6,065	6,200	6,010	5,990	24,265
<b>Milk production (billion pounds)</b>	223.2	56.8	58.1	55.9	55.4	226.2	56.9	58.2	56.4	56.2	227.7
Farm use	1.1	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.1
Milk marketings	222.1	56.5	57.9	55.6	55.2	225.2	56.6	57.9	56.1	56.0	226.6
<b>Milk-fat (billion pounds milk equiv.)</b>											
Milk marketings	222.1	56.5	57.9	55.6	55.2	225.2	56.6	57.9	56.1	56.0	226.6
Beginning commercial stocks	13.6	15.6	18.1	20.0	17.9	15.6	14.7	16.9	18.5	16.9	14.7
Imports	6.8	1.3	1.8	1.8	1.8	6.7	1.4	1.7	1.8	1.9	6.8
Total supply	242.5	73.4	77.8	77.5	74.9	247.4	72.7	76.5	76.5	74.7	248.1
Commercial exports	9.3	2.6	3.1	3.2	2.9	11.7	2.7	3.1	2.9	2.6	11.2
Ending commercial stocks	15.6	18.1	20.0	17.9	14.7	14.7	16.9	18.5	16.9	14.5	14.5
Commodity Credit Corporation donations <sup>1</sup>	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use <sup>2</sup>	217.4	52.7	54.6	56.3	57.3	221.0	53.2	54.9	56.7	57.6	222.4
<b>Skim solids (billion pounds milk equiv.)</b>											
Milk marketings	222.1	56.5	57.9	55.6	55.2	225.2	56.6	57.9	56.1	56.0	226.6
Beginning commercial stocks	10.2	10.9	11.6	12.0	11.3	10.9	10.5	11.0	11.1	10.5	10.5
Imports	5.6	1.4	1.5	1.4	1.5	5.8	1.3	1.4	1.4	1.4	5.6
Total supply	237.9	68.8	71.0	69.0	68.0	241.9	68.5	70.3	68.7	67.9	242.7
Commercial exports	47.2	12.4	14.1	12.9	12.2	51.6	12.5	14.1	13.2	12.1	51.8
Ending commercial stocks	10.9	11.6	12.0	11.3	10.5	10.5	11.0	11.1	10.5	10.6	10.6
Commodity Credit Corporation donations	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use <sup>2</sup>	179.7	44.8	44.9	44.8	45.3	179.8	45.0	45.1	45.0	45.2	180.3
<b>Milk prices (dollars/hundredweight) <sup>3</sup></b>											
All milk	18.24	17.33	18.67	18.00	20.60	18.65	23.85	22.80	21.50	22.30	22.60
Class III	18.16	15.98	17.95	16.32	18.07	17.08	20.55	19.75	19.30	18.90	19.65
Class IV	13.49	13.71	15.98	16.09	18.57	16.09	22.05	21.15	20.45	19.95	20.90
<b>Product prices (dollars/pound) <sup>4</sup></b>											
Cheddar cheese	1.9236	1.6146	1.7250	1.6016	1.7609	1.6755	1.935	1.880	1.850	1.830	1.875
Dry whey	0.3621	0.5064	0.6358	0.5668	0.5888	0.5744	0.690	0.650	0.630	0.600	0.645
Butter	1.5808	1.4677	1.7952	1.7375	1.9297	1.7325	2.465	2.300	2.250	2.180	2.300
Nonfat dry milk	1.0417	1.1226	1.2256	1.2676	1.4613	1.2693	1.600	1.580	1.520	1.500	1.550

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*.

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