



Livestock, Dairy, and Poultry Outlook: July 2023

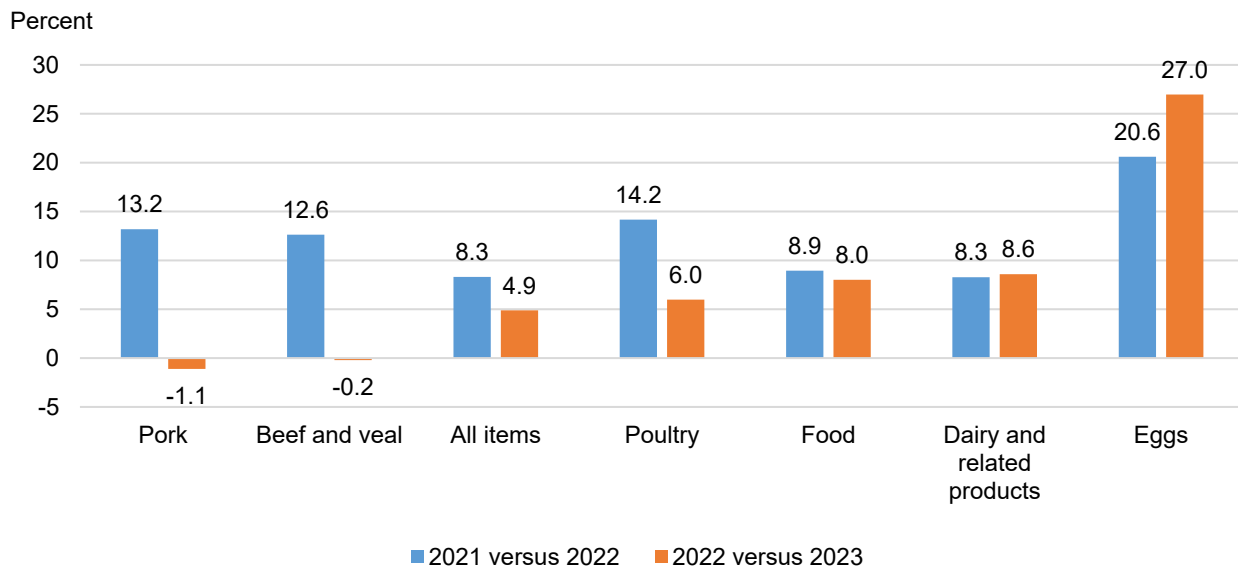
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Average Inflation for Selected Items in the First Half of 2022 and First Half of 2023

Based on Consumer Price Index (CPI), data from the U.S. Department of Labor, Bureau of Labor Statistics, average inflation rates for most major animal product categories in the first half of 2023 were lower than the first half of 2022. In fact, inflation was lower for pork, beef and veal, and poultry, which decreased -1.1 percent, -0.2 percent, and -4.9 percent, respectively. For dairy products, inflation was slightly higher in the first half of 2023 compared to the first half of 2022 at 8.6 percent. The largest increased inflation rate for the first half of 2023 was for eggs, at 27.0 percent.

Inflation for selected items, first half of one year compared to first half of next year



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

Summary

Beef/Cattle: The semiannual *Cattle* report will be released on July 21, giving an indication of producers' intent to retain females in their herds. Beef production in 2023 is raised with higher expected cattle slaughter, which more than offsets a decline in expected weights in the third quarter. For 2024, the beef production forecast is lowered as expected fed cattle marketings are shifted into late 2023 rather than early 2024. Cattle price forecasts in 2023 are raised from last month on firm demand and the expectation of relatively tighter supplies, carried into 2024. Beef imports for 2023 are raised on recent trade data. Exports for the year are reduced slightly; but no change is made to the export forecast for 2024.

Dairy: For 2023, farm milk production projections are unchanged from last month at 228.4 billion pounds. However, the milk production forecast for 2024 is reduced from last month to 230.6 billion pounds, driven by a lower projected number of dairy cows and a slower growth in yield per cow. The all-milk price forecast for 2023 is \$18.20 per hundredweight (cwt), \$0.15 lower than last month's forecast. The all-milk price forecast for 2024 is \$19.10 per cwt, \$0.55 lower than last month's forecast.

Pork/Hogs: The *Quarterly Hogs and Pigs* reported June 1 numbers in breeding and market hog inventories to be about the same as a year ago. Producer farrowing intentions for the summer and fall 2023 quarters were both reported down about 4 percent and are each likely to have a negative effect on pork production in first-half 2024. Pork production is forecast at 27.4 billion pounds this year, up 1.4 percent from 2022. Production is expected to fall fractionally in 2024. U.S. pork exports are raised 110 million pounds in 2023 to 6.91 billion pounds, and in 2024 by 160 million pounds to 6.98 billion pounds based on competitive U.S. pork prices and diminished competition from other international pork exporters.

Poultry/Eggs: Estimated broiler production is adjusted up in the second quarter of 2023 on recent data, while all outlying quarters are unchanged. Broiler exports are also unchanged, while imports are adjusted up, reflecting the current trade policy allowing some shipments from Chile. Broiler prices are adjusted down in 2023 on recent data. The table-egg production forecast for 2023 is increased by 5 million dozen to reflect stronger-than-expected May table-egg flock inventory data. The average wholesale egg price forecast for 2023 is adjusted to reflect second-quarter realized data. Egg and egg product exports are adjusted up on improving production that is meeting strong international demand. Egg imports are adjusted up on the strength of May shipments. Turkey production for 2023 is adjusted up on recent production data and strong hatchery indicators. Turkey exports are adjusted up on increased production, and imports are adjusted up reflecting current trade policy. Turkey prices are adjusted down for 2023 and 2024 on recent data.

Special Article: "An Assessment of U.S. Beef Imports."

A majority of U.S. beef imports are destined for blending into ground beef, but a close look at trade data reveals some of the dynamics about the mix of imported beef products and how they have changed over time. About one-third of all imports are frozen boneless manufacturing trimmings originating from Australia, New Zealand, Brazil, and other smaller suppliers. Imported fresh beef has increased in volume over the last decade as imports of primals and subprimals from Canada and specialized cuts from Mexico have increased. Imports are forecast to increase through 2024 as domestic beef production declines, but other factors could shift imports away from recent patterns.

Beef/Cattle

Russell Knight and Hannah Taylor

First-Half 2023 Heifer and Cow Slaughter Stronger than Previous Contractionary Period

On July 21, the USDA, National Agricultural Statistics Service (NASS) will release its biannual *Cattle* report, which will provide a snapshot of producers' intentions for heifer retention and potential cow-herd expansion plans going into next year.

Since January, slaughter data has indicated a 12 percent decline in beef cow slaughter. This is likely a combination of improving pasture conditions, sufficient reductions in animal units per acre on poorer pastures, and the prospect of improved profitability from selling calves. At the same time, dairy cow slaughter is up almost 6 percent year over year, but not by enough to offset the effect of declining beef cow slaughter on total cow slaughter. However, beef cow retention will likely cap cow slaughter for the foreseeable future.

Summarizing heifer calf prices to steer calf prices in the first 6 months of 2023, prices for light-weight heifer calves have increased at a faster pace than prices for light-weight steer calves. Concurrently, the six-month cumulative number of heifers sold is up 4 percent from the same period last year, while total sales are up 6 percent based on sales receipts reported in the USDA, Agricultural Marketing Service *National Feeder and Stocker Cattle Summary*. Heifer slaughter as a percent of total steer and heifer slaughter remains above a year ago, as well as above the 6-year period of the last herd contractionary period, 2009-2014. This seems to be supported by the percent of heifers on feed to the total number of steers and heifers on feed, which, as of April 1, 2023, is 1 percentage point higher than in April 2022 and over 2 percentage points lower than 2009-14 period.

Second-Half 2023 Production Higher on Feedlot Placements

The outlook for 2023 beef production is raised marginally from last month by 70 million pounds to 27.2 billion pounds. The forecast is only 4 percent below the record volume set last year and the fourth largest overall. This reflects adjustments to the second-quarter forecast based on estimated and actual slaughter data reported for June showing a slower pace of fed cattle slaughter which offsets higher-than-expected cow slaughter and lower aggregate carcass weights than expected last month. Despite a faster expected pace of cow slaughter in the third quarter, production is lowered on lighter expected average carcass weights and lower steer and heifer slaughter.

For fourth-quarter 2023, the production outlook is raised from last month as more fed cattle are expected to be marketed based on higher expected year-over-year second-quarter placements. Based on the latest *Cattle on Feed* report, published by USDA, National Agricultural Statistics Service (NASS), feedlot net placements¹ in May were 5 percent higher year over year at 1.881 million head. The increase was more than expected, which supported an increase in the forecast for second-quarter 2023 placements, reflecting both an expectation of a greater proportion of the feeder cattle outside feedlots to be placed and the earlier placement of some calves.

¹ Net placements are placements minus other disappearance.

Beef production for 2024 is projected lower than last month by 95 million pounds to 24.7 billion pounds. This is based on a slower expected pace of marketing in the first quarter that is reflected in lower expected steer and heifer slaughter.

Cattle Prices Projected Higher from Last Month

In the first half of 2023, feedlot placements, as well as feeder and stocker sales receipt data, point to a faster pace than what was expected at the beginning of this year. Further, improving pasture conditions, relatively cheaper corn prices, and the prospect for higher fed cattle prices have fueled feeder cattle sales. In turn, this likely lowers the expected supply for feeder cattle available in the second half of 2023 which will likely further elevate feeder cattle prices.

In June, the weighted-average price for feeder steers weighing 750–800 pounds at the Oklahoma City National Stockyards was \$230.87 per hundredweight (cwt). This was a \$25 increase from May and nearly \$68 higher than June 2022. In the second week of July, and first sale of the month, prices were nearly steady from the 2 weeks prior at \$236.94 per cwt. Accounting for recent price strength and tight cattle supplies next year, the third-quarter price forecast for feeder steers is raised \$17 to \$241 per cwt, and fourth quarter is raised \$20 to \$246 per cwt. Further, the 2024 forecast is raised \$23 to \$250 per cwt.

Fed steer prices in the 5-area marketing region² established a new record for the week ending June 11 of \$188.75 per cwt. This was likely buoyed by a boost in packer margins supported by weekly comprehensive wholesale boxed beef values in June that climbed as high as 24 percent above year ago levels at \$325.29 per cwt for the week of June 23. From their respective June highs to the first week of July, comprehensive prices have since declined almost 3 percent to \$316.60 per cwt and fed steer prices have declined by more than 3 percent to \$182.06 per cwt. The June average price for fed steers in the 5-area marketing region was \$184.51 per cwt, more than \$7 above the prior-record monthly price in April 2023 and \$42 higher year over year. Based on recent data and expectations of continued firm packer demand, the third-quarter 2023 fed steer price forecast is raised \$5 to \$178 per cwt, and the fourth quarter is raised \$9 to \$183 per cwt. The forecast for 2024 is raised \$4 to \$184 per cwt.

Beef Exports Still Strong Despite Lower Year-Over-Year Levels

U.S. beef exports in May totaled 267 million pounds, 17 percent below a year ago and 2 percent below the 5-year average. Exports to Japan fell 37 percent year over year, while exports to South Korea and China were down 14 and 13 percent, respectively. These decreases more than offset year-over-year increases in exports to Canada, Taiwan, and Hong Kong. Exports to Taiwan, at nearly 19 million pounds, were the highest for the month of May. Exports to Canada spiked to 30 million pounds, nearly 23 percent higher year over year. However, year-to-date exports to nearly all major markets are lower year over year, as the first chart below shows.

² The 5-area marketing region includes Texas/Oklahoma/New Mexico; Kansas; Nebraska; Colorado; and Iowa/Minnesota.

U.S. beef exports by volume, January–May 2022 and 2023

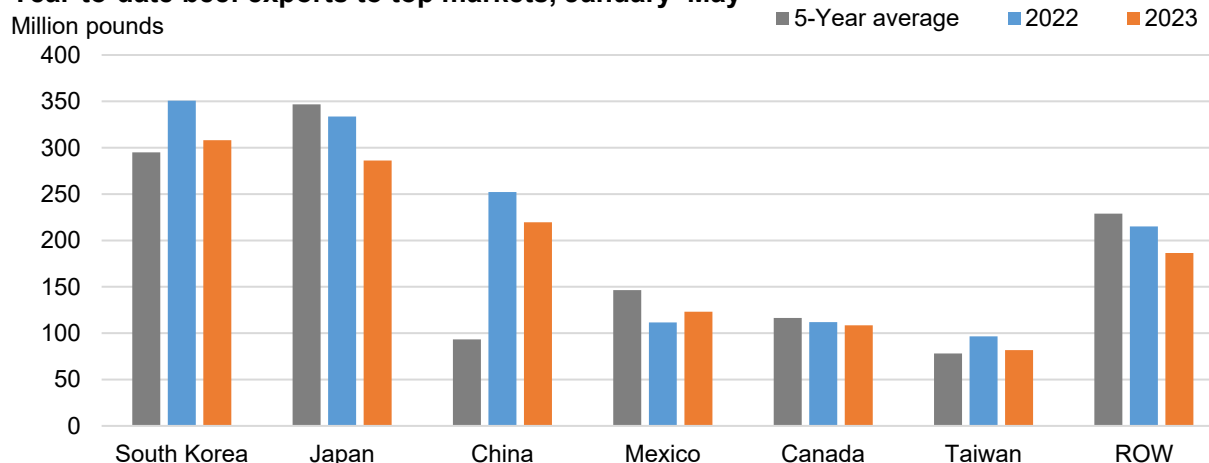
Country	May 2023 exports	Year-to-date exports				Share of YTD exports, percent	
		2022	2023	Year-over-year volume change	Year-over-year percent change	2022	2023
South Korea	64.4	350.7	308.1	-42.6	-12	24	23
Japan	48.3	333.7	286.2	-47.4	-14	23	22
China	46.8	252.3	219.6	-32.7	-13	17	17
Mexico	23.9	111.6	123.1	11.6	10	8	9
Canada	30.0	112.0	108.4	-3.6	-3	8	8
Taiwan	18.8	96.7	81.8	-14.9	-15	7	6
ROW	34.8	215.2	186.5	-28.7	-13	15	14
Total	267.1	1472.1	1313.7	-158.3	-11		

Note: The rating of the top six countries shown here is based on 2023 year-to-date exports; YTD = year-to-date; ROW = rest of world.

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

Year-over-year comparisons with last year's record trade volumes make this year's cumulative exports seem low, but year-to-date exports are still above the 5-year average. U.S. beef exports through May this year are just over 1.3 billion pounds, 11 percent lower year over year but still the third-highest on record, behind 2022 and 2021. Exports to several of the larger Asian markets are lower than last year but higher than the 5-year average; this is shown for South Korea, China, and Taiwan in the chart below. Exports to Mexico are above last year, while exports to Canada are slightly below last year and the 5-year average.

Year-to-date beef exports to top markets, January–May



ROW = Rest of world

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

Year-to-date exports to Japan are significantly lower than last year and the 5-year average. Monthly exports to Japan have declined since February, falling to 48 million pounds in May, the lowest since 2016. The exchange rate between the United States and Japan has risen more than 8 percent since January, making U.S. beef exports more expensive in Japan.

Based on recent data, the second-quarter export estimate is decreased 20 million pounds to 805 million. Expected strength in demand from certain parts of Asia and North America support a 10-million-pound increase in third-quarter exports, raising the forecast to 840 million. The fourth-quarter forecast remains unchanged at 790 million pounds for an annual 2023 forecast of 3.214 billion pounds. The 2024 forecast remains unchanged from last month at 2.950 billion pounds.

Beef Import Forecast Raised Slightly

U.S. beef imports in May totaled 311 million pounds, 6 percent above a year ago and nearly 11 percent above the 5-year average. There were significant year-over-year increases in monthly imports from Australia (+39 percent) and New Zealand (+23 percent). Imports were down year over year from Brazil (-10 percent), Canada (-7 percent), and Mexico (-4 percent).

Cumulative imports through May are running about 1 percent lower than last year, with the partial recovery due in large part to significantly higher imports from Oceania. Year-to-date imports from Australia are up nearly 40 million pounds, a year-over-year increase of about 24 percent. Imports from New Zealand are up over 18 million pounds (9 percent) from the same period last year. Imports from Canada are also up slightly over last year. These increases are offset by decreased imports from Mexico and Brazil, both down 12 percent from last year, resulting in less than a 1-percent decrease in total year-to-date imports from the same time last year.

U.S. beef imports by volume, January–May 2022 and 2023

Country	May 2023 imports	Year-to-date imports				Share of YTD imports, percent	
		2022	2023	Year-over-year volume change	Year-over-year percent change	2022	2023
Canada	74.3	387.3	396.1	8.8	2	25	25
Mexico	61.8	327.7	288.8	-38.9	-12	21	18
Brazil	29.4	310.9	275.1	-35.8	-12	20	18
New Zealand	56.6	205.9	224.3	18.4	9	13	14
Australia	52.5	163.0	202.1	39.1	24	10	13
ROW	36.5	177.9	176.2	-1.7	-1	11	11
Total	311.0	1572.7	1562.5	-10.1	-1		

Note: The rating of the top five countries shown here is based on 2023 year-to-date imports; YTD = year-to-date; ROW = rest of world.

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

The second-quarter estimate for beef imports is raised 20 million pounds to 910 million based on recent data. The third- and fourth-quarter forecasts are unchanged from last month at 890 million and 765 million pounds. The annual forecast for 2023 is 3.521 billion pounds. The annual forecast for 2024 is unchanged from last month at 3.560 billion pounds.

Dairy

Angel Terán

Recent Developments in U.S. Dairy Product Wholesale Prices

From the week ending June 10 to the week ending July 8, 2023, most wholesale dairy product price trends reported in the USDA *National Dairy Products Sales Report* (NDPSR) decreased. The price per pound for 40-pound blocks of Cheddar cheese decreased 13.92 cents, and the price for 500-pound Cheddar cheese barrels (adjusted to 38-percent moisture) decreased 3.26 cents. The prices for butter and dry whey fell by 1.67 cents and 4.81 cents, respectively. The price direction for nonfat dry milk (NDM) was the exception, increasing by 1.01 cents per pound.

Dairy products wholesale prices

Dollars per pound

	For the week ending		Change
	June 10	July 8	
Butter	2.4758	2.4591	-0.0167
Cheddar cheese			
40-pound blocks	1.5694	1.4302	-.0.1392
500-pound barrels *	1.5276	1.4950	-0.0326
Nonfat dry milk	1.1697	1.1798	0.0101
Dry whey	0.3246	0.2765	-0.0481

* Adjusted to 38-percent moisture.

Source: USDA, Agricultural Marketing Service, *National Dairy Products Sales Report*, July 12, 2023.

For the trading week³ ending July 14 at the Chicago Mercantile Exchange (CME), the average spot prices for Cheddar cheese 40-pound blocks and 500-pound barrels averaged \$1.4860 and \$1.4005 per pound, respectively. CME prices for butter, NDM, and dry whey averaged \$2.5115, \$1.0915, and \$0.2340 per pound, respectively.

Most Oceania and Europe average dairy product export prices reported by USDA *Dairy Market News* increased from April 2023 to May 2023. Exceptions include a decline in the Oceania skim milk powder price and the Western Europe dry whey price.

³ While the end of each week for National Dairy Products Report average prices falls on a Saturday, the trading week for the Chicago Mercantile Exchange usually ends on a Friday.

Dairy product export prices for Oceania and Europe

Dollars per pound

Product	Region	May 2023	June 2023	Change
Butter	Oceania	2.287	2.383	0.096
	Western Europe	2.319	2.367	0.048
Cheddar cheese	Oceania	2.099	2.148	0.049
Skim milk powder	Oceania	1.295	1.252	-0.042
	Western Europe	1.196	1.220	0.024
Dry whey	Western Europe	0.380	0.371	-0.009

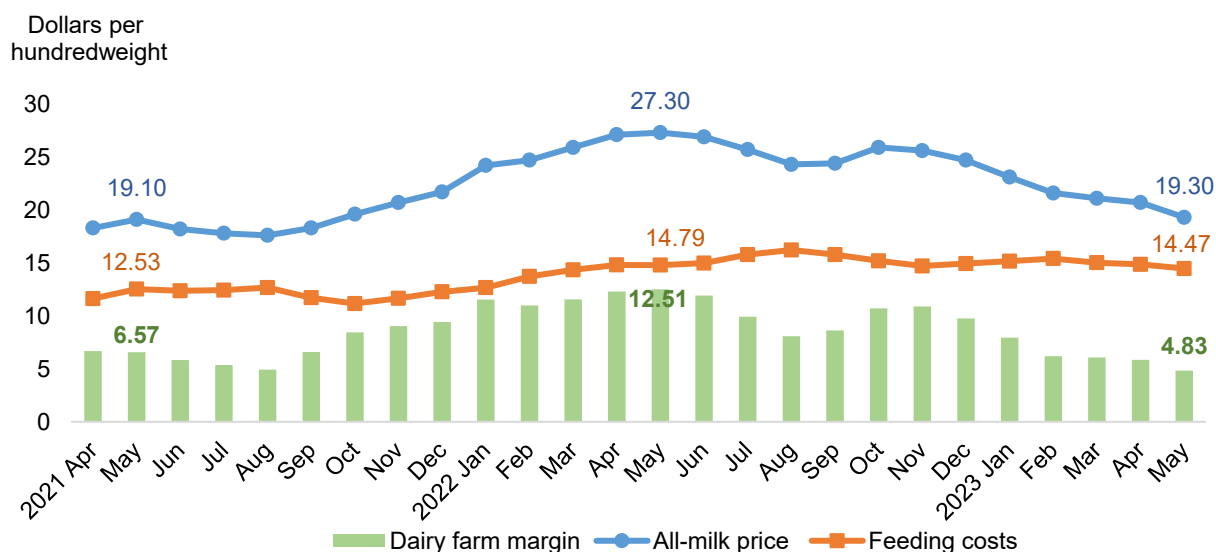
Sources: USDA, Economic Research Service (ERS) calculation using information from USDA, Agricultural Marketing Service, Dairy Market News.

Recent Dairy Supply and Use Data

According to USDA National Agricultural Statistics Service (NASS), U.S. milk production in the United States totaled 19.875 billion pounds, 0.6 percent above May 2022. Milk cows numbered 9.430 million head, 13,000 head higher than May 2022. Milk per cow in May averaged 2,108 pounds per head, 10 pound above May 2022.

As reported by USDA, NASS, in the most recent monthly Agricultural Prices report, the all-milk price in May 2023 averaged \$19.30 per cwt, down \$7.90 from May 2022. The May 2023 corn price was \$6.54 per bushel, down \$0.72 from May 2022. The price for alfalfa hay was \$279 per short ton, up \$35 from May 2022. The soybean meal price (reported by USDA, Agricultural Marketing Service) was \$423.58 per short ton in May, down \$17.70 from May 2022. The milk-feed price ratio reported by USDA, NASS, was 1.42 in May, down 0.56 points from May 2022. With lower milk farmgate prices and higher feed cost, the dairy farm margin as calculated for the Dairy Margin Coverage program declined to \$4.83 in May, \$7.68 lower than May 2022, the lowest dairy farm margin so far in 2023.

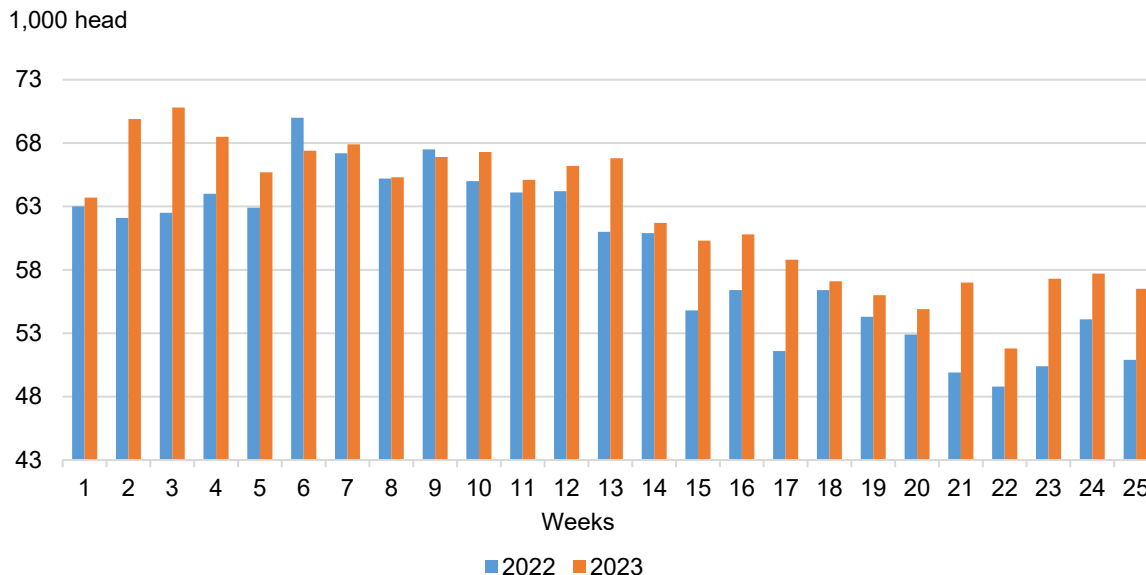
All-milk price vs. feeding costs



Source: USDA, Economic Research Service using information from USDA, Farm Service Agency, Dairy Margin Coverage Program.

Dairy cow slaughter has been active so far in 2023, above 2022 levels. Dairy farmers are faced with lower milk prices and high operating costs, making it more expensive to keep dairy cows as some farmers have chosen to cull some of their cows. In addition, drought conditions in some parts of the country are also making it more difficult for dairy farmers to provide forage for their cows, leading to some farmers culling their herds to reduce feeding costs.

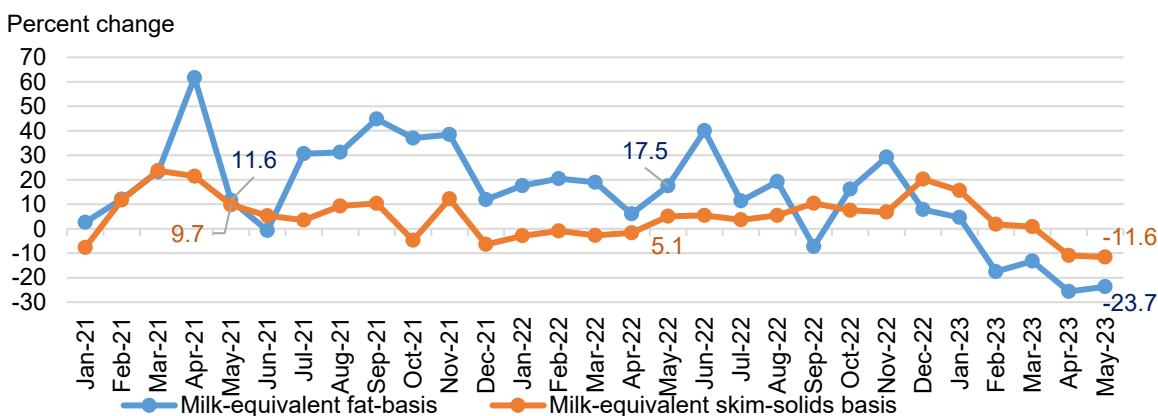
Weekly federally inspected milk cow slaughter



Source: USDA, National Agricultural Statistics Service, *Cow Slaughter Under Federal Inspection Report*.

In May, dairy product exports declined 23.7 percent on a milk-fat milk-equivalent basis, and 11.6 percent on a skim-solids milk-equivalent basis, compared to May 2022. Export volumes for butter, cheese, dry skim products, dry whey, whey protein concentrate, and lactose declined in May 2023 compared to May 2022. Several factors have likely contributed to the decline in dairy export volumes in May 2023, including weaker demand from key exports market such as China and increased competition from New Zealand, which has a strong dairy industry and close proximity to key export markets.

Year over year percentage of change in exports of milk in all products.



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

In May, dairy imports on a milk-fat basis totaled 652 million pounds, 0.6 percent below May 2022. On a skim-solids basis, imports in May were 440 million pounds, 23.3 percent below May 2022. Notably, in May 2023, import volumes of casein, milk protein concentrate, and canned milk declined from May 2022.

During May, domestic use on a milk-fat basis totaled 18.4 billion pounds, 1.9 percent higher than May 2022. On a skim-solids basis, May domestic use totaled 15.7 billion pounds, 6.3 percent higher than May 2022. Compared to 2022, domestic use of butter, cheese, dry skim products, whey protein concentrate, and lactose increased in May 2023.

2023 Dairy Forecasts

For 2023, the U.S. milking herd and milk production are unchanged from last month's forecast at 9.415 million head and 228.4 billion pounds, respectively.

Based on recent dairy trade information, 2023 export volume forecasts were reduced from last month's projections, mainly due to lower expected butter and cheese exports. On a milk-fat basis, the annual dairy export forecast for 2023 is 11.6 billion pounds, 0.3 billion lower than last month's forecast. On a skim-solids basis, the dairy export projections were lowered by 0.2 billion to 50.9 billion pounds, reflecting lower expected exports of whey products and a number of other dairy products.

The 2023 forecast for dairy imports on a milk-fat basis is 7.8 billion pounds, unchanged from last month's forecast. On a skim-solids basis, the dairy import forecast is 6.5 billion pounds, 0.2 billion lower than last month's projections, due to lower expected imports of milk protein concentrate.

On a milk-fat basis, domestic use in 2023 is forecast at 223.4 billion pounds, up 0.2 billion from last month's forecast. On a skim-solid basis, 2023 domestic use was lowered by 0.1 billion pounds from last month's forecast to 182.6 billion pounds.

The 2023 price forecasts for Cheddar cheese, dry whey, and NDM are lowered to \$1.675 (-5.5 cents), \$0.350 (-2.0 cents), and \$1.170 (-2.0 cents) per pound, respectively, due to large cheese stocks and rising competition in international demand for dry whey and NDM, especially from New Zealand. However, the 2023 butter price forecast remains unchanged at \$2.435 per pound.

With lower expected prices for cheese and dry whey, the Class III milk price forecast for 2023 is adjusted to \$16.05 per hundredweight (cwt), down \$0.65 from last month's forecast. With lower expected prices for NDM in 2023 more than offsetting steady butter prices, the Class IV milk price forecast has been decreased by \$0.15 to \$18.20 per cwt. The all-milk price forecast for 2023 is \$19.55 per cwt, \$0.40 lower than last month's forecast.

2024 Dairy Forecasts

Milk cow numbers in 2024 are projected to decline to 9.390 million head, 5,000 head lower than the previous month's forecast. The forecast for milk per cow is 24,560 pounds, 10 pounds lower than last month's forecast. The projection for 2023 milk production has been lowered to 230.6 billion pounds, 0.2 billion lower than last month's forecast.

On a milk-fat basis, the export forecast for 2024 is 12.6 billion pounds, 0.2 billion lower than last month's forecasts, due to lower expected butter exports. In 2024, dairy exports are projected to total 53.8 billion pounds on a skim-solids basis, unchanged from the previous month's forecast. The dairy import forecasts from last month projections are lowered to 7.6 billion pounds (-0.1 billion) on a milk-fat basis and 6.9 billion pounds (-0.1 billion) on a skim-solids basis.

The forecast for 2024 domestic use is adjusted lower. On a milk-fat basis, the annual domestic use forecast for 2024 is 224.6 billion pounds, 0.1 billion lower than the previous forecast. On a skim-solids basis, the forecast for domestic use is 182.7 billion pounds, 0.2 billion lower than last month's forecast.

From the previous forecast, the 2024 price for Cheddar cheese, dry whey, and NDM are lowered to \$1.690 (-8.5 cents), \$0.315 (-4.5 cents), and \$1.125 (-0.5 cent) per pound, respectively. Meanwhile, the 2024 butter price forecast is increased by 1.0 cent to \$2.345 per pound.

With lower expected prices for cheese and dry whey, the Class III milk price forecast for 2024 is adjusted to \$15.95 per cwt, down \$1.05 from last month's forecast. The Class IV milk price forecast remains unchanged at \$17.45 per cwt. The all-milk price forecast for 2024 is \$19.10 per cwt, \$0.55 lower than last month's forecast.

Pork/Hogs

Mildred Haley

Lower Producer Farrowing Intentions Reported in the June *Quarterly Hogs and Pigs* May Signal a Course Correction for the U.S. Pork Sector

The *Quarterly Hogs and Pigs* report issued by USDA on June 29 fulfilled one of its primary functions in giving a clear response to the query of the number and classification of animals on the ground on June 1, 2023. The responses published in the report boil down to, “about the same as a year ago”—total market hog numbers (100 percent of a year ago)—thus signaling the numbers of hogs likely to be processed between June 1 and early October. The report also delivered unexpected—but exceptional—news with respect to the March–May litter rate: at 11.36 pigs per litter. This was above most analysts’ expectations but consistent with spring reports from the Swine Health Information Center. The reports showed a moderating of cases testing positive for most virulent swine diseases, especially of the various strains of porcine reproductive and respiratory syndrome, a disease that has wreaked untold havoc—in swine deaths and financial losses—along the pork production chain for the past few years.

At the time USDA issued the June report—with live equivalent prices of 51-52 percent lean hogs averaging about \$63 per hundredweight—many pork producers had been operating in the red since late last year,⁴ largely due to high feed costs and unexpectedly weak consumer demand. In the past, such prolonged market conditions would likely have brought about a measurable reduction of the inventory of breeding animals. However, the June report indicated that the breeding inventory stood at 6.1 million head, roughly unchanged from the last report in March.

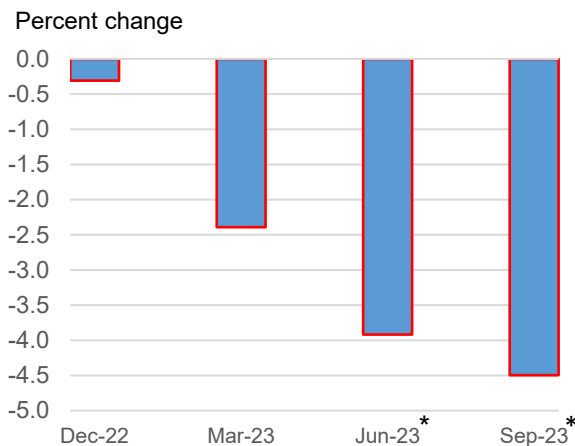
The breeding information contained in the June report is likely signaling producers’ strategy for managing hog production in an environment of high feed costs and weak consumer demand that have combined to generate—according to Iowa State Estimated Livestock Returns—a series of pork producer losses averaging more than \$32 per head (live) between November 2022 when the losses began and May 2023. However, since December 2022, consecutive reports have indicated minimal breeding inventory changes. The December 1 inventory was -0.35 percent below a year earlier, the March 1, 2023, breeding inventory was 0.04 percent lower than a year earlier, and the June 2023 inventory, at 6.146 million head, declined by -0.36 percent or 22 thousand head compared with a year earlier. It appears that even in the face of considerable losses, hog producers have opted to maintain breeding inventories largely intact, varying its numbers only seasonally, unlike in the past when losses would bring on relatively swift and significant reductions in numbers. This approach to managing a breeding operation under a prolonged period of financial stress is likely driven by the current structure of the U.S. hog industry—particularly the capital-intensive farrowing-to-wean end of the business—that aims to minimize reductions in sow numbers even during periods of extended financial loss.

In 2023 in particular, producers appear to have adopted a strategy to limit short-term losses by marketing hogs at lighter-than-usual weights. In the medium term, producers seem to be aiming at lowering hog supplies by farrowing fewer sows. With respect to hog weights, the weekly estimated average live weight of barrows and gilts for Iowa, Southern Minnesota, and South Dakota have averaged 285.2 pounds through week 26 of this year, compared to 287.7 pounds

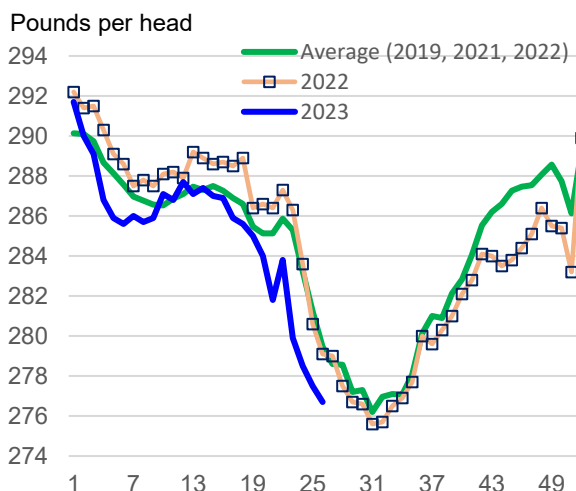
⁴ Iowa State University, *Estimated Returns, Farrow to Finish, Iowa*.

of the same week of 2022 and 286.5 pounds for the average of the same weeks for the years 2019, 2021, and 2022.

Year-over-year percent change in farrowing: Dec. 2022–Aug. 2023 **Weekly estimated avg. live weight of barrows and gilts for Iowa, Sthn. Minn., South Dakota**



*=farrowing intentions.
Source: USDA, National Agricultural Statistics Service.



Source: USDA, Agricultural Marketing Service.

Production Implications of the 2023 Pig Crops

It is notable that while quarterly farrowings and farrowing intentions in 2023 are each year-over-year lower, litter rates can often offset farrowing reductions. This was the case in the first and second quarter of 2023 when relatively strong litter rates—especially in the March–May quarter when the litter rate was 11.36—offset farrowing reductions. Although as producers follow through with farrowing intentions as stated in the June report, strong litter rates in the third and fourth quarters of 2023 could mitigate the size of the decline in the pig crops implied by the intentions.

The December–February 2023 pig crop (fractionally larger than that of a year earlier) will be processed mainly in the third quarter of this year. Assuming slightly higher weights as corn prices moderate, pork production for the quarter should approach almost 6.6 billion pounds, almost 1 percent above a year ago. Third-quarter hog prices—live equivalent, 51-52 percent lean—are expected to average \$63 per cwt, more than 21 percent below average prices a year ago and below break-even for many U.S. hog producers.

The March–May pig crop, almost 1 percent greater than the same period of 2022, should be processed mostly in the fourth quarter of this year. Estimated average dressed weights are likely to be higher than last year, given USDA’s forecasts for a larger year-over-year corn crop and moderating corn prices. The larger spring pig crop will combine with expected heavier dressed weights to yield a fourth-quarter production volume of 7.1 billion pounds, 3 percent greater than a year ago. Greater pork supplies will likely drive hog prices year-over-year lower: Prices are expected to average \$57 per cwt for the quarter, about 10 percent below a year ago.

If producers follow through on their stated intentions to farrow almost 4 percent fewer sows in the June–August quarter, a modest increase in litter rates would still yield significantly fewer slaughter-ready hogs in the first quarter of 2024. Anticipated increases in average estimated dressed weights due to moderating feed costs are not likely to offset lower animal numbers.

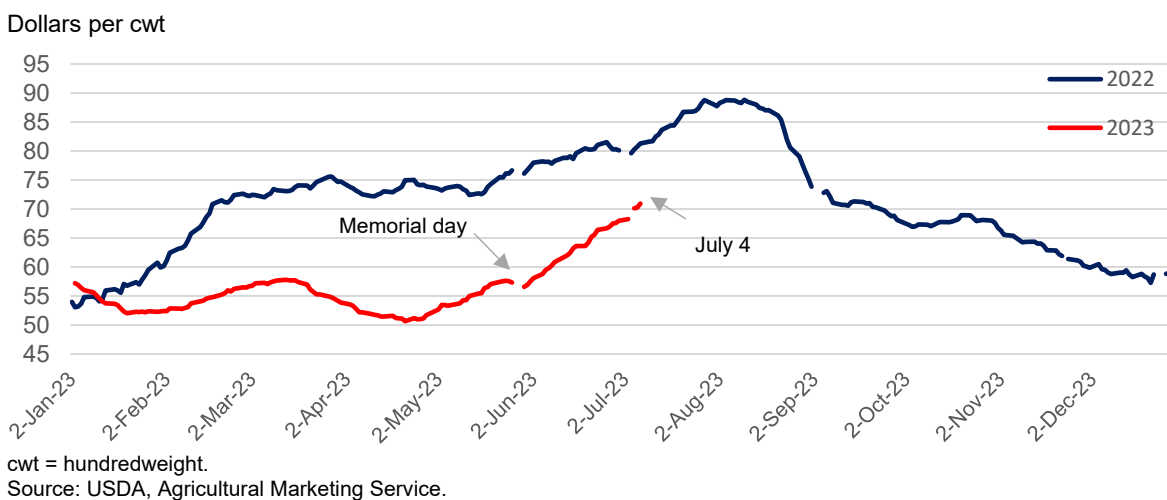
First-quarter 2024 pork production is expected to be about 6.9 billion pounds, almost 3 percent lower than a year earlier. Average first-quarter hog prices should be about \$63 per cwt, almost 15 percent higher than a year earlier.

Much the same scenario is likely to play out in the second quarter of 2024 if producers follow through on their reduced farrowing intentions stated in the June report. The lower fourth-quarter 2023 pig crop deriving from 4.5 percent lower intended farrowings is likely to yield a pig crop—even with trend increases in litter rates—that is too small to be offset by anticipated estimated average dressed weight increases from moderating feed costs. Second-quarter 2024 pork production is expected to be about 6.5 billion pounds, over 1 percent below production a year earlier. Hog prices for the second quarter of 2024 should average \$68 per cwt, just under 20 percent higher than hog prices a year earlier.

Reasons for Optimism

As grim as the pork business has been thus far in 2023, there are several signs that the hog and pork markets may have changed direction. First, hog slaughter numbers turned seasonally lower in June, as did pork production. Estimated federally inspected (FI) hog slaughter in June this year was about 10.375 million head, almost 1 percent below a year ago. Pork production was more than 2 percent below a year ago, with lower dressed weights. June 2022 FI dressed weights were 215 pounds per head, while weekly average weights this year were estimated at about 212 pounds. As indicated earlier, June hog prices averaged more than 20 percent below prices a year ago, but the graph of daily hog prices below suggests that buyers began to pay higher prices in June for lower quantities of hogs.

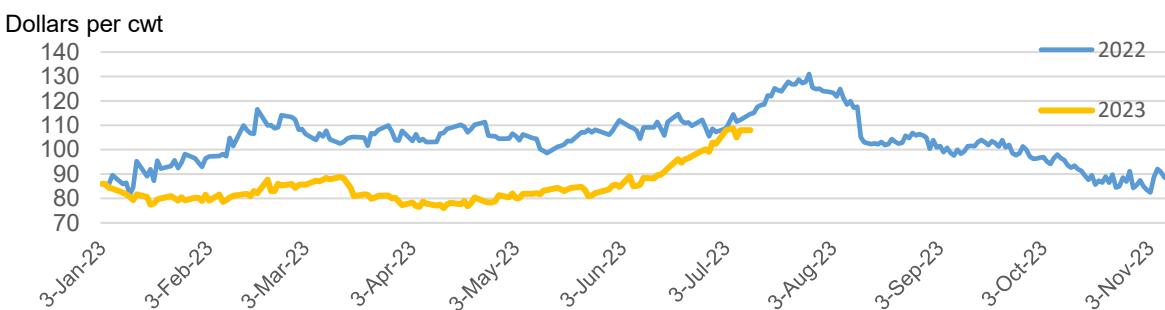
Daily price, live equivalent 51-52 percent lean hogs



The wholesale value of the hog carcass cutout also broke out of its months-long torpor in early June, when it averaged about \$82 per cwt. During June, pork wholesalers responded to an accommodation by the State of California to allow noncompliant pork under the terms of Proposition 12 to enter the State. A Superior Court judge signed such an order on June 16, allowing noncompliant pork to enter California until June 30. The impacts of increased buying to deliver pork to California before the June 30 deadline is apparent in the figure of daily cutout prices below. Lower June pork production, coupled with a surge in demand, yielded wholesale cutout values that averaged more than \$95 per cwt after June 1. While the final effects of Proposition 12 accommodation are not clear, it is likely that large volumes of pork delivered to California in June during a period of lighter-than-average production gave a boost to wholesale

cutout values. Nevertheless, with the continued tight supplies of market-ready hogs limiting pork supplies, the cutout continued to increase to almost \$110 per cwt on July 10, signaling that wholesalers are paying higher prices for pork cuts than at any time in 2023.

Daily prices, wholesale pork carcass cutout



cwt=hundredweight.
Source: USDA, Agricultural Marketing Service.

Another factor that the pork industry can point to as a source of guarded optimism is that beef retail prices are expected to remain high for the balance of this year and through 2024, as beef production continues to decline—4.3 percent this year and 8.5 percent in 2024. The ERS retail choice beef composite for June was about \$8.14 per pound, up from \$8.08 in May. The retail beef composite this year is likely to remain relatively high for the balance of 2023. Conversely, the ERS pork retail composite value declined in June to \$4.68 per pound, from about \$4.73 per pound in May and will likely maintain a favorable relationship with beef. If the beef–pork retail price spread remains relatively wide it is possible that for many consumers, beef is pushed into the realm of luxury goods, purchased less often; the consequence being increased numbers of consumers heading over to the pork section of the meat case.

May Pork Exports Robust

U.S. pork exports in May were 618 million pounds, more than 12 percent higher than a year ago. More than half (56 percent) of May exports were shipped to Western Hemisphere nations, anchored by Mexico. Mexico alone accounted for 37 percent of May exports, while Central and South American countries accounted for 9 percent and Caribbean nations and Canada accounted for 4 percent and 7 percent, respectively. About 37 percent of May exports were shipped to Asia, with the highest share going to Japan, followed by South Korea. China/Hong Kong had a 9-percent share of May exports.

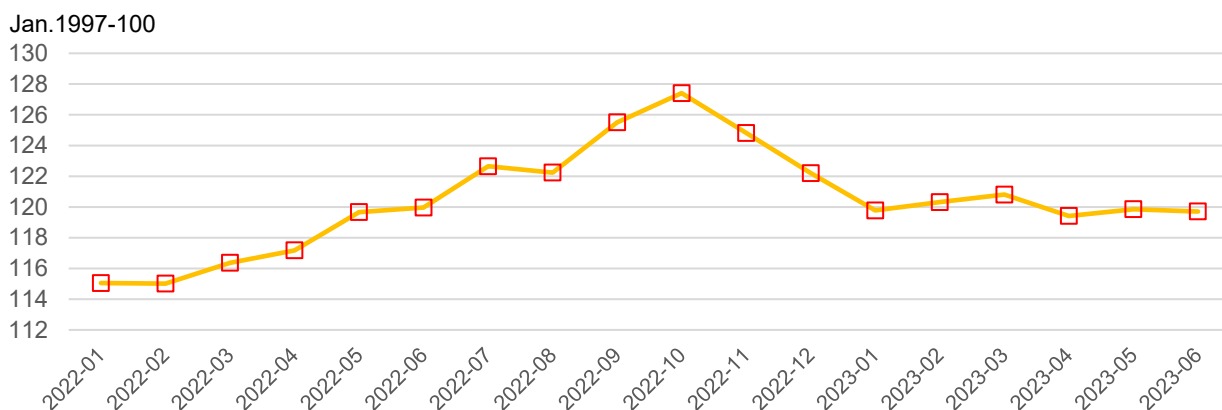
U.S. pork exports: Volumes and export shares of the 10 largest foreign destinations in May 2022 and 2023					
Country	Exports	Exports	Percent change	Export share	Export share
	May. 2022	May. 2023	(2023/2022)	May. 2022	May. 2023
	(Million pounds)	(Million pounds)		Percent	Percent
World	550	618	12		
Mexico	192	228	18	35	37
Japan	100	96	-4	18	16
South Korea	53	66	25	10	11
China\Hong Kong	50	53	7	9	9
Centra\South America	56	53	-6	10	9
Canada	40	42	4	7	7
Australia	14	27	88	3	4
Caribbean Nations	29	26	-10	5	4
Philippines	9	10	5	2	2
Taiwan	1	9	689	0.2	2
Western Hemisphere Nations	317	348	10	58	56
Asian Nations	213	234	10	39	37

Source: USDA, Economic Research Service.

Among the factors enhancing the competitiveness of U.S. pork, the most important are probably its relatively low price—compared to European pork in particular—and stable U.S. dollar exchange rates compared to a year ago. The Broad Dollar Index calculated by the Federal Reserve⁵ shows that the value of the dollar has stabilized since mid-2022, and exchange-rate stability contributes to a favorable trading environment. U.S. hog prices are expected to reflect higher 2023 production this year; thus prospects for continued strong 2023 exports remain favorable. Exports this year are expected to total 6.9 billion pounds, more than 9 percent greater than shipments in 2022. Quarterly exports should break out as follows: 1.8 billion pounds in the second quarter (+10 percent above a year ago); 1.7 billion pounds in the third quarter (+9 percent greater than a year earlier), and 1.8 billion pounds in the fourth quarter (almost 9 percent more than in the fourth quarter of 2022).

⁵ The Federal Reserve's Nominal Broad Dollar Index is a weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of major U.S. trading partners.

Nominal Broad Dollar Index, Jan. 2022–June 2023



Source: Board of Governors of the Federal Reserve System.

In 2024, total pork export volumes are expected to be about 1 percent higher than the 2023 forecast. The 2024 pork export forecast of 6.98 billion pounds reflects slightly lower pork production next year, as well as somewhat higher hog prices. A major factor in international markets next year and (likely) beyond, however, will be muted competition from European pork due to high production costs and imposition of environmental restrictions that are expected to hinder production there. First-half 2024 exports should break out as follows: first quarter: 1.7 billion pounds (+1.9 percent), and second quarter at about 1.8 billion pounds (-0.6 percent).

These export forecasts imply that 25.3 percent and 25.5 percent of U.S. commercial pork production will be exported in 2023 and 2024, respectively.

Production and trade forecasts imply retail basis per capita disappearance of 49.8 pounds in 2023 (-2.38 percent year over year), and 49.6 pounds in 2024, down 0.59 percent compared with the per capita volume forecast for 2023.

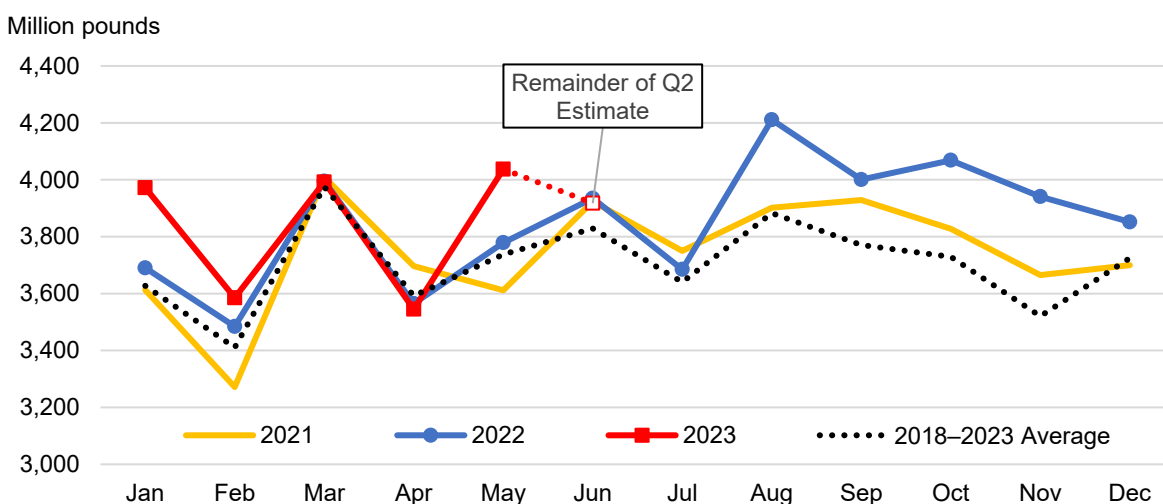
Poultry

Grace Grossen and Adriana Valcu-Lisman

Broiler Production Adjusted Up in Second-Quarter 2023

Broiler production totaled 4.037 billion pounds in May, an increase of 6.8 percent from May of last year and the largest month so far this year. This increase was a result of 5.0 percent higher slaughter and 1.6 percent higher average weights. With an additional slaughter day compared to last May, per day slaughter was slightly higher, most of the increase in production on a per day basis is attributable to higher average slaughter weights. Preliminary weekly data from USDA, Agricultural Marketing Service (AMS) suggest June production was also above average. Based on recent data, the second-quarter production estimate is revised up to 11.5 billion pounds. The forecasts for the outlying quarters of 2023 and 2024 are unchanged. This brings the 2023 annual projected total to 47.099 billion pounds, an increase of 1.9 percent over 2022. The 2024 production projection is unchanged at 47.820 billion pounds. This would represent 1.5-percent growth from projected 2023 production.

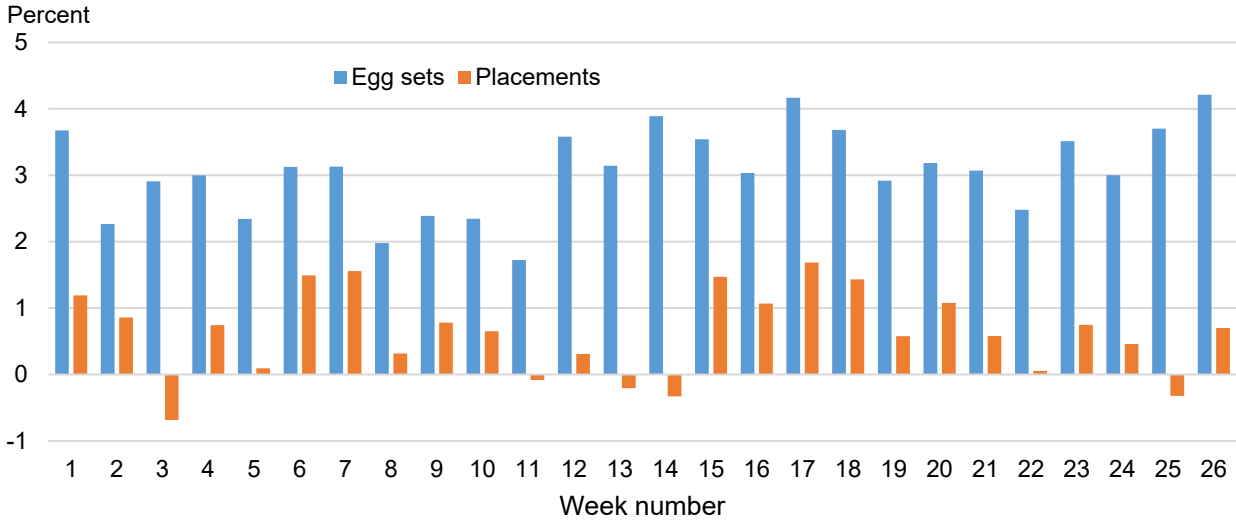
Monthly broiler production, 2018–2023



Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service and USDA, *World Agricultural Supply and Demand Estimates*.

Hatchability is a measure of the hatching success of eggs set in incubators. Because broiler eggs require a 21-day incubation period, weekly chick placement and egg-set data can be used to calculate a similar measure. The share of eggs set 3 weeks prior that are placed each week began to fall below typical averages in 2021, and after beginning to turn upward in mid-2022, it began falling again this year. While there may be several possible explanations for the phenomenon, it does not appear to have put a dent in broiler production in 2023 as producers have been setting enough eggs to partly offset the poorer hatchability rates. On average in the first 23 weeks of 2023, egg sets were 3 percent higher than the 5 year average. Even with lower hatchability, chick placements were about one-half-percent higher than the 5 year average for the corresponding 23 weeks.

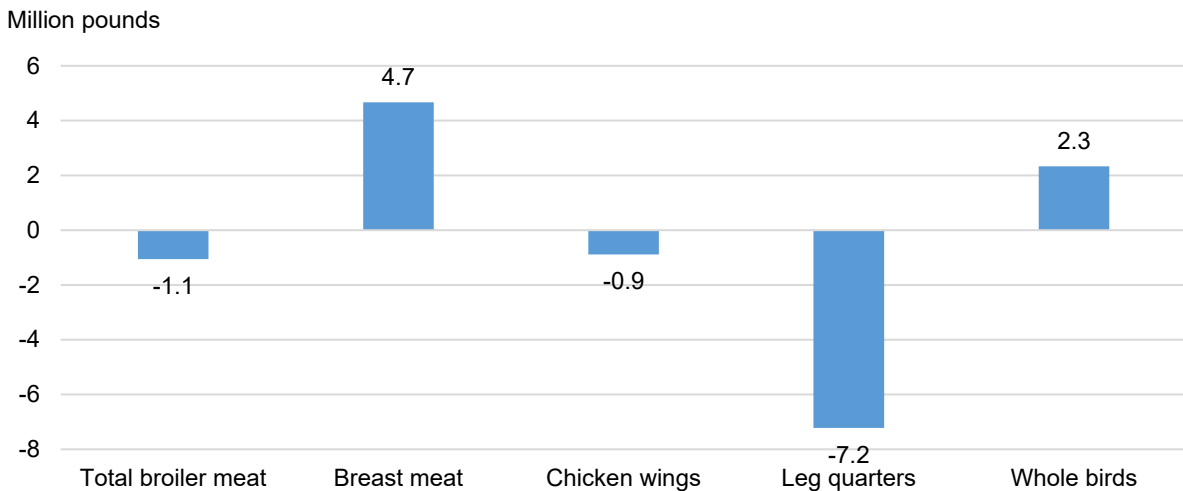
Weekly broiler egg sets and placements in 2023: Percent above the 5-year average (2018–22)



Source: USDA, National Agricultural Statistics Service.

Broilers in cold storage were down slightly from April at the end of May, totaling 790.8 million pounds. Breast meat and whole chickens increased from April, while leg quarters in cold storage decreased by 7.2 million pounds and wings in cold storage decreased slightly. Projected ending stocks for 2023 were adjusted down to 870 million pounds. This would be down 22 million pounds from the end of 2022. Projected 2024 ending stocks are unchanged at 900 million pounds.

Change in cold storage stocks by broiler part, end of April to end of May 2023

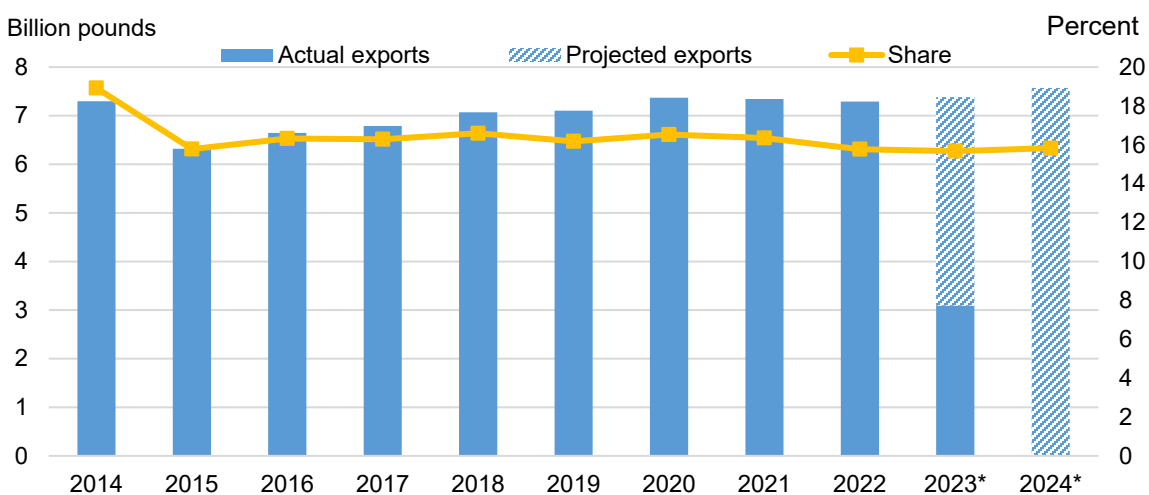


Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

Projected Broiler Meat Exports Unchanged; Imports Adjusted Up

May broiler exports totaled 612.4 million pounds. While this is down from last May, the first 5 months of 2023 are 53.6 million pounds ahead of the same period in 2022. For this period, stronger shipments to partners including Mexico (+73.2 million pounds), Taiwan (+51.3 million pounds), and Iraq (+27.5 million pounds) have more than offset decreases in shipments to Kazakhstan (-33.4 million pounds), the Philippines (-29.6 million pounds), South Africa (-19.4 million pounds), Cuba (-15.3 million pounds), and Canada (-15.0 million pounds), among others. The 2023 broiler export projection is unchanged at 7.383 billion pounds, which would represent 15.7 percent of projected production. Export volumes would be 1.3 percent over the 2022 total, which was revised up 12 million pounds to 7.290 billion pounds on the Census Bureau's historical data revisions. Projected 2024 exports are also unchanged at 7.570 billion pounds, which would represent 15.8 percent of projected production and 2.5 percent growth from 2023.

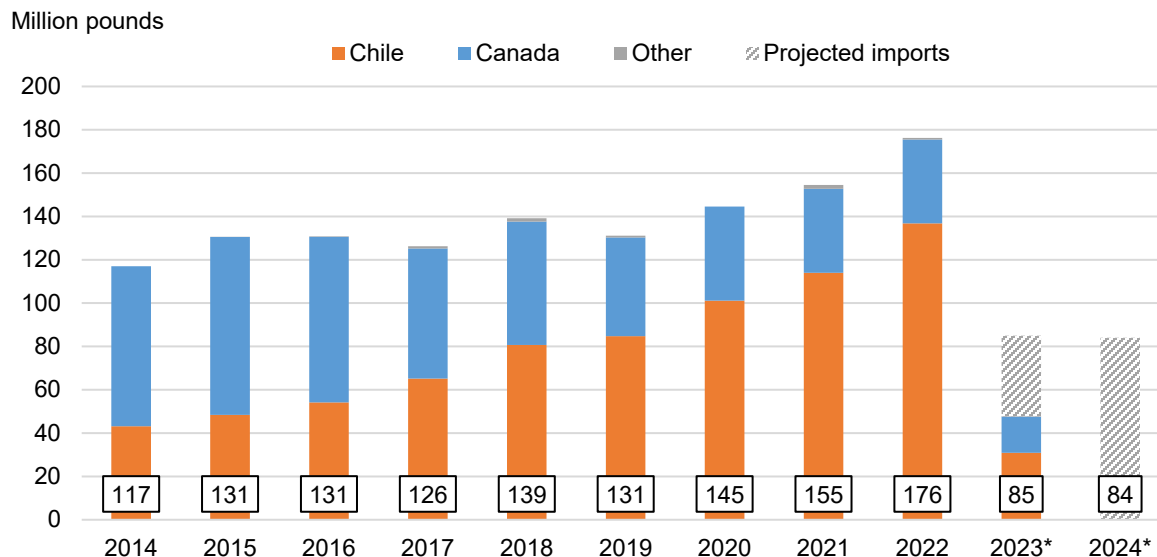
Annual broiler exports and exports as a share of production, 2014–24



Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census and USDA *World Agricultural Supply and Demand Estimates*.

In May, broiler imports totaled 6.4 million pounds, with monthly shipments from Canada (3.6 million pounds) outnumbering those from Chile (2.8 million pounds) for the first time since June of 2018. Trade restrictions related to Highly Pathogenic Avian Influenza (HPAI) are currently in effect for the regions where most, but not all, broiler production in Chile is located. Based on the expectation that shipments from Chile will continue, though at a fraction of the level set last year, projected imports are adjusted up to 85 million pounds in 2023 and to 84 million pounds in 2024. These expectations are based on the policies currently in place.

Annual broiler imports by country, 2014–24 (total shown in boxes)



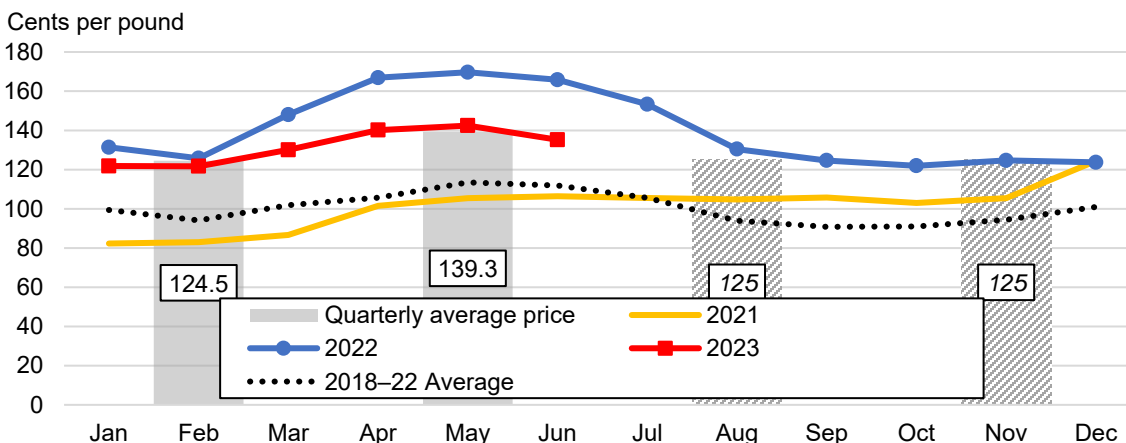
Note: Values for Chile and Canada in 2023 reflect the total through May.

Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census and USDA, *World Agricultural Supply and Demand Estimates*.

Broiler Prices Adjusted Down in Second Half of 2023

The National composite wholesale whole broiler price averaged 135.21 cents per pound in June, making the second-quarter average 139.26 cents per pound. This is 28 cents below the second-quarter average price last year. Weekly prices fell each week in June and continued to fall in the first week of July, averaging 127.54 cents per pound in the week ending July 7th. Based on recent data, projected third- and fourth-quarter prices are adjusted down by 2 cents to 125 cents per pound in both quarters. This would make the annual average price 128.4 cents per pound, down about 12 cents from the 2022 average. The 2024 average price forecast is unchanged at 129 cents per pound, less than a cent higher than the 2023 projection.

Monthly average national composite whole sale whole broiler price, 2018–2023, and 2023 quarterly averages, actual and projected

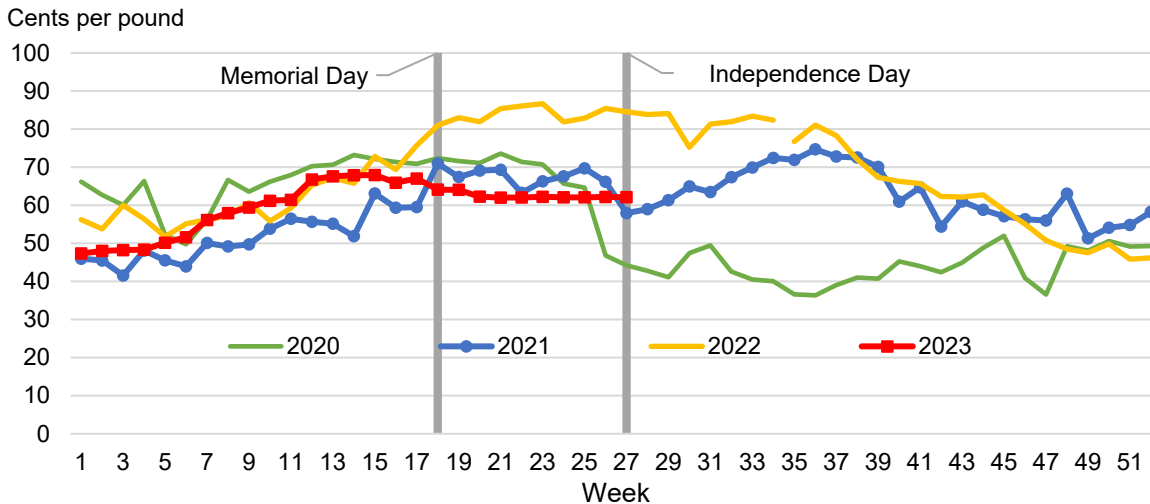


Note: Values in boxes are actual and projected quarterly average prices.

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

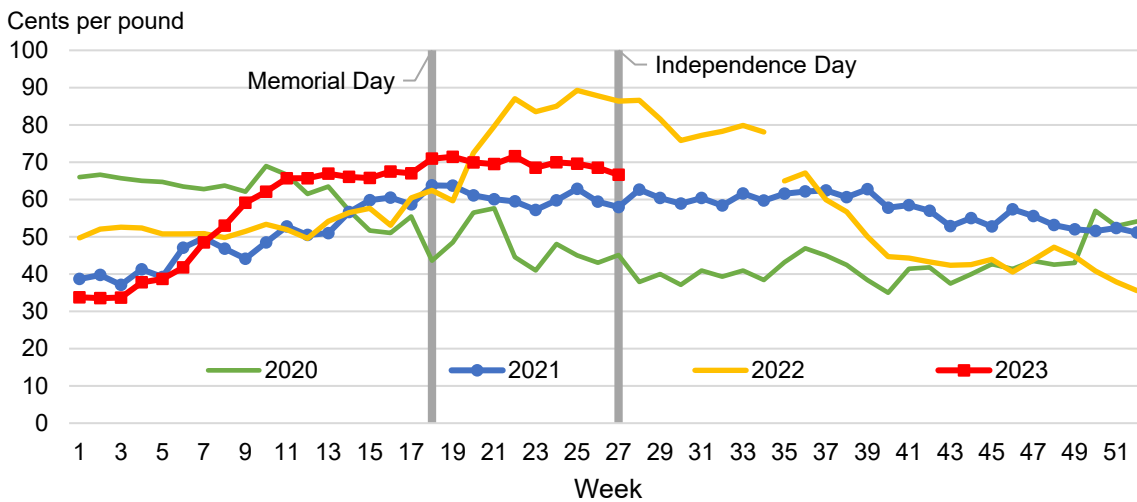
Chicken legs and thighs are ideal chicken parts for grilling. Wholesale prices for both parts were elevated more than usual—and for longer than usual—in the weeks leading up to the Independence Day holiday in 2022. In 2023, the price of thighs fell below the 3-year average just before Memorial Day and held steady at around 62 cents per pound through the week of Independence Day. At 62.12 cents per pound, the thigh price in the week ending July 7th was down 26.5 percent year over year. Wholesale chicken leg prices were close to average leading up to Memorial Day in 2022, but climbed in the weeks after, averaging 86.4 cents per pound in the week of Independence Day. In the week of the Fourth in 2023, chicken leg prices were 22.9 percent lower, averaging 66.62 cents per pound.

Weekly wholesale price for bone-in chicken thighs, 2020–2023



Note: The gap between price data in weeks 34 and 35 of 2022 indicates the shift from the discontinued Northeast chicken parts prices to National chicken parts prices.
Source: USDA, Agricultural Marketing Service.

Weekly wholesale price for chicken legs, 2020–2023

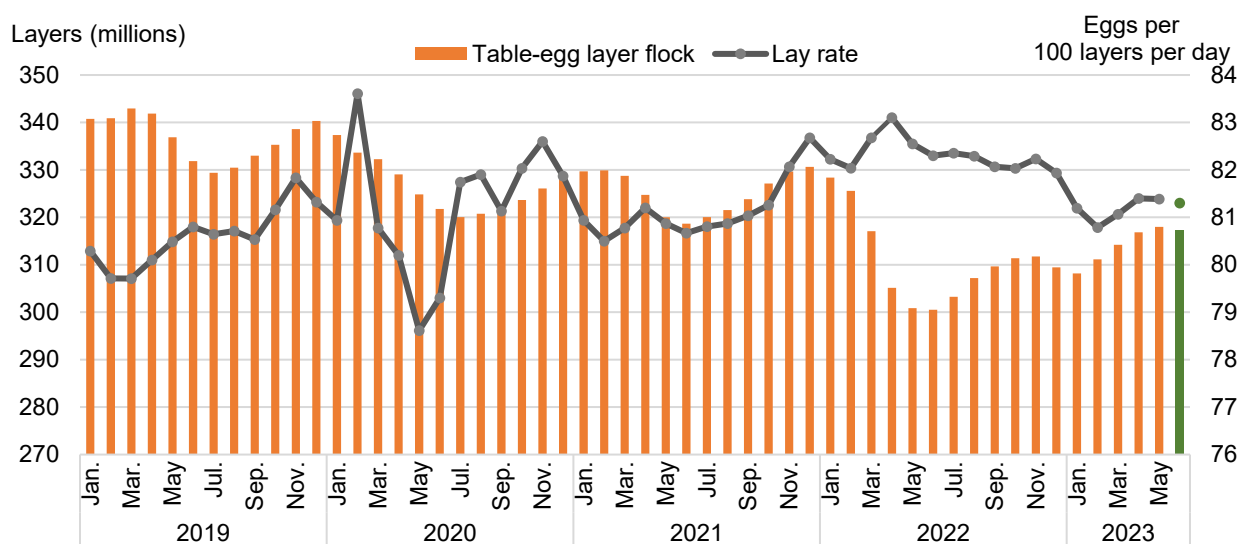


Note: The gap between price data in weeks 34 and 35 of 2022 indicates the shift from the discontinued Northeast chicken parts prices to National chicken parts prices.
Source: USDA, Agricultural Marketing Service.

May Table-Egg Production Year-Over-Year Higher

The table-egg laying flock in May averaged almost 318.0 million hens, 5.7 percent year-over-year higher. The layer flock's productivity as measured by the rate per 100 layers was 81.4 eggs per day, 1.41 percent lower than last May. Driven by a larger flock, May table-egg production was estimated at 668.6 million dozen eggs. This represents a 4.2-percent year-over-year increase. The estimated layer flock inventory on June 1 indicates a slight decrease relative to May inventory—in line with the expected seasonal adjustments, as inventory levels are often reduced during summer months. At the same time, the lay rate at the beginning of June suggests that the flock's productivity will likely continue to trend below 2022 levels.

Monthly average¹ table-egg layer inventory (left axis) and lay rate (right axis)



Note: ¹June 2023 table-egg layer inventory and lay rate are based on first of the month estimates.

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

Following a higher-than-expected increase in May table-egg flock inventory and softer-than-expected implied seasonal flock adjustment for June, second-quarter table-egg production forecast is increased to 1,960 million dozen eggs. Going forward, the table-egg flock inventory is expected to follow the seasonal patterns. No other changes are made to table-egg production for the outlying 2023 quarters. Thus the 2023 table-egg production is projected to 7,976 million dozen eggs, a 2.5-percent year-over-year increase. The 2024 forecast for table-egg production is unchanged from last month.

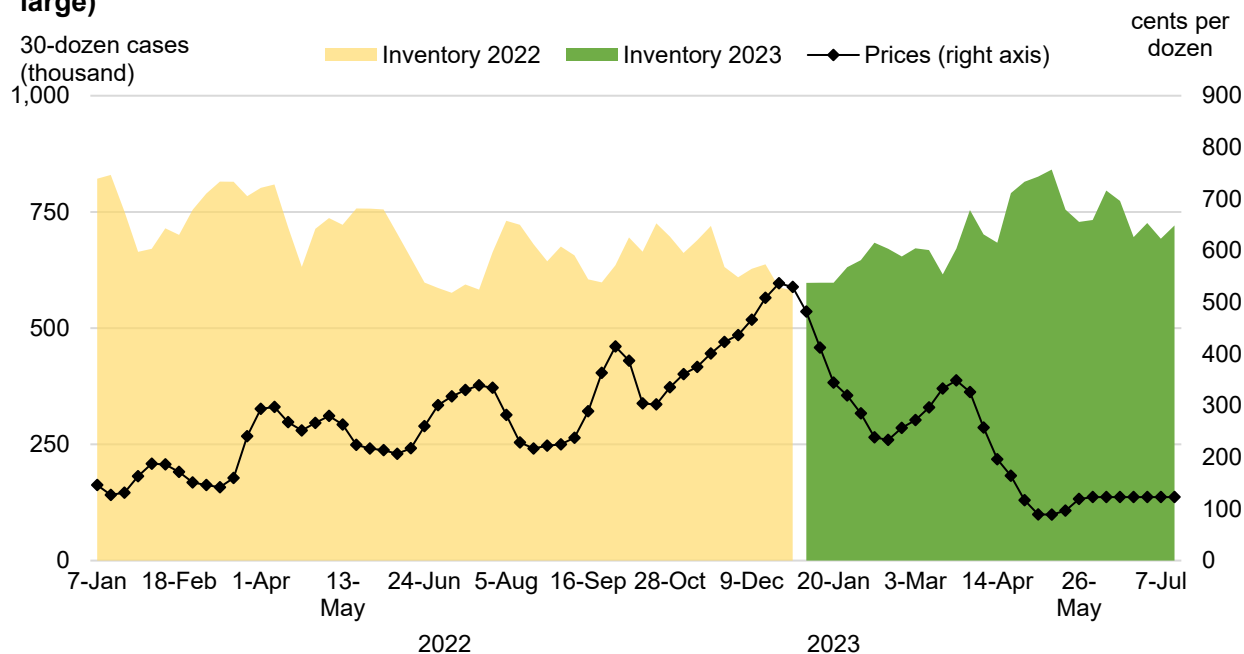
Benchmark Wholesale Table-Egg Price Stable

As of July 11th, daily wholesale egg prices (New York, Grade A, large) have been unchanged at 123 cents per dozen since the end of May. As a result, the June average wholesale price was 123 cents per dozen, about 48 percent lower than last June. The lack of movement in egg prices over the last several weeks was most likely due to consistent year-over-year increases in the availability of shell-egg inventories ready for marketing. These adjustments overlap with a period where consumer demand for shell eggs is at one of the lowest points in the year.

Second-quarter wholesale prices averaged 135.8 cents per dozen, 46-percent lower than last year. For the outlying quarters, prices should follow seasonal expectations, with third-quarter

prices driven by the demand associated with return-to-school activities, and the fourth-quarter prices driven by the season-baking demand.

Weekly¹ U.S. at-hand shell egg inventory (large) and wholesale prices (New York, Grade A, large)



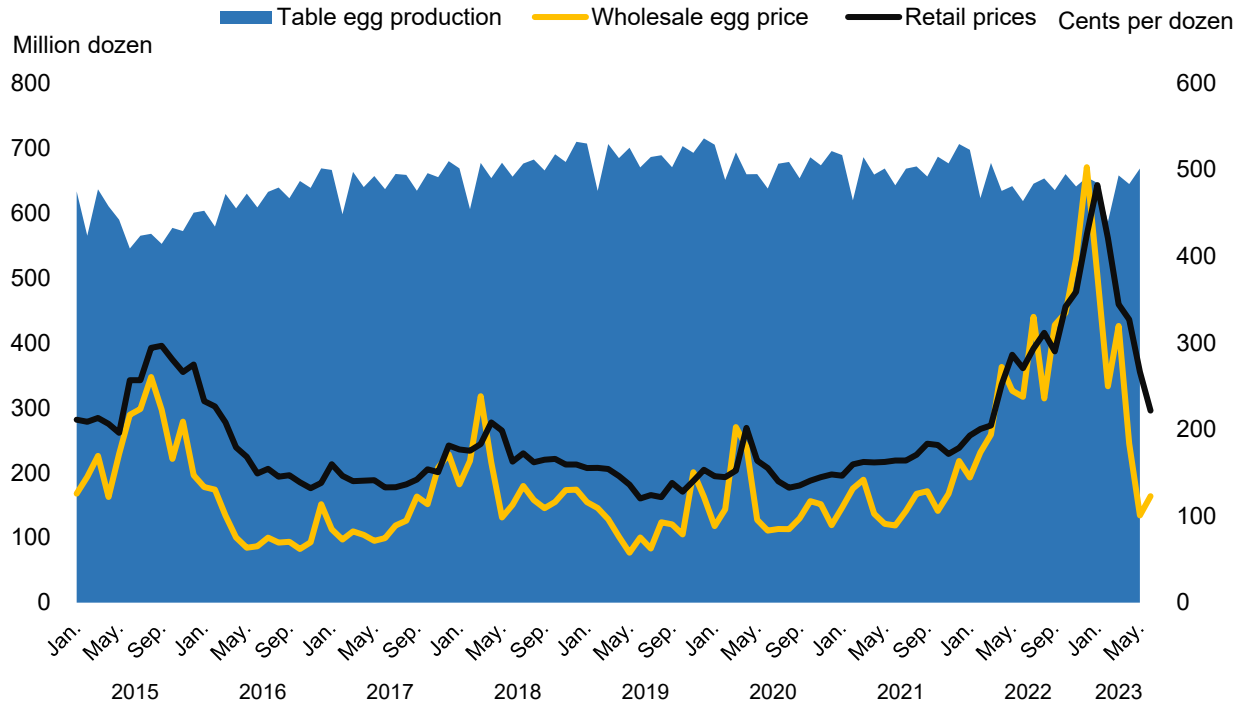
Note: ¹Week ending January 7, 2022, through week ending July 14, 2023.

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

However, given the current wholesale prices, egg inventory trajectories, and the seasonal price expectations, the third- and fourth-quarter average wholesale egg price forecasts remain unchanged at 130 and 145 cents per dozen, respectively. After accounting for the second-quarter realized average price, the 2023 average egg price is forecast at 181.7 cents per dozen, almost 36-percent year-over-year lower. The average egg price projection for 2024 is unchanged from last month.

Retail Prices on a Descending Path

Monthly table egg production, wholesale and retail egg prices¹



Note: ¹Wholesale prices are for eggs, New York, Grade A Large. Monthly averages of mid-point daily values. Retail prices are for eggs, grade A, large, per doz. in U.S. city average, average price, not seasonally adjusted. June 2022 table-egg production estimate not available.
 Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service, Bureau of Labor Statistics, and USDA, National Agricultural Statistics Service.

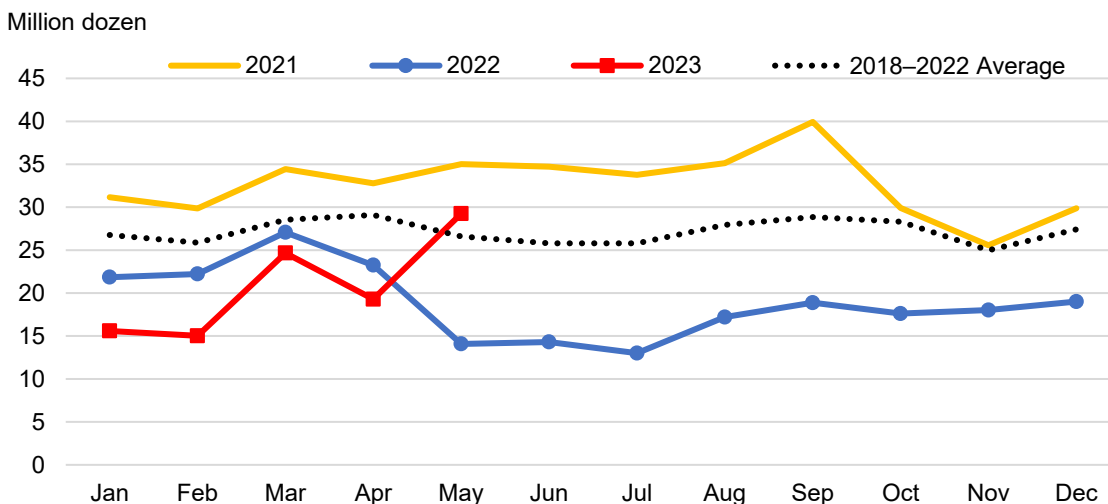
Wholesale and retail egg price movements are historically correlated on a yearly basis, with retail prices usually lagging the wholesale prices due to the marketing process (i.e., eggs available on shelves today have been purchased by the retailers several weeks before). Through 2022, as wholesale prices soared in response to the HPAI outbreaks, the retail prices followed the same steep ascending path and reached a high of 425 cents per dozen in December, more than doubling the January prices. With no outbreaks reported since December 2022, the January 2023 wholesale prices started a descending path. However, because of the lag, January retail prices reached an all-time high of 482 cents per dozen. Since February, retail egg prices have been on a steep decline, averaging 221 cents per dozen in June, about 260 cents lower than at the beginning of the year.

Egg Import and Export Expectations Raised in 2023 and 2024

Egg exports in May totaled 29.2 million dozen shell-egg equivalent, more than double the exports from last May, with increases in both shell-egg and egg product exports. Shipments increased to partners including Mexico (+5.7 million dozen), Canada (+3.9 million dozen), Japan (+2.7 million dozen), Australia (+1.3 million dozen), and Costa Rica (+1.1 million dozen). With no new cases of HPAI in U.S. laying hens since December 2022, egg production is projected to

recover in 2023. Based on larger supplies, as well as strong international demand—especially from Japan—2023 projected exports are adjusted up by 77 million pounds to 285 million dozen shell-egg equivalent. This would represent 3 percent of total egg production, up from 2.5 percent in 2022. In 2024, the egg export forecast was adjusted up to 265 million dozen shell-egg equivalent.

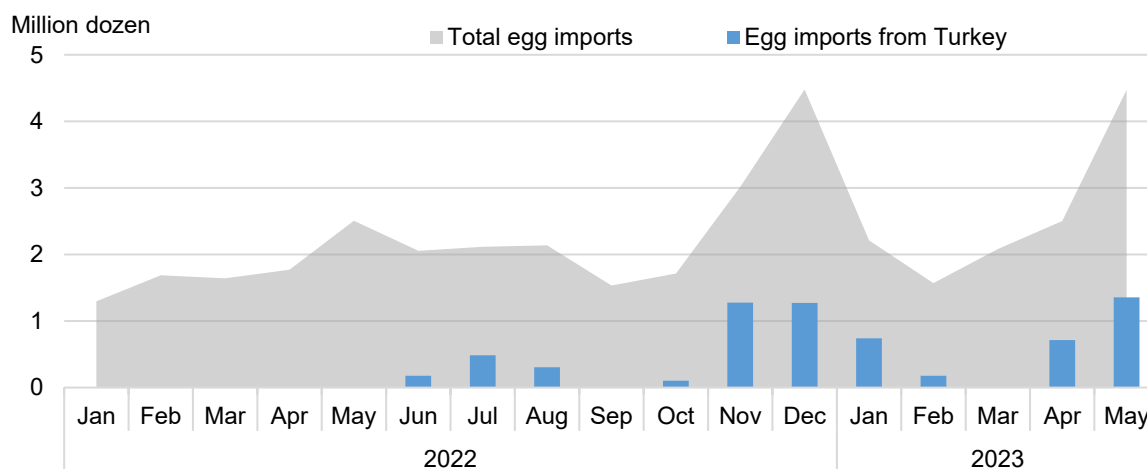
Monthly egg and egg product exports (shell-egg equivalent), 2018–2023



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

May egg imports totaled 4.474 million dozen shell-egg equivalent, up almost 2 million dozen from April and the strongest month since December of last year. Of the May import total, 30.3 percent was shipped from Turkey (1.36 million dozen). Turkey only began shipping eggs to the United States last year, contributing to the boost in imports at the end of the year. Turkey's shipments are comprised entirely of shell eggs, which are destined for further processing in the United States. Based on recent data and expectations for continued shipments from Turkey, projected 2023 imports are adjusted up to 29.7 million dozen shell-egg equivalent. This would be up 5.7 million dozen from 2022 and the strongest import year since 2017. Projected egg imports for 2024 are adjusted up to 19 million shell-egg equivalent dozen.

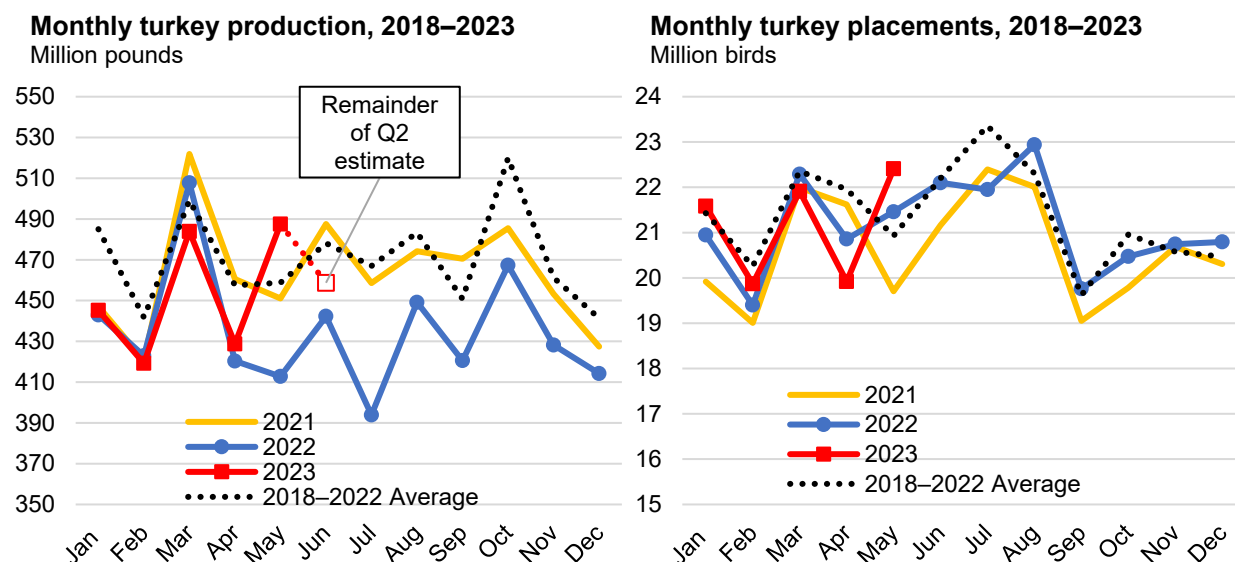
Monthly egg and egg product imports (shell-egg equivalent), January 2022–May 2023



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

Turkey Production Projection Increased for 2023

Turkey production in May totaled 487.5 million pounds, 18 percent over May 2022 and the strongest month of 2023 so far, both on a per day and absolute basis. Preliminary weekly data indicated that improvement over last year, both in head slaughtered and average weights, continued in the month of June. Based on recent production data, the second-quarter turkey production estimate was increased by 50 million pounds to 1.375 billion pounds. This would be an increase of 8 percent over the second quarter of 2022, but still 24 million pounds short of the pre-HPAI second-quarter total in 2021.



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

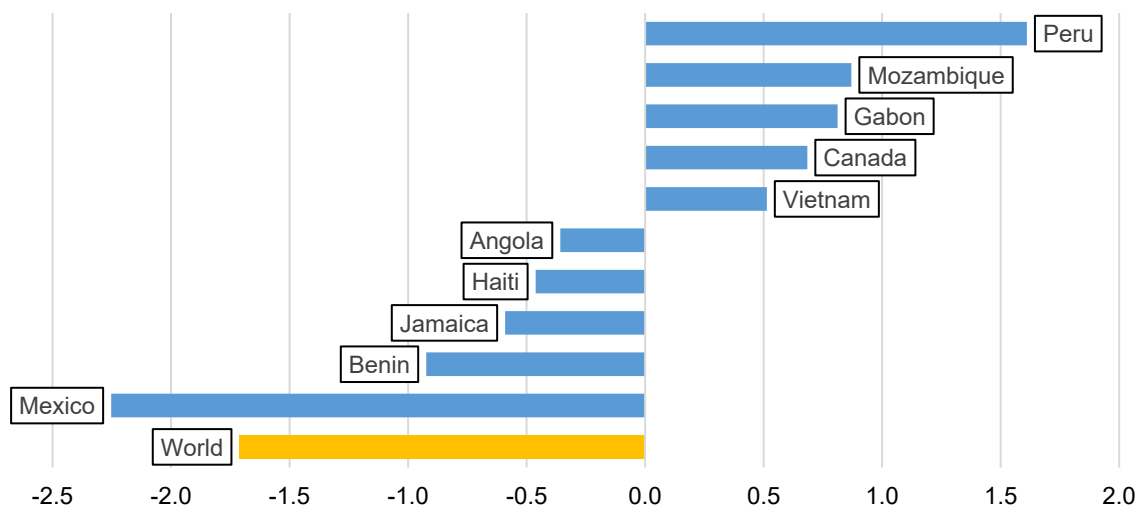
Turkey placements in May totaled 22.4 million birds, an increase of 4.4 percent from last year and the strongest month of this year so far. Turkey placements typically peak in June or July in preparation for Thanksgiving. Based on strong May placements, projected third-quarter production was adjusted up by 20 million pounds to 1.320 billion pounds. Combined with the second-quarter increase, this brings the 2023 projected total to 5.453 billion pounds. This would be an increase of 4.4 percent from 2022 but would still be about 2 percent below 2021. The 2024 turkey production forecast is unchanged at 5.640 billion pounds, which would be an increase of 3.4 percent from the 2023 projection and 1.5 percent over 2021.

Turkey Exports and Imports Adjusted Up

Turkey exports in May totaled 39.5 million pounds, down about 1.7 million pounds from the same month last year. Mexico still accounted for the lion's share of exports, with 26.7 million pounds shipped. Small year-over-year increases in shipments to smaller markets, including Peru (+1.6 million pounds), Mozambique (+870,000 pounds), Gabon (+812,000 pounds), Canada (+684,000 pounds), and Vietnam (+513,000 pounds), were more than offset by decreased shipments to Mexico (-2.3 million pounds), Benin (-924,000 pounds), Jamaica (-591,000 pounds), Haiti (-462,000 pounds), and Angola (-358,000 pounds), among others.

Largest year-over-year changes in broiler exports by country, May 2022 to May 2023

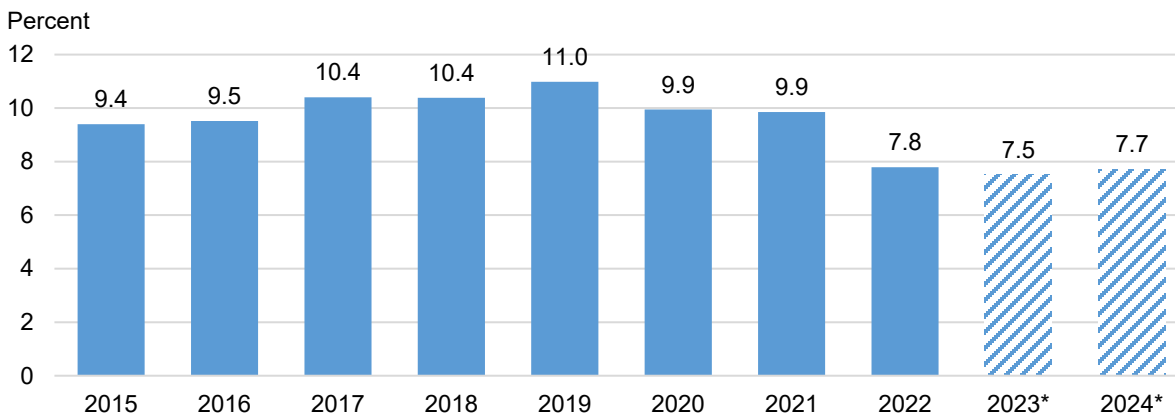
Million pounds



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

In the first 5 months of 2023, turkey exports have accounted for 7.0 percent of domestic production. In both 2020 and 2021. Before the 2022 HPAI outbreak, turkey exports accounted for 9.9 percent of production, but that share fell to 7.8 in 2022. In 2023, as turkey production is projected higher than 2022, the annual share of production exported is expected to be similar to 2022. Projected exports are adjusted up to 410 million pounds, which would account for 7.5 percent of projected production. In 2024, exports are adjusted up to 435 million pounds, 7.7 percent of forecast turkey production in that year.

Turkey exports as a share of production, 2015–24

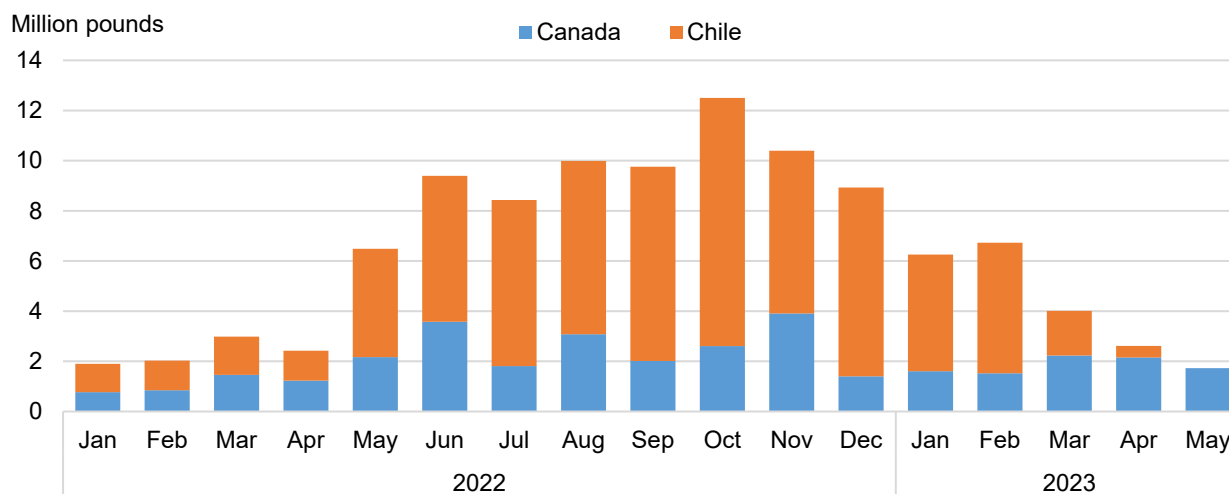


Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census and USDA, *World Agricultural Supply and Demand Estimates*.

May turkey imports totaled 1.7 million pounds and came solely from Canada, with imports from Chile falling to zero. Shipments from Chile made up most of the turkey imports before an outbreak of HPAI earlier this year limited shipments. However, shipments of turkey are expected to resume in the latter half of the year, as the regionalized restrictions from the USDA's Animal and Plant Health Inspection Service (APHIS) do not currently include provinces in the Valparaiso region where most Chilean turkey is produced. Based on expectations that shipments of turkey meat from Chile will make a slow and steady recovery, and assuming there

are no additional HPAI outbreaks, 2023 turkey imports are adjusted up by 8 million pounds to 50 million pounds. This would be down 35 million pounds from the 2022 total. In 2024, imports of turkey are currently expected to recover to 2022 levels and total 85 million pounds.

Monthly turkey imports by country, January 2022–May 2023



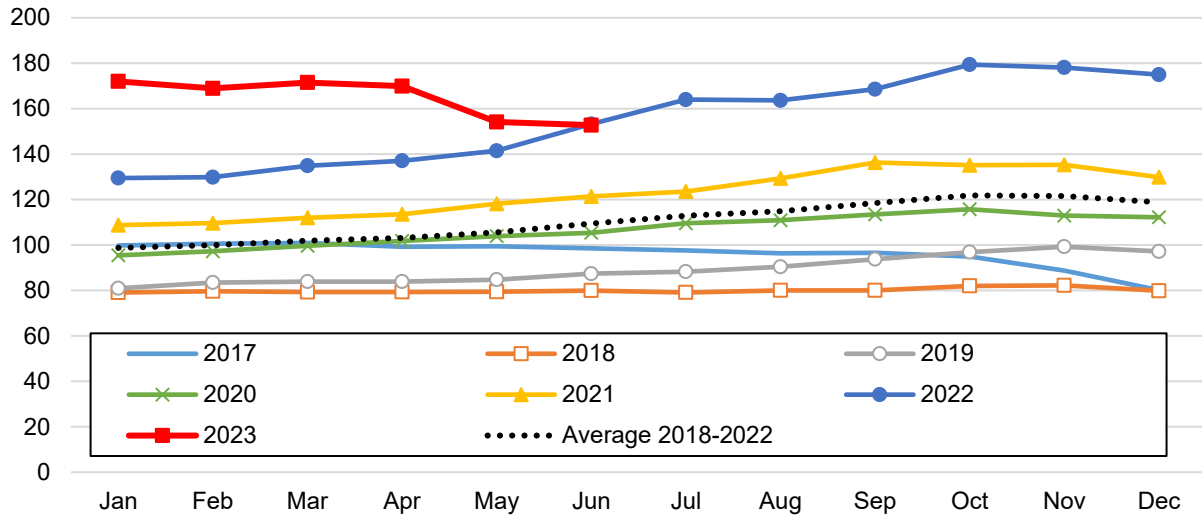
Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

Turkey Prices Adjusted Down in 2023 and 2024

Wholesale prices for frozen whole-hen turkeys averaged 152.75 cents per pound in June, bringing the second-quarter average to 158.9 cents per pound. This is 15 cents higher than the second-quarter average from last year, but down about 12 cents from the first quarter. This was the first time quarterly prices declined from the first quarter to the second since 2017. June also marks the first time a monthly turkey price fell year-over-year since 2018, down about half a cent below the June 2022 average price. First-quarter turkey production was down compared to last year but estimated second-quarter production shows year-over-year growth for the first time since the second quarter of 2021. Recovering production in the second half of 2023 and early 2024 is expected to result in continued easing of prices relative to the prior year. While prices are still expected to show a seasonal increase in the second half of 2023, the third- and fourth-quarter projected prices were each adjusted down by 8 cents to 160 and 165 cents per pound, respectively. This would bring the annual average price to 163.7 cents per pound, still an increase of 9 cents from the 2022 average. In 2024, the projected average price was also adjusted down to 164 cents per pound, nearly level with the 2023 projected average price.

Monthly wholesale prices for frozen whole-hen turkeys, 2017-23

Cents per pound



Source: USDA, Agricultural Marketing Service.

Special Article

An Assessment of U.S. Beef Imports

Hannah Taylor

Conventional wisdom holds that the majority of U.S. beef imports are boneless manufacturing trimmings destined for blending with trimmings from domestic steer and heifer slaughter to create a ground beef product.⁶ The United States has a comparative advantage in producing higher-quality, grain-fed cattle which results in higher-grading steaks and roasts and a co-product of 50/50 trimmings that are generally the result of fat removal in creating the cuts. These fat trimmings are typically blended with leaner trimmings to produce a ground beef product of the desired lean-to-fat ratio. These lean trimmings can be sourced either from domestic cow slaughter or imported trim. Most of the ground beef sold at retail stores is derived from domestic trim; imported beef is more commonly used in food service venues.⁷ While it is still true that a large portion of beef imports are comprised of product destined for blending into ground beef, a closer look at the trade data reveals some interesting dynamics about the mix of imported products over time.

There are multiple sources of beef trade data. The USDA, Food Safety and Inspection Service (FSIS) inspects all beef imported into the United States and reports these imports weekly.⁸ FSIS reports the product group defining the products down to a level that allows them to perform the appropriate types of inspections. The figure below shows the top three product groups reported by FSIS, which together account for about 80 percent of total beef import inspections. Boneless manufacturing trimmings, along with other product groups that are also likely destined to be blended into ground beef, make up the largest share of imports. Australia, New Zealand, and Canada account for the largest share of boneless manufacturing trimming imports.

While imports of boneless manufacturing trimmings have decreased from 1.4 billion pounds in 2015 to just under 1 billion pounds in 2022, imports of primals and sub-primals and cuts have increased from 966 million to 1.2 billion pounds. Within this growing category, the majority of imports are from North American partners. In 2022, 73 percent of import inspections classified as primals and subprimals originated from Canada; some of this constitutes bilateral trade of similar products between the United States and Canada when north-south transportation between the two countries is more economically efficient than east-west transportation.⁹ Nearly 70 percent of FSIS import inspections classified as cuts in 2022 originated from Mexico. Many of these products are cut to certain specifications targeted toward Hispanic markets in the United States.¹⁰

⁶ The fabrication of beef carcasses results in a variety of whole-muscle cuts and trimmings, which are often used for ground product. These trimmings are classified using the percent lean versus percent fat contained in the batch. For example, 50/50 trimmings contain 50 percent lean and 50 percent fat; 90/10 trimmings (90s) contain 90 percent lean and 10 percent fat. Specialized grinders use a combination of high and low fat content trim to produce a ground beef product of the desired lean-to-fat ratio.

⁷ Tonsor, G., and D. Peel. 2022. "Assessing Economic Impact That Would Follow Loss of U.S. Beef Exports and Imports," *Report prepared for Kansas Beef Council, Oklahoma Beef Council, and Texas Beef Council*.

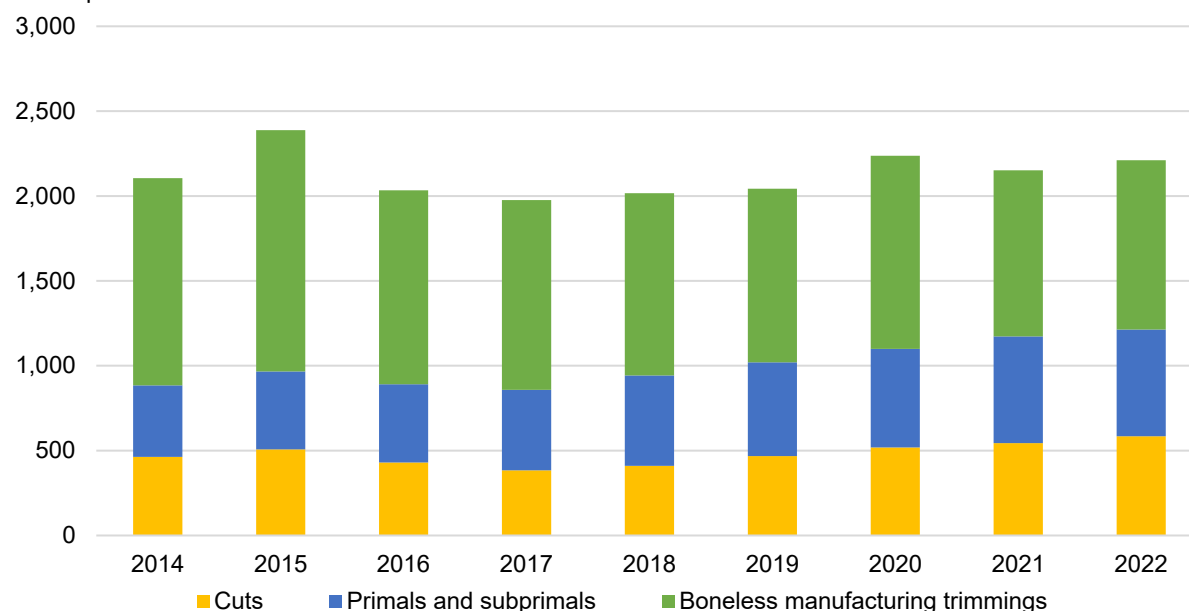
⁸ The weekly numbers are published in the USDA, Agricultural Marketing Service *Imported Meat Passed for Entry in the U.S. by Country* report. A compiled report of monthly data can be found on the USDA, FSIS Import and Export Data webpage.

⁹ Peel, D. 2021. "Beef supply chains and the impact of the COVID-19 pandemic in the United States." *Animal Frontiers*, 11-1. January 2021.

¹⁰ Peel, D. 2021. "Beef supply chains and the impact of the COVID-19 pandemic in the United States." *Animal Frontiers*, 11-1. January 2021.

FSIS inspected import shipments; Top 3 product groups

Million pounds



Source: USDA Economic Research Service calculations using data from USDA, Food Safety and Inspection Service.

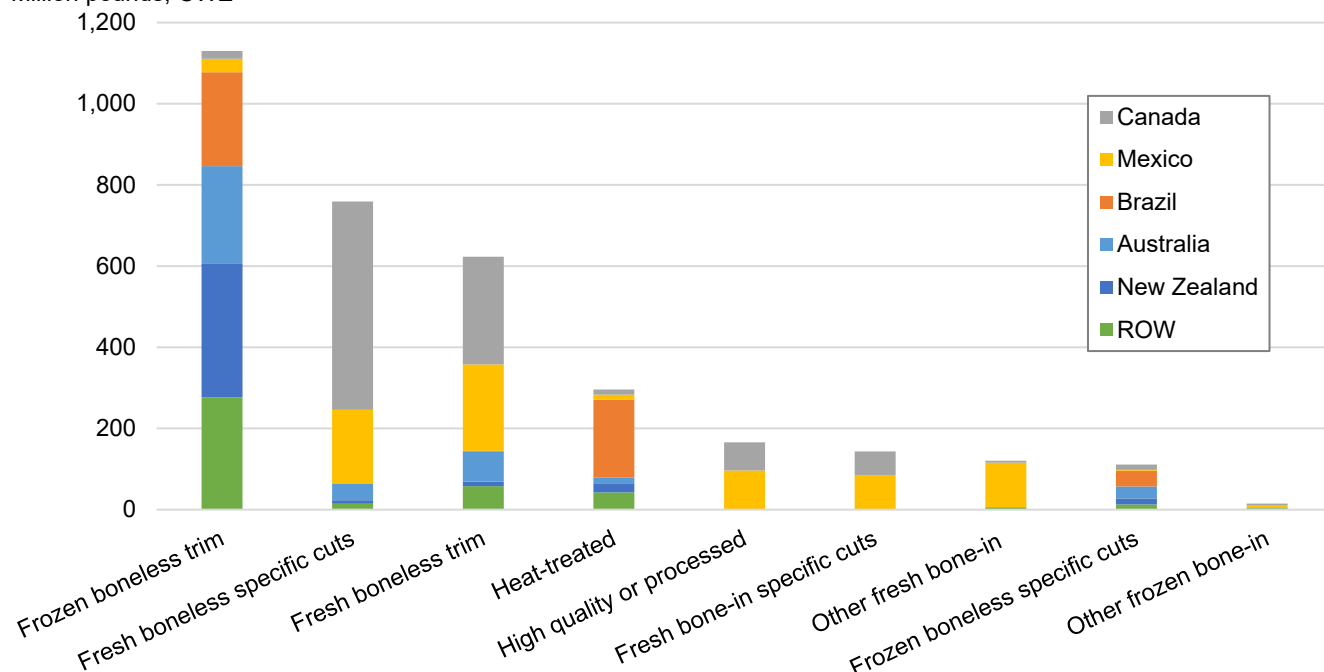
The USDA, Economic Research Service (ERS) provides beef import statistics in the Livestock and Meat International Trade Data. The data compiles a specific group of Harmonized Tariff Schedule product codes (HTS codes) pertaining to beef and veal. USDA, ERS provides the data in aggregate form on a carcass-weight-equivalent (CWE) basis. The source of the data, the U.S. Department of Commerce, Bureau of the Census, reports trade data by individual tariff codes on a product weight basis, and it is possible to use the data from individual tariff lines to gain a sense of specific product imports. In 2022, there were 59 distinct HTS codes used for beef imports; a complete list of these codes is available in the appendix. Using the ERS CWE conversions on each individual tariff line, the HTS code with the most imports in 2022, at over 988 million pounds (nearly 30 percent of total imports), was frozen boneless beef, not elsewhere specified or included. The top suppliers of this product were New Zealand, Australia, Brazil, Nicaragua, and Uruguay. The second-largest HTS code, at 592 million pounds CWE (17 percent of total imports), was fresh boneless beef, not elsewhere specified or included, of which 78 percent originated from Canada and Mexico.

In the figure below, the HTS codes from 2022 have been aggregated into 9 groups.¹¹ The largest group was frozen boneless trimmings, accounting for one-third of all imports. The size of this group of HTS codes compares closely with the FSIS data, where about 36 percent of import inspections were boneless manufacturing trimmings. These products mostly came from New Zealand, Australia, Brazil, and other smaller suppliers. The unit values for these products averaged around \$2.81 per pound, which matches closely with the average price for 90/10 trimmings in the United States at \$2.68 per pound in 2022. The similarity in prices reflects the interchangeability and competition between domestic and imported trim.

¹¹ A list of all HTS codes from 2022 and their group classifications is included in the appendix. Groups referred to as “cuts” are aggregations of those HTS codes for cuts from specific primals. Groups referred to as “trim” contain those HTS codes for “other” and “not elsewhere specified or included.”

2022 U.S. beef imports by type and country

Million pounds, CWE



ROW = Rest of world. CWE = carcass weight equivalent.

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

The second-largest group of HTS codes, at 22 percent of total imports, was fresh boneless specific cuts, of which 68 percent came from Canada and 24 percent from Mexico. Based on the FSIS data, about 54 percent of imports from Canada were classified as primals and subprimals. In the Census Bureau data, the group of fresh boneless cuts accounted for about 53 percent of total imports from Canada and therefore likely consisted of boned-out primals and subprimals. As mentioned above, some of this was bilateral trade of similar products between Canada and the United States.

The third-largest group of HTS codes in the Census Bureau data, with 18 percent of total imports, was fresh boneless trim (or other fresh, boneless product not listed under a specific primal). Around 42 percent of these imports were from Canada, but with very low unit values at \$1.36 per pound. This suggests some trade of higher fat content trimmings; U.S. prices for 65 percent lean trimmings averaged around \$1.39 per pound in 2022. Additionally, 34 percent of imports in the fresh boneless trim group originated from Mexico. However, according to the FSIS data, about 80 percent of imports from Mexico were cuts, and only 5 percent were boneless manufacturing trimmings. Therefore, the product from Mexico falling in the fresh boneless trim group was most likely cuts rather than product destined for blending into ground beef.

The mix of import products has shifted over the years, especially in terms of fresh and frozen imports. Historically, imports were mostly frozen for ease of transportation. In 2017, fresh imports overtook frozen and have remained slightly larger every year since. In 2022, 51 percent of imports were fresh while 40 percent were frozen (9 percent were heat-treated). Increased U.S. imports from Canada and Mexico, whose geographical proximity allows for easier transportation of fresh beef, account for most of the growth in fresh imports.

Historically, total imports were negatively correlated with domestic cow slaughter as imported 90/10 trimmings closely resemble the product derived from cow slaughter. In recent years, this has not always appeared to be the case. Cow slaughter began to rise in 2016 and—with the exception of 2020—has risen every year since. Imports have also risen every year since 2018. However, separating out just those HTS codes for frozen boneless trim shows that the inverse correlation between imported trim and domestic cow slaughter remains very strong. The first figure above shows that imports of boneless manufacturing trimmings began to decrease starting in 2016, when cow slaughter began to rise.

In addition to changes in the product mix, there have been changes to the top suppliers of beef imports as well. Imports from North America have increased dramatically over the last decade. Beef production in Mexico has increased more than 20 percent since 2013, and U.S. imports from Mexico have more than doubled in that time as a cattle feeding and processing sector developed in northern Mexico. Imports from Canada have risen more than 80 percent in the last decade, partially aided by a decline in U.S. imports from Australia and New Zealand. Limited exportable supplies in Australia resulted from herd liquidation due to severe drought and subsequent herd rebuilding (resulting in more females held back rather than sent to slaughter). As a result, U.S. imports from Australia dropped off sharply in 2016 and continued to fall to the lowest levels on record in 2022.

Imports from Brazil have also increased rapidly in the last few years. In 2020, FSIS lifted a ban on fresh beef imports from Brazil, and it has emerged as one of the top suppliers of beef imports to the United States. Prior to lifting the ban, only heat-treated beef imports were allowed from Brazil. In 2020, imports of non-heat-treated (frozen and fresh or chilled) beef accounted for only 26 percent of total imports from Brazil; in 2022, that share increased to nearly 60 percent.

Looking ahead, U.S. beef imports are forecast to increase in 2023 and 2024. U.S. beef production is forecast to decrease by a greater proportion, but the forecast increases in imports are more subdued, consistent with the average growth in imports over the last few years. However, other factors, such as domestic beef demand and supplies from South America and Oceania, could shift imports away from recent patterns.

Appendix: Harmonized Tariff Schedule (HTS) product codes of beef imports in 2022

See footnotes to this table for explanation of additional Note 3.

Group	HTS Code	Description
Frozen boneless trim	0202305085	Meat of bovines, other boneless cuts, except processed, frozen, additional Note 3
	0202308000	Meat of bovine animals, boneless, not elsewhere specified, frozen
Fresh boneless specific cuts	0201305025	Meat of bovines, boneless rib cuts, except processed, fresh or chilled, additional Note 3
	0201305035	Meat of bovines, boneless chuck cuts, except processed, fresh or chilled, additional Note 3
	0201305045	Meat of bovines, boneless loin cuts, except processed, fresh or chilled, additional Note 3
	0201305055	Meat of bovines, boneless brisket cuts, except processed, fresh or chilled, additional Note 3
	0201305065	Meat of bovines, boneless hip cuts, except processed, fresh or chilled, additional Note 3
	0201305075	Meat of bovines, boneless flank or plate cuts, except processed, fresh or chilled, additional Note 3
Fresh boneless trim	0201305085	Meat of bovines, other boneless cuts, except processed, fresh or chilled, additional Note 3
	0201308090	Meat of bovine animals, fresh or chilled, other, except processed

Heat-treated	0210200000	Meat of bovine animals, salted, in brine, dried or smoked
	1601004090	Beef sausages and similar products in airtight containers, food preparations, not canned
	1601006020	Beef sausages and similar products, food preparations, not canned
	1601006060	Sausage and similar product meat, etc., not elsewhere specified, food preparations, canned
	1601006080	Sausage and similar product meat, etc., not elsewhere specified, food preparations, not canned
	1602204000	Animal livers except goose, prepared or preserved
	1602496000	Mixtures of pork and beef, prepared or preserved
	1602500500	Offal of bovine animals (excluding liver), prepared or preserved
	1602500720	Corned beef, no cereals or vegetables, airtight container less than 1kg
	1602500740	Corned beef, no cereals or vegetables, airtight container 1kg or more
	1602500800	Other prepared or preserved meat, meat offal or blood of bovine animals, no cereals or vegetables
	1602502120	Meat of bovine animals, not elsewhere specified, no vegetables, prepared, airtight container less than 1 kg
	1602502140	Meat of bovine animals, not elsewhere specified, no vegetables, prepared, airtight container 1kg or more
	1602506000	Meat of bovine animals, not elsewhere specified, no cereals or vegetables, prepared or preserved
	1602909160	Other prepared or preserved meat, meat offal or blood, including preparations of blood, canned
1602909180	Other prepared or preserved meat, meat offal or blood, including preparations of blood	
High quality or processed	0201201000	High-quality beef cuts with bone in, processed, fresh or chilled, additional Note 3
	0201203000	Beef cuts with bone in, processed, not elsewhere specified, fresh or chilled, additional Note 3
	0201301000	Additional Note 3 high-quality beef cuts, boneless, processed, fresh or chilled
	0201303000	Beef, boneless, processed, not elsewhere specified, fresh or chilled, additional Note 3
	0202201000	High-quality beef cuts with bone in, processed, frozen, additional Note 3
	0202203000	Beef cuts with bone in, processed, not elsewhere specified, frozen, additional Note 3
	0202301000	High-quality beef cuts, boneless, processed, frozen, additional Note 3
	0202303000	Meat of bovine animals, boneless, processed, not elsewhere specified, frozen, additional Note 3
Fresh bone-in specific cuts	0201205025	Meat of bovines, bone in rib cuts, except processed, fresh or chilled, additional Note 3
	0201205035	Meat of bovines, bone in chuck cuts, except processed, fresh or chilled, additional Note 3
	0201205045	Meat of bovines, bone in loin cuts, except processed, fresh or chilled, additional Note 3
	0201205055	Meat of bovines, bone in brisket cuts, except processed, fresh or chilled, additional Note 3
	0201205065	Meat of bovines, bone in hip cuts, except processed, fresh or chilled, additional Note 3
	0201205075	Meat of bovines, bone in flank or plate cuts, except processed, fresh or chilled, additional Note 3
Other fresh bone-in	0201205085	Meat of bovines, other bone in cuts, except processed, fresh or chilled, additional Note 3
	0201205091	Meat of bovines, bone in, fresh or chilled, additional Note 3
	0201208090	Other cuts of meat of bovine animals with bone in, fresh or chilled
Frozen boneless specific cuts	0202305025	Meat of bovines, boneless rib cuts, except processed, frozen, additional Note 3
	0202305035	Meat of bovines, boneless chuck cuts, except processed, frozen, additional Note 3
	0202305045	Meat of bovines, boneless loin cuts, except processed, frozen, additional Note 3
	0202305055	Meat of bovines, boneless brisket cuts, except processed, frozen, additional Note 3
	0202305065	Meat of bovines, boneless hip cuts, except processed, frozen, additional Note 3

	0202305075	Meat of bovines, boneless flank or plate cuts, except processed, frozen, additional Note 3
Other frozen bone-in	0202105090	Other meat of bovine animals, carcasses or half carcasses, frozen
	0202205025	Meat of bovines, bone in rib cuts, except processed, frozen, additional Note 3
	0202205035	Meat of bovines, bone in chuck cuts, except processed, frozen, additional Note 3
	0202205045	Meat of bovines, bone in loin cuts, except processed, frozen, additional Note 3
	0202205055	Meat of bovines, bone in brisket cuts, except processed, frozen, additional Note 3
	0202205065	Meat of bovines, bone in hip cuts, except processed, frozen, additional Note 3
	0202205075	Meat of bovines, bone in flank or plate cuts, except processed, frozen, additional Note 3
	0202205085	Meat of bovines, other bone in cuts, except processed, frozen, additional Note 3
	0202205090	Meat of bovines, other bone in cuts, except processed, frozen, additional Note 3
	0202208000	Other meat of bovine animals, cuts with bone in, frozen

Note: Group refers to the classification of product codes used for the purposes of this report. This list does not include HTS codes referring to bison or veal. Additional Note 3 refers to Additional U.S. Note 3 of Chapter 2 of the Harmonized Tariff Schedule of the United States, which specifies the amounts of the tariff rate quotas for certain beef products.

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

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U.S. red meat and poultry forecasts

	2021			2022					2023					2024		
	I	II	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Production, million pounds																
Beef	6,900	6,963	27,948	7,023	7,072	7,144	7,052	28,291	6,821	6,710	6,810	6,820	27,161	6,155	6,180	24,700
Pork	7,292	6,668	27,675	6,905	6,639	6,534	6,919	26,996	7,071	6,600	6,570	7,130	27,371	6,895	6,520	27,335
Lamb and mutton	35	36	138	32	35	33	32	131	33	33	32	33	131	32	33	129
Broilers	10,893	11,232	44,899	11,170	11,279	11,896	11,861	46,206	11,549	11,500	12,150	11,900	47,099	11,760	11,760	47,820
Turkeys	1,390	1,399	5,558	1,374	1,275	1,264	1,310	5,222	1,348	1,375	1,320	1,410	5,453	1,390	1,400	5,640
Total red meat and poultry	26,651	26,450	106,810	26,651	26,455	27,035	27,034	107,469	26,976	26,375	27,040	27,436	107,826	26,384	26,046	106,230
Table eggs, million dozen	1,995	1,970	8,031	1,998	1,894	1,934	1,956	7,781	1,891	1,960	2,025	2,100	7,976	2,025	2,050	8,280
Per capita disappearance, retail pounds 1/																
Beef	14.6	14.9	58.9	15.0	14.7	14.7	14.6	59.1	14.9	14.4	14.2	14.2	57.6	13.4	13.2	52.7
Pork	13.1	11.8	51.1	13.1	12.4	12.4	13.1	51.1	13.0	11.9	11.9	13.0	49.8	12.6	11.6	49.6
Lamb and mutton	0.3	0.4	1.4	0.3	0.3	0.3	0.3	1.3	0.3	0.3	0.3	0.3	1.2	0.3	0.3	1.3
Broilers	23.5	24.3	96.5	23.8	24.2	25.7	25.1	98.9	24.8	24.6	26.2	25.1	100.7	24.9	25.0	101.3
Turkeys	3.4	3.6	15.3	3.4	3.2	3.6	4.3	14.6	3.4	3.6	3.7	4.5	15.2	3.5	3.6	15.7
Total red meat and poultry	55.2	55.4	224.8	56.1	55.4	57.3	57.9	226.8	56.8	55.2	56.7	57.6	226.3	55.1	54.2	222.3
Eggs, number	70.2	69.2	282.5	71.3	68.2	69.4	70.2	279.0	67.5	69.5	71.4	74.2	282.6	71.5	72.3	292.7
Market prices																
Steers 5-area Direct, Total all grades, dollars/cwt	112.98	120.75	122.40	139.25	141.93	143.42	152.99	144.40	160.92	179.02	178.00	183.00	175.24	186.00	184.00	183.50
Feeder steers, Medium Frame No. 1, OK City, dollars/cwt	134.30	140.22	146.95	156.04	158.35	172.31	177.06	165.94	183.48	211.49	241.00	246.00	220.49	245.00	244.00	250.25
Cows, Live equivalent, Cutter 90% lean, 500 lbs and up, National, dollars/cwt	59.63	67.54	64.91	72.65	83.41	84.01	73.69	78.44	82.91	96.62	105.00	105.00	97.38	110.00	115.00	112.50
Choice/Prime slaughter lambs, National, dollars/cwt	165.42	211.79	216.92	225.00	210.33	138.69	124.26	174.57	134.23	161.36	155.00	155.00	151.40	150.00	150.00	146.25
Barrows and gilts, National base cost, 51-52% lean, live equivalent, dollars/cwt	55.71	80.92	67.29	65.55	75.58	80.20	63.49	71.21	54.83	56.69	63.00	57.00	57.88	63.00	68.00	64.75
Broilers, Wholesale, National composite, weighted average, cents/lb	84.0	104.4	101.2	135.1	167.5	136.1	123.5	140.5	124.5	139.3	125.0	125.0	128.4	127.0	129.0	128.8
Turkeys, National 8-16 lb hens, National, cents/lb	110.1	117.7	122.8	131.4	143.9	165.4	177.5	154.5	170.8	158.9	160.0	165.0	163.7	162.0	163.0	163.5
Eggs, Grade A large, New York, volume buyers, cents/dozen	127.8	94.2	118.5	170.8	251.6	295.6	411.7	282.4	315.9	135.8	130.0	145.0	181.7	155.0	130.0	143.8
U.S. trade, million pounds, carcass-weight equivalent																
Beef and veal exports	788	875	3,428	843	944	912	846	3,544	779	805	840	790	3,214	730	750	2,950
Beef and veal imports	696	865	3,345	985	859	797	750	3,390	956	910	890	765	3,521	960	870	3,560
Lamb and mutton imports	69	93	364	88	88	93	89	358	79	65	85	90	319	95	90	370
Pork exports	1,922	1,903	7,024	1,538	1,611	1,514	1,681	6,345	1,668	1,770	1,650	1,825	6,913	1,700	1,760	6,980
Pork imports	247	260	1,180	358	369	317	300	1,344	284	265	255	270	1,074	300	280	1,155
Broiler exports	1,851	1,772	7,348	1,833	1,803	1,723	1,931	7,290	1,873	1,815	1,770	1,925	7,383	1,915	1,875	7,570
Turkey exports	130	140	548	107	109	96	96	407	85	115	105	105	410	95	120	435
Live swine imports (thousand head)	1,607	1,649	6,663	1,654	1,664	1,602	1,565	6,486	1,671	1,650	1,620	1,580	6,521	1,675	1,650	6,525

Note: Forecasts are in bold. cwt=hundredweight.
1/ 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 7/12/2023

Dairy forecasts

Years Quarters				2023					2024		
	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thousands)	9,408	9,404	9,402	9,427	9,430	9,410	9,395	9,415	9,390	9,390	9,390
Milk per cow (pounds)	5,999	5,944	24,087	6,031	6,175	6,045	6,005	24,255	6,150	6,240	24,560
Milk production (billion pounds)	56.4	55.9	226	57	58.2	56.9	56.4	228.4	57.7	58.6	230.6
Farm use	0.3	0.3	1.0	0.2	0.2	0.3	0.3	1.0	0.2	0.2	1.0
Milk marketings	56.2	55.6	225	57	58.0	56.6	56.2	227.4	57.5	58.3	229.6
Milk-fat (billion pounds milk equiv.)											
Milk marketings	56.2	55.6	225.5	56.6	58.0	56.6	56.2	227.4	57.5	58.3	229.6
Beginning stocks	18.4	16.6	14.3	14.4	16.6	18.9	17.2	14.4	14.6	16.5	14.6
Imports	1.9	1.9	7.1	1.8	2.0	2.0	2.1	7.8	1.7	2.0	7.6
Total supply	76.5	74.1	246.9	72.8	76.6	77.5	75.4	249.6	73.8	76.9	251.8
Exports	3.4	3.2	13.4	0.0	2.9	3.0	2.9	11.6	2.8	3.6	12.6
Ending stocks	16.6	14.4	14.4	16.6	18.9	17.2	14.6	14.6	16.5	18.8	14.6
Domestic use ¹	56.5	56.5	219.1	56.2	54.7	57.3	57.9	223.4	54.5	54.5	224.6
Skim-solids (billion pounds milk equiv.)											
Milk marketings	56.2	55.6	225.5	56.6	58.0	56.6	56.2	227.4	57.5	58.3	229.6
Beginning stocks	12.4	11.8	11.1	11.7	12.4	12.7	12.1	11.7	12.0	12.3	12.0
Imports	1.6	2.0	6.7	1.8	1.4	1.6	1.8	6.5	1.7	1.7	6.9
Total supply	70.2	69.5	243.3	70.1	71.8	70.9	70.1	245.6	71.2	72.3	248.5
Exports	13.6	12.9	52.9	12.6	13.1	13.0	12.2	50.9	12.9	14.5	53.8
Ending stocks	11.8	11.7	11.7	12.4	12.7	12.1	12.0	12.0	12.3	12.5	12.1
Domestic use	44.7	45.0	178.7	45.0	46.0	45.8	45.8	182.6	46.0	45.3	182.7
Milk prices (dollars/hundredweight) ¹											
All milk	24.57	25.17	25.34	21.93	19.65	17.45	19.20	19.55	19.50	18.60	19.10
Class III	20.81	21.11	21.96	18.44	16.50	14.30	15.05	16.05	15.75	15.75	15.95
Class IV	25.08	23.46	24.47	19.08	18.10	17.90	17.75	18.20	17.35	17.40	17.45
Product prices (dollars/pound) ²											
Cheddar cheese	2.0428	2.1004	2.1122	1.8797	1.705	1.525	1.600	1.675	1.670	1.670	1.690
Dry whey	0.5143	0.4723	0.6057	0.4186	0.380	0.295	0.300	0.350	0.310	0.310	0.315
Butter	3.0136	2.9743	2.8665	2.4338	2.435	2.445	2.430	2.435	2.350	2.320	2.345
Nonfat dry milk	1.6831	1.5141	1.6851	1.2717	1.160	1.130	1.120	1.170	1.110	1.130	1.125

Totals may not add due to rounding.

¹ Simple averages of monthly prices. May not match reported annual averages.

² Simple averages of monthly prices calculated by the USDA, Agricultural Marketing Service, for use in class price formulas. Product prices are 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.

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