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# Livestock, Dairy, and Poultry Outlook

**Kenneth Mathews**  
[kmathews@ers.usda.gov](mailto:kmathews@ers.usda.gov)

**Mildred Haley**  
[mhaley@ers.usda.gov](mailto:mhaley@ers.usda.gov)

## Red Meat and Poultry Affected by Weather and Disease in 2015

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Approved by the World Agricultural Outlook Board.

Current estimates of second-quarter total red meat and poultry production are below earlier estimates because lower beef and turkey production will likely offset higher broiler and pork production. Dairy cow slaughter—slightly above year-earlier slaughter—has not offset reduced beef cow slaughter. Higher dairy cow slaughter has been in response to lower milk prices and milk-price forecasts, despite increased exports of U.S. dairy products. Decreased beef cow slaughter has been a result of both low cow inventories and improved pasture conditions over most of the United States. Improved pasture conditions have also supported feeder cattle prices. However, fed cattle slaughter has been lower, partially due to narrow beefpacker margins and the ongoing tug of war between narrow-to-negative beefpacker margins and negative cattle-feeding margins. At the same time, pork production has been higher and prices have been under pressure as litter size and overall hog inventories have rebounded. Turkey and egg production have been lower due to impacts from the U.S. outbreak of Highly Pathogenic Avian Influenza (HPAI). Broiler production has not been affected, as both numbers of birds slaughtered and weights have been higher. However, trade in all poultry products has declined significantly because of HPAI-induced bans on imports of U.S. poultry imposed by other countries. Higher production and lower exports have exerted downward price pressure on almost all broiler products. The decline in production of table eggs has pressured prices higher. Wholesale egg prices in May and June and into July were sharply higher than the previous year.

**Beef/Cattle:** Rainfall has been abundant in most areas of the United States, virtually eliminating drought from everywhere but the areas west of the Rocky Mountains and sufficient to support pasture use plans through the rest of 2015. Cow and heifer slaughter has continued to decline year over year, raising both the proportion of steers in the slaughter mix and dressed weights of all cattle. Feeder cattle prices remain strong, but fed cattle and wholesale beef prices are declining.

**Pork/Hogs:** Hog and pork prices for the remainder of 2015 are expected to reflect larger hog inventories and expanding pork production levels. Prices of live hogs (51-52 percent lean) are expected to average between \$53-\$55 per cwt for the third quarter, \$45-\$49 per cwt in the fourth quarter, and \$50-\$51 per cwt for the year.

**Poultry:** Broiler production continues to expand, and the forecasts for the second through fourth quarter of 2015 and the 2016 forecast were all revised upward. The higher production is expected to push cold storage higher through the end of 2015 and into 2016. This has pressured broiler wholesale prices lower. Turkey production was down sharply in May and on a quarter-over-quarter basis is forecast to remain below the previous year through the first quarter of 2016. Even with lower production, falling exports are expected to place downward pressure on turkey prices. Lower table egg production has pressured prices higher. Wholesale egg prices at the end of June and into July were \$1.89 per dozen, up over 50 percent from the previous year.

**Poultry Trade:** Broiler, turkey, and egg shipments in May were down from a year ago. Broiler shipments totaled 577 million pounds in May 2015, a decrease of 9 percent from a year earlier. Turkey shipments decreased 35 percent from a year ago, totaling 39 million pounds, while egg and egg product exports totaled 26 million dozen in May 2015, a 16-percent decrease from the previous May.

**Dairy:** Dairy export forecasts have been raised on a milk-equivalent skim-solids basis but lowered on a milk-equivalent milk-fat basis. Dairy import forecasts have been raised on both a milk-fat basis and a skim-solids basis. Forecasts for milk production have been raised to 208.8 billion pounds for 2015 but lowered to 213.6 billion pounds for 2016. Annual forecasts for the all-milk price have been lowered to \$17.05-\$17.35 per hundredweight (cwt) for 2015 and \$17.00-\$18.00 per cwt for 2016.

#### **Recent Livestock, Dairy and Poultry Special Articles**

*“Effect of the Trans-Pacific Partnership on U.S. Dairy Trade,”* pdf pages 19-25 of November 2013 Livestock, Dairy and Poultry Outlook report

(<http://www.ers.usda.gov/media/1221780/specialarticleldpm233.pdf>)

*“Determinants of Japanese Demand for U.S. Pork Products in 2012,”* pdf pages 20-25 of the May 2013 Livestock, Dairy and Poultry Outlook report

(<http://www.ers.usda.gov/media/1106754/ldpm227.pdf>)

*“U.S. Pork Production Rises on a Smaller Base of Breeding Animals,”* pdf pages 16-19 of the April 2013 Livestock, Dairy and Poultry Outlook report

(<http://www.ers.usda.gov/media/1077557/ldpm226.pdf>)

*“Implications of the Trans-Pacific Partnership for Meat, Poultry, and Seafood Trade,”* pdf pages 20-24 of the April 2013 Livestock, Dairy and Poultry Outlook report

(<http://www.ers.usda.gov/media/1077557/ldpm226.pdf>)

### *Pastures Improve, Cattle Prices Mixed*

Rainfall has been abundant in most areas of the United States. The June 30, 2015, *U.S. Drought Monitor* indicated very little or no drought remaining in the United States, except in the areas west of the Rocky Mountains. In some areas, rainfall and storms have hampered wheat and hay harvests and adversely impacted other agricultural activities and commodity quality. Current precipitation could be sufficient in much of the country to support pasture use plans through the rest of the summer and into fall.

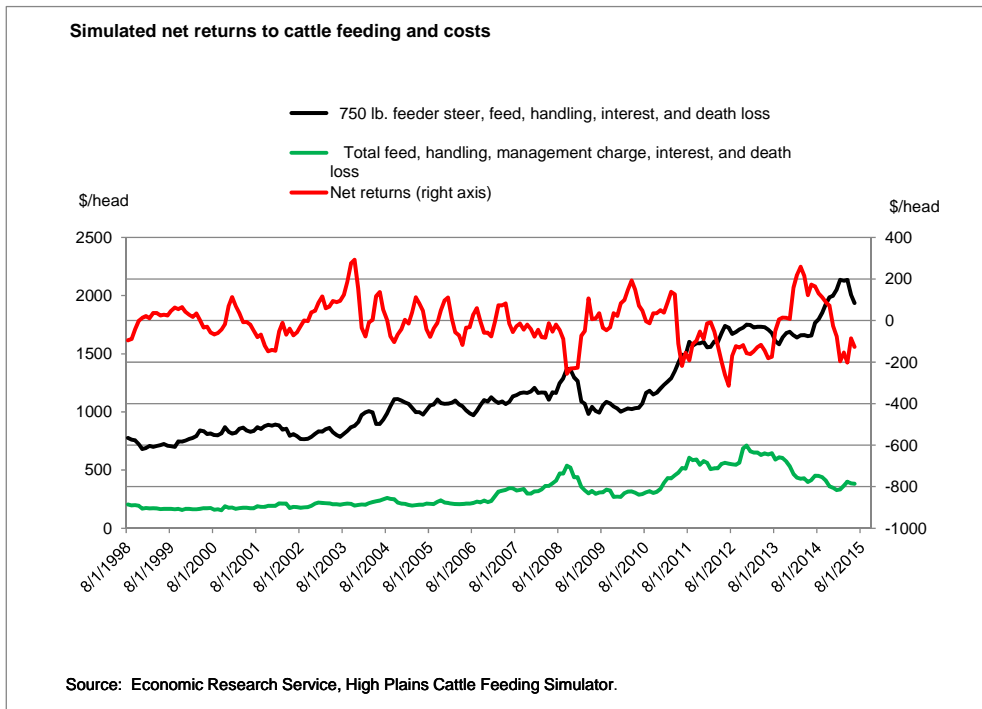
Weekly federally inspected beef cow slaughter has continued to decline year over year, reflecting the effect much-improved pasture conditions are having on the beef cow herd. At the same time, dairy cow slaughter has increased slightly year over year, but not by enough to offset the effect of declining beef cow slaughter on total cow slaughter. The increasing dairy cow slaughter is likely in response to lower year-over-year milk prices. Further beef cow retention will keep a lid on cow slaughter for the foreseeable future.

Weekly feeder cattle sale volumes at the Oklahoma National Stockyards have continued to decline year over year, and prices have held up in recent weeks. Prices for light-weight feeders have averaged 27 percent higher year over -year since this past January, with heifer prices showing the most strength. This may reflect the declining representation of heifers in steer-heifer numbers, likely due to heifer retention for expanding the cow herd. The July *Cattle* report from the National Agricultural Statistics Service (NASS) will give further indication of follow-through on heifer retention and cow-herd expansion plans for 2015. In addition to providing support for feeder heifer prices, declining proportions of heifers in feedlots—along with more time on better quality pasture—may be contributing to the slightly heavier estimated feedlot placement weights, as generally heavier steers constitute larger proportions of the mix. This is similar to the boosting effect that fewer heifers in the slaughter mix is having on average dressed weights for all cattle.

NASS' *Cattle on Feed*, released June 19, 2015, showed cattle on feed in feedlots with capacity of 1,000-plus head in June up 1 percent compared with last June. The second quarter likely experienced lower cattle placements than second-quarter 2014, in part due to producers holding cattle longer for grazing on the newly lush pasture. *Cattle on Feed* reported cattle over 800 pounds placed in May totaled 710,000 head, which is equal to May 2014 but may give 2015 the largest second-quarter share for that weight category since the series began in 1996. In addition, May 2015 marketings were the lowest since the series began in 1996. Marketings are expected to be higher in the early part of 2016 compared with 2015 and 2014 as stocker operators and other backgrounders take advantage of good forage conditions and retain feeder cattle on pasture longer, pushing placements into feedlots further into fall and winter.

At the same time, cattle feeders lost significant ground during June as fed cattle prices declined, widening the negative margins at levels that were already well below break-even. Monthly average 5-area fed steer prices dropped over \$9 per cwt from May to June. Evidence from the High Plains Cattle Feeding Simulator (<http://www.ers.usda.gov/data-products/livestock-meat-domestic-data.aspx>) indicates that since this past January, losses have often exceeded \$100 per head and are likely to continue into fall as break-evens continue to increase into the mid- to upper-\$160 per cwt range, largely due to relatively high feeder-cattle prices and declining fed-cattle prices (see figure below). Farmer feeders may opt for selling their corn on the market rather than buying high-priced feeder cattle and feeding corn to those animals.

The June 25, 2015, NASS' *Livestock Slaughter* reported May 2015 beef production dropped 7 percent from May 2014. Commercial cattle slaughter is expected to remain tight for the remainder of 2015, slightly lower than 2014 levels. Dressed weights of all cattle have increased year-over-year each month since June 2014. In May 2015, steers were 24 lbs heavier than in May 2014, and heifers were heavier by 17 lbs. While dressed weights of cows were also 21 lbs heavier in May, the increase was due to the increased proportion of heavier dairy cows in the cow-slaughter mix. Dressed weights of all cattle bottomed out in April-May at well over 800 lbs—record levels for the time of year—and appear to be increasing seasonally into the summer months. With the increase in steers and dairy cows in the slaughter mix, dressed weights for all cattle will likely set new records in the coming months. Average dressed weights of all cattle in 2016 will likely continue at levels slightly higher than levels in 2015.

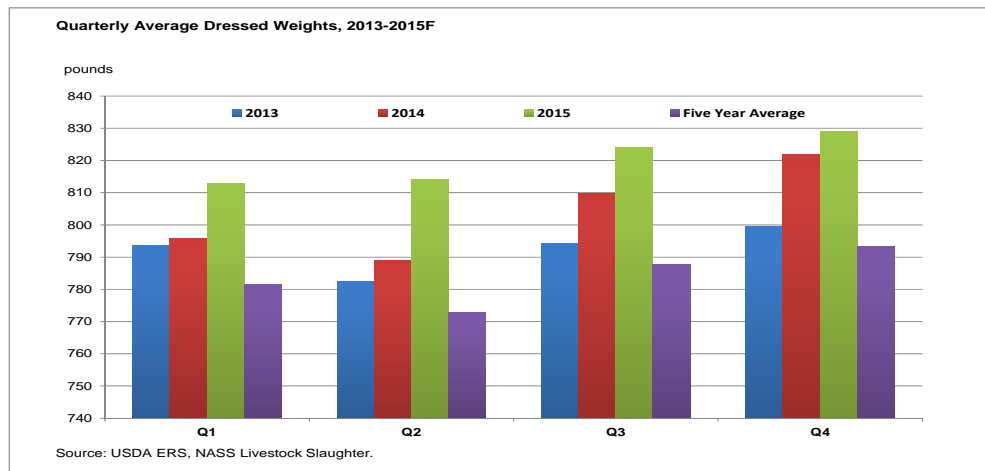


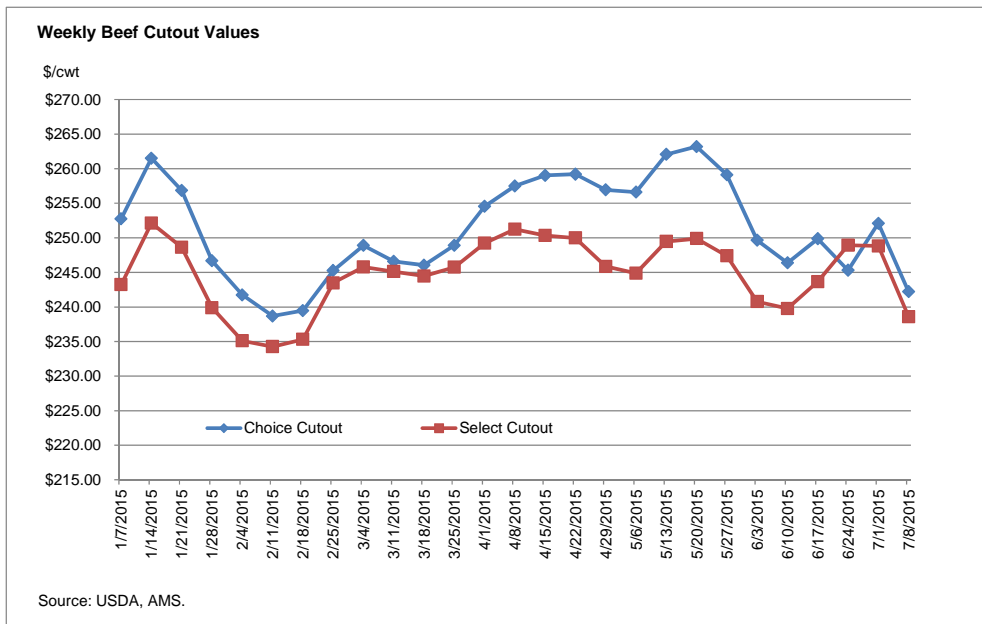
## Heavy Cattle Weights Partially Offset Declines in Cattle Slaughter

USDA reduced the second-quarter beef production forecast due to lighter than expected steer and heifer slaughter during May and June. Third-quarter 2015 beef production is forecast to reach 6.250 billion pounds, approximately 1 percent higher than a year ago. Fourth-quarter production is expected to be 6.025 billion pounds, about even with fourth-quarter 2014. Total commercial beef production for 2015 is projected to reach 23.824 billion pounds, down 1.8 percent relative to 2014. Cattle feeders have partially offset reductions in steer and heifer slaughter by feeding live cattle to heavier weights.

The combination of heavier cattle entering feedlots due to favorable pasture conditions, extended periods of cattle on feed, and a larger proportion of steers in the slaughter mix as opposed to heifers has resulted in heavier average dressed cattle weights. Despite the recent setbacks in the live cattle markets, cattlemen remain motivated to raise cattle to heavier weights as a result of moderate feed prices and historically strong cattle prices. As seen in the figure below, dressed weights typically reach their seasonal lows in the second quarter before trending heavier the last half of the calendar year. However, this year, dressed cattle weights have not exhibited a normal seasonal decline and have remained relatively steady at 814 pounds during the second quarter. Third- and fourth-quarter average dressed weights are expected to be record-heavy at 824 pounds and 829 pounds, respectively. The annual average dressed weight for live cattle in 2015 is expected to reach 820 pounds, approximately 17 pounds heavier than the previous year.

Wholesale beef prices rebounded in early July, albeit modestly, after experiencing sharp declines in late May and early June. The modest advance in beef prices is more than likely tied to strong buying interest for processing beef and popular grilling items prior to the July 4th holiday, combined with smaller than expected weekly fed cattle slaughter numbers. However, wholesale beef prices declined sharply following the July 4th holiday. Packers' margins have been squeezed, and packers are expected to remain prudent when considering the number of animals they are willing to process each week as the year continues. Wholesale beef prices are expected to moderate through the remainder of July as interest in processing loses momentum after the July-4th holiday and consumers consider eating more affordably priced pork and chicken products. Packers are expected to remain diligent in holding weekly kills at relatively low levels in order to underpin wholesale beef prices.





### ***Live Cattle Imports Lower for Fifth Consecutive Month***

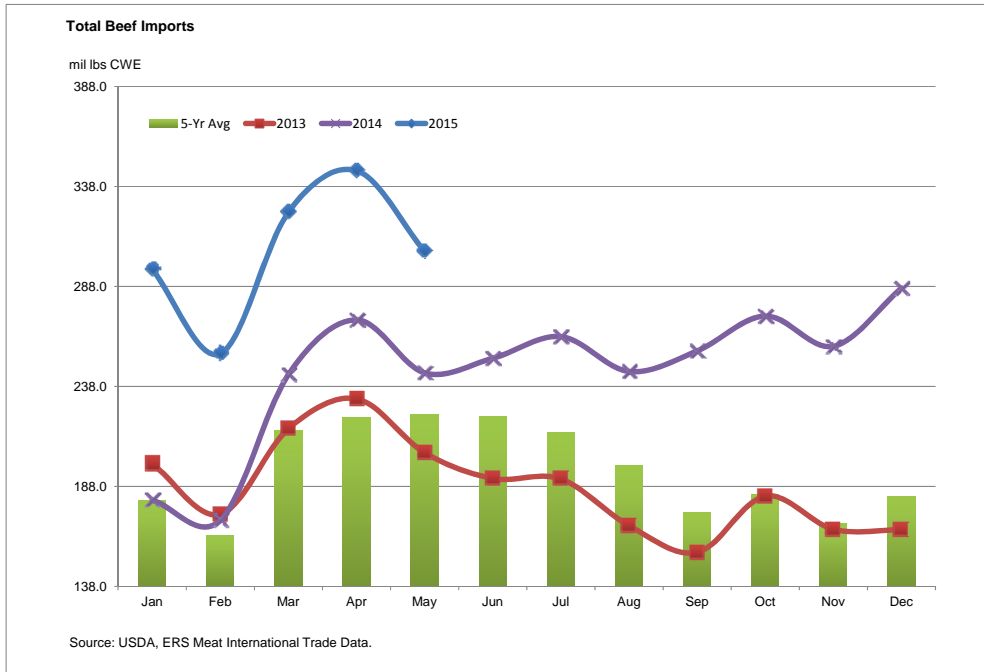
Total live cattle imports were lower for the fifth consecutive month in May at approximately 163,000 head. While feeder cattle imports from Mexico were brisk, imports of live cattle from Canada remain well below last year. Through May, cumulative live imports from Mexico are 8.1 percent higher than a year earlier, while Canadian shipments into the U.S. are down 23.7 percent year over year. Concerning Canada, tight domestic cattle inventories have lowered the supply base of cattle readily available for export, leading to smaller volumes shipped south. Imports of feeder cattle from Mexico will likely remain strong due to the higher prices received for feeder cattle in the United States. Total live imports for 2015 are forecast at 2.250 million head.

### ***Beef Export Demand Declines in May, Imports Remain Strong***

Exports of U.S. beef were reported at 192.5 million pounds in May, down a 14.4 percent from a year ago. Very high domestic prices for U.S. beef during May, combined with an appreciating U.S. dollar, likely reduced foreign buying interest for the beef. In addition, exports will likely remain constrained due to relatively small domestic beef supplies. The forecast for U.S. beef exports for 2015 was lowered to 2.44 billion pounds due to smaller than anticipated beef shipments in the second quarter.

The domestic supply of lean beef in the U.S. remains constrained due to significant year-over-year declines in cow slaughter, which has been a driving factor behind strong import demand for lean processing beef. Also, the appreciation of the U.S. dollar relative to other world currencies has contributed to the underlying strength in beef imports this year. In May, the United States imported over 305 million pounds (+24.8 percent, year over year), with shipments from most major suppliers higher than in May 2014. Although imports from New Zealand were higher year over year, it appears that the volume of beef shipped to the United States has slowed down. This is primarily the result of the seasonal decline in New Zealand cattle slaughter. Trade with Australia remains robust as lingering drought conditions

continue to support liquidation in major cattle-producing regions, increasing the availability of processing beef for U.S. importers. USDA revised the 2015 beef import forecast 115 million pounds higher to 3.43 billion pounds on continued strong demand for processing lean beef and also lifted first-half 2016 exports 75 million pounds higher, bringing next year's total beef import forecast to 2.995 billion pounds.





### ***Producers Scale Back on Farrowing Intentions, Productivity Indicators Set New Record-High***

The June 1 USDA Hogs and Pigs Report that was released on Friday June 26th continues to support forecasts of domestic pork production levels that surpass pre-Porcine Epidemic Diarrhea virus (PEDv) pork production levels. The June 1 total hog inventory was reported 9 percent larger than on June 1, 2014. The breeding herd experienced a 1-percent increase year over year at 5.93 million head. Most notably, the industry has seen significant recovery in quarterly pig crop estimates as a result of continual gains in productivity.

With a reduction in the number of PEDv cases, pork producers are getting excellent productivity (pigs per litter) out of the sows they have farrowed. In the June report, USDA revised the December-February pigs per litter from 10.17 to 10.23, a record for the winter quarter (December-February). The spring quarter (March-May) productivity estimate was reported at an all-time record-high for all quarters at 10.37, a 6-percent increase relative to a year ago. Subsequently, the March-May pig crop was reported as being up 8 percent despite a modest 1-percent increase in farrowings in the same period. Actual farrowings in the March-May period totaled 2.850 million head, smaller than the 2-percent increase in producer intentions reported in the March report.

U.S. producers indicate they are planning to scale back on the number of sows farrowed over the next two quarters. Farrowing intentions for the June-August period were reported at 2.915 million hogs (down 3 percent year over year), while producers reflected a 4-percent decline in farrowing intentions for the September-November period. It is interesting that producers are not reflecting an expected increase in farrowing intentions going forward, even though the breeding herd is currently larger than the previous year. In 2014, producers were farrowing more sows due to the very negative affect of PEDv on sow productivity. Now that productivity has recovered and is nearly back to trend, it will not take much increase in the breeding herd to expand hog numbers. Nonetheless, when compared to pre-PEDv farrowing estimates of 2013, June-August farrowings this year are expected to be 1 percent higher, while the September-November farrowings are reflecting a 3-percent increase.

As mentioned earlier, a larger March-May pig crop suggests increased availability for slaughter hogs in the fourth quarter. In addition, the combination of larger volumes of live hog imports from Canada and heavy dressed weights are expected to result in total commercial pork production of 24.58 billion pounds in 2015, a year-over-year increase of 7.6 percent.

Hog and pork prices for the remainder of 2015 are expected to reflect larger hog inventories and expanding pork production levels. However, higher prices for substitute animal proteins—mainly beef—should provide some support for the domestic pork market. Prices of live hogs (51-52 percent lean) are expected to average \$53-\$55 per cwt for the third quarter, \$45-\$49 per cwt in the fourth quarter, and \$50-\$51 per cwt for the year.



### ***U.S. Pork Exports and Live Hog Imports Higher In May***

U.S. pork exports in May were reported at 437.5 million pounds, up 1.5 percent relative to a year ago. Exports to South Korea declined from the previous month but remain strong when compared to May 2014 exports. Combined China and Hong Kong imports totaled 37.4 million pounds of U.S. pork in May, but shipments are down nearly 51 percent year to date. Lower domestic pork prices in the second half of 2015 relative to 2014 could potentially spur increased demand for U.S. pork abroad despite the underlying strength of the U.S. currency. USDA has revised the 2015 annual pork export forecast higher by 145 million pounds to 5.065 billion pounds. U.S. pork imports in May were 81.6 million pounds, down 2.3 percent from a year ago. Due to plentiful domestic pork availability; demand for imported pork is likely to wane through the remainder of the year. USDA has revised the annual pork import forecast lower by 75 million pounds to 1.083 billion pounds.

Live swine imports from Canada in May totaled a little over 419,000 head, 6.7 percent above a year ago. All categories of finishing animals (isoweans and feeder pigs) and slaughter hogs were seen higher year-over-year. Based on the weekly Canadian live animal import report WA\_LS635 ([http://www.ams.usda.gov/mnreports/wa\\_ls635.txt](http://www.ams.usda.gov/mnreports/wa_ls635.txt)), year-to-date total live hog imports from Canada through June 27th ran about 12 percent higher than the same period last year, the bulk of which were feeder pig imports. The weak Canadian dollar has created a strong incentive for Canadian hog producers to ship larger volumes of live hogs into the United States for a higher price than if they marketed those same animals in Canada. USDA revised total annual live hog imports higher to 5.3 million head for 2015.

### *Broiler Meat Production Rises in May*

In May, broiler meat production totaled 3.2 billion pounds, an increase of 1.4 percent from the previous year. The relatively small increase in May was chiefly the result of one fewer slaughter day compared to the previous year. The number of birds slaughtered in May (704 million) was 1 percent lower than a year earlier, but this decline was offset by a strong increase in the average weight of birds at slaughter. In May, the average live weight was 6.11 pounds, 2.3 percent higher than the previous year. Over the first 5 months of 2015, live weight at slaughter averaged 6 pounds, 1.8 percent higher than during the same period in 2014. With the small meat production increase in May, the second-quarter production forecast was reduced by 25 million pounds to 10.05 billion. However, broiler hatchery data points to expansion in broiler production in the coming quarters. The forecast for production in the third and fourth quarters was increased by 100 million pounds. In addition, the forecast for 2016 was increased by 200 million pounds.

Over the last 5 weeks (June 5 to July 4), the average number of chicks being placed weekly for growout was 173 million, up 3 percent from the same period in 2014. The 5-week moving average of the difference between weekly chick placements this year and in the same period in 2014 has been over 3 percent higher since the beginning of May. This situation is expected to remain relatively stable during the third quarter.

Broiler cold storage holdings at the end of May totaled 707 million pounds, up 21 percent from a year earlier. While sharply higher than the previous year, broiler cold storage holdings were down 27 million pounds from the previous month, even with expanding domestic production and falling exports. The year-over-year cold storage holdings for almost all broiler products were higher, with the lone exception of wings. Stocks of whole birds, leg quarters, and thighs were all much higher. Stocks for whole birds rose to 17.1 million pounds, up 140 percent from the previous year. Stocks of leg quarters were 166 million pounds, 40 percent higher than the previous year, but this was down 15 million pounds from the previous month, even with lower exports. Stocks of wings fell to 44.2 million pounds, down 34 percent from a year earlier. Wing stocks have consistently been below the previous year throughout the first 5 months of 2015.

During the remainder of 2015, cold storage holdings of broiler products are expected to gradually increase. Broiler meat production on a year-over-year basis is expected to be higher and exports are forecast lower, placing large amounts of broiler meat on the domestic market. However, the unexpected decline in cold storage holdings from April to May has resulted in a decline in holdings of 50 million pounds for the second and third quarters. Ending stock levels for 2015 were unchanged at 775 million pounds, an increase of 14 percent from 2014.

The strong year-over-year growth in broiler production forecast in the second half of 2015, lower exports, and higher cold storage holdings are combining to place downward pressure on wholesale prices for most broiler products. Prices for whole birds averaged \$1.04 cents per pound during second-quarter 2015, 8 percent lower than a year earlier. Prices were also lower for almost all broiler meat products. The lone exception was wings, which declined in cold storage holdings and whose price

rose to \$1.81 per pound in the Northeast market in June, 27 percent above the year-earlier price. Prices for boneless/skinless breast meat averaged \$1.47 per pound in June, 26 percent lower than the previous year, and bulk leg quarter prices fell to \$0.29 per pound, down 41 percent.

### ***Turkey Production Falls in May***

Turkey production fell to 434 million pounds in May, an 8-percent decline from the previous year. In contrast, over the first 4 months of 2015, turkey meat production was 7 percent higher than the same period in 2014. The decline in production was almost totally the result of a lower number of birds slaughtered (17.8 million), an 8-percent decline from a year earlier. The lower slaughter largely reflects in impact of highly pathogenic avian influenza (HPAI) as well as 1 less slaughter day. When adjusted for the slaughter day, turkey slaughter was almost 4 percent less than in 2014. Average weight at slaughter was 30.47 pounds, down fractionally from the previous year.

With the reduction in production in May, the forecast for second-quarter turkey production was lowered by 15 million pounds to 1.36 billion pounds, 5 percent lower than during the same period in 2014. The forecasts for the third and fourth quarters were reduced to 1.36 and 1.415 billion pounds, a total decrease of 25 million pounds.

At the end of May, cold storage holdings of all turkey products totaled 439 million pounds, up 4 percent from a year earlier. Turkey stocks increased even with lower production, due in part to sharp declines in turkey exports. The increase (on a poundage basis) was primarily due to higher stocks of whole birds and legs. Stocks of whole birds were 243 million pounds, up 6.3 million from May 2014. Cold storage holdings of turkey legs totaled 15.2 million pounds, up 90 percent from the previous year. The smaller than expected increase in stocks caused the forecast for ending second-quarter stocks to be reduced by 25 million to 475 million pounds. Stock levels are expected to total 450 million pounds at the end of the third quarter (down 7 percent), but to end 2015 at 200 million pounds, 4 percent above ending stock levels for 2014.

In June prices for whole frozen hen turkeys averaged \$1.13 per pound, 5 percent higher than the previous year. Prices remained higher than a year earlier for whole birds, despite higher stocks of whole birds at the end of May than in May 2014. Price changes for turkey parts varied, depending on whether the price for a specific part was more heavily impacted by lower domestic production or the sharp decline in turkey exports. Prices in June for breast meat and boneless/skinless breast meat were higher than the previous year. However, prices for drumsticks, thighs, and mechanically deboned meat were lower than a year earlier.

### ***Egg Production Forecast Lower in Second Quarter***

U.S. table egg production totaled 571 million dozen in May, down 7 percent from the same period the previous year. The decline in table egg production in May was the result of a decrease in the number of layers in the table egg flock, primarily in Iowa, due to the HPAI outbreak. During May, the number of hens in the table egg laying flock averaged 283 million, down 7 percent from a year earlier. The strong decline in May has caused the forecast for second-quarter 2015 to be reduced by 15

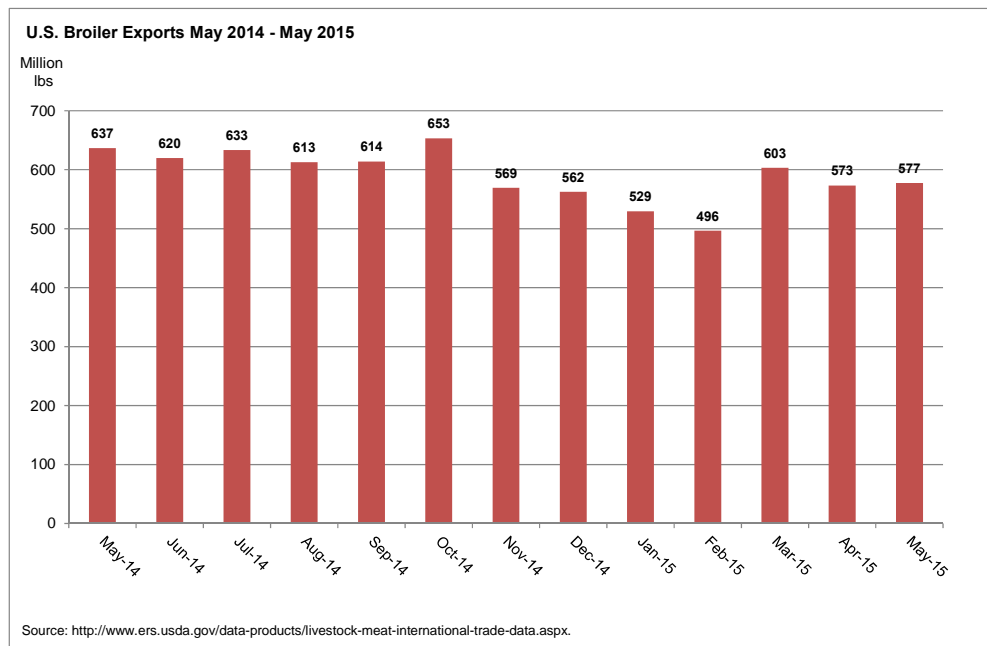
million dozen to 1.7 billion dozen, down almost 6 percent from the previous year. Year-over-year table egg production is forecast to be lower than the previous year during the second half of 2015 and into the first quarter of 2016, reflecting the time needed to get replacement pullets to repopulate farms and into production.

The size of the table egg flock was reduced by the impact of the HPAI outbreak, but since the broiler sector has not been significantly impacted, the size of the hatching egg flock and egg production have remained above the previous year. In May, hatching egg production totaled 95 million dozen, 4 percent higher than a year earlier. With this strong increase, the forecast for second-quarter hatching egg production was raised to 280 million dozen. Broiler-type egg production dominates this sector of the industry, and hatching egg production is forecast to remain above the previous year throughout 2015 and through the first half of 2016 as the broiler industry expands.

Wholesale prices for grade A large eggs in the New York market averaged \$1.70 per dozen in second-quarter 2015, up 27 percent from the previous year. Over the last 2 weeks of June and carrying over into the beginning of July, wholesale egg prices had been steady at \$1.89 per dozen, but have moved higher in recent days. Lower table egg production during the second half of 2015 is expected to keep upward pressure on prices, and the forecast is for wholesale prices in the New York market to remain well above year-earlier levels.

## Poultry Trade

### *U.S. Broiler Shipments Down in May*



Broiler shipments dropped 9 percent in May compared with a year earlier, totaling 577 million pounds. The decline was mainly due to a sharp decrease in shipments to Mexico, which were down 30 percent from May 2014 levels, as well as national bans by Russia, China, and South Korea. The 112 million pounds shipped were the lowest monthly total in 2015. Partially offsetting the losses were gains in shipments to Canada (+25%), Hong Kong (+114%), Georgia (+5156%), and the United Arab Emirates (+511%). The forecast for 2015 broiler exports was increased to 6.864 billion pounds, while the forecast for 2016 remains at 7.2 billion pounds.

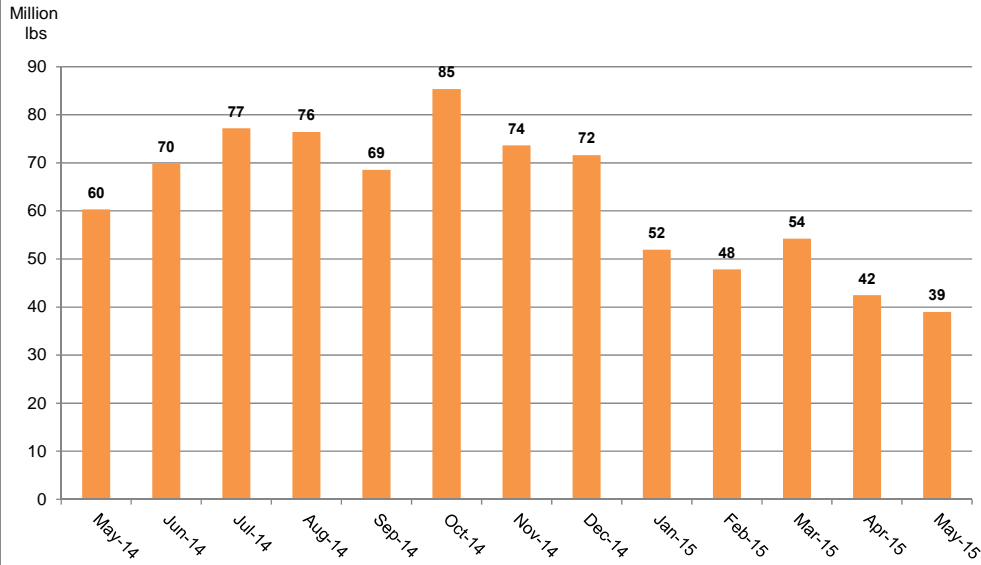
### *Turkey Exports Drop in May*

In May, turkey exports totaled 39 million pounds, 35 percent lower than the previous May. The decrease in exports in May was mainly due to a sharp decline in exports to Mexico, the largest market for U.S. turkey exports. The 24 million pounds shipped to Mexico in May were 43 percent lower than the previous May. The decline in exports in May is likely due to the decline in production caused by HPAI outbreaks in spring 2015 and bans on imports from States where there have been outbreaks of HPAI. The forecast for 2015 turkey exports was reduced to 599 million pounds, and the 2016 forecast remains at 750 million pounds.

### *Egg Exports Down in May*

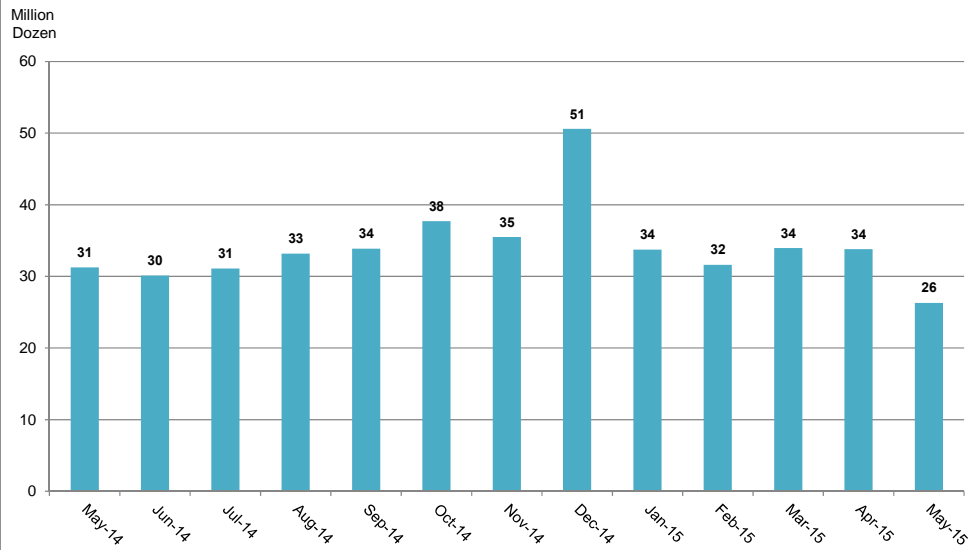
Total egg exports (shell eggs and egg products) reached the shell egg equivalent of 26 million dozen in May, 16 percent lower than in the previous year. The decline was primarily due to a sharp decrease in exports to Mexico. Shipments to Mexico were 34 percent lower in May compared with a year earlier. Egg exports in 2015 are now expected to total 364 million dozen. The forecast for 2016 exports remains at 385 million dozen.

**U.S. Turkey Exports May 2014 - May 2015**



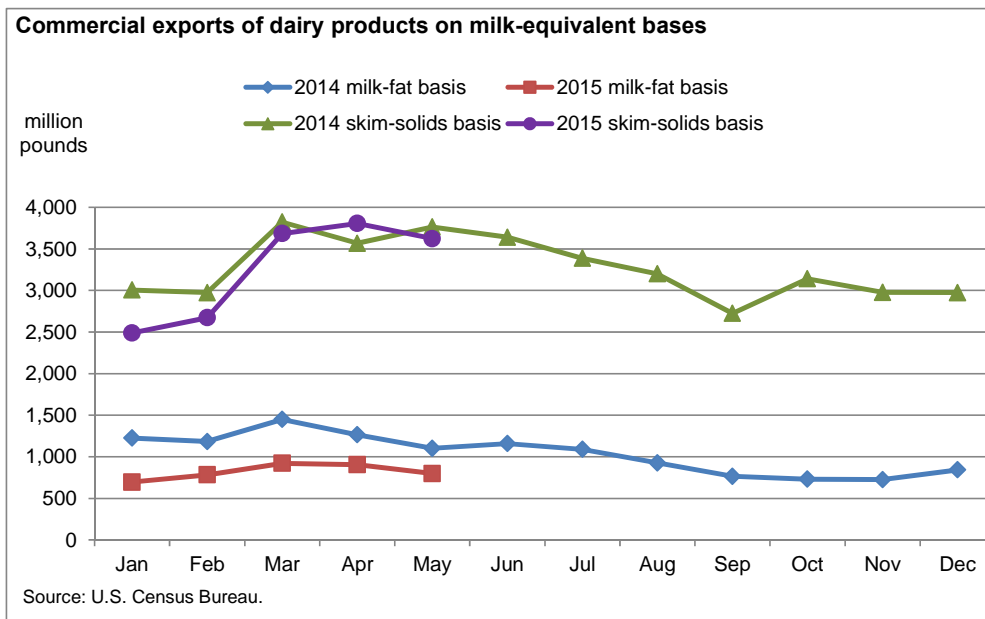
Source: <http://www.ers.usda.gov/data-products/livestock-meat-international-trade-data.aspx>.

**U.S. Egg and Egg Product Exports May 2014 - May 2015**



Source: <http://www.ers.usda.gov/data-products/livestock-meat-international-trade-data.aspx>.

## Recent Developments in Dairy Markets



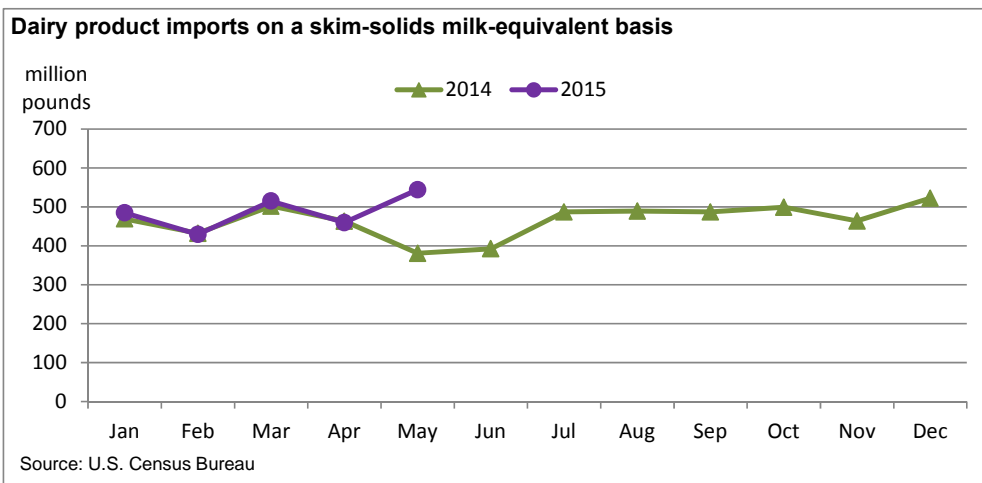
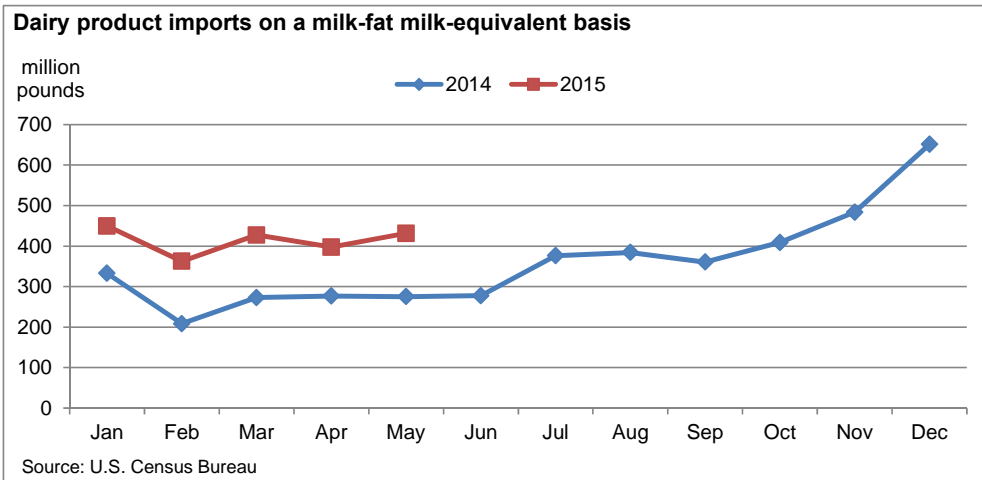
On a milk-equivalent skim-solids basis, dairy exports were strong in May. Nonfat dry milk (NDM) exports were 133.6 million pounds, close to the record of 133.8 million pounds in June 2014. Mexico, Philippines, China, Indonesia, and Vietnam were the top five destinations for NDM. However, dairy exports on a milk-equivalent milk-fat basis in May were relatively weak, with declines in exports of butter and cheese accounting for much of the weakness.

Dairy imports strengthened in May. Higher cheese imports accounted for much of the increase on a milk-fat basis, with the European Union (EU) accounting for 76 percent of May cheese imports. The Russian trade ban (recently extended for an additional year) has likely contributed to higher U.S. imports of dairy products, since the Europeans have sought alternative outlets for their dairy product supplies.<sup>1</sup> Higher milk protein concentrate imports from New Zealand accounted for a significant portion of the increase in dairy imports on a skim-solids basis.

Price directions of major dairy commodities, as reported in the USDA National Dairy Products Sales Report (NDPSR), were mixed in June. While prices of butter and cheese increased from the weeks ending June 6 to July 4, prices of NDM and dry whey declined. The largest dairy product price change was the fall in the NDM price, from \$0.947 to \$0.877 per pound.

<sup>1</sup> On August 6, 2014, Russian President Vladimir Putin signed an executive order banning imports of beef, pork, poultry, fruits, vegetables, fish, seafood, cheese, milk, and a variety of other products from the United States, European Union, Canada, Australia, and Norway. Recently, the ban was extended.





Milk production for May was up 1.4 percent from May 2014, smaller than the 1.8 percent year-over-year increase for April. Milk per cow averaged 1,971 pounds for May, 15 pounds above May 2014. Milk cow numbers were 9.310 million head, 58 thousand head more than May 2014 and about 3 thousand head more than April 2015. Drought contributed to a 2.9 percent year-over-year reduction in California milk production.

### ***Feed Price Situation for Dairy***

The latest data show rising prices for alfalfa hay and soybean meal and declining prices for corn. The alfalfa hay price increased from \$184 in April to \$192 in May. Corn prices declined from \$3.75 per bushel in April to \$3.62 in May. The soybean meal price rose from \$320 per ton in May to \$335 in June.<sup>2</sup> The milk-feed ratio for May was 1.96, about the same as 1.95 in April, but substantially lower than the peak of 2.97 in September.

<sup>2</sup> Data for soybean meal, as reported by USDA Agricultural Marketing Service, is more recent than prices for corn and alfalfa hay as reported by USDA National Agricultural Statistics Service.

The corn price forecasts have been raised from last month to \$3.60-\$3.80 per bushel for 2014/15 and \$3.45-\$4.05 per bushel for 2015/16. The soybean meal forecast for 2015/16 has been raised to \$315-\$355 per short ton.

### ***Dairy Forecasts for 2015***

Given robust skim-solids basis exports in May and higher expectations of export demand, the 2015 forecast for commercial exports on a skim-solids basis has been raised to 39.7 billion pounds, 1.0 billion pounds higher than forecast last month. If realized, this would be higher than the record level of 39.2 billion pounds for skim-solids basis exports in 2014. With relatively weak exports on a milk-fat basis in May, lower expectations for export demand, and increased competition, the 2015 forecast for commercial exports on a milk-fat basis has been lowered to 10.5 billion for 2015, 0.4 billion pounds less than forecast last month.

Higher import demand is expected than was forecast last month. The 2015 forecast has been raised to 5.2 billion pounds on a milk-fat basis, 0.2 billion pounds more, and to 6.1 billion pounds on a skim-solids basis, 0.4 billion pounds more.

Based on recent data, milk production for 2015 is forecast higher at 208.8 billion pounds, with cows numbering 9.315 million and milk per cow at 22,425 pounds per head. Higher domestic commercial disappearance is expected on a milk-fat basis, at 202.3 billion pounds, 0.5 billion pounds more than forecast last month. On a skim-solids basis, domestic commercial disappearance is forecast at 175.1 billion pounds, 0.6 billion pounds less. Forecasts for 2015 ending stocks have been raised by 0.3 billion pounds on a milk-fat basis and 0.1 billion pounds on a skim-solids basis.

For 2015, price forecasts for butter and cheese have been raised to \$1.810-\$1.870 and \$1.650-\$1.680 per pound, respectively, based upon recent data and expectations of robust demand for butter and cheese. Prices for NDM and whey have been lowered to \$0.945-\$0.975 per pound and 44.0-46.0 cents per pound, respectively, based upon recent data and competition from foreign exporters. The Class III price forecast has been lowered slightly to \$16.15-\$16.45 per cwt, as the lower expected whey price more than offsets the higher expected cheese price. The Class IV price forecast has been lowered to \$13.70-\$14.10 per cwt, as the lower expected NDM price more than offsets the higher expected butter price. The all-milk price forecast for 2015 is \$17.05-\$17.35, lower than last month's forecast of \$17.15-\$17.55.

### ***Dairy Forecasts for 2016***

The milk production forecast for 2016 has been lowered to 213.6 billion pounds, 0.3 billion pounds less than forecast last month. Despite higher feed costs, margins are still expected to encourage gradual expansion of the dairy herd, although at a slower rate than forecast last month. Milk cows are projected at 9.330 million head, 5 thousand cows less than forecast last month. Milk per cow is forecast at 22,890 pounds per head, 20 pounds less than forecast last month.

Higher expectations for skim-solids export demand, particularly for NDM, extend into 2016. Commercial exports on a skim-solids basis are forecast at 39.9 billion pounds, 0.4 billion pounds higher than forecast last month. On a milk-fat basis, the annual forecast has been lowered to 11.0 billion pounds, 0.5 billion pounds less,

with expectations of higher competition from other exporting countries for cheese and butter.

Forecasts for 2016 imports are raised from last month's forecasts based on recent data and expectations of greater demand for butterfat products and milk protein concentrate. The import forecast is 4.9 billion pounds on a milk-fat basis, 0.5 billion pounds more, and 6.0 billion pounds on a skim-solids basis, 0.4 billion pounds more.

Stronger U.S. demand for butter is expected to boost domestic commercial disappearance on a milk-fat basis to 206.1 billion pounds, 0.9 billion pounds more than forecast last month. Commercial use on a skim-solids basis has been lowered to 178.1 billion pounds, 0.2 billion pounds less than forecast last month. Forecasts for ending stocks have been raised by 0.1 billion pounds on a milk-fat basis but are unchanged on a skim-solids basis.

The 2016 forecast for NDM has been lowered to \$1.065-\$1.135 as U.S. exporters maintain relatively low prices to meet competition. The whey price forecast has been lowered to 46.0-49.0 cents per pound. The cheese price forecast is unchanged at \$1.610-\$1.710 per pound. With greater expected domestic butter demand, the butter price has been raised to \$1.750-\$1.880 per pound. With the lower expected whey price, the Class III price has been lowered to \$15.90-\$16.90 per cwt. With the lower NDM price more than offsetting the higher butter price, the Class IV price has been lowered to \$14.45-\$15.55 per cwt. The all-milk price forecast for 2016 has been lowered to \$17.00-\$18.00 per cwt, a reduction from \$17.45-\$18.45 forecast last month.

## Contact Information

Ken Mathews (coordinator, cattle/beef and veal)	(202) 694-5183	kmathews@ers.usda.gov
Sahar Angadjivand (beef/cattle and veal)	(202) 694-5187	sangadjivand@ers.usda.gov
Seanicaa Edwards (beef/cattle and beef/cattle trade)	(202) 694-5333	seanicaa.edwards@ers.usda.gov
Alex Melton (poultry trade)	(202) 694-5409	awmelton@ers.usda.gov
Mildred M. Haley (coordinator, hogs/pork)	(202) 694-5176	mhaley@ers.usda.gov
David J. Harvey (poultry, eggs)	(202) 694-5177	djharvey@ers.usda.gov
David J. Harvey (aquaculture)	(202) 694-5177	djharvey@ers.usda.gov
Roger Hoskin (dairy)	(202) 694-5148	rhoskin@ers.usda.gov
Jerry Cessna (dairy)	(202) 694-5171	jgcessna@ers.usda.gov
Keithly Jones (sheep and goats)	(202) 694-5172	kjones@ers.usda.gov
Carolyn Liggon (web publishing)	(202) 694-5056	cvliggon@ers.usda.gov

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## Data Products

Meat Price Spreads, <http://www.ers.usda.gov/data-products/meat-price-spreads.aspx>, provides monthly average price values, and the differences among those values, at the farm, wholesale, and retail stages of the production and marketing chain for selected cuts of beef, pork, and broilers. In addition, retail prices are provided for beef and pork cuts, turkey, whole chickens, eggs, and dairy products.

Livestock and Meat Trade Data, <http://www.ers.usda.gov/data-products/livestock-meat-domestic-data.aspx>, contains monthly and annual data for the past 1-2 years for imports and exports of live cattle and hogs, beef and veal, lamb and mutton, pork, broiler meat, turkey meat, and shell eggs. The tables report physical quantities, not dollar values or unit prices. Breakdowns by major trading countries are included.

## Related Websites

Livestock, Dairy, and Poultry Outlook, <http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook.aspx>  
Animal Production and Marketing Issues, <http://www.ers.usda.gov/topics/animal-products/animal-production-marketing-issues.aspx>  
Cattle, <http://www.ers.usda.gov/topics/animal-products/cattle-beef.aspx>  
Dairy, <http://www.ers.usda.gov/topics/animal-products/dairy.aspx>  
Hogs, <http://www.ers.usda.gov/topics/animal-products/hogs-pork.aspx>  
Poultry and Eggs, <http://www.ers.usda.gov/topics/animal-products/poultry-eggs.aspx>  
WASDE, <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>

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

	2011					2012					2013					2014					2015					2016		
	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	Annual
<b>Production, million lb</b>																												
Beef	6,410	6,559	6,736	6,490	26,195	6,282	6,473	6,586	6,572	25,913	6,175	6,513	6,609	6,423	25,720	5,868	6,184	6,179	6,021	24,252	5,664	5,885	<b>6,250</b>	<b>6,025</b>	<b>23,824</b>	5,885	<b>6,470</b>	<b>24,850</b>
Pork	5,719	5,370	5,484	6,186	22,758	5,858	5,519	5,631	6,244	23,253	5,775	5,516	5,622	6,274	23,187	5,784	5,504	5,424	6,131	22,843	6,161	5,925	<b>5,990</b>	<b>6,505</b>	<b>24,581</b>	6,115	<b>5,845</b>	<b>24,705</b>
Lamb and mutton	36	40	36	37	149	39	39	39	40	156	38	41	40	38	156	37	43	38	38	156	38	41	<b>36</b>	<b>39</b>	<b>154</b>	38	<b>37</b>	<b>151</b>
Broilers	9,290	9,509	9,542	8,861	37,202	9,089	9,381	9,372	9,198	37,039	9,144	9,466	9,683	9,537	37,830	9,283	9,618	9,835	9,814	38,550	9,717	10,050	<b>10,400</b>	<b>10,325</b>	<b>40,492</b>	<b>10,075</b>	<b>10,350</b>	<b>41,375</b>
Turkeys	1,402	1,471	1,423	1,495	5,791	1,446	1,505	1,480	1,537	5,967	1,459	1,486	1,440	1,420	5,806	1,332	1,428	1,478	1,517	5,756	1,429	1,360	<b>1,415</b>	<b>1,350</b>	<b>5,554</b>	<b>1,350</b>	<b>1,500</b>	<b>6,010</b>
Total red meat & poultry	23,011	23,114	23,395	23,226	92,746	22,865	23,084	23,274	23,739	92,963	22,743	23,183	23,563	23,844	93,333	22,456	22,934	23,111	23,671	92,171	23,156	23,413	<b>24,190</b>	<b>24,457</b>	<b>95,216</b>	<b>23,606</b>	<b>24,363</b>	<b>97,713</b>
Table eggs, mil. doz.	1,631	1,641	1,665	1,715	6,652	1,684	1,680	1,707	1,778	6,849	1,733	1,746	1,775	1,825	7,079	1,771	1,799	1,827	1,868	7,265	1,789	1,700	<b>1,650</b>	<b>1,725</b>	<b>6,864</b>	<b>1,700</b>	<b>1,720</b>	<b>7,015</b>
<b>Per capita disappearance, retail lb 1/</b>																												
Beef	14.1	14.5	14.7	14.0	57.3	14.0	14.7	14.5	14.2	57.4	13.7	14.5	14.3	13.9	56.3	13.1	14.0	13.7	13.4	54.2	13.1	13.6	<b>14.2</b>	<b>13.4</b>	<b>54.3</b>	13.5	<b>14.5</b>	<b>55.0</b>
Pork	11.4	11.1	11.0	12.2	45.7	11.1	10.9	11.2	12.7	45.9	11.5	11.3	11.4	12.7	46.8	11.3	11.0	11.1	13.0	46.4	12.3	11.7	<b>12.4</b>	<b>13.3</b>	<b>49.7</b>	12.0	<b>11.6</b>	<b>49.2</b>
Lamb and mutton	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.3	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.3	0.9	0.3	0.2	<b>0.2</b>	<b>0.2</b>	<b>1.00</b>	0.2	<b>0.2</b>	<b>0.9</b>
Broilers	21.5	21.4	20.8	19.1	82.9	20.1	20.4	20.3	19.7	80.4	20.1	20.3	21.0	20.5	81.9	20.2	20.8	21.2	21.1	83.4	21.4	22	<b>22.8</b>	<b>22.6</b>	<b>88.8</b>	22.3	<b>22.5</b>	<b>90.1</b>
Turkeys	3.5	3.5	4.0	5.0	16.1	3.5	3.6	4.1	4.9	16.0	3.7	3.6	4.0	4.8	16.0	3.4	3.5	3.9	5.1	15.8	3.5	3.5	<b>3.8</b>	<b>4.7</b>	<b>15.5</b>	3.3	<b>3.6</b>	<b>16.2</b>
Total red meat & poultry	51.2	51.3	51.0	51.0	204.6	49.3	50.3	50.7	52.0	202.3	49.5	50.3	51.3	52.4	203.6	48.7	49.9	50.5	53.2	202.3	50.9	51.4	<b>53.8</b>	<b>54.6</b>	<b>210.8</b>	51.6	<b>52.9</b>	<b>213.0</b>
Eggs, number	61.3	61.5	62.8	64.3	250.0	63.3	62.3	63.3	65.6	254.5	64.4	63.5	64.8	66.1	258.7	64.7	65.4	66.3	66.8	263.3	64.4	61.7	<b>59.7</b>	<b>62.6</b>	<b>248.5</b>	61.2	<b>61.9</b>	<b>251.7</b>
<b>Market prices</b>																												
Choice steers, 5-area Direct, \$/cwt	110.07	112.79	114.05	121.99	114.73	125.29	120.91	119.69	125.54	122.86	125.52	124.95	122.30	130.77	125.89	146.34	147.82	158.49	165.60	154.56	162.43	158.110	<b>155-161</b>	<b>155-167</b>	<b>158-162</b>	<b>153-165</b>	<b>156-168</b>	<b>155-167</b>
Feeder steers, Ok City, \$/cwt	127.20	131.09	134.74	141.93	133.74	152.81	150.05	139.31	143.40	146.39	141.36	133.10	152.08	161.69	147.06	167.49	188.64	220.90	234.25	202.82	210.31	219.690	<b>215-221</b>	<b>222-234</b>	<b>216-221</b>	<b>217-229</b>	<b>223-235</b>	<b>221-227</b>
Cutter Cows, National L.E., \$/cwt	68.66	74.88	66.11	63.54	68.30	76.57	83.51	76.94	73.81	77.71	77.87	77.46	78.36	76.55	77.56	89.12	98.57	111.27	109.21	102.04	107.61	109.500	<b>106-112</b>	<b>101-113</b>	<b>106-111</b>	<b>101-113</b>	<b>107-119</b>	<b>103-109</b>
Choice slaughter lambs, San Angelo, \$/cwt	174.66	157.99	161.13	148.61	160.60	145.33	127.08	89.28	89.85	112.89	107.53	91.72	94.26	150.97	111.12	166.69	148.99	156.02	162.69	158.60	147.17	140.090	<b>142-148</b>	<b>134-146</b>	<b>141-146</b>	<b>134-146</b>	<b>139-151</b>	<b>139-145</b>
Barrows & gilts, N. base, l.e. \$/cwt	59.94	68.80	71.06	64.66	66.11	61.68	61.79	61.43	58.63	60.88	59.03	65.46	70.59	61.11	64.05	68.69	85.40	83.30	66.74	76.03	48.47	53.200	<b>53-55</b>	<b>45-49</b>	<b>50-51</b>	<b>46-50</b>	<b>49-53</b>	<b>46-49</b>
Broilers, 12 City, cents/lb	80.20	83.00	78.20	78.00	79.90	87.40	85.10	82.00	92.10	86.60	103.50	108.60	93.90	92.80	99.70	98.40	113.70	104.60	102.80	104.90	97.00	104.200	<b>100-104</b>	<b>97-103</b>	<b>99-102</b>	<b>97-105</b>	<b>99-107</b>	<b>99-107</b>
Turkeys, Eastern, cents/lb	90.20	99.90	106.40	111.60	102.00	100.70	106.90	108.50	106.10	105.60	96.00	97.70	99.90	105.40	99.80	100.70	105.60	110.20	113.90	107.60	99.60	108.500	<b>118-122</b>	<b>125-135</b>	<b>113-116</b>	<b>110-120</b>	<b>112-122</b>	<b>110-119</b>
Eggs, New York, cents/doz.	105.80	106.60	117.70	131.20	115.30	108.70	99.70	131.90	129.40	117.40	126.90	109.90	119.00	143.00	124.70	142.70	134.60	129.30	162.70	142.30	146.90	170.300	<b>172-178</b>	<b>179-191</b>	<b>167-172</b>	<b>149-161</b>	<b>130-140</b>	<b>136-147</b>
<b>U.S. trade, million lb</b>																												
Beef & veal exports	633	702	766	683	2,785	558	624	650	620	2,452	557	637	716	680	2,590	583	667	679	643	2,573	526	630	<b>655</b>	<b>625</b>	<b>2,436</b>	535	<b>650</b>	<b>2,510</b>
Beef & veal imports	461	593	548	454	2,057	582	669	516	453	2,220	590	629	515	516	2,250	596	768	764	818	2,947	876	970	<b>845</b>	<b>740</b>	<b>3,431</b>	800	<b>850</b>	<b>2,995</b>
Lamb and mutton imports	49	48	31	34	162	38	36	38	41	154	49	44	36	44	173	46	49	45	55	195	53	47	<b>46</b>	<b>47</b>	<b>193</b>	50	<b>46</b>	<b>190</b>
Pork exports	1,248	1,208	1,260	1,481	5,196	1,442	1,301	1,251	1,386	5,380	1,219	1,226	1,206	1,342	4,992	1,345	1,281	1,090	1,142	4,858	1,165	1,400	<b>1,175</b>	<b>1,325</b>	<b>5,065</b>	1,275	<b>1,300</b>	<b>5,225</b>
Pork imports	201	195	194	213	803	207	191	198	205	802	208	210	229	233	880	212	240	256	299	1,007	278	250	<b>260</b>	<b>295</b>	<b>1,083</b>	250	<b>225</b>	<b>1,000</b>
Broiler exports	1,526	1,598	1,976	1,877	6,978	1,734	1,791	1,864	1,886	7,274	1,752	1,865	1,855	1,874	7,345	1,831	1,829	1,860	1,785	7,304	1,629	1,735	<b>1,750</b>	<b>1,750</b>	<b>6,864</b>	1,690	<b>1,775</b>	<b>7,215</b>
Turkey exports	159	171	173	199	703	180	184	216	217	797	179	182	197	201	759	163	188	222	231	804	154	125	<b>155</b>	<b>165</b>	<b>599</b>	160	<b>175</b>	<b>750</b>
Live swine imports (thousand head)	1,452	1,429	1,407	1,508	5,795	1,445	1,444	1,387	1,380	5,656	1,326	1,300	1,255	1,075	4,957	1,196	1,216	1,265	1,272	4,949	1,312	1,375	<b>1,285</b>	<b>1,285</b>	<b>5,257</b>	<b>1,250</b>	<b>1,250</b>	<b>5,000</b>

Note: Forecasts are in bold.

1/Per capita meat and egg disappearance data are calculated using the Resident Population Plus Armed Forces Overseas series from the Census Bureau of the Department of Commerce.

Source: World Agricultural Supply and Demand Estimates and Supporting Materials.

For further information, contact: Mildred M. Haley, (202) 694-5176, mhaley@ers.usda.gov

Updated 7/16/2015

## Dairy Forecasts

	2014			2015					2016		
	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thous.)	9,270	9,287	9,256	9,305	9,310	9,315	9,320	9,315	9,325	9,325	9,330
Milk per cow (pounds)	5,520	5,487	22,260	5,581	5,760	5,550	5,535	22,425	5,720	5,845	22,890
<b>Milk production (bil. pounds)</b>	51.2	51.0	206.0	51.9	53.6	51.7	51.6	208.8	53.3	54.5	213.6
Farm use	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0	0.2	0.2	1.0
Milk marketings	50.9	50.7	205.1	51.7	53.4	51.5	51.3	207.9	53.1	54.3	212.6
<b>Milk fat (bil. pounds milk equiv.)</b>											
Milk marketings	50.9	50.7	205.1	51.7	53.4	51.5	51.3	207.9	53.1	54.3	212.6
Beginning commercial stocks	13.5	12.2	11.2	11.2	13.3	15.0	13.4	11.2	11.6	14.1	11.6
Imports	1.1	1.5	4.3	1.2	1.2	1.3	1.6	5.2	1.1	1.2	4.9
Total supply	65.6	64.5	220.6	64.2	67.9	67.7	66.3	224.3	65.8	69.5	229.2
Commercial exports	2.8	2.3	12.5	2.4	2.6	2.8	2.7	10.5	2.4	2.7	11.0
Ending commercial stocks	12.2	11.2	11.2	13.3	15.0	13.4	11.6	11.6	14.1	15.3	12.0
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use	50.6	51.0	196.9	48.5	50.3	51.5	52.0	202.3	49.4	51.6	206.1
<b>Skim solids (bil. pounds milk equiv.)</b>											
Milk marketings	50.9	50.7	205.1	51.7	53.4	51.5	51.3	207.9	53.1	54.3	212.6
Beginning commercial stocks	13.3	12.3	11.7	13.1	13.7	14.7	12.4	13.1	12.3	12.7	12.3
Imports	1.5	1.5	5.6	1.4	1.4	1.5	1.8	6.1	1.4	1.5	6.0
Total supply	65.7	64.5	222.3	66.2	68.4	67.6	65.6	227.1	66.8	68.4	231.0
Commercial exports	9.3	9.1	39.2	8.8	10.5	10.3	10.1	39.7	9.4	10.2	39.9
Ending commercial stocks	12.3	13.1	13.1	13.7	14.7	12.4	12.3	12.3	12.7	14.5	12.9
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use	44.1	42.3	170.1	43.7	43.2	44.9	43.2	175.1	44.7	43.7	178.1
<b>Milk prices (dol./cwt) 1/</b>											
All milk	24.40	22.77	23.97	17.00	16.50	17.15	17.45	17.05	16.80	16.45	17.00
					-16.60	-17.55	-18.15	-17.35	-17.80	-17.45	-18.00
Class III	22.82	21.19	22.34	15.73	16.24	16.25	16.35	16.15	15.50	15.55	15.90
						-16.65	-17.05	-16.45	-16.50	-16.55	-16.90
Class IV	23.42	18.75	22.09	13.62	13.77	13.65	13.80	13.70	13.75	14.5	14.45
						-14.15	-14.60	-14.10	-14.85	-15.60	-15.55
<b>Product prices (dol./pound) 2/</b>											
Cheddar cheese	2.168	2.053	2.155	1.567	1.663	1.680	1.685	1.650	1.580	1.570	1.610
						-1.720	-1.755	-1.680	-1.680	-1.670	-1.710
Dry whey	0.683	0.625	0.654	0.529	0.444	0.405	0.405	0.440	0.445	0.465	0.460
						-0.425	-0.435	-0.460	-0.475	-0.495	-0.490
Butter	2.574	2.140	2.136	1.647	1.838	1.910	1.890	1.810	1.685	1.765	1.750
						-1.980	-1.990	-1.870	-1.815	-1.895	-1.880
Nonfat dry milk	1.707	1.379	1.768	1.024	0.948	0.890	0.920	0.945	1.015	1.065	1.065
						-0.930	-0.980	-0.975	-1.085	-1.135	-1.135

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

2/ Simple averages of monthly prices calculated by the Agricultural Marketing Service for use in class price formulas. Based on weekly "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.

For further information, contact Jerry Cessna, 202-694-5171, jgcessna@ers.usda.gov, or contact Roger Hoskin, 202 694 5148, rhoskin@ers.usda.gov.

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