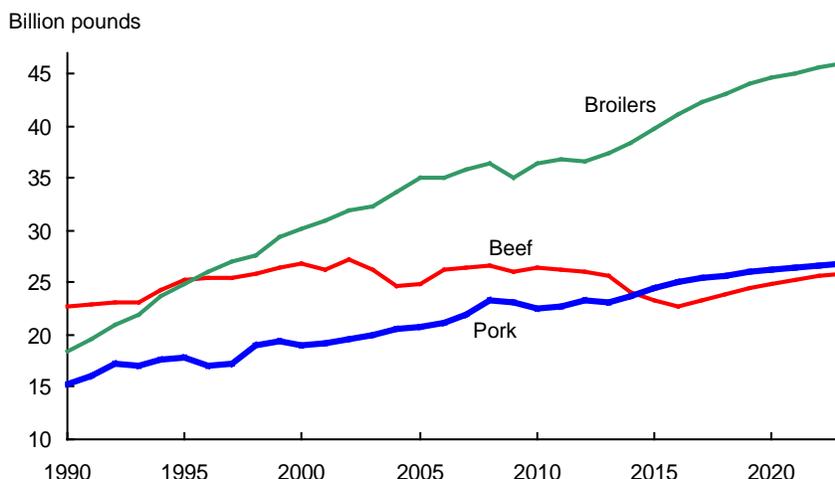


U.S. Livestock

The livestock sector is slowly recovering from high feed prices and drought in the Southern Plains of the United States over the last few years. Improving returns have provided incentives for increased production in the livestock sector. As a result, total U.S. red meat and poultry production is projected to rise over the projection period, as is per capita consumption of red meat and poultry.

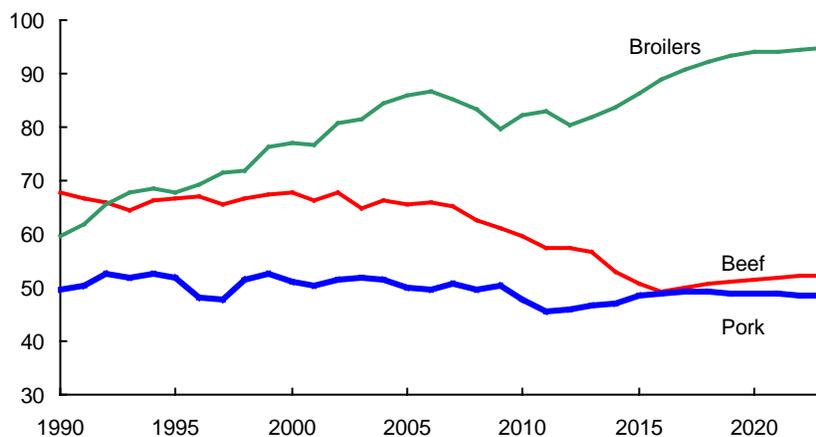
U.S. red meat and poultry production



- Despite improved returns for cow-calf operators in 2013, low cow inventories will limit recovery from recent drought conditions for several years. Lower beef cow inventories and expected heifer retention are expected to lead to declines in beef production through 2016. Production then rises in the remainder of the projection period as returns support continued herd expansion. Beef cow numbers rise from about 29 million head at the start of 2014 to over 33 million in 2022-23. The total cattle inventory drops below 88 million head at the start of 2014 before expanding to about 96 million in 2023. Rising slaughter weights also contribute to the longer term increases in beef production.
- As feed costs decline, pork producers are expected to increase farrowings, with pork production projected to rise over the next decade. Production increases also will be supported by productivity gains in the breeding herd and increased slaughter weights.
- Poultry production rises through the projection period, but at lower rates than in the 1980s and 1990s. Production of both broiler and turkey meats are projected to expand. Production growth is expected to come from both higher numbers of birds and higher average weights at slaughter. Increased demand is expected to strengthen broiler prices, although poultry will face competition from increasing red meat production beyond 2016.

U.S. per capita meat consumption

Pounds per capita, retail weight

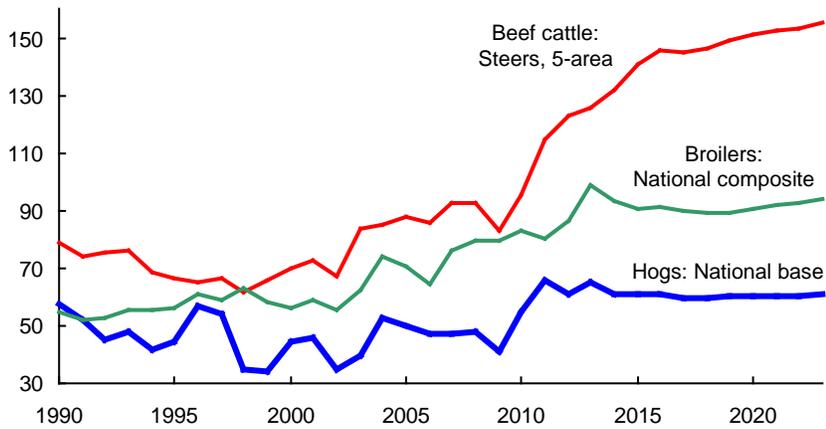


Since 2007, lower overall meat production and increased net exports have resulted in higher consumer prices and lower per capita consumption in the United States. Annual average consumption of red meats and poultry has fallen from over 221 pounds per capita in 2004-07 and is projected to be less than 203 pounds in 2014. As production increases, per capita consumption of red meats and poultry is projected to rise to about 215 pounds by 2023.

- Per capita beef consumption declines through 2016, before rising moderately over the remainder of the projection period. The near-term decline reflects reductions in beef production over the next several years. As beef production increases in subsequent years, per capita consumption grows.
- Per capita pork consumption is projected to rise through 2017 as gains in production are large enough to accommodate both increased domestic use as well as rising U.S. pork exports. Per capita consumption tapers off slightly from 2018 onward as pork production gains slow.
- Poultry production increases throughout the projection period. Per capita consumption rises over the next 10 years and, in contrast to red meats, surpasses levels of the past decade.

Nominal U.S. livestock prices

Dollars per hundredweight

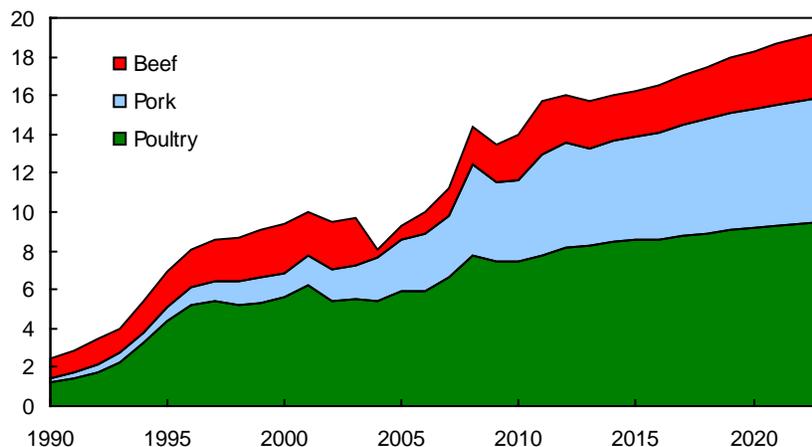


During the initial years of the projection period, prices for hogs and broilers decline as production levels for those meats rise. In contrast, beef cattle prices continue to rise as projected beef production initially declines. Increases in beef cattle, hog, and broiler prices are generally less than the general inflation rate in the later years of the projections.

- Beef cattle prices are projected to fall in 2017 and then to rise more moderately than in the early years of the projections as beef production increases.
- Nominal prices for hogs and broilers have small increases over the last half the projection period as production gains for each slow.

U.S. meat exports

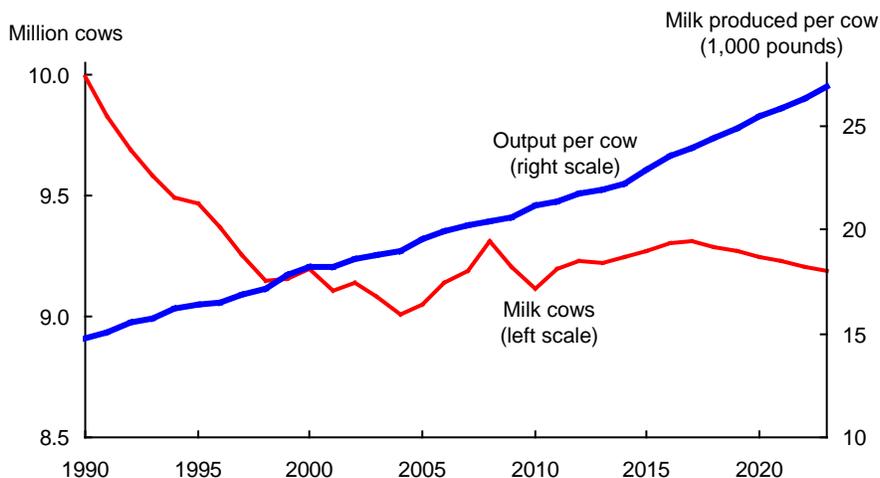
Billion pounds



The projected rise in U.S. red meat and poultry exports over the next decade reflects steady global economic growth, a continued weak U.S. dollar, and foreign demand for selected meat cuts and parts from the large U.S. market.

- Most U.S. beef exports are high-quality, grain-fed beef that typically go to Mexico, Canada, and Pacific Rim nations. A continuing recovery is assumed for U.S. beef exports to Japan and South Korea, export markets that were closed to the United States for several years following the first U.S. case of bovine spongiform encephalopathy (BSE) in December 2003.
- U.S. imports of processing beef increase in the projection period as herd rebuilding and relatively low beef cow slaughter in the United States raise import demand. This import demand will likely be met by increased purchases from Australia, New Zealand, and NAFTA countries.
- U.S. pork exports are projected to rise over the next decade. Production efficiency in the U.S. pork sector enhances the sector's international competitiveness. Pacific Rim nations and Mexico are key markets for long-term growth of U.S. pork exports. Russia is assumed to continue using investment and trade policies to facilitate expansion of its domestic pork industry and limit reliance on imports, affecting pork exports from the United States and Brazil the most.
- U.S. broiler exports rise though the projection period. Major U.S. export markets include China and Mexico, but U.S. broiler exports also have been increasing to a number of other countries. Longer term gains in these markets reflect their economic growth and increasing consumer demand. International demand for broilers also remains strong because of its lower cost relative to beef and pork. U.S. poultry producers continue to face strong competition from other major exporters, particularly Brazil. Over the projection period, most exports from Thailand and China will continue to be fully cooked products, although Thai export gains also reflect the reopening of trade in uncooked chicken products from that country to the EU. As noted for pork, Russia is assumed to also support its domestic poultry industry with investment and trade policies.

U.S. dairy herd and milk production per cow



Milk production is projected to continue rising over the projection period. The long-term upward trend in output per cow continues, while milk cow numbers rise through 2017 and then fall.

- Milk cow numbers are projected to rise through 2017 as high milk prices and lower feed costs provide favorable returns to producers. In later years, feed costs begin to rise and milk cow numbers show year-to-year declines in 2018-23.
- U.S. milk output per cow is projected to increase through the projection period, reflecting continued technological and genetic developments.
- Domestic commercial use of dairy products increases faster than the growth in U.S. population over the next decade. The demand for cheese is expected to rise due to greater consumption of prepared foods and increased away-from-home eating. The slow decline in per capita consumption of fluid milk products is expected to continue.
- The United States is expected to be well positioned to expand exports of dairy products. Commercial U.S. dairy exports are projected to increase steadily over the next decade, reaching record levels on both a fat and a skim-solids basis. Production increases in other major dairy exporting countries are expected to lag growth in global import demand.
- After declining in 2014-16, nominal farm-level milk prices are projected to gradually rise over the rest of the projection period, with increases less than the overall rate of inflation. Real price decreases largely reflect efficiency gains in production, which result from technological improvements and consolidation in the sector. Even so, nominal milk prices exceed \$20 per hundredweight in the last several years of the projections.

Table 28. Per capita meat consumption, retail weight

Item	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>Pounds</i>												
Beef	57.4	56.5	53.0	50.9	49.4	50.1	50.6	51.2	51.5	51.9	52.1	52.1
Veal	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Pork	45.9	46.6	47.1	48.5	48.9	49.1	49.1	49.0	48.9	48.8	48.7	48.6
Lamb and mutton	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7
Total red meat	104.6	104.3	101.4	100.6	99.4	100.4	100.8	101.3	101.5	101.8	101.9	101.8
Broilers	80.4	81.7	83.7	86.4	89.0	90.9	92.2	93.2	94.0	94.1	94.4	94.7
Other chicken	1.4	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Turkeys	16.0	16.0	16.3	16.4	16.6	16.8	17.0	17.1	17.2	17.3	17.4	17.4
Total poultry	97.8	99.0	101.3	104.2	107.1	109.1	110.6	111.7	112.6	112.8	113.2	113.5
Red meat & poultry	202.3	203.3	202.7	204.8	206.5	209.5	211.5	213.0	214.1	214.7	215.1	215.3

Table 29. Beef long-term projections

Item	Units	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beginning stocks	Mil. lbs.	600	608	550	525	525	525	525	525	525	525	525	525
Commercial production	Mil. lbs.	25,913	25,592	24,090	23,266	22,672	23,257	23,799	24,364	24,806	25,260	25,599	25,868
Change from previous year	Percent	-1.1	-1.2	-5.9	-3.4	-2.6	2.6	2.3	2.4	1.8	1.8	1.3	1.1
Farm production	Mil. lbs.	83	83	83	83	83	83	83	83	83	83	83	83
Total production	Mil. lbs.	25,996	25,675	24,173	23,349	22,755	23,340	23,882	24,447	24,889	25,343	25,682	25,951
Imports	Mil. lbs.	2,220	2,258	2,265	2,400	2,500	2,550	2,575	2,650	2,675	2,744	2,838	2,920
Total supply	Mil. lbs.	28,816	28,541	26,988	26,274	25,780	26,415	26,982	27,622	28,089	28,612	29,045	29,396
Exports	Mil. lbs.	2,453	2,458	2,300	2,383	2,443	2,562	2,699	2,843	2,982	3,122	3,267	3,412
Ending stocks	Mil. lbs.	608	550	525	525	525	525	525	525	525	525	525	525
Total consumption	Mil. lbs.	25,755	25,533	24,163	23,366	22,812	23,328	23,758	24,254	24,582	24,965	25,253	25,459
Per capita, carcass weight	Pounds	81.9	80.7	75.8	72.8	70.5	71.5	72.3	73.2	73.6	74.2	74.4	74.4
Per capita, retail weight	Pounds	57.4	56.5	53.0	50.9	49.4	50.1	50.6	51.2	51.5	51.9	52.1	52.1
Change from previous year	Percent	0.1	-1.6	-6.0	-4.0	-3.1	1.5	1.0	1.3	0.6	0.8	0.4	0.0
Prices:													
Beef cattle, farm	\$/cwt	121.75	124.18	129.93	138.97	143.97	143.38	144.30	146.90	149.19	150.65	151.49	153.45
Calves, farm	\$/cwt	161.17	165.73	188.59	191.32	198.62	201.88	201.29	201.82	201.15	201.00	201.93	202.63
Steers, 5-area	\$/cwt	122.86	125.69	131.50	140.65	145.70	145.10	146.03	148.67	150.99	152.47	153.31	155.30
Yearling steers, Oklahoma City	\$/cwt	146.39	146.14	166.25	168.66	175.09	177.97	177.45	177.91	177.32	177.19	178.01	178.62
Feed price ratio:													
Beef cattle-corn	Ratio	19.6	18.0	28.9	38.1	43.6	42.8	41.8	40.8	39.8	39.1	38.4	37.4
Cattle inventory	1,000 head	90,538	88,600	87,605	88,600	89,357	91,261	92,305	93,037	93,630	94,307	95,277	96,088
Beefcow inventory	1,000 head	30,158	29,295	29,050	29,349	29,678	30,734	31,558	31,953	32,300	32,739	33,293	33,668
Total cow inventory	1,000 head	39,387	38,515	38,250	38,350	38,822	39,853	40,651	41,026	41,358	41,782	42,321	42,681

Table 30. Pork long-term projections

Item	Units	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beginning stocks	Mil. lbs.	542	625	600	600	600	600	600	600	600	600	600	600
Commercial production	Mil. lbs.	23,253	23,150	23,760	24,525	24,982	25,433	25,721	25,962	26,197	26,412	26,631	26,840
Change from previous year	Percent	2.2	-0.4	2.6	3.2	1.9	1.8	1.1	0.9	0.9	0.8	0.8	0.8
Farm production	Mil. lbs.	17	17	17	17	17	17	17	17	17	17	17	17
Total production	Mil. lbs.	23,270	23,167	23,777	24,542	24,999	25,450	25,738	25,979	26,214	26,429	26,648	26,857
Imports	Mil. lbs.	802	857	860	873	886	899	912	925	938	951	964	977
Total supply	Mil. lbs.	24,614	24,649	25,237	26,015	26,485	26,949	27,250	27,504	27,752	27,980	28,212	28,434
Exports	Mil. lbs.	5,381	5,054	5,270	5,350	5,500	5,700	5,850	6,000	6,100	6,200	6,298	6,396
Ending stocks	Mil. lbs.	625	600	600	600	600	600	600	600	600	600	600	600
Total consumption	Mil. lbs.	18,608	18,995	19,367	20,065	20,385	20,649	20,800	20,904	21,052	21,180	21,314	21,438
Per capita, carcass weight	Pounds	59.2	60.0	60.7	62.5	63.0	63.3	63.3	63.1	63.0	62.9	62.8	62.7
Per capita, retail weight	Pounds	45.9	46.6	47.1	48.5	48.9	49.1	49.1	49.0	48.9	48.8	48.7	48.6
Change from previous year	Percent	0.5	1.3	1.2	2.9	0.8	0.5	-0.1	-0.3	-0.1	-0.2	-0.2	-0.2
Prices:													
Hogs, farm	\$/cwt	64.18	67.96	64.01	62.93	64.02	62.49	62.22	62.94	63.29	63.08	63.56	63.68
National base, live equivalent	\$/cwt	60.88	64.77	61.00	61.09	60.97	59.51	59.25	59.94	60.27	60.08	60.54	60.64
Feed price ratio:													
Hog-corn	Ratio	10.3	9.9	14.2	17.2	19.4	18.7	18.0	17.5	16.9	16.4	16.1	15.5
Hog inventory,													
December 1, previous year	1,000 head	66,361	66,373	67,775	69,841	71,076	72,293	73,073	73,724	74,357	74,939	75,531	76,094

Table 31. Young chicken long-term projections

Item	Units	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beginning stocks	Mil. lbs.	590	651	650	640	640	640	640	640	640	640	640	640
Federally inspected slaughter	Mil. lbs.	37,039	37,791	38,900	40,263	41,588	42,723	43,638	44,450	45,181	45,619	46,096	46,610
Change from previous year	Percent	-0.4	2.0	2.9	3.5	3.3	2.7	2.1	1.9	1.6	1.0	1.0	1.1
Production	Mil. lbs.	36,643	37,387	38,484	39,832	41,143	42,266	43,171	43,975	44,697	45,130	45,603	46,112
Total supply	Mil. lbs.	37,344	38,153	39,246	40,580	41,892	43,016	43,922	44,727	45,451	45,884	46,358	46,868
Change from previous year	Percent	-0.9	2.2	2.9	3.4	3.2	2.7	2.1	1.8	1.6	1.0	1.0	1.1
Exports	Mil. lbs.	7,274	7,395	7,550	7,648	7,714	7,872	7,987	8,135	8,269	8,349	8,437	8,531
Ending stocks	Mil. lbs.	651	650	640	640	640	640	640	640	640	640	640	640
Consumption	Mil. lbs.	29,419	30,108	31,056	32,292	33,538	34,504	35,295	35,952	36,542	36,895	37,281	37,697
Per capita, carcass weight	Pounds	93.6	95.1	97.4	100.5	103.6	105.8	107.4	108.5	109.4	109.6	109.9	110.2
Per capita, retail weight	Pounds	80.4	81.7	83.7	86.4	89.0	90.9	92.2	93.2	94.0	94.1	94.4	94.7
Change from previous year	Percent	-3.0	1.6	2.4	3.2	3.1	2.1	1.5	1.1	0.8	0.2	0.2	0.3
Prices:													
Broilers, farm	Cents/lb.	51.0	59.3	55.7	53.5	53.8	52.9	52.7	52.7	53.6	54.1	54.8	55.4
Broilers, National composite	Cents/lb.	86.6	99.0	93.0	90.6	91.2	89.7	89.3	89.3	90.8	91.7	92.8	93.9
Feed price ratio:													
Broiler-feed ¹	Ratio	3.4	3.4	4.4	4.8	4.9	4.8	4.7	4.6	4.6	4.6	4.6	4.5

¹Broiler feed price based on 58 percent corn price and 42 percent soybean price, as used by USDA, National Agricultural Statistics Service.

Table 32. Turkey long-term projections

Item	Units	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beginning stocks	Mil. lbs.	211	296	300	310	310	310	310	310	310	310	310	310
Production	Mil. lbs.	5,889	5,783	5,960	6,033	6,159	6,282	6,388	6,480	6,570	6,657	6,742	6,830
Total supply	Mil. lbs.	6,124	6,100	6,280	6,365	6,492	6,615	6,722	6,814	6,904	6,991	7,076	7,164
Change from previous year	Percent	3.3	-0.4	3.0	1.4	2.0	1.9	1.6	1.4	1.3	1.3	1.2	1.2
Exports	Mil. lbs.	798	745	780	784	801	817	830	842	854	865	877	888
Ending stocks	Mil. lbs.	296	300	310	310	310	310	310	310	310	310	310	310
Consumption	Mil. lbs.	5,030	5,055	5,190	5,271	5,382	5,489	5,581	5,661	5,740	5,816	5,890	5,966
Per capita	Pounds	16.0	16.0	16.3	16.4	16.6	16.8	17.0	17.1	17.2	17.3	17.4	17.4
Change from previous year	Percent	-0.4	-0.2	1.9	0.8	1.3	1.2	0.9	0.6	0.6	0.5	0.5	0.5
Prices:													
Turkey, farm	Cents/lb.	71.9	66.9	66.5	65.4	66.4	64.5	64.1	64.2	65.2	65.7	66.1	67.3
Hen turkeys, National	Cents/lb.	105.6	99.2	98.5	96.9	98.3	95.5	95.0	95.0	96.5	97.3	97.9	99.7
Feed price ratio:													
Turkey-feed ¹	Ratio	5.1	4.2	5.6	6.4	6.7	6.4	6.3	6.2	6.1	6.1	6.0	6.0

¹Turkey feed price based on 51 percent corn price, 28 percent soybean price, and 21 percent wheat price, as used by USDA, National Agricultural Statistics Service.

Table 33. Egg long-term projections

Item	Units	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beginning stocks	Mil. doz.	28	21	22	22	22	22	22	22	22	22	22	22
Production	Mil. doz.	7,753	7,943	8,075	8,156	8,221	8,287	8,361	8,437	8,513	8,581	8,649	8,727
Change from previous year	Percent	1.2	2.5	1.7	1.0	0.8	0.8	0.9	0.9	0.9	0.8	0.8	0.9
Imports	Mil. doz.	18	19	16	16	16	16	16	16	16	16	16	16
Total supply	Mil. doz.	7,799	7,982	8,113	8,194	8,259	8,325	8,399	8,475	8,551	8,619	8,687	8,765
Change from previous year	Percent	1.3	2.4	1.6	1.0	0.8	0.8	0.9	0.9	0.9	0.8	0.8	0.9
Hatching use	Mil. doz.	937	962	990	1,014	1,038	1,060	1,078	1,093	1,106	1,116	1,124	1,133
Exports	Mil. doz.	302	360	302	305	308	311	314	317	320	323	326	329
Ending stocks	Mil. doz.	21	22	22	22	22	22	22	22	22	22	22	22
Consumption	Mil. doz.	6,540	6,639	6,799	6,853	6,891	6,932	6,986	7,043	7,102	7,158	7,215	7,281
Per capita	Number	249.7	251.7	255.9	256.1	255.6	255.1	255.0	255.1	255.2	255.2	255.2	255.4
Change from previous year	Percent	0.8	0.8	1.7	0.1	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.1
Prices:													
Eggs, farm	Cents/doz.	100.1	105.5	95.8	96.9	98.6	100.3	102.0	103.7	105.4	107.5	109.7	111.4
New York, Grade A large	Cents/doz.	117.4	121.2	110.0	114.0	116.0	118.0	120.0	122.0	124.0	126.5	129.0	131.0
Feed price ratio:													
Egg-feed ¹	Ratio	7.4	6.8	8.9	10.4	11.1	11.2	11.2	11.1	11.0	11.0	11.0	10.9

¹/ Egg feed price based on 75 percent corn price and 25 percent soybean price, as used by USDA, National Agricultural Statistics Service.

Table 34. Dairy long-term projections

Item	Units	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Milk production and marketings:													
Number of cows	Thousand	9,233	9,225	9,245	9,275	9,305	9,310	9,290	9,270	9,250	9,230	9,205	9,185
Milk per cow	Pounds	21,696	21,865	22,170	22,900	23,505	23,935	24,400	24,870	25,410	25,825	26,325	26,825
Milk production	Bil. lbs.	200.3	201.7	204.9	212.4	218.7	222.8	226.7	230.5	235.0	238.4	242.3	246.4
Farm use	Bil. lbs.	1.0	1.0	1.0	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6
Marketings	Bil. lbs.	199.4	200.7	203.9	211.6	217.9	222.1	226.0	229.8	234.4	237.8	241.7	245.8
Supply and use, milkfat basis:													
Beginning commercial stocks	Bil. lbs.	10.9	12.2	12.3	11.5	11.7	11.9	12.0	12.0	12.0	12.0	12.0	12.0
Marketings	Bil. lbs.	199.4	200.7	203.9	211.6	217.9	222.1	226.0	229.8	234.4	237.8	241.7	245.8
Imports	Bil. lbs.	4.1	4.0	4.0	3.8	3.6	3.4	3.2	3.1	3.0	2.9	2.9	2.9
Commercial supply	Bil. lbs.	214.3	216.9	220.3	226.9	233.2	237.4	241.2	244.9	249.4	252.7	256.6	260.7
Domestic commercial use	Bil. lbs.	193.3	193.1	198.2	204.8	210.0	213.3	216.6	219.9	223.9	226.8	230.1	233.5
Commercial exports	Bil. lbs.	8.8	11.5	10.6	10.4	11.3	12.1	12.5	13.0	13.5	13.9	14.4	15.1
Ending commercial stocks	Bil. lbs.	12.2	12.3	11.5	11.7	11.9	12.0	12.0	12.0	12.0	12.0	12.0	12.1
Total utilization	Bil. lbs.	214.3	216.9	220.3	226.9	233.2	237.4	241.2	244.9	249.4	252.7	256.6	260.7
CCC net removals	Bil. lbs.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supply and use, skim solids basis:													
Beginning commercial stocks	Bil. lbs.	11.8	12.4	12.4	12.2	12.3	12.4	12.5	12.5	12.5	12.5	12.5	12.5
Marketings	Bil. lbs.	199.4	200.7	203.9	211.6	217.9	222.1	226.0	229.8	234.4	237.8	241.7	245.8
Imports	Bil. lbs.	5.7	5.1	5.2	5.4	5.5	5.6	5.6	5.6	5.6	5.5	5.5	5.4
Commercial supply	Bil. lbs.	216.9	218.2	221.5	229.2	235.8	240.2	244.1	248.0	252.5	255.8	259.7	263.7
Domestic commercial use	Bil. lbs.	171.2	166.7	171.5	176.9	181.6	184.7	187.9	190.9	194.7	197.2	200.1	203.1
Commercial exports	Bil. lbs.	33.3	39.1	37.8	39.9	41.7	43.0	43.7	44.6	45.4	46.1	47.1	48.1
Ending commercial stocks	Bil. lbs.	12.4	12.4	12.2	12.3	12.4	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Total utilization	Bil. lbs.	216.9	218.2	221.5	229.2	235.8	240.2	244.1	248.0	252.5	255.8	259.7	263.7
CCC net removals	Bil. lbs.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prices:													
All milk	\$/cwt	18.53	19.85	19.75	19.15	18.95	19.10	19.40	19.65	19.90	20.15	20.30	20.45
Cheese	\$/lb.	1.71	1.77	1.72	1.73	1.74	1.75	1.77	1.80	1.82	1.84	1.87	1.89
Butter	\$/lb.	1.59	1.53	1.53	1.53	1.49	1.50	1.53	1.56	1.58	1.61	1.62	1.63
Nonfat dry milk	\$/lb.	1.33	1.70	1.72	1.62	1.60	1.62	1.64	1.67	1.68	1.71	1.71	1.72
Dry whey	\$/lb.	0.59	0.59	0.56	0.59	0.60	0.59	0.59	0.59	0.60	0.60	0.61	0.62

Dairy projections were completed in November 2013.

CCC is the Commodity Credit Corporation, U.S. Department of Agriculture.

Totals may not add due to rounding.