

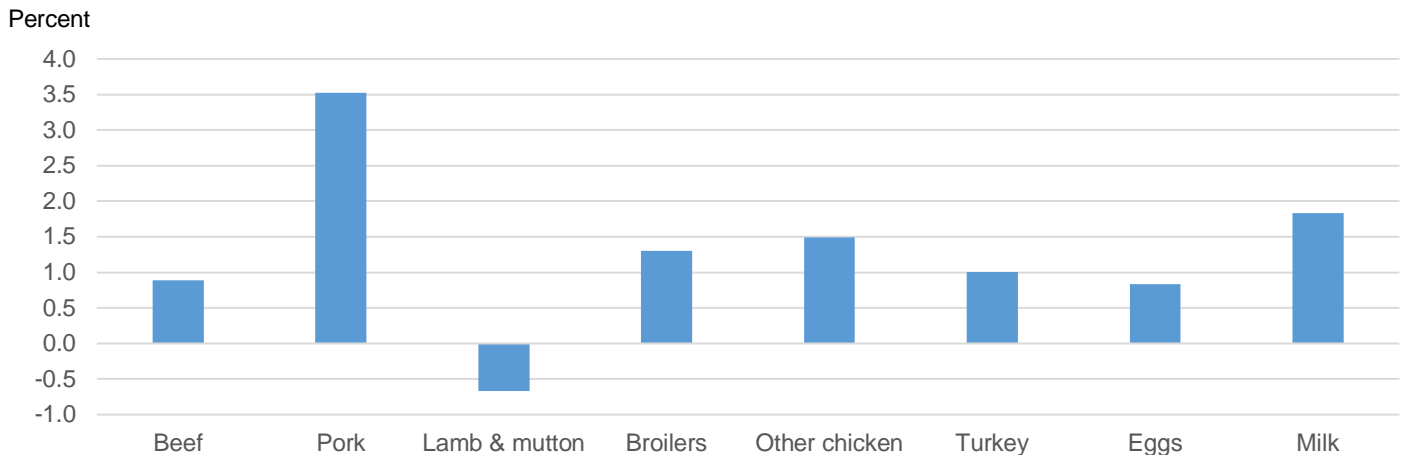


Livestock, Dairy, and Poultry Outlook

2020 Production of Most Animal Proteins Forecast To Increase

Production for most animal proteins is expected to increase in 2020, compared to production levels of 2019. Among the factors driving higher production are producer responses to forecasts of continued-positive U.S. economic conditions, including improved producer returns. Beef production is expected to increase next year by almost 1 percent. The anticipated U.S. pork production increase of about 3.5 percent in 2020 is a response to higher international pork prices due to pork deficits in China, resulting from African Swine Fever. Broiler production is expected to increase by 1.3 percent next year and other chicken by 1.4 percent. Turkey production is expected to increase year over year—by 1.0 percent—for the first time in 3 years. Anticipated 2020 growth in the U.S egg industry is about 0.8 percent, and milk production growth is forecast at 1.6 percent. A decline—0.5 percent—is projected for lamb and mutton production next year.

Percent change in production (2020/2019)



*Percent change in milk production adjusted for leap year.
Source: USDA, Economic Research Service.

Beef/Cattle: Beef production in 2020 is forecast about 1 percent higher. Fed cattle slaughter is forecast higher but will be offset by a decline in cow slaughter. As a result, production gains will be driven by heavier carcass weights. Gains in average fed cattle weights and fewer cows in the slaughter mix will likely result in heavier average carcass weights, more than offsetting the impact of that overall decline in slaughter numbers. Fed cattle prices in 2020 are expected to average \$121 per hundredweight. Beef exports in 2020 are expected to set another record on demand from Asian trade partners and less beef available from Oceania.

Lamb/Sheep: First-quarter 2019 lamb production was lower than expected due to lighter live weights. In addition, imports were lower than expected likely due to decreasing sheep meat available for export in Australia. Slaughter lamb prices were revised up based on expectations for tightening supplies.

Dairy: March milk production was 0.4 percent below March 2018. The milk production forecast for 2019 has been lowered to 218.7 billion pounds, 0.8 billion less than last month's forecast and only 0.5 percent above 2018. Due to recent increases in most dairy product prices, lower expected milk production, and higher expected exports, the 2019 all-milk price forecast has been raised to \$18.05 per cwt. The milk production forecast for 2020 is 222.7 billion pounds, an increase of 1.6 percent from 2019, adjusted for leap year. With tightening supplies expected among global competitors, U.S. exports of dairy products are expected to increase in 2020. The all-milk price forecast for 2020 is \$18.80 per cwt. If realized, this would be the highest all-milk price since 2014.

Pork/Hogs: U.S. pork producers are likely to respond to increasing international pork prices brought about by significant Chinese hog losses from African Swine Fever, by raising 2020 U.S pork production 3.5 percent to 28.3 billion pounds. Prices of live equivalent 51-52 percent lean hogs are expected to average \$60 per cwt, more than 10 percent higher than average prices this year. U.S. pork exports are forecast at about 6.7 billion pounds in 2020, almost 7 percent above the 6.2 billion pounds estimated for this year.

Poultry/Eggs: Second-quarter broiler production was revised down, based on dampened weights, while prices were revised down on expectations for soft demand. Second-quarter exports were revised down on uncertainty in key foreign markets, while second-half volumes were revised up based on expectations for increased global demand. Egg production was raised on increasing layer flock, while prices were decreased on expectations for continued oversupply. Exports were decreased based on expectations for ongoing low global demand. 2020 turkey production is expected to total 5.940 billion pounds. If realized, production would be 1 percent higher than 2019. Whole turkey prices are forecast to average \$0.88 per pound, 3 percent higher than in 2019. Turkey exports are expected to total 630 million pounds. If realized, turkey exports would be 3 percent higher than in 2019.

Beef/Cattle

Russell Knight and Lekhnath Chalise

2020 Production Expected To Establish New Record

The initial forecast for 2020 commercial beef production is expected to set a record of 27.5 billion pounds, surpassing by almost 1 percent what is expected to be a record level in 2019. Total cattle slaughter is expected to be lower than 2019, as lower cow slaughter more than offsets higher fed cattle slaughter. However, expected gains in average carcass weights, a function of gains in steer and heifer weights and a shift in the slaughter mix toward fed cattle, will more than offset the decline in cow slaughter. Higher fed cattle slaughter is based on year-over-year larger 2018—and expected 2019—calf crops that will likely increase cattle placements in feedlots in late 2019 and early 2020. As a result, marketings of those fed cattle would support higher fed cattle slaughter in 2020.

The 2019 beef production forecast was reduced fractionally from last month at 27.3 billion pounds. The second-quarter 2019 forecast is reduced based on lower expected carcass weights that more than offset an increase in anticipated fed cattle slaughter.

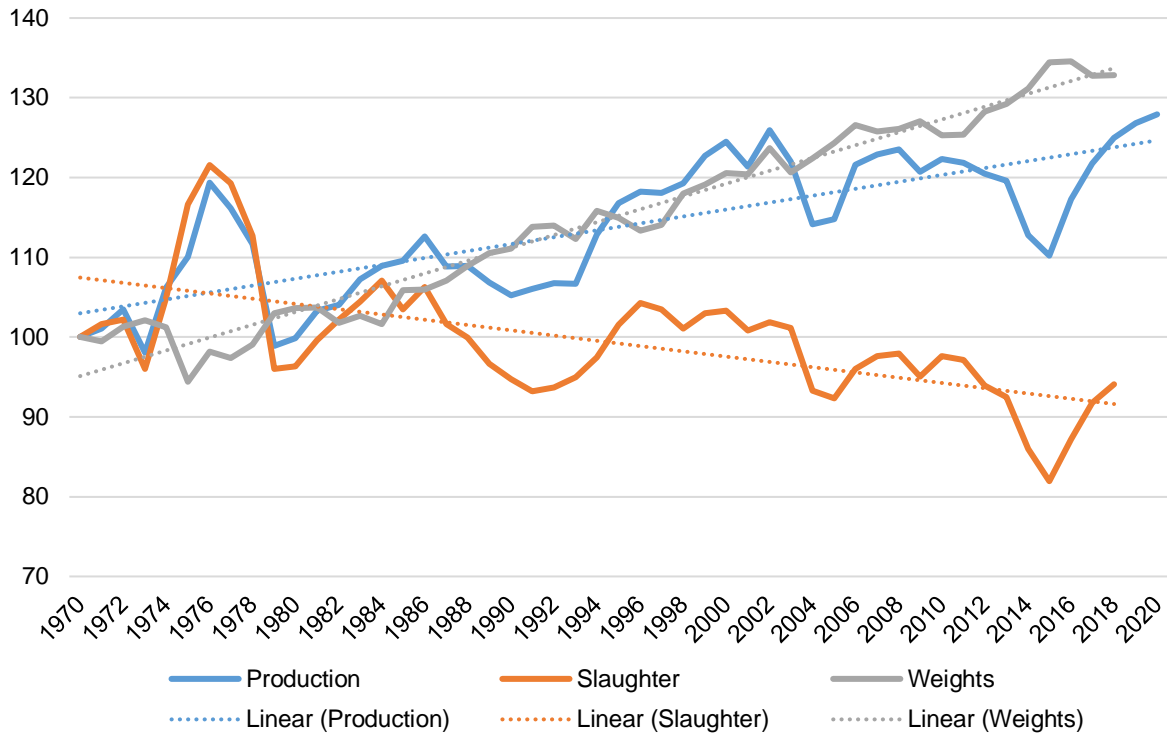
Improved Genetics, Feeding Efficiencies, and Management Grow Beef Production

Over the last 50 years, production has steadily increased, while the number of cattle slaughtered has decreased. To best illustrate these changes over time, the chart below shows commercial beef production, commercial cattle slaughter, and the inferred carcass weights as indices from 1970 to 2020. In 1975, the U.S. cattle herd's growth had peaked, with all cattle and calves topping out at 132 million head. The next year as the herd contracted, it gave way to the largest number of cattle slaughtered commercially at 42.7 million head and produced a then-record of 25.7 billion pounds of beef.

Since then, record beef production has been achieved with fewer animals as the result of an industry that has changed dramatically over time. For example, improved breeding practices have helped produce more efficient cows that have offspring with better growth rates and feed conversion efficiencies. Enhanced cattle performance on grass and in feedlots has provided faster turnover of feeder cattle with heavier carcass weights. These cattle make their way through the value chain as a better and more consistent product thanks to improved feeding technologies and better husbandry practices, enabling the industry to produce more beef per cow. The number of fed cattle in the slaughter mix has increased over time—upwards of 80 percent of the animals harvested—also supporting an increase in average carcass weights. The current record level of beef produced commercially occurred in 2002 and stands at 27.1 billion pounds, derived from 35.7 million head. The 2019 and 2020 beef production forecasts are expected to surpass that level with about 6 percent fewer animals.

For over 50 years, cattle weights have propelled beef production as cattle slaughter decreased

Index 1970=100



Source: Calculations by USDA, Economic Research Service based on data from USDA, National Agricultural Statistics Service.

Large Market-Ready Supplies of Cattle Available

Based on the April *Cattle on Feed* report¹, it was estimated that there were 4.9 percent more net placements but 3.4 percent fewer cattle marketed year over year in March. However, when adjusted for the difference in slaughter days in March, marketings were about 1 percent higher. The *Cattle on Feed* report also showed that placements of 800-pounds-or-heavier feeder cattle in March 2019 were nearly equal to year-earlier levels. Any additional heavy cattle remaining on wheat pasture will likely be placed on feed in April and into early May. The April 1 cattle-on-feed number reached nearly 12 million head, which is the largest number of cattle on feed for the month of April since reporting began in 1996. The number of cattle held on feed over 150 days also continued to build. The percentage of cattle on feed over 150 days on April 1 climbed over 2 percentage points from last year as marketings lagged.

Weaker Fed Cattle Prices To Pressure Feeder Calf Prices

Fed steer prices in the 5-area marketing region appear to have reached the seasonal peak the week of March 24, 2019, at \$128.96 per hundredweight (cwt) and have since retreated to \$120.34 per cwt for the week ending May 12, 2019. This decline may be due to the fact that there are large supplies of market-ready cattle, and it appears that the spring-low in carcass weights may be near. Seasonally, fed cattle carcass weights are at the low point in late May and early June. As the lingering effects from this winter's weather events subside, fed cattle weights have stabilized to the point that they are above

¹ Of feedlots with capacity of 1,000 or more head.

year-earlier levels. For the week ending April 27, 2019, steer carcass weights were 4 pounds above and heifer weights were 6 pounds above year-earlier levels.

Based on recent price data and the number of fed cattle that will likely be available for marketing this year, the forecasts for second- and third-quarter 2019 fed steers were lowered \$3 and \$2 to \$121 per cwt and \$113 per cwt, respectively. This equates to an annual price of \$118.5 per cwt for 2019. The 2020 annual price forecast for fed steers is over 2 percent higher at \$121 per cwt, based on an improved outlook for feed input prices.

On April 1, 2019, there were almost 1 percent more cattle sitting outside feedlots according to the table “Feeder Cattle Supplies Outside Feedlots” on the ERS webpage *Livestock & Meat Domestic Data*. Based on the weekly National Feeder & Stocker Cattle Summary reports, for the month of April there was a nearly 22-percent year-over-year increase in total sales. These sales likely supported the seasonal bounce in feeder steer prices exhibited at the Oklahoma National Stockyards. There, feeder steers weighing 750-800 pounds averaged about \$146.72/cwt in April, up from the March estimate of \$139.96 per cwt. However, sale prices over the last 3 weeks have been under pressure.

The lower fed cattle prices are likely squeezing feedlot margins and making feedlots less willing to bid up the price for placing feeder cattle in their feedlots. However, for the week ending May 5, 2019, only 8 percent of U.S. pastures were in poor or very poor condition—down 14 percentage points compared to the same time last year. This improvement in pasture conditions should provide some demand for feeder calves to be placed on summer grass. Nonetheless, based on recent price data and expectations of feedlots being less likely to bid up the price, the second-quarter 2019 feeder steer price was lowered by \$2 to \$145 per cwt. The fourth-quarter 2019 price was raised \$1 to \$147 per cwt based on expected fall demand. As a result, this month’s annual price forecast for 2019 was \$145.50 per cwt, close to last month’s forecast.

Lower Beef Exports in First-Quarter 2019

U.S. beef exports in first-quarter 2019 were down 5 percent from year-earlier levels at 696 million pounds. Among major destinations, notable declines were to Hong Kong and Canada (see table below). Both Hong Kong and Canada reported lower imports from all major sources during the first-quarter. In regard to Canada, higher domestic beef production in Canada may be offsetting potential U.S. exports.

The 2019 first-quarter U.S. beef exports declined year over year

	Exports in million pounds		Year-over-year change	
	2018	2019	Million pounds	Percentage
Japan	197	194	-3	-2
Mexico	98	110	12	12
Canada	71	62	-9	-13
South Korea	136	147	11	8
Hong Kong	88	49	-40	-45
Taiwan	40	42	2	4
All others	99	92	-7	-7
Total	730	696	-34	-5

Source: USDA, Economic Research Service.

Japan was the largest buyer of U.S. beef with 28-percent of total U.S. exports in first-quarter 2019. However, U.S. exports to Japan in March were 9 percent lower from year-earlier levels, and FAS weekly Export Sales Reports for April also showed weaker shipments to Japan. U.S. beef is facing competition from Canada, which has a tariff advantage to supply beef to Japan.

Based on lower-than-expected first-quarter exports and a slower expected pace of exports, the 2019 annual forecast was revised downward by 84 million pounds to 3.171 billion pounds. The 2020 beef forecast is 3.245 billion pounds, up just over 2 percent from 2019 levels. Greater domestic production in the United States should support the export growth. Most of the increased exports are likely to be driven by strong demand from Asian markets. Moreover, U.S. beef is likely to face lower competition from Oceania, given tighter exportable supplies expected in the region in 2020.

U.S. Beef Imports Increased in First-quarter 2019

The 2019 March U.S. beef imports were 6-percent higher year over year by 270 million pounds, resulting in a 2.3-percent year-over-year increase for first-quarter 2019 imports to 738 million pounds. In first-quarter 2019, imports were higher from major suppliers except those from New Zealand, which were down 30 percent year over year for the period. As New Zealand shifted its exports to Asian markets, the decline in imports was in part offset by Mexico and Canada. Increased domestic production in Canada and Mexico is likely helping to support higher shipments.

Oceania is a major source of beef that in first-quarter 2019 continued to contribute more than one-third of U.S. imports. Expected tighter supplies in this region will likely dampen U.S. imports in remaining quarters of 2019, which are adjusted slightly downward from the previous month's forecasts. Coupled with the higher-than-expected first-quarter import estimate, the 2019 beef import forecast is relatively unchanged from the previous month's forecast at 3.013 billion pounds. Based on expected tighter exportable supplies in Oceania and demand from other buyers, the 2020 U.S. beef import forecast is about 2 percent lower at 2.960 billion pounds.

Cattle Imports and Exports Higher

U.S. cattle imports in March 2019 were 235,085 head, 18 percent higher than year-earlier levels. Higher imports in all 3 months in first-quarter 2019 resulted in year-to-date cattle imports of 567,085 head, about 100,000 head higher than year-earlier levels. AMS weekly reports for April 2019 suggest stronger year-over-year imports. Better pasture conditions in the United States are likely to pull more feeder cattle shipments from Mexico. Canadian shipments of slaughter-ready cattle to the United States were also higher than year-earlier levels. The 2019 cattle import forecast was revised upward by 30,000 head to 2.03 million head. The 2020 import forecast is at 2.09 million head, 3 percent higher than the above current-year levels.

Year-over-year higher cattle exports in all the first 3 months of 2019 resulted in first-quarter U.S. cattle exports of 61,708 head, up 64 percent from year-earlier levels. Despite Canadian feedlots lacking a price incentive for sourcing feeder cattle from the United States, U.S. feeder cattle exports to Canada remained stronger than year-earlier levels and demand is expected to remain firm in the coming months. As a result, the U.S. cattle export forecast for 2019 is revised upward by 10,000 head to 255,000 head. The 2020 cattle export forecast is at 265,000 head, up 4-percent from the current year.

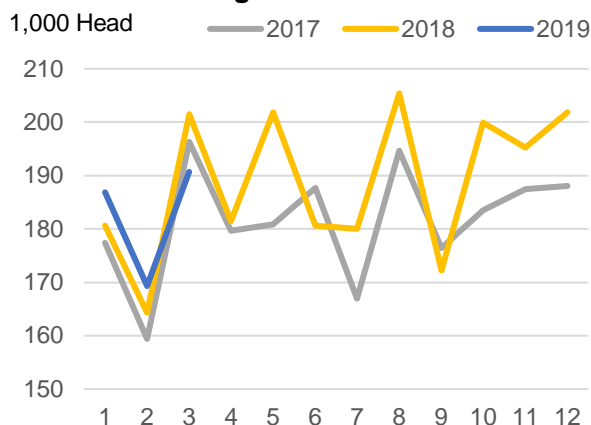
Sheep/Lamb

Kim Ha

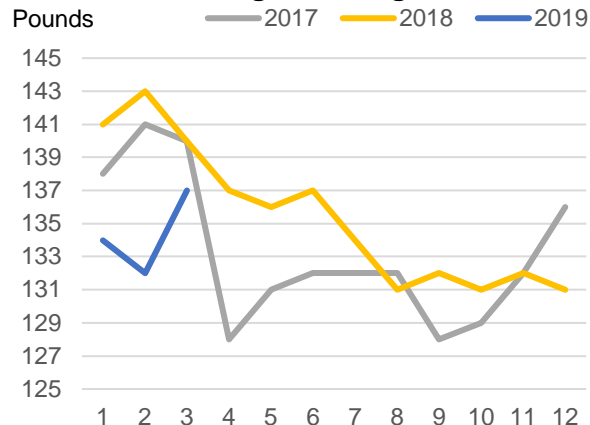
Sheep Meat Production Expected To Decrease in 2019 and 2020

Commercial lamb production reached 36.7 million pounds in the first quarter of 2019, down 4 percent from 2018. As seen in the charts below, slaughter was up year over year in January and February but down in March, while the average live weight was lower year over year across all 3 months. For April, weekly data for federally inspected slaughter point to a return to year-over-year increases in slaughter, while maintaining the trend of below year-earlier average live weights. The lower average live weights—and resulting decrease in production—are likely a response to the low slaughter lamb prices in 2018, which were 7 percent lower than 2017 average prices and 2 percent lower than the 5-year average. 2019 production is forecast at 149 million pounds, about 3 percent lower than 2018. In 2020, production is forecast at 148 million pounds, a fractional decline from 2019.

Commercial slaughter



Commercial average live weights



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

Lower Imports of Sheep Meat Expected in 2019

First-quarter imports of lamb and mutton amounted to 80 million pounds, nearly equal to 2018 volumes. For the remainder of 2019, import volumes are expected to be lower year over year, based on reduced availability of sheep meat in Australia, the largest supplier to the United States. Australia is currently rebuilding its breeding herd after severe drought conditions last growing season led to increased slaughter levels. Total 2019 imports are forecast at 264 million pounds, approximately 3 percent lower than 2018. In 2020, it is expected that Australia will have rebuilt its breeding herd and resumed regular production levels. Despite expectations for increased availability of product for export in Australia in 2020, increased demand by other markets may constrain growth in shipments to the United States. U.S. lamb and mutton imports are forecast to increase by about 2.5 percent to 271 million pounds.

Slaughter Lamb Prices Expected To Increase in 2019

Choice/Prime slaughter lamb prices (national) averaged \$136 per cwt in the first quarter, almost equal to 2018. In April, prices increased in line with seasonal patterns, averaging \$152 per cwt, more than 2 percent higher than last year. Based on expectations for tight supplies for the remainder of the year, the price forecast was increased to \$159 per cwt for the second quarter, \$155 per cwt for the third quarter, and \$140 per cwt for the fourth quarter. In 2019, prices are forecast to average \$147.5 per cwt, nearly 3 percent higher than 2018. In 2020, domestic supply is anticipated to increase as a result of increased shipments from Australia. Based on expectations for increased imports in 2020, prices are forecast to average \$146 per cwt, down about 1 percent from 2019.

Dairy

Jerry Cessna and Jonathan Law

Recent Developments in Dairy Markets

From the week ending March 30 to the week ending May 4, movement of dairy product prices reported in the USDA *National Dairy Products Sales Report* (NDPSR) were mixed. The largest changes were for cheddar cheese, with 40-pound blocks and 500-pound barrels gaining 9.4 cents and 12.4 cents per pound, respectively. The nonfat dry milk price (NDM) increased by 4.5 cents per pound, while the butter and dry whey prices fell by 4.5 cents and 1.8 cents per pound, respectively.

Dairy wholesale product prices (dollars per pound)

	For the week ending		Change
	Mar. 30	May 4	
Butter	2.2928	2.2477	-0.0451
Cheddar cheese			
40-pound blocks	1.5958	1.6901	0.0943
500-pound barrels ¹	1.5022	1.6258	0.1236
Nonfat dry milk	0.9516	0.9914	0.0398
Dry whey	0.4026	0.3842	-0.0184

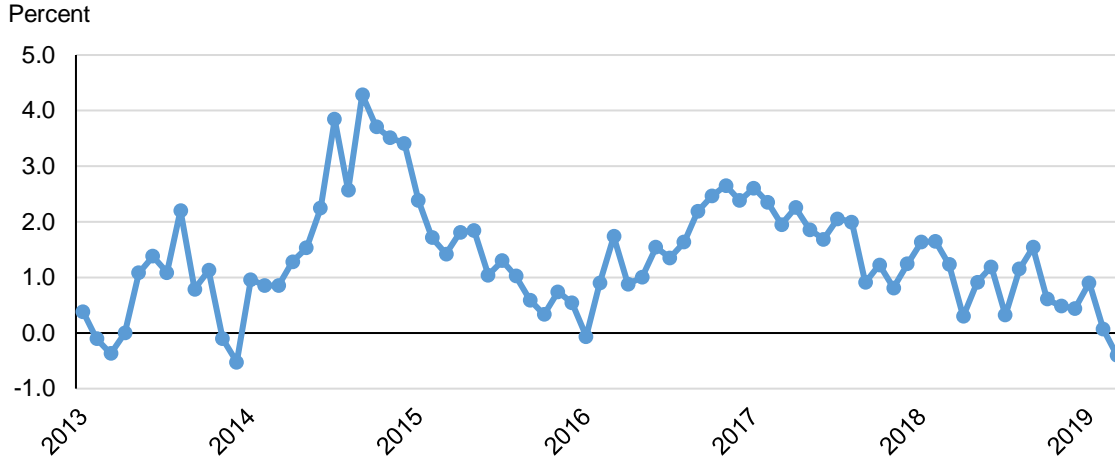
¹ Adjusted to 38-percent moisture.

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

USDA, National Agricultural Statistics Service (NASS) estimated that U.S. milk production was 18.913 billion pounds in March (averaging about 610 million pounds per day), down 0.4 percent from March 2018. This is the first monthly year-over-year decline in average daily milk production since January 2016.² Milk cows in March numbered 9.344 million head (10,000 below February), continuing the downward trend since the beginning of 2018. Milk per cow averaged 65.3 pounds per day in March, 0.5 percent higher than March 2018. The year-over-year percentage increase in March was less than in January (+1.8 percent) and February (+0.9 percent).

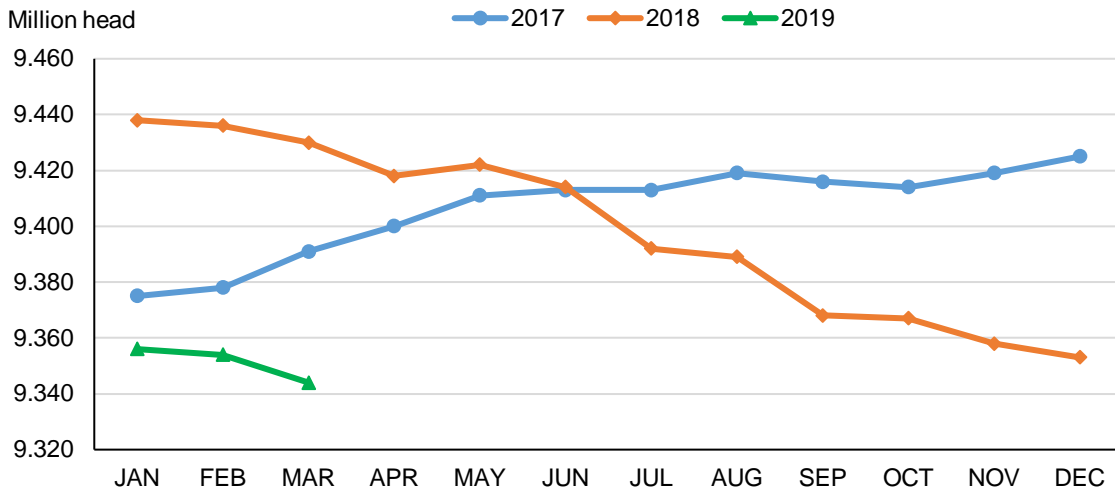
² Monthly milk production in February 2017 was below February 2016. However, this was due to the additional day in February 2016 due to leap year.

Monthly year-over-year percent change in milk production ¹



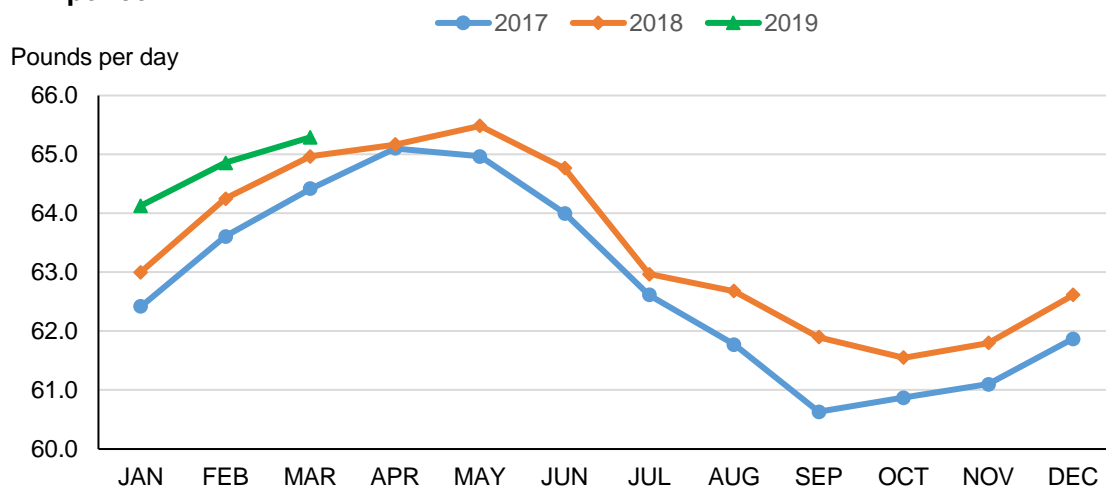
¹ February year-over year changes have been adjusted for leap year where applicable.
 Source: USDA, National Agricultural Statistics Service.

Milk cows



Source: USDA, National Agricultural Statistics Service.

Milk per cow



Source: USDA, National Agricultural Statistics Service.

The U.S. Census Bureau released February international trade data on April 17th and the March data on May 9th. The agency is now caught up on its release schedule after being delayed due to the partial Government shutdown. Last month's forecasts reflected import and export data available through January. This month, the dairy outlook has been influenced by new trade data covering both February and March.

Dairy exports on a milk-fat milk-equivalent basis grew month over month in February and March. In the months of January through March, quantities were 686 million, 807 million, and 858 million pounds in each consecutive month. Likewise, on a skim-solids milk-equivalent basis, exports grew month over month, with quantities of 3.062 billion, 3.161 billion, and 3,719 billion pounds in January through March. Notably, cheese exports were 62 million, 72 million, and 82 million pounds in the consecutive months. Also of note, lactose exports fell from 64 million pounds in January to 60 million in February but then grew to 78 million pounds in March. Lactose exports to China have been relatively strong even though retaliatory tariffs remain in place.

First-quarter imports on a milk-fat basis were 1.4 billion pounds, 14.6 percent above the first quarter of 2018. On a skim-solids basis, first-quarter imports were 1.3 billion pounds, 8.8 percent below the first quarter of 2018. Notably, imports of milk protein products (casein, caseinate, and milk protein concentrate) totaled 52 million pounds in the first quarter of 2019, 16 million below the first quarter of 2018.

Domestic use was relatively strong in the first quarter. On a milk-fat basis, it was 51.0 billion pounds, 1.5 percent higher than the first quarter of 2018. On a skim-solids basis, it was 45.4 billion pounds, 2.1 percent higher than the first quarter of 2018. This was the second consecutive quarter with solid growth in domestic use, with the fourth quarter of 2018 being up year over year by 2.0 percent on a milk-fat basis and 2.5 percent on a skim-solids basis.

March ending stocks on a milk-fat basis were 16.1 billion pounds, 0.6 percent below March 2018. On a skim-solids basis, March ending stocks were 10.9 billion pounds, 4.5 percent below March 2018. While butter and NDM stocks were below March 2018 by 1.4 percent and 2.9 percent, respectively, aggregate cheese stocks were 4.3 percent above the previous year.

Outlook for Feed Prices

The corn price estimate for the 2018/19 marketing year is \$3.50 per bushel. The corn price is forecast to fall to \$3.30 in 2019/20. The soybean mean price estimate for 2018/19 is \$305 per short ton. The price is forecast to fall to \$290 per in 2019/20. The alfalfa hay price was \$184 per short ton in March, \$4 more than February and \$19 above March 2018. For more information, see the *Feed Outlook* report, published by USDA, Economic Research Service.

Dairy Forecasts for 2019

The size of the milking herd was lower than expected in March; as a result, the projection for the average milk cow inventory in 2019 has been lowered 15,000 head to 9.345 million. The milk per cow forecast for the year is now 23,400 pounds, 55 pounds lower than last month's forecast. Milk production for 2019 is now forecast at 218.7 billion pounds, 0.8 billion pounds lower than the previous forecast.

Domestic use on a milk-fat basis for 2019 is now forecast at 214.6 billion pounds, 1 billion pounds lower than last month's forecast, with higher expected prices contributing to slower growth. The export forecast for the year has been raised 0.4 billion pounds to 10.2 billion, based on higher expectations for cheese exports. Imports on a milk-fat basis are forecast at 6.5 billion pounds, unchanged from last month's forecast. Ending stocks on a milk-fat basis for 2019 are now forecast at 13.0 billion pounds, 0.4 billion pounds lower than the last forecast, due to lower milk production and higher exports.

The 2019 domestic use forecast on a skim-solids basis is now forecast at 180.5 billion pounds for the year, 1.0 billion pounds lower than the previous forecast. Exports on a skim-solids basis are forecast 0.4 billion pounds higher than last month's forecast, at 42.6 billion pounds for the year, based on higher expected cheese and lactose shipments. Imports are now forecast 5.1 billion pounds for the year, 0.2 billion pounds lower than previously forecast. With lower than expected ending stocks for the first quarter of 2019 and lower expected milk production, the ending stock forecast for 2019 on a skim-solids basis has been lowered slightly to 10.2 billion pounds.

With recent strength in cheese prices and higher expected cheese exports, the cheddar cheese price forecast has been raised to \$1.650 per pound for the year. The dry whey price forecast for 2019 is unchanged at \$0.395 per pound. Butter prices have traded within a relatively small range in 2019, and are expected to continue to do so; the 2019 butter price forecast is \$2.290 per pound. With higher NDM prices in recent weeks and flagging production in Europe and Oceania, the NDM price forecast for 2019 has been raised to \$1.005 per pound.

The Class III price forecast for 2019 has been raised to \$16.05 per cwt due to higher expected cheese prices. The higher forecast for the 2019 NDM price has resulted in a higher Class IV price forecast of \$16.20 per cwt. The 2019 all-milk price has been raised to \$18.05 per cwt.

Dairy Forecasts for 2020

In 2020, higher milk prices and lower feed prices are expected to stimulate growth in the milking herd. Milk cows in 2020 are projected to number 9.365 million head, 20,000 higher than the 2019 projection. Milk per cow is forecast at 23,780 pounds for the year, which would represent year-over-year growth of

1.4 percent, adjusted for leap year. Overall milk production in 2020 is expected to grow 1.6 percent (adjusted for leap year) to 222.7 billion pounds.

On a milk-fat basis, 2020 domestic use is forecast at 217.8 billion pounds, an increase of 1.5 percent from 2019. Exports on a milk-fat basis are forecast to grow by 0.2 billion pounds to 10.4 billion as production is expected to be tighter among global competitors. Imports are also projected to increase slightly to 6.6 billion pounds. Ending stocks on a milk-fat basis are forecast to rise slightly from 2019 to 13.1 billion pounds.

On a skim-solids basis, 2020 domestic use is forecast to grow 1.4 percent from the 2019 forecast to 183.0 billion pounds. Exports are forecast to increase 1.0 billion pounds from 2019 to 43.6 billion pounds, as U.S. prices are expected to become more competitive with world prices. Imports are forecast to fall slightly to 5.0 billion pounds for the year. On a skim-solids basis, ending stocks for 2020 are forecast slightly higher than this year's ending stocks at 10.3 billion pounds.

The 2020 cheese price is forecast to rise to \$1.710 per pound in 2020, 6 cents higher than the 2019 forecast, based on strength in demand. The dry whey price, however, is forecast slightly lower next year at \$0.380 per pound, as relatively low export levels are expected to persist. The 2020 butter price is projected to rise to \$2.360 per pound, 7 cents higher than 2019. The NDM price is expected to rise 4 cents in 2020 to \$1.045 per pound, as limited supply growth overseas should help stimulate U.S. export demand.

With a higher expected cheese price more than offsetting a lower expected dry whey price, the Class III price is forecast to increase to \$16.55 per cwt, 50 cents higher than the 2019 forecast. Higher butter and NDM prices in 2020 would result in a Class IV price of \$16.80 per cwt, 60 cents higher than the 2019 forecast. The all-milk price is forecast to increase to \$18.80 per cwt in 2020, 75 cents higher than 2019. If realized, this would be the highest all-milk price since the price of \$23.97 per cwt in 2014.³

³ The historical annual all-milk price referenced in this publication is the simple average of monthly all-milk prices reported by USDA, National Agricultural Statistics Service.

Pork/Hogs

Mildred Haley

U.S Pork Producers To Respond to High International Prices Prompted by African Swine Fever Losses in China

U.S. pork producers are expected to respond to anticipated-higher international pork prices brought about by African Swine Fever (ASF) losses in China by accelerating farrowings in late 2019 and in 2020. As a result, U.S. commercial pork production in 2020 is likely to increase to about 28.3 billion pounds, 3.5 percent above projected production this year. Prices of live equivalent 51-52 percent lean hogs are expected to average about \$60 per cwt in 2020, more than 10 percent above average price forecasts for this year and over 31 percent higher than hog prices averaged in 2018. U.S. pork exports next year are anticipated to be about 6.7 billion pounds, almost 7 percent above export volumes estimated for 2019. This implies that 23.6 percent of U.S commercial pork production next year will probably be exported, compared with 22.9 percent this year. This forecast assumes that current trade policies remain in place for the forecast period.

It is notable that despite large export increases next year, per capita disappearance will, in all likelihood, increase as well. Per capita disappearance in 2020 is expected to increase by more than 1 percent to about 52.9 pounds per person, compared with the 52.1 pounds forecast for this year. Moreover, the ERS composite pork retail value is likely to increase almost 2 percent in 2020, to average in the low \$3.80s per pound. Increased per capita disappearance accompanied by year-over-year higher retail prices suggests increased retail pork demand. Forecasts for continued economic growth of the U.S. economy next year accommodate increased consumer demand for animal proteins.

First-Quarter Pork Exports Bear Brunt of Tariffs and Trade Agreements

U.S. pork exports in the first quarter of 2019 were 1.4 billion pounds, almost 5 percent lower than a year ago. Shipments to most major markets were lower, due to either in-place retaliatory tariffs (Mexico and China), or to trade agreements to which the United States is not a party (Japan). The 10 largest foreign destinations in March for U.S. pork exports are summarized below.

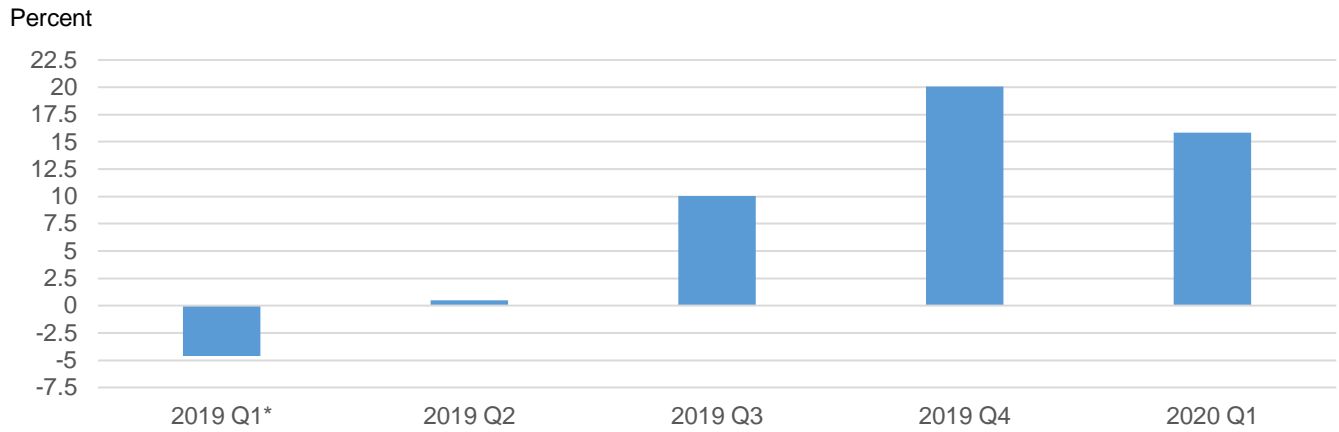
U.S. pork exports: Volumes for the 10 largest foreign markets, March and first-quarter 2018 and 2019

Country	Exports Mar. 2018 (mil. lbs)	Exports Mar. 2019 (mil. lbs)	Percent change (2019/2018)	Exports Qtr. 1 2018 (mil. lbs)	Exports Qtr. 1 2019 (mil. lbs)	Percent change (2019/2018)
World	538	515	-4.2	1,516	1,446	-4.6
Mexico	150	128	-14.6	457.08	387.61	-15.2
Japan	104	97	-7.4	314.19	287.70	-8.4
South Korea	88	61	-30.4	210.55	175.23	-16.8
Canada	48	55	14.2	124.85	136.74	9.5
China/Hong Kong	47	46	-4.1	135.20	103.39	-23.5
Colombia	25	29	15.9	64.89	79.84	23.0
Australia	21	28	32.3	61.93	80.66	30.2
Dominican Republic	12	13	10.4	28.16	30.98	10.0
Chile	6	9	57.5	13.23	27.09	104.9
Philippines	7	8	23.3	15.63	22.43	43.6

Source: USDA: Economic Research Service.

Going forward, the ASF-related impacts on the Chinese hog inventory are expected to lead to significant increases in demand for imported pork. A probable scenario is for Chinese excess demand for imported pork to progressively drive world pork trade dynamics. High Chinese pork prices can be expected to draw large volumes of imports from pork-exporting countries. For the United States, this could mean that significant shares of increased U.S. pork exports may back-fill pork diverted to China by other pork-exporting countries. The bar graph below shows year-over-year percent changes in quarterly U.S. pork export trade forecasts. The forecasts show progressive, aggregate effects of China's growing pork deficit on U.S pork exports. However, to the extent that increased demand is reflected in higher prices, U.S. pork may find itself under competitive pressure in a number of price-sensitive markets. In addition, higher pork prices may also affect exports to countries where U.S. pork faces ad-valorem tariffs.

Year-over-year percent change in quarterly U.S. pork export forecasts



* Actual percent change.

Source: USDA, Economic Research Service.

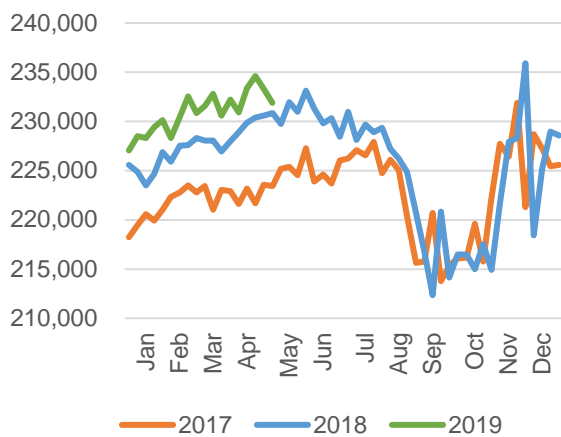
Poultry

Kim Ha, and Alex Melton

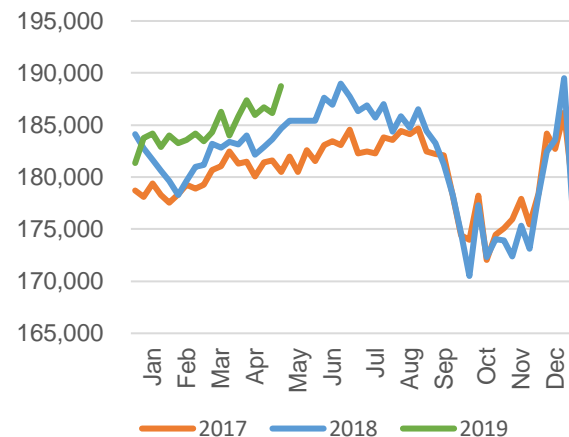
Year-Over-Year Increases in Slaughter Partly Offset by Dampened Broiler Weights; Forecasts Revised Down

March broiler production is estimated at 3.4 billion pounds, a 2.2 percent increase year over year when adjusted for slaughter days. While slaughter increased 3 percent year over year (adjusted for slaughter days), average live weights decreased by -0.6 percent. Year to date, production is about level with the same period last year, with the slight year-over-year increase in slaughter offset by a slight decrease in average weights. Preliminary weekly slaughter data for April indicate a continuation of this trend of increased slaughter and lower weights. Eggs set and broiler chick placements underscore producer intentions to continue increasing birds available for slaughter in the near term (see charts). While slaughter is expected to increase year over year in 2019, any indications of year-over-year increases in aggregate bird weights are yet to be seen. Based on expectations for continued dampened weights, the forecast for second-quarter production was lowered to 10.76 billion pounds. In 2019 production is forecast to increase by about 1 percent to 43.0 billion pounds. In 2020, based on expectations that the processing plants that will come online in late 2019 will approach full capacity, production is forecast to increase by 1.3 percent to 43.6 billion pounds.

Eggs Set



Broiler Chick Placements



Source: USDA, National Agricultural Statistics Service.

Broiler Prices Suggest Differing Domestic and Global Demand Situations in April

Prices for broiler products mainly directed toward domestic markets suggest soft, but stable domestic demand. For example, the benchmark whole bird (National Composite) broiler price averaged 97.61 cents per pound in April, a 10-percent decrease from last year. Meanwhile, prices for boneless skinless breasts, another product mainly consumed domestically, averaged 127.65 cents per pound, down more than 6 percent from last year. One bright spot, however, is whole wing prices, which averaged 199.35

cents per pound in April, up nearly 38 percent year over year. Based on expectations for continued softness in domestic demand, particularly for whole birds, the whole bird price forecast was revised down as follows: second quarter to 104 cents per pound, third quarter to 91 cents per pound, and fourth quarter to 83 cents per pound. The 2019 price is forecast to average 93 cents per pound. In 2020, based on expectations for strengthening demand and relatively slow growth in production, prices are forecast to average 97 cents per pound.

Meanwhile, April leg quarter prices averaged 41.97 cents per pound, up nearly 5 percent year over year. After 11 months of consecutive year-over-year declines, April is the first month in which leg quarter prices increased over the previous year. This increase in leg quarter prices is a possible indication of strengthening global demand for poultry, possibly associated with adjustments in global meat demand stemming from African Swine Fever.

Outlook for 2019 Broiler Exports Uncertain

While January broiler export volumes were up nearly 6 percent year over year, February and March had declines of 0.6 percent and 2.5 percent, respectively. First-quarter exports, which totaled 1,722 million pounds, were up overall—almost 1 percent compared to last year. A few key markets increased first-quarter shipments year over year, but this growth was largely offset by declines to several other important markets.

Mexico, which increased first-quarter shipments by more than 9 percent year over year, continues to be an important market for U.S. broiler exports. In 2019, it is anticipated that the Mexico broiler market will remain favorable, as Mexico's tariffs on U.S. pork products, as well as increasing U.S. pork prices, may support substitution. Cuba, the sixth largest foreign broiler market in 2018, increased shipments by more than 3 percent in the first quarter. However, beyond April 2019, the recent implementation of Title III of the Helms-Burton Act has brought an element of uncertainty into future poultry trade with Cuba..

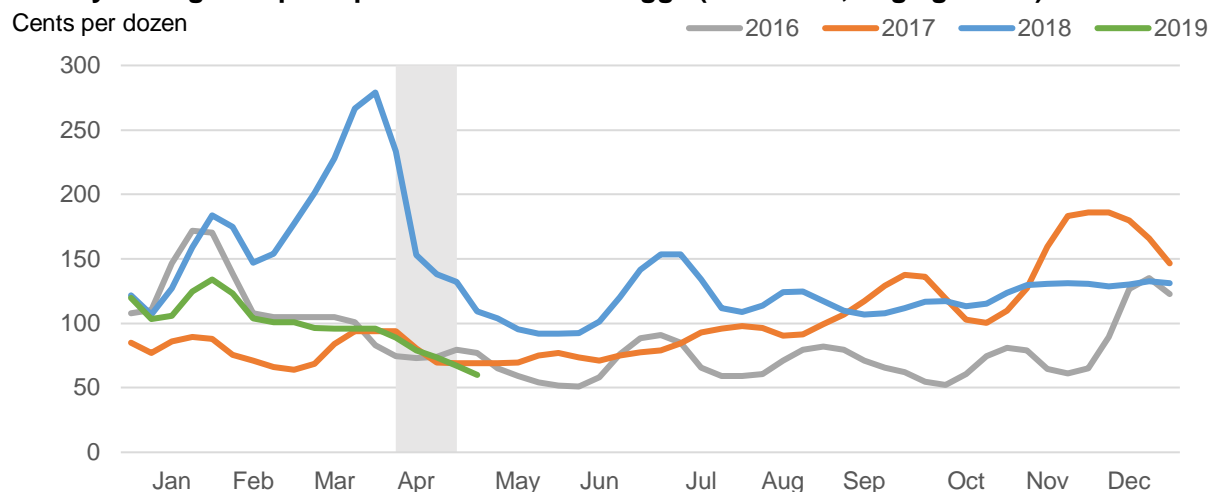
This first-quarter growth was offset by year-over-year decreases to several key foreign markets. Exports to The Philippines decreased nearly 48 percent year over year. This decrease is likely a result of excess inventories of imported meat (including pork and chicken), which flooded the local market in 2018. Other key markets also decreased shipments, including Angola (-24 percent), South Africa (-18 percent), Taiwan (-2 percent), Canada (-11 percent), Guatemala (-8 percent), and Hong Kong (-11 percent). Based on uncertainty in key export markets, the second-quarter export forecast was revised down to 1,745 million pounds.

Meanwhile, African Swine Fever is expected to have a significant impact on global demand for meat. While it is apparent that pork markets will be most directly affected, it is anticipated that global poultry markets are also likely to be impacted, as poultry can often be an affordable protein substitute. However, the extent to which poultry will be impacted and which markets will benefit is still unclear. It is expected that any impacts on U.S. broiler exports are more likely to manifest themselves during the second half of the year. Based on expectations for increased global demand for broiler products, the forecast for the second half of 2019 was raised to 3,640 million pounds. Total 2019 exports are forecast to increase by less than 1 percent year over year to 7.1 billion pounds. For 2020, exports are forecast at 7.3 billion pounds, a 2-percent increase year over year.

Despite Low Wholesale Egg Prices, No Sign of Slowdown in Egg Production

Wholesale egg prices (New York, Grade A Large) averaged 76.14 cents per dozen in April, rivaling low prices in 2016 and 2017 (see chart) during the aftermath of the U.S. outbreak of high pathogenic avian influenza (HPAI) in 2015. While trade restrictions on U.S. egg exports in 2016⁴ and high stocks in 2017 put downward pressure on prices during those years, the low prices observed in 2019 thus far can likely be attributed to excess supply stemming from expanded production. Based on expectations for continued excess supply, the price forecast was revised down to 70 cents per dozen in the second quarter, 80 cents per dozen in the third quarter, and 90 cents per dozen in the fourth quarter.

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

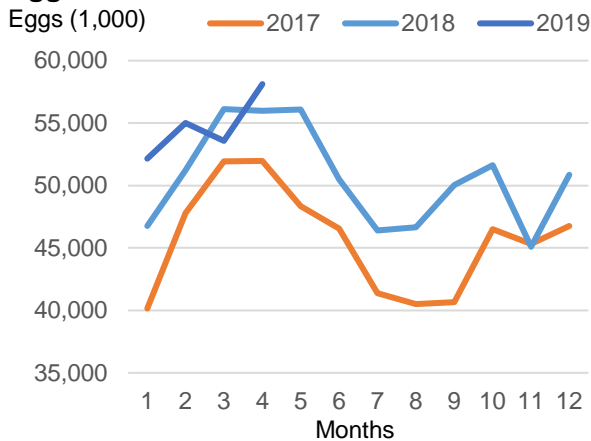


Source: USDA, Agricultural Marketing Service and Livestock Marketing Information Center.

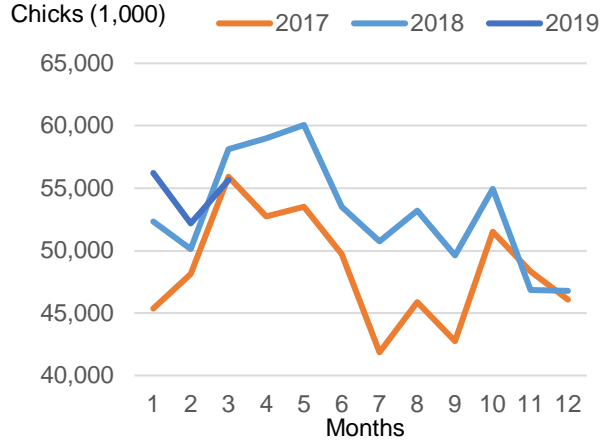
Despite depressed wholesale prices squeezing producer margins, the industry continues to expand egg production. March table egg production reached nearly 702 million dozen, up more than 4 percent compared to last year. The table egg layer flock continues to grow, reaching a record 341 million birds in March (up more than 3 percent year over year). Additionally, the March lay rate, which was 79.7 eggs per 100 layers per day was well above March 2018 levels and approaching the 2017 record for March of 80.1 eggs per 100 layers per day. Furthermore, upstream production indicators, including eggs in incubators, chicks hatched, and pullets hatched, suggest that producers intend to continue adding new birds to the layer flock in the near term (see charts). Although producers can manage flock inventories through culling, preliminary slaughter data of mature, light hens—which represents slaughter of spent table egg layer hens—were relatively flat in March and April (see chart), suggesting no increase in slaughter activity. Based on expectations for continued expansion, the second-quarter table egg forecast was raised to 2.1 billion dozen. With regards to hatching eggs, continued expansion in the hatching layer flock—both for broiler type and egg type—supported an upward revision for all outlying quarters to almost 1.2 billion dozen for the year. Total 2019 egg production (table and hatching) is forecast at nearly 9.4 billion dozen, almost 3 percent higher than 2018.

⁴ Ramos, S., M. MacLachlan, and A. Melton. Impacts of the 2014-2015 Highly Pathogenic Avian Influenza Outbreak on the U.S. Poultry Sector. USDA Economic Research Service. LDPM 282-02. December 2017.

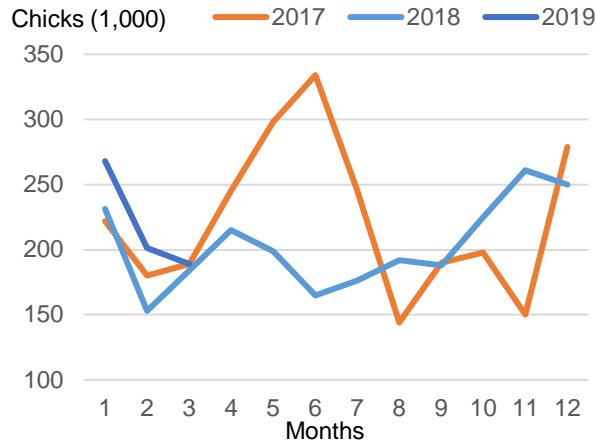
Eggs in Incubators



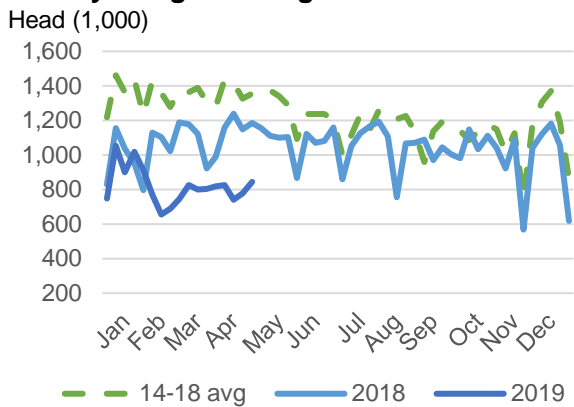
Chicks hatched



Pullet chicks hatched



Weekly slaughter of light hens



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

Egg Exports Continue To Decline, Forecasts Revised Down

Decreasing exports of eggs and egg products are putting further downward pressure on egg prices. February and March exports of eggs and egg products were 19.3 million dozen and 26.5 million dozen, respectively. First-quarter export volumes totaled 68.8 million dozen, an 18-percent decrease compared to last year. Based on expectations for continued decreasing global demand, the 2019 forecast was revised down to 282 million dozen, 15 percent lower than 2018 volumes

Outlook for 2020

Ongoing expansion of U.S. egg production, which began in 2018 and has continued into 2019 and is putting significant downward pressure on wholesale prices and producer margins, will likely lead to slower growth in 2020. Total egg production is expected to increase only slightly, just under 1 percent year over year, to about 9.4 billion dozen. Based on expectations for a somewhat improved demand situation and only a modest increase in supply during 2020, wholesale table egg prices are expected to

strengthen. Prices for wholesale table eggs (New York, Large Grade A), are expected to average 105 cents per dozen in 2020, about 21 percent above forecast prices for 2019.

Egg exports are forecast to be 280 million dozen, about a 1-percent decrease compared to forecast export volumes for 2019. U.S. egg exports have generally been on a downward trend since 2013—with the exception of 2017 and 2018 when outbreaks of avian influenza in Asia and Mexico caused domestic shortages in those markets and necessitated imports of U.S. eggs and egg products. The current global situation for eggs is fairly stable, and barring any unforeseen changes, U.S. exports are expected to resume this downward trend.

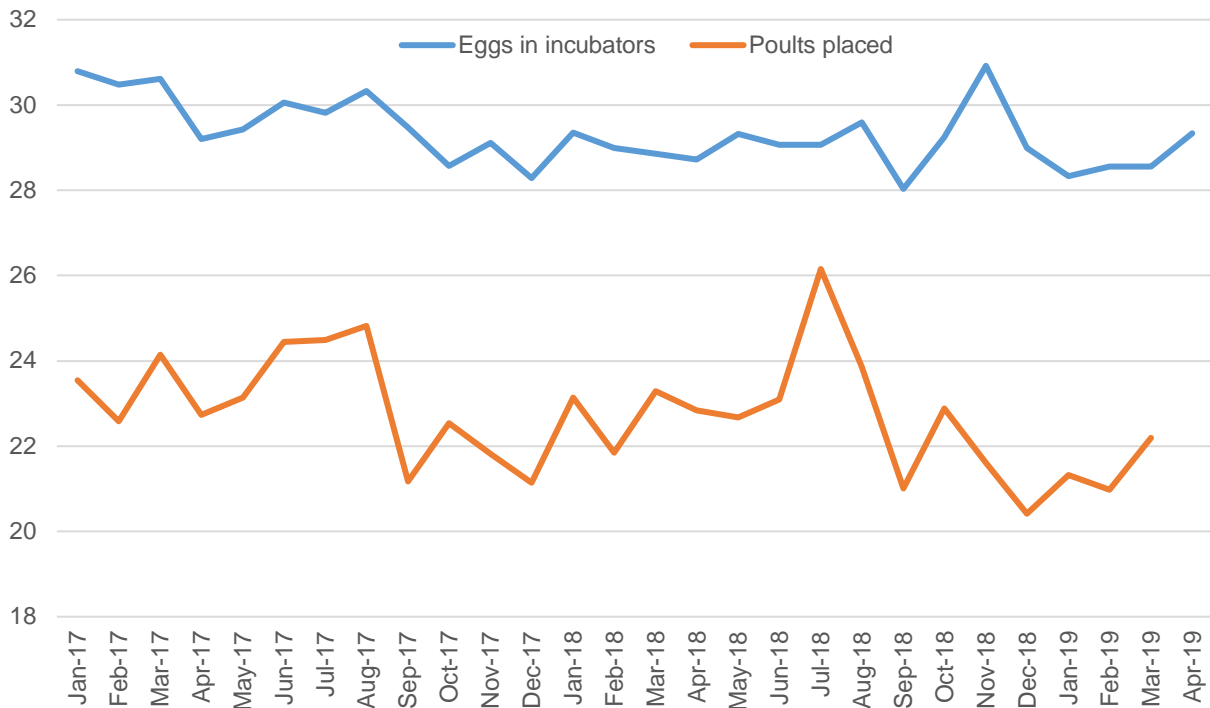
Given expectations for increasing supply and low export demand, egg stocks are expected to continue accumulating in 2020 by a quarterly average of 4 percent. In 2020, per capita disappearance is expected to be less than 1 percent higher than 2019, or 292.8 eggs per person.

Turkey Production Down Slightly in March

March 2019 turkey production totaled 477 million pounds, a 1-percent decrease from March 2018, but a 4-percent increase on a daily average slaughter basis. Hatchery report data for March was mixed with a year-over-year decline of 5 percent in poults placed and a 1-percent decline in poults hatched, but a 2-percent increase in the number of eggs in incubators on the first of the month (April 1). Hatchery data over the past several months has indicated a lower rate of placements as a share of eggs set in incubators. Turkey production for 2019 is increased by 21 million pounds from last month's forecast to 5.881 billion pounds, less than half-a-percent increase from 2018. 2020 turkey production is expected to total 5.940 billion pounds. If realized, production would be about 1 percent higher than 2019.

Turkey eggs in incubators and poults placed

Million poults



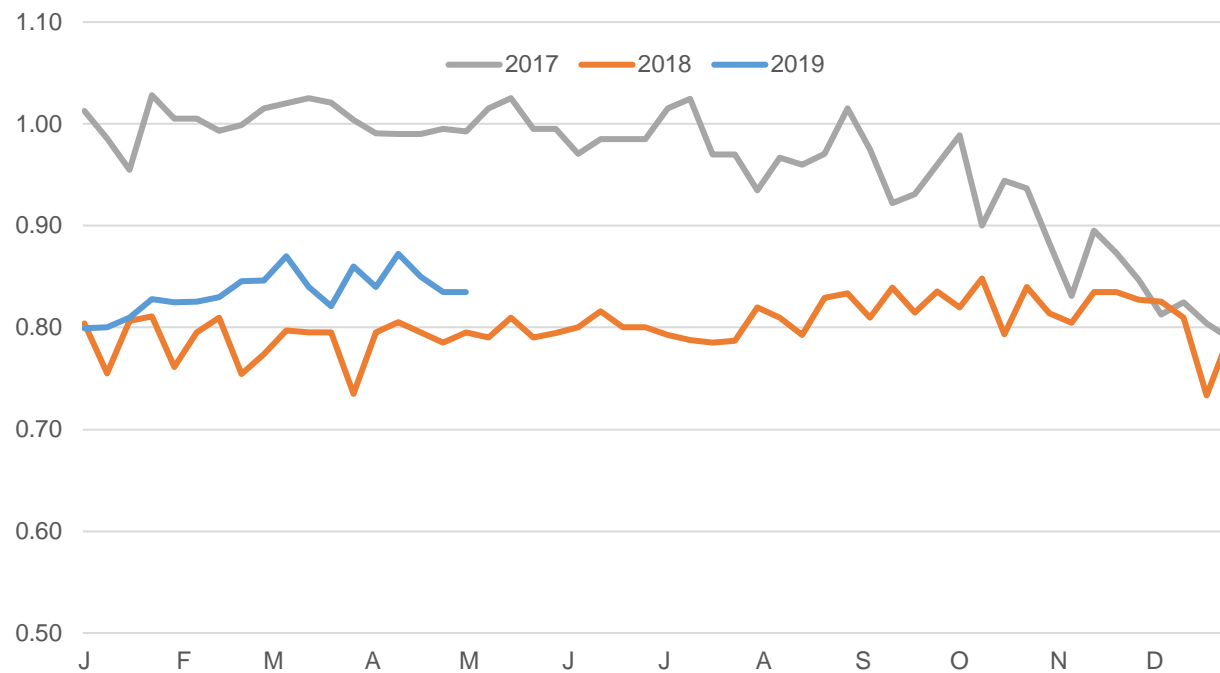
Source: USDA, Economic Research Service using USDA, National Agricultural Statistics Service Turkey Hatchery data.

Whole Turkey Prices Remain Above 2018 Levels

Wholesale whole-hen frozen turkey prices were remarkably stable throughout 2018 after their nearly 2-year fall to prices last seen in 2010. The latest price data, covering the week ending May 11, 2019, shows frozen whole hen prices at 83.0 cents per pound. While still low relative to pre-2018 levels, the price reflects a sustained increase over 2018 and possibly indicates a return to the more seasonal price patterns in the whole turkey market common before 2017. In 2019, turkey prices are expected to average \$0.85.5 per pound, 7 percent higher than 2018. In 2020, turkey prices are forecast to average \$0.88 per pound, 3 percent higher than in 2019.

Wholesale whole hen turkey prices

Dollars per pound

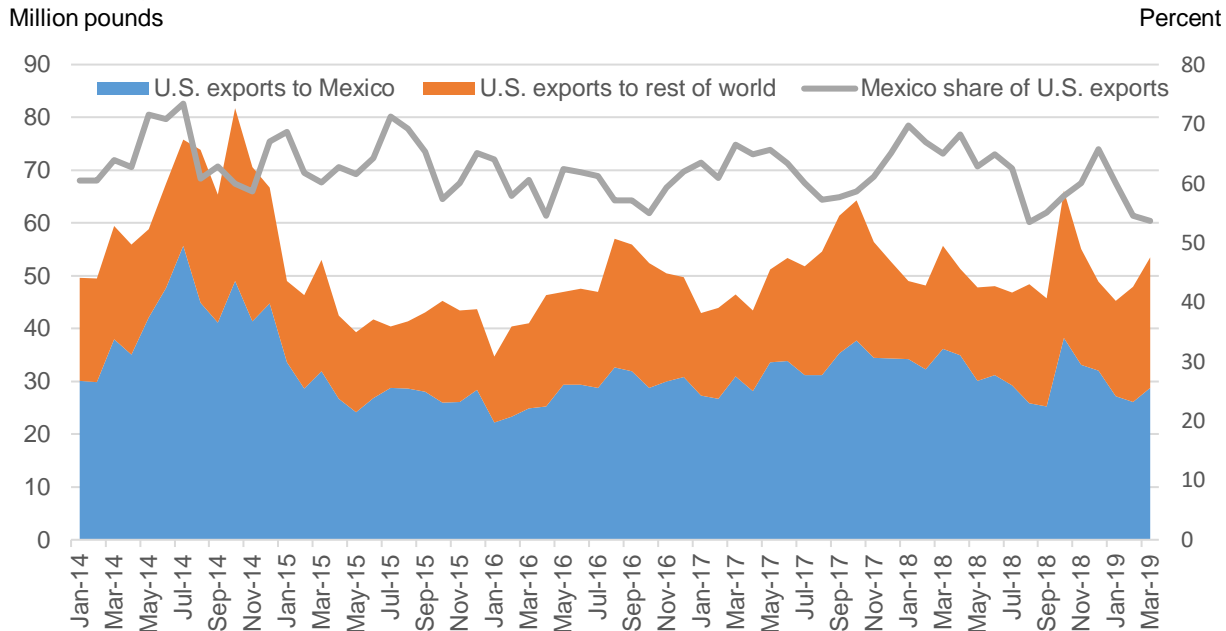


Source: USDA, Economic Research Service using USDA, Agricultural Marketing Service, Turkey Market News reports data.

Turkey Exports Decrease Again in March

March 2019 turkey exports were 4 percent lower than a year earlier, totaling 54 million pounds. Mexico remains the largest destination for U.S. turkey shipments, with 29 million pounds shipped in December, or 54 percent of all U.S. shipments. However, March shipments to Mexico were down 21 percent from a year earlier. In year-over-year terms, shipments to both Mexico and the World have been down in 9 of the last 10 months. In 2019, turkey meat exports are expected to total 612 million pounds, nearly unchanged from the 2018 estimate. In 2020, turkey exports are expected to total 630 million pounds. If realized, turkey exports would be 3 percent higher than in 2019.

U.S. turkey exports to Mexico and rest of world



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

Suggested Citation

Livestock, Dairy, and Poultry Outlook, LDP-M-299, U.S. Department of Agriculture, Economic Research Service, May 16, 2019

U.S. red meat and poultry forecasts

	2016					2017					2018					2019					2020		
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual	
Production, million lb																							
Beef	5,938	6,187	6,472	6,625	25,221	6,303	6,407	6,736	6,742	26,187	6,466	6,726	6,819	6,862	26,872	6,414	6,790	7,040	7,025	27,269	6,480	27,510	
Pork	6,230	5,963	6,100	6,648	24,941	6,410	6,137	6,240	6,796	25,584	6,645	6,325	6,315	7,030	26,315	6,838	6,550	6,695	7,240	27,323	7,080	28,285	
Lamb and mutton	38	39	36	37	150	37	36	35	37	145	39	39	37	39	153	37	39	36	37	149	38	148	
Broilers	10,039	10,253	10,338	10,065	40,696	10,233	10,407	10,551	10,472	41,662	10,385	10,687	10,940	10,588	42,601	10,381	10,760	11,100	10,750	42,991	10,475	43,550	
Turkeys	1,435	1,520	1,515	1,511	5,981	1,488	1,482	1,479	1,533	5,981	1,452	1,477	1,431	1,518	5,878	1,446	1,455	1,460	1,520	5,881	1,460	5,940	
Total red meat & poultry	23,834	24,119	24,623	25,038	97,614	24,617	24,621	25,197	25,734	100,169	25,130	25,410	25,704	26,191	102,435	25,261	25,750	26,491	26,726	104,228	25,678	106,059	
Table eggs, mil. doz.	1,793	1,827	1,876	1,941	7,437	1,915	1,920	1,938	1,982	7,755	1,940	1,970	2,003	2,039	7,952	2,018	2,050	2,025	2,090	8,183	2,030	8,270	
Per capita disappearance, retail lb 1/																							
Beef	13.6	13.9	14.1	14.0	55.6	14.0	14.2	14.4	14.3	57.0	14.0	14.5	14.4	14.4	57.2	13.9	14.5	14.7	14.6	57.7	13.9	57.7	
Pork	12.6	11.9	12.1	13.5	50.1	12.4	11.8	12.4	13.5	50.2	12.6	12.2	12.4	13.8	50.9	13.1	12.6	12.9	13.6	52.1	13.0	52.9	
Lamb and mutton	0.3	0.3	0.2	0.3	1.0	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.1	0.3	1.1	
Broilers	22.5	22.7	22.7	21.8	89.8	22.4	22.9	23.2	22.5	91.0	22.7	23.4	23.6	22.8	92.4	22.5	23.3	23.9	23.0	92.7	22.4	93.2	
Turkeys	3.6	3.9	4.2	4.9	16.7	3.7	3.7	4.0	5.0	16.4	3.5	3.8	3.9	4.9	16.2	3.5	3.6	4.0	4.9	16.0	3.5	16.1	
Total red meat & poultry	52.9	53.0	53.7	54.9	214.6	53.2	53.3	54.7	55.9	217.1	53.4	54.5	55.0	56.6	219.5	53.7	54.7	56.2	56.8	221.3	53.5	222.6	
Eggs, number	67.4	66.4	67.4	70.8	272.0	69.0	69.3	70.3	71.2	279.9	69.6	70.3	71.8	72.4	284.0	71.8	73.0	72.3	74.6	291.7	72.0	292.8	
Market prices																							
Choice steers, 5-area Direct, \$/cwt	134.81	127.68	113.26	107.69	120.86	122.96	132.76	112.46	117.88	121.52	125.60	116.72	110.83	115.32	117.12	125.27	121	113	114	118.5	126	121	
Feeder steers, Ok City, \$/cwt	155.83	146.49	140.66	128.30	142.82	129.56	147.75	148.12	154.88	145.08	146.29	143.05	150.46	147.90	146.93	140.76	145	150	147	145.5	145	150	
Cutter Cows, National L.E., \$/cwt	73.50	75.87	73.16	57.75	70.07	62.63	69.55	69.78	58.68	65.16	61.60	61.32	57.74	49.07	57.43	53.34	56	54	48	53	52	55	
Choice slaughter lambs, St Joseph, \$/cwt	136.76	139.35	162.47	142.71	145.32	142.34	167.94	172.40	136.92	154.90	136.83	154.86	147.95	134.30	143.49	136.23	159	155	140	147.5	138	146	
Nat'l base cost, 51-52 % lean, live equivalent, \$/cwt	44.63	53.71	49.26	37.02	46.16	49.73	51.70	55.59	44.89	50.48	49.12	47.91	43.90	42.77	45.93	40.67	59	62	57	54.5	58	60	
Broilers, national composite, cents/lb	84.6	93.0	81.7	78.0	84.3	88.5	104.7	94.9	86.1	93.5	95.7	115.1	93.7	86.7	97.80	94.0	104	91	83	93	95	97	
Turkeys, national, cents/lb	114.7	116.5	120.7	116.6	117.1	100.4	99.1	96.9	88.0	96.1	79.4	79.6	80.4	81.4	80.20	82.8	84	86	90	85.5	84	88	
Eggs, New York, cents/doz.	121.5	67.9	71.6	81.7	85.7	80.0	74.7	102.1	147.0	100.9	179.6	124.4	120.8	125.6	137.60	107.3	70	80	90	87	100	105	
U.S. trade, million lb, carcass wt. equivalent																							
Beef & veal exports	535	621	660	740	2,557	653	680	746	781	2,860	730	799	826	801	3,156	696	810	835	830	3171	725	3245	
Beef & veal imports	792	831	751	638	3,012	700	812	814	668	2,993	722	805	807	664	2,998	738	805	795	675	3013	715	2960	
Lamb and mutton imports	68	55	41	52	216	80	58	57	57	252	80	66	70	57	273	80	67	62	55	264	80	271	
Pork exports	1,229	1,317	1,235	1,457	5,239	1,432	1,425	1,230	1,544	5,632	1,516	1,518	1,295	1,541	5,870	1,446	1525	1425	1850	6246	1675	6675	
Pork imports	293	257	266	275	1,091	264	281	283	287	1,116	279	270	245	248	1,042	259	250	240	255	1004	250	965	
Broiler exports	1,585	1,605	1,734	1,721	6,645	1,720	1,661	1,788	6,791	1,708	1,701	1,787	1,872	7,068	1722	1745	1810	1830	7107	1780	7250		
Turkey exports	116	141	160	153	569	133	148	168	173	622	153	147	141	170	611	147	155	150	160	612	150	630	
Live swine imports (thousand head)	1,468	1,406	1,371	1,413	5,657	1,449	1,458	1,296	1,394	5,597	1,358	1,350	1,259	1,286	5,253	1,339	1,360	1,280	1,280	5259	1,345	5,240	

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, mhaley@ers.usda.gov

Updated 5/15/2019

Dairy Forecasts

	2018				2019					2020	
	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Milk cows (thousands)	9,418	9,383	9,359	9,399	9,351	9,340	9,340	9,350	9,345	9,355	9,365
Milk per cow (pounds)	5,928	5,752	5,703	23,149	5,828	5,995	5,800	5,775	23,400	5,960	23,780
Milk production (billion pounds)	55.8	54.0	53.4	217.6	54.5	56.0	54.2	54.0	218.7	55.8	222.7
Farm use	0.2	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0	0.2	1.0
Milk marketings	55.6	53.7	53.1	216.6	54.3	55.7	53.9	53.7	217.7	55.5	221.7
Milk-fat (billion pounds milk equiv.)											
Milk marketings	55.6	53.7	53.1	216.6	54.3	55.7	53.9	53.7	217.7	55.5	221.7
Beginning commercial stocks	16.2	18.9	17.1	13.4	13.8	16.1	18.5	16.5	13.8	13.0	13.0
Imports	1.6	1.7	1.8	6.3	1.4	1.6	1.7	1.8	6.5	1.5	6.6
Total supply	73.3	74.3	72.0	236.3	69.4	73.4	74.1	72.1	238.0	70.0	241.3
Commercial exports	3.0	2.6	2.4	10.4	2.4	2.8	2.6	2.4	10.2	2.5	10.4
Ending commercial stocks	18.9	17.1	13.8	13.8	16.1	18.5	16.5	13.0	13.0	15.9	13.1
Commodity Credit Corporation donations	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.0	0.0
Domestic commercial use	51.5	54.5	55.9	212.2	51.0	52.1	54.9	56.6	214.6	51.6	217.8
Skim solids (billion pounds milk equiv.)											
Milk marketings	55.6	53.7	53.1	216.6	54.3	55.7	53.9	53.7	217.7	55.5	221.7
Beginning commercial stocks	11.4	11.5	10.5	11.8	10.7	10.9	11.9	11.0	10.7	10.2	10.2
Imports	1.4	1.3	1.4	5.5	1.3	1.3	1.2	1.4	5.1	1.2	5.0
Total supply	68.3	66.5	65.1	233.9	66.2	67.9	67.0	66.1	233.5	66.9	236.9
Commercial exports	12.5	10.9	9.7	44.7	9.9	11.3	10.6	10.7	42.6	10.3	43.6
Ending commercial stocks	11.5	10.5	10.7	10.7	10.9	11.9	11.0	10.2	10.2	10.9	10.3
Commodity Credit Corporation donations	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.0	0.0
Domestic commercial use	44.3	45.1	44.8	178.6	45.4	44.7	45.3	45.2	180.5	45.7	183.8
Milk prices (dollars/cwt) ¹											
All milk	16.07	16.17	17.07	16.26	16.97	17.75	18.40	19.00	18.05	18.75	18.80
Class III	14.95	15.05	14.58	14.61	14.30	16.30	16.85	16.65	16.05	16.45	16.55
Class IV	14.32	14.53	15.05	14.23	15.68	15.95	16.55	16.60	16.20	16.50	16.80
Product prices (dollars/pound) ²											
Cheddar cheese	1.608	1.565	1.463	1.538	1.440	1.685	1.750	1.730	1.650	1.700	1.710
Dry whey	0.280	0.369	0.459	0.342	0.449	0.385	0.370	0.370	0.395	0.380	0.380
Butter	2.320	2.284	2.264	2.257	2.258	2.280	2.330	2.300	2.290	2.320	2.360
Nonfat dry milk	0.774	0.816	0.887	0.795	0.963	0.985	1.030	1.050	1.005	1.030	1.045

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. Based on weekly USDA, *National Dairy Products Sales Report*.

Sources: USDA: National Agricultural Statistics Service, Agricultural Marketing Service, Foreign Agricultural Service, and World Agricultural Outlook Board.

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