

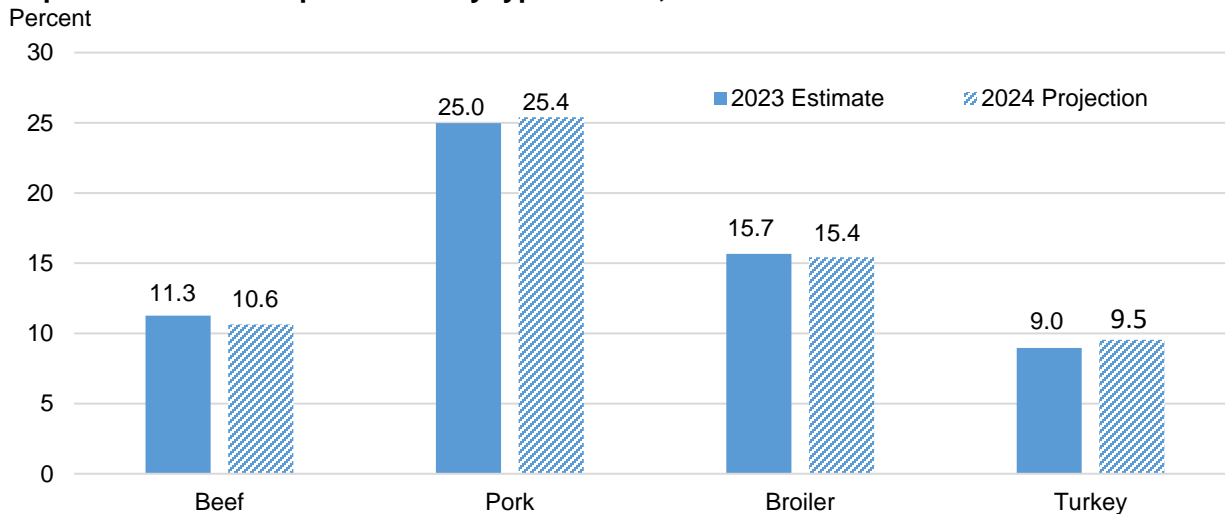


## Livestock, Dairy, and Poultry Outlook: February 2024

### For 2024, Exports as a Share of Production Projected To Shift Slightly

In 2023, beef exports accounted for 11.3 percent of production. In 2024, the share is projected lower at 10.6 percent. For pork, 25.0 percent of production was exported in 2023; the share is projected at 25.4 percent for 2024. Broiler exports were 15.7 percent of production in 2023 and are projected slightly lower at 15.4 percent in 2024. Turkey exports made up 9.0 percent of production in 2023 but are projected to increase to 9.5 percent in 2024.

Exports as a share of production by type of meat, 2023–24



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

## Summary

**Beef/Cattle:** The semiannual *Cattle* report confirms historically tight supplies of cattle heading into 2024. Fewer calves are available than last year for placement in feedlots, although more than previously expected. As a result, anticipated fed cattle marketings have been raised for late 2024, but the marketings are offset by lower anticipated cow slaughter. With more steers and heifers in the slaughter mix, average carcass weights were raised in second-half 2024. From last month, projected beef production in 2024 is raised 75 million pounds to 26.185 billion pounds. Cattle prices in 2023 are raised on firm demand and lower feed costs. Based on estimated weekly import data, this year's import forecast is expected to set a record at 4.125 billion pounds. Export projections are unchanged at 2.785 billion pounds.

**Sheep/Lamb:** The 2024 January 1 inventory report for sheep and goats was released at the end of January. The total lamb and sheep inventory declined by -1.9 percent from the previous year. December supply and use estimates for 2023 have been incorporated into this report. Forecasts for 2024 lamb and mutton imports and exports are lower than the January 2024 forecasts.

**Dairy:** The milk production estimate for 2024 is lowered from last month; lower expected yield per cow more than offsets higher expected milk cow numbers. Wholesale price forecasts for 2024 have been increased for Cheddar cheese, dry whey, butter, and nonfat dry milk to \$1.690, \$0.480, \$2.770, and \$1.235 per pound, respectively, based on recent strength in prices, tight supplies, and stronger expected domestic demand. With higher dairy product prices expected across the board, Class III and IV milk price forecasts for 2024 have been raised to \$17.10 per hundredweight (cwt) and \$20.20 per cwt, respectively. The 2024 all-milk price estimate is adjusted higher to \$20.95 per cwt.

**Pork/Hogs:** Strong demand for pork bellies contributed to a year-over-year higher wholesale cutout value in January, supporting processors' gross spreads at above year-earlier levels for the month. Improved demand for pork compared with 2023—from both domestic and foreign consumers of U.S pork—is expected to support hog prices in 2024. Total exports for 2024 are raised to 7.1 billion pounds, 3.8 percent above exports in 2023, as U.S. pork becomes more competitive compared with pork sourced from the European Union.

**Poultry/Eggs:** Broiler production is adjusted up in the first quarter on strong average weights. Broiler prices are adjusted up in the first half of 2024, and projected broiler exports in 2024 are adjusted down on less-competitive prices and weak international demand. Projected table egg production in 2024 is adjusted down slightly on recent losses to Highly Pathogenic Avian Influenza (HPAI). Projected egg prices are increased on recent data. Projected imports and exports of eggs and egg products are unchanged for 2024. Projected turkey production was lowered in 2024, reflecting recent placement data and losses to Highly Pathogenic Avian Influenza (HPAI). Turkey prices were adjusted down on recent data, while projected exports in 2024 were adjusted up on favorable prices and strong demand.

# Beef/Cattle

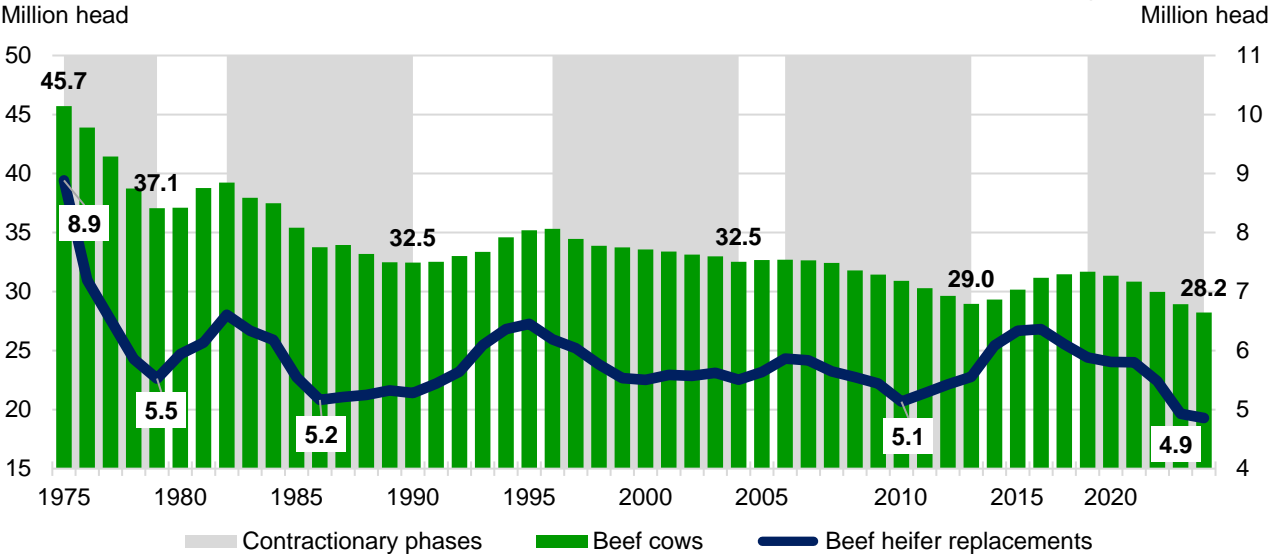
Russell Knight and Hannah Taylor

## Cattle Report Indicates Beef Herd Reduction To Continue

The USDA National Agricultural Statistics Service (NASS) released its semi-annual *Cattle* report on January 31st. The total of all cattle and calves<sup>1</sup> on January 1, 2024, was estimated at 87.157 million head, about 1.7 million fewer than the previous year. This marks the 5th year of contraction for aggregate beef and dairy cattle inventories and the 10th year of the current cattle cycle—the cyclical expansion and contraction of the national cattle herd over time. The cycle is influenced by the combined effects of cattle prices and input costs that drive cow-calf producer profitability, the gestation period for cattle, the time needed for raising calves to market weight, and climate conditions.

Beef cows,<sup>2</sup> the largest class of cattle estimated in the *Cattle* report, are particularly affected by the factors affecting the cattle cycle and the subsequent driver of year-to-year changes in cattle inventory. The chart below shows that the January 1 estimate of beef cows of 28.223 million head is down almost 2 percent from a year ago and that producers retained only 4.858 million beef heifers<sup>3</sup> for addition to the beef cow herd, 1 percent less than last year. For additional context, the number of beef cows are down 38 percent from the historic peak set in 1975 of 45.712 million head and is the smallest inventory since 1961. As the number of beef heifers available for addition to the herd is correlated to the size of the beef cow herd, heifers also peaked in 1975 at 8.884 million head and have since fallen 45 percent.

### Beef cows and heifer replacements have declined 38 and 45 percent since peaking in 1975



Note: The historical low for beef replacement heifers could not be established as NASS's current classification system is different prior to 1970.  
 Source: USDA, National Agricultural Statistics Service.

<sup>1</sup> The inventory estimate includes beef and dairy-type cattle.  
<sup>2</sup> Includes cows and heifers that have calved.  
<sup>3</sup> Female cattle that have not calved.

Forage availability, as well as historically high prices for calves and cull cows, likely discouraged producers from retaining females in 2023. The culling rate of beef cows in 2023 was over 12 percent of the beef cow inventory on January 1, 2023, the third highest rate behind 2011 and 2022. In 2023, hay production was estimated to have improved based on a sizeable increase in acres devoted to hay from 2022 to 2023. Most of the boost in acreage occurred in the Plains, and it translated into a 7-percent year-over-year increase in hay stocks on December 1, 2023. However, hay stocks are still the third lowest in the last 50 years.

The 2023 calf crop estimate was revised down from the July report to 33.593 million head, reflecting a 2.5-percent decline year over year. The lower calf crop contributed in part to the relatively low inventory of 13.285 million calves under 500 pounds on January 1, 2024, down 373,300 head from 2023. Steers 500 pounds and over were estimated at 15.789 million head, down 267,300 head from 2023, and other heifers 500 pounds and over were estimated at 9.566 million head, down 192,000 head from 2023. It was further noted in the *Cattle* report that the number of cattle on feed in total feedlots was estimated at 14.423 million head, up 227,500 head from last year. As a result, there were 1.1 million head fewer feeder cattle year over year at 24.216 million head on January 1, 2024, the lowest number to start the year since the series began in 1995. However, the category of other heifer 500 pounds and over that are not retained for cow replacements was estimated higher than previously expected and subsequently raises anticipation for more calves to be available to entering feedlots later this year.

## Production Outlook Raised on Higher Weights in Second-Half 2024

The latest NASS *Cattle on Feed* report estimated January 1 inventory of cattle in feedlots of 1,000 head or greater to be 11.930 million head, about 2 percent above 11.693 million head in the same month last year. Feedlot net placements<sup>4</sup> in December were 5 percent lower year over year at 1.644 million head. Marketings in December were 1.725 million head, down almost 1 percent year over year. On January 1, the number of cattle on feed over 150 days was up 13 percent above year-ago levels, based on a relatively strong pace of placements and a slower pace of marketings in late 2023.

The projection for 2024 beef production is raised 75 million pounds from last month to 26.185 billion pounds, which is 3 percent below 2023. From last month, there is a greater expected increase in steer and heifer marketings in late 2024, which is offset by fewer expected cows slaughtered. The increase in fed cattle marketings in the slaughter mix raised the outlook for average carcass weights in the second half of this year. This is primarily responsible for the bump in production from last month.

With the inclusion of official slaughter and production estimates for December 2023, beef production in 2023 is estimated at 26.963 billion pounds, down almost 5 percent from 2022. The decline in production was driven by 4 percent fewer cattle slaughtered and a slight decline in average carcass weights from the prior year.

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<sup>4</sup> Net placements are placements minus other disappearance.

## Cattle Prices Raised on Price Strength

In January, the weighted-average price for feeder steers weighing 750–800 pounds at the Oklahoma City National Stockyards was \$225.99 per hundredweight (cwt), a \$5.26 increase from December and almost \$48 above January 2022. This also set a record for the month at \$10 above the previous record set in 2015. In the first sale of February, feeder steers averaged \$239.14 per cwt, an increase of \$5 from the last week of January and nearly \$52 above the same week last year.

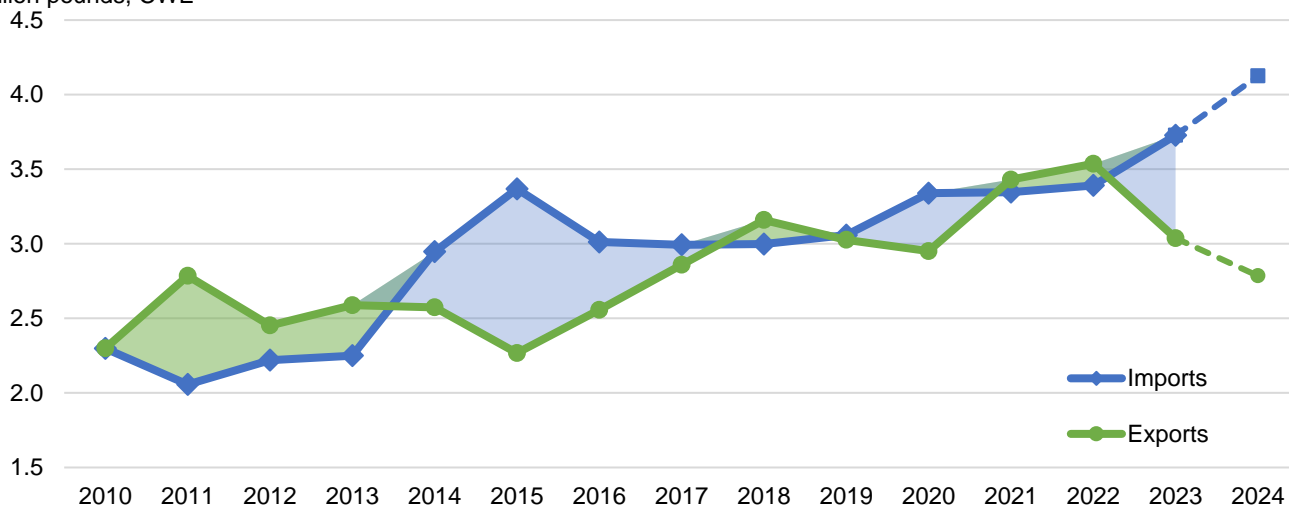
Despite higher-than-expected estimates of ‘other heifers’ on January 1st, supplies of cattle available for placement in 2024 remain tight. Based on current prices and a decline in expected feed prices from last month, an increase in feeder cattle prices is anticipated. As a result, the price outlook for each quarter was raised for an annual forecast of \$249.00 per cwt, an increase of almost 14 percent from 2023.

The January average price for fed steers in the 5-area marketing region<sup>5</sup> was \$174.45 per cwt, \$3.76 higher than December and over \$18 above January 2022. In the first week of February, prices averaged \$177.79 per cwt, more than \$19 above the same week last year. Based on recent price data, the 2024 price forecast is adjusted slightly higher from last month, with the annual price projected at \$180 per cwt, over 2 percent above 2023.

## Beef Trade Deficit in 2023 and Anticipated in 2024

Trade data for December 2023 was recently released, closing out a contractionary year of the cattle cycle where, as expected, exports fell and imports rose. This created a trade deficit by volume (imports larger than exports) for the first time since 2020. The chart below shows the reversal of the trade balance from the last 2 years. Given much smaller production and continued strong domestic demand for beef, the trade deficit is expected to widen in 2024.

**U.S. beef trade, 2010–24**  
Billion pounds, CWE



Note: 2024 is a forecast. CWE= Carcass weight equivalent.

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

<sup>5</sup> The 5-area marketing region includes Colorado, Iowa, Kansas, Nebraska, New Mexico, Oklahoma, and Texas.

The trade deficit in 2023 shown in the chart above is based on volumes. The United States is well known as both a major global exporter and importer of beef due to exporting high-quality product and importing large amounts of lower value processing-grade trimmings for blending into hamburgers. This is evidenced—despite the differences in volume—by the annual value of U.S. beef exports in 2023 of over \$9.3 billion, while the value of imports was just under \$9 billion. Therefore, from a value perspective, there was a trade surplus of more than \$350 million.

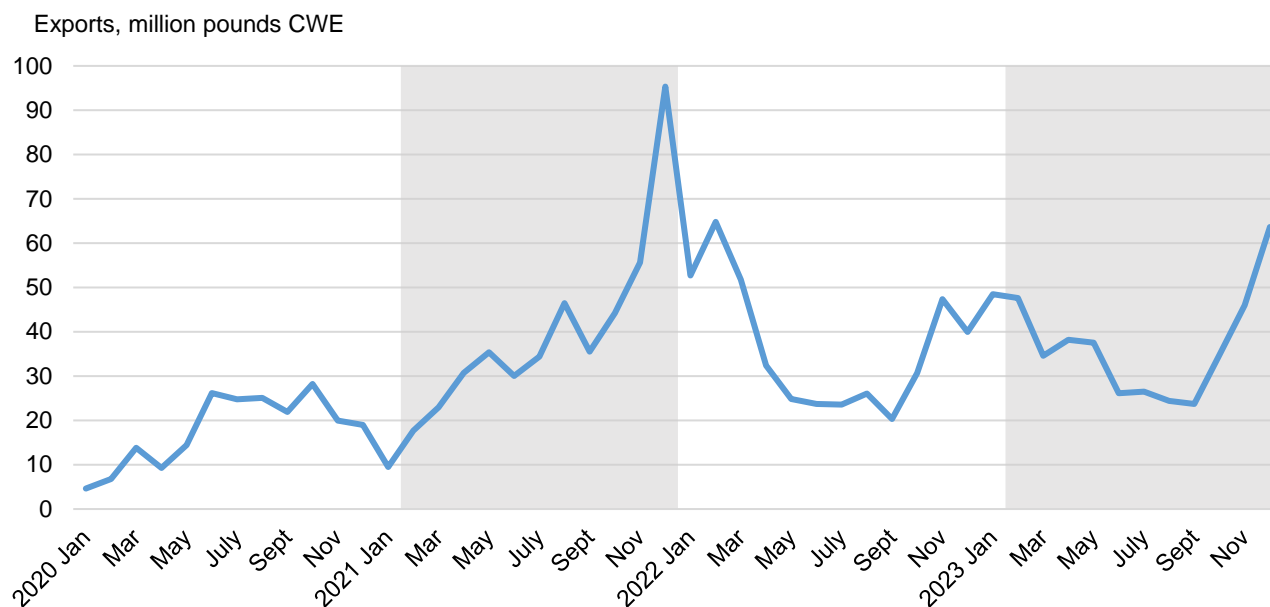
Looking back at 2023, the total volume of exports was 3.038 billion pounds, a year-over-year decrease of 14 percent. South Korea was the top market for U.S. beef exports with a share of 22 percent, though shipments to the country fell 17 percent year over year. Exports to Japan, the leading market for U.S. beef for the last decade, decreased 22 percent year over year, resulting in a 21-percent share of total U.S. exports for the year. Exports to China fell 20 percent year over year. Of the top six markets, only exports to Mexico showed a year-over-year increase, up 12 percent, and exports to Canada only declined 2 percent for the year. As a result, the share of exports to our North American neighbors combined increased 3 percentage points over 2022, while the share of exports to the top Asian markets combined fell 3 percent.

On the import side, total imports reached a record 3.727 billion pounds, a year-over-year increase of nearly 10 percent. Driving this increase were imports from Australia and New Zealand, up 66 and 33 percent, respectively. Canada was again the top supplier of beef to the United States, accounting for 27 percent of imports. Australia jumped back up to the number two spot this year, increasing to a share of 18 percent of U.S. imports. Imports from Mexico, the third largest supplier in 2023, showed a 12-percent decrease, with the share of total imports falling to 17 percent. New Zealand and Brazil rounded out the top five suppliers, with shares of 14 and 12 percent, respectively.

## Imports From Brazil Reshape Historical Seasonal Trends

U.S.-bound beef exports from Brazil have grown rapidly over the last 3 years and have shifted the seasonal expectations for U.S. beef imports. In February 2020 the USDA Food Safety and Inspection Service lifted restrictions on beef imports from Brazil. The chart below shows how the growth in exports from Brazil to the United States escalated in late 2021 when China placed a 3-month embargo on beef from Brazil, causing some of Brazil's beef to be redirected to the United States. After the embargo ended, the elevated level of exports to the United States was not sustained throughout 2022, especially since fresh beef from Brazil is subject to a tariff rate quota in the United States. Once the quota is filled, imports of fresh beef from Brazil are subject to a higher tariff. In April 2022, the quota was filled, making the United States a less attractive market and causing imports to fall in the following months.

## Brazilian-reported beef exports to the United States



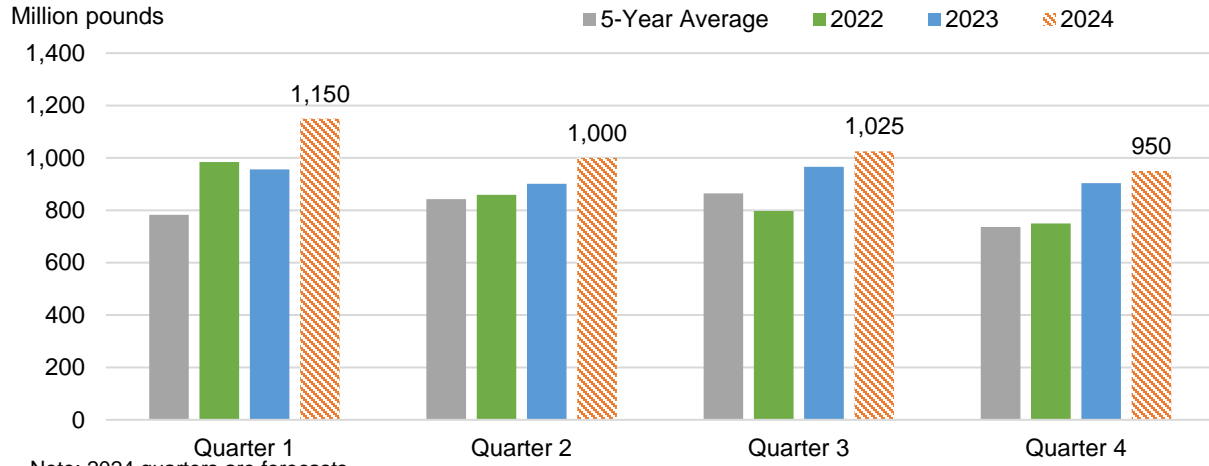
Note: CWE = Carcass weight equivalent

Source: USDA, Economic Research Service using Brazilian export data from Trade Data Monitor, LLC.

This pattern was repeated in both 2022 and 2023 as shipments from Brazil increased in the later part of the year, sending beef to arrive in the United States on January 1, when the quota reopens. The 2023 quota was filled by May; this year, as of January 29, the 2024 quota was already more than 71 percent filled according to the U.S. Customs and Border Protection Commodity Status Report. This new dynamic has changed the seasonality expectation for U.S. beef imports. Where imports were historically strongest during the second or third quarter, the quarterly forecasts for beef imports in 2024 reflect this new seasonal pattern, with much higher imports expected in the first quarter (see chart below).

Brazilian beef is very price-competitive compared to that of other import suppliers. Even after accounting for both the in-quota and out-of-quota tariffs in 2023, the unit value of imports of fresh and frozen beef from Brazil was significantly lower than other top suppliers. The unit values of beef from Australia and New Zealand have been decreasing as well. Domestic demand for processing-grade beef, combined with increased supplies from Oceania and South America, drive the import forecasts higher this month. The annual import forecast for 2024 is raised to 4.125 billion pounds, which if realized would be an 11-percent increase over 2023. The quarterly breakout of the forecast is shown in the chart below.

## Quarterly beef imports



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



# Lamb/Sheep

William Hahn

## January 1, 2024 Sheep and Lamb Inventory Report Released

The U.S. Department of Agriculture, National Agricultural Statistics Service (NASS), released its 2024 *Sheep and Goats* report on January 31, 2024. This report shows NASS estimates for the inventory of sheep and goats on U.S. farms on January 1. The table below shows the inventories in 2022, 2023, and 2024 for all sheep and lambs and by classes of sheep and lambs.

### January 1 sheep and lamb inventory, thousand head

	January 1 inventory for:			Percent change 2023 to 2024
	2022	2023	2024	
All sheep and lambs	5,065.0	5,130.0	5,030.0	-1.9
Breeding sheep and lambs	3,710.0	3,740.0	3,670.0	-1.9
Replacement lambs under 1 year old	640.0	643.5	635.0	-1.3
Ewes - 1 year old and older	2,910.0	2,930.0	2,870.0	-2.0
Rams - 1 year old and older	160.0	166.5	165.0	-0.9
Market sheep and lambs	1,355.0	1,390.0	1,360.0	-2.2

Source: U.S. Dept. of Agriculture, National Agricultural Statistics Service, *Sheep and Goats*.

All sheep and lambs declined by 1.9 percent between 2023 and 2024. Sheep and lamb inventories declined 1.3 percent between 2022 and 2023.

The 2024 report also provides an estimate of the 2023 lamb crop, which was 3,030 thousand head, 2.2 percent lower than the 2022 lamb crop of 3,099 thousand head. NASS estimated that in 2022 there were 105 lambs produced from every 100 ewes; in 2023 there were 103 lambs per 100 ewes.

## Changes to Sheep and Lamb Forecasts

Forecasts for lamb and mutton are included in the red meat and poultry tables toward the end of this report. The actual production and trade numbers for the fourth quarter of 2023 are now available. Actual commercial lamb and mutton production for the fourth quarter of 2023 was 33.2 million pounds; January's forecast was 33 million pounds. The January estimates for fourth-quarter 2023 imports and exports were 75 and 1.3 million pounds; actual imports were 74 million pounds, and exports were 1.1 million pounds.

Commercial lamb and mutton production forecasts for 2024 are unchanged from the January report; the annual commercial production forecast for 2024 is 129 million pounds. Import forecasts for 2024 have been lowered since January's report. The previous forecast for 2024 imports was 325 million pounds. The current forecast is 305 million pounds. The previous 2024 export forecast was 6 million pounds; the current forecast is 5 million pounds.

# Dairy

Adriana Valcu-Lisman and Angel Terán

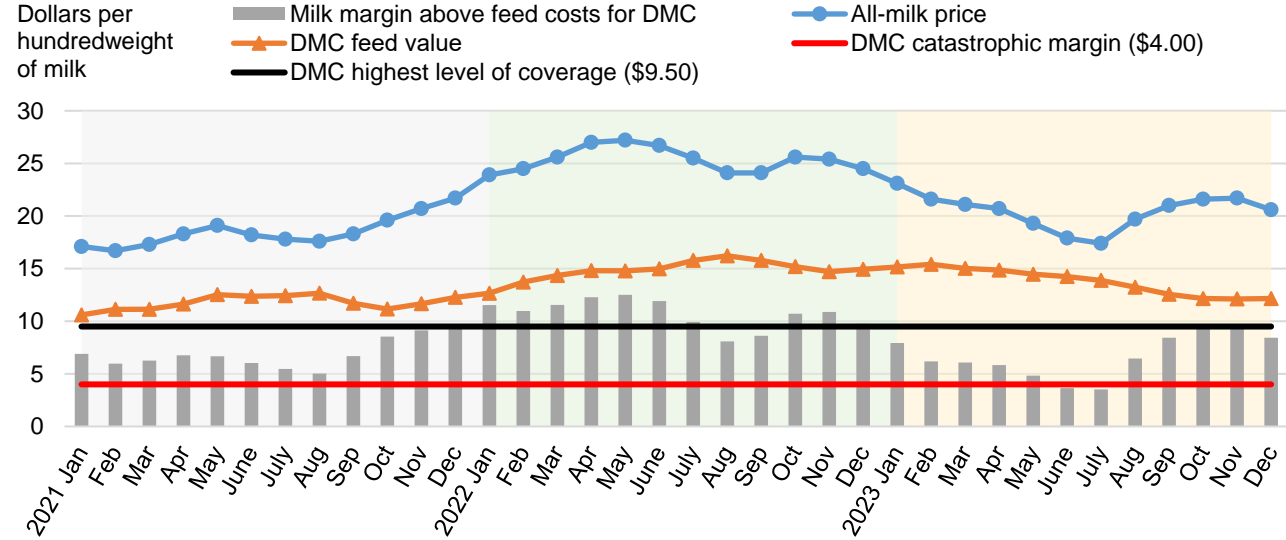
## 2023 Dairy Situation

In 2023, the U.S. dairy industry experienced the reversal of the 2022 situation: whereas feed, dairy products, and farm-gate milk prices increased year over year in 2022, these prices decreased year over year in 2023. The milk and feed price dynamics in 2023 resulted in some of the poorest margins since the implementation of the Dairy Margin Coverage Program (DMC). The national milking herd in 2023 was lower than 2022, but the milk per cow was slightly higher. Consequently, total milk production in 2023 was only fractionally higher than 2022. Growth of domestic use of dairy products was robust on both milk-fat and skim-solids milk-equivalent bases. Conversely, U.S. dairy exports declined from the peak levels in 2022, driven by lack of price competitiveness as well as slowing demand for dairy products at a global level.

The all-milk price in 2023 averaged \$20.48 per hundredweight (cwt), \$4.86 lower than 2022. While the prices that dairy farmers received in 2023 were generally lower than in 2022, the decrease in average all-milk price was larger than the decrease in average feed costs. Using the proxy used by USDA, National Agricultural Statistics Service (NASS) to calculate the milk-feed ratio, the feed-price proxy decreased by 8 percent from 2022 to 2023, while the all-milk price decreased by 19 percent. Average prices paid by all farmers<sup>6</sup> for labor and machinery increased year over year by 5.5 and 1.7 percent, respectively.

In 2023, the farm milk margin above the feed costs reported by the DMC fell below the catastrophic coverage margin (\$ 4.00 per cwt) in June and July, triggering indemnity payments to all the producers enrolled in the program, including those who paid only the \$100 administration fee. Moreover, for all months except November, the margins reported by DMC were below the \$9.50 per cwt threshold that triggers payments for dairy producers who choose the highest levels of coverage.

### All-milk price, feed costs, and milk above feed costs<sup>1</sup>

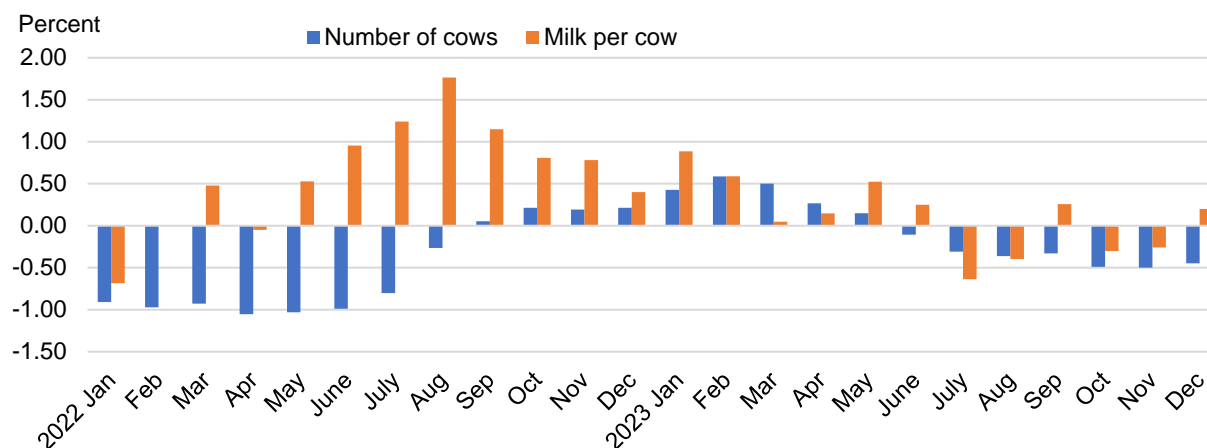


Note: <sup>1</sup>Feed costs and milk margins above feed costs follow Dairy Margin Coverage Program (DMC) calculations. Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service and USDA, Farm Service Agency.

<sup>6</sup> NASS does not publish price indices specific to dairy farmers for labor and machinery.

Milk production in 2023 totaled 226.6 billion pounds, only marginally higher than in 2022 (+0.1 percent). Milk cow numbers in the first quarter of 2023 increased slightly from the fourth quarter of 2022, peaking at 9.444 million head in March 2023. Thereafter, they trended downward, falling to 9.357 million head in December. Milk per cow averaged 24,115 pounds in 2023, 0.1 percent higher than 2022. Milk per cow in the first half of 2023 was higher compared to the first half of 2022. However, hot weather impacted milk per cow in the late summer, contributing to a year-over-year decline in the second half of 2023.

### Year-over-year percent changes in number of milk cows and milk per cow, 2022–23



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

Domestic demand for dairy products in 2023 was year-over-year higher for most of them. On a milk-fat milk-equivalent basis, 2023 domestic use increased by 1.8 percent over the previous year, in contrast to the 1.1 percent decrease in 2022. Domestic use on a skim-solids milk-equivalent basis increased by 2.8 percent in 2023, compared to an 0.8 percent decrease of 2022. In 2023, there were considerable increases in domestic use of whey protein concentrate, dry whey, butter, lactose, and American type cheese relative to 2022. However, domestic use for other-than American type cheese and dry skim milk products decreased.

### Domestic use of milk and major dairy products

Product	Units	2021	2022		2023	
		Quantity	Quantity	Percent change from previous year	Quantity	Percent change from previous year
Milk in all products						
Milk-fat basis	Billion pounds	221.5	219.1	-1.1	223.0	1.8
Skim-solids basis		180.1	178.7	-0.8	183.7	2.8
Dairy products						
American type cheese		5,412	5,429	0.3	5,535	2.0
Other-than-American type cheese		7,693	7,903	2.7	7,873	-0.4
Butter	Million pounds	2,141	2,004	-6.4	2,182	8.9
Dry skim milk products		855	794	-7.2	708	-10.8
Dry whey		410	403	-1.7	530	31.5
Whey protein concentrate		200	99	-50.7	239	142.2
Lactose		377	206	-45.3	213	3.5

Sources: USDA, National Agricultural Statistics Service; USDA, Farm Service Agency; USDA, Foreign Agricultural Service; U.S. Dept. of Commerce, Bureau of the Census; and USDA, Economic Research Service (ERS) calculations. Numerous sources were used for conversion factors. For more information, see the ERS Dairy Data Documentation web page.

Year over year, U.S. dairy exports fell both on a milk-fat basis (-20.9 percent) and on a skim-solids basis (-5.7) percent. By quantity, exports for all main dairy products except for lactose were lower year over year. These decreases were likely due to overall weak global demand for dairy products along with lack of price competitiveness.

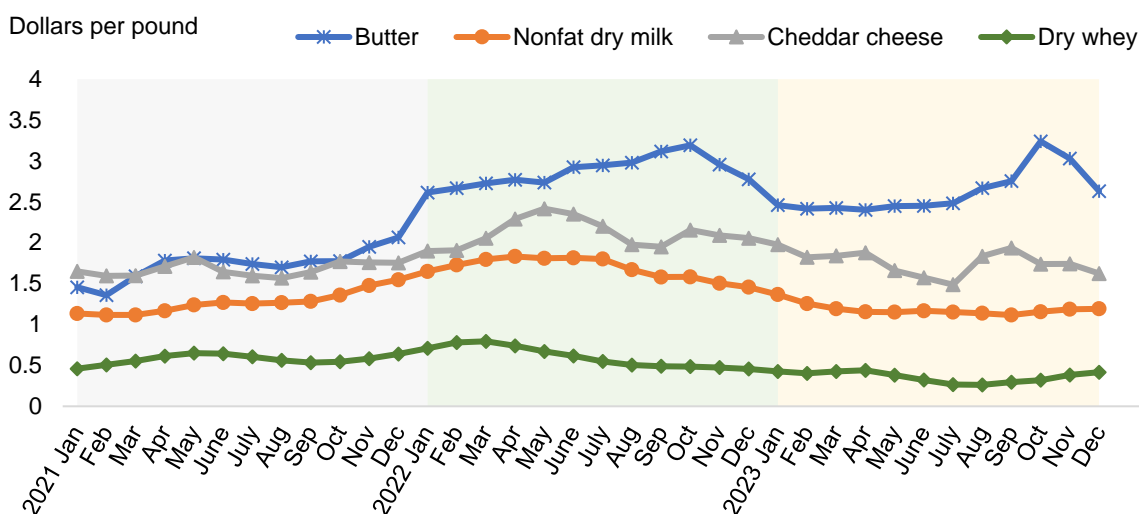
### Exports of milk and major dairy products

Product	Units	2021	2022		2023	
		Quantity	Quantity	Percent change from previous year	Quantity	Percent change from previous year
Milk in all products						
Milk-fat basis	Billion pounds	11.5	13.4	16.0	10.6	-20.9
Skim-solids basis		50.6	52.9	4.4	49.9	-5.7
Dairy products (million pounds)						
Cheese		885	994	12.3	960	-3.4
Butter		97	144	48.5	67	-53.5
Dry skim milk products	Million pounds	1,937	1,838	-5.1	1,784	-2.9
Dry whey		493	499	1.2	398	-20.3
Whey protein concentrate		304	387	27.3	322	-16.7
Lactose		708	908	28.2	959	5.6

Sources: USDA, National Agricultural Statistics Service; USDA, Foreign Agricultural Service; U.S. Dept. of Commerce, Bureau of the Census; and USDA, Economic Research Service (ERS) calculations. Numerous sources were used for conversion factors. For more information, see the ERS Dairy Data Documentation web page.

Annual average wholesale prices for all the main dairy products decreased in 2023 from 2022 averages. Increased cheese manufacturing capacity likely continued to support larger cheese supplies and lower cheese prices in 2023. Although the average annual butter price in 2023 was lower than 2022, the range of butter prices throughout the year was quite variable. The average monthly wholesale butter price, as reported by USDA, Agricultural Marketing Service in its *Announcement of Class and Component Prices* report, was at a low point for the year at \$2.4018 per pound in April but reached an all-time high of \$3.2387 in October.

### Dairy wholesale product prices 2021–23



Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service, *Announcement of Class and Component Prices* monthly reports.

## Recent Wholesale Dairy Product Prices

From the week ending January 6 to the week ending February 3, wholesale dairy product prices reported in the USDA *National Dairy Products Sales Report* (NDPSR) had mixed changes. During the last week of the reported period, prices for butter and nonfat dry milk (NDM) moved lower and averaged \$2.6591 (-0.96 cents) and \$1.2115 (-0.28 cents), respectively. On the other hand, Cheddar cheese prices for 40-pound blocks and 500-pound barrels (adjusted to 38 percent moisture) moved higher to \$1.5436 (+1.23 cents) and \$1.5080 (+2.73 cents) per pound, respectively. Dry whey prices ended the period at \$0.4393 per pound, 1.29 cents higher than average prices at the beginning.

### Dairy products wholesale prices

Dollars per pound

	For the week ending		Change
	January 6	February 3	
Butter	2.6687	2.6591	-0.0096
Cheddar cheese			
40-pound blocks	1.5313	1.5436	0.0123
500-pound barrels *	1.4807	1.5080	0.0273
Nonfat dry milk	1.2143	1.2115	-0.0028
Dry whey	0.4264	0.4393	0.0129

\* Adjusted to 38-percent moisture.

Source: USDA, Agricultural Marketing Service, *National Dairy Products Sales Report*, February 7, 2024.

Dairy product spot prices reported by the Chicago Mercantile Exchange (CME) have been mostly increasing since the beginning of the year, with spot prices for butter and dry whey trending year-over-year-higher. For the trading week ending February 3, prices for butter averaged \$2.7720 per pound, and prices for Cheddar cheese 40-pound blocks and 500-pound barrels for the trading week averaged \$1.6450 and \$1.5380 per pound, respectively. For the same week, prices for nonfat dry milk, dry whey, and nonfat dry milk averaged \$0.4765 and \$1.2280 per pound, respectively.

Since January 1, all New Zealand dairy products have been allowed to enter China duty-free as the safeguard duties for whole milk powder, skim milk powder and concentrated cream have been discontinued.<sup>7</sup> The safeguards for milk and cream, butter, and cheese ended in 2021. China is the largest export market for New Zealand dairy products.

The Global Dairy Trade (GDT) Price Index for the trading event of February 6 was up 4.2 percent from the GDT event of January 16. Average GDT prices for all dairy products except Mozzarella cheese increased compared to the prior event.

According to the USDA, *Dairy Market News* report, the international prices for the selected dairy commodities mostly increased in January 2024 from December levels. These increases ranged from 0.3 cents per pound for dry whey (Western Europe) to 26.4 cents per pound for butter (Oceania). However, the price for skim milk powder and butter (Western Europe) decreased by 4.2 and 2.2 cents per pound, respectively.

<sup>7</sup> A safeguard duty, according to World Trade Organization (WTO) is "a temporary import restriction (for example a quota or a tariff increase) that a country is allowed to impose on a product if imports of that product are increasing so as to cause, or threaten to cause, serious injury to a domestic industry that produces a similar or directly competitive product."

## Dairy product export prices for Oceania and Europe

Dollars per pound

Product	Region	December 2023	January 2024	Change
Butter	Oceania	2.351	2.615	0.264
	Western Europe	2.729	2.707	-0.022
Cheddar cheese	Oceania	1.884	1.898	0.015
Skim milk powder	Oceania	1.188	1.197	0.008
	Western Europe	1.312	1.270	-0.042
Dry whey	Western Europe	0.444	0.446	0.003

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

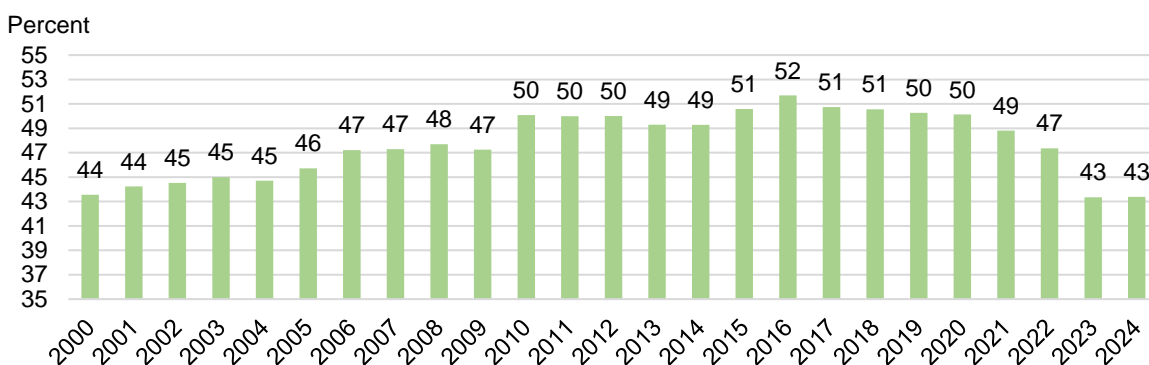
January average prices for domestic and international dairy products sent mixed signals regarding the United States' competitiveness across the main dairy products. Over this period, U.S. domestic wholesale prices were higher than international export prices for butter, and skim milk powder (Oceania), and dry whey (Western Europe). Conversely, U.S. domestic wholesale prices were lower than international export prices for Cheddar cheese (Oceania), skim milk powder, and butter (Western Europe).

## Recent Dairy Supply and Use Data

According to the USDA National Agricultural Statistics Service (NASS) *Milk Production* report, the milking cow herd was estimated at 9.357 million head in December, down 42,000 from December 2022 and 1,000 head from the previous month. Average milk production per cow for December was 2,014 pounds, about 4 pounds more than December 2022. As a result of a lower milk herd, December milk production totaled 18.843 billion pounds, about 0.3 percent lower than the prior year.

In the most recent NASS *Cattle* report, the January 1 milk cow inventory was 9.357 million head, matching the December average from the *Milk Production* report. The milk replacement heifer inventory for January 1 was reported at 4.059 million head, about 0.35 percent lower than January 1, 2023. Milk replacement heifers expected to calve totaled 2.593 million head, 1.1 percent below January 1, 2023. The ratio of replacement heifers to milk cows was 43.4 percent, almost unchanged from last year.

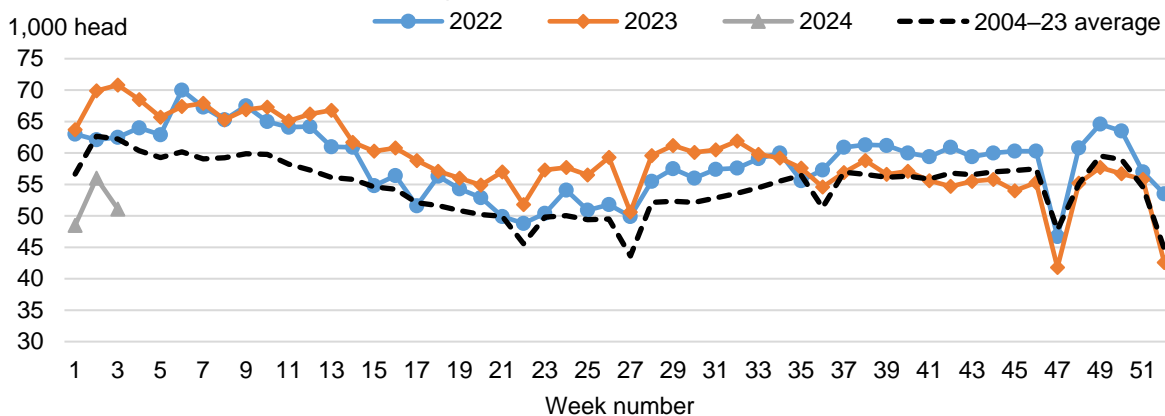
### Replacement heifers as a percent of milk cows



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

Dairy cow slaughter for the first 3 weeks of 2024 continued the downward trajectory from the second half of 2023, with the reported weekly slaughter rates among the lowest observed for this period of the year (lower than the 20-year average), but this may reflect slaughter schedule reductions due to winter weather in late January.

### Federally inspected milk cow slaughter



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

Costs for main feed inputs eased in December. The all-milk price in December averaged \$20.60 per hundredweight (cwt), down \$3.90 from December 2022 and \$1.10 lower than the price reported for November 2023. The milk-feed ratio reported by NASS was estimated at 2.00 in December, up 0.17 points from last year but down 0.12 points from November 2023. The farm milk margin above feed costs reported by the Dairy Margin Coverage program was \$8.44 per cwt, \$1.32 lower than last year and \$1.06 below the \$9.50 threshold that triggers payments for dairy producers who choose the highest levels of coverage.

On both milk-fat and skim-solids bases, December dairy exports were estimated year-over-year lower. Dairy exports on a milk-fat basis totaled 809 million pounds (-113), while on a skim-solids basis dairy products totaled 3.966 billion pounds (-147 million). Dairy imports on a milk-fat basis totaled 656 million pounds in December, 41 million higher than December 2022. On a skim-solids basis, December imports totaled 505 million pounds, 252 million below December 2022.

Domestic use of dairy products was year-over-year higher in the final quarter of 2023. On a milk-fat basis, it totaled 57.473 billion pounds, 1.6 percent higher than fourth-quarter 2022. On a skim-solids basis, domestic use was 45.896 billion pounds, 2.1 percent higher than the final quarter of 2022.

The combination of lower milk production, lower imports, and relatively higher domestic use during the fourth quarter of 2023 resulted in year-over-year lower ending stocks. The reported stocks for almost all dairy products ended year-over-year lower. Only the ending stocks for American cheese and for whey products for animal use (dry whey and whey protein concentrate) were higher than last year. On a milk-fat basis, ending stocks totaled 13.757 billion pounds, 0.629 billion pounds lower than the 2022 ending stocks. Ending stocks on a skim-solids basis totaled 9.939 billion pounds, 1.717 billion lower than at the end of 2022. Lighter ending stocks for 2023 likely supported the increases in spot prices through January.

## Dairy Forecasts for 2024

The 2024 dairy herd size forecast has been revised upwards by 5,000 head, totaling 9,355 thousand for the year, due to higher expected milk cow numbers in the second half of the year. This small increase in the number of cows is attributed to higher expected milk prices early in the year, as milk production usually responds to changes in milk and feed prices with a lag of several months. Even with the higher forecast for milk cow numbers, they are still expected to be lower than 2023. Recent slaughter trends, together with tight replacement heifer inventories and high reported prices for dairy heifers, suggest a year-over-year decline for the dairy herd in 2024 despite lower expected feed costs, improved milk prices, and robust demand for dairy products. The forecast yield per cow is reduced by 20 pounds to 24,395 pounds based on recent data. As a result, the revised milk production forecast for 2024 is 228.2 billion pounds, a decrease of 0.1 billion from the previous month's estimate.

On a milk-fat basis, dairy import forecasts in 2024 have been lowered to 7.4 billion pounds (-0.1 billion). However, on a skim-milk basis, imports remained unchanged at 6.4 billion pounds. Notable declines in import volumes of cheese, infant formula, canned milk, lactose, and yogurt are projected for 2024. Conversely, casein imports are anticipated to increase.

The 2024 dairy export forecast on a milk-fat basis has been raised 0.1 billion pounds to 11.7 billion as export prices for cheese and butter are expected to be competitive in the international markets. The export forecast on a skim-solids basis is lowered to 51.9 billion pounds (-1.3 billion). Compared to 2023, in 2024, higher export shipments are forecast for cheese, butterfat products, whey products and lactose, while canned milk and yogurt are projected lower.

The 2024 forecast for domestic disappearance has been revised upward from last month's projection following higher-than-expected domestic use in the last quarter of 2023. On a milk-fat basis, domestic use increased by 1.0 billion pounds, bringing the total to 224.7 billion pounds. On a skim-solids basis, domestic use is increased by 1.7 billion pounds, totaling 182.0 billion pounds. Ending stocks are expected to decline further in 2024, following the downward trend from 2023.

Due to recent price increases, lower inventories, and higher expected domestic demand, the price forecasts for the main dairy products have been revised upwards. The adjusted forecasts, in dollars per pound, are as follows: Cheddar cheese at \$1.690 (+7.0 cents), dry whey at \$0.480 (+5.0 cents), butter at \$2.770 (+10.5 cents), and NDM at \$1.235 (+4.5 cents).

With higher cheese and dry whey prices, the new forecast for Class III milk is \$17.10 per cwt, \$1.00 higher than the previous forecast. With higher butter and NDM price forecasts, the Class IV price forecast has been raised to \$20.20 per cwt, \$0.85 higher than the previous projection. The all-milk price for 2024 is now forecast at \$20.95 per cwt, up \$0.95 from last month's forecast.



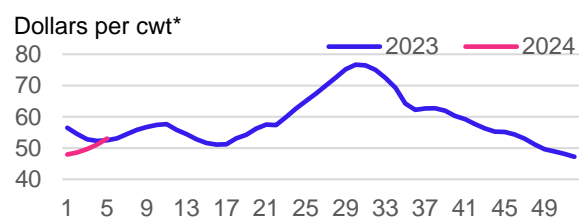
# Pork/Hogs

Mildred Haley

## Gross Processors' Spread Above a Year Earlier in January on Strong Belly Prices

Demand for pork bellies appears to have driven the average January 2024 estimated wholesale carcass cutout to a value above that of a year earlier, something not seen since December 2022. The wholesale cutout value of the pork carcass in January was \$87.01 per cwt, 7.4 percent higher than the January 2023 value. With prices of live equivalent 51-52 percent lean hogs averaging \$49.83 per cwt in January 2024—more than 7.4 percent below hog prices a year ago—processors' gross spread exceeded year-earlier levels in the first month of 2024. Toward the end of January, however, seasonally rising hog prices and slower rises of belly primal values effectively reversed the course of processors' spreads. By the end of January, processors' gross spreads, although still year-over-year higher than in late January 2023, had declined. While demand for pork bellies may have elevated cutout values for a few weeks, it is doubtful that a single cut can sustain strong spreads for the pork market overall.

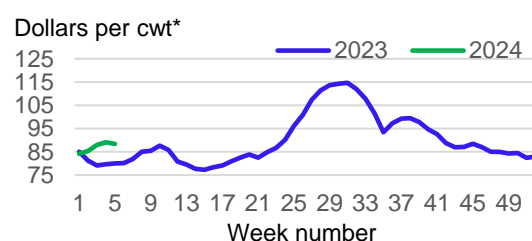
**Live equivalent 51-52 percent lean hog price**



\*cwt = hundredweight.

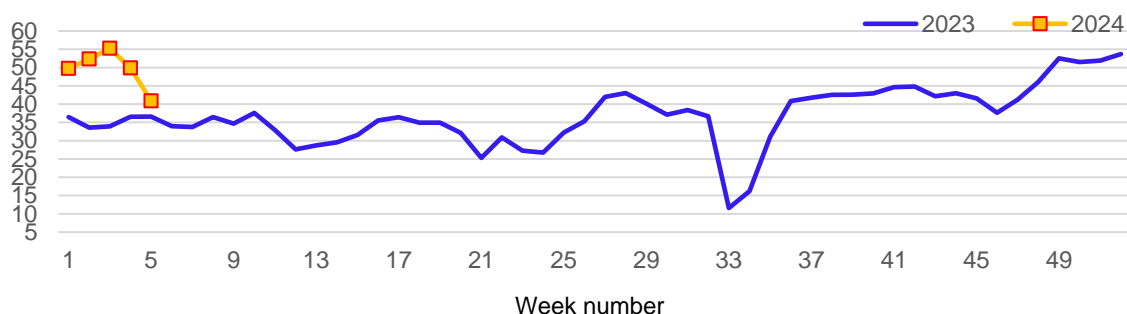
Source: USDA, Agricultural Marketing Service.

**Estimated wholesale pork carcass cutout**



**Pork processors' per head gross processing spread, drop credit included**

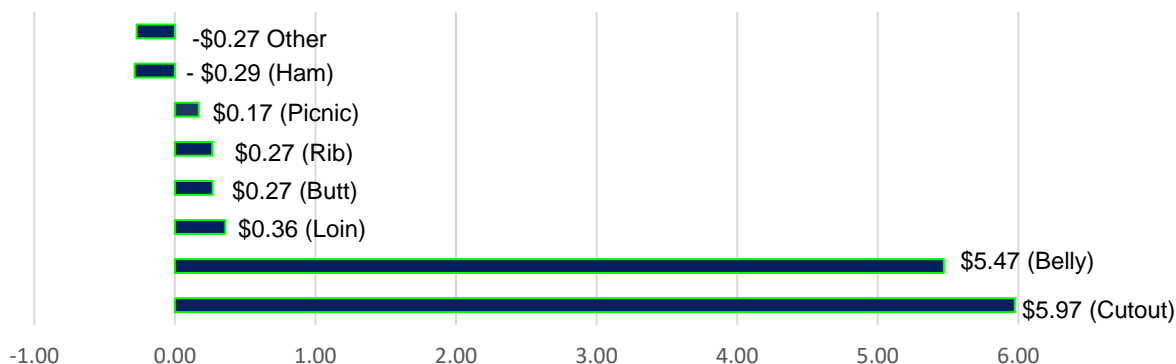
Dollars per head



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

The figure below shows the importance of the belly primal value in elevating the January 2024 cutout value above its year-earlier value and the belly’s contribution to the processors’ January 2024 gross processing spread. The \$5.97 difference between the cutout values of January 2024 and 2023 (\$87.01 and \$81.03, respectively), disaggregated into the seven component primals that make up the cutout (the belly, loin, butt, rib, picnic, ham, and other), are each represented by a bar with its weighted contribution to the \$5.97 January 2024 cutout difference.<sup>8</sup> It is apparent that in January 2024 the belly primal accounted for the lion’s share—\$5.47, or 91 percent—of the \$5.97 year-over-year cutout difference. Also apparent from the figure, the other components of the January 2024 cutout made minor contributions to, or subtractions from, the cutout’s value.

**Disaggregation of the \$ 5.97 difference between the January 2024 and January 2023 cutout values into weighted primal component values**



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

## Improving Pork Demand Expected To Support Hog Prices in 2024

Stronger demand for selected pork cuts and a slower pace of slaughter throughout 2024 will be key factors in raising hog prices beyond initially expected price levels. Strong belly prices in the first quarter should combine with the slower paced first-quarter hog slaughter to push average first-quarter prices of 51-52 percent lean hogs to \$55 per cwt, up \$4 per cwt from last month’s first-quarter forecast. Second-quarter commercial pork production is expected to be unchanged from last month’s forecast at about 6.6 billion pounds, but improving demand is likely to push second-quarter hog prices to \$62 per cwt, more than 9 percent higher than in the same period last year. Higher production in the third quarter—almost 6.8 billion pounds, more than 4 percent higher than production in the same period last year—will likely offset continued improving domestic, and solid foreign demand, to lower hog prices almost 5 percent from a year earlier, to \$66 per cwt. Fourth-quarter hog prices are raised \$1 per cwt from last month’s forecast to \$56 per cwt, almost 5 percent greater than last year, on pork production of about 7.4 billion pounds, almost 3 percent greater than fourth-quarter production last year. Improved domestic pork demand compared to 2023 and competitively priced U.S pork in foreign markets are likely to be the most important factors supporting hog prices in the fourth quarter of 2024.

<sup>8</sup> “A User’s Guide to USDA’s Pork Carcass Cutout.” USDA, Agricultural Marketing Service, January 2024.

## Export Projections for 2024 Raised on Higher-Than-Expected Fourth-Quarter 2023 Shipments

U.S. exports in December totaled about 644 million pounds, 15 percent greater than volumes in December 2022. The table below details the 10 largest destination countries for exported U.S. pork in December. Mexico was far and away the leading December buyer of U.S. pork, with more than 249 million pounds of purchases and a 39-percent share of December exports. South Korea and Australia were also significant buyers, with shipments of more than 75 million pounds and about 28 million pounds, respectively, due to the apparent shift of both countries away from European pork. The shift is likely due to the decline of competitiveness of European pork products, which is probably attributable to higher production costs. It is notable that Western Hemisphere nations accounted for 59 percent of U.S. exported pork in December, while 30 percent went to Asian countries.

<b>U.S. pork exports: Volumes and export shares of the 10 largest foreign destination countries in December 2022 and 2023</b>					
Country	Exports	Exports	Percent change (2023/2022)	Export share	Export share
	Dec. 2022 (Million lbs.)	Dec. 2023 (Million lbs.)		Dec. 2022 Percent	Dec. 2023 Percent
World	562	644	15		
Mexico	216	249	16	38	39
Japan	76	85	11	14	13
South Korea	44	75	70	8	12
Canada	44	46	6	8	7
China\Hong Kong	64	32	-50	11	5
Colombia	21	28	36	4	4
Australia	8	28	237	1	4
Dominican Republic	27	25	-4	5	4
Panama	17	20	17	3	3
Honduras	15	12	-18	3	2
Western Hemisphere Nations	339	382	13	60	59
Asian Nations	184	192	4	33	30
Oceania	8	28	237	1	4

Source: USDA, Economic Research Service transformation of U.S. Census Bureau data.

Quarterly pork exports for 2024 are revised upward on strong December data, as follows: For the first quarter, exports are expected to be 1.765 billion pounds, 5.8 percent higher than same-period exports in 2023. Second-quarter exports are forecast at 1.785, virtually unchanged from the second quarter of 2023. Shipments of 1.645 billion pounds are expected in the third quarter, which would be about 6.6 percent higher than exports in the same period of 2023. Fourth-quarter exports are expected to be 1.885 billion pounds, about 3.4 percent greater than same-period shipments in 2023.

Pork export forecasts for 2024 total about 7.1 billion pounds, up about 3.8 percent over the 2023 total of 6.8 billion pounds. This implies that 25.4 percent U.S. commercial pork production will be exported. Production and export forecasts, combined with expectations for pork stocks changes, also imply a retail per capita disappearance of 50.7 pounds, up 1.02 percent over 2023.

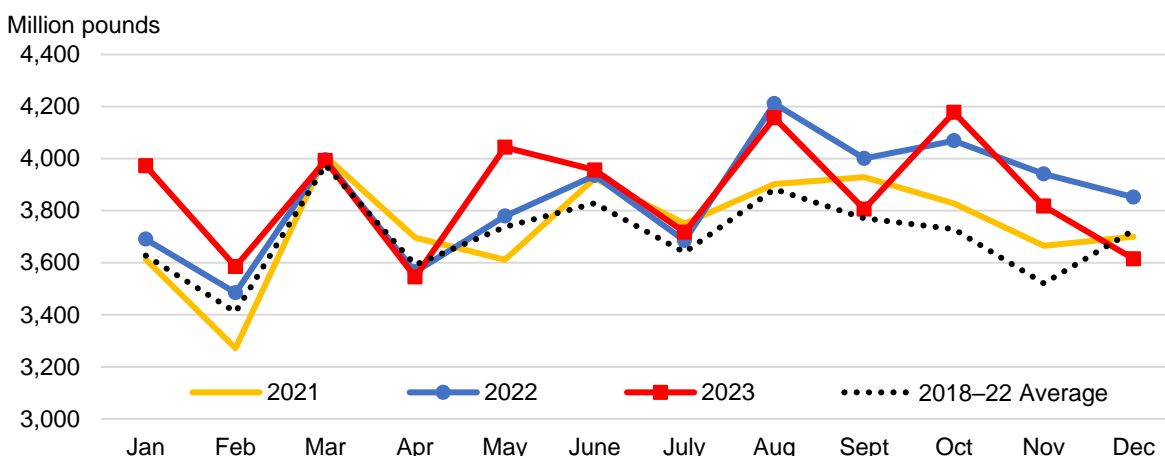
# Poultry

Grace Grossen

## Broiler Production Adjusted Up in 2024

Broiler production totaled 3,615 million pounds in December, a decrease of 6.1 percent year over year. December slaughter was down 6.8 percent year over year, but in part reflects one less slaughter day in 2023; on a per day basis, slaughter was about 2 percent lower. The monthly average live weight was 6.61 pounds, up 0.8 percent from December 2022. In total, fourth-quarter 2023 broiler production was 11,610 million pounds, a decrease of 2 percent from 2022. The annual total production for 2023 was 46,383 million pounds, an increase of 0.4 percent from the 2022 total.

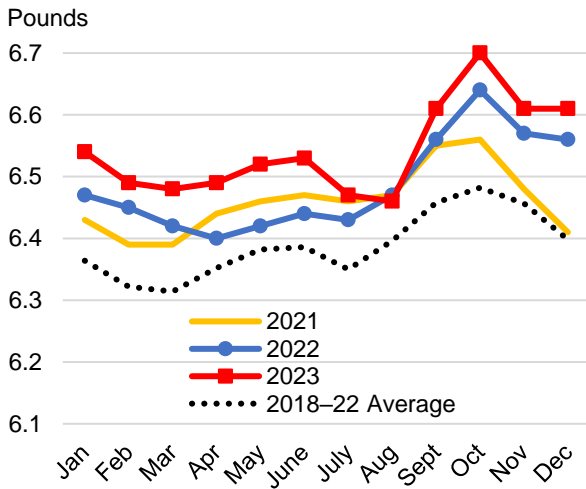
### Monthly broiler production, 2018–23



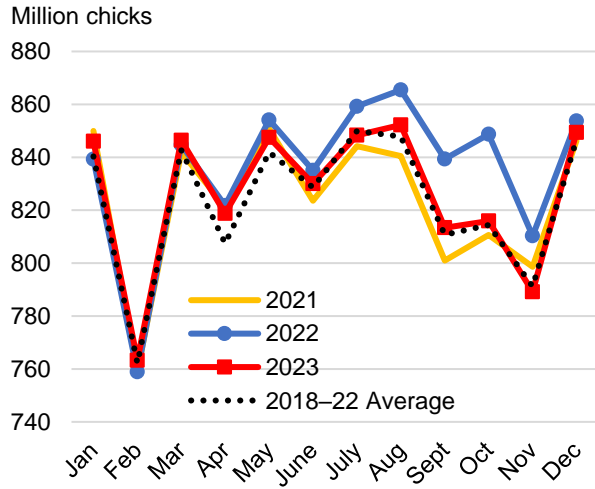
Source: USDA, National Agricultural Statistics Service.

The average weight at slaughter for broilers in 2023 was 6.54 pounds, an increase of 0.9 percent from 2022. Preliminary weekly slaughter data for January indicate that weights have remained above 2023 into the new calendar year. Broiler-type chicks hatched in December totaled 849.4 million. This is down slightly year over year, but slightly above the 5-year average and an improvement over the previous 3 months. Based on preliminary slaughter and hatchery data and the expectation that heavier average weights continue, projected first-quarter production is adjusted up 100 million pounds to 11,550 million pounds. This would be about level with the first quarter of 2023. With the outlying quarterly projections unchanged, the new projected annual total for 2024 is 46,775 million pounds, representing a year-over-year increase of 0.8 percent in broiler-type chicks.

**Monthly average broiler live weights, 2018–23**



**Monthly broiler-type chicks hatched, 2018–23**

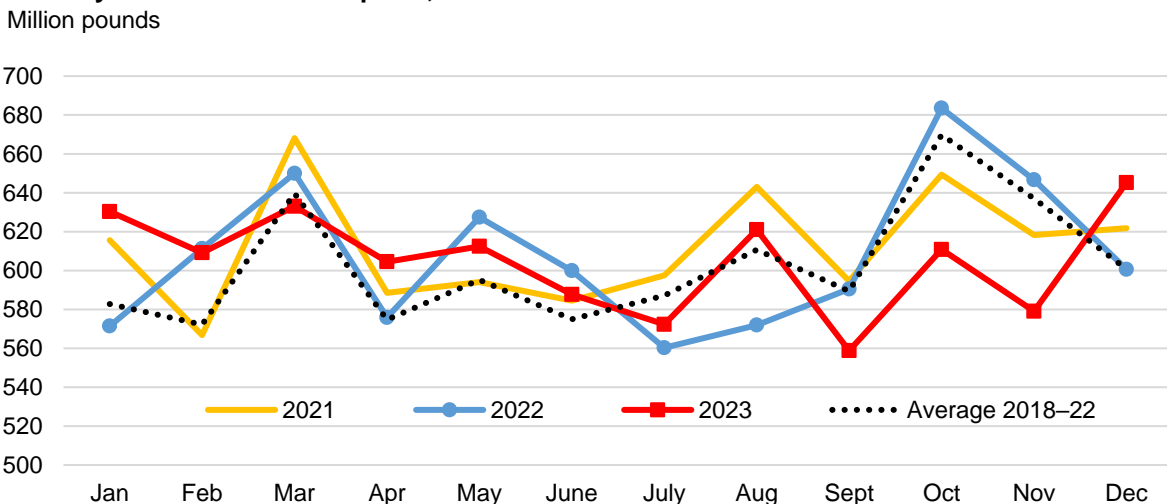


Source: USDA, National Agricultural Statistics Service.

## Broiler Exports Adjusted Down in 2024

Broiler exports totaled 645.2 million pounds in December. This is up 7.4 percent year over year and makes the annual total 7,264 million pounds, down by less than half-a-percent from the 2022 total. Shipments to China in particular were down 7.2 percent from 2022 to 2023. Reflecting continued expectations for weak demand from China and less-competitive prices, projected exports in 2024 are adjusted down by 60 million pounds to 7,215 million pounds. This would be a decrease of 50 million pounds from 2023 and represent 15.4 percent of 2024 production.

**Monthly total U.S. broiler exports, 2018–23**



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

Broiler imports totaled 13.5 million pounds in December, with 10.4 million pounds coming from Chile. Total broiler imports for 2023 are 131 million pounds, with Chile making up a 68.7 percent share. Based on expectations of continued strength in shipments from Chile, projected imports for 2024 are adjusted up by 35 million pounds to 215 million.

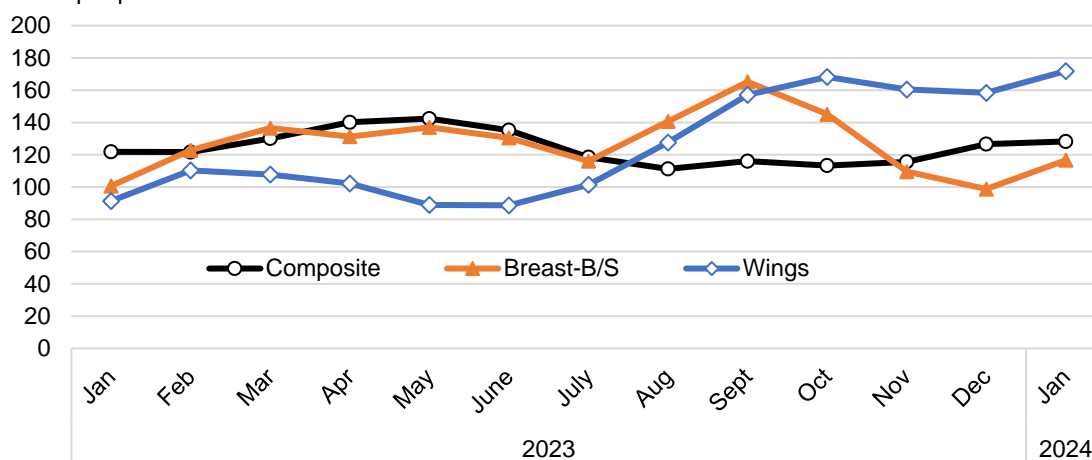
## Broiler Prices Increased in First Half of 2024

The January average national composite wholesale broiler price was 128.25 cents per pound, an increase of 6.4 cents from January 2023. Weekly prices in January peaked at 129.54 cents per pound in the week ending January 12th. Weekly prices have since fallen, with an average of 126.62 cents per pound in the week ending February 2nd. Based on recent price data, the quarterly projections are adjusted up to 128 cents per pound (+5 cents) in the first quarter and to 131 cents (+1 cent) in the second quarter. With the third- and fourth-quarter projected averages unchanged at 125 cents per pound, the 2024 projected average is 127 cents per pound, an increase of about 3 cents from the 2023 average.

Wholesale prices for frozen chicken wings averaged 171.89 cents per pound in January, an increase of 80.53 cents from last January. Though these prices are higher than a year ago leading into the Super Bowl and college basketball-watching season, they are lower than the peak prices for chicken wings in the winter of 2021.

**Monthly wholesale prices for whole broilers and selected parts, January 2023–January 2024**

Cents per pound



Note: B/S = boneless/skinless.

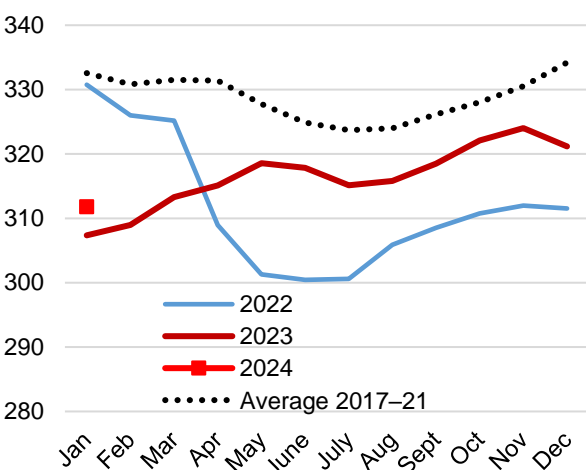
Source: USDA, Agricultural Marketing Service.

## Table Egg Production Adjusted Down in 2024

Table egg production totaled 678.6 million dozen in December. This was up 3.6 percent from the previous December, thanks to a laying flock that averaged 2.3 percent larger than last December and an average lay rate of 83 eggs per 100 layers per day, up 1.3 percent year over year and the highest monthly average lay rate of 2023. Total production in 2023 was 7,887 million dozen eggs, up 1.4 percent from 2022.

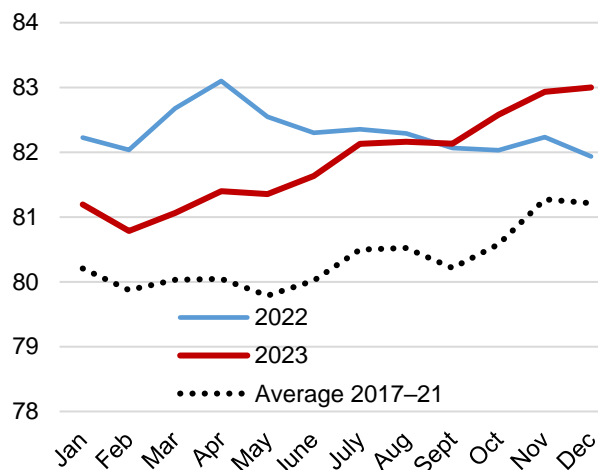
**Table egg layer inventory on the first of the month, 2017–24**

Million birds



**Table egg lay rate, eggs per 100 layers per day, 2017–23**

Eggs



Source: USDA, National Agricultural Statistics Service.

Since the reemergence of Highly Pathogenic Avian Influenza (HPAI) in egg-laying flocks at the start of November, USDA Animal and Plant Health Inspection Service has reported 13.64 million table egg-laying hens lost to the disease. The table-egg layer inventory on the first of January 2024 was 311.8 million birds, a decrease of 12.2 million from November 1st, the highest point of 2023. Elevated lay rates are expected to continue supporting table egg production in the short term. Projected first-quarter production was decreased by 10 million dozen to 1,950 million dozen, and the second-quarter projection is unchanged at 1,975 million dozen. However, lay rates cannot be expected to remain as strong as the remaining flock ages past its prime. In addition, the loss of about 2 million table egg pullets to HPAI adds uncertainty to the near-term recovery of the flock. The third-quarter projection is also decreased by 10 million dozen to 2,015 million dozen. With the fourth-quarter projection unchanged at 2,060 million dozen, total table egg production for 2024 is projected at 8,000 million dozen. This would be an increase of 1.4 percent from the 2023 total.

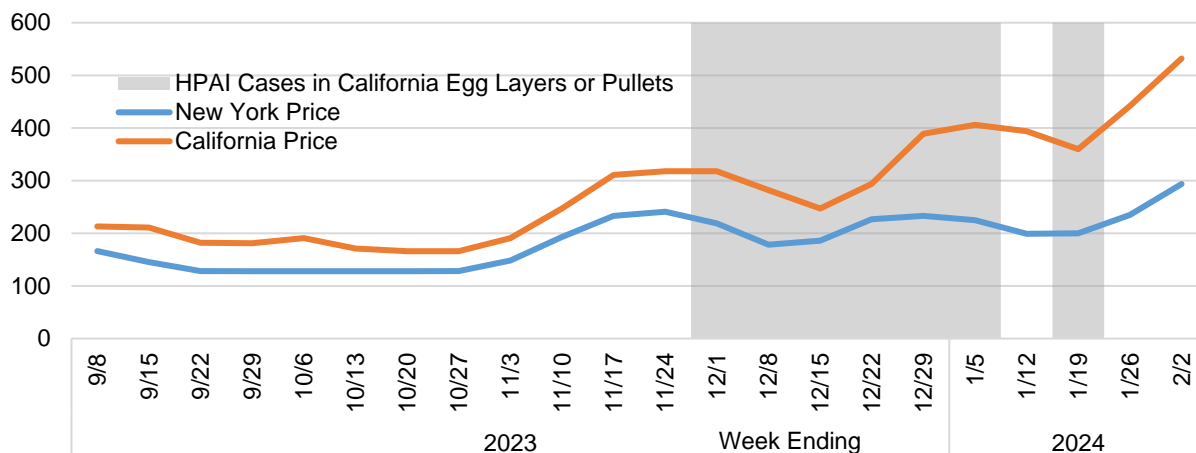
## Egg Prices Adjusted Up in 2024

The daily New York wholesale price for large eggs averaged 224.9 cents per dozen in January. This is down 153 cents from January 2023 but up about 20 cents month-over-month. Daily midpoint New York prices in January bottomed out at 195 cents per dozen, staying there from the 10th through the 16th. After that, prices climbed steeply each day. The midpoint New York price on February 7th was 330 cents per dozen. Following additional cases of HPAI in California, the wholesale benchmark large-egg price for that State has risen even more steeply than the New York price. While conventional eggs for the New York market can be sourced from anywhere, table eggs sold in California are required to be cage free. As of January 2024, cage-

free layers accounted for approximately 39 percent of the national table-egg laying flock. Based on recent data, projected quarterly-average New York egg prices are adjusted up to 260 cents per dozen in the first quarter, 160 cents per dozen in the second quarter, and 145 cents per dozen in the third quarter. With the fourth quarter projection unchanged at 165 cents per dozen, the new 2024 average price projection is 183 cents per pound, about 10 cents less than the 2023 average.

### Weekly average wholesale egg prices, September 4, 2023 through February 2, 2024

Cents per dozen



HPAI = Highly Pathogenic Avian Influenza.

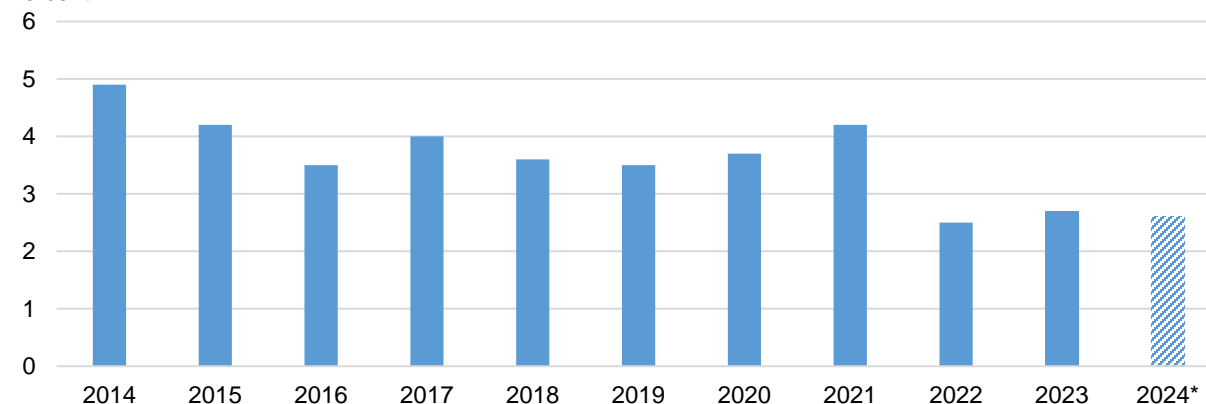
Source: USDA, Animal and Plant Health Inspection Service and USDA, Agricultural Marketing Service.

## Egg Exports Were 2.7 Percent of Production in 2023

Egg and egg product exports in December totaled 24.3 million dozen, shell egg-equivalent. This is an increase of 5.3 million dozen from December 2022, including increases in both shell egg exports (1.2 million dozen) and egg product exports (4.2 million dozen). This makes the 2023 total 250.4 million dozen, an increase of 23.8 million from 2022, representing 2.7 percent of production. Projected egg and egg product exports in 2024 are unchanged at 241 million dozen. This would represent 2.6 percent of projected 2024 production.

### Egg and egg product exports as a share of annual production, 2014-24

Percent



Note: Asterisks indicate projections.

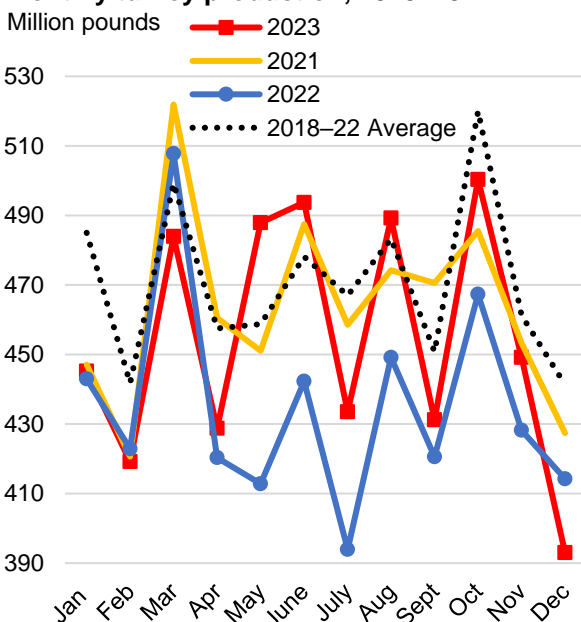
Source: USDA, Economic Research Service calculations using data from the U.S. Department of Commerce, Bureau of the Census, USDA, National Agricultural Statistics Service, and USDA, *World Agricultural Supply and Demand Estimates*.



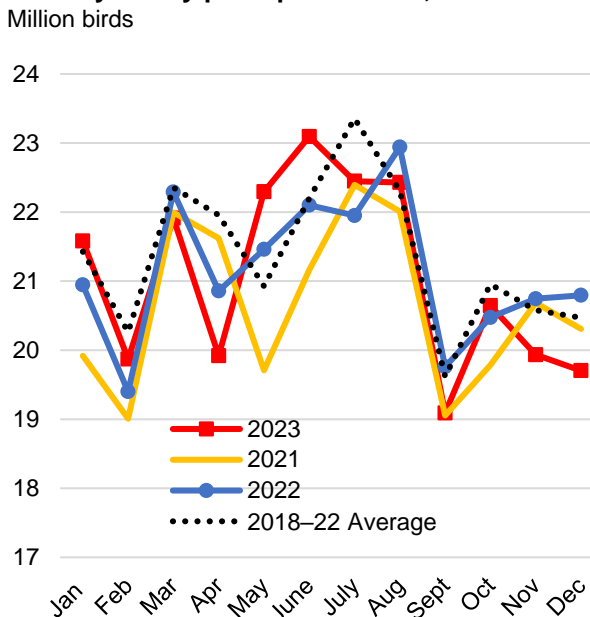
## Projected Turkey Production Adjusted Down For 2024

Turkey production in December totaled 393 million pounds. This is down 5.1 percent from December 2022 and the lowest monthly production in 2023. The decrease is due to 1.6 percent lower average slaughter weights and 2.7 percent lower slaughter numbers compared to a year earlier. The lower slaughter is a reflection of one fewer slaughter day in 2023; on a per day basis, slaughter was 2.2 percent higher. Turkey production for 2023 totaled 5,455 million pounds, an increase of 4.5 percent year-over-year, but still 103 million pounds shy of the 2021 total. While cases of Highly Pathogenic Avian Influenza (HPAI) in commercial meat-turkey flocks have slowed in recent weeks, a total of 54,100 birds were lost in January. Monthly net poults placements in December totaled 19.7 million poults, falling year over year for the second month. With lower preliminary January production estimates and lower late-2023 placement data, the forecasts for production in the first 3 quarters of 2024 are lowered. Production for 2024 is forecast at 5.395 billion pounds, about 1 percent below 2023.

**Monthly turkey production, 2018–23**



**Monthly turkey poult placements, 2018–23**



Source: USDA, National Agricultural Statistics Service.

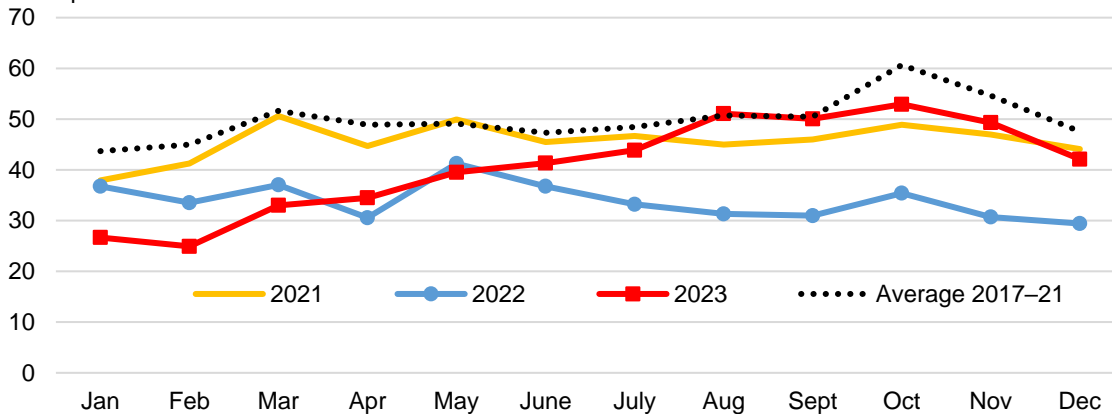
Turkeys in cold storage at the end of December 2023 totaled 244.1 million pounds. This is 54.4 million pounds more than at the end of 2022. Whole hens in cold storage accounted for 35.9 million pounds, an increase of 5 million pounds from the end of 2022. Projected turkey in cold storage at the end of 2024 is unchanged from last month's forecast at 195 million pounds.

## Turkey Exports Adjusted Up in First-Quarter 2024

Turkey exports in December 2023 totaled 42.1 million pounds. This is up 12.7 million pounds from December 2022 but down 7.2 million pounds month over month. For the 2023 calendar year, turkey exports totaled 489.2 million pounds, representing 9 percent of production. In the first quarter of 2024, projected exports are adjusted up by 15 million pounds to 105 million pounds. This reflects strong demand from Mexico and a number of price-sensitive markets. Total exports for 2024 are projected at 515 million pounds, which would represent 9.5 percent of projected production.

### Monthly total turkey meat exports, 2017–23

Million pounds



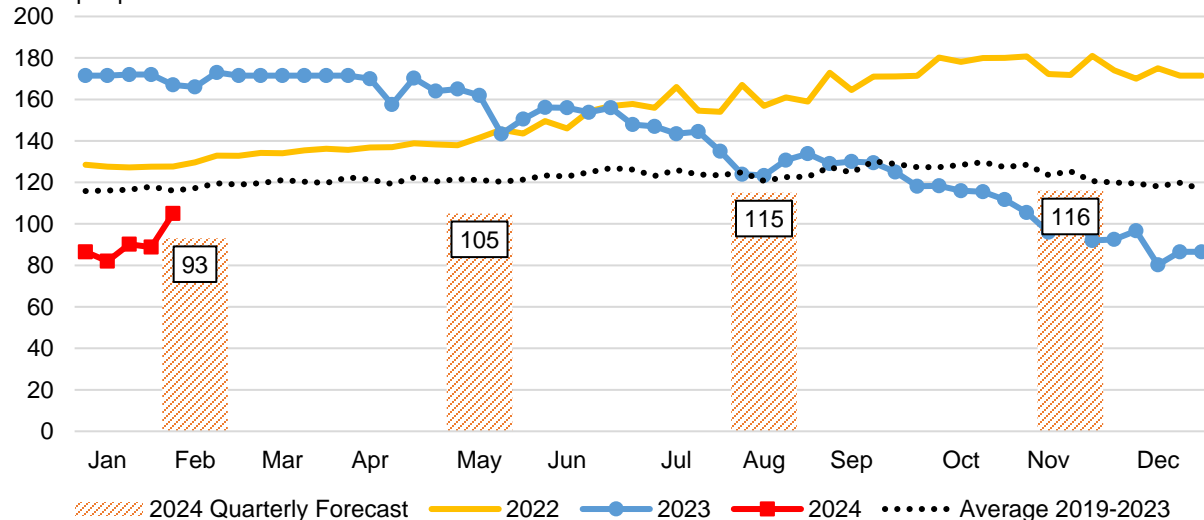
Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

## Turkey Prices Adjusted Down Further in 2024

Weekly average prices for frozen whole hen turkeys in the first 5 weeks of 2024 ranged from 82 cents per pound in the week ending January 12th to 105 cents per pound in the week ending February 2nd. January prices averaged 89.11 cents per pound. Until the week ending February 2nd, prices had not topped 91 cents per pound. Based on recent price data and the expectation that prices will follow a typical seasonal incline through the year, projected prices for 2024 were adjusted down in all four quarters. The first-quarter projected average price was adjusted down to 93 cents per pound, the second quarter to 105 cents, the third quarter to 115 cents, and the fourth quarter to 116 cents per pound. This would result in an annual average price of 107 cents per pound, the lowest since 2020.

### Weekly average wholesale price for frozen whole hen turkeys, 2019–24, and projected quarterly averages for 2024

Cents per pound



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

## Suggested Citation

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## U.S. red meat and poultry forecasts

	2022					2023					2024				
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
<b>Production, million pounds</b>															
Beef	7,023	7,072	7,144	7,052	28,291	6,821	6,710	6,621	6,812	26,963	<b>6,720</b>	<b>6,540</b>	<b>6,495</b>	<b>6,430</b>	<b>26,185</b>
Pork	6,905	6,639	6,534	6,919	26,996	7,071	6,593	6,488	7,149	27,301	<b>7,130</b>	<b>6,625</b>	<b>6,765</b>	<b>7,360</b>	<b>27,880</b>
Lamb and mutton	32	35	33	32	131	33	33	30	33	130	<b>32</b>	<b>32</b>	<b>32</b>	<b>33</b>	<b>129</b>
Broilers	11,170	11,279	11,896	11,861	46,206	11,549	11,545	11,679	11,610	46,383	<b>11,550</b>	<b>11,675</b>	<b>11,850</b>	<b>11,700</b>	<b>46,775</b>
Turkeys	1,374	1,275	1,264	1,310	5,222	1,348	1,410	1,354	1,342	5,455	<b>1,310</b>	<b>1,325</b>	<b>1,360</b>	<b>1,400</b>	<b>5,395</b>
Total red meat and poultry	26,651	26,455	27,035	27,034	107,469	26,976	26,453	26,334	27,095	106,858	<b>26,895</b>	<b>26,355</b>	<b>26,660</b>	<b>27,077</b>	<b>106,986</b>
Table eggs, million dozen	1,998	1,894	1,934	1,956	7,781	1,891	1,959	2,000	2,037	7,887	<b>1,950</b>	<b>1,975</b>	<b>2,015</b>	<b>2,060</b>	<b>8,000</b>
<b>Per capita disappearance, retail pounds 1/</b>															
Beef	15.0	14.7	14.7	14.6	59.1	14.9	14.4	14.3	14.4	58.0	<b>15.0</b>	<b>14.3</b>	<b>14.2</b>	<b>13.9</b>	<b>57.4</b>
Pork	13.1	12.4	12.4	13.1	51.1	13.0	11.9	12.2	13.1	50.2	<b>12.8</b>	<b>11.9</b>	<b>12.4</b>	<b>13.5</b>	<b>50.7</b>
Lamb and mutton	0.3	0.3	0.3	0.3	1.3	0.3	0.3	0.3	0.3	1.1	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>1.1</b>
Broilers	23.8	24.2	25.7	25.1	98.9	24.8	24.7	25.3	24.6	99.4	<b>24.7</b>	<b>25.0</b>	<b>25.4</b>	<b>24.9</b>	<b>100.1</b>
Turkeys	3.4	3.2	3.6	4.3	14.6	3.4	3.6	3.7	4.1	14.8	<b>3.4</b>	<b>3.4</b>	<b>3.6</b>	<b>3.6</b>	<b>14.8</b>
Total red meat and poultry	56.1	55.4	57.3	57.9	226.8	56.8	55.3	56.1	57.1	225.3	<b>56.7</b>	<b>55.3</b>	<b>56.4</b>	<b>57.5</b>	<b>225.9</b>
Eggs, number	71.3	68.2	69.4	70.2	279.0	67.5	69.5	71.4	72.4	280.9	<b>69.3</b>	<b>70.1</b>	<b>71.5</b>	<b>72.8</b>	<b>283.7</b>
<b>Market prices</b>															
Steers 5-area Direct, Total all grades, dollars/cwt	139.25	141.93	143.42	152.99	144.40	160.92	179.02	184.27	177.93	175.54	<b>176.00</b>	<b>180.00</b>	<b>180.00</b>	<b>184.00</b>	<b>180.00</b>
Feeder steers, Medium Frame No. 1, OK City, dollars/cwt	156.04	158.35	172.31	177.06	165.94	183.48	211.49	249.45	230.35	218.69	<b>234.00</b>	<b>242.00</b>	<b>256.00</b>	<b>262.00</b>	<b>248.50</b>
Cows, Live equivalent, Cutter 90% lean, 500 lbs and up, National, dollars/cwt	72.65	83.41	84.01	73.69	78.44	82.91	96.62	103.73	95.83	94.77	<b>105.00</b>	<b>115.00</b>	<b>120.00</b>	<b>120.00</b>	<b>115.00</b>
Choice/Prime slaughter lambs, National, dollars/cwt	225.00	210.33	138.69	124.26	174.57	134.23	161.36	199.74	192.70	172.01	<b>185.00</b>	<b>180.00</b>	<b>170.00</b>	<b>160.00</b>	<b>173.75</b>
Barrows and gilts, National base cost, 51-52% lean, live equivalent, dollars/cwt	65.55	75.58	80.20	63.49	71.21	54.83	56.69	69.27	53.58	58.59	<b>55.00</b>	<b>62.00</b>	<b>66.00</b>	<b>56.00</b>	<b>59.75</b>
Broilers, Wholesale, National composite, weighted average, cents/lb	135.1	167.5	136.1	123.5	140.5	124.5	139.3	115.3	118.5	124.4	<b>128.0</b>	<b>131.0</b>	<b>125.0</b>	<b>125.0</b>	<b>127.3</b>
Turkeys, National 8-16 lb hens, National, cents/lb	131.4	143.9	165.4	177.5	154.5	170.8	156.2	132.5	100.8	140.1	<b>93.0</b>	<b>105.0</b>	<b>115.0</b>	<b>116.0</b>	<b>107.3</b>
Eggs, Grade A large, New York, volume buyers, cents/dozen	170.8	251.6	295.6	411.7	282.4	315.9	135.8	135.8	182.2	192.4	<b>260.0</b>	<b>160.0</b>	<b>145.0</b>	<b>165.0</b>	<b>182.5</b>
<b>U.S. trade, million pounds, carcass-weight equivalent</b>															
Beef and veal exports	843	944	912	846	3,544	779	805	731	723	3,038	<b>720</b>	<b>740</b>	<b>670</b>	<b>655</b>	<b>2,785</b>
Beef and veal imports	985	859	797	750	3,390	956	901	966	904	3,727	<b>1,150</b>	<b>1,000</b>	<b>1,025</b>	<b>950</b>	<b>4,125</b>
Lamb and mutton imports	88	88	93	89	358	79	62	70	74	284	<b>80</b>	<b>70</b>	<b>75</b>	<b>80</b>	<b>305</b>
Pork exports	1,538	1,611	1,514	1,681	6,345	1,668	1,783	1,543	1,824	6,818	<b>1,765</b>	<b>1,785</b>	<b>1,645</b>	<b>1,885</b>	<b>7,080</b>
Pork imports	358	369	317	300	1,344	284	271	284	304	1,143	<b>300</b>	<b>290</b>	<b>295</b>	<b>310</b>	<b>1,195</b>
Broiler exports	1,833	1,803	1,723	1,931	7,290	1,873	1,805	1,752	1,835	7,265	<b>1,825</b>	<b>1,800</b>	<b>1,765</b>	<b>1,825</b>	<b>7,215</b>
Turkey exports	107	109	96	96	407	85	115	145	144	489	<b>105</b>	<b>115</b>	<b>145</b>	<b>150</b>	<b>515</b>
Live swine imports (thousand head)	1,654	1,664	1,602	1,565	6,486	1,671	1,673	1,711	1,692	6,747	<b>1,675</b>	<b>1,690</b>	<b>1,690</b>	<b>1,590</b>	<b>6,645</b>

Note: Forecasts are in bold. cwt=hundredweight.

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

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

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

Updated 2/8/2024

## Dairy forecasts

Years Quarters	2022	2023					2024				
	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thousands)	9,400	9,427	9,416	9,376	9,360	9,395	9,355	9,350	9,350	9,355	9,355
Milk per cow (pounds)	24,087	6,031	6,165	5,981	5,936	24,115	6,115	6,220	6,050	6,010	24,395
<b>Milk production (billion pounds)</b>	226.4	56.9	58.1	56.1	55.6	226.6	57.2	58.2	56.6	56.2	228.2
Farm use	1.0	0.2	0.2	0.3	0.3	1.0	0.2	0.2	0.3	0.3	1.0
Milk marketings	225.4	56.6	57.8	55.8	55.3	225.6	57.0	57.9	56.3	56.0	227.2
<b>Milk-fat (billion pounds milk equiv.)</b>											
Milk marketings	225.4	56.6	57.8	55.8	55.3	225.6	57.0	57.9	56.3	56.0	227.2
Beginning stocks	14.3	14.4	16.6	18.5	16.4	14.4	13.8	15.8	17.2	14.9	13.8
Imports	7.1	1.8	1.8	1.8	2.0	7.4	1.7	1.9	1.9	2.0	7.4
Total supply	246.8	72.8	76.2	76.2	73.7	247.3	72.4	75.6	75.4	72.8	248.3
Exports	13.4	2.7	2.7	2.8	2.4	10.6	2.8	3.0	3.0	2.8	11.7
Ending stocks	14.4	16.6	18.5	16.4	13.8	13.8	15.8	17.2	14.9	12.0	12.0
Domestic use	219.1	53.5	55.0	57.1	57.5	223.0	53.8	55.3	57.5	58.0	224.7
<b>Skim solids (billion pounds milk equiv.)</b>											
Milk marketings	225.4	56.6	57.8	55.8	55.3	225.6	57.0	57.9	56.3	56.0	227.2
Beginning stocks	11.1	11.7	12.4	12.5	11.3	11.7	9.9	10.7	10.5	9.5	9.9
Imports	6.7	1.8	1.4	1.6	1.5	6.3	1.6	1.5	1.5	1.8	6.4
Total supply	243.2	70.1	71.6	69.9	68.1	243.5	68.5	70.1	68.3	67.2	243.5
Exports	52.9	12.6	12.9	12.2	12.3	49.9	12.8	13.6	13.1	12.5	51.9
Ending stocks	11.7	12.4	12.5	11.3	9.9	9.9	10.7	10.5	9.5	9.5	9.5
Domestic use	178.7	45.0	46.3	46.4	45.9	183.7	45.1	46.0	45.8	45.2	182.0
<b>Milk prices (dollars/hundredweight) <sup>1</sup></b>											
All milk	25.34	21.93	19.30	19.37	21.30	20.48	20.35	20.80	20.80	21.90	20.95
Class III	21.96	18.44	16.51	16.45	16.68	17.02	15.80	17.25	17.75	17.50	17.10
Class IV	24.47	19.08	18.10	18.75	20.53	19.12	19.70	20.25	20.45	20.45	20.20
<b>Product prices (dollars/pound) <sup>2</sup></b>											
Cheddar cheese	2.1122	1.8797	1.7033	1.7528	1.7015	1.7593	1.580	1.700	1.750	1.730	1.690
Dry whey	0.6057	0.4186	0.3810	0.2745	0.3732	0.3618	0.450	0.490	0.490	0.480	0.480
Butter	2.8665	2.4338	2.4337	2.6342	2.9662	2.6170	2.690	2.770	2.820	2.800	2.770
Nonfat dry milk	1.6851	1.2717	1.1577	1.1350	1.1781	1.1856	1.215	1.240	1.240	1.250	1.235

Totals may not add due to rounding.

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

<sup>2</sup> Simple averages of monthly prices calculated by the USDA, Agricultural Marketing Service, for use in class price formulas. Product prices are based on weekly USDA *National Dairy Products Sales Report*.

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

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