



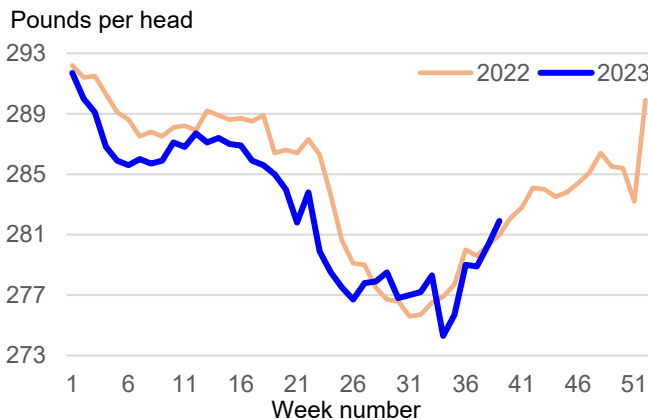
# Livestock, Dairy, and Poultry Outlook: October 2023

## Early 2023 Hog And Cattle Weights Lagged Behind Same-Period Weights of 2022

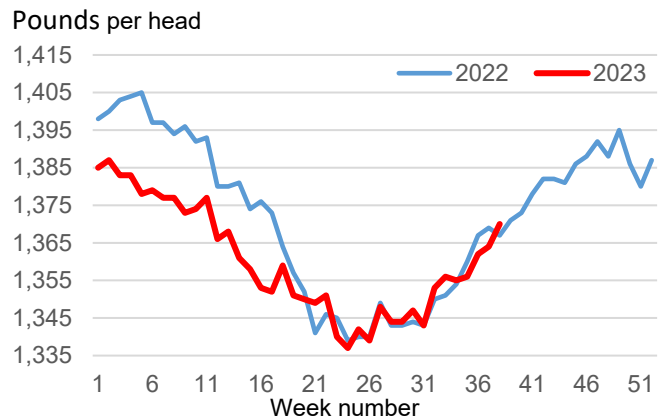
Live weights of both hogs and cattle ran below year-earlier weights for the early part of 2023. Hog live weights averaged 284.9 pounds through the week ending July 8, 2023 (week 27), compared with 287.3 pounds over the same period in 2022, an average difference of 2.41 pounds. Lower weights this year were likely attributable to producer losses derived largely from high feed costs and low hog prices due to weak demand for pork. Live cattle weights averaged 1,370 pounds through May 20, 2023 (week 20), 16.25 pounds less than weights over the same period last year. Lower weights over this period are attributable to numerous factors, among them, more heifers, with lower weights in the slaughter mix due to ongoing drought conditions that discouraged retention of heifers for breeding. In addition, feedlot performance was likely affected by adverse weather conditions early in 2023, resulting in lower rates of gain. Hog weights largely achieved year-earlier levels in mid-July due primarily to lower feed costs and stronger pork demand. Beginning in mid-May, average cattle weights averaged near 2023 levels, likely as feed costs declined and feedlot performance improved.

Hogs, weekly live weights, 2022–September 2023

Cattle, weekly live weights, 2022-September 2023



Source: USDA, Agricultural Marketing Service.



Source: USDA, Agricultural Marketing Service.

## Summary

**Beef/Cattle:** The production outlook is raised slightly from last month, while price forecasts are lowered. Second-half 2023 production is forecast to increase from last month, raising the annual forecast to 26.976 billion pounds. This is based on higher-expected cow slaughter for the rest of the year that more than offsets a slower-than-expected pace of fed cattle marketing in the third quarter. The outlook for 2024 production is raised to 25.275 billion pounds on an anticipated increase in fed cattle marketings that more than offset a slight pullback on expected weights in the first half of the year. Cattle price forecasts for 2023 and 2024 are lower on recent price data and lower packer margins. Based on August trade data, U.S. beef imports are raised in second-half 2023 and in 2024. However, beef exports are projected to decline further in 2023 and 2024 than forecast last month on stronger competition for Asian markets.

**Sheep/Lamb:** Forecast imports for the last two quarters of 2023 are 15 million pounds lower than the forecasts in the September report. The annual lamb and mutton import forecast for 2024 is 10 million pounds lower. Price forecasts for the fourth quarter of 2023 and all of 2024 have been increased by \$10 per hundredweight (cwt) due to high lamb prices in the third quarter of 2023.

**Dairy:** The all-milk price forecasts for 2023 and 2024 have been raised to \$20.70 and \$20.55 per cwt, respectively, due to higher forecasts for butter and NDM prices. The wholesale cheese price forecasts are lowered for 2023 and 2024 due to large stocks, while dry whey price forecasts remained unchanged. The milk production forecast for 2023 has been raised from last month on expectations of slightly improved cow productivity, while the forecast for 2024 is unchanged. Export forecasts for 2023 and 2024 are reduced due to soft demand from international markets and competitive international prices.

**Pork/Hogs:** USDA's September *Quarterly Hogs and Pigs* reported a small increase in market hogs, a modest decline in the breeding inventory, and across-the-board reductions in farrowings—both actual (June–August) and producers' intentions for September–November and December–February. The June–August litter rate was record high at 11.61 pigs per litter. New information from the September report suggests that 2023 hog prices will likely average about \$60 per hundredweight (cwt) this year on a total pork production increase of about 1.1 percent. In 2024, hog prices are forecast to average about \$61 per cwt on a total pork production increase of 2.2 percent.

**Poultry/Eggs:** Projected broiler production is adjusted down in this year and next based on recent production and hatchery data. Exports are adjusted up in 2023 based on recent data, but pulled down in 2024 to reflect lower expected production. Broiler import projections are adjusted up slightly on the strength of shipments from Chile. Broiler prices are adjusted up in the fourth quarter of 2023 and in 2024. Total table egg production in 2023 is unchanged, while 2024 production is adjusted up slightly. Projected hatching-egg production is reduced on lowered broiler production expectations. Wholesale prices for eggs are adjusted down in 2023 and 2024 on recent data. Expectations for both imports and exports of eggs and egg products are also lowered on recent data. Turkey production projections are reduced from last month on lower weights and recent placement data. Projected imports are lowered in 2023. Projected turkey exports are increased in 2023 and 2024 on the strength of recent shipments. Projected turkey prices are adjusted down in 2023 and 2024 on recent price trends.

# Beef/Cattle

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Russell Knight and Hannah Taylor

## Higher Feedlot Placements Raise 2024 Marketings Outlook

The latest *Cattle on Feed* report, published by USDA, National Agricultural Statistics Service (NASS) estimated the September 1 feedlot inventory at 11.094 million head, over 2 percent below 11.342 million head in the same month last year. Feedlot net placements<sup>1</sup> in August were 5 percent lower year over year at 1.948 million head, which was above industry expectations. Marketings in August tallied 1.884 million head, down about 6 percent year over year. The year-over-year decline in marketings was largely expected with tighter cattle supplies. However, packers continued to curb the pace of fed cattle slaughter into September at a lower volume than previously considered.

Based on placement data for July and August, along with weekly receipts from the USDA, Agricultural Marketing Service report *National Feeder and Stocker Cattle Summary*, expectations for third-quarter 2023 placements are raised from last month. Most of these placements are expected to come from those previously anticipated in the fourth quarter. Further, anticipated placements in first-half 2024 are raised. This assumption of feedlot demand and availability of feeder calves results in a net increase of anticipated fed cattle marketings next year.

Reflecting official and estimated slaughter data through the end of September, production in the third quarter of 2023 is adjusted 25 million pounds lower. However, the outlook for fourth-quarter 2023 is raised 60 million pounds as higher cow and bull slaughter will more than offset a slight decline in expected average carcass weights. In total, the 2023 beef production forecast is adjusted slightly upward by 35 million from last month at 26.976 billion pounds.

Projections for next year reflect adjustments in feeder calf placements in late 2023 and early 2024, which imply higher anticipated fed cattle marketings in 2024. Higher cow slaughter is expected in first-quarter 2024, offsetting a reduction in the second half of next year. Bull slaughter was also adjusted higher in the first three quarters. Finally, anticipated carcass weights were lowered in early 2024. Overall, the changes from last month show an increase in anticipated fed cattle marketings and bull slaughter that more than offset lower weights. As a result, the 2024 beef production forecast is raised 110 million pounds from last month at 25.275 billion pounds.

## Cattle Prices Lower on Weaker Demand

In September, the weighted-average price for feeder steers weighing 750–800 pounds at the Oklahoma City National Stockyards was \$255.39 per hundredweight (cwt). This was an increase of \$6.65 from August and nearly \$82 higher than September 2022. In the first two sales in October, feeder steers were steady at about \$250.50 per cwt, but on October 16, feeder steer prices dropped to \$242.83 per cwt. The pullback in prices is reflected in a lowered fourth-quarter price forecast of \$254.00 per cwt. The outlook for 2024 feeder steer prices was unchanged from last month at \$254 per cwt.

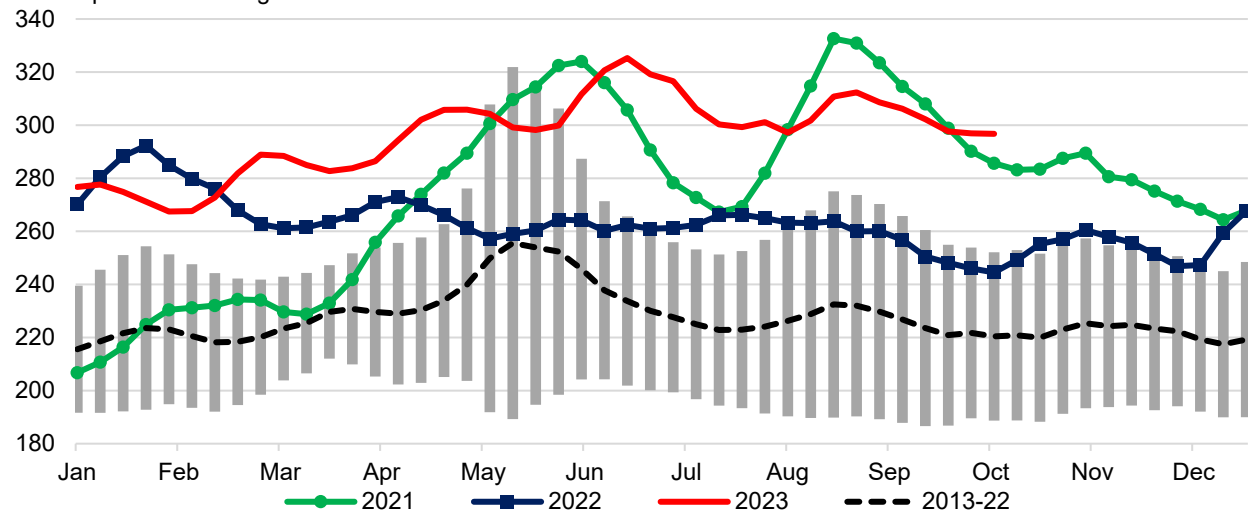
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<sup>1</sup> Net placements are placements minus other disappearance.

As the chart above shows, the national comprehensive boxed beef cutout values<sup>2</sup> have declined seasonally from the recent high quoted the week ending September 1 from \$312.36 down to \$296.75 per cwt for the week ending October 13. However, prices remain well above last year and about \$11 above the record set in 2021. There is a typical holiday boost in November, but prices are expected to keep a relatively flat trajectory through the end of the year.

### Weekly comprehensive beef cutout values set new record for October

Dollars per hundredweight



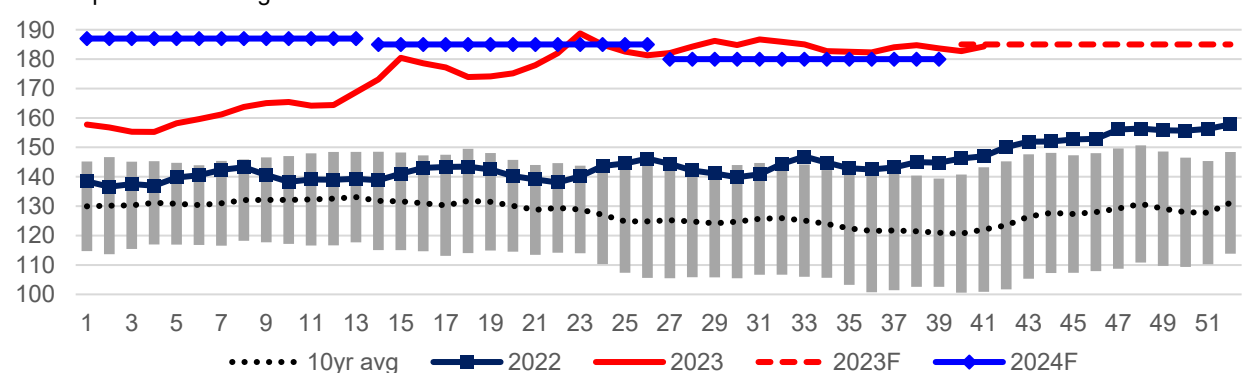
Note: Error bars represent one standard deviation from the 10-year average.

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

The September average price for fed steers in the 5-area marketing region was \$183.71 per cwt, relatively steady since June but nearly \$40 higher year over year. Packers' margins have declined since early September as the boxed beef prices fell and fed cattle prices remained relatively flat, as shown in the chart below. Cattle prices are expected to increase through the end of the year, but less than previously anticipated as expected weak packer margins will likely limit much upside to cattle prices. As a result, the fed steer price forecast for fourth-quarter 2023 is lowered \$5 to \$185.00 per cwt. Lower price expectations were carried through to first-half 2024 as the first two quarters were lowered \$1 each for an annual average of \$185.00 per cwt.

### Weekly 5-area fed steer prices remain in tight selling range

Dollars per hundredweight



Note: Error bars represent one standard deviation from the 10-year average.

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

<sup>2</sup> USDA, Agricultural Marketing Service report LM\_XB463.

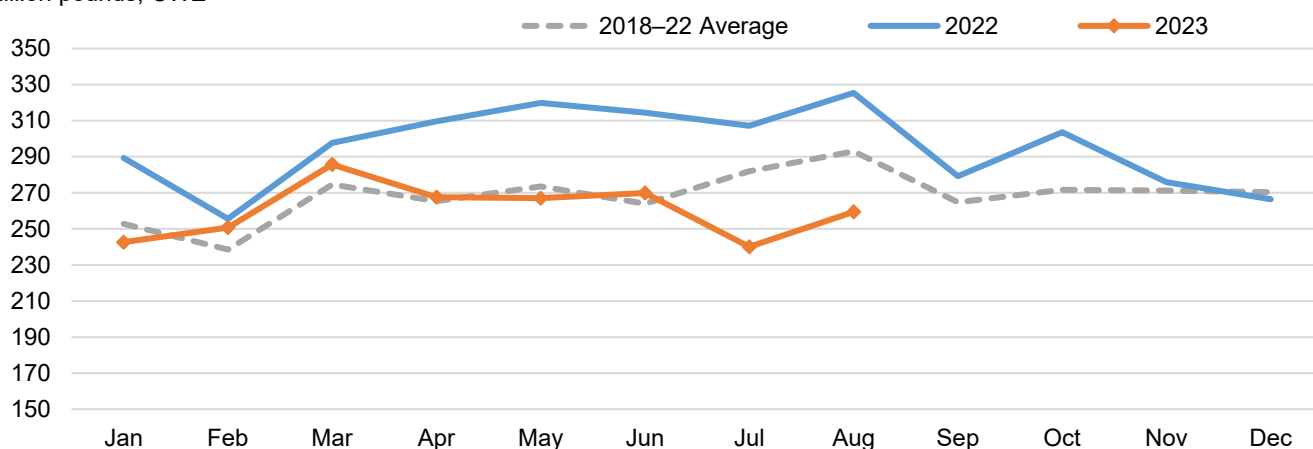
## Widening Gap Between Current- and Previous-Year Exports

U.S. beef exports in August were 259 million pounds, a year-over-year decrease of 20 percent and more than 11 percent lower than the 5-year average. For the month of August, exports were the lowest since 2016. Exports to nearly all major destinations for U.S. beef were lower year over year, with the exception of Mexico. The largest decrease was in exports to China, down more than 27 million pounds, or 39 percent, from 2022. Exports to South Korea and Japan were also lower year over year, down 23 and 20 percent, respectively.

The chart below compares monthly exports this year with year-ago and 5-year average levels. Exports have been consistently lower than last year, with the gap widening significantly starting in April. Last year was a record year for exports; with higher U.S. beef production for much of the year, strong global beef demand, and limited exportable supplies from Oceania, U.S. beef exports saw a surge in demand. Therefore this year's exports are likely to look smaller compared to a record-setting year. When compared to the 5-year average, exports were close or even slightly higher than average through June, but in July and August exports dropped well below the average. Year-to-date exports are only 3 percent behind the 5-year average even though they are 14 percent lower year over year.

### Monthly U.S. beef exports

Million pounds, CWE



Note: CWE = Carcass weight equivalent.

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

Year-to-date exports are shown in the table below. South Korea remains the top destination for U.S. beef, though Japan is not far behind. Cumulative exports to Mexico are higher than last year, while exports to Canada are even year over year. Based on the current pace of exports and lower expected demand from Asia, expectations for exports in the third and fourth quarter are each lowered 10 million pounds to 730 and 720 million, respectively. The annual export forecast is 3.034 billion pounds, a year-over-year decrease of more than 14 percent. The expectation of weaker global demand and decreased price competitiveness of U.S. beef is carried into 2024, and the annual forecast is lowered 55 million pounds to 2.845 billion pounds. This would be a year-over-year decrease of 6 percent and the lowest level of annual exports since 2016.

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

Country	August 2023 exports	Year-to-date exports				Share of YTD exports, percent	
		2022	2023	Year-over-year volume change	Year-over-year percent change	2022	2023
<b>South Korea</b>	52.4	552.1	464.3	-87.7	-16	23	22
<b>Japan</b>	55.9	560.2	448.8	-111.4	-20	23	22
<b>China</b>	43.1	439.4	348.5	-90.9	-21	18	17
<b>Mexico</b>	29.4	176.6	204.4	27.8	16	7	10
<b>Canada</b>	23.7	184.6	184.6	0.0	0	8	9
<b>Taiwan</b>	17.3	146.9	137.8	-9.1	-6	6	7
<b>ROW</b>	37.6	359.4	294.8	-64.6	-18	15	14
<b>Total</b>	259.5	2419.1	2083.2	-335.9	-14		

Note: Volumes are in million pounds, carcass weight equivalent. The rating of the top six countries shown here is based on 2023 year-to-date exports; YTD = year-to-date; ROW = rest of world.

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

The USDA Foreign Agricultural Service released its quarterly *Livestock and Poultry: World Markets and Trade* report on October 12th. This was the first report including world production, supply, and distribution forecasts for 2024. Although U.S. beef production is estimated to fall 6 percent into 2024, the United States is expected to remain the largest producer of beef in the world. However, it is forecast to be only the fourth-largest exporter of beef in 2024, behind Brazil, Australia, and India.<sup>3</sup> Australian beef is considered to be one of the biggest competitors for U.S. beef on the global market; total beef exports from Australia are forecast to increase 5 percent in 2024. Beef exports from Brazil are expected to increase 4 percent.

The top beef importing countries in the world (aside from the United States) include China, Japan, and South Korea, which—as shown in the chart above—are the top three destinations for U.S. beef and account for over 60 percent of U.S. beef exports through August 2023. China's total beef imports are forecast to fall in 2024, while South Korea's are up slightly, and Japan's imports are unchanged into 2024. The outlook for global imports and exports suggests that in 2024 U.S. beef exports may face decreased demand, especially from China, and increased competition from Australia.

## Beef Imports Continue on Faster Pace; Import Forecast Raised

U.S. beef imports in August were 336 million pounds, a year-over-year increase of 24 percent. This was the second-highest import level for the month of August, behind 2020. Monthly imports from Australia were more than double last year and imports from New Zealand were nearly double year over year. Imports from Brazil and Canada were also up slightly from last year, but imports from Mexico decreased 14 percent year over year.

<sup>3</sup> Indian exports are carabeef (water buffalo).

Year-to-date imports are shown in the table below. Brazil has moved down to the fifth-largest supplier of beef to the United States, as cumulative imports from Australia have outpaced imports from Brazil for the first time since 2021. The share of imports from Australia has increased to 15 percent, while the share of imports from New Zealand has increased to 16 percent. Imports from Oceania through August this year are more than 200 million pounds higher year over year. This increase is only partially offset by decreased imports from Mexico and Brazil. Total year-to-date imports are about 5 percent higher year over year.

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

Country	August 2023 imports	Year-to-date imports				Share of YTD imports, percent	
		2022	2023	Year-over-year volume change	Year-over-year percent change	2022	2023
<b>Canada</b>	85.4	624.6	638.6	14.0	2	26	25
<b>Mexico</b>	53.9	514.4	457.2	-57.2	-11	22	18
<b>New Zealand</b>	55.6	307.3	401.0	93.7	30	13	16
<b>Australia</b>	69.6	259.6	374.1	114.5	44	11	15
<b>Brazil</b>	25.5	390.7	349.8	-40.9	-10	16	14
<b>ROW</b>	45.6	285.8	290.3	4.4	2	12	12
<b>Total</b>	335.6	2382.4	2510.9	128.5	5		

Note: Volumes are in million pounds, carcass weight equivalent. The rating of the top five countries shown here is based on 2023 year-to-date imports; YTD = year-to-date; ROW = rest of world.

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

Due to recent data and a faster expected pace of imports, the third-quarter imports are expected to be 50 million pounds higher than forecast last month, totaling 960 million. The fourth-quarter forecast is raised 20 million pounds to 800 million. The annual forecast for 2023 is 3.617 billion pounds. The annual forecast for 2024 is raised 60 million pounds to 3.650 to maintain a forecast year-over-year increase of about 1 percent.



# Lamb/Sheep

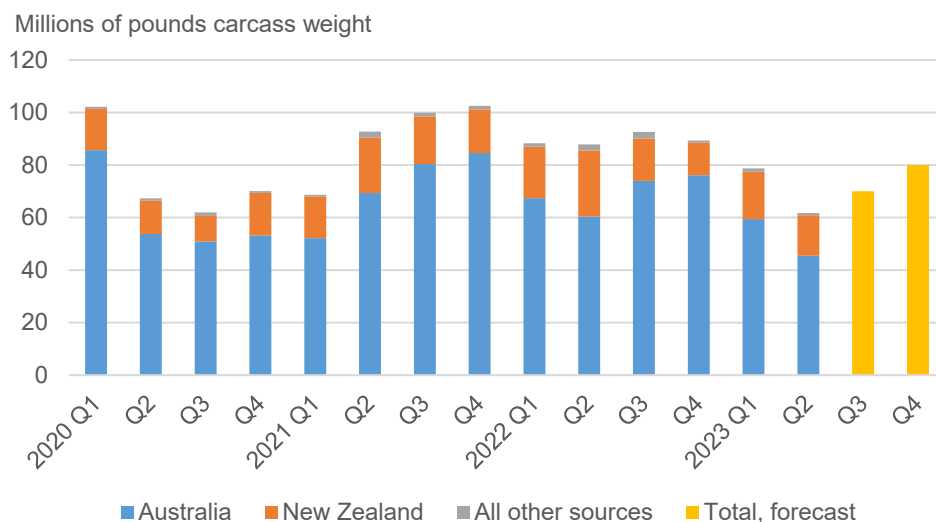
William Hahn

## Changes to Lamb and Sheep Forecasts

Australia is the largest source for U.S. lamb imports, with New Zealand the second most important source. Australia supplies between 70 to 85 percent of U.S. lamb and mutton imports; New Zealand supplies the bulk of the remaining U.S. imports. All other countries supply less than 5 percent.

Australia has had several years of good weather and has been expanding both its production of lamb and mutton and its exports. New Zealand lamb production has been declining in recent years. Much of the decline has been attributed to sheep pasture being shifted to other uses. Despite the increases in Australian production and exports, U.S. imports from Australia have been declining over the past year. Some Australian analysts expect further declines in their exports to the United States over the near term.

### Quarterly lamb and mutton imports by source, with projections for the end of 2023



Source: USDA, Economic Research Service livestock international data and World Agricultural Outlook Board forecasts.

The chart above shows quarterly lamb and mutton imports by sources since 2020, with projections for the last two quarters of 2023 for total imports. (The forecasts do not break out imports by source). The 2023 third quarter imports are expected to be 70 million pounds 5 million pounds lower than the forecast in the last report. The 2024 annual forecast is 360 million pounds, 10 million pounds lower than the forecast last month.

The third quarter 2023 lamb and mutton production is expected to have been 30 million pounds, 1 million higher than the forecast in last month's report. The average lamb price for the third quarter of 2023 is \$199.74 per hundredweight (cwt); last month's forecast for this price was \$185 per cwt. Lamb price forecasts this month for quarter 4 2023 and all the quarters of 2024 have been raised by \$10 per cwt.



# Dairy

Adriana Valcu-Lisman and Angel Terán

## Recent Developments in U.S. Dairy Product Wholesale Prices

The wholesale prices for dairy products reported in the USDA *National Dairy Products Sales Report* (NDPSR) had mixed changes from the week ending September 9 to the week ending October 7, 2023. The price for butter, dry whey, and nonfat dry milk (NDM) increased by 42.05, 1.97, and 0.54 cents per pound respectively. The price for 500-pound Cheddar cheese barrels (adjusted to 38-percent moisture) and 40-pound blocks of Cheddar cheese decreased by 22.37 and 12.86 cents per pound, respectively.

### Dairy products wholesale prices

Dollars per pound

	For the week ending		Change
	September 9	October 7	
Butter	2.6704	3.0909	0.4205
Cheddar cheese			
40-pound blocks	2.0105	1.8819	-0.1286
500-pound barrels *	1.8815	1.6578	-0.2237
Nonfat dry milk	1.1351	1.1405	0.0054
Dry whey	0.2855	0.3052	0.0197

\* Adjusted to 38-percent moisture.

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

At the Chicago Mercantile Exchange (CME), the average spot price for butter was \$3.4430 per pound during the trading week ending October 13th, a record high in the trading history. During the same week, the average spot prices for Cheddar cheese 500-pound barrels and 40-pound blocks averaged \$1.6190 and \$1.7015 per pound, respectively. CME spot prices for NDM and dry whey averaged \$1.2050 and \$0.3185 per pound, respectively.

As reported by the USDA *Dairy Market News (DMN)*, most dairy product export prices for Oceania and Europe declined in September from August levels. The declines in European prices for butter and skim milk powder were likely due in part to modest year-over-year gains in European milk production. However, firmer butter prices for Oceania were likely the result of lower year-over-year milk production in New Zealand in June through August. There are also concerns about how the quality of fields conditions entering the spring season will impact near-term milk production in New Zealand.

## Dairy product export prices for Oceania and Europe

Dollars per pound

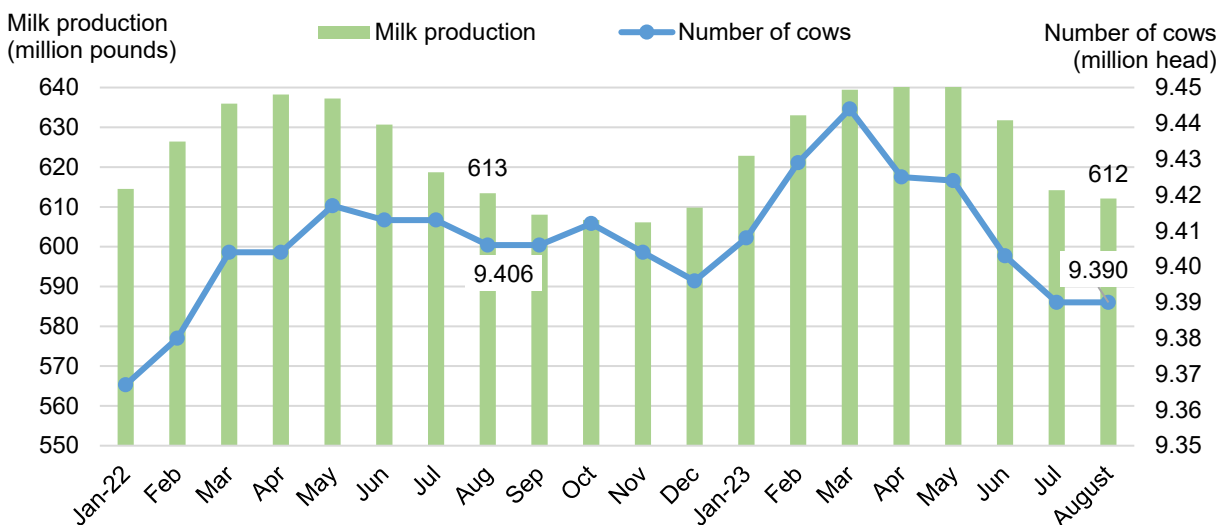
Product	Region	August 2023	September 2023	Change
Butter	Oceania	2.105	2.138	0.034
	Western Europe	2.263	2.183	-0.080
Cheddar cheese	Oceania	1.880	1.875	-0.005
Skim milk powder	Oceania	1.091	1.059	-0.032
	Western Europe	1.126	1.098	-0.028
Dry whey	Western Europe	0.336	0.345	0.010

Source: USDA, Economic Research Service (ERS) calculation using information from USDA, Agricultural Marketing Service, *Dairy Market News*, October 6, 2023.

## Recent Dairy Supply and Use Data

According to the USDA's National Agricultural Statistics Service (NASS), the milking cow herd was estimated at 9.390 million head in August, down 16,000 head from August 2022 but steady from the previous month. The average milk production per cow was 2,021 pounds in August 2023, about 1 pound less than August 2022. High temperatures in much of the country were relentless through August, although most of the resulting yield reductions were in the Western States, while dairy production in the rest of major production States registered year-over-year yield improvements. Overall, U.S. milk production in August was estimated at 18.975 billion pounds (612 million pound per day), 0.2 percent lower than August 2022.

### Milk production per day and number of dairy cows

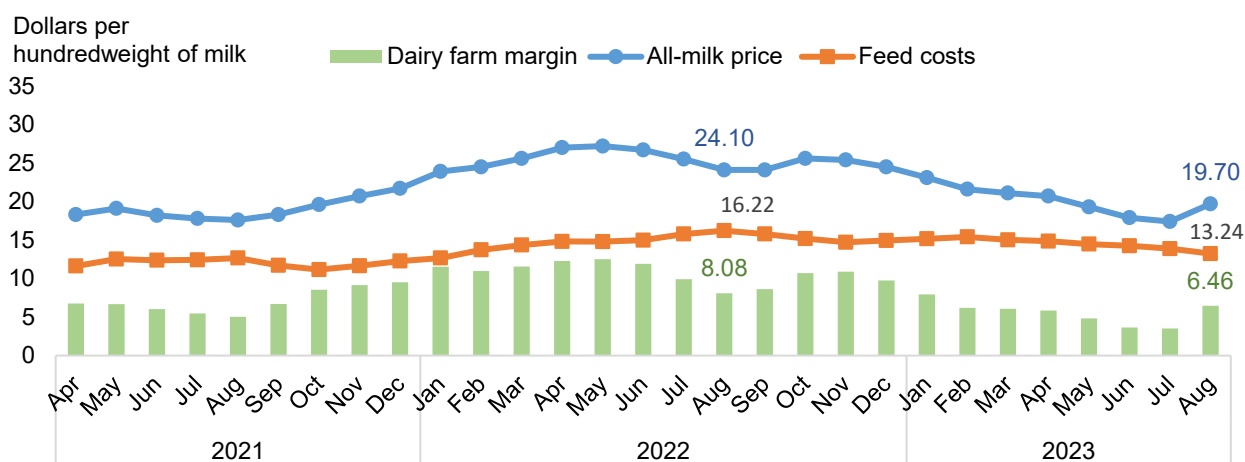


Source: USDA, Economic Research Service calculations using information from USDA, National Agricultural Statistics Service.

The costs of the main feed components continued to ease in August. According to the most recent NASS *Agricultural Prices* report, in August the corn price was \$5.73 per bushel, \$1.51 down from 2022, and alfalfa hay was \$230.0 per short ton, \$46.0 dollars lower than last August. During the same period, the soybean meal price (reported by USDA, Agricultural Marketing Service) averaged \$438.8 per short ton, down \$72.1 from August 2022. The all-milk price in August averaged \$19.70 per hundredweight (cwt), down \$4.40 from August 2022 but up \$2.30 from July. With lower estimated feed costs and higher all-milk prices, the milk-feed ratio reported by NASS was estimated at 1.67 in August, only 0.02 points down from August 2022 but up 0.29 points from the previous month.

The farm milk margin above feed costs reported by the Dairy Margin Coverage program was estimated at \$6.46 per cwt, \$2.94 higher than last month. While the August margin was the highest since January and above the catastrophic level, it was still well below the \$9.50 threshold that triggers payments for dairy producers who choose the highest levels of coverage.

### All-milk price versus feeding costs



Source: USDA, Economic Research Service using information from USDA, Farm Service Agency, Dairy Margin Coverage Program (Feed costs and Dairy farm margin), and USDA, National Agricultural Statistics Service (All-milk price).

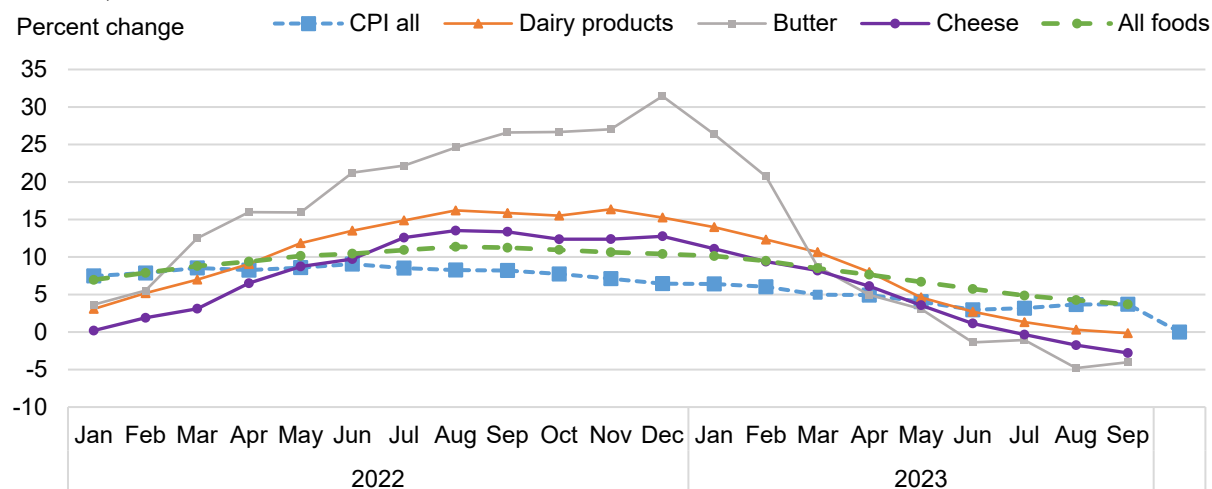
U.S. dairy exports continued their year-over-year decline in August. Year-over-year higher August exports to Mexico, Australia, New Zealand, and Japan were more than offset by year-over-year lower exports to Canada, China, and other Asian markets. On a milk-fat milk-equivalent basis, August dairy exports totaled 925.7 million pounds, 312.7 million pounds less than last August due to lower exports across most dairy products. Driven by lower exports of dry whey and whey-protein products and lactose, August dairy exports on a skim-solids milk-equivalent basis totaled 4,223.6 million pounds, 420.9 million pounds less than last year.

August total imports of dairy products were year-over-year lower on a fat basis but higher on a skim-solids basis. On a milk-fat basis, August imports totaled 615.1 million pounds, 4.0 million lower than last year. On a skim-solids basis, August imports were 576.5 million pounds, 48.4 million year-over-year higher. August imports of butter and butterfat products were year-over-year lower, while imports of cheese and milk protein concentrate were year-over-year higher in August.

The September measurement of inflation shows that overall price pressures continue to exist, especially when measured for all foods. However, starting in the early summer months, these pressures—as measured by percentage changes in the Consumer Price Index—eased for certain dairy products: butter (starting in June), cheese (starting in July), and all dairy products (in September). The ease in inflationary pressure for dairy products has likely been a factor

supporting higher domestic use. Domestic use of butter, American Cheese, dry whey, whey protein concentrate, and lactose was year-over-year higher over the summer months (June to August), while the domestic use for Other-than American cheese and dry skim milk was year-over-year lower. Overall, June through August domestic use on a milk-fat basis was slightly over 2 percent higher year over year, while domestic use on a skim-solids basis was about 4 percent higher.

### Percentage change in the Consumer Price Index (CPI): CPI all , all dairy products, butter, and cheese, and all foods



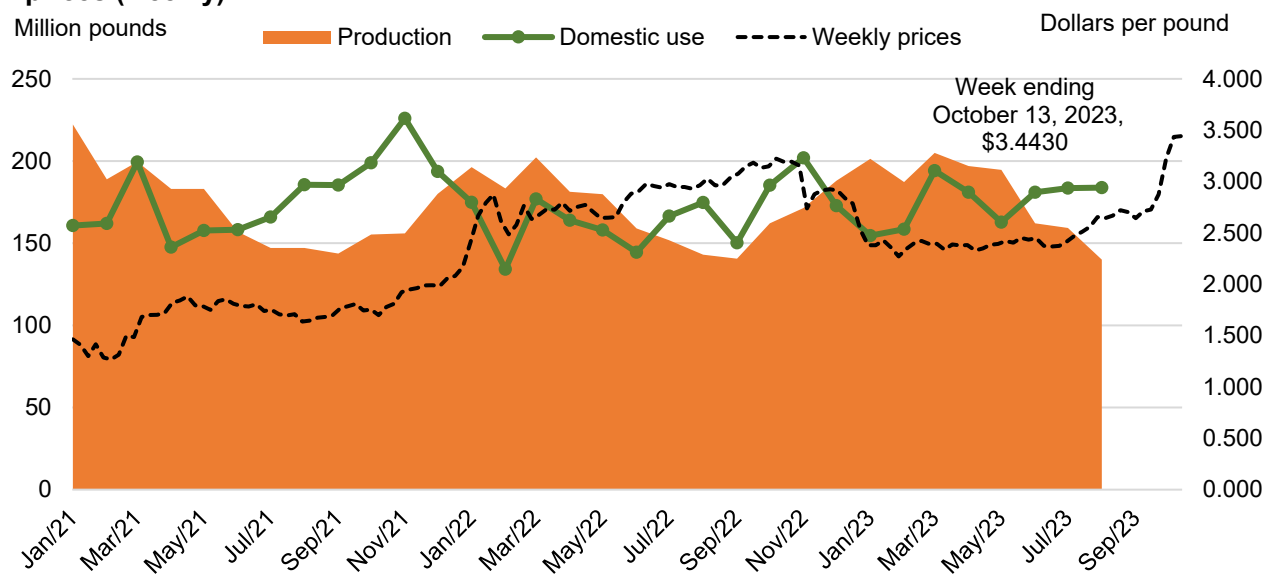
Source: USDA, Economic Research Service using data from U.S. Department of Labor, Bureau of Labor Statistics.

## Discussion: Record-High Butter Prices

For the week ending October 13, CME spot butter prices averaged \$3.4430 per pound, a record high in trading history. In the early fall, butter prices tend to rise as buyers typically stock up in preparation for the holiday season. However, the recent surge in prices was much higher than typical for this time of year. Lower butter production in August, strong consumer demand, and relatively weak imports through the summer months contributed to lower butter stocks for the fall season.

After trending year-over-year higher for 7 months, August butter production was about 140 million pounds lower than in August 2022 (down about 3 percent), the lowest level since September 2018. In addition to low milk supplies, lower butter production may reflect increased use of cream in manufacturing other products. For example, ice cream production (regular, hard) totaled 66.2 million gallons in August, up 1.1 percent from previous year, likely reflecting a response to higher temperatures. Domestic use of butter has been trending year-over-year higher since February. Year-to-date domestic use was about 8.2 percent higher than last year, while production and imports increased by only about 4 percent. August imports were about 2 percent year-over-year lower. With relatively low production, low imports, and high domestic use, butter stocks at the end of August were 40 million pounds lower than at the beginning of the month, a higher-than-average drop for August.

## Butter production and domestic use (monthly) and Chicago Mercantile Exchange spot prices (weekly)



Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service and Chicago Mercantile Exchange Group.

## Dairy Forecasts for 2023

Based on recent milk production information, the forecast for the average number of milk cows in 2023 is unchanged from last month's forecast of 9.405 million head. However, the yield per cow is increased by 15 pounds to 24,200 pounds of milk per head. With higher productivity per cow, the milk production forecast for 2023 is projected at 227.6 billion pounds, 0.1 billion higher than the previous month's projection.

Due to expected soft demand from the international market and competitive international prices from major dairy exporting regions, lower U.S. dairy export volumes are projected for the rest of 2023 compared to the previous month's projections. The forecast for 2023 dairy exports on a milk-fat basis are adjusted to 11.0 billion pounds, 0.1 billion lower. On a skim-solids basis, 2023 exports are forecast at 49.5 billion pounds, down 0.5 billion. Lower shipments of butter, NDM, and dry whey are expected for the rest of 2023.

For 2023, dairy import forecasts remained unchanged from the previous month's projection at 7.4 billion pounds, on a milk-fat basis. On a skim-solids basis, 2023 dairy imports were adjusted higher to 6.7 billion pounds, up 0.1 billion due to higher expected imports of milk protein concentrates.

Domestic use of dairy products in 2023 is projected to be higher than forecast last month as domestic consumption is expected to continue strong for the rest of 2023. On a milk-fat basis, the annual forecast for 2023 domestic use is 222.9 billion pounds, up 0.3 billion. The domestic use forecast on a skim-solids basis for 2023 is 183.4 billion pounds, up 0.8 billion.

Based on recent downward trends in cheese prices and large supplies, the 2023 price forecast for cheese is lowered to \$1.770 (-4.0 cents) per pound. Meanwhile, the wholesale price for butter is adjusted to \$2.660 (+12.0 cents) per pound due to recent record highs in spot butter prices, supported by strong domestic demand and tight supplies. The price forecast for NDM was also adjusted higher to \$1.175 per pound (+1.5 cents), while the price of dry whey was unchanged at \$0.345 per pound.

Due to lower cheese prices, the Class III milk price forecast for 2023 is \$17.05 per hundredweight (cwt), down \$0.30 from the previous month's forecast. With higher prices for butter and NDM, the Class IV milk price projection is adjusted to \$19.25 per cwt, up \$0.65. The all-milk price forecast for 2023 is \$20.70 per cwt, an increase of \$0.30.

## Dairy Forecasts for 2024

This month's forecast for 2024 milk production is unchanged from the previous forecast at 230.4 billion pounds, with dairy cows and yield per cow expected to remain at 9.385 million head and 24,560 pounds per cow, respectively.

Dairy exports are expected to decline in 2024. The export forecast for 2024 on a milk-fat basis is 12.0 billion pounds, 0.1 billion lower. On a skim-solids basis, 2024 dairy exports are projected to total 52.9 billion pounds, 0.1 billion lower. In 2024, lower exports are expected for butter due to higher domestic prices, while shipments for dry whey are expected to be lower due to international competitive pressure, mainly from Oceania.

On a milk-fat basis, 2024 dairy import forecasts are raised by 0.1 billion pounds to 7.5 billion pounds, driven by expected stronger imports of butter. On a skim-solids basis, dairy imports are lowered by 0.1 from last month's forecast to 6.1 billion pounds. Exports for cheese and milk protein concentrate are expected to be lower in 2024.

On a milk-fat basis, the domestic use forecast for 2024 is increased by 0.1 billion to 224.8 billion pounds. However, on a milk-equivalent skim-solids basis, the forecast for domestic use is lowered by 0.2 billion to 183.1 billion pounds.

The lower forecast for the wholesale cheese price in the last quarter of 2023 is expected to carry into next year, with the 2024 annual price adjusted downward to \$1.805 (-4.0 cents) per pound. The 2024 price for butter is adjusted to 2.655 (+10.5 cents) per pound. The dry whey price forecast is unchanged at \$0.315 per pound, and the NDM price forecast is adjusted to \$1.130 (+4.0 cents) per pound.

Compared to the previous month's projection, the Class III milk price forecast for 2024 is adjusted down 35 cents to \$17.20 per cwt. The Class IV milk price projection for 2024 is \$18.80 per cwt, 80 cents higher. The all-milk price forecast for 2024 is \$20.55 per cwt, an increase of 25 cents.

# Pork/Hogs

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Mildred Haley

## September *Quarterly Hogs and Pigs* Indicates More Market Hogs, Fewer Breeding Animals

USDA released its September *Quarterly Hogs and Pigs* report on September 28, 2023. To place the report in context, most of 2023 has been characterized by negative producer returns due to relatively high input costs, weak demand for pork, an uncertain macroeconomy, and mounting State regulatory environments with effects that go beyond the States that create them. Most pertinent for hog producers may be that prices of January through August live equivalent 51-52 percent lean hogs averaged year-over-year lower. Moreover, to the extent that Iowa State University's Estimated Livestock Returns are generally representative of hog producers' costs, projected USDA live equivalent 51-52 percent lean hog prices—published in the October *World Agricultural Supply and Demand Estimates*—suggest that break-even costs are not likely to be covered until the spring of 2024. In this context, the *Quarterly Hogs and Pigs* did report a modest reduction in the inventory of breeding animals: down 1.2 percent from a year ago. Farrowings, on the other hand, were across-the-board-lower—some strongly so—from the actual June–August farrowing rate (-3.7 percent) through intended producer farrowing intentions: second intentions for September–November (-5.2 percent) and first intentions for December 2023–February 2024 (-1.4 percent).

Lower farrowings and farrowing intentions suggest that producers are responding to difficult market conditions—relatively-high input costs and low hog prices—by keeping a tight rein on farrowings in 2023 (maybe with the exception of the December–February quarter of 2023, when farrowings were 1 percent higher than a year earlier). Farrowings in March–May were 98 percent of a year earlier, while June–August farrowings were down 4 percent. Producer efforts to hold pig numbers to below year-earlier levels seemed to be offset, however, when, according to data from the Swine Health Information Center, disease incidence—PRRSV in particular<sup>4</sup>—appeared to decline below 2022 levels at key points of the year. Lower disease incidence is likely attributable to some degree to producers' stepped-up biosecurity efforts. It is likely that strong litter rates achieved in 2023—11.02 pigs per litter in the December–February quarter (1 percent greater than a year earlier), 11.36 in March–May (3 percent above a year earlier), and finally a record-high in June–August (11.61 pigs per litter, 4 percent greater than a year earlier)—were enabled to some degree by reduced disease incidence in the first three quarters of 2023. The practical effect of increases in the litter rates in these quarters has been to partially offset the effects of reduced farrowings. The result has been steady-to-larger pig crops, rather than likely year-over-year lower pig crops intended by lower farrowings. Steady-to-larger pig crops, of course, have increased the available supply of market-ready hogs to markets trading at often-below costs of production levels. In both the March–May and the June–August quarter of this year, lower farrowings (-2 percent and -4 percent, respectively) resulted in pig crops measuring 101 and 100 percent of those of a year earlier, each amplified by litter rates 3 percent higher year over year in March–May and 4 percent higher year over year in June–August.

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<sup>4</sup> Iowa State University, College of Veterinary Medicine. Porcine reproductive and respiratory syndrome virus (PRRSV) occurs in all swine age groups. Reproductive impairment or failure, more obvious in sows or gilts, also affects some boars. The respiratory syndrome is seen more often in young growing pigs but also occurs in naïve finishing pigs and breeding stock.



**Strong litter rates partially offset weak second- and third-quarter farrowings to yield year-over-year larger pig crops**

Quarters 1–3 of 2023 production year	Farrowings	Percent change	Litter rates	Percent change	Pig crop	Percent change
	1000 head	(2023 / 2022)	Pigs per litter	(2023 / 2022)	1000 head	(2023 / 2022)
Dec.-Feb.	2,952	101	11.02	101	32,538	102
March-May	2,901	98	11.36	103	32,951	101
June-August	2,949	96	11.61	104	34,229	100

Source: USDA, National Agricultural Statistics Service.

## Production Implications of the September Report’s Pig Crops and Farrowing Intentions

The pigs farrowed in the March–May 2023 quarter mostly fell into the heavy-weight—80 pounds and above—category of the September *Hogs and Pigs* report, numbering about 101 percent of a year earlier. A larger number of slaughter-ready hogs, fed to slightly heavier average dressed weights—a departure from lower year-over-year average dressed weights of the previous three quarters of 2023—are likely to result in more pork produced in the fourth quarter. Higher fourth-quarter dressed weight assumptions are consistent with fourth-quarter rations tending to contain higher percentages of fresh corn and protein meal. The characteristics of fresh rations seem to have extra appeal to hogs; they eat with greater relish and they gain weight more quickly. Fourth-quarter pork production is expected to be about 7.2 billion pounds, almost 4 percent greater than a year earlier. Larger hog supplies should depress prices, all other things being equal. Prices of live equivalent 51-52 percent lean hogs are expected to average \$58 per cwt, almost 9 percent below the fourth quarter of a year ago and below break-even prices for most U.S. pork producers.

Most of the June–August pig crop fell into the 120–179 weight category on September 1, and it, too, is estimated to be at 101 percent of the previous year. With higher average dressed-weight assumptions across the board next year due to USDA forecasts for moderating feed costs, first-quarter 2024 pork production should total about 7.1 billion pounds, almost 1 percent above same-period production this year. First-quarter hog prices, on the other hand, are expected to be year-over-year higher at \$60 per cwt, more than 9 percent above same-period prices this year. Despite higher production, hog prices are forecast higher as a result of both increased competitiveness of pork vis-à-vis other meat proteins in the domestic market and increased foreign demand for U.S. pork. This is the consequence of the expectation that the European Union will continue to reduce its pork exports due to declining production. Lower European pork production derives from higher input costs: feed, fuel, electricity, and environmental restrictions on resource use. Foreign demand for U.S. pork is expected to translate into increased exports that will partially offset Europe’s lower profile on the world pork market.

In the September *Hogs and Pigs* report producers indicated intentions to farrow 5 percent fewer sows in the September–November 2023 quarter than a year ago. If producers follow through on these second intentions, with assumptions for moderately higher year-over-year litter rates and

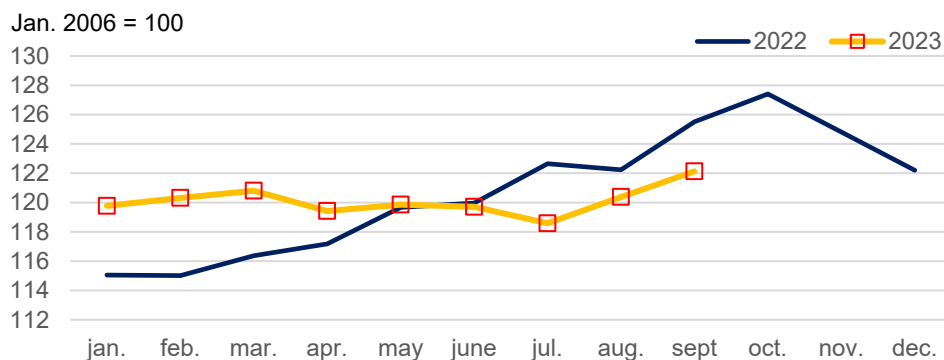
dressed weights, second-quarter 2024 pork production should approach 6.6 billion pounds, fractionally smaller than a year earlier. The small decline in production should push up hog prices to \$64 per cwt, almost 13 percent higher than a year earlier.

For the first quarter of 2024 producers indicated intentions to farrow 2.912 sows in the December–February period. This is down about 1.4 percent from December 2023 farrowings—somewhat less of a decline than more-recent farrowing rates. If producers follow through with their intentions stated in September, and assuming moderate increases in trend litter rates and average dressed rates, third-quarter pork production would reach about 6.8 billion pounds, 4.7 percent above this year’s third-quarter production. Larger production should pressure hog prices to \$65 per cwt, more than 6.2 percent lower than third-quarter prices this year. Pork production in 2024 is expected to total about 27.9 billion pounds, a 2.2-percent increase above forecast production this year. Live equivalent prices of 51-52 percent lean hogs should average about \$61 per cwt, 2.6 percent above total average prices in 2022.

## August Pork Exports Make Headway Compared With a Year Ago

U.S. pork exports in August were 527 million pounds, 2.6 percent greater than in August 2022. Shipments to Mexico were dominant at 209 million pounds, and they accounted for 40 percent of August exports. Shipments to most other Western Hemisphere countries were also year-over-year higher: Canada (+19 percent), the Dominican Republic (+26 percent) and Honduras (+12 percent). On the other hand, with the exception of Japan, shipments to Asia were generally weak. It is possible that some countries such as the Philippines and Colombia may have been responding to higher mid-summer wholesale pork prices, and to the appreciating U.S. dollar, which continues to react to the increasing U.S. interest rates. It is notable that the Federal Reserve’s Broad Dollar Index has been appreciating since July after months of relative stability, thereby reducing the competitiveness of U.S. products in foreign markets.

### Nominal broad U.S. dollar index



Source: Board of Governors of the Federal Reserve System.

## Structural Changes in the EU May Presage Larger World Pork Market Shares for the United States

Another possible explanation for increases in U.S. pork exports by Japan and Australia, despite an appreciating U.S. dollar, may be the European Union's reductions in both its production and exports of pork. Since 2021, when EU pork production was 23.615 million metric tons (mmt), the EU has reduced its production to a point where USDA forecasts 2024 EU pork production at 21.150 mmt, a reduction of almost 2.5 mmt, or more than 10 percent in 3 years. Reduced production is attributable to high production costs brought about largely by increased energy costs, which in turn have been brought on—partially—by the war in Ukraine. Energy costs have also been increased by efforts to reduce fossil fuel usage at all points of the pork supply chain, including feed costs, as a lead-up Farm-to-Fork component of the European Commission's Green Deal.<sup>5</sup> The resource use restrictions and new animal welfare rules contained in the new regulations will increase pork production costs, necessitating output reductions that will in turn lead to smaller exportable pork surpluses. Currently, the 2023 European Union export picture for its 10 largest foreign destinations through July, according to EuroStat, is the following:

European Union's cumulative January–July 2023 pork exports to 10 largest foreign destination countries and percent changes since 2021 and 2022			
Country	Exports	Percent change	Percent change
	Jan. –Jul. 2023	(2023/2022)	(2023/2021)
	(Metric tons)		
World	1,483,722	-23	-42.0
United Kingdom	361,101	3	3
China	360,209	-17	-72
Japan	195,083	-19	15
South Korea	113,831	-32	2
Philippines	62,920	-56	-36
Australia	42,218	-47	-16
United States	41,055	-46	-34
Malaysia	30,393	72	285
Taiwan	28,671	-26	47
Hong Kong	25,512	-9	-53

Source: EuroStat.

<sup>5</sup> See USDA, Foreign Agricultural Service, "Livestock and Poultry: World Markets and Trade," October 12, 2023.

USDA, Economic Research Service. Jayson Beckman et al. "Economic and Food Security Impacts of Agricultural Input Reduction Under the European Union Green Deal's Farm to Fork and Biodiversity Strategies," November 2020.

## Small Changes to 2023 and 2024 Export Forecasts

Below is a summary listing of the 10 largest foreign destinations for U.S.-exported pork in August. It is notable that these 10 countries accounted for 93 percent of U.S. pork exports during the month.

### U.S. pork exports: Volumes and export shares of the 10 largest foreign destinations in August 2022 and 2023

Country	Exports	Exports	Percent change (2023/2022)	Export share	Export share
	2022 (Million pounds)	2023 (Million pounds)		2022 Percent	2023 Percent
World	513	527	2.6		
Mexico	195	209	7	38	40
Japan	81	89	11	16	17
Canada	40	48	19	8	9
China	63	36	-43	12	7
South Korea	41	36	-13	8	7
Colombia	23	21	-9	5	4
Dominican Republic	14	18	26	3	3
Australia	6	15	158	1	3
Honduras	9	10	12	2	2
Philippines	15	7	-51	3	1

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

August exports were larger than expected; the third-quarter forecast is raised 10 million pounds to 1.560 billion pounds. The fourth-quarter export forecast is reduced 50 million pounds to 1.750 billion pounds on expectations of reduced import demand by major importing countries. Total U.S. pork exports in 2023 are expected to be about 6.8 billion pounds, 6.6 percent above shipments in 2022 and constituting 24.8 percent of 2023 commercial production.

Based on revised production and price assumptions, exports in 2024 are increased to 6.950 billion pounds. By quarter, the forecasts break out as follows: first quarter, 1.745 billion pounds, 4.6 percent higher than the same period of 2023; second quarter, 1.780 billion pounds, down fractionally from a year earlier; and for the third quarter, 1.615 billion pounds, 3.5 percent higher than the forecast for the third quarter of 2023. Exports next year are expected to account for 24.9 percent of commercial production.

With changes to production and trade, 2023 per capita disappearance is expected to be 50.2 pounds, 1.7 percent lower than in 2022. Smaller per capita disappearance this year is attributable to higher exports that offset increases in production. For 2024, per capita disappearance is expected to be 51.0 pounds, 1.5 percent higher than disappearance projected for 2023. Higher disappearance next year is due to stronger increases in production and imports than in 2022 that offset smaller increases in exports.

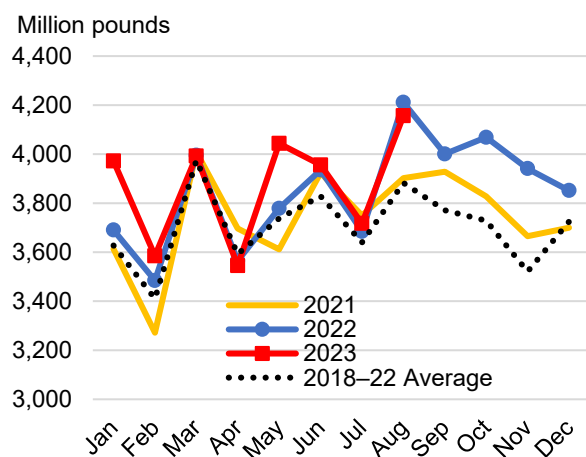
# Poultry

Grace Grossen

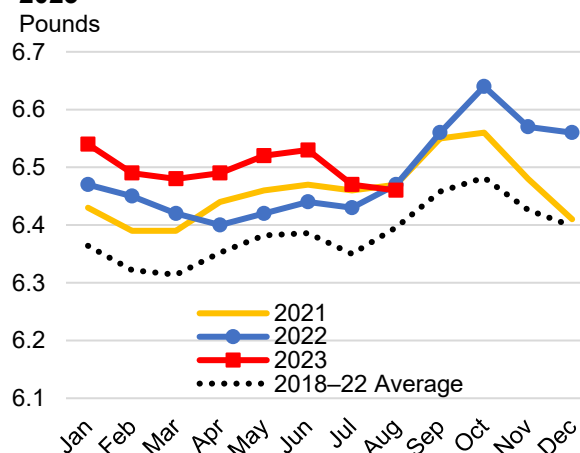
## Broiler Production Adjusted Down in 2023 and 2024

Broiler production in August totaled 4.156 billion pounds. While this was the strongest monthly total this year, it was down 1.3 percent from last August. Slaughter was also down 1.3 percent year over year, and monthly average weights dropped year over year for the first time in 2023. Monthly broilers hatched were down by more than 1 percent in both July and August. Based on August slaughter data, as well as preliminary weekly data indicating year-over-year lower production in September, the third-quarter estimate is lowered by 50 million pounds to 11.750 billion pounds, and the fourth quarter projection is lowered by 150 million pounds to 11.650 billion pounds. If realized, these quarterly totals would be down year over year, by 1.2 percent in the third quarter and 1.8 percent in the fourth. However, they are still above the third- and fourth-quarter totals in 2021. In total, the 2023 projection is adjusted down to 46.494 billion pounds, still an increase of 0.6 percent from 2022.

**Monthly broiler production, 2018–2023**



**Monthly average broiler live weights, 2018–2023**

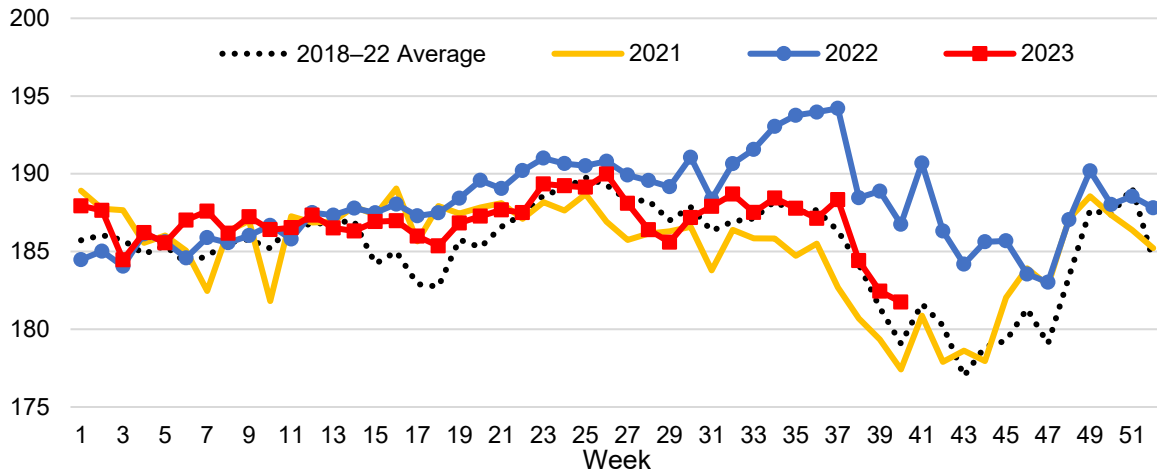


Source: USDA, National Agricultural Statistics Service.

Weekly chick placements have continued to average below last year's levels but have been above the 5-year average for most of the past 9 weeks. Based on recent hatchery data, as well as lowered expectations for 2023 implied by lower eggs-set and chicks-placed data, the 2024 projection for broiler production is lowered by 200 million pounds, with 50 million pulled from the first quarter and 150 million pulled from the second half of the year. This makes the total projection 47.110 billion pounds, still an increase of 1.3 percent from the projected 2023 total.

### Weekly broiler placements, 2018–2023

Million birds

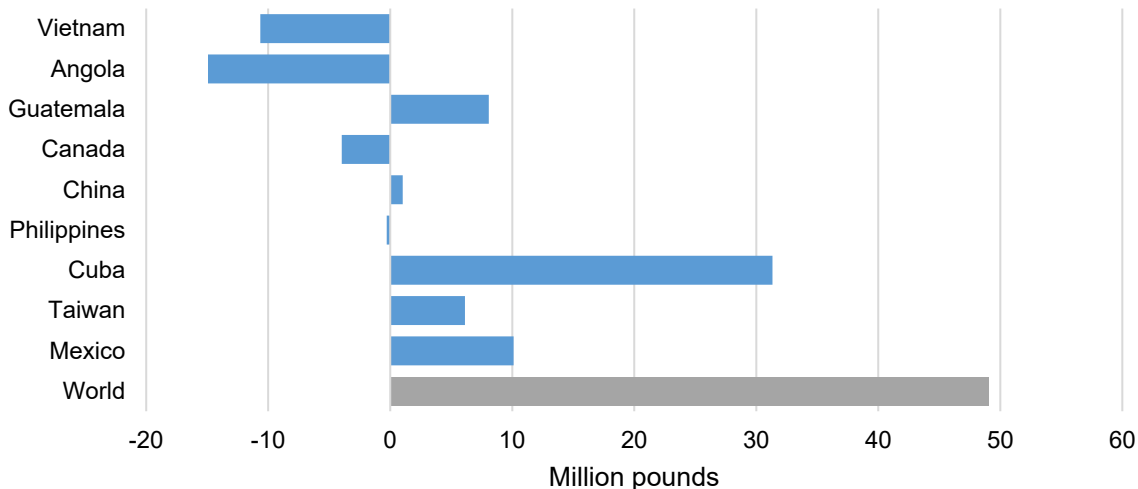


Source: USDA, National Agricultural Statistics Service.

## Broiler Meat Exports Adjusted Up in 2023 but Down in 2024

Monthly U.S. broiler exports totaled 621 million pounds in August, up 8.6 percent or 49 million pounds, from last August. Compared to last August, shipments were down to Angola (-14.9 million pounds), Vietnam (-10.6 million pounds), and Canada (-4.0 million pounds). However, these decreases were more than offset by increased August shipments to Cuba (+31.3 million pounds), Mexico (+10.1 million pounds), Guatemala (+8.1 million pounds), Haiti (+6.6 million pounds), and Taiwan (+6.1 million pounds), along with a number of smaller destinations. Based on the strength of August exports, projected total exports for 2023 were adjusted up by 50 million pounds to 7.303 billion pounds. This would be up 13 million pounds from 2022 and would represent 15.7 percent of projected 2023 production. Based on lowered production expectations and higher prices, projected exports for 2024 were adjusted down to 7.38 billion pounds. This is still up about 1 percent from the 2023 projection and would also represent 15.7 percent of projected production.

### Year-over-year changes in August shipments to largest export markets, 2022–2023



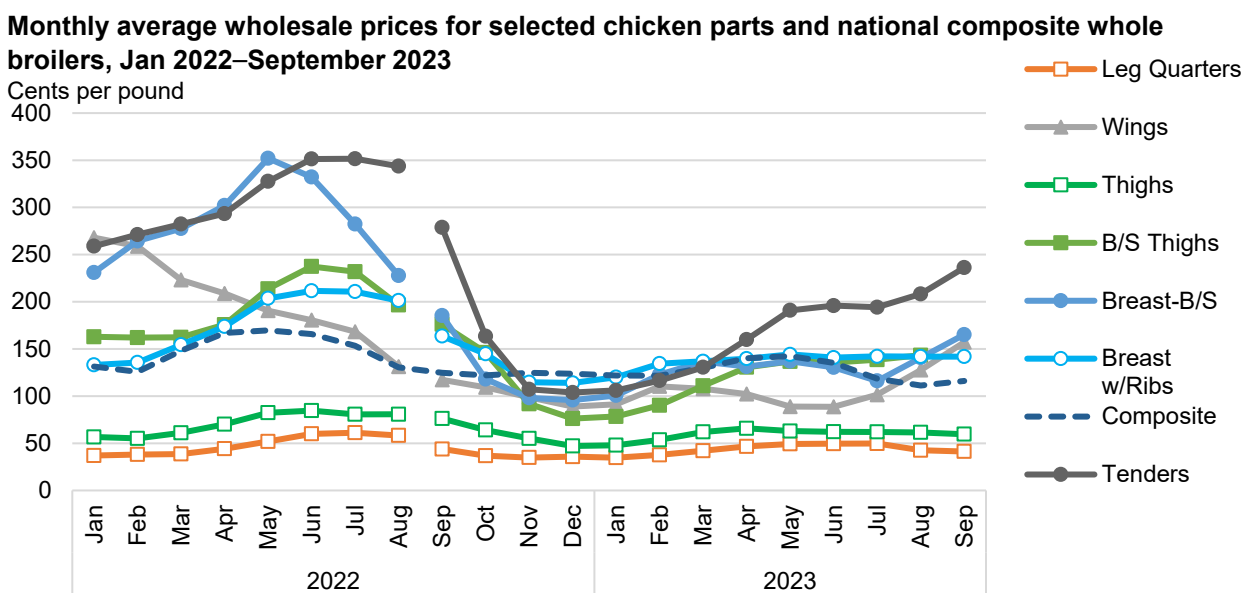
Note: Largest markets based on January–August 2023 export volumes.

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

U.S. broiler imports totaled 9.84 million pounds in August, down from last year but 3 million pounds more than the previous month. Shipments from Chile accounted for the majority of August imports, but both Canada and Chile increased shipments compared to July. Based on expectations of continued strength in shipments from Chile, projected imports are adjusted up to 118 million pounds in 2023 and 134 million pounds in 2024. Imports in both years would still be less than was imported in 2022.

## Broiler Prices Adjusted Up in Fourth Quarter

National composite wholesale broiler prices averaged 116.02 cents per pound in September, making the third-quarter average 115.25 cents per pound. Weekly prices began to increase in late August and September, but only reached as high as 116.63 cents per pound in the week ending September 22. Prices averaged 113.91 cents per pound in the first week of October. Based on recent price data and lowered production expectations, the fourth-quarter price estimate is adjusted up by 2 cents to 117 cents per pound. This would make the annual average price forecast 124 cents per pound, down 16.5 cents from the 2022 average. The 2024 average price forecast was adjusted up slightly to 122 cents per pound, reflecting lowered production expectations for next year.



Note: The gap between August and September data indicates the shift from the discontinued Northeast chicken parts prices to National chicken parts prices. The national composite price series was uninterrupted. B/S = boneless/skinless. Source: USDA, Agricultural Marketing Service.

Wholesale prices for some key chicken parts jumped up in September, though they are still below last year's highs. Chicken tenders are the most expensive part of the bird by weight. They reached a low of 103.81 cents per pound last December but have since climbed, averaging 236.22 cents per pound in September. This is still below the peak price of over 3 dollars per pound last summer. Average wholesale wing prices have jumped about 30 cents from August as demand increase associated with fall sports-viewing have ramped up. Wholesale prices for boneless/skinless breasts increased by about 25 cents from August, bringing the spread between bone-in and boneless breasts to a positive 23 cents. Prices for bone-in thighs and leg quarters fell slightly from last month, averaging 59.61 and 41.31 cents per pound, respectively.

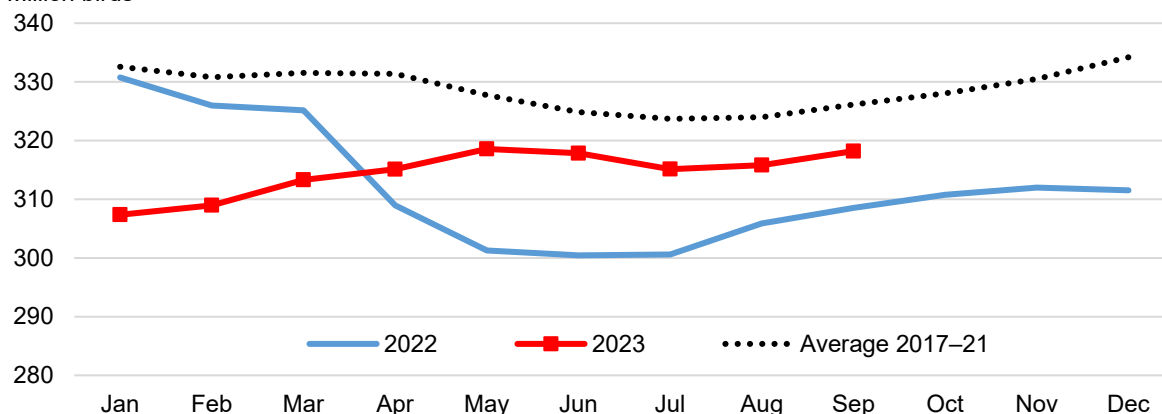


## Table Egg Production Adjusted in 2023

August table egg production was estimated at 671.6 million dozen, an increase of about 3 percent from last August. The average table egg layer inventory in August was 317 million layers, 3.2 percent higher than last year. This year-over-year increase offset a lay rate of 82.0 table eggs per hundred layers per day, still slightly lower than the same time last year. The table egg layer inventory was estimated at 318.2 million hens on the first of September, 9.7 million more hens than the same time last year, and only about 8 million hens under the 2017–2021 average.

**Table egg layer inventory on the first of the month, 2017–2023**

Million birds

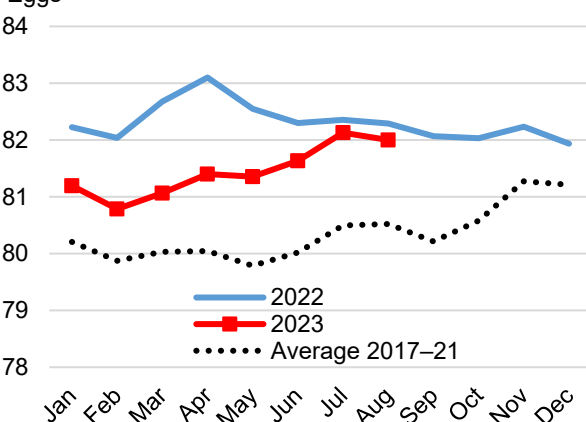


Source: USDA, National Agricultural Statistics Service.

Pullet placements totaled 26.6 million birds in August, almost 2 million below the average for the month and the second-lowest month of the year so far. Based on recent data, expectations for third-quarter table egg production were adjusted down by 5 million dozen to 1.995 billion dozen. However, the fourth-quarter projection was adjusted up by 5 million dozen based on recent flock growth, resulting in an unchanged 2023 annual projection of 7.885 billion dozen. This would be an increase of 1.3 percent from the 2023 total.

**Table egg lay rate, eggs per 100 layers per day, 2017–2023**

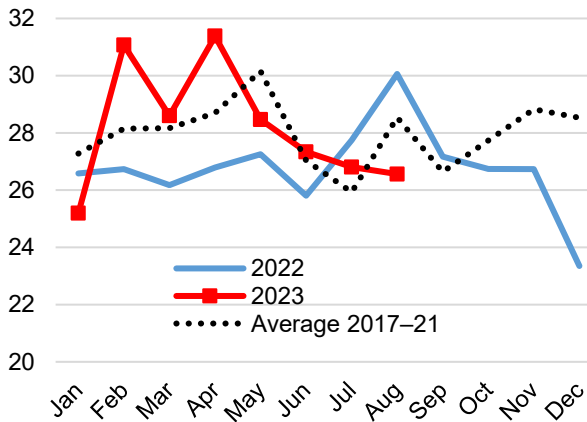
Eggs



Source: USDA, National Agricultural Statistics Service.

**Monthly pullet placements, 2017–2023**

Million birds



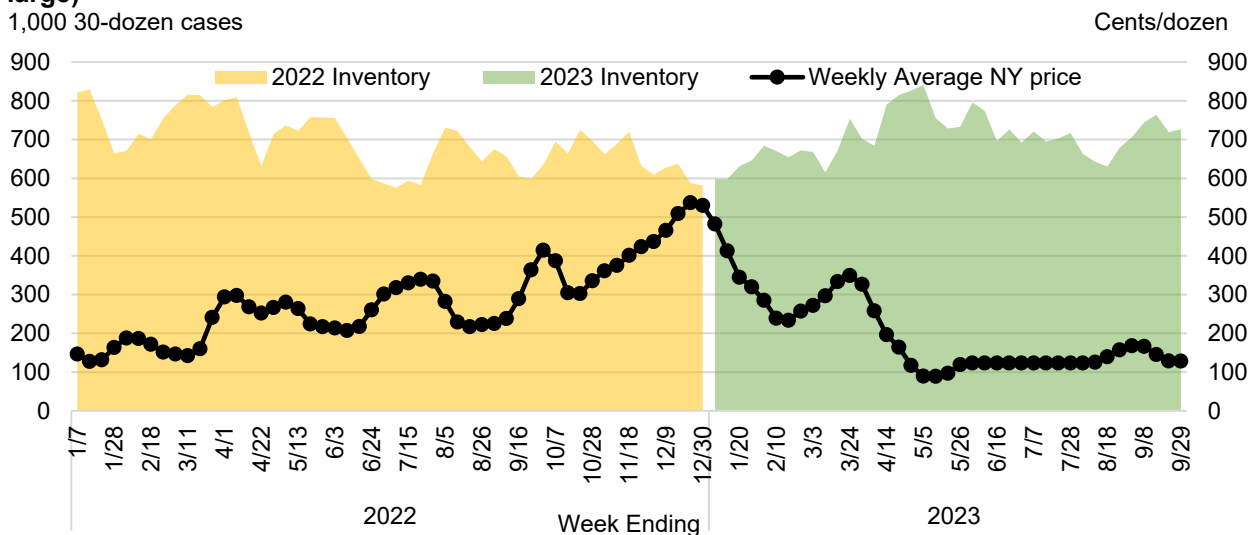
Based on expectations of steady growth in the layer flock, the first-quarter projection in 2024 is adjusted up by 5 million dozen to 2.020 billion dozen. With the other quarterly projections unchanged, this results in a total 2024 projection of 8.150 billion dozen, an increase of 3.3 percent over the 2023 projection.

Based on recent data and broiler production expectations, projected hatching-egg production was also adjusted. Third-quarter hatching production is adjusted up slightly to 327 million dozen on recent data, while the fourth quarter of 2023 and the first quarter of 2024 are each adjusted down by 5 million dozen to 320 million each on lowered broiler production expectations. As a result of these largely offsetting changes to table and hatching egg production, total egg production is reduced 3 million dozen for 2023 and the forecast for 2024 is unchanged from last month.

## Wholesale Table Egg Prices Adjusted Down

Daily New York wholesale prices for large eggs were steady at 168 cents per dozen for 6 days in late August and early September. From there, daily prices fell for about 2 weeks, eventually leveling off at 128 cents per dozen, where they stayed as late as October 11th. The September average price was 142.1 cents. This is down 179 cents from last September and makes the third-quarter average price 135.8 cents per dozen. Steady prices in recent weeks coincide with a period of weak demand and healthy inventories.

### Weekly U.S. at-hand shell egg inventory (large) and weekly average prices (New York, Grade A, large)



Note: Week ending January 7, 2022, through week ending September 29, 2023.

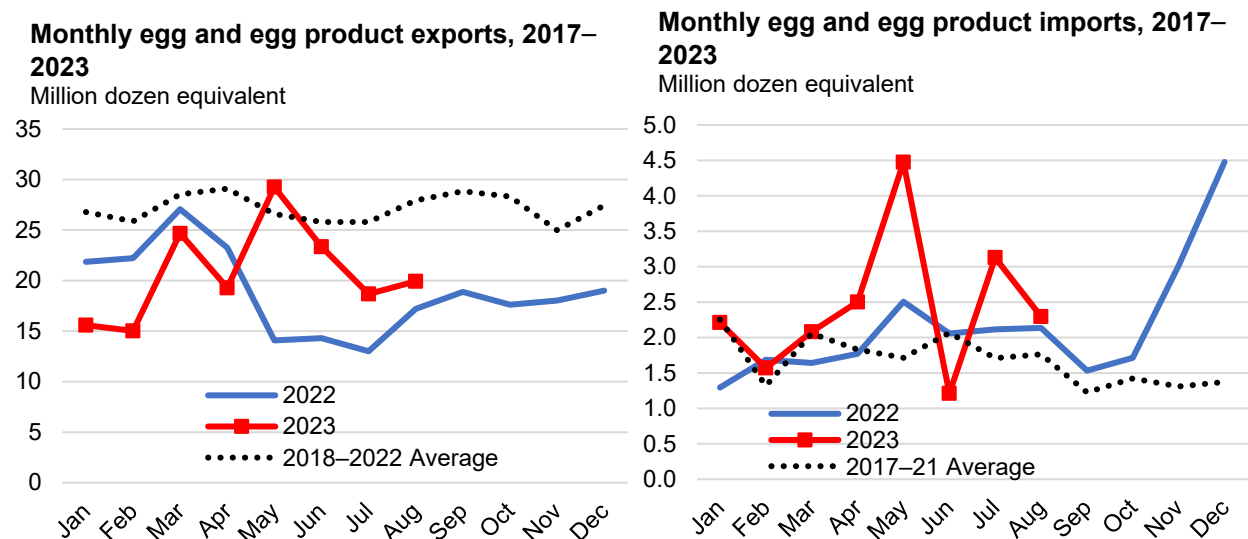
Source: USDA, Economic Research Service calculations using USDA, Agricultural Marketing Service data.

With only slight changes to production expectations, projected prices are adjusted down based on recent price data. The fourth-quarter projected egg price is adjusted down 15 cents to 145 cents per dozen, making the annual average projection 183 cents per dozen, down 5 cents from last month. For 2024, projected prices are adjusted down to 155 cents per pound in the first quarter to better reflect recent trends in prices. Coupled with lowered price expectations for later in 2024, the annual average projection is 148 cents per dozen, down 4 cents from last month.

## Egg Export Expectations Lowered in 2023 and 2024

U.S. egg exports in August totaled 19.9 million shell-egg equivalent dozen. This is higher year over year, as increases in shipments of shell eggs (+2.9 million dozen) more than offset a slight decrease in shipments of egg products (-0.2 million dozen). The top three destinations for egg and egg product exports in August, accounting for 74.6 percent of shipments, were Canada (6.75 million dozen), Mexico (6.15 million dozen), and Japan (1.97 million dozen). Projected total exports in 2023 are adjusted down to 249 million dozen based on recent data. This is still an increase of 10 percent from 2022. The total export forecast for 2024 is also adjusted down by 20 million pounds to 245 million dozen, slightly lower than the 2023 projection but still 8 percent over the 2022 total.

Egg and egg product imports totaled 2.3 million dozen equivalent in August, up slightly from last August but down month over month. Egg products made up the majority of imports and came primarily from Canada (517,000 dozen equivalent) and Brazil (546,000 dozen equivalent). Based on recent data, both 2023 and 2024 egg and egg product import projections are adjusted upward to 30 million dozen for 2023 and 28 million dozen for 2024.

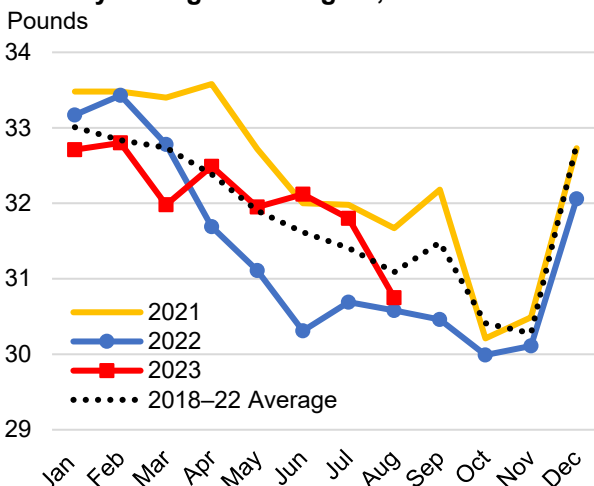


Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

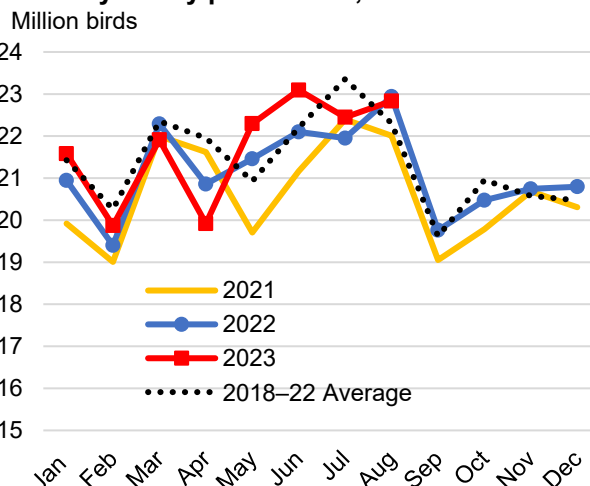
## Turkey Production Projection Lowered

U.S. turkey production totaled 488.9 million pounds in August, an increase of 8.8 percent from a year ago and 1.2 percent above the 5-year average. This increase was a result of 8.7 percent higher slaughter and 0.6 percent higher average weights. While still higher than last year, monthly average weights fell to the lowest point of the year so far in August, averaging 30.75 pounds. Preliminary weekly data indicate that September weights continued this downward trend. Based on August data and expectations for lighter weight birds in the next few months, expected turkey production is adjusted down by 25 million pounds for the third quarter to 1.375 billion pounds. Projected production in the fourth quarter is adjusted down to 1.415 billion pounds. This makes the 2023 annual projection 5.548 billion pounds, up 6.2 percent from 2022 and just below 2021 production.

### Monthly average live weights, 2018–2023



### Monthly turkey placements, 2018–2023



Source: USDA, National Agricultural Statistics Service.

July turkey placements were revised up slightly to 22.4 million birds, 2 percent higher than July of 2022. August placements totaled 22.8 million birds, less than half-a-percent lower year over year. Weaker placements in August may result in weaker production in December and January. The 2024 production projection is adjusted down 10 million pounds in the first quarter, making the annual total 5.640 billion pounds, an increase of 1.7 percent from the 2023 projection.

## HPAI Returns to Commercial Turkey Production

In the first week of October, USDA Animal and Plant Health Inspection Service (APHIS) reported new cases of Highly Pathogenic Avian Influenza (HPAI) in commercial turkey flocks. These are the first cases in commercial flocks in the United States since April of this year. The cases were confirmed in Jerauld, South Dakota, and Sanpete, Utah. Both counties experienced outbreaks previously during the 2022–2023 outbreak. In total, these new cases affected 189,100 birds. These discoveries are not expected to have a major impact on turkey production or turkey availability this holiday season.

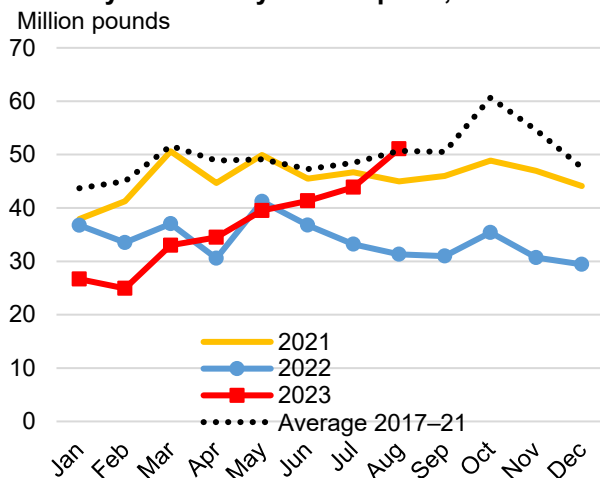
## Turkey Exports Adjusted Up, Imports Adjusted Down

Turkey exports totaled 51.1 million pounds in August, the largest monthly total of the year so far and just above the 5-year average for the month. Mexico accounted for the largest share of shipments as usual, but also accounted for much of the increase from last year. August shipments to Mexico increased by 12.8 million pounds from last year. In total, 2023 shipments through August have surpassed the total for the same period in 2022 by 14.5 million pounds. As a result, projected exports for 2023 are adjusted up by 15 million pounds to 455 million pounds. Accounting for the lowered production expectations, this would represent 8.2 percent of production. Based on the upward trend in the export data, the 2024 projection is also adjusted up by 20 million pounds to 480 million pounds. This would represent 8.5 percent of projected 2024 production.

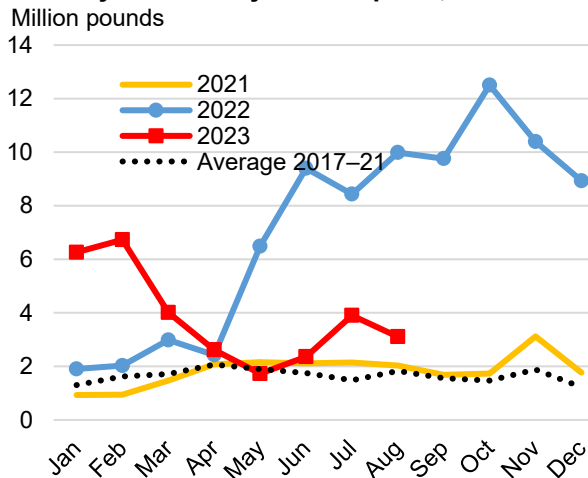
Turkey imports totaled 3.1 million pounds in August. The largest share, 1.9 million pounds, was shipped from Canada, and the remainder was shipped from Chile. In the past several years, Chile had made the majority of turkey imports, but shipments have been slow to ramp back up after an outbreak of HPAI in Chile earlier this year. Based on recent data, projected turkey

imports are adjusted down to 50 million pounds in 2023 and to 79 million pounds in 2024. This would still be below the high of 85 million pounds reached during the HPAI outbreaks of 2022.

**Monthly total turkey meat exports, 2017–2023**



**Monthly total turkey meat imports, 2017–2023**

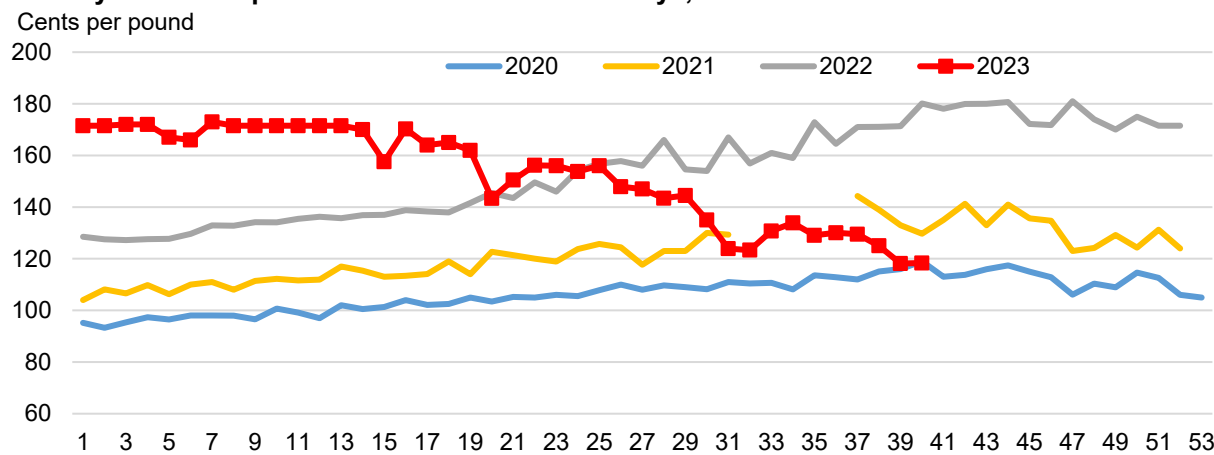


Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

## Turkey Prices Adjusted Down in 2023 and 2024

The monthly average wholesale frozen whole-hen price in September was 125.36 cents per pound. This is down 43 cents from the same month last year and brought the third-quarter average to 132.5 cents per pound. Weekly prices have continued to fall, averaging 118.34 cents per pound in the first week of October. Prices have not followed the typical seasonal pattern so far this year, and seasonal expectations for the remainder of the year would not indicate prices climbing much beyond the current levels. Based on recent data, the fourth-quarter projected price is adjusted down to 120 cents per pound, which would make the annual average price 144.9, about 10 cents under last year’s average. Next year, prices are expected to resume a seasonal pattern, albeit from a lower base. Reflecting this, 2024 projected prices are expected to average 130 cents per pound in the first quarter, 136 cents in the second, and 142 cents in the third. For 2024, the annual average price is projected at 138 cents per pound. This would be the lowest average price since 2021.

**Weekly wholesale price for frozen whole hen turkeys, 2020–2023**



Source: USDA, Agricultural Marketing Service.

## 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	Annual
<b>Production, million pounds</b>														
Beef	7,023	7,072	7,144	7,052	28,291	6,821	6,710	<b>6,620</b>	<b>6,825</b>	<b>26,976</b>	<b>6,365</b>	<b>6,385</b>	<b>6,290</b>	<b>25,275</b>
Pork	6,905	6,639	6,534	6,919	26,996	7,071	6,593	<b>6,460</b>	<b>7,165</b>	<b>27,289</b>	<b>7,120</b>	<b>6,565</b>	<b>6,765</b>	<b>27,895</b>
Lamb and mutton	32	35	33	32	131	33	33	<b>30</b>	<b>32</b>	<b>128</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>126</b>
Broilers	11,170	11,279	11,896	11,861	46,206	11,549	11,545	<b>11,750</b>	<b>11,650</b>	<b>46,494</b>	<b>11,600</b>	<b>11,710</b>	<b>11,950</b>	<b>47,110</b>
Turkeys	1,374	1,275	1,264	1,310	5,222	1,348	1,410	<b>1,375</b>	<b>1,415</b>	<b>5,548</b>	<b>1,390</b>	<b>1,400</b>	<b>1,400</b>	<b>5,640</b>
Total red meat and poultry	26,651	26,455	27,035	27,034	107,469	26,976	26,453	<b>26,398</b>	<b>27,235</b>	<b>107,061</b>	<b>26,659</b>	<b>26,248</b>	<b>26,594</b>	<b>106,660</b>
Table eggs, million dozen	1,998	1,894	1,934	1,956	7,781	1,891	1,959	<b>1,995</b>	<b>2,040</b>	<b>7,885</b>	<b>2,020</b>	<b>2,040</b>	<b>2,030</b>	<b>8,150</b>
<b>Per capita disappearance, retail pounds 1/</b>														
Beef	15.0	14.7	14.7	14.6	59.1	14.9	14.4	<b>14.2</b>	<b>14.4</b>	<b>57.9</b>	<b>13.9</b>	<b>13.8</b>	<b>13.5</b>	<b>54.3</b>
Pork	13.1	12.4	12.4	13.1	51.1	13.0	11.9	<b>12.0</b>	<b>13.3</b>	<b>50.2</b>	<b>12.9</b>	<b>11.8</b>	<b>12.5</b>	<b>51.0</b>
Lamb and mutton	0.3	0.3	0.3	0.3	1.3	0.3	0.3	<b>0.3</b>	<b>0.3</b>	<b>1.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>1.3</b>
Broilers	23.8	24.2	25.7	25.1	98.9	24.8	24.7	<b>25.3</b>	<b>24.7</b>	<b>99.5</b>	<b>24.7</b>	<b>25.0</b>	<b>25.6</b>	<b>100.2</b>
Turkeys	3.4	3.2	3.6	4.3	14.6	3.4	3.6	<b>3.8</b>	<b>4.6</b>	<b>15.3</b>	<b>3.5</b>	<b>3.7</b>	<b>3.8</b>	<b>15.5</b>
Total red meat and poultry	56.1	55.4	57.3	57.9	226.8	56.8	55.3	<b>56.0</b>	<b>57.7</b>	<b>225.8</b>	<b>55.6</b>	<b>54.9</b>	<b>56.1</b>	<b>224.0</b>
Eggs, number	71.3	68.2	69.4	70.2	279.0	67.5	69.5	<b>71.1</b>	<b>72.4</b>	<b>280.5</b>	<b>71.7</b>	<b>72.4</b>	<b>71.8</b>	<b>288.7</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	<b>184.27</b>	<b>185.00</b>	<b>177.30</b>	<b>187.00</b>	<b>185.00</b>	<b>180.00</b>	<b>185.00</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	<b>249.45</b>	<b>254.00</b>	<b>224.61</b>	<b>249.00</b>	<b>248.00</b>	<b>258.00</b>	<b>253.75</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	<b>103.73</b>	<b>95.00</b>	<b>94.57</b>	<b>100.00</b>	<b>110.00</b>	<b>110.00</b>	<b>106.25</b>
Choice/Prime slaughter lambs, National, dollars/cwt	225.00	210.33	138.69	124.26	174.57	134.23	161.36	<b>199.74</b>	<b>190.00</b>	<b>171.33</b>	<b>185.00</b>	<b>180.00</b>	<b>170.00</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	<b>69.27</b>	<b>58.00</b>	<b>59.70</b>	<b>60.00</b>	<b>64.00</b>	<b>65.00</b>	<b>61.25</b>
Broilers, Wholesale, National composite, weighted average, cents/lb	135.1	167.5	136.1	123.5	140.5	124.5	139.3	<b>115.3</b>	<b>117.0</b>	<b>124.0</b>	<b>120.0</b>	<b>125.0</b>	<b>122.0</b>	<b>122.3</b>
Turkeys, National 8-16 lb hens, National, cents/lb	131.4	143.9	165.4	177.5	154.5	170.8	156.2	<b>132.5</b>	<b>120.0</b>	<b>144.9</b>	<b>130.0</b>	<b>136.0</b>	<b>142.0</b>	<b>137.8</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	<b>135.8</b>	<b>145.0</b>	<b>183.1</b>	<b>155.0</b>	<b>135.0</b>	<b>130.0</b>	<b>145.0</b>
<b>U.S. trade, million pounds, carcass-weight equivalent</b>														
Beef and veal exports	843	944	912	846	3,544	779	805	<b>730</b>	<b>720</b>	<b>3,034</b>	<b>720</b>	<b>740</b>	<b>700</b>	<b>2,845</b>
Beef and veal imports	985	859	797	750	3,390	956	901	<b>960</b>	<b>800</b>	<b>3,617</b>	<b>970</b>	<b>910</b>	<b>960</b>	<b>3,650</b>
Lamb and mutton imports	88	88	93	89	358	79	62	<b>70</b>	<b>80</b>	<b>290</b>	<b>90</b>	<b>85</b>	<b>90</b>	<b>360</b>
Pork exports	1,538	1,611	1,514	1,681	6,345	1,668	1,783	<b>1,560</b>	<b>1,750</b>	<b>6,761</b>	<b>1,745</b>	<b>1,780</b>	<b>1,615</b>	<b>6,950</b>
Pork imports	358	369	317	300	1,344	284	271	<b>280</b>	<b>290</b>	<b>1,125</b>	<b>300</b>	<b>280</b>	<b>285</b>	<b>1,175</b>
Broiler exports	1,833	1,803	1,723	1,931	7,290	1,873	1,805	<b>1,775</b>	<b>1,850</b>	<b>7,303</b>	<b>1,875</b>	<b>1,835</b>	<b>1,785</b>	<b>7,380</b>
Turkey exports	107	109	96	96	407	85	115	<b>140</b>	<b>115</b>	<b>455</b>	<b>100</b>	<b>115</b>	<b>135</b>	<b>480</b>
Live swine imports (thousand head)	1,654	1,664	1,602	1,565	6,486	1,671	1,673	<b>1,750</b>	<b>1,645</b>	<b>6,739</b>	<b>1,675</b>	<b>1,665</b>	<b>1,690</b>	<b>6,630</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 10/12/2023



## Dairy forecasts

Years Quarters			2023					2024			
	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Milk cows (thousands)	9,404	9,402	9,427	9,417	9,390	9,385	9,405	9,380	9,380	9,385	9,385
Milk per cow (pounds)	5,944	24,087	6,031	6,165	6,000	6,005	24,200	6,150	6,240	6,110	24,560
<b>Milk production (billion pounds)</b>	55.9	226	56.9	58.1	56.3	56.4	227.6	57.7	58.5	57.3	230.4
Farm use	0.3	1.0	0.2	0.2	0.3	0.3	1.0	0.2	0.2	0.3	1.0
Milk marketings	55.6	225	56.6	57.8	56.1	56.1	226.6	57.4	58.3	57.1	229.4
<b>Milk-fat (billion pounds milk equiv.)</b>											
Milk marketings	55.6	225.5	56.6	57.8	56.1	56.1	226.6	57.4	58.3	57.1	229.4
Beginning stocks	16.6	14.3	14.4	16.6	18.5	16.9	14.4	14.5	16.7	18.8	14.5
Imports	1.9	7.1	1.8	1.8	1.9	2.0	7.4	1.7	1.9	1.9	7.5
Total supply	74.1	246.9	72.8	76.2	76.5	75.0	248.4	73.6	76.9	77.8	251.4
Exports	3.2	13.4	0.0	2.7	2.9	2.7	11.0	2.8	3.2	3.1	12.0
Ending stocks	14.4	14.4	16.6	18.5	16.9	14.5	14.5	16.7	18.8	16.9	14.6
Domestic use	56.5	219.1	56.2	55.0	56.8	57.8	222.9	54.1	54.9	57.8	224.8
<b>Skim solids (billion pounds milk equiv.)</b>											
Milk marketings	55.6	225.5	56.6	57.8	56.1	56.1	226.6	57.4	58.3	57.1	229.4
Beginning stocks	11.8	11.1	11.7	12.4	12.5	11.8	11.7	11.9	12.4	12.5	11.9
Imports	2.0	6.7	1.8	1.4	1.6	1.8	6.6	1.7	1.6	1.6	6.7
Total supply	69.5	243.3	70.1	71.6	70.2	69.7	244.8	71.0	72.3	71.2	248.1
Exports	12.9	52.9	12.6	12.9	12.1	12.0	49.5	12.9	14.0	13.4	52.9
Ending stocks	11.7	11.7	12.4	12.5	11.8	11.9	11.9	12.4	12.5	11.9	12.0
Domestic use	45.0	178.7	45.0	46.3	46.3	45.8	183.4	45.8	45.7	45.9	183.1
<b>Milk prices (dollars/hundredweight) <sup>1</sup></b>											
All milk	25.17	25.34	21.93	19.30	19.30	22.20	20.70	21.00	19.90	19.80	20.55
Class III	21.11	21.96	18.44	16.51	16.45	16.75	17.05	16.85	17.10	17.20	17.20
Class IV	23.46	24.47	19.08	18.10	18.75	20.95	19.25	18.85	18.50	18.80	18.80
<b>Product prices (dollars/pound) <sup>2</sup></b>											
Cheddar cheese	2.1004	2.1122	1.8797	1.7033	1.755	1.745	1.770	1.770	1.800	1.800	1.805
Dry whey	0.4723	0.6057	0.4186	0.3810	0.275	0.305	0.345	0.310	0.310	0.320	0.315
Butter	2.9743	2.8665	2.4338	2.4337	2.635	3.140	2.660	2.650	2.600	2.650	2.655
Nonfat dry milk	1.5141	1.6851	1.2717	1.1577	1.135	1.145	1.175	1.140	1.120	1.130	1.130

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.

Published by USDA, Economic Research Service, in *Livestock, Dairy, and Poultry Outlook*.

Updated 10/18/2023.