



# Livestock, Dairy, and Poultry Outlook

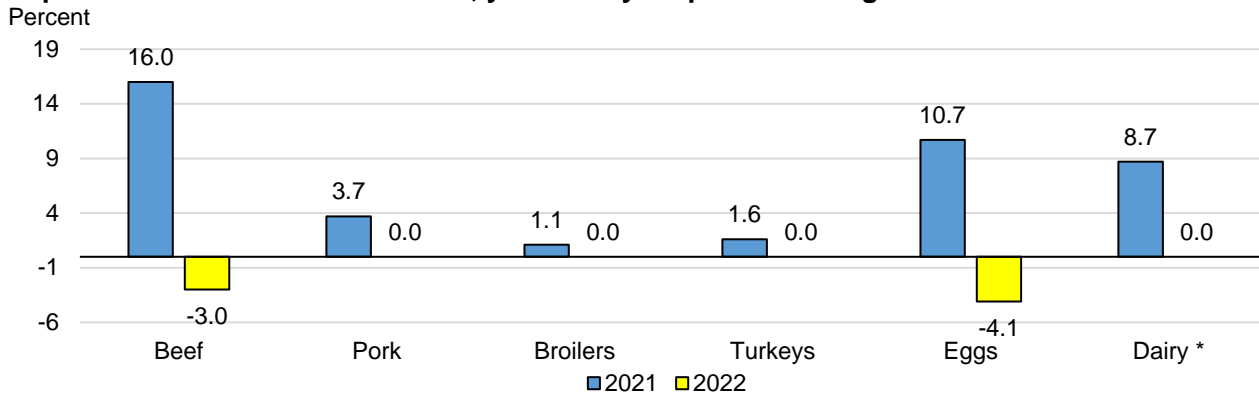
## Exports for All Major Animal Products, Projected To Increase Year Over Year in 2021, Will Remain About the Same or Decline in 2022

Total exports of red meat are expected to increase by 7.2 percent in 2021 compared to 2020 but decrease by 0.9 percent year over year in 2022. Beef exports in 2021 are expected to increase 16.0 percent over the previous year due to robust demand from abroad, particularly from China, Japan, and South Korea. In 2022, beef exports are expected to decline 3.0 percent. Pork exports are expected to increase by 3.7 percent in 2021 over 2020 and to remain at about the same level in 2022, driven by demand from countries in the Americas (North, Central, and South) and from major importing countries in Asia.

Broiler exports are expected to increase by 1.1 percent this year due to increasing production and strong shipments to Angola and Cuba. Exports are expected to remain at about the same level in 2022. There is a similar story for turkeys in 2021 with 1.6 percent growth driven by Mexico. Exports are projected to be level in 2022. Exports of eggs and egg products in 2021 are forecast to increase 10.7 percent, driven by demand from Canada and South Korea. In 2022, eggs and egg product exports are forecast to decrease by 4.1 percent.

Dairy exports on a skim-solids milk-equivalent basis are expected to increase by 8.7 percent over the previous year in 2021 and remain at the same level in 2022. Mexico, China, and Southeast Asia are the top destinations for U.S. dairy exports.

### Export forecasts for 2021 and 2022, year-over-year percent changes



\* Percent changes on a skim-solids milk-equivalent basis are shown for dairy. Source: USDA, Economic Research Service calculations using forecasts from *World Agricultural Supply and Demand Estimates* report.

**Beef/Cattle:** Drought continues to be a challenge for cow-calf producers in parts of the western and northern United States. The 2021 beef production forecast was unchanged from last month at 27.905 billion pounds as higher expected cow slaughter is offset by lighter expected aggregate carcass weights. The forecast for 2022 production was lowered 10 million pounds to 27.325 billion pounds. The June market price for fed steers was \$122.02 per hundredweight (cwt), up more than \$18 year over year. The 2021 annual price forecast for fed steers was increased \$2.20 per cwt from a month ago to \$119.2. In June, feeder steers weighing 750-800 pounds averaged \$144.09 per cwt, up 10 percent above a year ago. The annual feeder steers price forecast was raised to \$142.1 per cwt, up \$2.80 from last month. May beef imports totaled 270 million pounds, up almost 1 percent or 1.7 million pounds, from a year earlier on strong shipments from Canada and Brazil. The annual forecast for 2021 and 2022 beef imports remains unchanged from last month at 3.021 billion pounds and 2.990 billion pounds. U.S. beef exports in May established a new record volume of 318 million pounds on robust exports to South Korea, Japan, and China. The annual forecast for 2021 beef exports was raised to 3.422 billion pounds on strong demand from Asia. This demand strength is expected to carry over into 2022, increasing the annual forecast to 3.320 billion pounds.

**Sheep/Lamb and Mutton:** Unexpected strength in the demand for lamb led to higher-than-expected prices for the second quarter for 2021; lamb price forecasts for the rest of 2021 and 2022 were increased.

**Dairy:** All-milk price forecasts have been lowered from the June forecast due to recent downward trends in most wholesale dairy product prices, stronger international price competition, lower-than-anticipated domestic demand, high stock levels, and higher expected imports. The all-milk price forecasts for 2021 and 2022 have been lowered to \$18.30 per hundredweight (-55 cents) and \$18.50 per hundredweight (-25 cents), respectively. The milk production forecast for 2021 has been decreased as lower expected yield per cow more than offsets higher expected milk cow numbers, but the 2022 milk production projection has been raised due to higher expected cow numbers. Export forecasts have been raised on a skim-solids milk-equivalent basis for both 2021 and 2022.

**Pork/Hogs:** Information reported in the June *Quarterly Hogs and Pigs* foreshadows lower pork production forecasts for the balance of 2021 and into 2022. Hog prices were lowered for 2021, but lower pork production will provide support for prices in 2022 and the price forecast was unchanged. Pork exports in 2022 are expected to be unchanged—about 7.6 billion pounds—from 2021.

**Poultry/Eggs:** Broiler production was adjusted down in the second quarter on low data for May. Broiler exports were adjusted up in the second quarter on strong shipments to Mexico. Broiler prices were adjusted up in the third quarter on strong weekly data. Second- and third-quarter table egg production forecasts were revised down due to contractions in the size of the layer flock. Whole egg prices (New York, Grade A Large) forecast for third and fourth quarter were revised down due to weak demand. Third-quarter exports have been revised up based on robust foreign demand. Turkey production, as with broilers, was also adjusted down in the second quarter. Turkey exports were adjusted up in the second quarter on strong May data. Annual turkey prices were revised up to 119.2 and 118 cents per pound in 2021 and 2022, respectively.

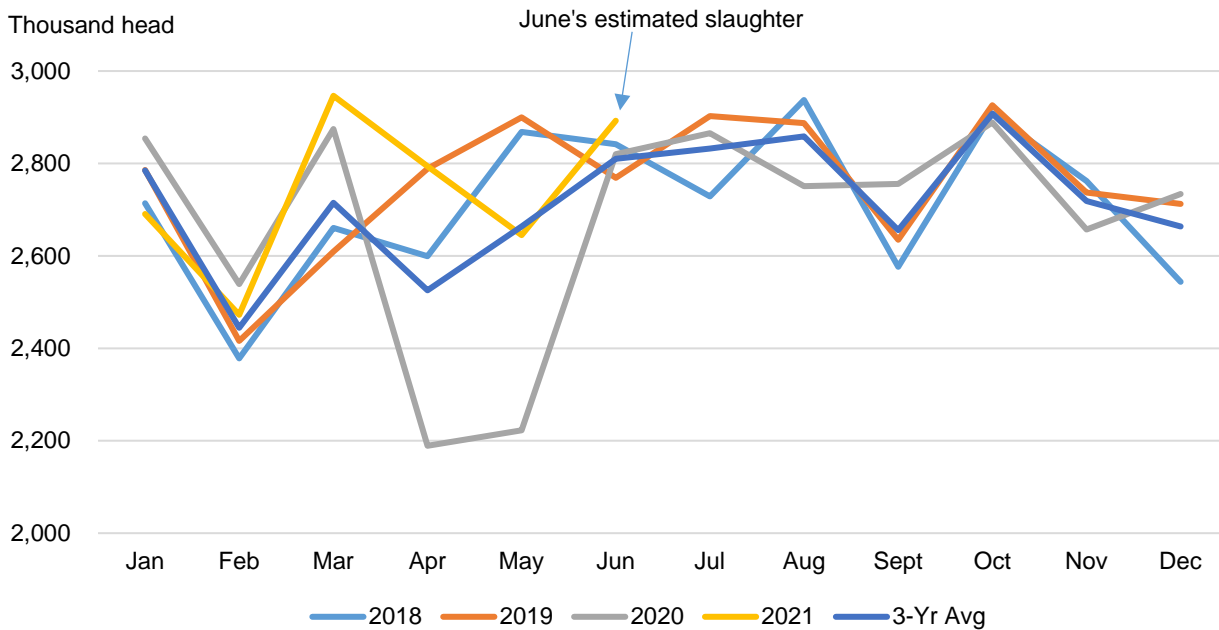
# Beef/Cattle

Christopher Davis

## Beef Production Remains Unchanged as the Drought Continues

The federally-inspected slaughter for June was strong, exceeding the 3 previous years (see the first chart below). More heifers and cows were in the slaughter mix in June, causing the average carcass weight to drop below last month's expectations. Based on USDA, Agricultural Marketing Service (AMS) data on actual and estimated daily cattle slaughter, the percentage of heifer slaughter compared to that of steers for June 2021 was estimated at 2.5 percentage points higher than a year ago. The estimated percentage of federally-inspected cow slaughter to total slaughter for June 2021 was 0.5 percent higher than June 2020.

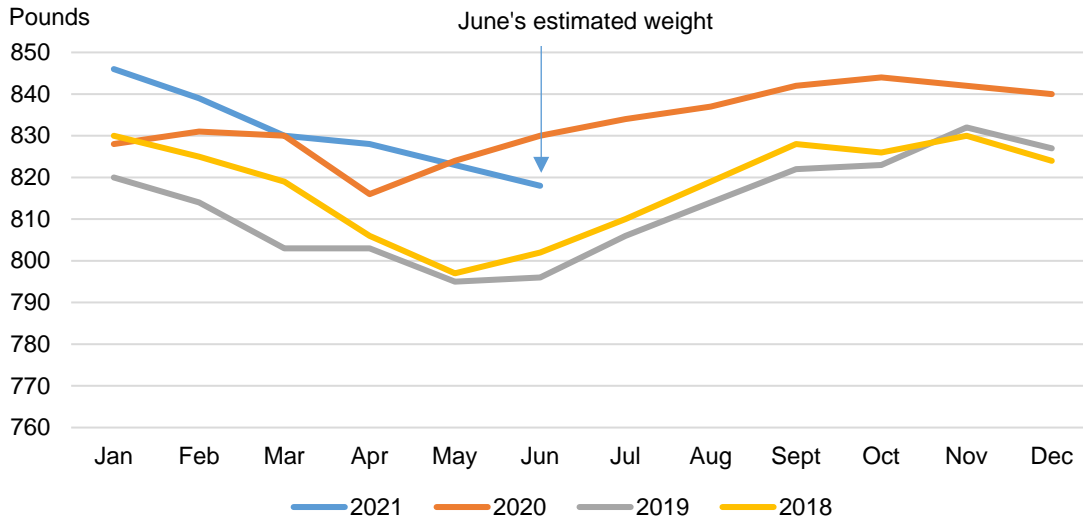
### Federally inspected cattle slaughter: 2018 – 2021 average



Note: June's cattle slaughter is an estimate.

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

### June's average dress weights: 2018 - 2021



Note: June's average dress weight is an estimate.  
 Source: USDA, Economic Research Service calculations using data from USDA, Agricultural Marketing Service.

The forecast for 2021 beef production was unchanged from last month as higher expected cow slaughter will likely be offset by lower average carcass weights. According to the U.S. Drought Monitor data, approximately 34 percent of cattle are in regions experiencing some level of drought. Pasture and range in much of the western and northern United States continue to be in very poor to poor conditions (see table below), which is likely affecting cow slaughter in regions where forage availability has become critical. However, to the extent that the increase in aggregate slaughter numbers is driven by higher expected cow numbers and that heifers have recently been a higher proportion of steer and heifer slaughter, average carcass weights are expected to be lower. With higher expected cow slaughter in the coming months, slaughter in later months is expected to decline as cows that might have been slaughtered in the fall move into the slaughter chain sooner. The 2022 forecast was reduced 10 million pounds from last month to 27.325 billion pounds, reflecting slightly lower cow slaughter after higher-than-expected cow slaughter in 2021. USDA will be releasing its *Cattle* report on July 23, which will provide an estimate of the midyear cattle inventory and producer intentions for retaining heifers for breeding.

### U.S. weekly pasture and range conditions

State	Very poor to poor	Very poor to poor
	June 27, 2021	June 28, 2020
	Percent	Percent
1. Arizona	88	27
2. Montana	70	16
3. New Mexico	72	68
4. North Dakota	65	16
5. Oregon	67	38
6. South Dakota	68	14
7. Utah	72	16
8. Washington	77	20

Source: USDA, National Agricultural Statistics Service, *Crop Progress Reports*.

## Cattle Prices Are Forecast Higher in the Second Half of 2021 and in 2022

The June 5-Area price for fed steers was \$122.02 per hundredweight (cwt), up more than \$18 year over year and almost \$10 higher than the June 2019 average price. For the week ending July 4, the price for fed steers in the 5-area marketing region was \$123.89. Although the Choice cutout has been declining since early June, it is still well above typical levels for this time of year. Fed steer prices are trending upward, implying that packers are willing to pay higher prices to bid cattle out of the feedlots. The forecast for third- and fourth-quarter fed steer prices was raised \$5 to \$120 per cwt and \$3 to \$123, respectively. The 2021 annual price forecast for fed steers was increased \$2.20 to \$119.20 per cwt from a month ago. Fed steer prices are forecast to continue trending upward in first-quarter 2022, reaching \$127 per cwt, up \$2 from last month. The 2022 annual price forecast for fed steers is unchanged from last month at a rounded \$122 per cwt.

For June 2021, at the Oklahoma City National Stockyards feeder steers weighing 750-800 pounds averaged \$144.09 per cwt, 10 percent above a year ago and 6 percent higher than the June 2019 price. The outlying quarters were raised on current price strength by \$5.00 in the third and fourth quarters to \$146 and \$148 per cwt, respectively. The annual price forecast was raised to \$142.1 per cwt. The current price strength is expected to carry over into 2022, with the first quarter increased \$5 to \$144 per cwt and the annual forecast raised to \$147 per cwt.

## Beef Imports Relatively Flat in May; 2021 Import Forecast Unchanged

Beef imports in May totaled 270 million pounds, up almost 1 percent or 1.7 million pounds, from a year earlier. Strong beef shipments from Canada and Brazil were noteworthy for May. Shipments from Canada, the United States' top beef supplier on a monthly basis since February 2020 and on an annual basis since 2017, were the largest in volume since June 2010. Year-over-year, imports from Canada were more than 18 million pounds higher in May. Imports from Brazil were also up in May compared to a year ago. In May, imports from Brazil were the second-highest, largely to help fill U.S. demand for 90-percent lean beef trimmings not imported from Australia. Other beef suppliers, including New Zealand, Nicaragua, and Argentina, also contributed toward May's year-over-year increase.

In volume, Mexico shipped almost 19 million pounds less in May than a year ago. Australia's cattle story continues: signs of herd rebuilding remain a focal point of the Australian beef industry as cows and heifers are retained for breeding. U.S. imports from Australia were down 39 percent year-over-year. However, among the major sources of imports, gains from Brazil, Canada, and New Zealand more than offset substantial declines in imports from Australia and Mexico.

The annual forecasts for 2021 and 2022 beef imports remain unchanged from last month at 3.021 billion and 2.990 billion pounds.

<b>U.S. year-over-year beef imports from major suppliers</b>						
	<b>May 2020</b>	<b>May 2021</b>	<b>Difference in volume</b>	<b>Year-over-year change</b>	<b>Import share May 2020 year-to-date</b>	<b>Import share May 2021 year-to-date</b>
	<b>- Million pounds-</b>			<b>- Percent -</b>	<b>- Percent -</b>	<b>- Percent -</b>
<b>Canada</b>	64.3	82.5	18.1	28.2	22.9	29.0
<b>Mexico</b>	74.6	55.8	-18.8	-25.2	21.7	20.4
<b>New Zealand</b>	41.6	47.2	5.6	13.4	17.8	17.8
<b>Australia</b>	45.9	28.2	-17.7	-39.0	20.6	11.7
<b>Brazil</b>	11.0	23.7	12.7	115.1	3.8	8.5
<b>Nicaragua</b>	13.0	14.4	1.4	10.5	6.4	5.6
<b>Uruguay</b>	11.9	10.8	-1.2	-9.9	3.7	4.1
<b>Argentina</b>	3.4	3.4	0.04	1.3	1.0	1.2
<b>ROW</b>	3.0	4.4	1.4	46.7	2.1	1.7
<b>Total Imports</b>	268.7	270.4	1.7	0.06	100.0	100.0

ROW = Rest of the World.

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

## Beef Exports Up in May on Robust Shipments to Japan, South Korea, and China; 2021 and 2022 Forecasts Raised

In May, U.S. beef exports soared to a record volume totaling 318 million pounds, an increase of 69 percent or 130 million pounds from a year earlier. While U.S. beef exports were up in six of the seven major destinations, May's year-over-year increase was driven primarily by abnormally low exports due to the impact of COVID-19. However, the third consecutive month of record volumes is to a large extent the result of large shipments to South Korea, Japan, and China.

South Korea received its largest volume of beef yet from the United States, exceeding the record 75.1 million pounds posted in August 2020 by 8.6 million pounds. Since January, U.S. beef exports to South Korea have been up due to strong demand and a lower tariff rate than a year earlier. The second-largest shipment in May went to Japan. The increase in U.S. beef exports to Japan has also been partially driven by a lower tariff rate than a year ago. For exports to China, the story of year-over-year increases continues. China is the U.S. third-largest beef destination and imports have been up substantially, partly due to the change in U.S. access to China's market that was established in March 2020 along with the strength of import demand for animal proteins to help offset China's low domestic supplies of pork. U.S. producers have increased production of cattle geared toward meeting China's import requirements, which has supported higher beef shipments.

There were other noteworthy key trading partners contributing to the increase in beef exports in May. Beef shipments to Canada and Taiwan rose in May from a year earlier; U.S. beef exports to Canada were up 3.7 million pounds from a year ago and exports to Taiwan were up 5.2 million pounds. However, although shipments to Mexico have been up year over year, the volume of beef exported in 2021 to Mexico has been lower than in 2019. Lower volumes of beef exports to Mexico in 2020 were partially due to economic weakness and trade disruptions due to COVID.

The second-quarter forecast for beef exports was raised by 30 million pounds from last month to 890 million pounds, partly due to the stronger demand from China, South Korea, and Japan in May. U.S. beef export forecasts for the third and fourth quarters were also elevated, by 40 million to 900 million pounds and 10 million to 835 million pounds, respectively, on continued robust demand in Asia. The

annual forecast for 2021 was raised to 3.422 billion pounds. This demand strength is expected to carry over into 2022, increasing the annual forecast to 3.320 billion pounds.

<b>U.S. year-over-year beef exports to major destinations</b>						
	May 2020	May 2021	Difference in volume	Year-over-year change	Export share May 2020 year-to-date	Export share May 2021 year-to-date
	<b>-Million pound-</b>			<b>-Percent-</b>	<b>-Percent-</b>	<b>-Percent-</b>
<b>Japan</b>	57.2	81.0	23.7	41.4	31.2	24.8
<b>South Korea</b>	49.4	83.7	34.3	70.0	22.8	24.5
<b>China</b>	4.7	46.3	41.6	895.0	1.2	13.3
<b>Mexico</b>	8.3	23.9	15.7	190.2	10.4	9.8
<b>Canada</b>	21.2	24.9	3.7	17.2	10.4	8.1
<b>Taiwan</b>	12.4	17.6	5.2	42.0	6.5	5.2
<b>Hong Kong</b>	21.6	11.1	-10.5	-49.0	6.4	4.1
<b>ROW</b>	13.7	29.8	16.1	117.5	11.2	10.2
<b>Total Exports</b>	188.5	318.3	129.8	68.9	100.0	100.0

ROW = Rest of the World.

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

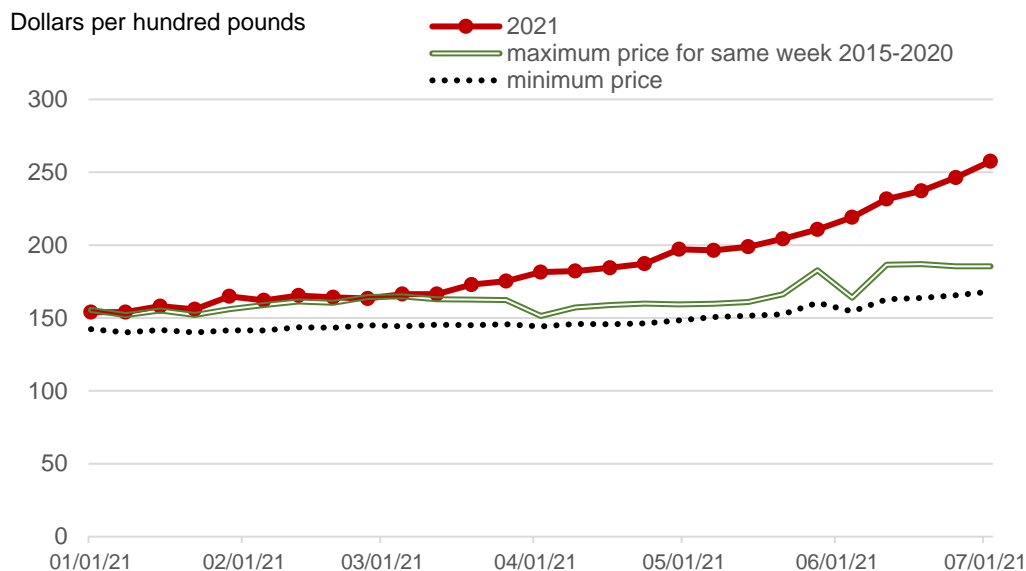
# Sheep/Lamb and Mutton

William F. Hahn

## Lamb and Sheep Updates

Lamb prices in 2021 have been the highest in recent years. The figure below compares the weekly lamb prices this year with the highest and lowest prices in the same week of years 2015-2020.

### Weekly lamb prices in 2021 compared to the highest value for the same week in 2015-2020



Source: U.S. Department of Agriculture, Agricultural Marketing Service.

Between 2015 and 2020, lamb prices for the first half of the year ranged between 140 dollars per cwt to just under 187 dollars per cwt. In June, the lamb price for second-quarter 2021 was forecast at \$190 per hundredweight (cwt). This forecast was based on the assumption that June lamb prices would drop toward the range of recent years. This did not happen, as the graph illustrates. The reported second-quarter 2021 lamb price is \$211.79 per cwt.

Recent production has been consistent with expectations. There are no changes in the forecasts for lamb production for the rest of 2021 or 2022. The 2021 lamb and mutton production forecast is 139 million pounds. There is evidence that lamb and mutton imports have increased recently; lamb import forecasts for the second, third, and fourth quarters in 2021 are higher in this report than they were in June. Total lamb imports for 2021 are expected to be 266 million pounds, nearly 12 million pounds higher than the June forecasts. No changes were made to the 2022 import forecasts.

Most of the lamb consumed in the United States is imported. The fact that lamb prices are rising along with steady domestic production and increasing imports suggests that U.S. consumer demand for lamb has expanded in recent months. Much of the lamb is consumed in restaurants. The reopening of the economy seems to have increased the demand for lamb, and with it the prices paid for lambs. Because



of this apparent strength in lamb demand, the third- and fourth-quarter forecasts of 2021 lamb prices are 5 dollars per cwt higher than in June. The third--quarter 2021 lamb price forecast is 185 dollars per cwt and the fourth quarter forecast is 180 dollars per cwt.

# Dairy

Jerry Cessna and Angel Teran

## Recent Wholesale Dairy Product Prices

From the week ending June 12 to the week ending July 10, all wholesale dairy product prices reported in the USDA *National Dairy Products Sales Report* (NDPSR) declined. The price of 40-pound blocks of Cheddar cheese decreased 8.9 cents to \$1.5365 per pound, and the price of 500-pound barrels (adjusted to 38-percent moisture) decreased 8.3 cents to \$1.5637 per pound. Prices for butter, nonfat dry milk (NDM), and dry whey fell to \$1.7836 (-1.3 cents), \$1.2557 (-1.3 cents), and 0.6287 per pound (-2.9 cents), respectively.

### Dairy wholesale product prices from USDA *National Dairy Products Sales Report* (dollars per pound)

	For the week ending		Change
	June 12	July 10	
Butter	1.7968	1.7836	-0.0132
Cheddar cheese			
40-pound blocks	1.6256	1.5365	-0.0891
500-pound barrels *	1.6471	1.5637	-0.0834
Nonfat dry milk	1.2682	1.2557	-0.0125
Dry whey	0.6579	0.6287	-0.0292

\* Adjusted to 38-percent moisture.

Source: USDA, Agricultural Marketing Service, *National Dairy Products Sales Report*, July 14, 2021.

For the trading week ending July 9,<sup>1</sup> the spot price for 40-pound blocks of Cheddar cheese traded on the Chicago Mercantile Exchange (CME) averaged \$1.6919 per pound, higher than the most recent NDPSR price; the spot price for 500-pound barrels averaged \$1.5550 per pound, lower than the most recent NDPSR price. Prices for butter, NDM, and dry whey were lower than the most recent NDPSR prices, averaging \$1.7075, \$1.2369, and \$0.5056 per pound, respectively.

U.S. wholesale prices of major dairy products have continued to be very competitive compared to international export prices.<sup>2</sup> For the month of June, Oceania and Western Europe export prices for butter were \$2.12 and \$2.30 per pound, respectively. Skim milk powder (SMP) export prices for Oceania and Western Europe were \$1.57 and \$1.43 per pound, respectively. The Oceania export price for cheese was \$1.97 per pound. The Western Europe dry whey export price averaged \$0.60 per

<sup>1</sup> While the end of each week for NDPSR average prices falls on a Saturday, the trading week for CME usually ends on a Friday.

<sup>2</sup> The source for Oceania and Western Europe prices is USDA *Dairy Market News*. International prices are in U.S. dollars, free on board (F.O.B.) port. Prices listed in this report are at the midpoints of the ranges.

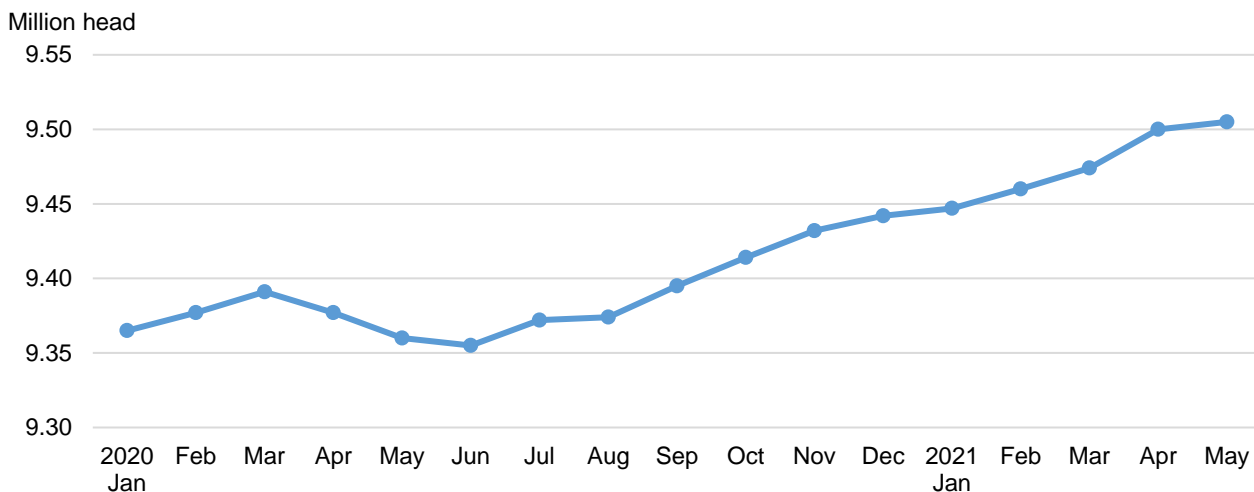
pound in June, lower than the latest U.S. price reported in the NDPSR but higher than the most recent CME weekly average.

## Recent Dairy Supply and Use Data

In the *Milk Production* report of June 2021, USDA National Agricultural Statistics Service (NASS) estimated that milk production totaled 19.850 billion pounds in May. Average milk production per day was 640 million pounds, a decrease of 4 million pounds from April and an increase of 28 million pounds (3.5 percent) from May 2020. The large year-over-year increase in May 2021 can be attributed to unusual circumstances caused by the pandemic last year. Milk production fell substantially from April to May 2020 as some cooperatives and other milk handlers set pricing terms to discourage overproduction. These actions were brought about by the crisis in April 2020 when substantial quantities of milk from various parts of the country were not processed due to low demand for dairy products and logistical problems resulting from effects of the pandemic. Such milk is often spread on fields or added to manure lagoons.

NASS revised the milk cow estimate for April to 9.500 million head, up 10,000 from the estimate of the previous monthly report. NASS estimates that the average number of milk cows in May was 9.505 million head, 5,000 higher than April. The number of milk cows in the United States has increased every month since July 2020. In recent weeks, federally inspected dairy cow slaughter has generally been close to numbers from last year. However, for the week ending June 27, 2021, dairy cow slaughter was 4,100 head higher than the week ending June 26, 2020.

### U.S. milk cows



Source: USDA, National Agricultural Statistics Service.

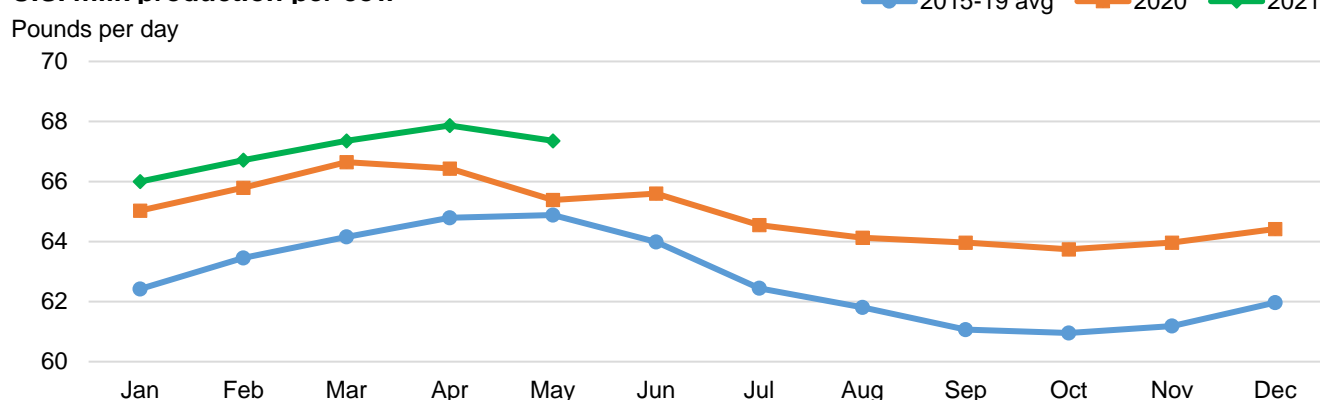
Daily milk per cow in May is typically about the same as in April. This year, however, it averaged 67.4 pounds in May, a decrease of 0.5 pounds from April. In the past 20 years, the only larger decreases from April to May were in 2012 and 2020. There are a few possible reasons for the decrease in daily yield per cow from April to May this year:

- For the last couple of weeks in May, USDA's *Dairy Market News* (DMN) reported that in some areas of the country, actions taken by some cooperatives and other milk handlers to manage milk supply contributed to lower milk yields as pricing terms were formulated to discourage

overproduction. Dairy farmers may have dried off cows early<sup>3</sup> or made changes in feed rations to limit milk production.

- High feed costs may have contributed to the reduction in milk yields. Milk supply usually responds to changes in feed costs with a lag of several months. The milk-feed ratio has been trending downward from 2.56 in November 2020 to 1.69 in May 2021. With relatively low milk prices compared to feed prices, some dairy farmers may have reduced quantity or quality of feed for dairy cows.
- Much of the western area of the country experienced hot, dry conditions. In May, a drought emergency was declared for most California counties. However, the impacts are highly uncertain. For the week of May 24-28, DMN indicated milk production had not yet appeared to be significantly affected by the conditions.

### U.S. milk production per cow



Source: USDA, National Agricultural Statistics Service.

The drought situation for most of the West and much of the Northern Plains has become more severe in recent weeks. For the United States as a whole, the *U.S. Agriculture Drought Monitor* indicated that approximately 50 percent of the milk cow inventory, 64 percent of the alfalfa hay acreage, 36 percent of corn acreage, and 31 percent of the soybean acreage was in an area experiencing drought as of July 13. Dairy supply and use data are not yet available for June or July, but DMN reported that for the week of July 5-9, milk yields were lower than expected in California and the Pacific Northwest. There were also temporary heat-related closures of some manufacturing plants.

Dairy exports were robust in May. On a milk-fat milk-equivalent basis, they totaled 1.020 billion pounds, 111 million pounds below April but 117 million pounds higher than May 2020. On a skim-solids milk-equivalent basis, May dairy exports were a record high of 4.879 million pounds, 175 million higher than April and 477 million higher than May 2020. Exports of dry skim milk products<sup>4</sup> totaled a record high of 195.6 million pounds in May, 22.6 million higher than April and 20.1 million higher than May 2020. May exports of whey products<sup>5</sup> were also robust, at 127.8 million pounds in May, 4.9 million higher than April

<sup>3</sup> NASS includes dry cows in its milk cow inventory estimates. A high proportion of dry cows results in relatively low milk per cow.

<sup>4</sup> Dry skim milk products include nonfat dry milk, skim milk powder, and dry skim milk for animal use.

<sup>5</sup> Whey products include dry whey, whey protein concentrate, modified whey, and milk albumin.

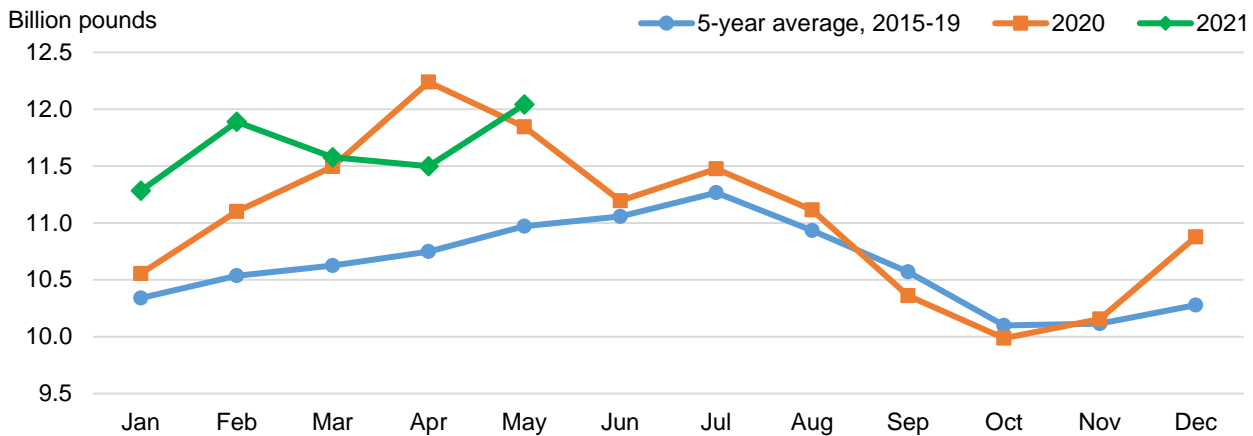
and 27.2 million higher than May 2020. Lactose exports totaled 83.1 million pounds in May, 2.4 million lower than April but 2.8 million higher than May 2020.

In May, imports on a milk-fat basis totaled 531 million pounds, 11 million lower than April and 40 million below May 2020. On a skim-solids basis, May imports totaled 499 million pounds, 37 million higher than April but 22 million lower than May 2020. Notably, imports of milk protein products in May totaled 23.9 million pounds, 4.1 million higher than April, but 3.2 million lower than May 2020.

For the 3 months from March to May, domestic use on a milk-fat basis totaled 55.219 billion pounds, 4.1 percent higher than the same 3 months of 2020. The high increase in domestic use on a milk-fat basis can, in part, be attributed to low demand for dairy products last year due to the pandemic. However, economic recovery from low points of the pandemic has not brought about a substantial increase in domestic use of all dairy products; on a skim solids basis, March-through-May domestic use totaled 45.679, only 0.8 percent higher than the same 3 months of 2020. Although caution should be used in examining domestic use data for one particular month,<sup>6</sup> it is notable that domestic use of dry skim milk products in May was only 15.9 million pounds, the lowest total for any month since October 2017; for dry whey it was only 24.6 million pounds, the lowest since November 2014. Relatively high NDM and dry whey prices may have contributed to low domestic use of both products.

May ending commercial stocks on a milk-fat basis totaled 19.616 billion pounds, a record high for any month. On a skim-solids basis, May ending commercial stocks totaled 12.042 billion pounds, 543 million higher than April; this was the largest April-to-May increase on a skim-solids basis since 1997. Moreover, stock levels on a skim-solids basis have been volatile; the large increase in ending stocks from April to May follows a counterseasonal decrease from March to April. Manufacturers' stocks of dry skim milk products (NDM and dry skim milk for animal use) totaled 357.7 million pounds in May, an increase of 30.3 million from April—the largest April-to-May increase since 1997.

### Ending stocks, skim-solids milk-equivalent basis



Sources: USDA, National Agricultural Statistics Service; USDA, Economic Research Service calculations.

<sup>6</sup> Domestic use estimates are calculated using data from various primary sources. Stock estimates for dry milk products and whey products include only manufacturers' stocks. Pipeline stocks held by dealers, brokers, and retailers are not included in the calculation. Moreover, calculations of stocks for dry skim milk products do not include skim milk powder.

# Retaliatory Tariffs on Dairy Products From the European Union and the United Kingdom Suspended for 5 Years

In October 2019, the United States began applying retaliatory import tariffs on a number of products from the European Union (EU) and the United Kingdom (UK) due to a dispute related to large civilian aircraft. Tariffs of 25 percent were applied to many dairy products imported from the EU and the UK, in addition to the tariffs already in place for imported goods from most World Trade Organization members. Afterwards, the EU and UK applied retaliatory import tariffs on certain U.S. products, also due to disputes involving large civilian aircraft.

In March 2001, U.S. retaliatory tariffs on products imported from the EU and the UK were suspended for a 4-month period, and USDA projections from March through June of this year assumed that they would be reinstated in July 2001. However, on June 15, 2021, the United States and the EU announced that retaliatory tariffs would be suspended for 5 years. A similar agreement was reached with the UK on June 17, 2021.

## Outlook for Feed Prices

The 2021/22 corn price projection is \$5.60 per bushel, 10 cents lower than last month's forecast. The 2021/22 price projection for soybean meal is \$395 per short ton, \$5 lower than last month's forecast.<sup>7</sup> For more information, see *Feed Outlook*, published by USDA, Economic Research Service. The alfalfa hay price in May was \$194 per short ton, \$7 higher than April and \$15 higher than May 2020. The 5-State weighted-average price for premium alfalfa hay in May was \$226 per short ton, \$15 higher than April and \$15 higher than May 2020.

## Dairy Forecasts for 2021

Based on recent data, milk cows are projected to average 9.500 million head in 2021, 5,000 more than last month's forecast. The upward trend in milk cow numbers is anticipated to continue through the end of the year. Based on recent data, expectations of continued drought, relatively high feed prices, and lower expected milk prices, the projected annual yield per cow for 2021 has been lowered to 24,020 pounds, 45 pounds less than the previous month's estimate. The milk production forecast for 2021 has been lowered to 228.2 billion pounds, 0.3 billion lower than last month, as lower expected yield per cow more than offsets higher expected milk cow numbers.

The annual forecast for 2021 exports on a milk-fat basis is 11.1 billion pounds, unchanged from last month's projection. Due to higher expected export demand for dry skim milk products, lactose, and dry whey products in 2021, exports on a skim-solids basis are forecast at 51.3 billion pounds, 1.1 billion higher than forecast last month.

The 2021 annual projection for imports on a milk-fat basis is 6.2 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the projection for imports is 5.6 billion pounds, 0.1 higher than last month. Higher imports of cheese and butterfat products<sup>8</sup> are expected due to suspension of retaliatory tariffs on products from the EU and the UK. Higher imports of milk protein products are expected based on recent trade data.

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<sup>7</sup> The marketing year begins September 1 for corn and October 1 for soybean meal.

<sup>8</sup> Butterfat products include butter, anhydrous milkfat, butteroil, and high milk-fat dairy spreads.

The 2021 domestic commercial use forecast on a milk-fat basis is 222.8 billion pounds, 0.1 billion lower than last month's forecast, due to lower-than-anticipated domestic use in May. The domestic use forecast on a skim-solids basis for 2021 is 181.2 billion pounds, 1.8 billion lower than last month's forecast, as lower domestic use is expected in the second and third quarters.

Based on recent downward trends in wholesale prices for most dairy products, stronger international price competition, lower-than-anticipated domestic demand, high stock levels, and higher expected imports, wholesale price forecasts for dairy products have been lowered. Price forecasts for cheese, butter, NDM, and dry whey are \$1.655 (-5.0 cents), \$1.690 (-2.5 cents), \$1.210 (-4.0 cents), and \$0.570 (-2.0 cents) per pound, respectively.

Due to the lower expected wholesale prices for cheese and dry whey, the Class III price forecast for 2021 has been adjusted to \$16.80 per hundredweight (cwt), 65 cents lower than last month's forecast. Lower anticipated butter and NDM prices translate to a Class IV price of \$15.40 per cwt, 45 cents lower than last month's projection. The all-milk price forecast for 2021 is \$18.30 per cwt, 55 cents lower than the June forecast.

## Dairy Forecasts for 2022

The upward trend in milk cow numbers projected for 2021 is expected to continue into 2022. The number of cows is forecast to average 9,515 million head in 2022, an increase of 20,000 from last month's forecast and 15,000 head more than 2021. The forecast for milk per cow is 24,335 pounds, unchanged from last month's forecast, but 315 pounds higher than 2021. The forecast for 2022 milk production has been raised to 231.6 billion pounds, 0.5 billion higher than last month's forecast and 3.4 billion pounds higher than 2021.

On a milk-fat basis, the export forecast for 2022 is 10.3 billion pounds, unchanged from last month's forecast. Due to strong anticipated international demand for U.S. lactose, dry skim milk products, and whey products, exports are projected to total 51.3 billion pounds on a skim-solids basis, 0.6 billion higher than the previous month's forecast.

In 2022, dairy imports on a milk-fat basis are projected to total 6.2 billion pounds 0.3 million pound higher than last month. On a skim-solids basis, 2021 imports are estimated at 5.5 billion pounds, 0.1 billion pounds higher than last month's forecast. Higher imports of cheese and butterfat products are expected since retaliatory tariffs on dairy product imports from the EU and the UK have been suspended.

On a milk-fat equivalent basis the annual domestic use forecast for 2022 is 226.4 billion pounds, 0.7 billion higher than the previous forecast and 3.6 billion pounds higher than 2021. On a skim-solids basis, the forecast for domestic use is 184.7 billion pounds, 0.4 billion lower than last month's forecast but 3.5 billion above 2021.

Due to recent price trends and greater expected supplies from milk production and imports, wholesale price forecasts for Cheddar cheese and butter have been lowered from last month's projections to \$1.680 (-3.5 cents) and \$1.750 (-4.5 cents), respectively. Price forecasts for NDM and dry whey are unchanged at \$1.220 and \$0.510 per pound, respectively, as effects of higher milk supplies are anticipated to balance higher expected export demands.

Due to lower cheese price projection, the Class III milk price forecast for 2022 is \$16.75 per cwt, \$0.40 lower than the previous month's forecast. With lower butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$15.75 per cwt, \$0.20 lower than last month's forecast. The all-milk price forecast for 2022 is \$18.50 per cwt, a decrease of \$0.25 from last month's forecast.



# Pork/Hogs

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Mildred Haley

## Fewer Animals Reported in the June *Quarterly Hogs and Pigs*

The substance of the June *Quarterly Hogs and Pigs* issued by USDA on June 28 effectively boils down to the word “fewer.” Compared with a year ago, the report indicates that on June 1, 2021, there were fewer market hogs (-2 percent), fewer breeding animals (-3 percent); fewer pigs per litter (-0.45 percent), and expectations to farrow fewer sows through November 2021 (-3 percent). For hog producers, prospects of reduced hog numbers—fewer hogs—will likely mean continued-strong prices this year and into 2022. Added support to hog prices could also come from increased pork demand from domestic consumers substituting away from reduced supplies of high-priced beef.

The June report showed the heavier weight classes—the 180 pounds and over category and the 120-179 pounds category—to be 2 percent lower than year-earlier levels. These categories are processed between early June and early September, and they are supportive of a third-quarter pork production forecast of about 6.9 billion pounds, 2.7 percent lower than a year ago.

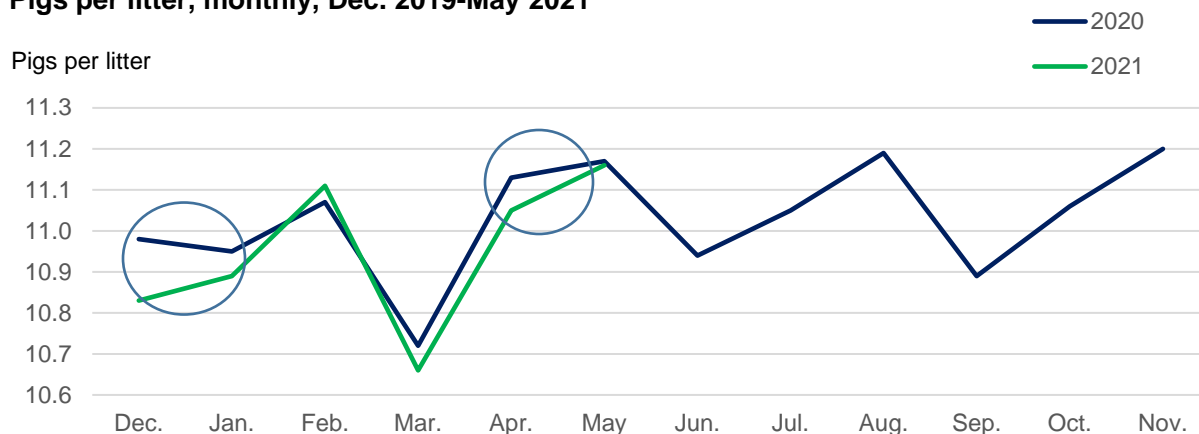
The March-May pig crop is typically the largest of the crop year and is largely processed in the fourth calendar quarter. This year, the March-May pig crop of 33.6 million pigs was 3 percent lower than a year ago, on 3 percent lower farrowings and a year-over-year lower litter rate of 10.95 compared with 11 pigs per litter last year. The March-May pig crop is pointing to a lower fourth-quarter hog slaughter and a pork production forecast of 7.3 billion pounds, 2.5 percent below a year ago.

The lower litter rate registered for the March-May quarter marked the fourth consecutive quarter in which pigs per litter were year-over-year lower. The figure below shows monthly pigs per litter data. Notable in the 2021 data are the deviations of the 2021 litter rates from December-January and April-May. These lower monthly pigs per litter rates have been attributed to a number of factors, primary among them to a new variant of the PRRS virus—the 144 1-C line—that appears to be concentrated in upper Midwestern States (Iowa and Minnesota in particular), and to extend beyond the (usual) virus-friendly cold, wet winter months, into the spring and summer. Further, the new variant does not appear to confine itself to sows and weanlings and also infects older wean-to-finish animals.<sup>9</sup>

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<sup>9</sup> Swine Health Information Center. Domestic Disease Monitoring Reports, Swine Disease Reporting System, Report #41, June 6, 2021.

## Pigs per litter, monthly, Dec. 2019-May 2021

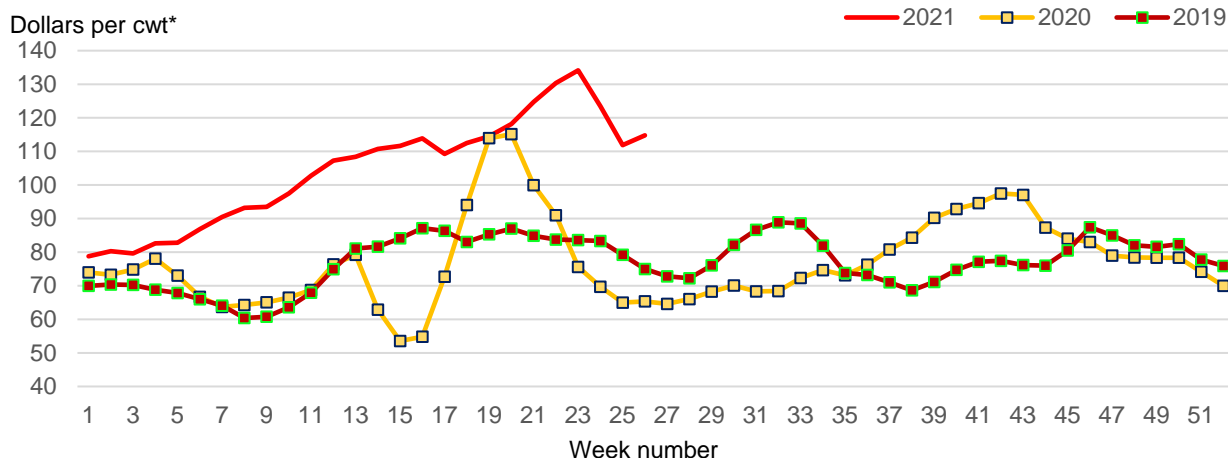


Source: USDA, National Agricultural Statistics Service.

Farrowing intentions surveyed for the June report—second intentions for the June-August quarter and first intentions for the September-November quarter— support pork production forecasts for the first half of 2022. Producers indicated intentions to farrow 3.1 million sows in the June-August quarter of this year, 4.5 percent below farrowings a year ago. Following through on these stated intentions combined with modest growth in litter rates would contribute to a first-quarter 2022 pork production of about 7.2 billion pounds, 1 percent below first-quarter 2021 production. For the September-November quarter, surveyed producers indicated intentions to farrow 3.1 million sows, almost 2 percent below a year earlier. If realized, the resulting pig crop would support a second-quarter 2022 pork production forecast of 6.6 billion pounds, slightly below second-quarter production this year.

Prices of live equivalent 51-52 percent lean hogs are expected to average \$77 per hundredweight (cwt) in third-quarter 2021 and \$64 per cwt in fourth-quarter 2021. Hog price forecasts for the second half of 2021 reflect lower hog numbers from smaller first-half 2021 pig crops and continued-robust consumer pork demand. While weekly wholesale pork prices have clearly come off early-June highs, prices remain very strong, supported by solid domestic demand and respectable foreign demand for U.S. pork, even as shipments to China\Hong Kong ease compared with a year ago. Pork cold stocks levels—about 1 percent lower than a year ago, and down 27 percent from May 2019—are also likely to provide indirect support to hog prices for at least the balance of 2021.

## Wholesale pork carcass cutout, weekly, 2019-July 2, 2021



\*hundredweight

Source: USDA, Agricultural Marketing Service.

Hog prices in the first half of 2022 are expected to reflect producers' second-half 2021 reduced farrowing intentions, with lower first-half 2022 pork production combined with consumer demand growth in an expanding U.S. economy and forecast high-priced substitute products (i.e., beef). First-quarter 2022 prices of 51-52 percent live equivalent hogs are forecast to average \$60 per cwt and second-quarter 2022 prices to average \$61 per cwt.

## Mexico Leads May Exports

U.S. exports in May were about 688 million pounds, 11 percent higher than in May 2020. With the exception of China\Hong Kong, shipments to most major foreign markets were year-over-year higher in May. USDA's Foreign Agriculture Service released the July *Livestock and Poultry: World Markets and Trade* on July 12, with updated 2021 pork production and pork trade forecasts for China and other major trading countries.

Shipments to the 10 largest foreign buyers of U.S. pork in May are listed below. Several aspects of the table are notable: due to U.S. processing-sector turbulence in spring 2020, shipments to some major buyers in May 2020 were sharply reduced. Consequently, COVID-19-reduced shipments in May 2020 result in large calculated year-over-year percent increases for countries such as Mexico, Japan, and Colombia. The year-over-year change to the Philippines is also notable, and attributable to trade policy changes in response to reduced domestic pork production brought about by African Swine Fever.

<b>U.S. pork exports: Volumes and export shares of the 10 largest foreign destinations in May 2020 and 2021</b>					
Country	Exports May 2020 (Million pounds)	Exports May 2021 (Million pounds)	Percent change (2021/2020)	Export share May 2020 Percent	Export share May 2021 Percent
World	618	688	11		
Mexico	85	166	95	14	24
China\Hong Kong	261	164	-37	42	24
Japan	84	114	36	14	17
South Korea	50	56	12	8	8
Canada	39	47	21	6	7
Philippines	6	30	414	1	4
Colombia	9	24	167	1	3
Australia	20	17	-14	3	3
Honduras	7	14	97	1	2
Dominican Republic	11	11	4	2	2

Source: USDA, Economic Research Service.

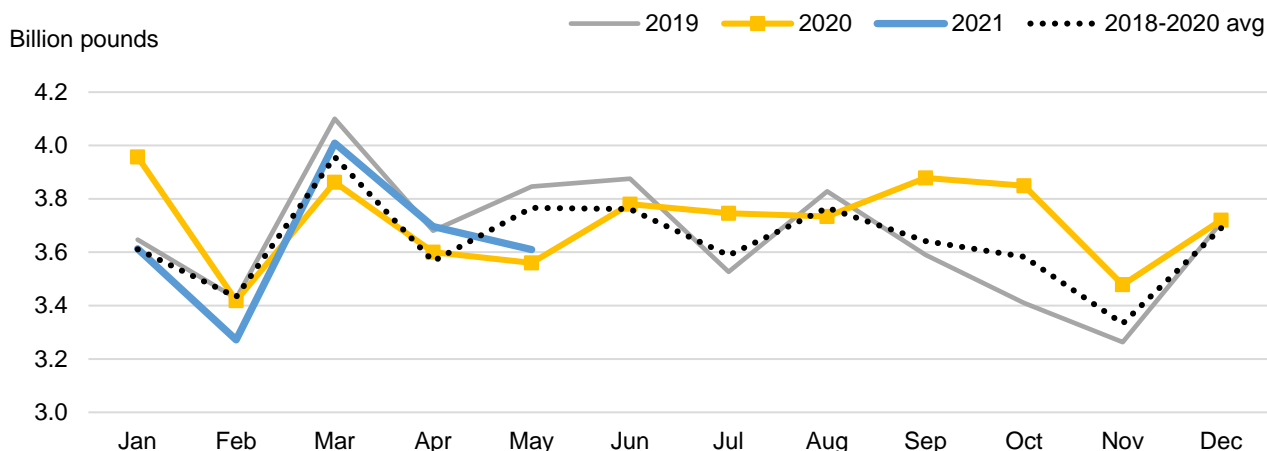
# Poultry

Grace Grossen and Adriana Valcu-Lisman

## Broiler Production Revised Down

May broiler production totaled 3.610 billion pounds, 87 million pounds less than April production and only about 1 percent more than production in May of 2020. Compared to last month, average live weights were only fractionally higher, and slaughter was down 24 million head, though slaughter per day was higher than April. Expected second-quarter production was revised down by 200 million pounds to 11.1 billion pounds based on lower-than-expected production in May. This brings the 2021 total production forecast to 44.7 billion pounds, an increase of less than half a percent from 2020. The 2022 production forecast is unchanged at 45.3 billion pounds, which would represent 1-percent growth over the 2021 forecast.

### Monthly broiler production



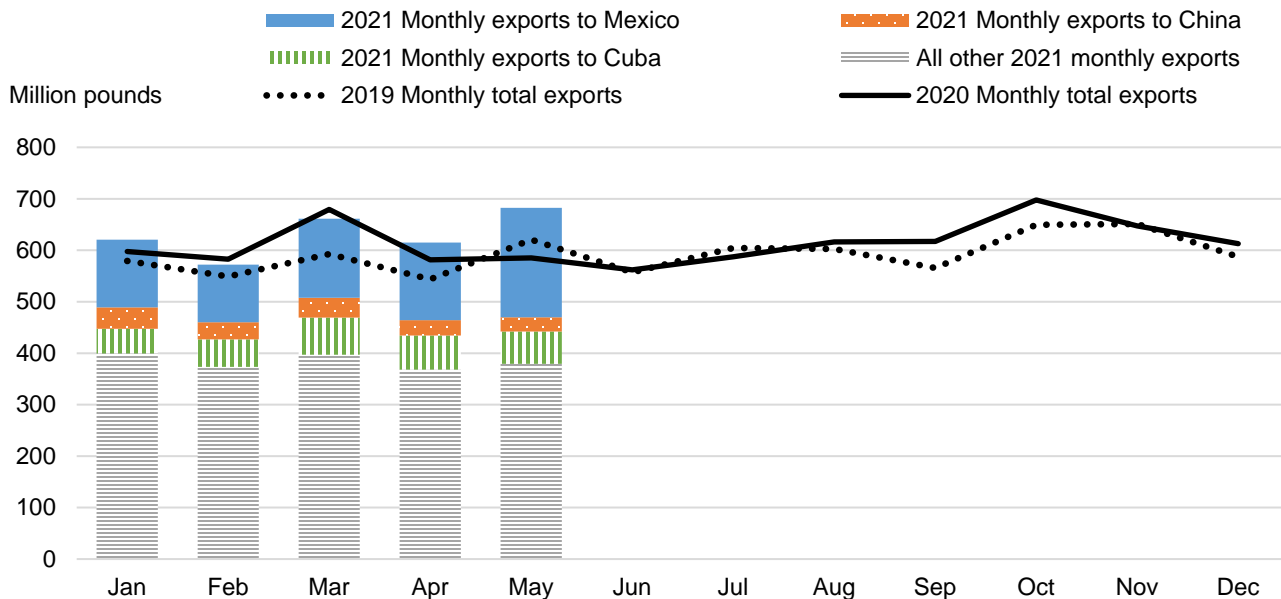
Source: USDA, National Agricultural Statistics Service.

## Broiler Exports Adjusted Up in 2021

Exports of broilers in May were higher than expected at 682 million pounds. This was mostly accounted for by stronger-than-expected shipments to Mexico, which increased by 61.8 million pounds from April (see chart). Shipments increased year-over-year to Cuba (+24.5 million pounds), Guatemala (+9.1 million pounds), and Canada (+5.3 million pounds). Shipments to China decreased by 55 million pounds year over year. As the Chinese pork industry recovers from African Swine Fever, there is less demand for substitute meats.

Second-quarter exports were revised up to 1.890 billion pounds on strong May numbers. The export forecasts for the third and fourth quarters were adjusted down to 1.815 billion and 1.890 billion pounds, respectively. This brings the 2021 total to 7.449 billion pounds, 1 percent over the 2020 total. The 2022 total forecast remains at 7.450 billion pounds, essentially unchanged from the 2021 forecast.

## U.S. broiler exports, 2019-2021



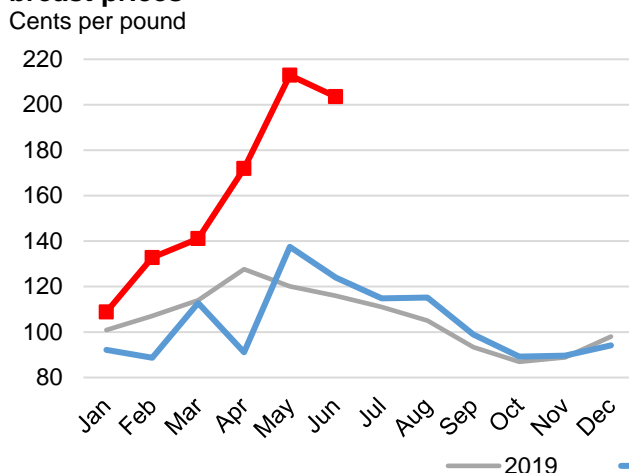
Source: USDA, Economic Research Service, Livestock and Meat International Trade Data.

## Broiler Prices Adjusted Up in Third Quarter

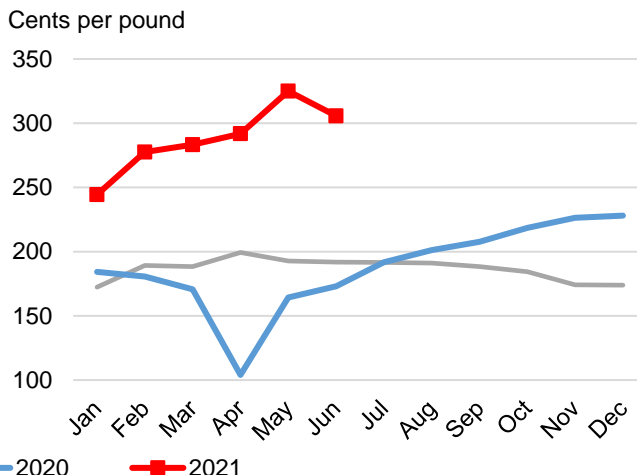
The national composite weighted average whole-broiler price was 106.39 cents per pound in June, making the second-quarter average price 104.4 cents per pound. Weekly prices reached a 2021 high of 107.24 cents per pound in the week ending June 11th. Prices finished the week ending July 9th at 106.17 cents per pound. As weekly prices and consumer demand remain strong, the third-quarter price forecast was revised up to 97.0 cents per pound. With the fourth-quarter price forecast unchanged at 88.0 cents per pound, the annual average price forecast for 2021 is 93 cents per pound.

Wholesale prices for boneless/skinless chicken breasts and chicken wings remain elevated but have decreased from the May peak. Breast prices fell 9 cents from May to June but remain 79.5 cents above June of 2020. June wing prices, which fell 19 cents from May, were 132.7 cents above June of last year.

### Monthly wholesale boneless/skinless chicken breast prices



### Monthly wholesale chicken wing prices



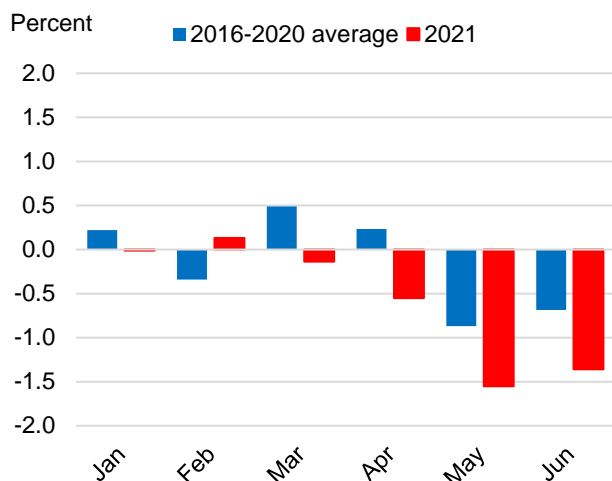
Source: USDA, Agricultural Marketing Service.

## Second- and Third-Quarter Table Egg Production Revised Down

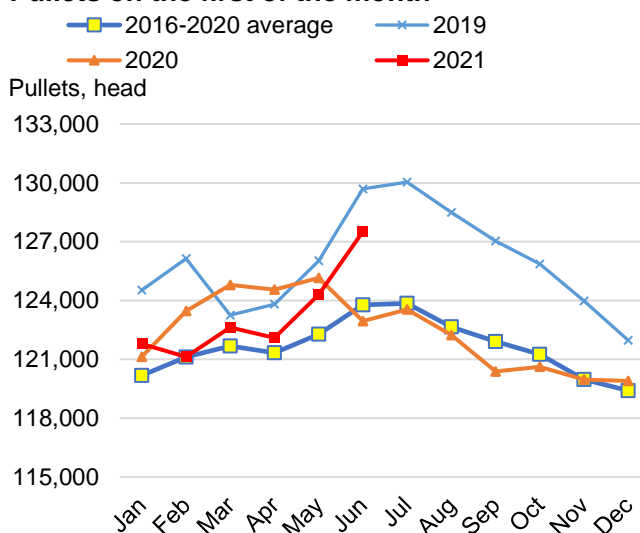
May table egg production was 672.2 million dozen, a 2-percent year-over-year increase. This increase was due to a 3.9-percent year-over-year increase in the lay rate that compensated for a 1.5-percent decrease in the size of the layer flock.

Since March, the table egg layer flock has been contracting at higher-than-average rates. Additionally, the June 1st layer inventory suggests that this trend will continue. However, the number of pullets on the first of the month has been trending at higher-than-average levels since February (see chart). Pullets are chicks that are expected to achieve their peak productivity 5 months after their addition to the flock. Given the expectations of a smaller layer flock in the near term, second- and third-quarter table egg production levels were decreased to 1,990 million dozen and 2,015 million dozen, respectively. This brings the 2021 total table egg production to 8,076 million dozen, fractionally higher than the 2020 table egg production.

### Month-over-month percentage change in table egg layers on the first of the month



### Pullets on the first of the month



Source: USDA, National Agricultural Statistics Service.

## Third- and Fourth-Quarter Wholesale Table Egg Prices Revised Down

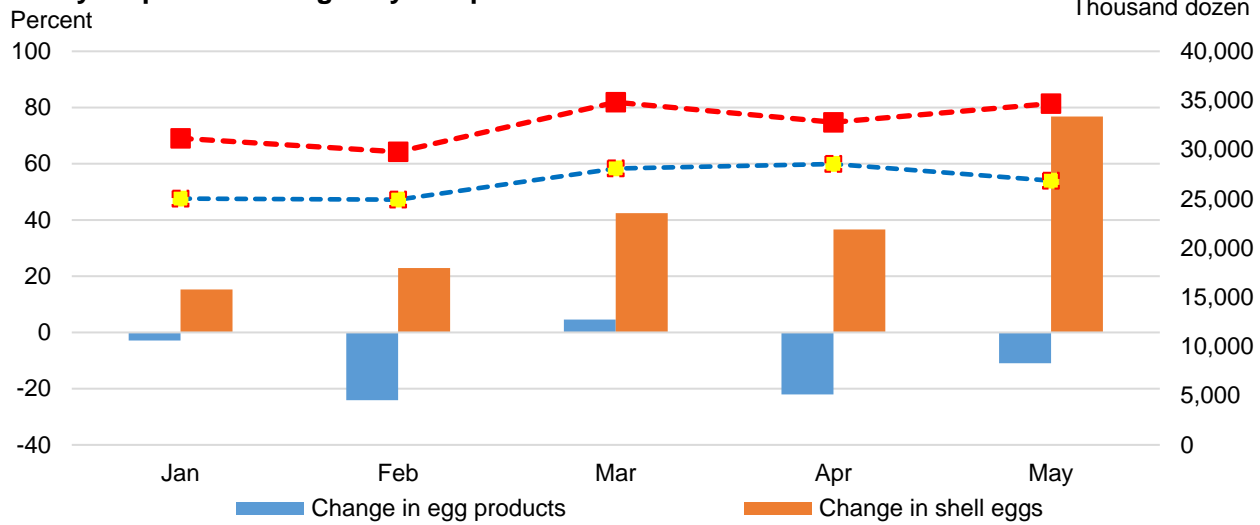
Second-quarter wholesale table egg prices (New York, Grade A Large) averaged 94.2 cents per dozen, a 21.2-percent year-over-year decrease and a 26.3-percent decrease from the previous quarter. Although the retail demand had a large increase in the week preceding Independence Day holiday, it has been lagging in matching the supply for most of the year. The rally in prices from the first week of July is expected to slow down, and prices are expected to follow usual seasonal patterns. Based on expectations of a continued softness in the domestic demand, the third- and fourth- quarter price forecasts were revised down to 102.0 cents and 118.0 cents per dozen, respectively. The first-quarter price forecast for 2022 was revised down to 119.0 cents per dozen.

## Second-Quarter Egg and Egg-Products Exports Revised Up

May shell eggs and shell egg-equivalent-product exports equaled 34.7 million dozen (24 million shell eggs and 10.7 million shell-egg-equivalent egg products), a 36-percent year-over-year increase. Year-over-year May changes in egg exports were dominated by significant increases in shipments to Mexico (+2,753 thousand dozen), South Korea (+6,512 thousand dozen), and Hong Kong (+602 thousand dozen). These increases more than compensated for decreases in shipments to Canada (-648 thousand dozen), Germany (-508 thousand dozen), and Denmark (-216 thousand dozen). Although, shell egg and egg product exports in aggregate have been on an upward trajectory with shipments higher than the 5-year-average volumes, the two components had opposite year-over-year movements during the first 5 months of 2021. Except for March 2021, shipments of egg products have been lower than in 2021, while shipments of shell eggs have showed robust and sustained increases over the same period (see chart). Given the expectation of robust foreign demand, the second-quarter export forecast was revised up to 99 million dozen shell egg equivalent. No revisions were made to the subsequent quarters.



### 2021 monthly U.S. eggs and egg products export volumes (shell-egg equivalent) and year-over-year percent changes by components



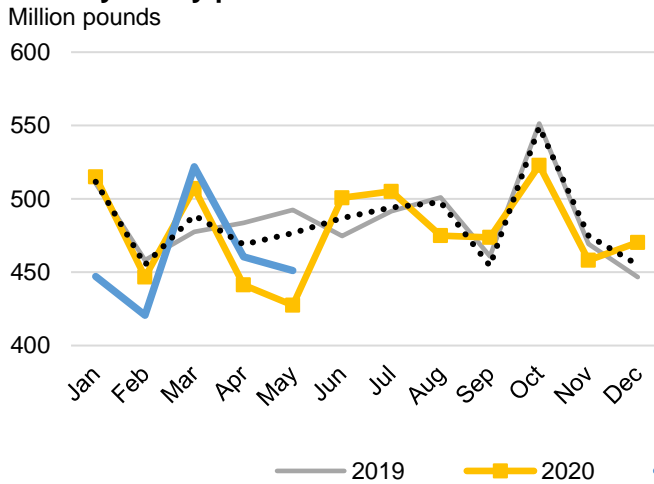
Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census.

## Turkey Production Forecast Decreased in Second-Quarter 2021

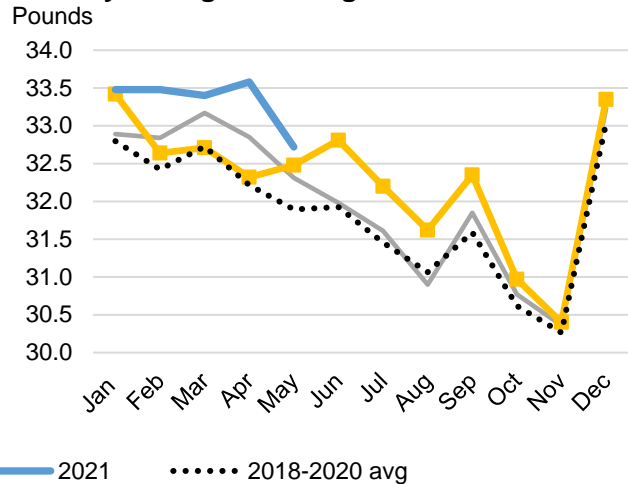
May turkey production came in lower than expected at 451 million pounds. This is an increase of 5.5 percent over May 2020, but 8.4 percent less than the same month in 2019 when there were 2 additional slaughter days. While the number of birds slaughtered in May increased over the previous month, average live weights fell by nearly a whole pound from April 2020.

Reflecting lower-than-expected May production, second-quarter production was revised down by 10 million pounds to 1.39 billion pounds. With the third- and fourth-quarter forecasts left unchanged, the 2021 total production forecast is 5.655 billion pounds, a 2-percent decrease from 2020. Production in 2022 is expected to increase by 1 percent to 5.7 billion, unchanged from the previous forecast.

#### Monthly turkey production



#### Monthly average live weight



Source: USDA, National Agricultural Statistics Service.

## Turkey Exports Adjusted Up

Turkey exports in May totaled 50.4 million pounds. This is 11.6 million pounds above May of 2020, but due in part to Covid-19-related disruptions, May was the second-smallest month for turkey exports in 2020. The May 2021 total is still 8 million pounds below that of 2019. Shipments to most major markets increased year over year, with a few notable exceptions. China's purchases of U.S. turkey have fallen below a million pounds each month since February of this year. Last May, China accounted for 10.4 percent of turkey exports, but this May represented only 1.4 percent. As China's swine industry recovers from the outbreak of African Swine Fever, demand for substitute meats has decreased. May shipments to the Dominican Republic and South Korea also decreased year over year.

Turkey exports were adjusted up by 5 million pounds in the second quarter to 140 million pounds on stronger-than-expected May data. This makes the annual forecast 580 million pounds, an increase of 9 million pounds from last year. The 2022 export forecast is unchanged at 580 million pounds.

### U.S. turkey exports: Volumes and export shares of largest markets, May 2020 and 2021

Country	Volume (1,000 pounds, CWE)			Export share (percent)	
	May 2020	May 2021	Change in volume	May 2020	May 2021
Top 10 largest foreign markets (2021 year-to-date export volumes)					
Mexico	23,180	34,817	11,637	60.2	69.1
Benin	820	1,949	1,129	2.1	3.9
Canada	698	1,166	468	1.8	2.3
Peru	172	1,101	929	0.4	2.2
South Africa	981	1,720	739	2.5	3.4
Haiti	479	851	373	1.2	1.7
Dominican Republic	1,430	477	-654	3.7	0.9
Jamaica	537	960	423	1.4	1.9
Guatemala	418	936	518	1.1	1.9
China	4,020	710	-3,311	10.4	1.4
<b>World</b>	<b>38,535</b>	<b>50,382</b>	<b>11,847</b>	<b>100</b>	<b>100</b>

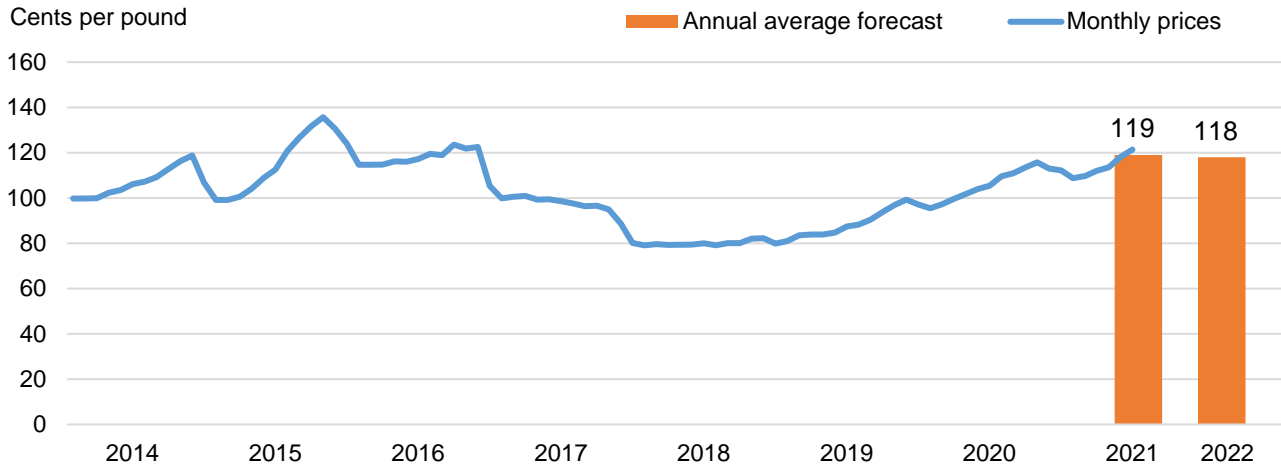
Note: CWE = Carcass Weight Equivalent.

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

## Turkey Price Forecasts Increased

Wholesale prices for frozen whole turkey hens averaged 121.4 cents per pound in June, 16 cents above June last year, making the second-quarter average price 117.7 cents per pound. Weekly prices hit a peak of 125.71 cents per pound in the week ending June 25th. With continuing strong prices and production expected to be less than last year in the third and fourth quarters, the third- and fourth-quarter price forecasts were revised up to 125.0 and 124.0 cents per pound, respectively. This brings the 2021 annual forecast price to 119.2 cents per pound. Production is expected to increase year over year in 2022, but with expected continued demand strength, the 2022 annual forecast was revised up to 118 cents per pound.

### Monthly wholesale whole-hen frozen turkey prices and annual forecasts, 2014-2022



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

### Suggested Citation

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## Dairy forecasts

	2020			2021					2022		
	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thousands)	9,380	9,429	9,388	9,460	9,505	9,515	9,520	9,500	9,520	9,520	9,515
Milk per cow (pounds)	5,908	5,892	23,778	6,002	6,120	5,960	5,940	24,020	6,060	6,200	24,335
<b>Milk production (billion pounds)</b>	<b>55.4</b>	<b>55.6</b>	<b>223.2</b>	<b>56.8</b>	<b>58.2</b>	<b>56.7</b>	<b>56.5</b>	<b>228.2</b>	<b>57.7</b>	<b>59.0</b>	<b>231.6</b>
Farm use	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.1	0.3	0.3	1.1
Milk marketings	55.1	55.3	222.1	56.5	57.9	56.4	56.3	227.2	57.4	58.8	230.5
<b>Milk-fat (billion pounds milk equiv.)</b>											
Milk marketings	55.1	55.3	222.1	56.5	57.9	56.4	56.3	227.2	57.4	58.8	230.5
Beginning commercial stocks	19.0	17.7	13.6	15.6	18.1	19.9	17.9	15.6	15.2	17.7	15.2
Imports	1.8	1.6	6.8	1.3	1.6	1.7	1.7	6.2	1.2	1.6	6.2
Total supply	75.9	74.5	242.5	73.4	77.6	78.0	75.9	249.0	73.9	78.1	252.0
Commercial exports	2.3	2.1	9.3	2.6	3.1	2.9	2.5	11.1	2.4	2.8	10.3
Ending commercial stocks	17.7	15.6	15.6	18.1	19.9	17.9	15.2	15.2	17.7	19.7	15.2
Commodity Credit Corporation donations <sup>1</sup>	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use <sup>2</sup>	55.9	56.7	217.4	52.7	54.6	57.3	58.1	222.8	53.8	55.6	226.4
<b>Skim solids (billion pounds milk equiv.)</b>											
Milk marketings	55.1	55.3	222.1	56.5	57.9	56.4	56.3	227.2	57.4	58.8	230.5
Beginning commercial stocks	11.2	10.4	10.2	10.9	11.6	11.9	11.0	10.9	11.1	11.6	11.1
Imports	1.4	1.3	5.6	1.4	1.4	1.4	1.4	5.6	1.3	1.4	5.5
Total supply	67.7	66.9	237.9	68.8	70.9	69.7	68.7	243.6	69.8	71.8	247.1
Commercial exports	11.9	11.6	47.2	12.4	14.1	12.8	12.0	51.3	12.6	13.9	51.3
Ending commercial stocks	10.4	10.9	10.9	11.6	11.9	11.0	11.1	11.1	11.6	12.0	11.1
Commodity Credit Corporation donations	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic commercial use <sup>2</sup>	45.4	44.5	179.7	44.8	44.9	45.9	45.6	181.2	45.7	45.8	184.7
<b>Milk prices (dollars/hundredweight) <sup>3</sup></b>											
All milk	18.97	19.80	18.24	17.33	18.75	18.20	18.90	18.30	18.70	18.30	18.50
Class III	20.25	20.22	18.16	15.98	17.95	16.60	16.75	16.80	16.70	16.70	16.75
Class IV	13.01	13.38	13.49	13.71	16.00	15.95	16.00	15.40	15.85	15.85	15.75
<b>Product prices (dollars/pound) <sup>4</sup></b>											
Cheddar cheese	2.1571	2.1296	1.9236	1.6146	1.725	1.625	1.650	1.655	1.650	1.680	1.680
Dry whey	0.3325	0.3827	0.3621	0.5064	0.635	0.575	0.560	0.570	0.550	0.500	0.510
Butter	1.5970	1.4746	1.5808	1.4677	1.795	1.750	1.750	1.690	1.720	1.740	1.750
Nonfat dry milk	0.9783	1.0812	1.0417	1.1226	1.225	1.245	1.250	1.210	1.250	1.240	1.220

Totals may not add due to rounding.

<sup>1</sup> Commodity Credit Corporation donations include purchases made through the USDA Trade Mitigation program. They do not include products purchased under other programs.

<sup>2</sup> Domestic use for 2020 includes additional milk marketed but not processed.

<sup>3</sup> Simple averages of monthly prices. May not match reported annual averages.

<sup>4</sup> Simple averages of monthly prices calculated by the USDA, Agricultural Marketing Service, for use in class price formulas. Based on weekly USDA *National Dairy Products Sales Report*.

Sources: USDA, National Agricultural Statistics Service; 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*.

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