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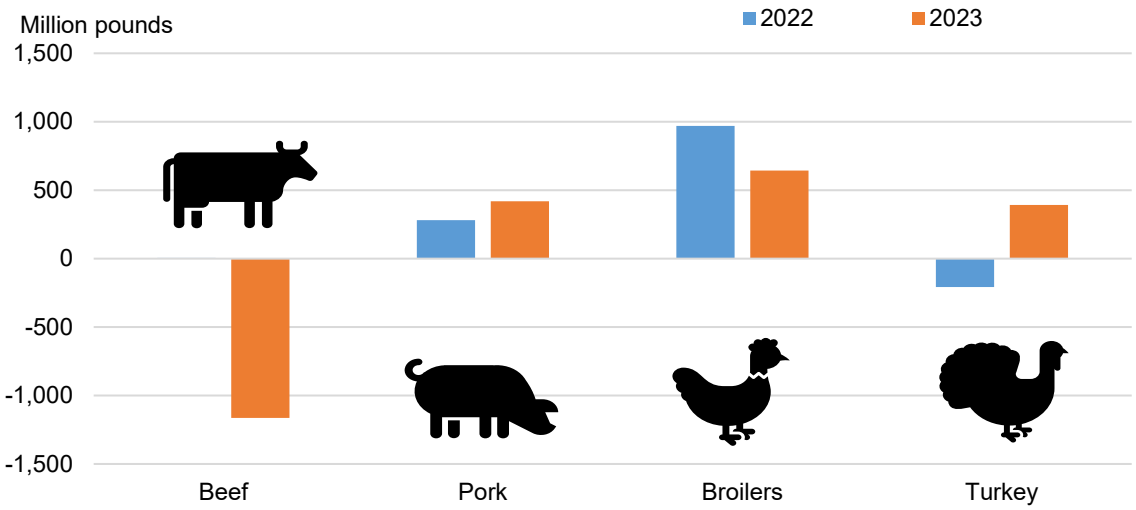
Livestock, Dairy, and Poultry Outlook: October 2022

Domestic Use of Broilers and Pork Forecast To Increase While Beef Supply Falls

Total domestic use is calculated by subtracting exports and ending stocks from total supply (beginning stocks, imports, and production). These calculations can be found on an annual basis on page 32 of the USDA's *World Agricultural Supply and Demand Estimates* report. Domestic use of beef is forecast to increase very slightly in 2022 but to decline sharply in 2023 as the U.S. cattle herd shrinks, a result of drought and high feed costs. Pork use is on the rise in 2022 as imports increase and exports fall, though production isn't forecast to grow. In 2023, pork use is forecast to increase due to increased production and imports, and declining exports. Use of broiler meat is projected to rise significantly in 2022, as production and imports climb and exports decline compared to 2021. Broiler use is expected to increase again in 2023, but by a smaller margin. Turkey meat is on the decline in 2022 as the Highly Pathogenic Avian Influenza (HPAI) outbreak has had an outsize impact on the industry. However, it is forecast to bounce back in 2023.

Year-over-year change in projected total domestic use of meat, by type



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

Summary

Beef/Cattle: Drought continues to have a role in the timing of cattle slaughter. Based on stronger expected pace of fed cattle and beef cow slaughter in late 2022, the production forecast for this year is fractionally higher than last month. The 2023 beef production outlook is raised on greater expected marketings in early 2023 as more calves are expected to be placed in feedlots in second-half 2022. The cattle price forecast for fourth-quarter 2022 is adjusted higher, mainly on current price strength and a stronger anticipated pace of fed cattle slaughter. Calf prices are lowered for 2022 as feed prices are projected higher. Record exports in August were above expectations, raising the 2022 forecast. The outlook for 2023 exports is increased on stronger expected demand from Asia. The 2022 outlook for imports is lowered on third-quarter data, but the 2023 forecast is raised on larger available supplies from Brazil and Australia than were expected last month.

Dairy: The all-milk price forecasts for 2022 and 2023 have been raised due to recent changes in dairy product prices and higher expected dairy exports. The all-milk price forecast for 2022 is $25.60 per hundredweight (cwt), $0.15 higher than last month's forecast. The all-milk price forecast for 2023 is $22.90 per cwt, $0.20 higher than the September forecast. Milk production forecasts for both 2022 and 2023 have been raised, based on higher expected milk cow numbers and higher yield per cow. Export forecasts have been mostly raised, mainly due to anticipated strong demand from the international market and competitive domestic prices.

Sheep/Lamb: Lamb prices have declined in 2022. The lamb price in the third quarter of 2022 was 34.1 percent lower than the second-quarter price. Lamb price forecasts were lowered by 30 dollars per hundredweight for the fourth quarter of 2022 and for 2023.

Pork/Hogs: Based on information in the September *Quarterly Hogs and Pigs*, pork production for 2023 is reduced to 27.3 billion pounds, 0.7 percent greater than the production forecast for 2022. Hog prices in 2023 are expected to average $66.75 per cwt, about 6 percent lower than prices forecast for 2022. The forecast for total 2023 U.S. pork exports is reduced to 6.28 billion pounds, 1.7 percent lower than exports forecast for 2022.

Poultry/Eggs: Broiler production forecasts are adjusted up on strong production and hatchery data. Forecast broiler exports are unchanged, while imports are increased on recent trends. Broiler price forecasts are adjusted down on increased production expectations.

Following the Highly Pathogenic Avian Influenza (HPAI) September detections, table-egg production forecasts for the remainder of 2022 and 2023 are revised downward. In addition, based on stronger-than-expected prices in third quarter, wholesale egg (New York, grade A, large) price forecasts are adjusted up. Based on recent trade data, egg and egg products import and export forecasts are adjusted slightly higher.

Forecast turkey production is lowered for the remainder of 2022 and the first half of 2023, reflecting new outbreaks of HPAI. Turkey exports are adjusted slightly lower in 2022 and slightly higher in 2023, while imports are adjusted up in both years. Turkey prices are adjusted up on recent trends and lowered production expectations.

Beef/Cattle

Russell Knight and Hannah Taylor

Drought Continues To Impact Timing of Future Marketings

The U.S. beef sector continues to see drought conditions impacting the movement and timing of cattle placement in feedlots, as well as the number of beef cows culled, which will likely continue into early 2023. The latest NASS *Cattle on Feed* report showed a September 1 feedlot inventory of 11.279 million head, the second-largest for the month since the series began in 1996 and 0.4 percent higher than 11.234 million head in the same month last year. Feedlot net placements[1] in August were up less than 1 percent year over year at 2.059 million head but well above industry analyst expectations. Marketings in August were 2.004 million head, up over 6 percent year over year with 1 more weekday in the month. On a weekday basis, the pace of marketings in August was up almost 2 percent from last year's pace but lower than 2020 for the month.

Based on actual and estimated slaughter through September, the beef production forecast for third-quarter 2022 is adjusted higher by 25 million pounds, principally on higher nonfed cattle slaughter that more than offsets a decline in fed cattle slaughter. Further, average carcass weights since the last report were heavier than expected, which added to the increase in production. In fourth-quarter 2022, production is projected to increase by 105 million pounds. The more-rapid pace of culling beef cows was carried over into the quarter, raising expected cow slaughter. In addition, anticipated fed cattle marketings are raised on a relatively strong pace of fed cattle slaughter in early October, as well as expectations of a higher proportion of fed cattle marketed from feedlots with under 1,000-head capacity. As a result, total 2022 beef production is raised 130 million pounds from last month to 28.1 billion pounds, an increase of less than 1 percent from 2021.

The large placement of cattle in August and expectations that dry conditions will reduce grazing opportunities supports raising anticipated placements in second-half 2022. This resulted in raising expected fed cattle marketings in early 2023 and projected first-half 2023 beef production. Consequently, as cattle placed in late 2022 are expected to be drawn from those that might have been placed in early 2022, expected marketings are lowered in late 2023. However, the increase in anticipated marketings in first-half 2023 more than offsets the decline in second-half 2023. Accordingly, the 2023 beef production forecast is raised slightly by 30 million pounds to 26.4 billion pounds, which remains more than 6 percent below the 2022 projection.

2022 Feeder Cattle Prices Lowered on Larger Placements

The price for feeder steers 750–800 pounds at the Oklahoma City National Stockyards averaged $173.48 per hundredweight (cwt) in September, down nearly $1 from the prior month but up about $22 from last year. The most recent available price from October 10 reports sales of yearling feeder steers at $170.71 per cwt, up only $0.40 from the previously reported week. Despite firm feedlot demand expected for the remainder of 2022, current price data, and higher projected feed prices than last month, the fourth-quarter 2022 price forecast for feeder steers is lowered $4 to $173.00 per cwt.

[1] Net placements are placements minus other disappearance.

Based on a weaker outlook than last month for winter grazing on small grains, expected feeder calf placements were raised for the remainder of 2022, tempering expectations for supplies of stocker cattle entering feedlots in early 2023. The price projection in first-quarter 2023 is raised $3 to $175 per cwt. However, feed prices are forecast to be slightly higher for the 2022/23 crop year and expected feeder calf price increases in the second half of the year were moderated.

Composite wholesale beef prices have declined from the mid-summer peak of $266.23 per cwt the week ending July 29 to $246.02 per cwt the week ending October 7. Despite weaker trending wholesale beef prices, the relatively strong pace of fed cattle slaughter in September appears to have carried over into October. Over the same period, weekly fed steer prices have climbed higher, likely reflecting demand for cattle to support the pace of slaughter during that time. However, the pace of slaughter is expected to fall below year-ago levels in the remainder of the year.

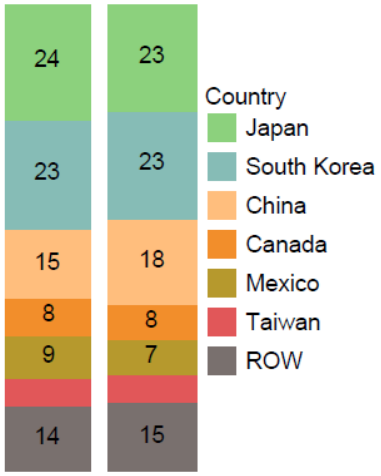
For the week ending October 9, the negotiated price for fed steers in the 5-area marketing region reached $146.23 per cwt, the second-highest weekly average this year. Accounting for current price data and a stronger year-over-year pace of fed cattle slaughter in early October, the fourth-quarter 2022 price is projected $1 above last month to $148.00 per cwt. The annual 2023 fed steer price forecast is unchanged from last month at $154 per cwt.

Export Forecast for 2023 Raised on Stronger Expected Demand From Asia

Continuing this year’s trend of new monthly export records, exports in August were nearly 324 million pounds, also setting a new overall record ahead of last year’s 322 million pounds in August. Further, year-to-date exports through August are at a record 2.4 billion pounds, nearly 6 percent above last year and 19 percent above the 5-year average. Year-to-date exports for most major markets are higher year over year, as the table below shows. Exports to China have increased 30 percent over last year, raising China’s share of U.S. exports to 18 percent. Exports to Mexico are below a year ago, as are year-to-date exports to Japan.

U.S. beef exports by volume, January–August 2021 and 2022

Country	August 2022 exports	Year-to-date exports 2022	Year-to-date exports 2021	Year-over-year volume change	Year-over-year percent change
Japan	70.0	557.6	558.2	-0.6	0
South Korea	67.7	547.3	533.3	14.0	3
China	69.6	443.1	340.8	102.4	30
Canada	25.3	184.4	182.6	1.8	1
Mexico	25.0	176.8	211.0	-34.3	-16
Taiwan	18.5	147.8	129.0	18.8	15
ROW	47.4	359.3	327.3	32.0	10
Total	323.6	2,416.2	2,282.2	134.1	6

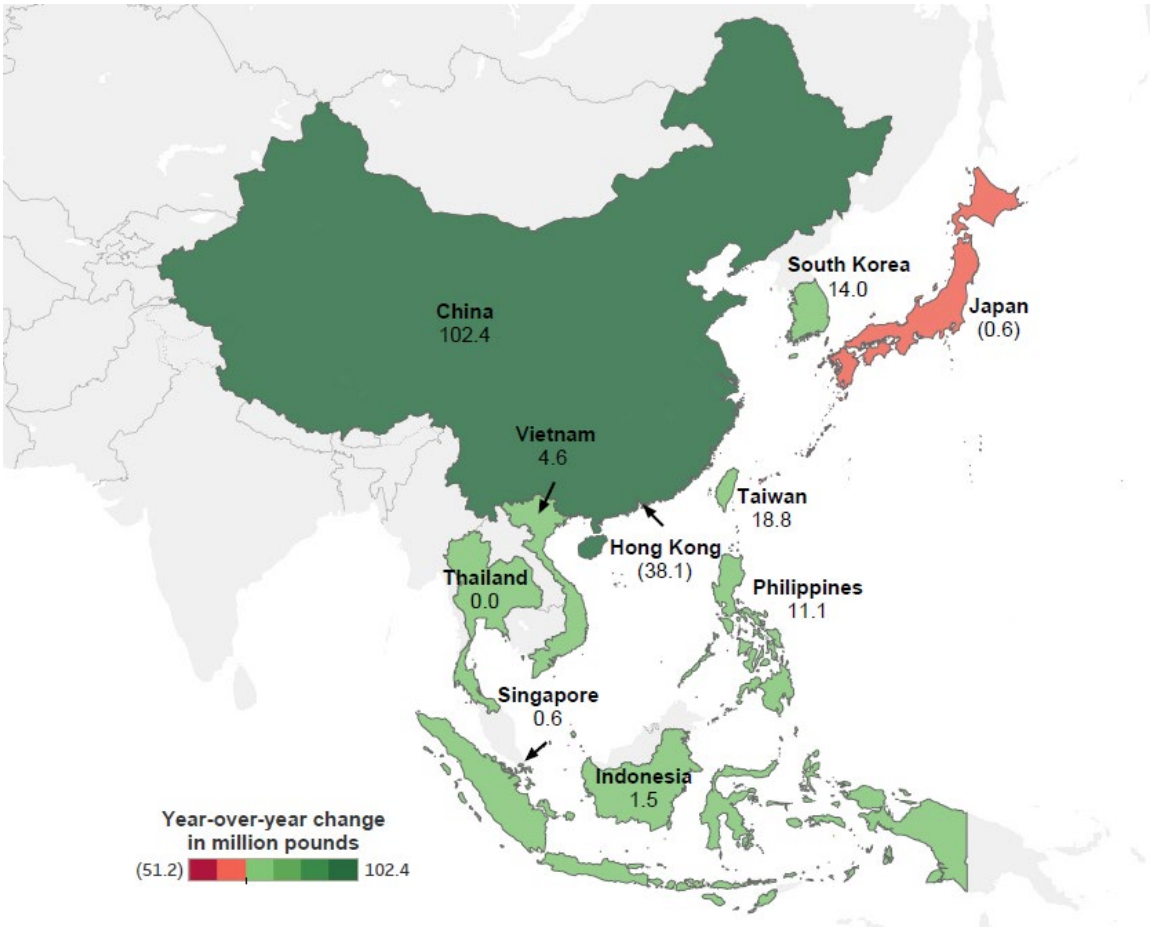


Notes: Top six countries based on 2022 year-to-date exports; YTD = year-to-date; ROW = rest of world.
Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census.

The value of exports in August totaled 973 million dollars, less than 1 percent below last year but 35 percent above the 5-year average. The record-setting pace of exports this year despite the high prices is evidence of strong foreign demand for U.S. beef. The unit value of exports to the top 10 Asian markets for January through August was 4.12 dollars per pound. The value per pound of total U.S. exports through August this year was 4.03 dollars.

Demand for U.S. beef in East and Southeast Asia has been especially strong this year. The increase in exports to the top 10 Asian markets has accounted for 85 percent of the year-over-year increase in exports through August. The change in exports to these markets is shown in the map below. The increase in exports to China alone has accounted for 76 percent of the overall increase and was more than enough to offset the decrease in exports to Hong Kong and Japan. Exports to South Korea, Taiwan, and the Philippines have also shown significant increases.

Change in exports to top 10 Asian markets, January–August 2022 versus 2021 (by million pounds)



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

The U.S. beef export forecast for third-quarter 2022 is raised 10 million pounds to 925 million based on August trade data showing stronger-than-expected shipments to China. The fourth-quarter projection is unchanged, making the annual forecast 3.571 billion pounds. Based on expected global demand for next year, the forecast for first-quarter 2023 is raised 50 million pounds to 740 million. The second-quarter forecast is raised 15 million pounds to 775 million, and the third quarter is lowered slightly to 785 million pounds. This essentially shifts some exports out of the second half of the year into the first half based on higher expected supplies in the first half. The annual forecast is raised to 3.070 billion pounds.

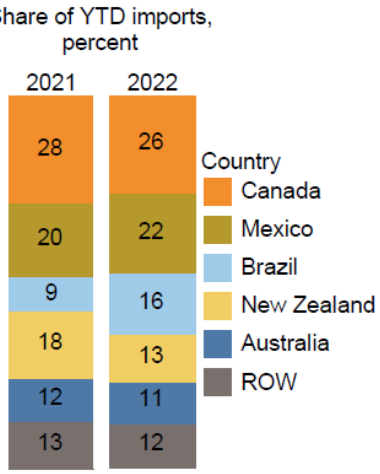
2023 Import Forecast Raised on Increase in Expected Global Supplies

U.S. beef imports in August were 271 million pounds, 18 percent below 2021. Year-to-date imports were 2.4 billion pounds, 8 percent above last year and 10 percent above the 5-year average. Imports from Mexico in August were the second-highest for the month. Year-to-date imports from Mexico are up 17 percent, and Mexico's share of imports to the United States has increased 2 percentage points, making it the only country to increase its share besides Brazil. Imports from Brazil dropped after the tariff-rate quota was filled in the early part of the year.

August imports from Brazil were 31 percent lower year over year but still above the 5-year average now that fresh, chilled, and frozen beef imports are allowed from Brazil after the U.S. lifted a ban in 2020.

U.S. beef imports by volume, January–August 2021 and 2022

Country	August 2022 imports	Year-to-date imports			
		2022	2021	Year-over-year volume change	Year-over-year percent change
Canada	82.3	624.6	626.3	-1.7	0
Mexico	62.8	514.4	439.8	74.6	17
Brazil	24.4	391.1	205.2	185.9	91
New Zealand	28.4	307.2	386.6	-79.4	-21
Australia	34.0	259.7	260.5	-0.8	0
ROW	39.0	286.2	281.0	5.2	2
Total	271.0	2,383.2	2,199.4	183.8	8



Notes: Top five countries based on 2022 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.

Total year to date-imports are 8 percent above last year and 10 percent above the 5-year average. However, the record first quarter was followed by a steep tapering, and the slower pace of imports is expected to continue for the rest of the year. The third-quarter 2022 forecast is decreased 25 million pounds to 800 million, a year-over-year decrease of about 13 percent. The fourth quarter remains unchanged at 745 million pounds, which would be a year-over-year decrease of 14 percent. The 2022 annual forecast is 3.389 billion pounds.

According to the recently released *Livestock and Poultry: World Markets and Trade* report from USDA, Foreign Agricultural Service, beef production in Australia and Brazil is expected to rise in 2023. However, Chinese beef imports are expected lower, decreasing demand for global exports. Therefore, the increase in available exports from Australia and Brazil, combined with lower expected imports from China, increases the supplies available for the United States to import. The first-quarter forecast is raised 30 million pounds to 730 million, the second quarter is raised 70 million pounds to 870 million, and the forecast for the second half of the year is increased 50 million pounds. The projection for total imports in 2023 is increased 150 million pounds to 3.350 billion pounds.

Lamb/Sheep

William F. Hahn

Prices Drop Dramatically in Third Quarter of 2022

The table below shows lamb prices and forecasts from the first quarter of 2021 to the third quarter of 2023.

Actual and forecast lamb prices by quarter from 2021 to 2023 quarter 3

		Actual price	September 2022 forecast	October 2022 forecast
Year	Quarter	Dollars per CWT	Dollars per CWT	Dollars per CWT
2021	Q1	165.42		
2021	Q2	211.79		
2021	Q3	256.86		
2021	Q4	233.61		
2022	Q1	225.00		
2022	Q2	210.33		
2022	Q3	138.69		
2022	Q4		150	120
2023	Q1		170	140
2023	Q2		175	145
2023	Q3		N/A	145

Notes: N/A means not available. Cwt = hundredweight. This is the first month of the publication of the quarter-3 2023 forecasts.
Sources: actual data are USDA, Economic Research Service calculations from USDA, Agricultural Marketing Service data.

Lamb prices in 2021 were at record highs. The first-quarter 2021 price averaged 164.31 dollars per hundredweight (cwt). The second-quarter price averaged 211.79 dollars per cwt, 28.0 percent higher than the previous quarter. There has been only one time in the past 30 years with a larger percentage increase in the lamb price; the third-quarter 1994 lamb price, 76.97 dollars per cwt, was 28.9 percent higher than the first-quarter price of 59.70 dollars. The third-quarter 2022 lamb price is 138.69 dollars per cwt, 34.1 percent lower than the second-quarter price. This is the largest percentage decrease in the lamb price in the past 30 years.

The lamb-price forecasts for quarter 4 of this year and the first two quarters of 2023 have been lowered this month; all the forecasts are 30 dollars per cwt lower than the September report. This is the first month that the forecasts for quarter 3 of 2023 are being published; the forecast lamb price is 145 dollars per cwt.

Although quarter 3, 2022, has ended, there is not yet full data on lamb and mutton imports. The lamb and mutton import forecast for quarter 3 has been raised from 90 to 94 million pounds based on the volume of imports in July of this year.

Dairy

Angel Terán

Recent Wholesale Dairy Product Prices

As the table below shows, from the week ending September 10 to the week ending October 8, except for nonfat dry milk (NDM) and dry whey, most dairy product prices reported in the USDA *National Dairy Products Sales Report* (NDPSR) increased. The price of 40-pound blocks of Cheddar cheese increased to $2.0301 per pound, and the price of 500-pound barrels (adjusted to 38-percent moisture) increased to $2.1922 per pound. The price of butter increased to $3.1923 per pound. Prices of NDM and dry whey decreased to $1.5808 and $0.4892 per pound, respectively.

Dairy wholesale product prices, September 10–October 8, 2022
Dollars per pound

	For the week ending		
	Sep 10	Oct 8	Change
Butter	3.0864	3.1923	0.1059
Cheddar cheese			
40-pound blocks	1.8436	2.0301	0.1865
500-pound barrels *	1.9161	2.1922	0.2761
Nonfat dry milk	1.5908	1.5808	-0.0100
Dry whey	0.4902	0.4892	-0.0010

* Adjusted to 38-percent moisture.

Source: USDA, Agricultural Marketing Service, *National Dairy Products Sales Report,* October 13, 2022.

For the trading week ending October 14, the spot price for 40-pound blocks of Cheddar cheese traded on the Chicago Mercantile Exchange (CME) averaged $2.0455 per pound and $2.1830 per pound for 500-pound barrels, both prices close to NDPSR prices for the week ending October 8. CME prices for NDM and dry whey were lower than NDPSR prices, averaging $1.5150 and $0.4240 per pound, respectively. The CME average butter price for the week ending October 14 was $3.1920 per pound, in line with the most recent NDPSR price.

In September 2022, international dairy product prices trends were mixed from the previous month. Excluding Oceania butter, U.S. wholesale prices of major dairy products have continued to be competitive compared to international export prices.[2] For the month of September, Oceania and Western Europe export prices for butter were $2.438 and $3.304 per pound, respectively. Skim milk powder (SMP) export prices for Oceania and Western Europe were $1.615 and $1.700 per pound, respectively. The Oceania export price for cheese was $2.365 per pound. The Western Europe dry whey export price averaged $0.516 per pound in September.

[2] 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.

Dairy product export prices for Oceania and Europe, August–September, 2022

Dollars per pound

Product	Region	August 2022	September 2022	Change
Butter	Oceania	2.394	2.438	0.044
	Western Europe	3.351	3.304	-0.047
Cheddar cheese	Oceania	2.300	2.365	0.065
Skim milk powder	Oceania	1.618	1.615	-0.003
	Western Europe	1.740	1.700	-0.040
Dry whey	Western Europe	0.527	0.516	-0.011

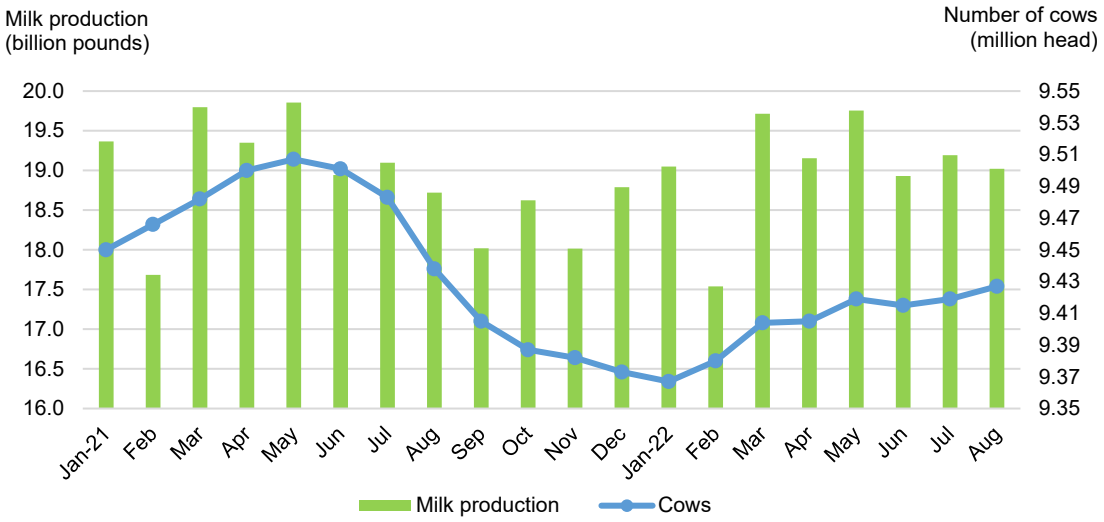
Source: USDA, Agricultural Marketing Service, *Dairy Market News*.

Recent Dairy Supply and Use Data

According to USDA, National Agricultural Statistics Service (NASS), in August 2022, milk production in the United States totaled 19.020 billion pounds, up 1.6 percent from August 2021. Milk cows on farms averaged 9.427 million head in August, 8,000 head more than the previous month but 11,000 head less than August 2021. August milk production per cow averaged 2,018 pounds, 34 pounds above the same month in 2021.

As shown in the chart below, from January to August 2022, the number of dairy cows increased steadily at a slow pace but with fewer cows than the same period in 2021. In July and August 2022 more milk was produced with fewer cows compared to July and August 2021.

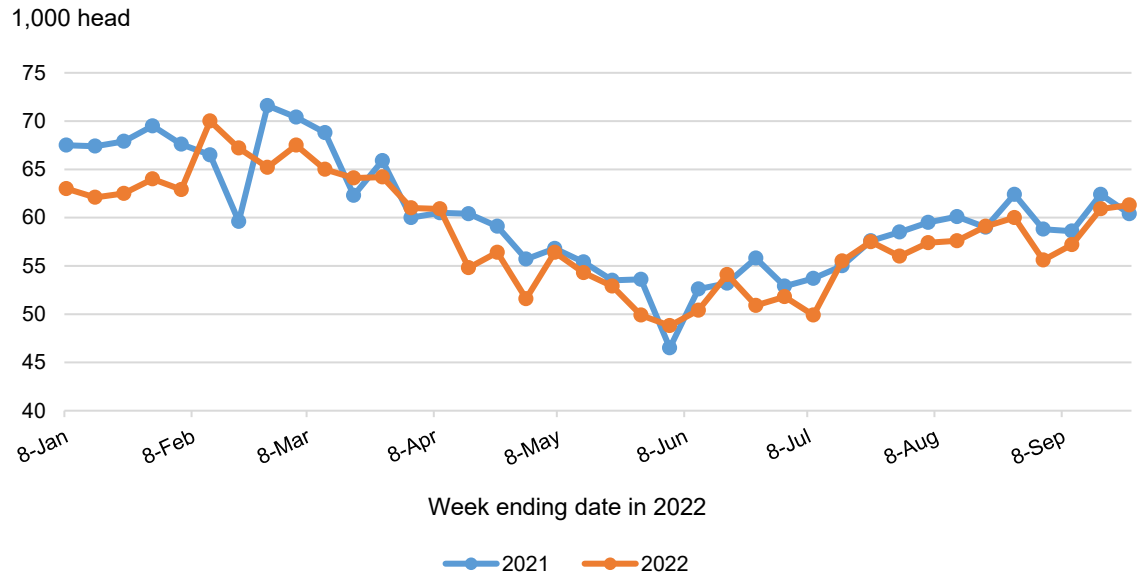
Milk production and number of dairy cows from January 2021 to August 2022



Source: USDA, National Agricultural Statistics Service.

The August all-milk price was $24.30 per hundredweight (cwt), $1.40 lower than July but $6.70 higher than August 2021. The NASS milk-feed ratio was 1.70 in August 2022, 0.09 points below the previous month and 0.22 points above August 2021. The alfalfa hay price in August 2022 was $275 per short ton, $1 lower than July and $65 higher than August 2021. The 5-State weighted-average price for premium alfalfa hay in August 2022 was $343 per short ton, $10 higher than July and $101 higher than August 2021. The soybean price in August was $15.30 per bushel, 20 cents lower than July but $1.60 higher than August 2021. So far in 2022, dairy cow slaughter has been active, but generally below 2021 levels.

Weekly federally inspected milk cow slaughter



Source: USDA, National Agricultural Statistics Service, *Cow Slaughter Under Federal Inspection Report*, October 06, 2022.

In August 2022, dairy exports noticeably increased compared to the previous month and a year ago. On a milk-equivalent, milk-fat basis, they totaled 1.235 billion pounds, 49 million pounds higher than July and 197 million pounds above August 2021. On a milk-equivalent skim-solids basis, August dairy exports totaled 4.598 million pounds, 93 million higher than July and 191 million higher than August 2021. In August, exports of butter, cheese, dry whey, whey protein concentrate, and lactose were higher both month over month and year over year. August exports of dry skim milk products were slightly lower than in July, but substantially lower than August 2021. For butter, so far in 2022 exports have been higher than previous years, while stocks are substantially lower than 2021, which in turn may be contributing factors for higher domestic wholesale prices.

Butter cold storage ending stocks and exports from January 2021 to August 2022

Sources: USDA, Economic Research Service calculations using USDA, National Agricultural Statistics Service; USDA, Foreign Agricultural Service; and U.S. Department of Commerce, Bureau of the Census.

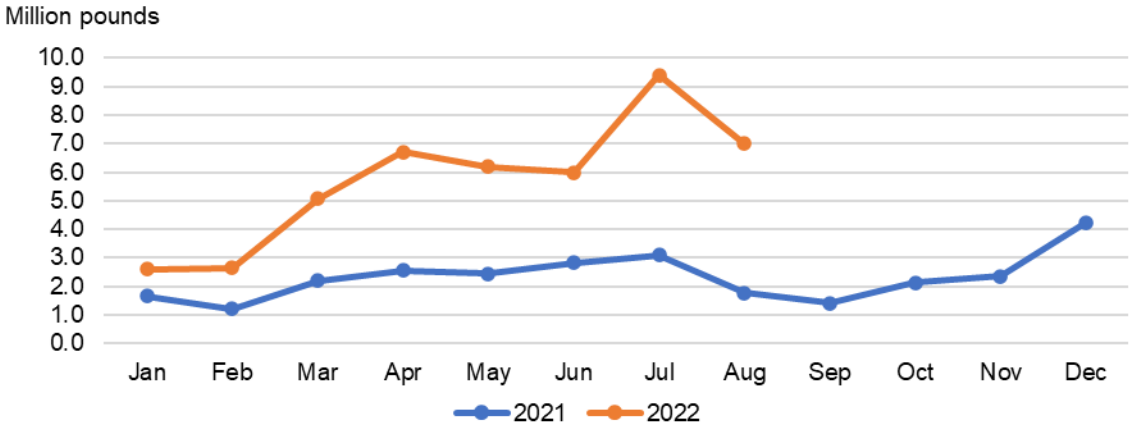
August imports on a milk-equivalent milk-fat basis totaled 621 million pounds, 54 million pounds lower than July but 42 million above August 2021. On a milk-equivalent skim-solids basis, August imports totaled 531 million pounds, 38 million below July but 130 million higher than August 2021. Butter imports declined in August 2022, totaling 9.0 million pounds, 2.2 million below July and 3.3 million below August 2021.

For the 3-month period June through August 2022, growth in domestic use for all-milk on a milk-fat basis has been relatively stable, only -0.9 percent lower than in the same 3 months of 2021. On a skim-solids basis, domestic use of all-milk for June through August 2022 was relatively low, -1.1 percent lower than the same 3 months of 2021. For the recent 3 months, domestic use was down -5.1 percent for butter and -2.3 percent for dry skim milk, while it was up +4.0 percent for dry whey and +0.1 percent for cheese.

Infant Formula Imports Declined in August

Imports of infant formula, which fall under a broader category of “Preparations suitable for infant and young children, put up for retail sale,” declined from July to August 2022. Excluding certain nondairy products in this category, imports of these products totaled 7.0 million pounds in August 2022. This marked a 2.4-million-pound decline from July but a 5.4-million-pound year-over-year increase from August 2021. The Federal Drug Administration (FDA) has encouraged infant formula manufacturers worldwide to take advantage of flexibilities to increase the supply of safe, high-quality formula imported under its enforcement discretion.

United States imports of preparations suitable for infants and young children, put up for retail sale*



*Includes most products imported under Harmonized Tariff Schedule number 1901.10. Does not include products that are specifically designated as nondairy products.

Sources: USDA, Economic Research Service calculations; USDA, Foreign Agricultural Service; and U.S. Department of Commerce, Bureau of the Census.

Dairy Forecasts for 2022

In the following forecast analysis, any changes discussed are adjustments from previous month forecasts unless otherwise specified.

Based on recent milk production information, the forecast for the average number of milk cows in 2022 has been increased by 5,000 head, to 9.410 million head as a more rapid pace of expansion is expected in late 2022. The projected average yield per cow in 2022 was adjusted higher for the remainder of 2022, at 24,110 pounds per year. With more cows and productivity per cow, the milk production forecast for 2022 is 226.9 billion pounds, 0.4 billion higher.

Due to anticipated strong demand from the international market and competitive domestic prices, higher export volumes of dairy products are projected throughout the rest of 2022. The forecast for 2022 dairy exports on a milk-equivalent milk-fat basis was adjusted to 13.5 billion pounds, 0.3 billion higher. On a milk-equivalent skim-solids basis, 2022 exports are forecast at 52.2 billion pounds, up 0.1 billion. Higher exports are expected for whey, lactose, and butterfat products. However, export growth of NDM is expected to be slower in 2022.

Dairy import forecasts were adjusted higher for 2022. On a milk equivalent milk-fat basis, annual dairy import projections for 2022 were adjusted up to 7.2 billion pounds, 0.1 billion higher. On a milk equivalent skim-solids basis, 2022 dairy imports were also adjusted up to 6.5 billion pounds, higher by 0.3 billion. Higher expected imports of cheese, milk protein concentrate, and casein imports are anticipated throughout 2022.

On a milk-equivalent milk-fat basis, the annual forecast for 2022 domestic use is 219.5 billion pounds, down 0.8 billion. The domestic use forecast on a milk-equivalent skim-solids basis for 2022 is 179.2 billion pounds, up 0.2 billion.

Price forecasts for cheese and butter are up at $ 2.105 (+3.0 cents) and $2.880 (+3.0 cents) per pound, respectively. The 2022 wholesale price forecast of NDM was unchanged at $1.690, while the price of dry whey was down 0.005 cent at $0.605 per pound.

The Class III milk price forecast for 2022 is $21.90 per hundredweight (cwt), up $0.25. The Class IV milk price projection was adjusted to $24.60 per cwt, up $0.15. The all-milk price forecast for 2022 is $25.60 per cwt, an increase of $0.15.

Dairy Forecasts for 2023

As with the discussion of forecasts for 2022, any changes discussed in this section are adjustments from previous month forecasts unless otherwise specified.

More dairy cows are expected in the first half of 2023, and the productivity of the herd is expected to be higher. The 2023 forecast for the average number of milk cows has been increased by 10,000 head to 9,425 million head. The 2023 forecast for milk per cow was adjusted up 20 pounds per cow at 24,320 pounds. The projection for 2023 milk production has been revised to 229.2 billion pounds, 0.4 billion pounds higher.

Dairy exports are expected to be strong in 2023. The export forecast for 2023 on a milk-equivalent milk-fat basis is 12.6 billion pounds, 0.2 billion higher. On a milk-equivalent skim-solids basis, 2023 dairy exports are projected to total 52.2 billion pounds, 0.4 billion higher. As with 2022, in 2023, higher exports are expected for whey, lactose, and butterfat products at competitive prices in the international markets. In line with 2022, exports of NDM are forecast lower in 2023.

On a milk-equivalent milk-fat basis, 2023 dairy import forecasts are up 0.2 billion pounds to 7.2 billion pounds driven by anticipated stronger imports of butter. On a milk-equivalent skim-solids basis, dairy imports were unchanged at 6.1 million pounds

On a milk-equivalent milk-fat basis, the domestic use forecast for 2023 was unchanged at 221.2 billion pounds. On a milk-equivalent skim-solids basis, the forecast for domestic use is 181.6 billion pounds, 0.2 billion higher.

The 2023 wholesale price forecasts for cheese and butter were raised to $1.985 (+1.5 cents) and $2.440 (+5.5 cents) per pound, respectively. The 2023 dry whey price forecast remained unchanged at $0.485, and the NDM price forecast was adjusted to $1.495 (-1.0 cent) per pound.

Due to higher cheese prices and steady dry whey prices, the Class III milk price forecast for 2023 was adjusted up 10 cents up to $19.80 per cwt. The Class IV milk price projection for 2023 is $21.00 per cwt, $0.15 higher. The all-milk price forecast for 2023 is $22.90 per cwt, an increase of $0.20.

Pork/Hogs

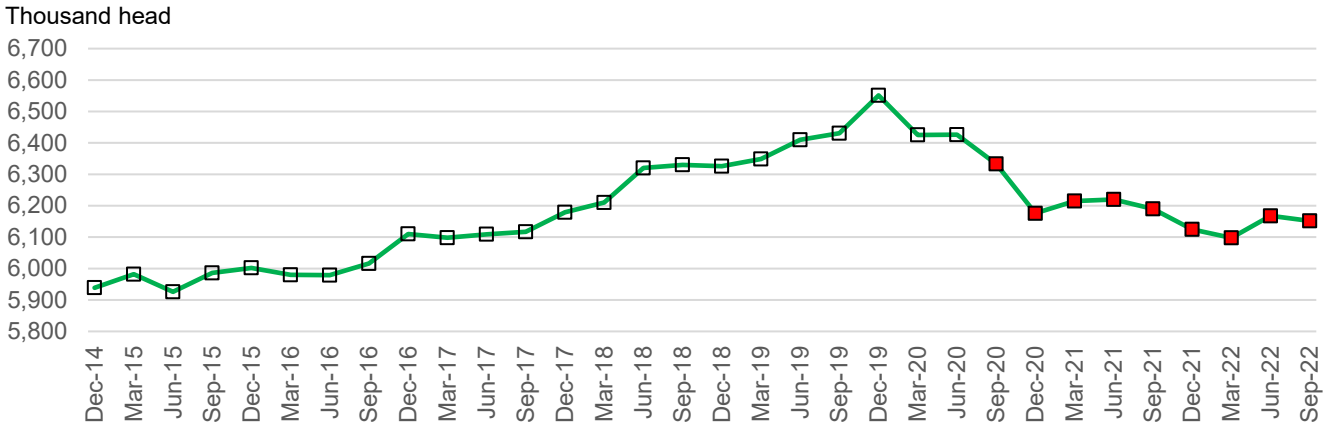
Mildred Haley

September Quarterly *Hogs and Pigs* Shows Lower Inventories, Farrowings, Farrowing Intentions

The *Quarterly Hogs and Pigs* report issued by USDA on September 29, 2022, showed year-over-year lower September numbers in all important inventory categories, as well as for all breeding metrics, with the exception of the June–August litter rate, which was flat compared to a year earlier. In particular, the report indicated that the September 1 inventory of all hogs and pigs—73.8 million head—was more than 1 percent below numbers a year earlier, while the inventory of breeding animals—6.152 million head—was almost 1 percent below a year ago. Notably, the September reduction in breeding numbers was the ninth consecutive quarterly decline since September 2020, when the inventory stood at 6.333 million animals—meaning that in 2 years the September U.S. inventory of breeding animals has lost the rough equivalent of 181 thousand head.

In addition to continued reductions in breeding animals, the September report indicated that farrowings for the summer quarter (June–August), as well as producers' farrowing intentions for the fall (September–November) and winter (December 2022–February 2023) quarters, were both below those of a year earlier. Continued reductions in breeding inventory numbers, farrowings and intended farrowings are notable, given positive producer returns published by Iowa State University. Estimated returns to Iowa farrow-to-finish producers show average per head profits of $24.17 through September of this year. Producer reluctance to expand production capacity may be a collective response to perceived uncertainty about the U.S. and world economies and to the potential implementation of State laws—in California in particular—that could affect most U.S. hog production models.

Quarterly U.S. inventory of breeding swine*



*Red points represent lower inventories than a year earlier.
Source: USDA, National Agricultural Statistical Service.

Pork production in the second-half of 2022 derives mostly from first-half 2022 pig crops—December–February and March–May—both of which were year-over-year lower. USDA daily

and weekly production data indicate that third-quarter production was about 6.5 billion pounds, almost the same as a year ago due to higher estimated average dressed weights. USDA will publish a pork production volume for September on October 20, 2022, in the NASS publication *Livestock Slaughter*. Third-quarter prices of live equivalent 51-52 percent lean hogs averaged $80.20 per cwt, about 5 percent higher than a year ago. Fourth-quarter production is likely to be about 7.1 billion pounds, 1.5 percent below a year earlier, with prices expected to average about $63 per cwt, almost 12 percent higher than a year ago.

First-quarter 2023 pork production is expected to be just shy of 7 billion pounds, about 1 percent higher than a year earlier. A more rapid pace of slaughter and anticipated-higher average dressed weights are expected to support the increase. Hog prices are expected to be $63 per cwt, about 4 percent lower than first-quarter 2022 prices. Second-quarter pork production draws from the fall 2022 pig crop. If producers follow through on their intentions stated in the September report—farrowings more than 2 percent below year-earlier levels, combined with assumptions for modest growth in litter rates—second-quarter 2023 pork production should approach 6.5 billion pounds, 2 percent below same-period production this year. With softer demand for hogs, hog prices are forecast to average $71 per cwt, about 6 percent below same-period prices this year. Third-quarter 2023 pork production is expected to be 6.6 billion pounds, about 1 percent higher than same-period production in 2022. Reduced producer farrowing intentions for the winter quarter—December–February farrowing intentions were about 1 percent lower year-over-year according to the September report—are expected to combine with slow litter rate growth and fractionally-higher average dressed weights. Third-quarter hog prices are expected to average about 14 percent lower than a year earlier, at about $69 per cwt. To summarize, pork production in 2023 is expected to total about 27.3 billion pounds, almost 1 percent higher than production forecast for this year, with 2023 prices of live equivalent 51-52 percent hogs likely to average $66.75 per cwt, about 6 percent lower than prices are forecast to average in 2022.

Lower Exports Expected in 2023

Slower global growth and continued appreciation of the U.S. dollar are likely to reduce demand for U.S. pork in important foreign-importing markets in 2023. Total pork exports next year are expected to be about 6.3 billion pounds, almost 2 percent lower than forecast exports in 2022. While first-quarter 2023 shipments are anticipated to exceed year-earlier levels—due to a modest increase in Asian demand—quarterly exports are then expected to decline for the balance of the year. Forecasts for quarters 1-3 of 2023 are as follows: the first-quarter export forecast is lowered to 1.6 billion pounds, still about 4 percent higher than shipments this year. Second-quarter exports are expected to decline about 1.5 percent from a year ago, to just under 1.6 billion pounds. Third-quarter exports are expected to be 1.45 billion pounds, 2.7 percent lower than forecast exports for the third quarter of 2022.

Pork export forecasts for 2022 imply that about 23.5 percent of commercial pork production will be exported. Next year, production and export forecasts suggest a reduction of the proportion of production exported, to 23.0 percent. While the proportion of production exported is expected to be lower than 2020 (25.7 percent) and 2021 (25.4 percent)─years marked by strong exports to China─expected export proportions for this year and 2023 exceed the 2017–2019 average of 22.4 percent.

The table below shows the 10 largest foreign buyers of U.S. pork in August. In total, August exports were about 512 million pounds, more than 3 percent lower than a year ago. Notable in the data were higher exports to Asian countries, Japan excepted. Shipments to China were year-over-year higher for the first time since November 2020. Chinese Government price data for mid-September show live pig prices more than 74 percent higher than year-earlier prices,

piglet prices about 46 percent higher, and pork prices more than 54 percent higher than prices in mid-September 2021. Higher hog and pork prices are likely attributable to reductions in China's sow herd earlier this year, due to low producer returns. Consequently, some modest increases in China's demand for imported pork is likely for a limited period, extending perhaps into early 2023.

U.S. pork exports: Volumes and export shares of the 10 largest foreign destinations in August 2021 and 2022

Country	Exports	Exports	Percent change	Export share	Export share
	Aug. 2021	Aug. 2022	(2022/2021)	Aug. 2021	Aug. 2022
	(Million pounds)	(Million pounds)		Percent	Percent
World	528,760	512,439	-3.1		
Mexico	187,888	195,258	4	36	38
Japan	102,651	81,026	-21	19	16
China	58,914	63,401	8	11	12
South Korea	29,559	41,162	39	6	8
Canada	43,329	40,343	-7	8	8
Colombia	24,756	23,509	-5	5	5
Dominican Republic	14,631	14,250	-3	3	3
Philippines	9,637	14,160	47	2	3
Honduras	11,855	8,934	-25	2	2
Australia	10,699	5,735	-46	2	1

Source: USDA, Economic Research Service.

Information from the September *Quarterly Hogs and Pigs*, combined with export forecasts for the balance of 2022 and through 2023, implies a 2022 pork per capita disappearance of 51.6 pounds per person. This residual aggregate is 0.5 pounds more than last year's calculation, attributable largely to lower 2022 export forecasts. Next year, per capita disappearance is likely to increase about 0.8 pounds to 52.4 pounds per person, due to fractionally higher pork production, higher forecast imports, and a lower 2023 export forecast.

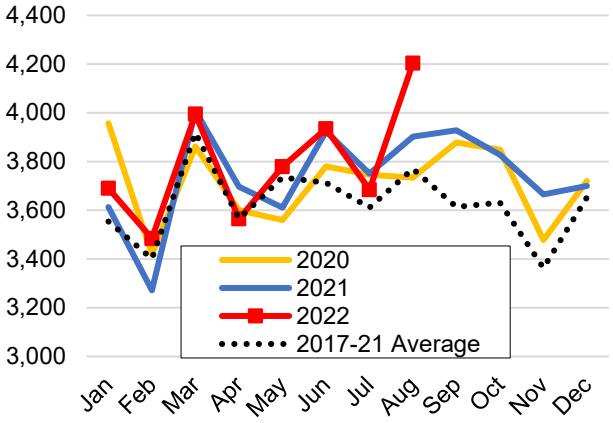
Poultry

Grace Grossen, Adriana Valcu-Lisman, and Margaret Cornelius

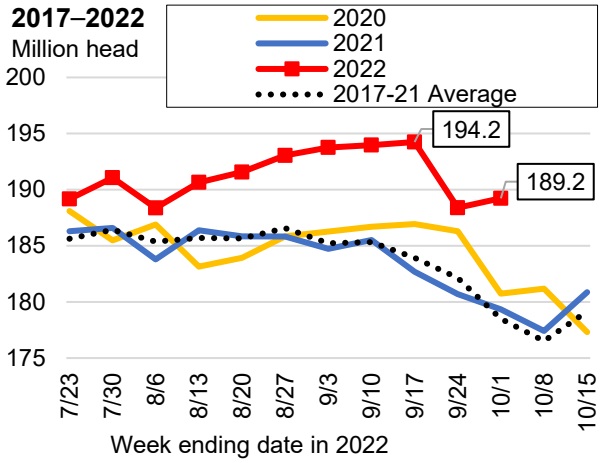
Broiler Production Forecast Adjusted Up in 2022 and 2023

Broiler production in August totaled 4.204 billion pounds, 7.7 percent more than last August. Slaughter numbers were up 3 percent compared to last August, after accounting for an additional slaughter day. August average slaughter weights recovered to August 2021 levels after being lower year over year each month since April. Based on higher-than-expected August production, as well as strong preliminary weekly data on September production, the third-quarter estimate is adjusted up to 11.9 billion pounds, an increase of 2.5 percent over the third quarter of 2021.

Monthly broiler production, 2017–2022



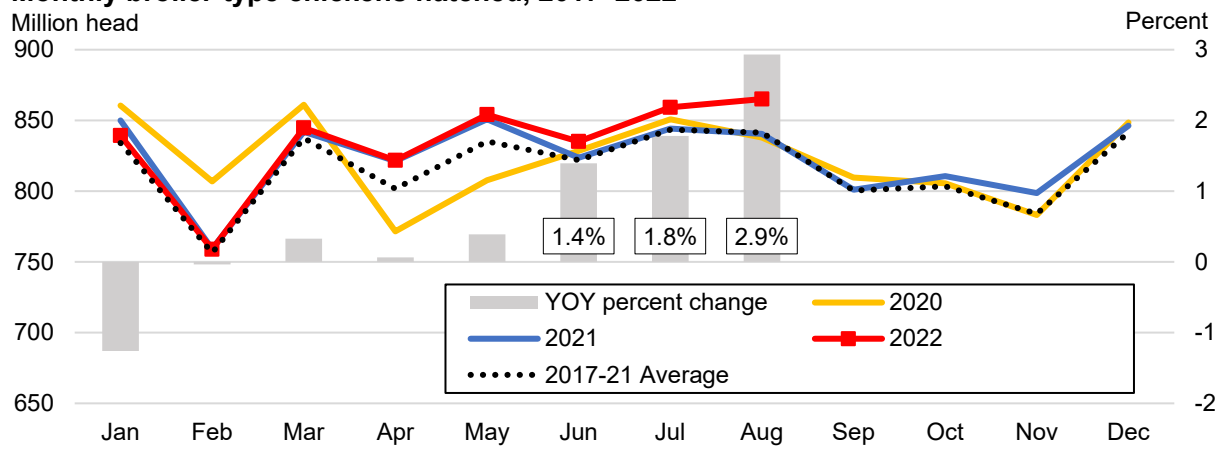
Weekly broiler placements in weeks 29–41, 2017–2022



Source: USDA, National Agricultural Statistics Service.

Broiler placements have also been climbing in recent weeks, reaching a record high of 194.2 million chicks in the week ending September 17th. In the last week of September, 188.9 million broiler chicks were placed, 9.6 million more than the same week last year. A slightly earlier indicator of broiler production, monthly broiler chicks hatched, has also been climbing in recent months. Broiler chicks hatched in August totaled 865.1 million head. This is 2.9 percent higher than the same month a year ago and breaks a monthly record previously set in March 2020. Fourth-quarter 2022 and annual 2023 production forecasts were adjusted up on this optimistic hatchery and placement data. The fourth-quarter production forecast was adjusted up to 11.55 billion pounds, an increase of 3 percent over the fourth quarter of 2021. Forecast 2023 production was adjusted up to 46.625 billion pounds, 2 percent higher than the 2022 annual forecast.

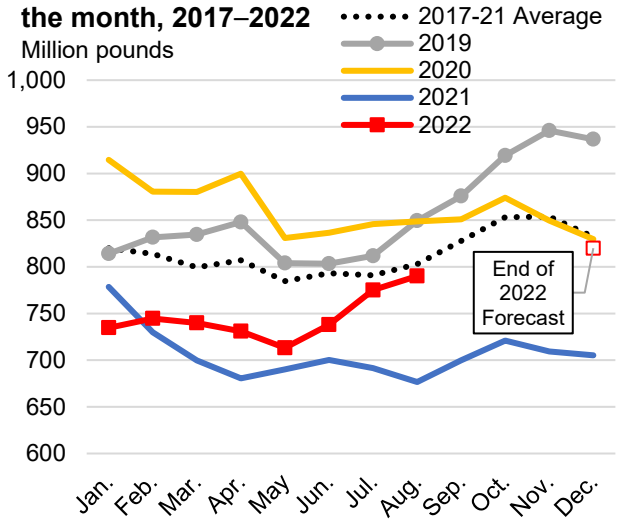
Monthly broiler-type chickens hatched, 2017–2022



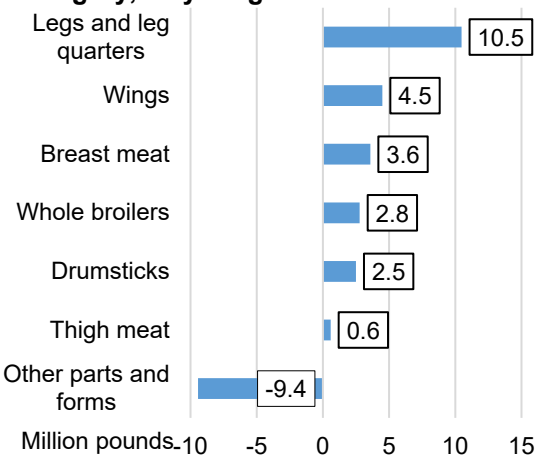
Note: YOY = year-over-year
Source: USDA, National Agricultural Statistics Service.

Broiler meat in cold storage continued to climb in August, totaling 790.1 million pounds at the end of the month. This is 113.5 million pounds more than the same time last year, but still well below 2019 and 2020 levels. While the "other" category of broiler meat decreased by 9.4 million pounds from the end of July, increases in most of the additional categories more than balanced it out. Legs and leg quarters in storage increased the most month over month, up by 10.5 million pounds. Based on this recent cold storage data and increased production expectations, forecast broiler meat in cold storage at the end of 2022 was increased to 820 million pounds, just below the level of ending stocks in 2020. The ending stocks forecast for 2023 was also raised to 790 million pounds.

Broiler meat in cold storage at the end of the month, 2017–2022



Month-over-month change in broiler meat in cold storage at the end of the month by part category, July–August 2022



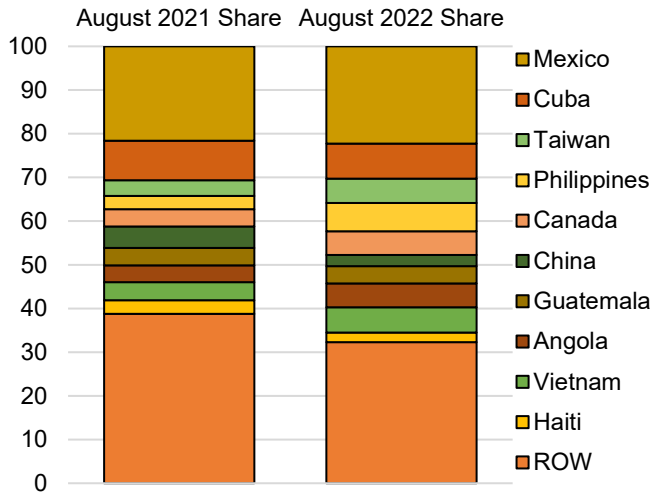
Note: “Other parts and forms” includes meat not included in the categories of breast meat, drumsticks, legs, leg quarters, whole birds, thighs, wings, or feet.
Source: USDA, National Agricultural Statistics Service.

Broiler Export Forecast Unchanged, Imports Raised

Broiler exports totaled 572.8 million pounds in August, in the second consecutive month of lower total exports year over year. August 2022 exports were 11 percent lower than August 2021. Lower exports to Mexico, Cuba, China, Guatemala, and Haiti were partially offset by increased exports to Taiwan, the Philippines, Canada, Angola, and Vietnam. Exports to the rest of the world also declined by 64.4 million pounds. The largest year-over-year declines not shown in the table below were in shipments to Ghana (-18.2 million pounds), Kazakhstan (-15.9 million pounds), the United Arab Emirates (-11.6 million pounds), and South Africa (-11.1 million pounds). On October 7th, USDA's Animal and Plant Health Inspection Service confirmed the first Arkansas case of Highly Pathogenic Avian Influenza (HPAI) in 2022 in a commercial flock of broiler breeder pullets. Arkansas accounted for 12 percent of U.S. broiler production in 2021, as well as 8 percent of U.S. turkey production. This may affect trade flows in the near-term, but current export forecasts for 2022 and 2023 are unchanged from last month.

U.S. broiler exports: Volumes and export shares of largest markets, August 2021 and 2022

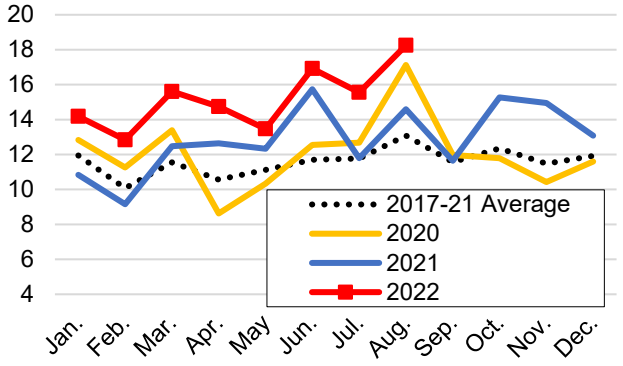
Country	Volume (million pounds)		
	August 2021	August 2022	Change in volume
Mexico	138.811	127.480	-11.331
Cuba	58.248	46.035	-12.212
Taiwan	23.190	31.723	8.532
Philippines	19.397	37.289	17.892
Canada	25.559	30.902	5.343
China	31.457	14.750	-16.707
Guatemala	25.613	22640	-2.974
Angola	24.868	31.229	6.430
Vietnam	26.553	33.095	6.543
Haiti	19.976	12.536	-7.441
ROW	249.452	185.055	-64.397
World	643.124	572.803	-70.322



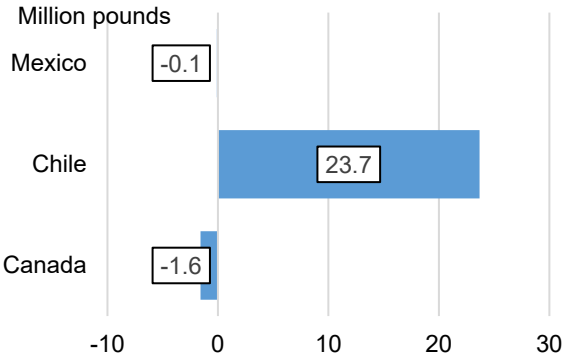
Notes: Largest markets are based on 2022 year-to-date export volumes. ROW = Rest of World.
Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

Broiler imports totaled 18.25 million pounds in August, 25 percent higher than the same month last year. The United States has imported 22.0 million pounds (22 percent) more broiler meat in January–August of 2022 than in the same period last year. This increase is accounted for by Chile, which shipped 23.7 million pounds more year-over-year in January–August. A strong U.S. dollar and high U.S. prices for chicken parts have put Chile in a good position to ship to the United States, and it is expected to continue doing so for the near future. The broiler import forecast for 2022 was increased to 188 million pounds, 33 million pounds over the 2021 total. The import forecast for 2023 was increased to 170 million pounds.

Monthly U.S. broiler imports, 2017–2022



Year-over-year change in Jan–Aug broiler imports by country, 2021–2022

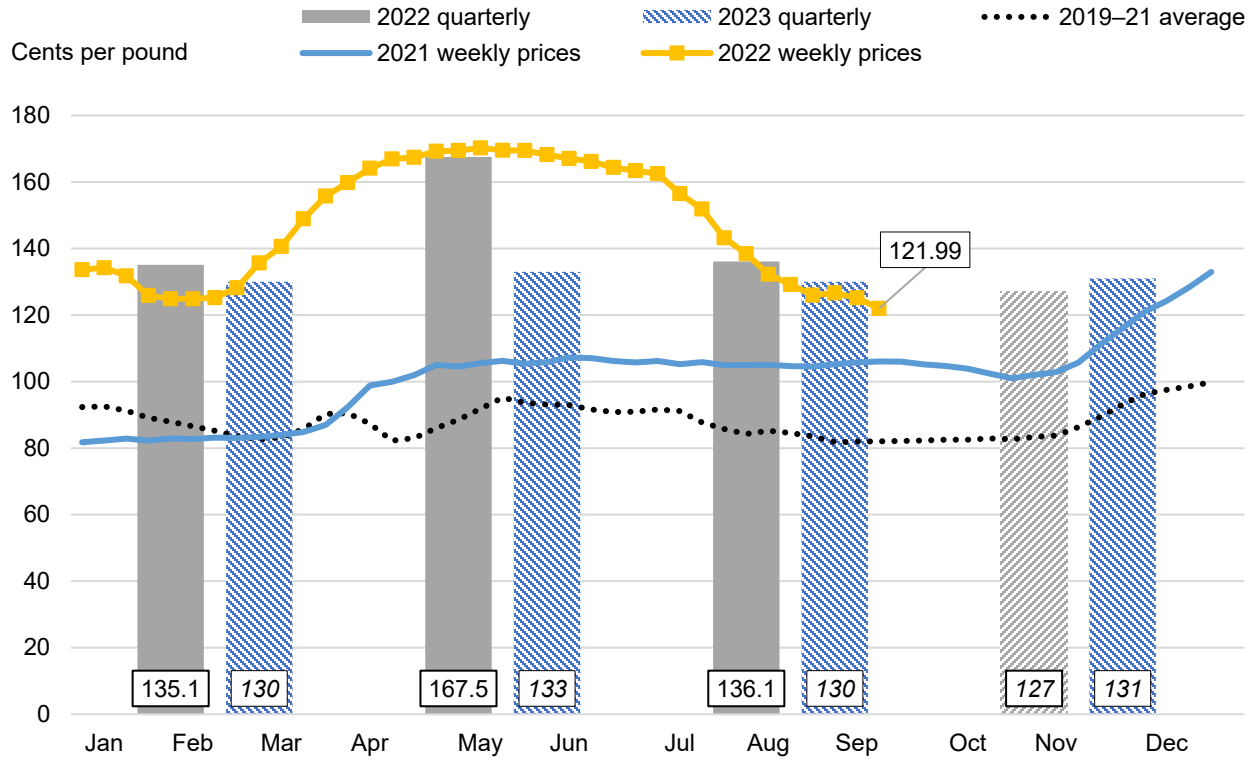


Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

Broiler Price Forecasts Adjusted Down

National composite wholesale broiler prices have continued to fall in recent weeks, averaging 121.99 in the first week of October. September prices averaged 124.65 cents per pound, a 6-cent decline from the August average but still 19 cents higher than last September. This brought the third-quarter average price to 136.1 cents per pound. The forecast price for the fourth quarter was adjusted down to 127 cents per pound on recent price trends and increased production expectations. Forecast prices for 2023 were also adjusted down to an annual average of 131 cents per pound.

Weekly and quarterly national composite wholesale broiler prices



Note: Striped bars and italic data labels indicate forecast values.
Source: USDA, Agricultural Marketing Service and USDA, *World Agricultural Supply and Demand Estimates*.

September HPAI Resurgence Scales Back 2022 Table-Egg Production Forecast

August table-egg production was estimated at 648.4 million dozen, 2.8 percent lower than year-ago levels but 1.1 percent higher than July production. The August average table-egg laying flock was estimated at 304.7 million layers, a 4.6 percent year-over-year decrease but a 1.0-percent increase from July levels. The average lay rate, a measure of layers' productivity, was estimated at 82.4 eggs per 100 layers per day in August, 1.9-percent higher than last year but almost unchanged from last month. The recent trends in the lay rates suggest the layer flock productivity gains may be tapering off unless more productive layers are added to the flock.

The September 1 table-egg layer inventory was estimated at almost 305.3 million layers, less than a 0.5 percent increase from August 1 estimated inventory. However, this estimate does not account for the two new positive HPAI detections in table-egg layer commercial facilities in September that resulted in the loss of almost 4.9 million egg-layers.

Month-over-month changes in the table-egg layer flock size at the beginning of the month

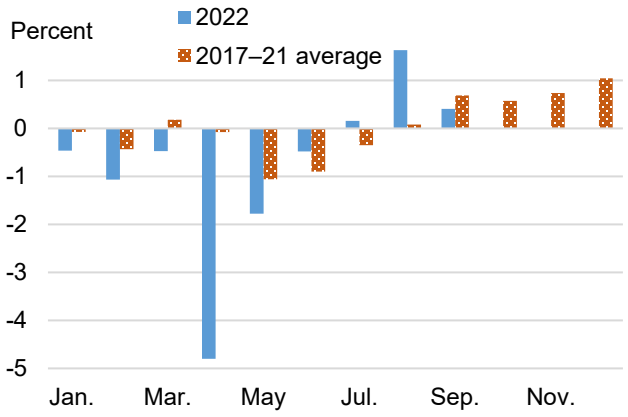
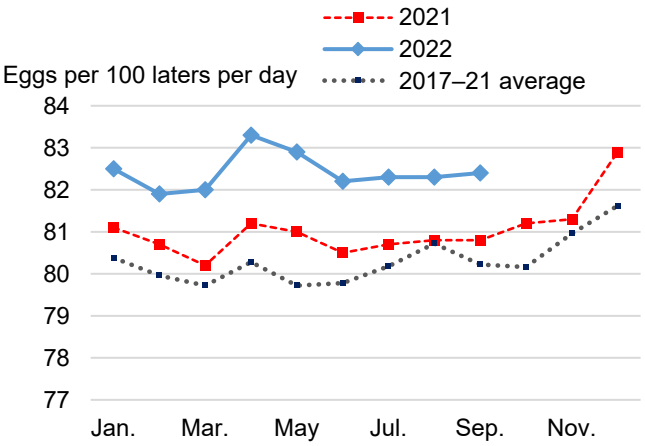


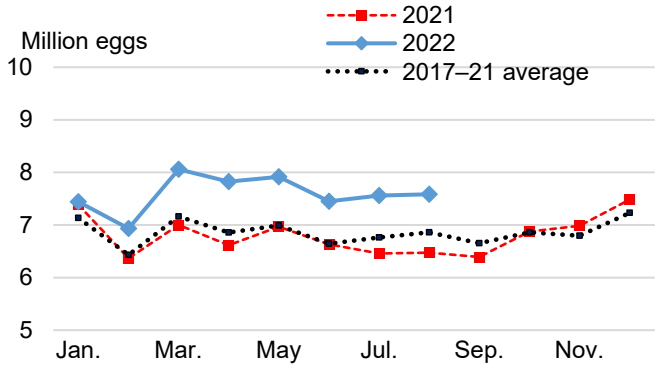
Table-egg lay rate at the beginning of the month



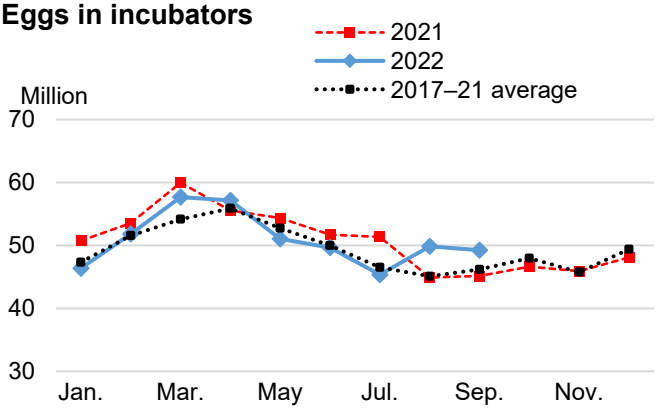
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.

Recent data on hatching-egg type production and eggs in incubators suggest that producers, supported by the recent price margins, intend to add more egg-layers and increase egg production in the future. However, given the biological and production lags—it takes about 3 weeks for chickens to hatch and 4-5 months for them to reach full productivity—the expansion efforts will likely start showing their results starting late spring and the second-half of the next year.

Production of hatching eggs, egg-type



Eggs in incubators



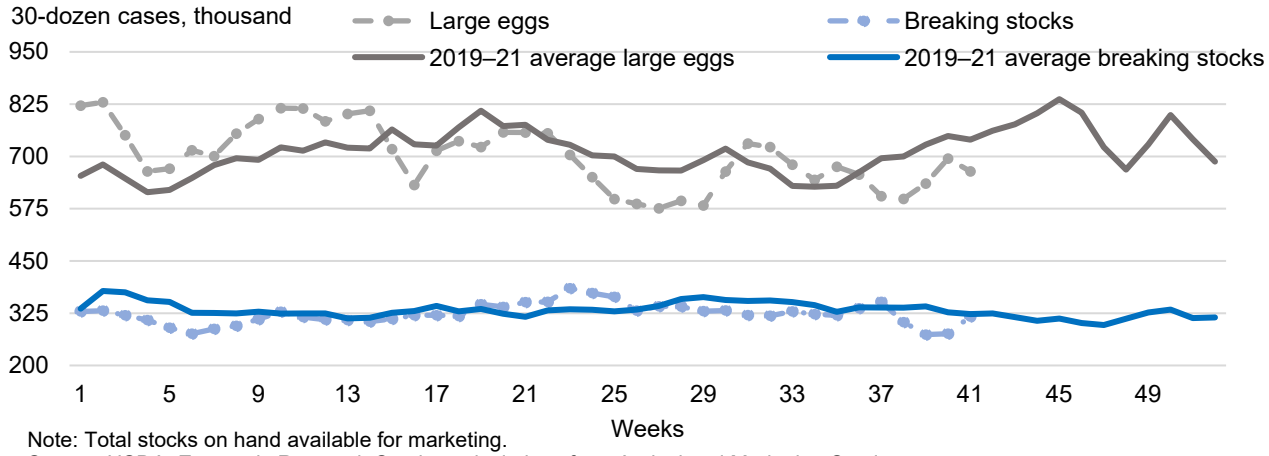
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.

Given the HPAI detections in September, table-egg production forecast for the third quarter is revised down 10 million dozen to 1,910 million dozen, and the fourth-quarter forecast is revised down 30 million dozen to 1,980 million dozen. Thus, 2022 total table-egg production is forecast at 7,747 million dozen, a 2.8-percent year-over-year decrease. The 2023 first-, second-, and third- quarter table-egg production is forecast at 1,990 million dozen, 2,035 million dozen, and 2,070 million dozen, respectively. The 2023 table-egg production is forecast at 8,220 million dozen, representing a 6.1-percent year-over-year increase.

September Wholesale Table-Egg Prices Reach Another Record

Daily New York large, grade A wholesale egg prices reached another record high in September and averaged 320.71 cents per dozen. This represents a 149.3-percent increase from last September and an almost a 36.0-percent increase from August average prices. The third-quarter average egg price—the average of wholesale egg prices for July, August, and September—was 295.6 cents per dozen, 146.2 percent higher than year-ago levels. The higher-than-expected level of prices in the third quarter can be explained by the impact of HPAI on available inventories, as well as by a strong demand for eggs, a lower-cost protein alternative. Over the past several weeks inventories of both large eggs and breaking eggs were below the last 3-year average, even falling to some of the lowest levels for the year.

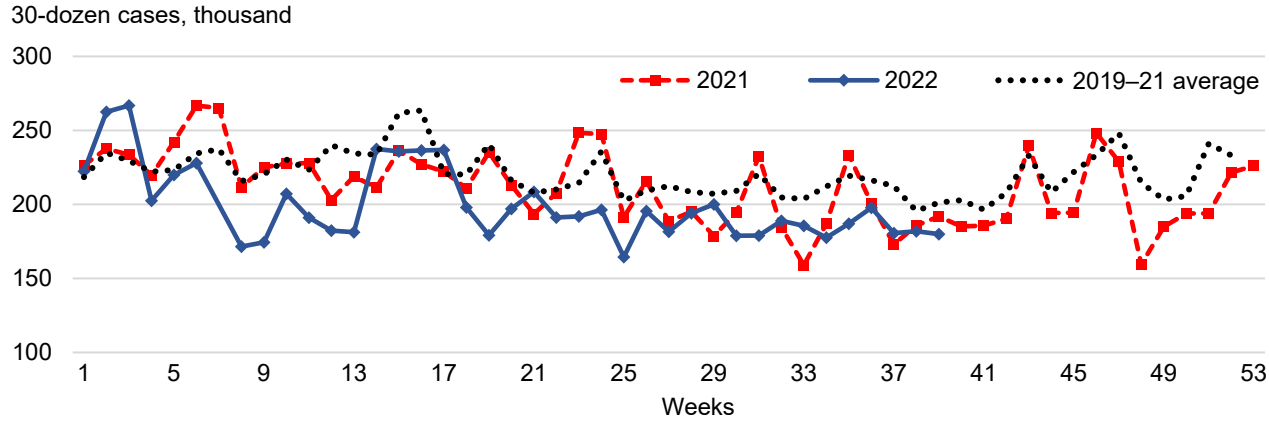
2022 weekly shell-egg inventory, large size eggs and breaking stocks



Note: Total stocks on hand available for marketing.
Source: USDA, Economic Research Service calculations from Agricultural Marketing Service.

Retail demand for eggs, as depicted by the Weekly National Retail Egg Purchases report, stayed at relatively constant levels throughout the summer and early fall weeks. Demand is expected to increase as the holiday season approaches.

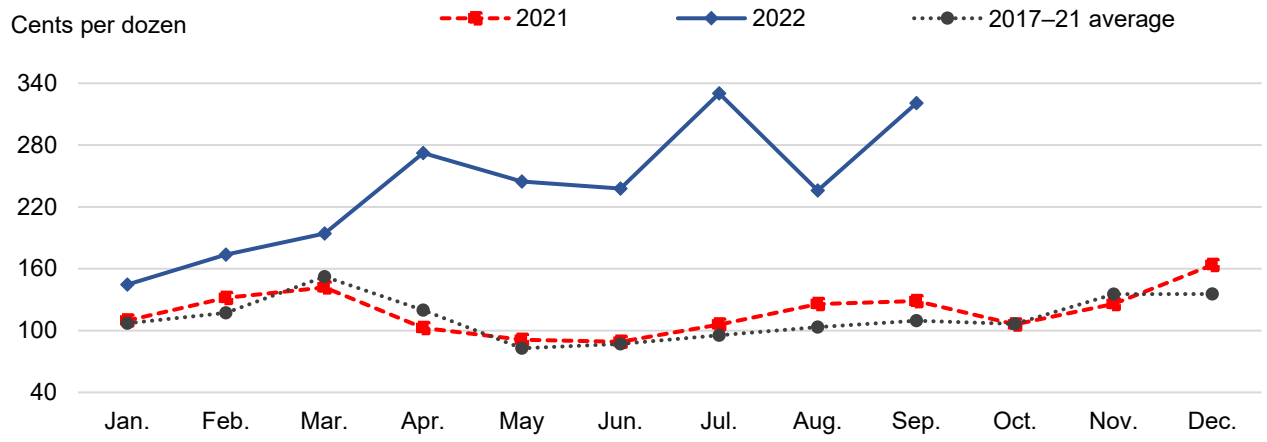
2022 weekly national retail egg purchases



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

Following a steep climb to a record 419 cents per dozen in late September, daily prices have been declining sharply since the beginning of October. As of October 11, prices reached 319 cents per dozen, a dollar less than at the beginning of the month. Considering the seasonal patterns, prices are expected to decline steadily in the next couple of weeks. However, during the last quarter of the year, wholesale egg prices are expected to increase in line with higher demand stemming from the holiday baking season.

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



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

The fourth-quarter wholesale egg price forecast is raised to 250 cents per dozen. This brings the 2022 price forecast to 242.0 cents per dozen, 104.2 percent higher than the 2021 average price. The average 2023 price forecast is revised up to 170 cents per dozen, 29.8 percent year-over-year lower.

August Egg Exports Break Monthly Downward Trend

August total egg exports (shell eggs and egg products) were estimated at 17.2 million dozen shell-egg equivalent, 51.1 percent lower than the previous year but a 32-percent increase from July and the highest volume since April. Shipments of shell eggs declined by 54.4 percent from last year, while shipments of egg products declined by 42.7 percent. The year-over-year decrease was due to large decreases in shipments to Mexico, Asian markets (Japan, South Korea, Hong Kong, and China), and other traditional markets (Jamaica, United Emirate States). This decrease was partially offset by smaller increases in shipments to Canada and other markets (Trinidad and Tobago, Bahamas).

Export forecasts for the second half of 2022 and for 2023 have been revised upward given the current export data for August 2022 and the production outlook for 2023.The export forecast for the second half of 2022 was increased by 5 million dozen bringing the total for the year to 222.8 million dozen. The total egg export forecast for 2023 was also increased by 5 million dozen to 270 million dozen.

U.S. egg and egg products exports: Volume and export share, August 2021/22

	Volume			Export share	
Country	2021	2022	Change in volume	2021	2022
	Thousand dozen			Percent	
Canada	5,529	5,629	100	16	33
Mexico	7,468	4,822	-2,646	21	28
Japan	2,967	2,450	-517	8	14
Hong Kong	4,929	847	-4,082	14	5
South Korea	9,565	0	-9,565	27	0
Jamaica	668	665	-3	2	4
Bahamas	308	645	336	1	4
Trinidad and Tobago	471	558	86	1	3
Guyana	252	266	14	1	2
United Arab Emirates	441	-	-441	1	-
World	**35,131**	**17,198**	**-17, 933**	**100**	**100**

Note: Largest markets are based on 2022 year-to-date export volumes.

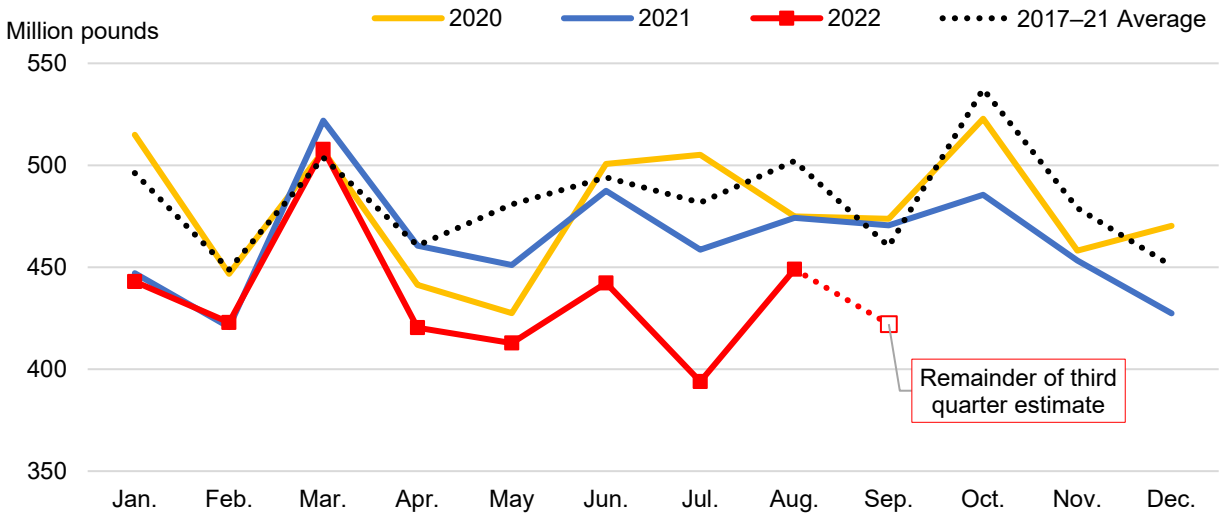
Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

August import volumes of eggs and egg products were 2.1 million dozen shell-egg equivalent, almost 42.6 percent higher than August 2021. Based on expectations for higher import volumes to supplement lower domestic production in the near term, the third-, and fourth-quarter 2022 egg import forecasts were raised to 6.5 million dozen each quarter. This brings the total 2022 egg import forecast to 24.0 million dozen. The 2023 egg import forecast was revised upward to 19.5 million dozen.

Turkey Production in 2022 Interrupted by Second Wave of HPAI

August turkey production totaled 448.98 million pounds. This was the strongest month in turkey production since March of this year, largely because August had an extra slaughter day. On a per day basis, August production was similar to July. Preliminary weekly production data for September suggest that month will be lower than August, though still above July. For this reason, projected third-quarter production was adjusted up to 1.265 billion pounds, 10 percent below the third quarter of 2021. The chart below shows the expectation for September production given the third-quarter estimate and the actual data for July and August.

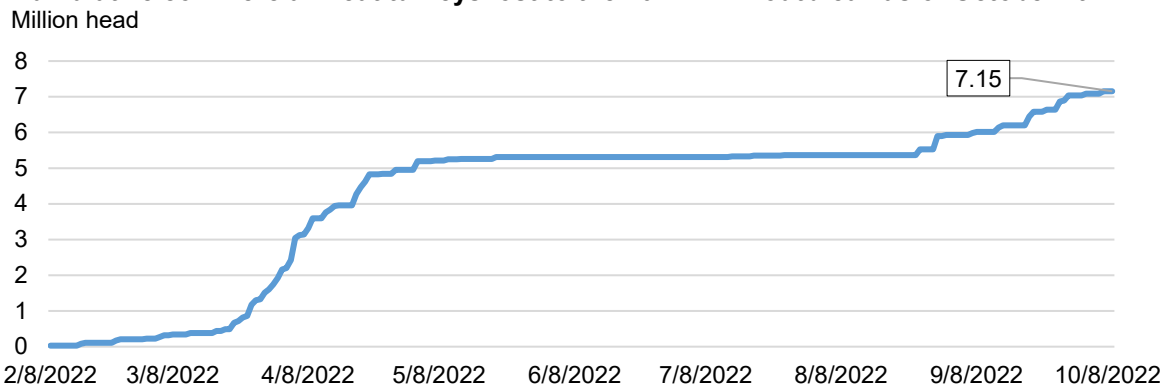
Monthly turkey production



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

The 2022 HPAI outbreak has returned in recent months, and the total number of meat-producing turkeys lost this year reached 7.15 million as of October 7th. Between August 26 and October 7, 1.79 million turkeys were lost to a second wave of HPAI, primarily in Minnesota, California, and Utah. While the recent confirmations largely fell in September, production losses are expected to be manifested primarily in the fourth quarter. The fourth-quarter production forecast was decreased by 25 million pounds from last month's forecast to 1.290 billion pounds. Combined with the third-quarter change, this brings the 2022 total forecast to 5.204 billion pounds, a decrease of 6 percent from 2021. The first and second quarters of 2023 were also decreased by 10 million pounds each to 1.365 billion and 1.400 billion pounds, respectively, bringing the 2023 forecast to 5.610 billion pounds. This is an increase of 8 percent over the 2022 forecast but only 1 percent over 2021.

Cumulative commercial meat turkeys lost to the 2022 HPAI outbreak as of October 7th

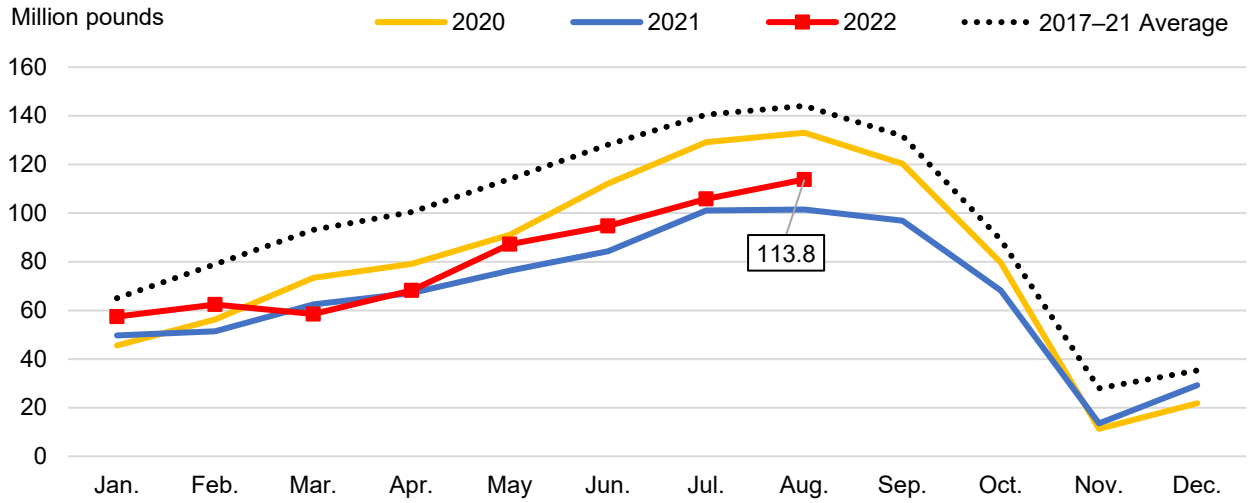


Source: USDA, Animal and Plant Health Inspection Service.

Total turkey meat in cold storage totaled 431.7 million pounds at the end of August, a peak so far this year and slightly above the same time last year. Cold stocks of whole hens, the birds typically served for holiday dinners, at the end of August were 12.2 percent ahead of the same time last year at 113.8 million pounds. This subset of total turkey in cold storage is shown (in pounds) in the chart below. While production has been well below typical levels this year as a result of HPAI, the storage data suggest that producers have prioritized building up supplies of

whole hens in time for Thanksgiving. Forecast end of year stocks are unchanged from last month.

Whole turkey hens in cold storage at the end of the month

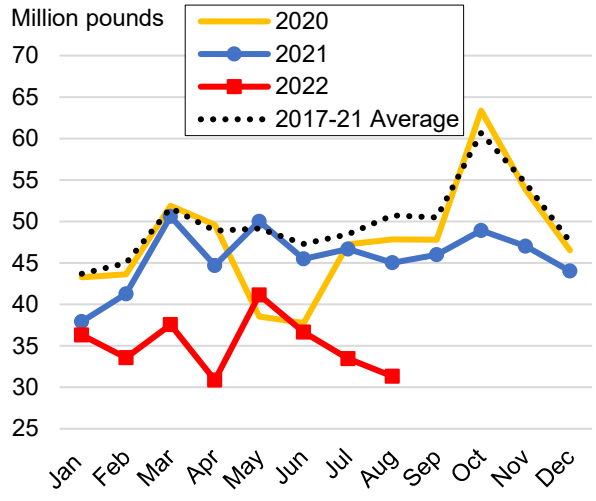


Source: USDA, National Agricultural Statistics Service.

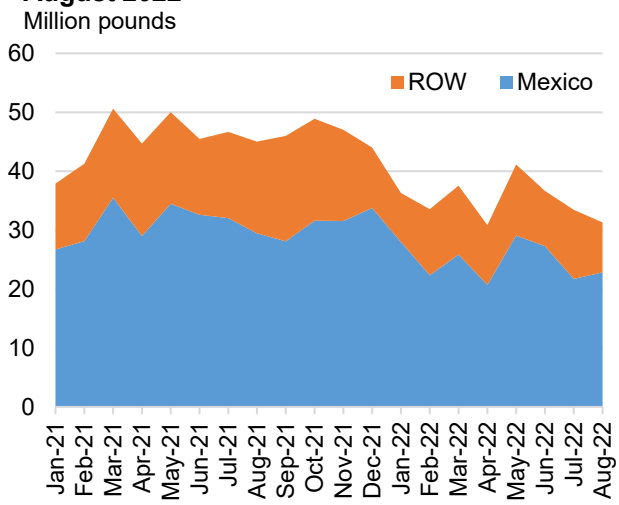
Turkey Export Forecasts Adjusted Slightly; Import Forecasts Increased

Turkey exports in August totaled 31.32 million pounds, a decrease of 13.7 million pounds from last August. Mexico accounted for 73 percent of the shipments, gaining an even larger share while importing 6.6 million pounds less turkey compared to last August. Shipments to the rest of the world (ROW) decreased by 7.1 million pounds compared to last August. Reflecting changes in production expectations for the end of 2022, the 2022 export forecast is decreased slightly to 404 million pounds. This would represent almost 8 percent of production, down from a 10-percent share in 2021. Exports for 2023 were adjusted up slightly to 415 million pounds, just over 7 percent of forecast 2023 production.

Monthly U.S. turkey exports, 2017–21



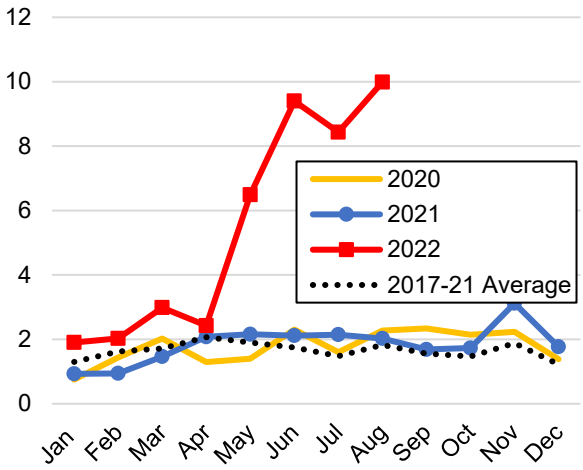
Monthly U.S. turkey exports, January 2021–August 2022



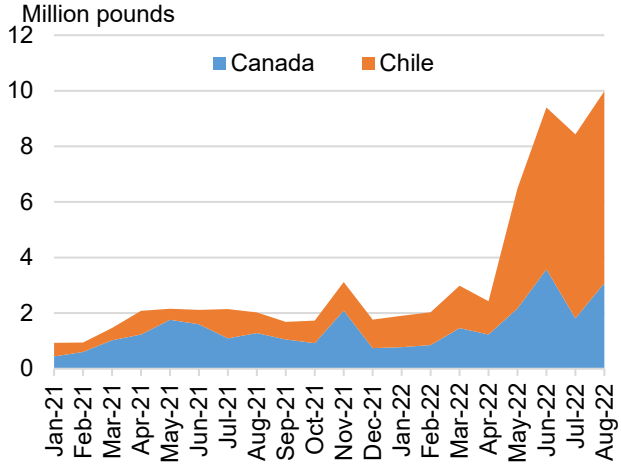
Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

Monthly turkey imports reached a new high in August at 9.99 million pounds. In January through August of 2022, imports were 30 million pounds more than the same period last year. This is largely accounted for by increased shipments from Chile (up 6.17 million pounds over last August), though Canada, the other main provider of imported turkey, also increased shipments by 1.8 million pounds from last August. With the expectation that these trends will continue in the remainder of the year, the turkey import forecast is adjusted up to 82 million pounds in 2022, an increase of 60 million pounds over 2021. Chile's industry is growing and is expected to continue shipping to the U.S. market at this pace while the U.S. industry recovers from HPAI; thus, the 2023 import forecast is also increased to 85 million pounds.

Monthly U.S. turkey imports, 2017–2021
Million pounds



Monthly U.S. turkey imports, January 2021–August 2022
Million pounds

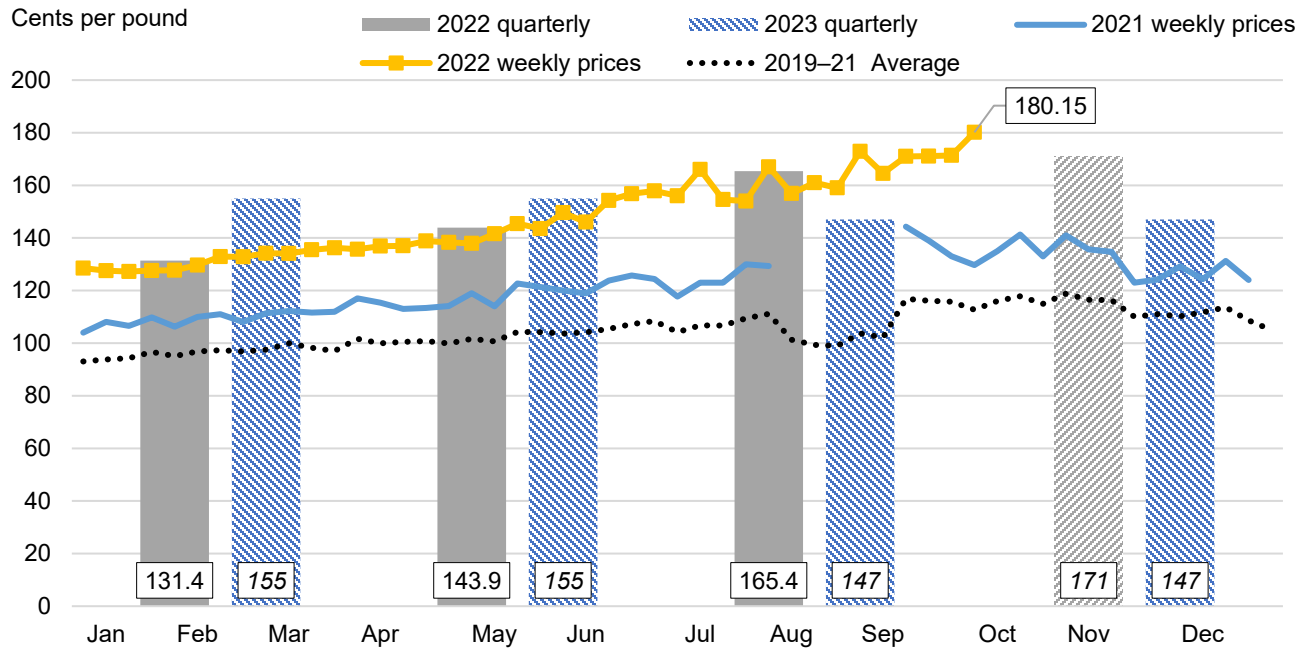


Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

Turkey Prices Adjusted Up

Wholesale prices for frozen whole hen turkeys averaged 168.57 cents per pound in September, bringing the third-quarter average price to 165.4 cents per pound. Weekly prices have continued to steadily climb, averaging 180.15 cents per pound in the week ending October 7. Based on recent prices and reduced production expectations in the fourth quarter and beyond, forecast prices were increased to 171 cents per pound for the fourth quarter of 2022 and to 155 cents per pound for the first and second quarters of 2023. These adjustments result in annual average forecasts of 153 cents per pound in 2022 and 151 cents per pound in 2023.

Weekly and quarterly wholesale prices for frozen whole hen turkey



Note: Striped bars and italic data labels indicate forecast values.
Source: USDA, Agricultural Marketing Service and USDA, *World Agricultural Supply and Demand Estimates*.

Suggested Citation

LDP-M-340, U.S. Department of Agriculture, Economic Research Service, October 18, 2022.

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U.S. red meat and poultry forecasts

	2019					2020					2021					2022					2023			
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Production, million pounds																								
Beef	6,414	6,817	6,923	7,001	27,155	6,931	6,059	7,115	7,069	27,174	6,900	6,963	6,979	7,106	27,948	7,022	7,069	**7,150**	**6,895**	**28,136**	**6,705**	**6,575**	**6,545**	**26,365**
Pork	6,838	6,615	6,706	7,478	27,638	7,426	6,313	7,048	7,515	28,303	7,292	6,668	6,530	7,185	27,675	6,904	6,639	**6,530**	**7,075**	**27,148**	**6,980**	**6,505**	**6,615**	**27,345**
Lamb and mutton	37	40	36	36	149	35	36	34	33	138	35	36	32	35	138	31	35	**33**	**34**	**133**	**31**	**32**	**32**	**128**
Broilers	10,384	10,945	11,402	11,175	43,905	11,238	10,940	11,358	11,047	44,583	10,893	11,232	11,581	11,193	44,899	11,170	11,279	**11,900**	**11,550**	**45,899**	**11,400**	**11,525**	**12,000**	**46,625**
Turkeys	1,446	1,451	1,453	1,467	5,818	1,469	1,369	1,454	1,451	5,743	1,390	1,399	1,403	1,366	5,558	1,374	1,275	**1,265**	**1,290**	**5,204**	**1,365**	**1,400**	**1,420**	**5,610**
Total red meat and poultry	25,264	26,019	26,675	27,308	105,266	27,251	24,870	27,172	27,263	106,556	26,651	26,450	26,679	27,030	######	26,650	26,453	**27,036**	**26,691**	**107,122**	**26,625**	**26,185**	**26,765**	**106,658**
Table eggs, million dozen	2,047	2,056	2,046	2,111	8,260	2,050	1,957	2,008	2,051	8,066	1,982	1,957	1,982	2,050	7,971	1,974	1,883	**1,910**	**1,980**	**7,747**	**1,990**	**2,035**	**2,070**	**8,220**
Per capita disappearance, retail pounds 1/																								
Beef	13.9	14.7	14.5	14.7	57.8	14.6	13.5	15.5	14.5	58.1	14.5	14.9	14.6	14.8	58.9	15.0	14.8	**14.7**	**14.2**	**58.8**	**14.2**	**14.2**	**13.9**	**56.1**
Pork	13.0	12.4	12.8	13.8	52.1	13.1	11.5	13.2	13.9	51.7	13.1	11.8	12.3	14.0	51.1	13.1	12.4	**12.5**	**13.5**	**51.6**	**13.2**	**12.3**	**12.7**	**52.4**
Lamb and mutton	0.3	0.3	0.2	0.3	1.1	0.4	0.3	0.3	0.3	1.2	0.3	0.4	0.3	0.4	1.4	0.3	0.3	**0.3**	**0.4**	**1.3**	**0.3**	**0.3**	**0.3**	**1.3**
Broilers	22.4	23.8	24.6	23.7	94.5	24.2	23.7	24.4	23.4	95.8	23.5	24.3	25.0	23.8	96.6	23.8	24.2	**26**	**24.7**	**98.8**	**24.5**	**24.8**	**25.9**	**100.1**
Turkeys	3.4	3.7	4.0	4.8	15.9	3.6	3.5	3.9	4.7	15.7	3.4	3.6	3.8	4.5	15.3	3.4	3.2	**3.7**	**4.3**	**14.7**	**3.4**	**3.7**	**4.0**	**15.8**
Total red meat and poultry	53.4	55.4	56.4	57.8	223.0	56.3	52.9	57.7	57.2	224.2	55.2	55.4	56.4	57.9	224.9	56.1	55.5	**57.7**	**57.5**	**226.8**	**56.1**	**55.8**	**57.1**	**227.3**
Eggs, number	72.7	72.6	72.3	74.0	291.6	72.1	69.3	71.1	72.8	285.5	69.8	68.8	69.3	72.7	280.5	70.4	67.8	**68.6**	**71.1**	**278.0**	**71.2**	**72.6**	**73.4**	**292.4**
Market prices																								
Steers 5-area Direct, Total all grades, dollars/cwt	125.27	118.79	108.16	114.88	116.78	118.32	105.79	101.74	108.18	108.51	112.98	120.75	123.51	132.36	122.40	139.25	141.93	**143.42**	**148.00**	**143.15**	**151.00**	**152.00**	**151.00**	**153.50**
Feeder steers, Medium Frame No. 1, OK City, dollars/cwt	140.76	140.51	140.19	147.44	142.23	136.42	126.37	141.42	137.57	135.45	134.30	140.22	153.69	159.59	146.95	156.04	158.35	**172.31**	**173.00**	**164.93**	**175.00**	**190.00**	**214.00**	**200.75**
Cows, Live equivalent, Cutter 90% lean, 500 lbs and up, National, dollars/cwt	53.34	58.30	60.42	53.66	56.43	59.38	63.14	64.97	54.93	60.61	59.63	67.54	69.21	63.24	64.91	72.65	83.41	**84.01**	**75.00**	**78.77**	**85.00**	**100.00**	**110.00**	**101.25**
Choice/Prime slaughter lambs, National, dollars/cwt	136.23	156.16	154.93	150.99	149.58	159.12	N/A	N/A	164.31	161.72	165.42	211.79	256.86	233.61	216.92	225.00	210.33	**138.69**	**120.00**	**173.51**	**140.00**	**145.00**	**145.00**	**142.50**
Barrows and gilts, National base cost, 51-52% lean, live equivalent, dollars/cwt	40.67	57.95	50.08	43.11	47.95	42.52	38.96	40.50	50.75	43.18	55.71	80.92	76.15	56.36	67.29	65.55	75.58	**80.20**	**63.00**	**71.08**	**63.00**	**71.00**	**69.00**	**66.75**
Broilers, Wholesale, National composite, weighted average, cents/lb	94.0	97.7	82.0	80.6	88.6	83.5	67.0	66.7	75.7	73.2	84.0	104.4	105.4	110.9	101.2	135.1	167.5	**136.1**	**127.0**	**141.4**	**130.0**	**133.0**	**130.0**	**131.0**
Turkeys, National 8-16 lb hens, National, cents/lb	82.8	85.5	90.8	97.8	89.2	97.4	103.7	111.3	113.6	106.5	110.1	117.7	129.7	133.4	122.8	131.4	143.9	**165.4**	**171.0**	**152.9**	**155.0**	**155.0**	**147.0**	**151.0**
Eggs, Grade A large, New York, volume buyers, cents/dozen	107.3	69.7	81.9	117.2	94.0	133.1	119.6	89.0	107.2	112.2	127.8	94.2	120.1	131.8	118.5	170.8	251.6	**295.6**	**250.0**	**242.0**	**190.0**	**160.0**	**160.0**	**170.0**
U.S. trade, million pounds, carcass-weight equivalent																								
Beef and veal exports	700	790	788	749	3,026	769	605	759	819	2,951	798	875	912	856	3,441	846	940	**925**	**860**	**3,571**	**740**	**775**	**785**	**3,070**
Beef and veal imports	739	836	771	712	3,058	774	848	1,025	693	3,339	696	865	923	863	3,346	985	859	**800**	**745**	**3,389**	**730**	**870**	**925**	**3,350**
Lamb and mutton imports	80	73	53	66	272	102	67	62	70	302	69	93	100	103	364	88	88	**94**	**96**	**366**	**95**	**85**	**90**	**365**
Pork exports	1,445	1,535	1,515	1,826	6,321	2,021	1,773	1,627	1,858	7,279	1,922	1,903	1,550	1,652	7,026	1,541	1,609	**1,490**	**1,750**	**6,389**	**1,605**	**1,585**	**1,450**	**6,280**
Pork imports	259	227	232	227	945	206	220	226	252	904	247	260	308	364	1,180	358	369	**340**	**410**	**1,477**	**355**	**365**	**350**	**1,505**
Broiler exports	1,721	1,722	1,773	1,888	7,103	1,860	1,729	1,821	1,959	7,368	1,851	1,772	1,835	1,898	7,355	1,826	1,812	**1,710**	**1,820**	**7,168**	**1,840**	**1,820**	**1,820**	**7,370**
Turkey exports	147	166	159	167	639	139	126	143	164	571	130	140	138	140	548	107	109	**98**	**90**	**404**	**105**	**110**	**100**	**415**
Live swine imports (thousand head)	1,338	1,253	1,200	1,305	5,096	1,332	1,202	1,272	1,488	5,293	1,607	1,649	1,772	1,635	6,663	1,654	1,665	**1,625**	**1,700**	**6,644**	**1,660**	**1,675**	**1,625**	**6,660**

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 10/12/2022

Dairy forecasts, 2021–23

Years			2022					2023			
Quarters	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Milk cows (thousands)	9,381	9,448	9,384	9,413	9,425	9,425	9,410	9,430	9,430	9,425	9,425
Milk per cow (pounds)	5,909	23,948	6,000	6,144	5,995	5,970	24,110	6,055	6,190	6,035	24,320
Milk production (billion pounds)	55.4	226.3	56.3	57.8	56.5	56.3	226.9	57.1	58.4	56.9	229.2
Farm use	0.3	1.0	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.3	1.1
Milk marketings	55.2	225.2	56.0	57.6	56.2	56.0	225.8	56.8	58.1	56.6	228.2
Milk-fat (billion pounds milk equiv.)											
Milk marketings	55.2	225.2	56.0	57.6	56.2	56.0	225.8	56.8	58.1	56.6	228.2
Beginning stocks	17.9	15.6	14.3	16.4	18.4	17.4	14.3	14.3	17.0	19.5	14.3
Imports	1.7	6.5	1.3	1.9	2.0	1.9	7.2	1.4	1.9	2.0	7.2
Total supply	74.8	247.4	71.7	75.9	76.7	75.3	247.3	72.6	77.0	78.1	249.6
Exports	2.7	11.5	3.0	3.7	3.6	3.1	13.5	3.0	3.6	3.3	12.6
Ending stocks	14.3	14.3	16.4	18.4	17.4	14.3	14.3	17.0	19.3	18.5	15.8
Domestic use [1]	57.7	221.5	52.3	53.7	55.6	57.9	219.5	52.6	54.1	56.1	221.2
Skim solids (billion pounds milk equiv.)											
Milk marketings	55.2	225.2	56.0	57.6	56.2	56.0	225.8	56.8	58.1	56.6	228.2
Beginning stocks	11.2	10.9	11.1	11.8	12.5	12.4	11.1	12.0	12.6	12.9	12.0
Imports	1.5	5.8	1.5	1.6	1.6	1.7	6.5	1.5	1.5	1.5	6.1
Total supply	67.9	241.9	68.6	71.0	70.4	70.1	243.4	70.3	72.2	71.0	246.2
Exports	11.7	50.8	11.8	14.4	13.5	12.4	52.2	12.0	14.4	13.3	52.2
Ending stocks	11.1	11.1	11.8	12.5	12.4	12.0	12.0	12.6	12.9	12.7	12.4
Domestic use	45.1	180.0	44.9	44.1	44.4	45.7	179.2	45.7	45.0	45.1	181.6
Milk prices (dollars/hundredweight) [1]											
All milk	20.67	18.53	24.93	27.10	24.65	25.75	25.60	23.75	22.90	21.85	22.90
Class III	18.07	17.08	21.25	24.65	21.00	20.80	21.90	20.10	20.00	19.75	19.80
Class IV	18.57	16.09	23.97	25.38	25.10	23.95	24.60	21.55	21.30	20.75	21.00
Product prices (dollars/pound) [2]											
Cheddar cheese	1.7609	1.6755	1.9531	2.3523	2.045	2.065	2.105	2.010	2.000	1.980	1.985
Dry whey	0.5888	0.5744	0.7610	0.6754	0.550	0.470	0.605	0.480	0.490	0.480	0.485
Butter	1.9297	1.7325	2.6686	2.8095	3.015	3.035	2.880	2.550	2.450	2.400	2.440
Nonfat dry milk	1.4613	1.2693	1.7242	1.8188	1.685	1.540	1.690	1.500	1.520	1.480	1.495

Totals may not add due to rounding.

[1] Simple averages of monthly prices. May not match reported annual averages.

[2] Simple averages of monthly prices calculated by the USDA, Agricultural Marketing Service, for use in class price formulas.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 10/18/2022.