



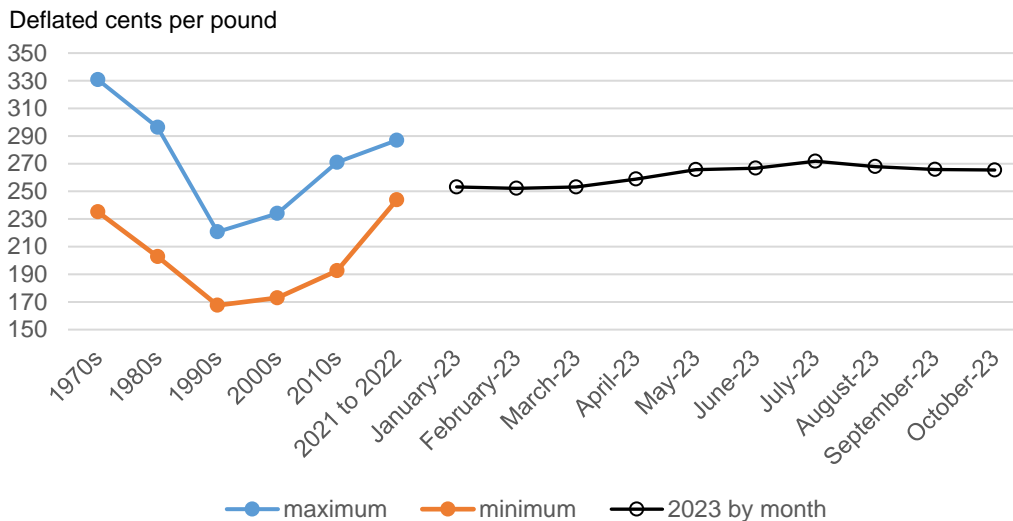
Livestock, Dairy, and Poultry Outlook: November 2023

Real Prices for Retail Choice beef

The USDA, Economic Research Service’s meat price spread data includes estimates of the retail values of Choice beef. The chart below shows the monthly retail Choice beef value for this year deflated by the Consumer Price Index, CPI. Deflating data corrects for the effect of inflation on prices, giving us what economists call “real prices.” Actual Choice beef values peaked in July 2023 and have decreased each month from August through October. The deflated retail Choice beef value has declined over the same period.

The chart also shows the highest and lowest real values during a decade, starting in 1970, as well as the highs and lows for the years 2021 to 2022. The highest real values for beef occurred in the 1970s; beef values generally increased less rapidly than inflation throughout the 1980s and 1990s. Since 2000, beef values have usually increased more rapidly than overall inflation. Although high, the real, retail beef values for the first 9 months of this year are below the highs in 2021 and 2022.

Retail Choice beef composite value deflated by the Consumer Price Index



Source: USDA, Economic Research Service calculations based on data from U.S. Department of Labor, Bureau of Labor Statistics and USDA, Agriculture Marketing Service.

Summary

Beef/Cattle: The production outlook is mixed from last month, while the annual price forecasts are unchanged. Fourth-quarter 2023 production is forecast lower than last month, dropping the annual forecast to 26.932 billion pounds. This is based on a slower expected pace of fed cattle marketings that is partially offset by higher expected cow slaughter for the rest of the year. The outlook for 2024 production is raised to 25.810 billion pounds on higher anticipated fed cattle marketings, as well as higher cow and bull slaughter from last month. Quarterly cattle price forecasts in 2024 are moderated but the annual averages are unchanged from last month. Based on September trade data, U.S. beef imports are raised in late 2023 and in second-half 2024. However, beef exports are unchanged from last month.

Dairy: Milk production forecasts for 2023 and 2024 are lowered to 227.1 billion pounds (-0.5 billion) and 230.0 billion pounds (-0.4 billion), respectively, as the dairy herd is expected to further contract and the average yield per cow is expected to grow at a slower rate. The all-milk price forecast for 2023 is unchanged at \$20.70 per hundredweight, while the forecast for 2024 is raised to \$20.80 per hundredweight to account for higher price projections for most dairy products, although the butter price projection is lowered as the market is expected to soften for the rest of 2023 and 2024.

Pork/Hogs: Fourth-quarter pork production is lowered to about 7.1 billion pounds, based on assumptions of continued year-over-year lower average dressed weights. Fourth-quarter hog prices are lowered on weak pork demand relative to adequate hog supplies. Prices are expected to average \$55 per hundredweight, more than 13 percent below prices a year ago. Total 2023 pork production is expected to be 27.2 billion pounds, about 1 percent above 2022 production. September pork exports were fractionally lower than a year ago on weak Asian demand. Exports for 2023 should total 6.7 billion pounds, more than 6 percent greater than shipments in 2022.

Poultry/Eggs: Projected broiler production is adjusted down further from the previous forecasts for 2023 and 2024 based on recent production and hatchery data. Exports were adjusted down on lowered production expectations and recent trade data, especially decreased shipments to Cuba. Broiler import projections are adjusted up on the strength of shipments from Chile. Broiler prices are adjusted down 1 cent in the fourth quarter of 2023 on recent prices, but are increased for 2024 based on lowered production expectations. Total table egg production in 2023 is unchanged, while 2024 production is decreased slightly. Wholesale prices for eggs are adjusted up for the fourth quarter of 2023 and for early 2024 on recent data. Expectations for both imports and exports of eggs and egg products are lowered on recent data. Turkey production projections are lowered from last month on recent production and placement data. Projected turkey imports are lowered in 2023 and 2024, while exports are increased in the fourth quarter of 2023 on recent data and favorable prices but decreased in 2024 on lowered production expectations. Projected turkey prices are adjusted down in 2023 and 2024 on recent price trends.

Beef/Cattle

Russell Knight and Hannah Taylor

Several Factors Keeping Cattle on Feed Elevated

Prior expectations for the number of cattle on feed in the second half of 2023 were that generally tighter cattle supplies and potentially growing retention of heifers for breeding would lead to smaller levels than a year ago. However, the *Cattle on Feed* report, published on October 20 by the USDA, National Agricultural Statistics Service (NASS) estimated the October 1 feedlot inventory at 11.580 million head, 0.6 percent above 11.509 million head in the same month last year. Feedlot net placements¹ in September were 6 percent higher year over year at 2.149 million head, which was above industry analyst expectations. Marketings in September registered 1.663 million head, down more than 10 percent year over year.

Regarding September placements, U.S. imports of feeder cattle from Mexico in September were up 136 percent from last year, likely contributing to the increase in placements. From January to September, U.S. imports of feeder cattle from Mexico were up 45 percent from the same period last year, but slightly above the 5-year average. Drought conditions in Mexico and strong U.S. calf prices likely supported Mexican producers exporting their calves to the United States.

The October *Cattle on Feed* report also breaks down the number of steers and heifers on feed. There were just slightly more steers on feed than last year, but heifers increased more than 1 percent year over year. This is largely consistent with the number of heifers reported in weekly sales receipts based on the USDA, Agricultural Marketing Service report, *National Feeder and Stocker Cattle Summary*. Compared to January–October 2022, there were 3 percent more heifers being sold in the same period this year.

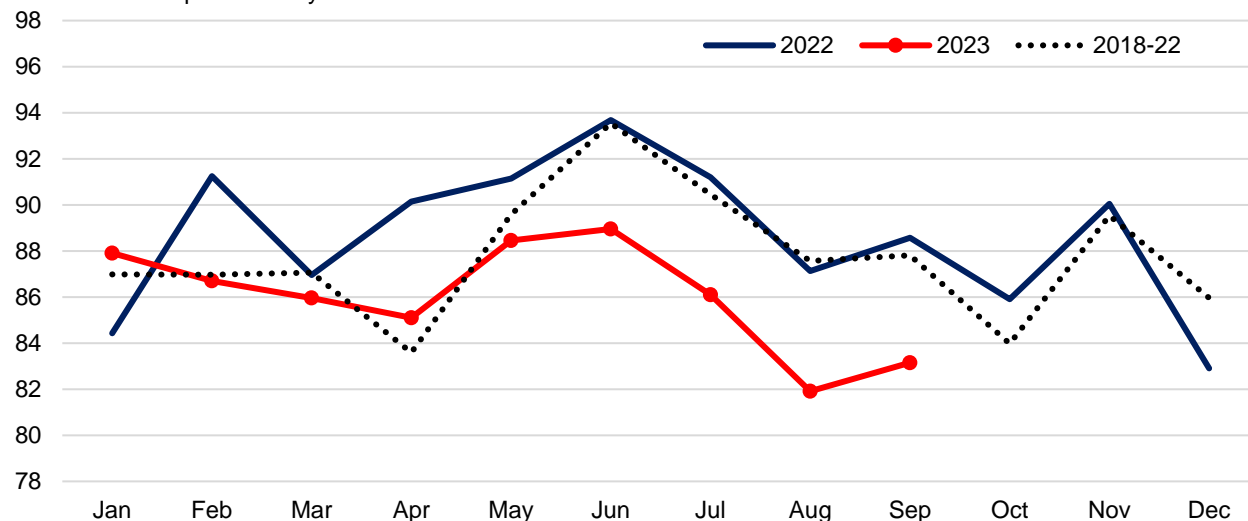
With respect to the marketing of fed cattle for slaughter, packers continue to restrain the pace of fed cattle slaughter through November and at a lower volume than previously considered last month.

Higher year-over-year placements have been reported in 3 of the last 5 months (May, June, and September). When combined with a slower year-over-year pace of marketings, this has pushed the percent of cattle on feed over 150 days back to above year ago levels. It also suggests a larger supply of cattle that will be marketed in the coming quarters.

¹ Net placements are placements minus other disappearance.

Pace of cattle marketings drag lower year over year

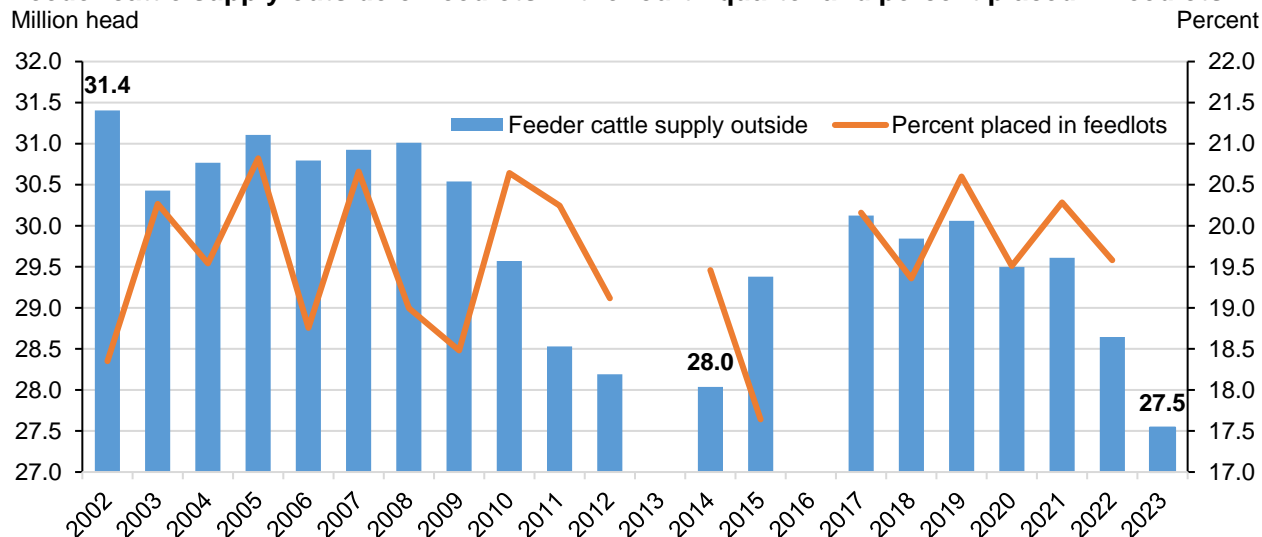
Thousand head per weekday



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

The larger-than-expected level of placements during September has led to about 4 percent, or 1.1 million head, fewer cattle outside feedlots on October 1 that are available for placements in the coming months. Since the *Cattle on Feed* series began in 1996, this is a record low for supplies outside feedlots estimated on October 1.

Feeder cattle supply outside of feedlots in the fourth quarter and percent placed in feedlots



Note: There was no *Cattle* report published in July 2013 and July 2016.

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

Higher Expected Placements Raise 2024 Production Forecast

Reflecting actual and estimated slaughter data through early November, production in the fourth quarter of 2023 is adjusted 45 million pounds lower. Fourth-quarter 2023 is lowered as less fed cattle slaughter more than offsets higher expected cow slaughter and slightly higher expected average carcass weights. Including adjustments for actual September production, the total 2023 beef production forecast is adjusted slightly downward by 44 million from last month at 26.932 billion pounds.

The 2024 beef production forecast is raised 535 million pounds from last month to 25.810 billion pounds. With the addition of more heifers on feed than a year ago and higher forecast cattle imports from last month, expectations for fourth-quarter 2023 placements are raised from last month, and anticipated placements in first-half 2024 are also raised. This reflects an increase in expected fed cattle marketings next year, in addition to greater cow and bull slaughter.

Cattle Prices, Off From Expectations, Remain Historically High

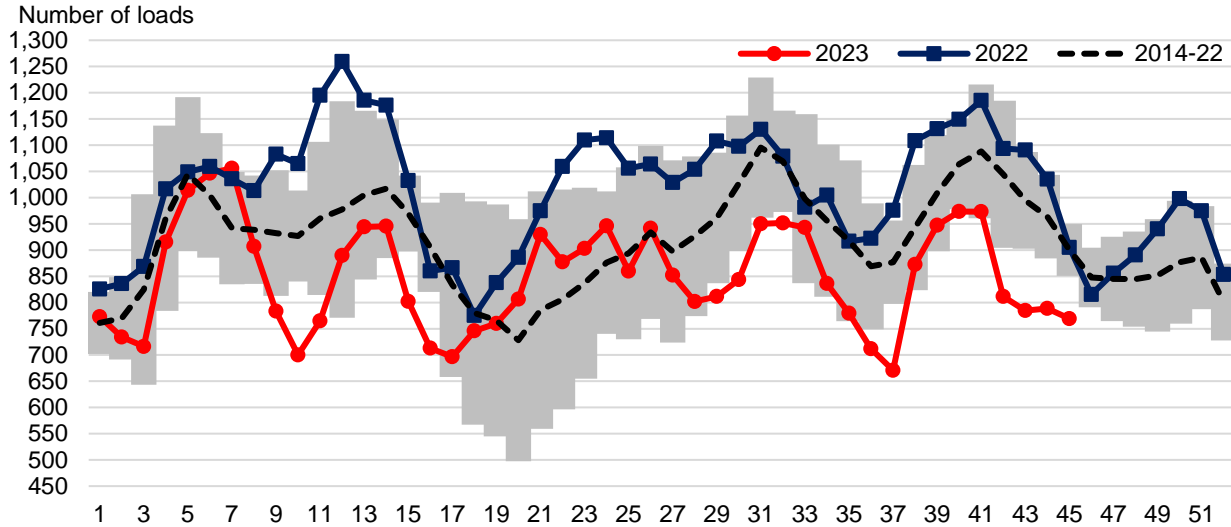
Recently, cattle prices have not advanced from September lows. However, they remain at record highs and are forecast to continue elevated through 2024, with mostly-offsetting changes in the quarterly forecasts reflecting recent price data and changes to cattle placements and marketings.

In October, the weighted-average price for feeder steers weighing 750–800 pounds at the Oklahoma City National Stockyards was \$243.50 per hundredweight (cwt). This was a decrease of nearly \$12 from September but more than \$69 above October 2022. In the first week of November, feeder steers were recorded at \$234.90 per cwt, an increase from the lightly tested week of October 30, but an overall decline from the market top of \$259.33 on September 18. The pullback in prices is reflected in a lower expected fourth-quarter price forecast of \$240.00 per cwt. The annual projection for 2024 feeder steer prices is down from last month at \$252 per cwt. However, the first half of the year was lowered, and was partially offset by an increase in the second half of next year.

Boxed beef values have increased a few dollars from their recent low in early October. However, that support seems to have waned. Nonetheless, wholesale beef prices remain at record levels for this time of year, so the typical holiday boost may be relatively muted.

The chart below shows the 4-week moving average for forward beef sales 22–60 days out for delivery. It appears that sales for delivery during the holidays is below the standard deviation for this time of year. Note that beef production is less than a year ago, so it makes sense that sales volumes would generally also be less. However, it is important to follow the seasonal patterns as most medium-sized and large supermarket chains book beef 4 to 8 weeks ahead of the delivery date for regular weekly deliveries. Although not shown below, spot sales for deliveries 0–21 days out are above a year ago and greater than a standard deviation from the average, which suggests greater just-in-time purchasing decisions for this time of year.

Four-week moving average of beef sales for delivery 22–60 days out



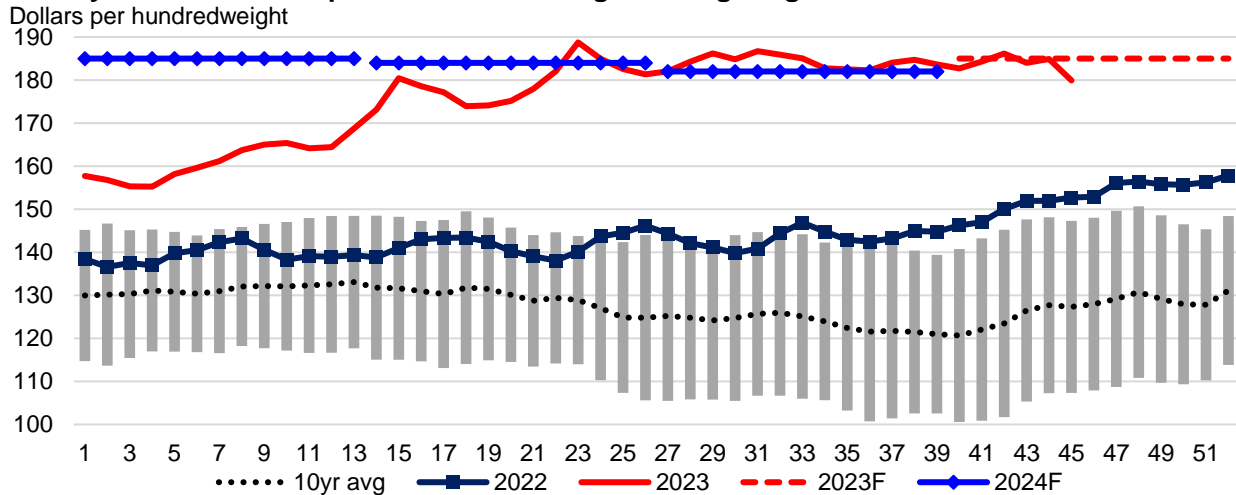
Note: Error bars represent one standard deviation from the 9-year average.

Note: Data available 2014 to present. One load equals 40,000 pounds.

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

The October average price for fed steers in the 5-area marketing region was \$184.35 per cwt, continuing a steady course since midyear but more than \$35 higher year over year and a record for the month. Packers' margins have declined since peaking in June as the boxed beef prices fell and fed cattle prices remain flat. Expectations for cattle prices in 2023 are unchanged from last month as weak packer margins will likely limit much upside to cattle prices in late 2023. As a result, the fed steer price forecast for fourth-quarter 2023 is unchanged from last month at \$185.00 per cwt. However, in early 2024, higher-than-previously forecast volumes of cattle marketed for slaughter are expected to moderate prices in the first half of 2024. However, the third-quarter price is raised, offsetting the decline in the first half for an annual average of \$185.00 per cwt, which is unchanged for the month.

Weekly 5-area fed steer prices continue in tight selling range



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

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

Beef Export Forecast Unchanged From Last Month

September beef exports were 232 million pounds, 17 percent lower year over year and 13 percent lower than the 2018–22 average. Exports to the top four major Asian markets were lower year over year in September, accounting for a combined decrease of more than 46 million pounds compared to last year. Total exports for the third quarter were 731 million pounds. This was nearly 20 percent lower year over year and 13 percent lower than the 5-year average. Exports to countries in North America were 12 percent higher year over year for the quarter. However, quarterly exports were lower year over year to China (–32 percent), Japan (–30 percent), and South Korea (–24 percent). After a slightly stronger second quarter, exports to Taiwan in the third quarter were less than 2 percent lower year over year. Of the major Asian Markets, year-to-date exports to Taiwan have shown the smallest year-over-year decrease.

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

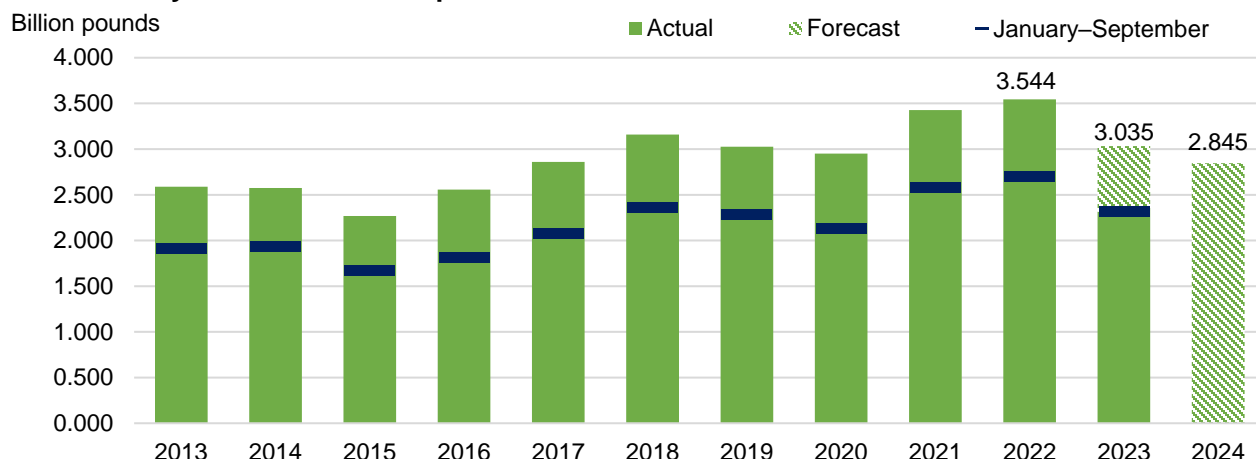
Country	September 2023 exports	Year-to-date exports				Share of YTD exports, percent	
		2022	2023	Year-over-year volume change	Year-over-year percent change	2022	2023
South Korea	47.2	614.6	511.6	-103.1	-17	23	22
Japan	46.0	626.2	494.8	-131.4	-21	23	21
China	41.7	490.1	390.2	-99.9	-20	18	17
Mexico	25.8	200.7	230.2	29.4	15	7	10
Canada	21.6	204.4	206.2	1.7	1	8	9
Taiwan	10.7	159.5	148.5	-11.0	-7	6	6
ROW	38.5	402.8	333.3	-69.5	-17	15	14
Total	231.5	2698.3	2314.7	-383.7	-14		

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

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

The chart below shows the export pace through September compared with previous years. Year-to-date exports are the fourth-highest for the time period and are relatively strong compared with previous years. The annual forecast for 2023 is 3.035 billion pounds, significantly lower than the previous 2 years but still competitive with recent history and above the export levels from the last period of cattle herd contraction. The forecast for 2024 is 2.845 billion pounds, which would be a year-over-year decrease of 6 percent.

Annual and year-to-date beef exports



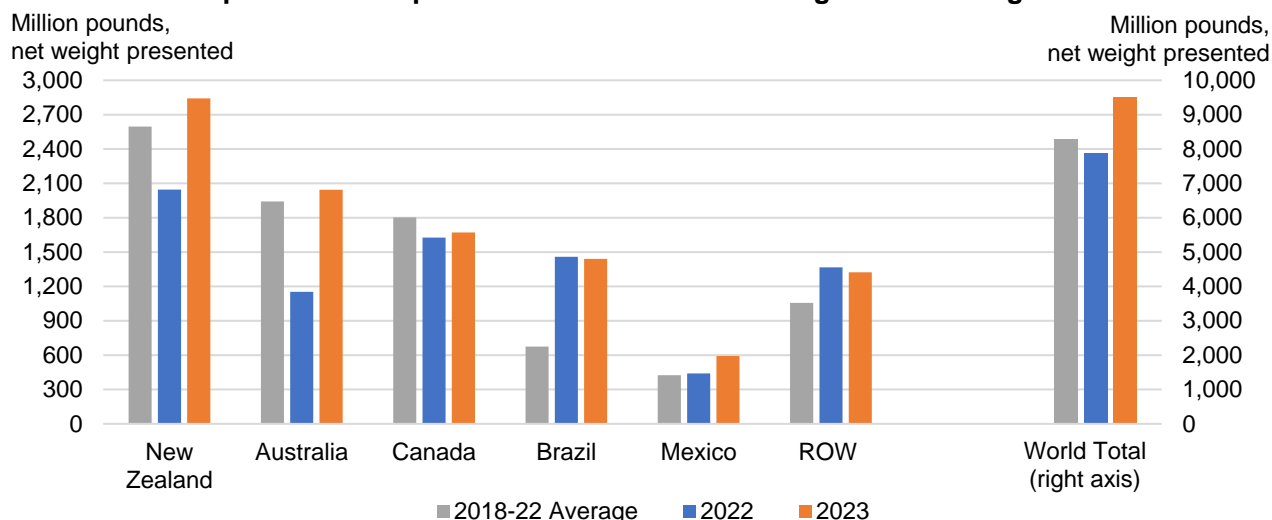
Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census.

Continued Strong Beef Imports From Oceania

Beef imports in September were a record for the month at 313 million pounds, a year-over-year increase of 21 percent. Monthly imports from New Zealand, Brazil, and Canada were also the second-highest on record for the month of September. As in previous months this year, the year-over-year increase was driven by increased imports from Australia and New Zealand. Total imports for the third quarter were 966 million pounds, which was the fifth-highest quarter overall and the second-highest total for the third quarter behind 2020. Third-quarter imports from Australia and New Zealand were nearly double the same period last year, both around 92 percent higher. These increases in quarterly imports were only partly offset by year-over-year decreases in imports from Mexico (-11 percent) and Brazil (-6 percent).

According to data from USDA, Food Safety and Inspection Service, imports of boneless manufacturing trimmings were up more than 20 percent through September compared to the same time last year. As the chart below shows, a majority of that year-over-year increase was driven by imports from New Zealand and Australia, which were up 39 and 77 percent, respectively. Imports of boneless manufacturing trimmings from New Zealand and Australia were also above the average from 2018–2022; however, stronger imports from Brazil also drove the increase above the average this year. While imports from Brazil are slightly lower year over year, they are well above the 5-year average, as the ban on fresh (not heat-treated) beef from Brazil was lifted in 2020.

Year-to-date inspections of imported boneless manufacturing beef trimmings



Note: ROW = Rest of world.

Source: USDA, Economic Research Service calculations using data from USDA, Food Safety and Inspection Service.

Total year-to-date imports through September were 2.824 billion pounds, a record for the time period. Year-to-date import volumes from the top five countries are shown in the chart below. Canada is still the main supplier of beef to the United States, with Mexico the second-largest, despite an 11-percent decrease year over year. Imports from Australia and New Zealand have significantly increased year over year, and the share of U.S. imports from Oceania has grown to nearly 32 percent. Based on stronger expected imports from Oceania, the forecast for fourth-quarter imports is raised 30 million pounds to 830 million. This would make an annual total of 3.653 billion pounds, which would be the highest annual imports since 2004. The annual forecast for 2024 is raised 40 million pounds to 3.690 billion, which if realized would be the highest annual imports on record.

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

Country	September 2023 imports	Year-to-date imports				Share of YTD imports, percent	
		2022	2023	Year-over-year volume change	Year-over-year percent change	2022	2023
Canada	90.2	712.2	728.8	16.6	2	27	26
Mexico	50.6	570.1	507.8	-62.4	-11	22	18
Australia	69.4	297.7	443.5	145.8	49	11	16
New Zealand	39.8	328.5	440.8	112.3	34	12	16
Brazil	25.1	415.7	374.9	-40.9	-10	16	13
ROW	37.8	316.5	328.0	11.6	4	12	12
Total	312.9	2640.8	2823.8	183.0	7		

Note: Volumes are in million pounds, carcass weight equivalent. The ranking of the top five countries shown here is based on 2023 year-to-date imports; YTD = year-to-date; ROW = rest of world. Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census.

Live Cattle Import Forecast Raised

Live cattle imports were very strong in September, partially underpinning the high placements on feedlots. Imports of cattle and calves for feeding were more than 65 thousand head higher than a year ago; imports from Mexico were up 136 percent and imports from Canada were up 108 percent over last year. Imports of cattle for immediate slaughter from Canada were also up 22 percent year over year. Total year-to-date imports of cattle were up nearly 19 percent year over year through September. As a result of the strong pace of cattle imports, the annual forecast is raised 55 thousand head to 1.975 million head. The annual forecast for 2024 is raised to 2.000 million head.

Dairy

Angel Terán and Adriana Valcu-Lisman

Recent Wholesale Dairy Product Prices

Most wholesale prices for dairy products reported in the USDA *National Dairy Products Sales Report* (NDPSR) increased from the week ending October 7 to the week ending November 4. The prices for butter, dry whey, and nonfat dry milk (NDM) increased by 17.71, 4.99, and 3.42 cents per pound, respectively. The price for 500-pound Cheddar cheese barrels (adjusted to 38-percent moisture) increased by 5.90 cents per pound, while the price for 40-pound blocks of Cheddar cheese decreased by 10.39 cents per pound.

Dairy products wholesale prices

Dollars per pound

	For the week ending		Change
	October 7	November 4	
Butter	3.0906	3.2677	0.1771
Cheddar cheese			
40-pound blocks	1.8819	1.7780	-0.1039
500-pound barrels *	1.6578	1.7168	0.0590
Nonfat dry milk	1.1415	1.1757	0.0342
Dry whey	0.3055	0.3554	0.0499

* Adjusted to 38-percent moisture.

Source: USDA, Agricultural Marketing Service, *National Dairy Products Sales Report*, November 8, 2023.

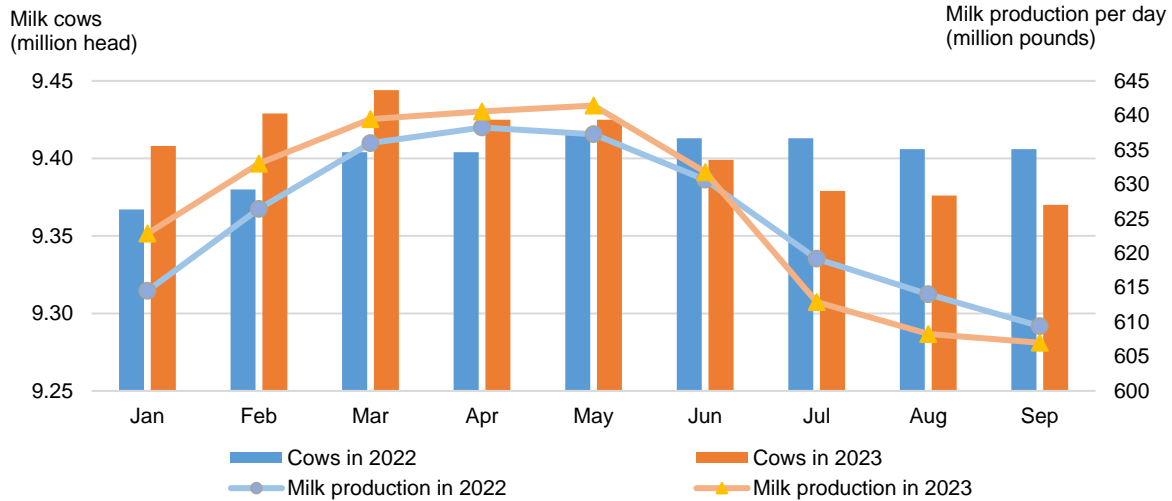
For the trading week² ending November 10 at the Chicago Mercantile Exchange (CME), the average spot prices for Cheddar cheese 500-pound barrels and 40-pound blocks averaged \$1.6090 and \$1.6535 per pound, respectively. CME spot prices for NDM, butter, and dry whey averaged \$1.1850, \$2.8010, and \$0.3910 per pound, respectively.

Recent Dairy Supply and Use Data

According to revised data from USDA, National Agricultural Statistics Service (NASS), during the third quarter of 2023 U.S. milk production declined by 0.7 percent compared to the same period last year, totaling 56.1 billion pounds. The average number of milk cows during the quarter was 9.375 million head, a decrease of 41,000 head from the previous quarter and 33,000 head lower than the same period last year.

² While the end of each week for USDA, National Dairy Products Sales Report average prices falls on a Saturday, the trading week for the Chicago Mercantile Exchange usually ends on a Friday.

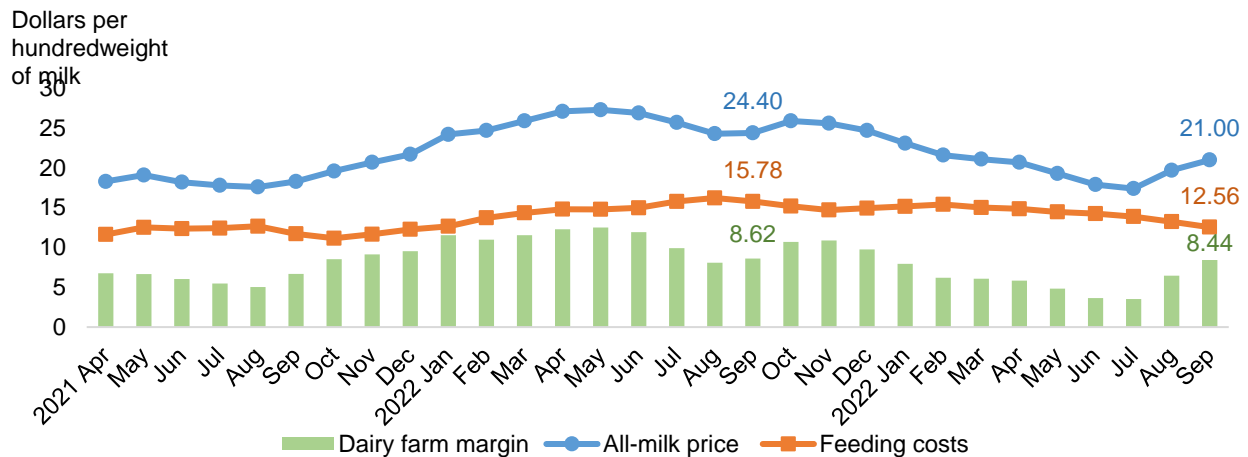
Milk production per day and number of cows from January to September, 2022 and 2023



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

The U.S. dairy industry experienced an uptick in the all-milk price in September 2023, reaching \$21.00 per hundredweight (cwt), a \$1.30 increase from the previous month but \$3.10 lower than September 2022. Dairy farmers' feed costs declined in September 2023 compared to the same month in 2022. Corn prices declined by \$1.88 per bushel to \$5.21, alfalfa hay prices by \$56 to \$224 per short ton, and premium alfalfa hay prices fell by \$54 to \$288 per short ton. Soybean meal prices also showed a downward trend, averaging \$411.1 per short ton in September, a significant decrease of \$62.9 per short ton from September 2022. With a modest increase in milk prices and lower feed costs, the NASS milk-feed ratio was 1.89 in September 2023, an increase of 0.18 points from September 2022. Based on the USDA Dairy Margin Coverage program, the dairy farmers' milk margin above feed costs was \$8.44 cwt in September 2023, \$1.98 cwt above the previous month but \$0.18 cwt lower than September 2022.

All-milk price versus feeding costs



Source: USDA, Economic Research Service using information from USDA, Farm Service Agency, Dairy Margin Coverage Program.

U.S. dairy export quantities on both milk-solids milk-equivalent bases decreased in the third quarter of 2023 (2023-Q3) compared to the same period in 2022. On a milk-equivalent milk-fat basis, they totaled 2.755 billion pounds, 668 million pounds lower than the third quarter of 2022. On a milk-equivalent skim-solids basis, 2023-Q3 dairy exports totaled 12.169 billion pounds,

1,452 million lower than 2022-Q3. As the table below shows, export volumes of dry whey, whey protein concentrate, dry skim milk products, and butter declined significantly from 2022-Q3 to 2023-Q3. Lactose export volumes increased, and cheese export volumes remained virtually steady.

Exports of milk and major dairy products for the third quarter of 2022 and 2023

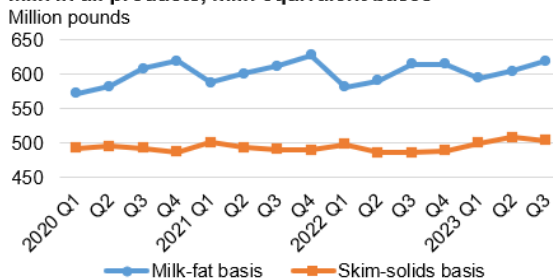
Product	Units	2022 third quarter	2023 third quarter	Change	Percent change
Milk in all products					
Milk-fat basis	Billion pounds	3.4	2.8	-0.7	-19.5
Skim-solids basis		13.6	12.2	-1.5	-10.7
Dairy products					
Cheese		244.5	244.5	0.0	0.0
Butter		38.1	15.0	-23.1	-60.6
Dry skim milk products	Million pounds	432.0	412.5	-19.5	-4.5
Dry whey		144.3	90.7	-53.6	-37.1
Whey protein concentrate		102.0	77.3	-24.7	-24.2
Lactose		242.7	244.5	1.8	0.7

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

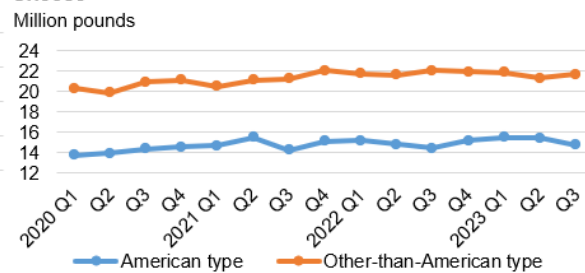
U.S. dairy imports also declined in 2023-Q3 compared to 2022-Q3, mainly due to a reduction of imported volumes of cheese and butter. On a milk-fat basis, imports in 2023-Q3 totaled 1,835 million pounds, 70 million lower than 2022-Q3. On a skim-solids basis, 2023-Q3 imports totaled 1,611 million pounds, one million lower than 2022-Q3.

In general, domestic use of dairy products increased in 2023-Q3 compared to the same period in 2022, with growth of about 1 percent on a milk-fat basis and 4 percent on a skim-solids basis. An increase in domestic use of butter of 8 percent contributed to the increase in domestic use on a milk-fat basis. On a skim-solid basis, the domestic use increase was driven in part by gains in dry whey products, with whey protein concentrate (+249 percent) and dry whey (+63 percent) experiencing the largest year-over-year percentage increases. According to USDA, *Dairy Market News*, dry whey supplies are tight as production shifts into higher protein blends, and recent limitations of milk for cheesemakers and steady regional demand have buoyed markets nearer to \$.40/lb., while the demand for whey protein concentrate 34-percent is still strong. Other dairy products that show increases in domestic use in 2023-Q3 compared to 2022-Q3 include American type cheese (+2 percent) and lactose (+21 percent). Dairy products that show declines in domestic consumption for the same period include dry skim-milk products (-25 percent) and other-than-American type cheese (-2 percent).

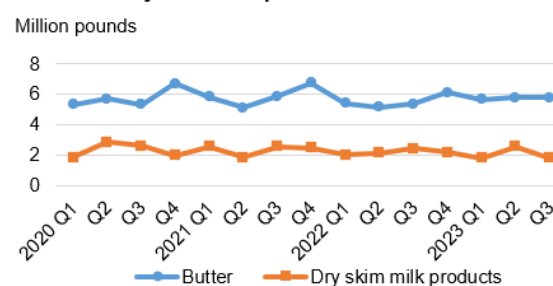
Milk in all products, milk-equivalent bases



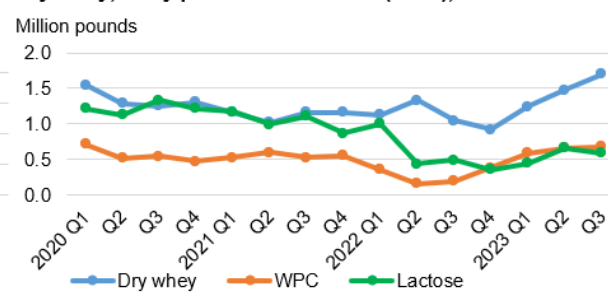
Cheese



Butter and dry skim milk products



Dry whey, whey protein concentrate (WPC), and lactose

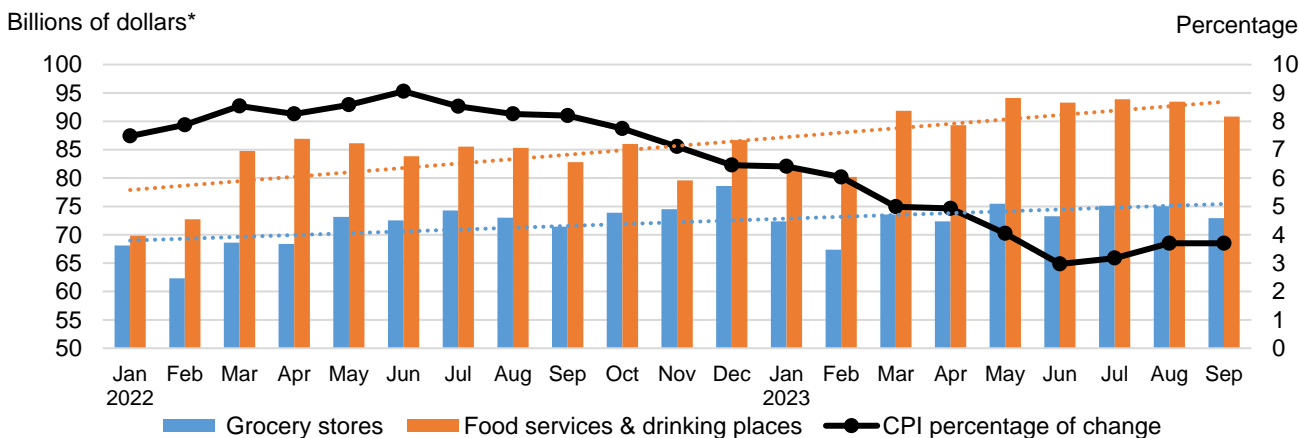


Q1 = January to March. Q2 = April to June. Q3 = July to September. Q4 = October to December.

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

The increase in domestic use of dairy products so far in 2023 may be partially associated with growth in sales at grocery stores and restaurants, pushed by a hearty demand. According to the U.S. Department of Commerce, Bureau of the Census, estimated sales at grocery stores and foodservice and drinking places from January to September 2023 were higher than the same period in 2022. Meanwhile, according to the U.S. Department of Labor, Bureau of Labor Statistics, the Consumer Price Index for all products (CPI) declined on average on a year-over-year basis for the same period.

Estimated sales at grocery stores and food service and drinking places, 2023 versus 2022



*Sales are not seasonally adjusted.

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

Dairy Forecasts for the Remainder of 2023

With a lower-than-expected number of cows in the third quarter of 2023 and lower expectations for cow numbers in the fourth quarter, the forecast for the milking herd for 2023 is lowered by 10.0 thousand head to 9.395 million head. Furthermore, due to lower-than-expected milk per cow in the third quarter and lower expectations for the fourth quarter, the milk per cow projection for the year is lowered 35 pounds to 24,165 pounds. Given these changes, total milk production for 2023 is projected at 227.1 billion pounds, 0.5 billion pounds lower than the previous forecast.

Based on recent trade data, the 2023 forecasts for imports are adjusted slightly lower. Third-quarter imports are lowered to account for lower-than-expected imports of most dairy products in September 2023. For the year, the import forecast on a milk-fat rounds to unchanged from the previous forecast. On a skim-solids basis, the import forecast is lowered to 6.5 billion pounds, 0.1 billion less than last month's forecast due to lower expected imports of milk protein products.

The forecast for 2023 dairy exports on a milk-fat basis is adjusted to 10.9 billion pounds, 0.1 billion lower to account for the third-quarter trade data, while the forecast for the fourth quarter is unchanged. On a skim-solids basis, the export forecast for the year is revised upward 0.3 billion to 49.8 billion pounds on the expectation of firm lactose demand from various international markets.

Domestic use on a milk-fat basis for the year is forecast lower than last month at 222.7 billion pounds. With tighter expected supplies and higher fourth-quarter price projections for dry whey and NDM, the domestic use on a skim-solids basis for the year is lowered from last month to 182.8 billion pounds.

The 2023 fourth-quarter price forecasts for Cheddar cheese and butter have been adjusted lower following recent movements in domestic prices and larger cheese production reported for September. However, for the year the average Cheddar cheese price is forecast at \$1.770 per pound, unchanged from last month, while the butter price is forecast at \$2.645 per pound, 1.5 cents lower. The dry whey price forecast has been increased slightly for the year to \$0.360 (+1.5 cents) per pound on firm domestic demand for dry whey and whey products. The NDM price forecast for the year has also been increased at \$1.180 (+0.5 cents) per pound following tighter supplies.

The fourth-quarter increase in the whey price forecast is large enough to offset the decrease in the Cheddar cheese price; hence, the 2023 Class III annual average price is forecast at \$17.10 per cwt, up 5 cents from last month. The decrease in the butter price forecast more than offsets the increase in the NDM price forecast and leads to a decrease of 5 cents in the 2023 Class IV milk price, which is now forecast at \$19.20 per cwt for the year. The annual-average all-milk price for 2023 is forecast at \$20.70 per cwt, unchanged from the previous forecast.

Dairy Forecasts for 2024

The contraction of the milking herd is expected to continue into the first quarter of 2024 in response to the low margins through most of the 2023, but then gradual herd expansion is projected for the remainder of the year. However, given the smaller expected 2023 milking herd, the 2024 average number of milk cows is projected at 9.375 million head in 2024, 10.0 thousand head less than the previous forecast. The milk per cow forecast is also lowered from the previous forecast to 24,545 pounds. With lower yields and further contraction in the milking herd, 2024 milk production is projected at 230.0 billion, 0.4 billion pounds lower than the last forecast.

On a milk-fat basis, the 2024 dairy import forecast is raised 0.1 billion pounds to 7.6 billion pounds, driven by expected stronger imports of butter. On a skim-solids basis, the annual dairy import forecast is unchanged from last month's forecast at 6.7 billion pounds.

Dairy product exports are expected to follow a mix of trajectories in 2024. The exports for butter will likely continue to trend lower due to a lack of competitiveness on international markets, while exports for nonfat dry milk and cheese are projected higher due to sustained demand from international markets. The dairy export forecast for 2024 on a milk-fat basis is 11.6 billion pounds, 0.4 billion pounds lower than the last month's forecast. On a skim-solids basis, 2024 dairy exports are projected to total 53.1 billion pounds, 0.2 billion pounds higher.

Domestic use on a milk-fat basis for 2024 is forecast at 225.1 billion pounds, 0.3 billion pounds higher than the previous forecast. Lower butter prices are expected to contribute to higher domestic use of butter. The 2024 domestic use forecast on a milk-solids basis is lowered 0.5 billion to 182.6 billion pounds. These decreases in the forecast also reflect an expected continuation of the observed trends in domestic use for several dairy products in the third quarter of 2023.

The 2024 price forecasts for Cheddar cheese, dry whey, and NDM are increased to \$1.825 (+2.0 cents), \$0.375 (+6.0 cents), and \$1.170 (+4.0 cents) per pound, respectively. The 2024 butter price projection is lowered to \$2.590 (-6.5 cents). The Class III milk price forecast for 2024 is adjusted to \$17.70 per cwt, up \$0.50 from last month's forecast, while the Class IV milk price forecast is \$18.85 per cwt, \$0.05 higher. The all-milk price forecast for 2024 is \$20.80 per cwt, \$0.25 higher than last month's forecast.

Pork/Hogs

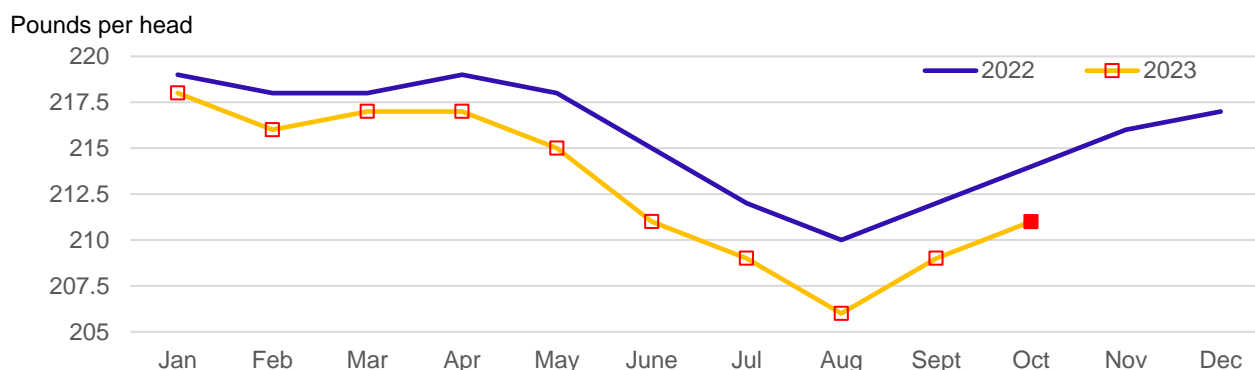
Mildred Haley

Uncertainty Overhangs U.S. Hog and Pork Markets as the Fourth Quarter Begins

October kicked off the fourth quarter of the year—the quarter that typically sees the year’s largest slaughter numbers and the lowest hog prices—with the factors that have thus far defined 2023 remaining largely unchanged. Pork producers continue to face macroeconomic turbulence (i.e., high interest rates in particular) and market uncertainty caused by imposition, in some States, of hog production regulations that could affect nationwide methods of pork production. While these issues are compelling, probably the most serious problem that hog producers have faced all year has been generally weak consumer demand for their product. Weak consumer pork demand has been reflected in low hog prices, which in turn have translated into below break-even price levels for most producers for much of the year.

According to the last *Quarterly Hogs and Pigs* report in September, rather than immediate and significant breeding-herd reduction, producers appear to have opted so far to limit losses by marketing hogs at year-over-year lower weights. The figure below shows monthly dressed weights for 2022 compared to weights through this September, with an estimate for October 2023. Dressed weights through September have so far averaged 2.4 pounds below those in 2022. Hog average dressed weights are likely to remain below year-earlier levels until the market signals consumer willingness—with higher prices—to compensate producers for the costs of putting additional weight on hogs.

Federally inspected hog dressed weights, 2022 to October 2023*

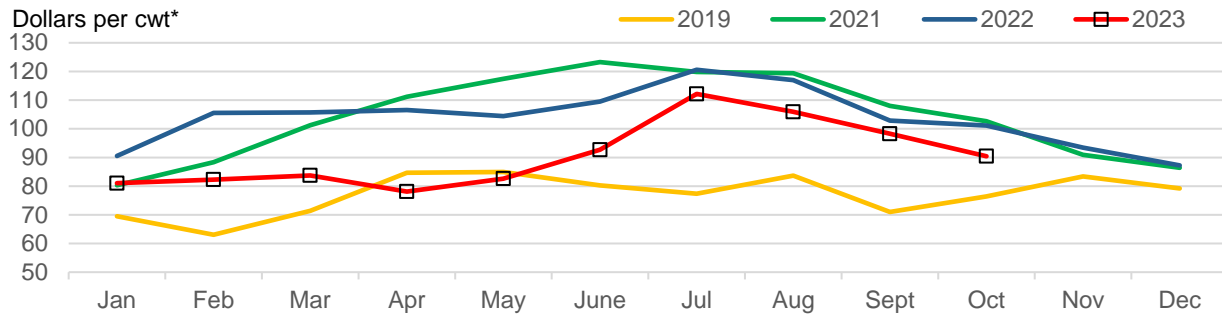


* October 2023 dressed weight —211 pounds—is an estimate.
Source: USDA, National Agricultural Statistics Service.

Demand for Pork Has Likely Declined

Thus far in 2023, monthly values of the wholesale pork carcass cutout have been below same-month values of a year earlier. Through September 2023, the cutout value has averaged \$90.76, almost 16 percent lower than the same-month average in 2022.

Wholesale pork carcass cutout

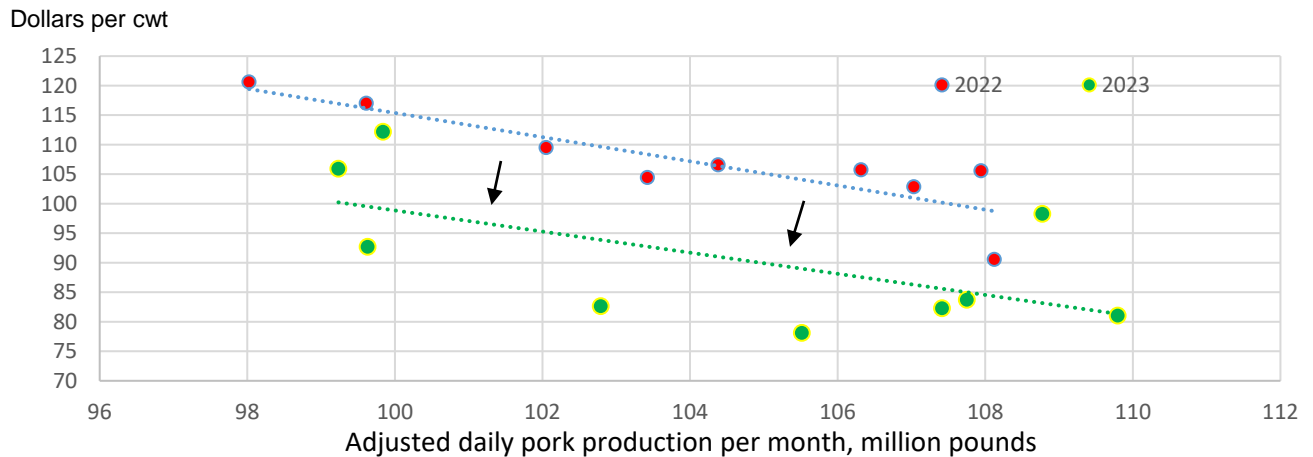


*cwt= hundredweight.

Source: USDA, Agricultural Marketing Service.

Plotting 2022 and 2023 January–September values of the cutout against pork production³ and assuming that the trendlines approximate reduced-form demand functions for wholesale pork, the scatter gram shows some evidence of a downward demand shift from 2022 to 2023.

Wholesale pork carcass cutout values versus pork production, January–September 2022 and 2023



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

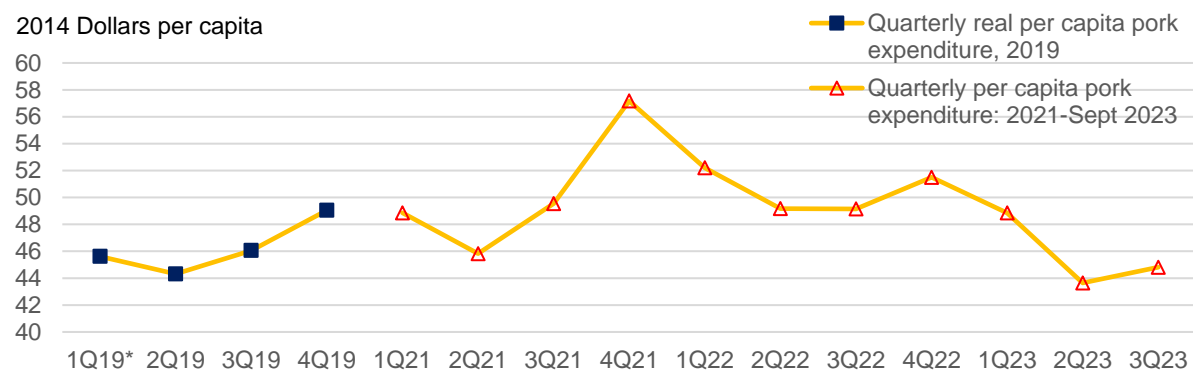
Meyer⁴ argues that real per capita expenditure contains the components of a demand index, with changes in expenditure indicating changes in demand. Calculating real per capita pork expenditure quarterly for 2019 and 2021 through September 2023⁵ yields the figure below.

³ Monthly pork production values are adjusted for unequal slaughter-day numbers.

⁴ Meyer, Steve. "Understanding the Measures of Pork Demand." *National Hog Farmer*, May 21, 2009.

⁵ Quarterly real per capita pork expenditure = (quarterly retail per capita pork disappearance x ERS pork composite retail price) \ ((quarterly average CPI) \ (average 2014 CPI)).

Quarterly real per capita pork expenditure, 2019–September 2023**



*1Q19= First quarter, 2019, etc.

**2020 information is excluded due to Covid-related market distortions, particularly in the pork processing industry.

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

The figure shows the 2019–September 2023 path of quarterly real per capita retail pork expenditures. What is notable about the calculated series is the level that real retail pork expenditures achieved during periods of covid-related confinements, closures of all but essential businesses (ie, grocery stores, in particular, in many parts of the country) between, roughly, the third quarter of 2021 and the late quarters of 2022. It is possible that the expenditures reflect Government transfer payments and other covid-related relief programs on a narrow range of available consumption goods. On the other hand, the lower expenditures observed in the retail market so far this year may reflect a re-equilibrating process toward more familiar pre-covid pork expenditure patterns. In this figure, such patterns could be represented by quarters 1–4 of 2019.

Hog Prices Adjusted Downward Through First-Half 2024

Estimated federally inspected (FI) hog slaughter in October was fractionally lower than a year ago after adjusting for the additional slaughter day this year. Estimated average FI dressed weights were about 3 pounds lower than last year, thus dropping October-estimated FI pork production 1.7 percent below production in October 2022. October prices of live equivalent 51-52 percent lean hogs averaged \$58.08 per cwt, 14.3 percent below prices in October 2022. Fractionally lower hog slaughter numbers, accompanied by year-over-year lower hog prices, point to weakening demand for hogs.

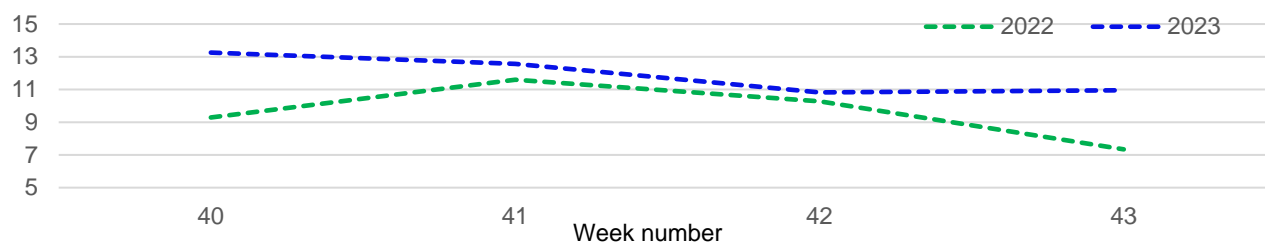
On the other hand, packer margins in October (weeks 40-43 in the figure below) exceeded those same weeks of October last year. While prices of both hogs and pork declined year over year in weeks 40-43 of this year, hog prices fell almost 14 percent during those weeks, while the cutout fell only 10.4 percent. The combination of prices yielded a positive gross margin, ahead of last year for pork processors.

The fourth-quarter 2023 commercial pork production forecast is lowered about 100 million pounds to 7.1 billion pounds—about 2 percent greater than production in the same period a year ago—from 7.2 billion pounds forecast last month. The lower production forecast in the latest WASDE derives from assumptions for continued lower average dressed weights. Fourth-quarter prices for live equivalent 51-52 percent lean hogs are expected to average \$55 per cwt, more than 13 percent below a year earlier. For the first half of 2024, prices are expected to

average \$57 per cwt in the first quarter—up 4 percent from first-quarter prices this year—and second-quarter hog prices are expected to average \$63 per cwt, more than 11 percent higher than prices averaged in the second quarter this year. The hog price forecast for the third quarter of 2024 remains unchanged at \$65 per cwt, more than 6 percent below third-quarter hog prices this year.

Gross pork processors' spread

Dollars per cwt



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

September Pork Exports Down Almost 1 Percent

U.S. pork exports in September were 512 million pounds, 0.8 percent below a year ago. The table below of the 10 largest export destinations for U.S. pork in September shows that shipments to Western Hemisphere nations—Mexico, Canada, the Dominican Republic, and Honduras—supported U.S. exports, slowing the negative slide.

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

Country	Exports	Exports	Percent change (2023/2022)	Export share	Export share
	Sept. 2022	Sept. 2023		Sept. 2022	Sept. 2023
	(Million pounds)	(Million pounds)		Percent	Percent
World	516	512	-0.79		
Mexico	185	205	11.2	35.8	40.1
Japan	95	74	-21.8	18.4	14.5
Canada	52	58	12.8	10.0	11.4
South Korea	37	36	-3.5	7.3	7.1
China\Hong Kong	57	34	-40.8	11.1	6.6
Colombia	25	22	-11.2	4.8	4.3
Dominican Republic	16	17	3.6	3.2	3.3
Australia	8	14	70.6	1.6	2.8
Honduras	6	10	81.4	1.1	2.0
Philippines	10	6	-35.4	1.9	1.2

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

With the inclusion of September shipments, third-quarter U.S. exports totaled 1.54 billion pounds, 1.9 percent higher than a year ago. Taking into account the somewhat slower September shipments, the fourth-quarter 2023 forecast is lowered by 10 million pounds to 1.74 billion pounds, a volume 3.5 percent higher than a year earlier. U.S. pork exports for 2023 are expected to total 6.73 billion pounds, 6.1 percent above total exports in 2022.

Major Pork-Importing Countries Shifting Purchases Away From High-Cost EU Pork Toward EU Competitors

The table below aggregates imports of major pork importing countries for quarters 1-3 for 2022 and 2023. Column 2 of the table shows the percent change in 2023 quarter 1-3 imports, compared to the same period of 2022. Columns 3-10 give market shares of major exporters—the United States, the EU, Canada, and Brazil—to these importing countries—Japan, South Korea, China, the Philippines, and Australia for 2022 and 2023

EU-exported pork has become less competitive in international markets recently for numerous reasons,⁶ among them high energy costs and additional pig sector regulation. Due to these factors USDA forecasts that EU pork production will decline about 3.5 percent this year and about 1.6 percent next year. EU exports are expected to decline about 23 percent in 2023 compared to last year. The data in the table below indicate that a decline in EU exports and a shift in trade shares from the EU to other major exporting countries is already apparent in government data of major importing countries.

Japan's imports in the first three quarters of 2023 are 5.3 percent less than a year earlier. It is notable that while the U.S. share of Japan's import market has declined slightly from 30 percent in 2022 to 29.8, the EU's share has declined from 33.1 to 29.3. Canada's share has increased from 19.0 to 20.3, and Brazil's share of Japan's import market in the first three quarters of 2023 has increased to 3.0 percent from 1.8 percent in the same period last year.

South Korea's import numbers for the first three quarters also show the same general shift away from the EU—53.7 in 2022 to 42.7 percent this year. The U.S. share has increased from 26.4 percent to 31.7 percent. Canada's 2023 share increased from 10.2 to 13.9. Brazil's share increased by a minor amount, from 1.2 in 2022 to 1.7 this year.

In China, the EU's 2023 share dropped to 47.8 percent of China's first three quarters of 2023 imports, compared to 53.10 percent in the same period of 2022. Brazil picked up several points: from 22.9 percent of China's imports last year to 25.5 percent in 2023. The United States also picked up market share in China this year, to 8.3 percent from 7.5 percent of China's January–September pork imports last year. Canada's share moved up from 6.0 percent in 2022 to 8.8 percent this year.

The Philippines⁷ has shifted its imports from the EU (45.6 percent last year, to 28 percent so far this year) mainly to Brazil: last year Brazil accounted for 17 percent of the Philippine's January–July pork imports. This year Brazil accounts for almost 28 percent of the Philippine's pork imports. The United States and Canada also account for larger shares of the Philippine's imports this year compared to 2022: The United States moved up from 4.3 percent to 9.4 percent, and Canada accounts for 29.7 percent of the Philippine's imports in 2023, compared with 26.4 percent in 2022.

Australia's imports in 2023 have shifted from the EU (47.8 percent last year to 39.1 percent this year) to the United States: 39.8 percent of Australia's January–September pork imports originated from the United States this year compared to 18.6 last year. Canada moved its 2023 share to 6.9 percent this year, from 5.4 percent last year. Brazil also made a small increase in its share of Australia's imports this year, to 0.03 percent from its 0.02 percent share in 2022.

⁶ See USDA, Foreign Agriculture Service, "*Livestock and Poultry: World Markets and Trade*". October 12, 2023.

⁷ As of mid-November 2023, the Philippines has reported import data through July 2023.

The European Union's Farm to Fork policies are proposed to become law by 2030⁸ and may make pork production less competitive on world markets, further reducing EU shares of major importing-country markets.

Market shares of major pork exporting countries to major importing countries: Comparison of January–September 2022 shares compared to 2023 shares

Column number	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Importing country	(2022/2023) Total imports	2022 Jan.-Sept. Imports from	2023 Jan.Sept. Imports from	2022 Jan.-Sept. Imports from	2023 Jan.Sept. Imports from	2022 Jan.Sept. Imports from	2023 Jan.Sept. Imports from	2022 Jan.Sept. Imports from	2023 Jan.Sept. Imports from
	Jan.-Sept. Percent change	U.S.	U.S.	EU	EU	Canada	Canada	Brazil	Brazil
Japan	-5.3	30.0	29.79	33.1	29.9	19.02	20.3	1.79	3.02
South Korea	-6.8	26.39	31.72	53.70	42.70	10.24	13.90	1.17	1.68
China	4.70	7.45	8.30	53.10	47.80	6.04	8.75	22.89	25.50
Philippines*	-30.8	4.3	9.4	45.6	28.0	26.4	29.7	17.0	27.69
Australia	-19.7	18.6	39.8	47.8	39.1	5.4	6.9	0.02	0.03

Source: Japan Ministry of Finance and Customs; Korea Trade and Promotion Institute; China Customs Statistics; *Philippines Statistics Authority, which through November 2023 has reported import data through July 2023; and Australia Bureau of Statistics.

⁸ See Beckman et al., "Economic and Food Security Impacts of Agricultural Input Reduction Under the European Union Green Deal's Farm to Fork and Biodiversity Strategies," USDA, Economic Research Service, November 2020.

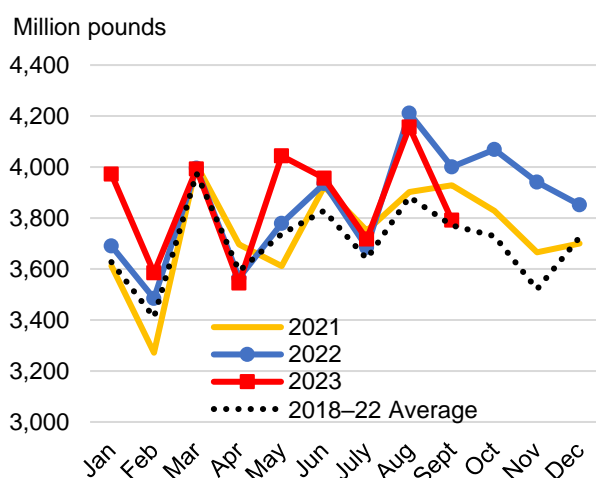
Poultry

Grace Grossen

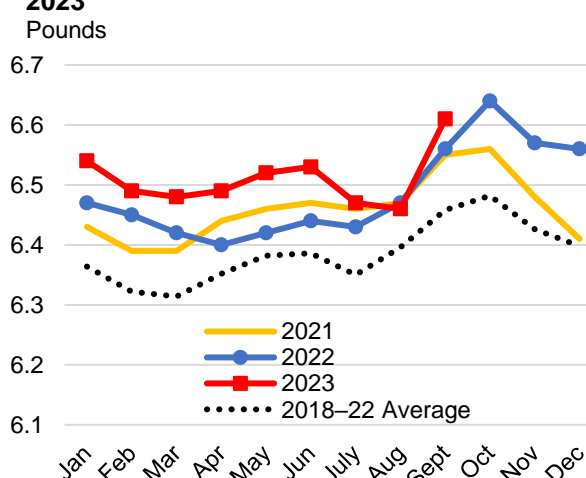
Broiler Production Adjusted Down Again in 2023 and 2024

September broiler production totaled 3,791.4 million pounds, a 5-percent decrease from last September. While average weights were up by nearly 1 percent year over year, there was one fewer slaughter day, and slaughter was down by 1.3 percent on a per day basis. September's data brings the third-quarter total to 11.665 billion pounds, 1.9 percent below the third quarter of last year.

Monthly broiler production, 2018–2023



Monthly average broiler live weights, 2018–2023

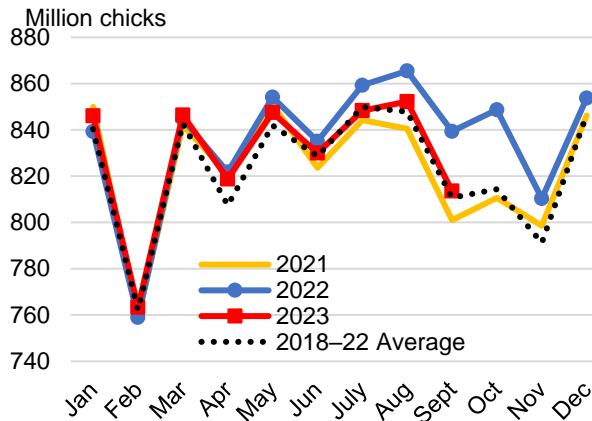


Source: USDA, National Agricultural Statistics Service.

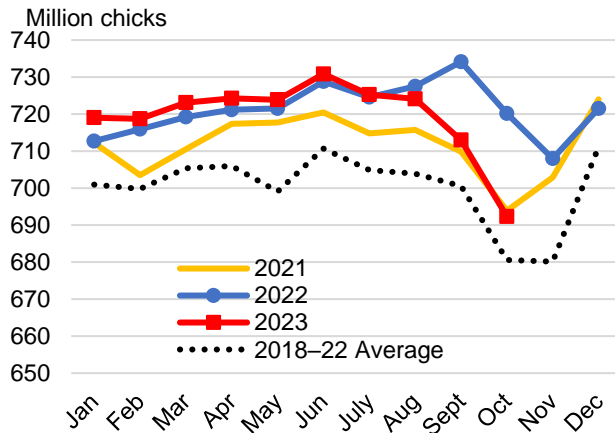
Production expectations for the fourth quarter of 2023 and into 2024 were lowered on hatchery indicators. The *Chickens and Eggs* report, published by USDA, National Agricultural Statistics Service (NASS), indicated 813.6 million broiler chicks were hatched in September. This is down 3.1 percent from last year but similar to the 5-year average. Chicks hatched in September will likely be slaughtered in November. The report also showed 692.3 million broiler-type eggs in incubators on the first of October. This is down 3.8 percent year-over-year, but still above the 5-year average and similar to the October 2021 figure. After hatching and growing out, these eggs set in incubators will likely be slaughtered in late November and December. In addition, the NASS November 8th *Broiler Hatchery* report indicated that weekly chick placements in the week ending November 4th were down 4.8 percent year over year. Chicks placed that week are likely to be processed in late December.

The fourth-quarter production projection was adjusted down 200 million pounds to 11.450 billion pounds. This would be a year-over-year decrease of almost 3.5 percent, but still higher than the fourth quarter of 2021. In total, the 2023 production projection is 46.209 billion pounds, nearly flat from 2022. For 2024, production was adjusted down for a new total projection of 46.650 billion pounds. This would be a modest increase of about 1 percent from the 2023 projected total.

Monthly broiler-type chicks hatched, 2018–2023



Broiler-type eggs in incubators on the first of the month, 2018–2023

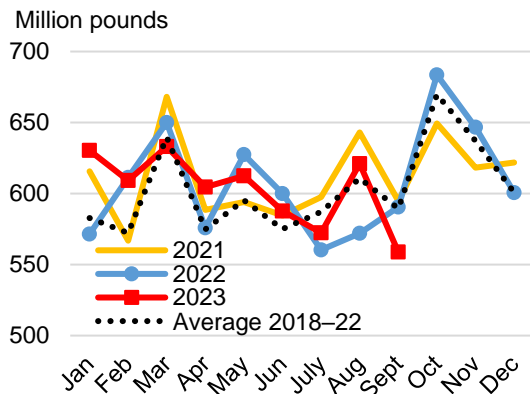


Source: USDA, National Agricultural Statistics Service.

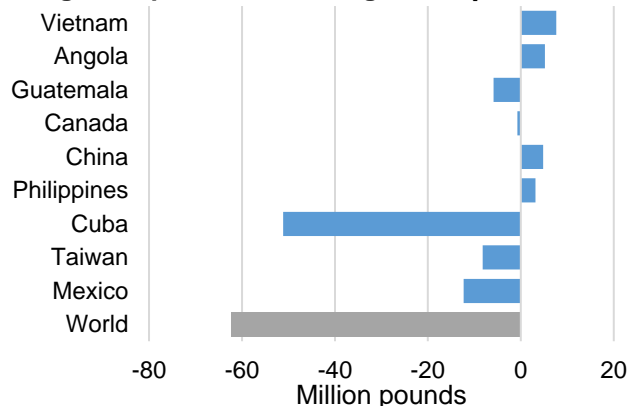
Broiler meat in cold storage totaled 808 million pounds at the end of September. This is down 2.9 percent from the same time a year ago and the first year-over-year decrease of this year. Based on recent storage data as well as lowered production expectations, ending stocks for 2023 were adjusted down to 850 million pounds and ending stocks for 2024 were adjusted down to 860 million pounds.

Broiler exports totaled 558.8 million pounds in September. This is down 5 percent from last September and the smallest monthly total so far this calendar year. Month over month, the largest decrease was in shipments to Cuba, which peaked at 77.4 million pounds in August before falling to 26.2 million pounds in September. Shipments also fell to other price-sensitive markets, including Mexico, Taiwan, and Guatemala. Including September data, the third-quarter total for broiler exports is 1.752 billion pounds. Reflecting lowered production expectations for 2023 and 2024, as well as less-competitive prices in the coming year, exports are adjusted down in the fourth quarter of 2023 and for 2024. Accounting for September data and a reduction of 100 million pounds in the fourth-quarter export projection, total exports in 2023 are projected to be down 1.5 percent from last year at 7.180 billion pounds and would account for a slightly smaller share of projected production (15.5 percent). Projected exports in 2024 were adjusted down by 110 million pounds to 7.270 billion pounds. This would be an increase of 1.3 percent and would account for 15.6 percent of projected 2024 production.

Monthly total U.S. broiler exports, 2018–2023



Month-over-month changes in shipments to largest export markets, August–Sept. 2023



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

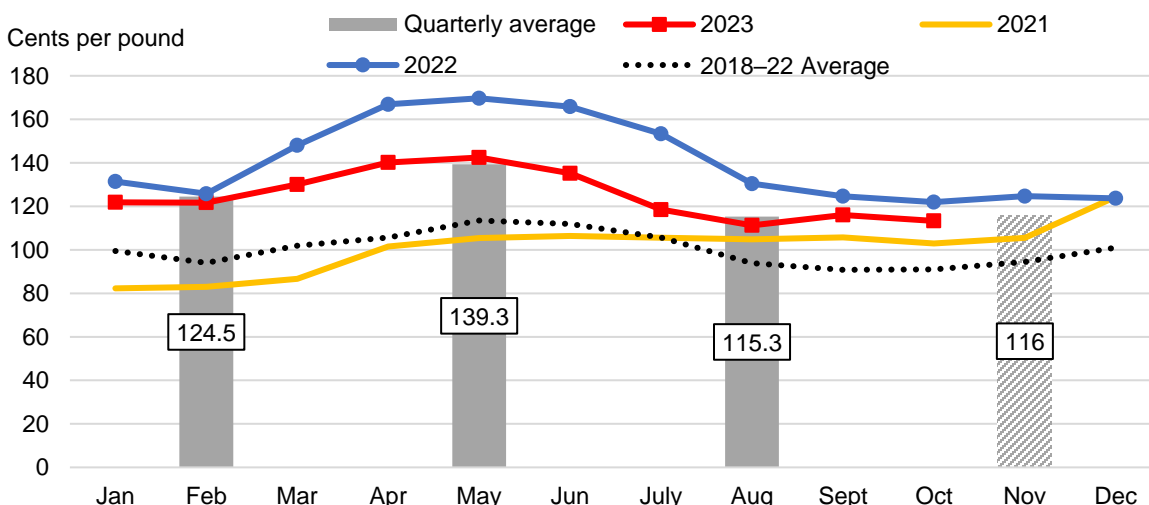
Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

Broiler imports totaled 13.8 million pounds in September, of which Chile accounted for 76 percent. September shipments were the largest of the calendar year so far and brought the third-quarter total to 30.5 million pounds. Based on the strength of recent shipments, projected imports were adjusted up to 130 million pounds in 2023, and with a higher domestic price forecast for 2024 imports are raised to 164 million pounds.

Broiler Prices Adjusted in 2023 and 2024

The national composite wholesale broiler price averaged 113.3 cents per pound in October. Weekly prices in October were steady, with an average price between 113 and 114 cents per pound each full week of the month. The weekly average price increased to 116.45 in the week ending November 3rd. Reflecting the October price, as well as expectations of only minor increases in price toward the end of the year, the fourth-quarter projected average price was adjusted down by 1 cent to 116 cents per pound. Reflecting lowered production expectations for 2024, the projected prices next year were adjusted up to 121 cents per pound in the first quarter, 127 cents in the second, and 124 cents per pound for the second half of the year. This would result in an annual average price of 124 cents per pound, nearly level with the projected 2023 average price.

Monthly average national composite wholesale broiler price, 2018–2023



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

Table Egg Production Adjusted Down for Fourth Quarter and Early 2024 as Prices Are Adjusted Up

Table egg production in September totaled 657 million dozen, an increase of 3.4 percent from last September but about level with the 5-year average for September. With lay rates equal to last September, the increase can be solely attributed to an increase in the layer flock, which averaged 320.2 million birds in September. Table egg layer inventory continued to rise, estimated at 321.8 million birds on the first of October. This is a year-over-year increase of 3.6 percent but still 5.7 million birds shy of the 2019–2021 average for the month. Including September data, third-quarter table egg production totaled 1,999.7 million dozen. Based on lower lay rates, fourth quarter table egg production is adjusted down 5 million dozen to 2.035 billion dozen. This decline in the fourth quarter forecast about offsets the revised third-quarter estimate and makes the 2023 annual projection 7.885 billion dozen, essentially unchanged from last month and an improvement of 1.3 percent over last year. For 2024, lower lay rate expectations were carried through the first half. Projected first-quarter production was adjusted down by 10 million dozen to 2.010 billion dozen, and 5 million dozen were shifted from second quarter to third-quarter production. In total, projected 2024 production was adjusted down slightly to 8.140 billion dozen table eggs, still an increase of 3.2 percent from 2023.

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

Million birds

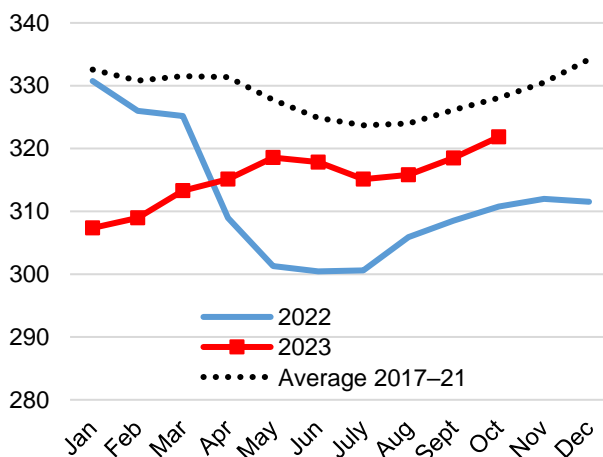
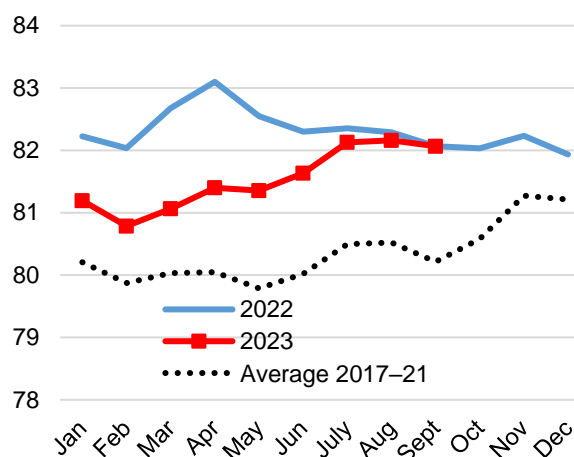


Table egg lay rate, eggs per 100 layers per day, 2017–2023

Eggs

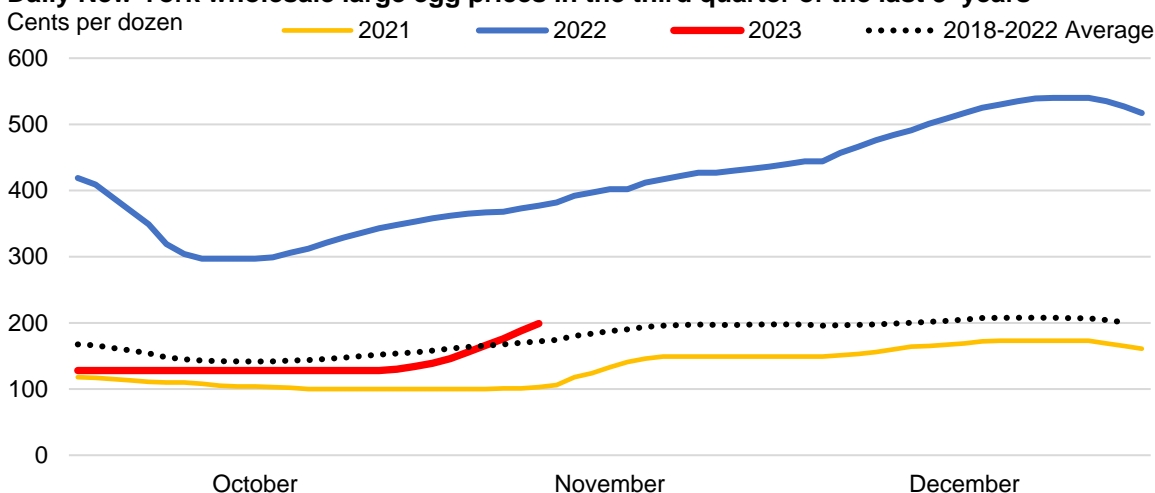


Source: USDA, National Agricultural Statistics Service.

Daily New York wholesale egg prices have increased sharply in the early days of November. After holding steady at 128 cents per dozen for 27 weekdays, prices began to pick up in the last few days in October, increasing by an average of about 4 cents per day. October's average price was 128.9 cents per dozen. On the first of November, the price jumped by 7 cents, and prices climbed an average of 10 cents per day through November 8th. While an increase in prices is expected leading up to the winter holidays, this increase was earlier and steeper than expected in non-outbreak years. However, there was a case of a Highly Pathogenic Avian Influenza (HPAI) confirmed in a Minnesota table-egg laying flock of 940,000 birds on November 3rd, the first case in commercial egg layers in calendar year 2023, which likely added uncertainty ahead of the holiday. Reflecting recent data and expectations of a sharper-than-usual seasonal increase, the fourth-quarter average price projection was adjusted up to 183 cents per dozen. This would bring the annual average price up to 193 cents per dozen. Reflecting expectations of continued strength in prices leading up to Easter, the first-quarter

projected average price was adjusted up to 160 cents per pound. Including an adjustment in the late-2024 price projection, the projected average price for 2024 is unchanged at 145 cents per dozen.

Daily New York wholesale large egg prices in the third quarter of the last 3 years

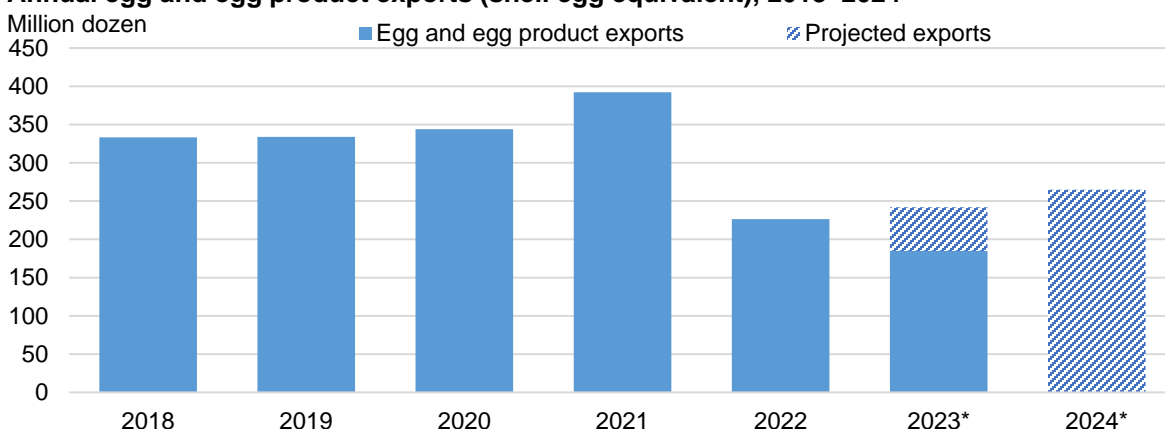


Source: USDA, Agricultural Marketing Service.

Egg Export Expectations Lowered in 2023 and 2024

September egg exports totaled 19.1 million shell-egg equivalent dozen. This is up slightly from last year as an increase in shell egg exports (+1.3 million dozen) more than offset a decrease in egg product exports (-1.0 million dozen). The top three destinations for egg and egg product exports in September, accounting for 74 percent of all exports, were Canada (7.4 million dozen), Mexico (5.6 million dozen), and Japan (1.2 million dozen). Projected total exports for 2023 are adjusted down to 242 million dozen on recent data, but this is still an increase of 6.8 percent from 2022. The total export forecast for 2024 is also adjusted down by 7 million dozen to 238 million dozen, lower than the 2023 projection but still 5.1 percent over the 2022 total.

Annual egg and egg product exports (shell egg equivalent), 2018–2024



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

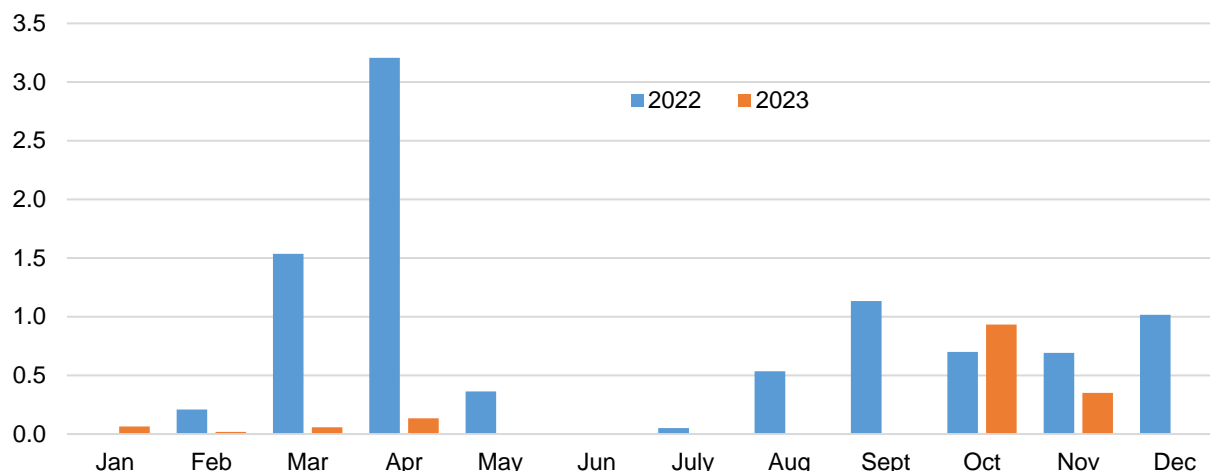
Egg and egg product imports totaled 2.3 million dozen in September, up from last September but down slightly month over month. Egg products made up the majority of imports and came primarily from Brazil and Canada. Based on recent data, the 2023 projection is adjusted down slightly to 29 million dozen. For 2024, projected imports are adjusted up to 30 million dozen.

Update on HPAI in Turkeys

From the start of October through November 9th, 963,100 commercial meat turkeys were depopulated due to HPAI outbreaks across 5 different States: California, Iowa, Minnesota, South Dakota, and Utah. All of the cases were in counties that also experienced cases earlier in the 2022–2023 outbreak. Preliminary October slaughter data does not indicate an immediate reduction in turkey production, though the turkeys lost may have been intended for slaughter later in the quarter or as far out as early next year. These cases are not expected to significantly impact the availability of turkeys for the holidays.

Monthly turkey meat bird losses to HPAI in 2022 and 2023

Million birds



Note: Data as of November 9.

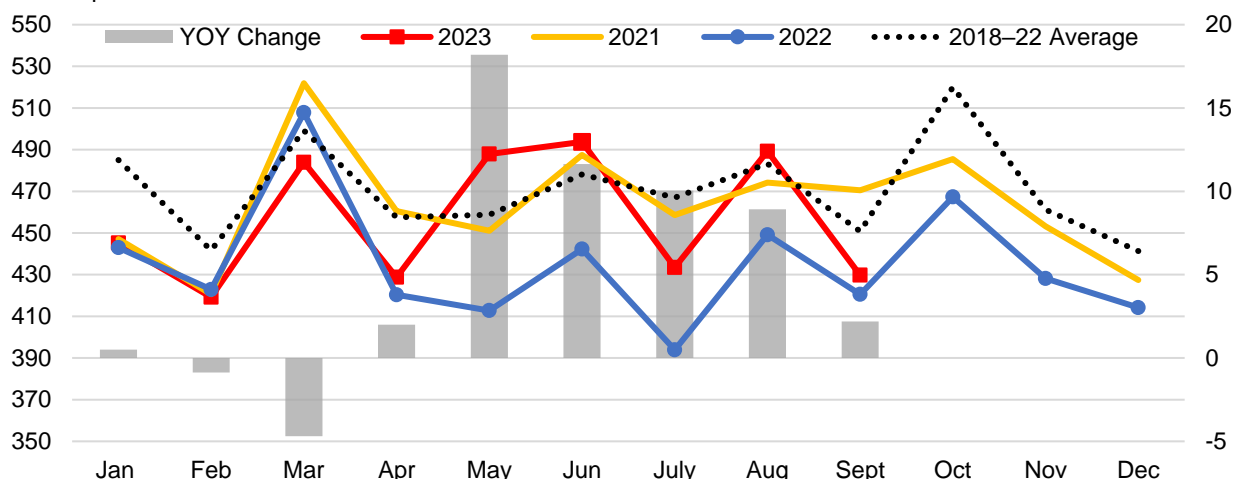
Source: USDA Animal and Plant Health Inspection Service.

Turkey Production Projection Adjusted Down in 2023 and 2024

Turkey production in September totaled 429.8 million pounds. This is up 2.2 percent from last September, a more modest year-over-year increase than in the previous few months. September production predated any impact from the outbreaks of HPAI in October. The average live weight in September was 31.56 pounds, up 3.6 percent year over year. This increase in weights offset a slight drop in slaughter numbers due to 1 less slaughter day this September. The third-quarter total is 1.352 billion pounds, an increase of 7 percent from the third quarter last year. Based on recent production data, as well as lower placements in September, projected production is adjusted down for the fourth quarter of 2023 and for 2024. Projected fourth-quarter production is adjusted down 25 million pounds to 1.390 billion pounds. Including actual third-quarter production, projected 2023 production is down 48 million pounds to 5.500 billion pounds. This would still be an increase of 5.3 percent from last year. For 2024, total projected production was adjusted down 45 million pounds to 5.595 billion pounds, 1.7 percent over the projected 2023 total.

Monthly turkey production, 2018–2023

Million pounds

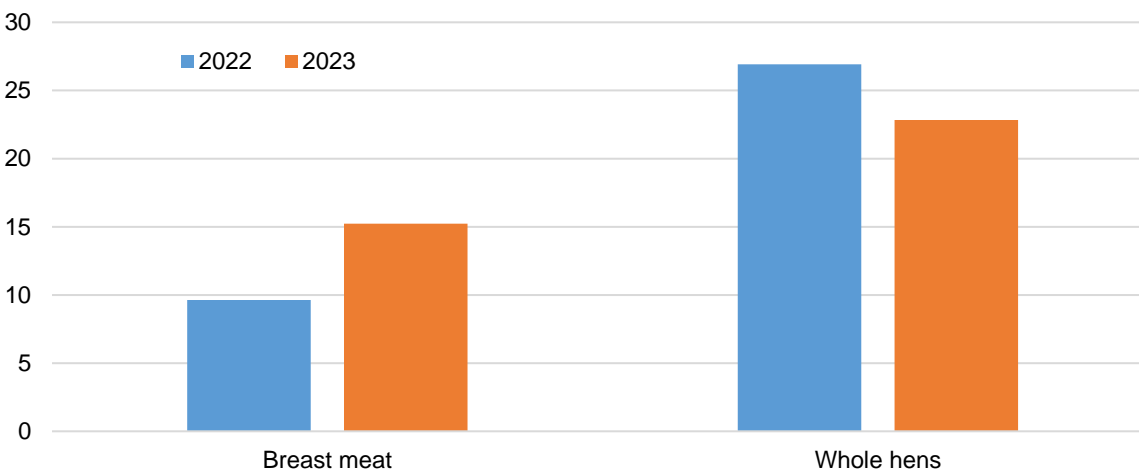


Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

Turkeys in cold storage at the end of September totaled 419 million pounds, of which 95.7 million pounds were whole hens. Both whole hens and total turkey meat were down from last year. Compared to the same time last year, turkey breasts made up a larger share of turkey meat in cold storage, while whole hens made up a smaller share. Reflecting lowered production expectations, projected 2023 ending stocks were adjusted down to 190 million pounds, level with the end of 2022. Projected ending stocks for 2024 are unchanged at 200 million pounds.

Share of turkey cuts in cold storage at the end of September 2022 and 2023

Percent



Source: USDA, National Agricultural Statistics Service.

Turkey Exports Adjusted Up in 2023, Down in 2024

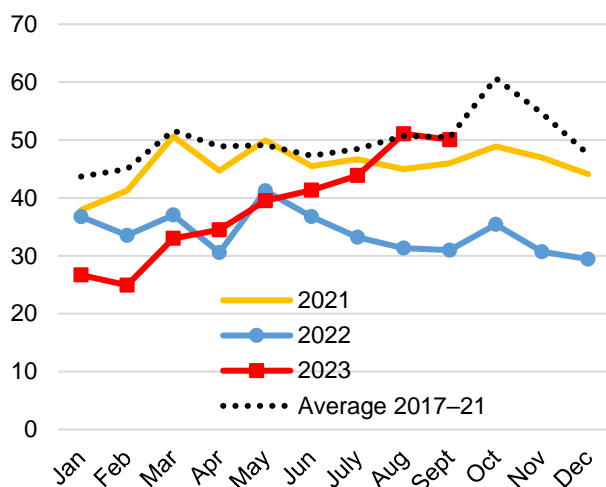
Turkey exports in September continued to outperform last year's shipments, totaling 50 million pounds. Shipments to Mexico increased from last year and totaled 31 million pounds, accounting for 62 percent of September shipments. Despite lowered production expectations and continued HPAI restrictions, based on information as of November 9, projected exports in the fourth quarter are adjusted up to 130 million pounds, reflecting favorable prices for foreign buyers. Including a third-quarter total of 145 million pounds, this would make the total 2023

export projection 475 million pounds, 20 million pounds over last month's projection and 17 percent over last year. This would be 8.6 percent of projected production. For 2024, reflecting lowered production expectations, projected exports are reduced by 15 million pounds in the first half, making the annual total 465 million pounds. This would be 8.3 percent of projected production.

Turkey imports totaled 2.8 million pounds in September, a decrease of 6.9 million pounds from last September. Canada accounted for 48 percent of shipments and Chile for 52 percent as its imports continued to recover market share in the third quarter. Based on lower shipments in recent months, projected imports were adjusted down to 46 million pounds in 2023 and 72 million pounds in 2024.

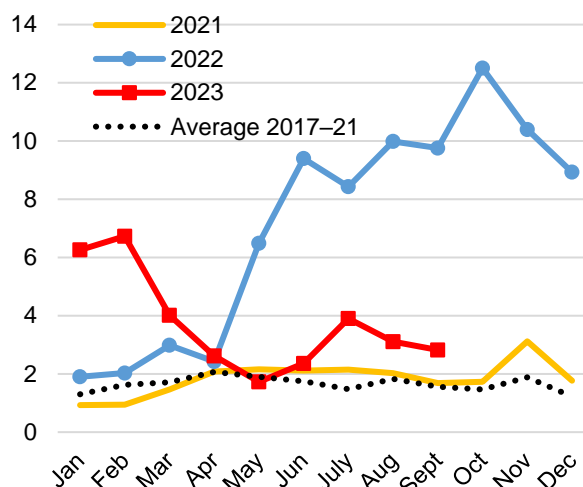
Monthly total turkey meat exports, 2017–2023

Million pounds



Monthly total turkey meat imports, 2017–2023

Million pounds



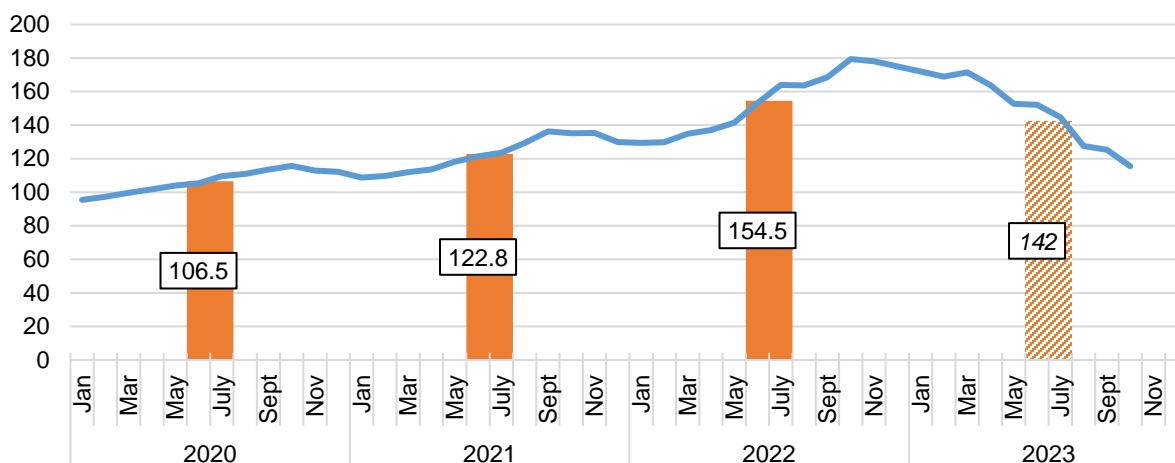
Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

Turkey Prices Adjusted Down in 2023 and 2024

In October, the wholesale price for a frozen whole-hen turkey averaged 115.51 cents per pound, the lowest monthly average price since April 2021. Prices averaged 105.51 cents per pound in the week ending November 3rd. Reflecting recent prices, the projected fourth-quarter average price is adjusted down to 110 cents per pound, 67.5 cents lower than the fourth quarter last year. This would make the 2023 average price 142 cents per pound. The projected first-quarter average price for 2024 was adjusted down by 2 cents to 128 cents per pound. With the outlying quarterly price projections unchanged, the projected average price for 2024 is 137 cents per pound.

Monthly and annual average wholesale whole frozen hen turkey price, Jan 2020–Oct 2023

Cents per pound

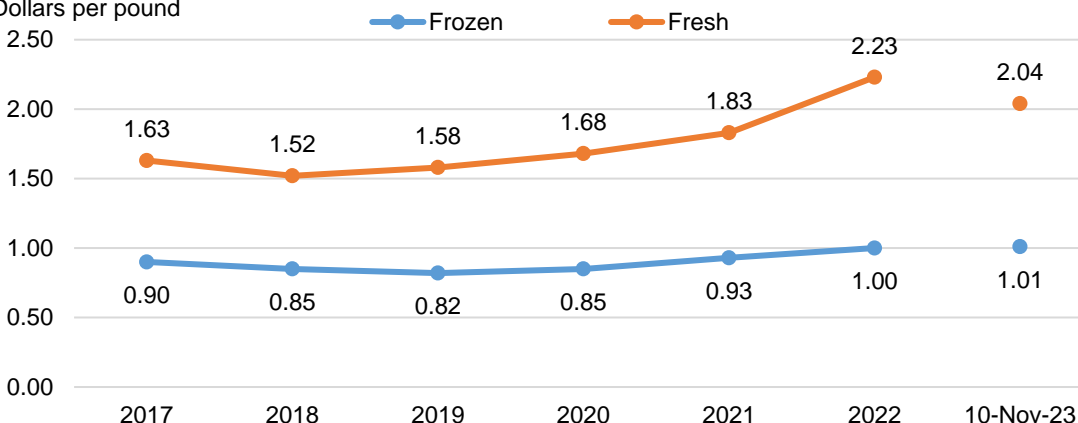


Source: USDA, Agricultural Marketing Service and USDA, *World Agricultural Supply and Demand Estimates*.

The Weekly Retail Turkey Feature Activity Report from the USDA, Agricultural Marketing Service covers advertised retail prices at major retail outlets. This is a good indicator of what prices consumers actually pay for turkeys leading up to the holidays, as retailers may offer prices under wholesale as loss leaders, encouraging spending on all of the other Thanksgiving meal fixings. While frozen hens are stocked up in cold storage through the year, the availability of fresh hens is more dependent on recent production at the time of sale. Fresh hens tend to demand a premium over frozen, and that premium has increased in recent years; the national average advertised price for a whole fresh hen in the week before Thanksgiving in 2022 was more than double the price of a frozen hen. For the report published November 10, 2023, the national average advertised price for a fresh hen was \$2.04 per pound, \$1.03 over the frozen hen price the same week. While HPAI-related turkey losses in October may have a minor impact on the supply of fresh hens in the coming weeks, frozen hens are expected to be unaffected.

National average advertised retail prices for fresh and frozen whole hen turkeys in the week before Thanksgiving, 2017–2023

Dollars per pound



Note: Prices for 2023 are for 2 weeks prior to Thanksgiving.

Source: USDA, Agricultural Marketing Service.

Suggested Citation

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U.S. red meat and poultry forecasts

	2022					2023					2024			
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Production, million pounds														
Beef	7,023	7,072	7,144	7,052	28,291	6,821	6,710	6,621	6,780	26,932	6,600	6,545	6,365	25,810
Pork	6,905	6,639	6,534	6,919	26,996	7,071	6,593	6,488	7,065	27,217	7,070	6,520	6,730	27,730
Lamb and mutton	32	35	33	32	131	33	33	30	32	129	31	31	32	126
Broilers	11,170	11,279	11,896	11,861	46,206	11,549	11,545	11,665	11,450	46,209	11,450	11,650	11,850	46,650
Turkeys	1,374	1,275	1,264	1,310	5,222	1,348	1,410	1,352	1,390	5,500	1,375	1,390	1,390	5,595
Total red meat and poultry	26,651	26,455	27,035	27,034	107,469	26,976	26,453	26,312	26,865	106,605	26,680	26,294	26,525	106,529
Table eggs, million dozen	1,998	1,894	1,934	1,956	7,781	1,891	1,959	2,000	2,035	7,885	2,010	2,035	2,035	8,140
Per capita disappearance, retail pounds 1/														
Beef	15.0	14.7	14.7	14.6	59.1	14.9	14.4	14.3	14.3	57.9	14.4	14.1	13.8	55.6
Pork	13.1	12.4	12.4	13.1	51.1	13.0	11.9	12.2	13.1	50.2	12.8	11.7	12.4	50.6
Lamb and mutton	0.3	0.3	0.3	0.3	1.3	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.3	1.3
Broilers	23.8	24.2	25.7	25.1	98.9	24.8	24.7	25.2	24.5	99.2	24.3	24.9	25.3	99.4
Turkeys	3.4	3.2	3.6	4.3	14.6	3.4	3.6	3.7	4.5	15.1	3.4	3.6	3.8	15.4
Total red meat and poultry	56.1	55.4	57.3	57.9	226.8	56.8	55.3	56.0	57.1	225.2	55.7	55.0	56.1	224.1
Eggs, number	71.3	68.2	69.4	70.2	279.0	67.5	69.5	71.4	72.5	280.9	71.6	72.3	72.2	289.0
Market prices														
Steers 5-area Direct, Total all grades, dollars/cwt	139.25	141.93	143.42	152.99	144.40	160.92	179.02	184.27	185.00	177.30	185.00	184.00	182.00	184.75
Feeder steers, Medium Frame No. 1, OK City, dollars/cwt	156.04	158.35	172.31	177.06	165.94	183.48	211.49	249.45	240.00	221.11	240.00	247.00	260.00	252.25
Cows, Live equivalent, Cutter 90% lean, 500 lbs and up, National, dollars/cwt	72.65	83.41	84.01	73.69	78.44	82.91	96.62	103.73	95.00	94.57	100.00	110.00	110.00	106.25
Choice/Prime slaughter lambs, National, dollars/cwt	225.00	210.33	138.69	124.26	174.57	134.23	161.36	199.74	195.00	172.58	185.00	180.00	170.00	173.75
Barrows and gilts, National base cost, 51-52% lean, live equivalent, dollars/cwt	65.55	75.58	80.20	63.49	71.21	54.83	56.69	69.27	55.00	58.95	57.00	63.00	65.00	60.25
Broilers, Wholesale, National composite, weighted average, cents/lb	135.1	167.5	136.1	123.5	140.5	124.5	139.3	115.3	116.0	123.8	121.0	127.0	124.0	124.0
Turkeys, National 8-16 lb hens, National, cents/lb	131.4	143.9	165.4	177.5	154.5	170.8	156.2	132.5	110.0	142.4	128.0	136.0	142.0	137.3
Eggs, Grade A large, New York, volume buyers, cents/dozen	170.8	251.6	295.6	411.7	282.4	315.9	135.8	135.8	183.0	192.6	160.0	135.0	130.0	145.0
U.S. trade, million pounds, carcass-weight equivalent														
Beef and veal exports	843	944	912	846	3,544	779	805	731	720	3,035	720	740	700	2,845
Beef and veal imports	985	859	797	750	3,390	956	901	966	830	3,653	970	910	975	3,690
Lamb and mutton imports	88	88	93	89	358	79	62	70	80	291	90	85	90	360
Pork exports	1,538	1,611	1,514	1,681	6,345	1,668	1,783	1,543	1,740	6,734	1,745	1,780	1,615	6,950
Pork imports	358	369	317	300	1,344	284	271	284	295	1,134	300	280	285	1,175
Broiler exports	1,833	1,803	1,723	1,931	7,290	1,873	1,805	1,752	1,750	7,180	1,850	1,820	1,775	7,270
Turkey exports	107	109	96	96	407	85	115	145	130	475	90	110	135	465
Live swine imports (thousand head)	1,654	1,664	1,602	1,565	6,486	1,671	1,673	1,711	1,635	6,690	1,675	1,665	1,690	6,620

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 11/9/2023

Dairy forecasts

Years Quarters			2023					2024			
	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Milk cows (thousands)	9,404	9,402	9,427	9,416	9,375	9,370	9,395	9,365	9,370	9,375	9,375
Milk per cow (pounds)	5,944	24,087	6,031	6,165	5,980	5,990	24,165	6,145	6,235	6,105	24,545
Milk production (billion pounds)	55.9	226	57	58	56	56	227.1	58	58	57	230
Farm use	0.3	1.0	0.2	0.2	0.3	0.3	1.0	0.2	0.2	0.3	1.0
Milk marketings	55.6	225	57	57.8	55.8	55.9	226.1	57.3	58.2	57.0	229.1
Milk-fat (billion pounds milk equiv.)											
Milk marketings	55.6	225.5	56.6	57.8	55.8	55.9	226.1	57.3	58.2	57.0	229.1
Beginning stocks	16.6	14.3	14.4	16.6	18.5	16.5	14.4	14.3	16.7	18.8	14.3
Imports	1.9	7.1	1.8	1.8	1.8	2.0	7.4	1.8	1.9	1.9	7.6
Total supply	74.1	246.9	72.8	76.2	76.2	74.3	247.8	73.4	76.8	77.7	251.0
Exports	3.2	13.4	2.7	2.7	2.8	2.7	10.9	2.7	3.0	3.0	11.6
Ending stocks	14.4	14.4	16.6	18.5	16.5	14.3	14.3	16.7	18.8	16.9	14.3
Domestic use ¹	56.5	219.1	53.4	55.0	56.9	57.3	222.7	53.9	55.0	57.8	225.1
Skim solids (billion pounds milk equiv.)											
Milk marketings	55.6	225.5	56.6	57.8	55.8	55.9	226.1	57.3	58.2	57.0	229.1
Beginning stocks	11.8	11.1	11.7	12.4	12.5	11.4	11.7	11.7	12.4	12.5	11.7
Imports	2.0	6.7	1.8	1.4	1.6	1.8	6.5	1.7	1.5	1.6	6.7
Total supply	69.5	243.3	70.1	71.6	69.9	69.0	244.3	70.7	72.1	71.1	247.4
Exports	12.9	52.9	12.6	12.9	12.2	12.1	49.8	13.0	14.0	13.4	53.1
Ending stocks	11.7	11.7	12.4	12.5	11.4	11.7	11.7	12.4	12.5	11.9	11.7
Domestic use	45.0	178.7	45.0	46.3	46.3	45.2	182.8	45.4	45.6	45.8	182.6
Milk prices (dollars/hundredweight) ¹											
All milk	23.46	24.47	21.93	19.30	19.37	22.20	20.70	21.25	20.25	20.10	20.80
Class III	25.17	25.34	18.44	16.51	16.45	16.95	17.10	17.45	17.55	17.80	17.70
Class IV	21.11	21.96	19.08	18.10	18.75	20.85	19.20	18.90	18.60	18.70	18.85
Product prices (dollars/pound) ²											
Cheddar cheese	2.1004	2.1122	1.8797	1.7033	1.7530	1.735	1.770	1.800	1.810	1.830	1.825
Dry whey	0.4723	0.6057	0.4186	0.3810	0.2750	0.360	0.360	0.370	0.370	0.380	0.375
Butter	2.9743	2.8665	2.4338	2.4337	2.6340	3.080	2.645	2.600	2.550	2.550	2.590
Nonfat dry milk	1.5141	1.6851	1.2717	1.1577	1.1350	1.160	1.180	1.170	1.160	1.170	1.170

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

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 11/16/2023.