

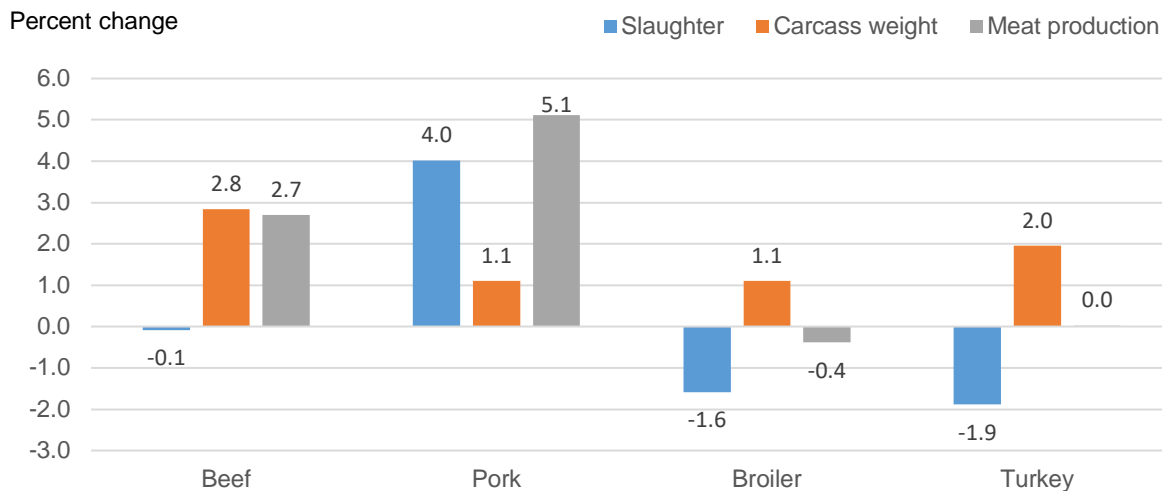


Livestock, Dairy, and Poultry Outlook

Third-Quarter 2020 Meat Production Supported by Heavier Animals

The average weights for pork, beef, broilers, and turkeys were heavier for the third quarter of 2020 than for the third quarter of 2019, supporting higher meat production or offsetting lower slaughter volumes. There were more hogs slaughtered in third quarter of 2020 than in 2019, while slaughter for the other three meat species declined. Hog slaughter increased 4 percent and hog weights 1 percent, leading to an increase of pork production by over 5 percent. Cattle slaughter was down fractionally by 0.10 percent. Cattle weights increased 2.8 percent, leading to a net increase in beef production of 2.7 percent. Broiler production declined by 0.4 percent, driven by a 1.1-percent increase in broiler weights, while slaughter numbers declined by 1.6 percent. The increase in turkey weights offset the decline in turkey numbers to leave turkey production nearly unchanged.

Year-over-year percent change in third-quarter meat production determinants (2020/2019)



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

Beef/Cattle: The forecast for second-half 2020 beef production is expected to reach record highs, pushing the annual total above 2019 levels. Production was raised from last month on higher expected fed cattle and cow slaughter. This increase has pushed per capita disappearance in second-half 2020 to levels not seen in over a decade. Production in 2021 was unchanged. Fed steer prices were unchanged from last month. However, feeder steer prices were lowered in fourth-quarter 2020 on price weakness, and higher expected feed prices pulled down 2021 prices. U.S. beef imports in September rose 26 percent, the largest ever recorded for that month at 300 million pounds. Beef exports in September totaled 239 million pounds, down 6 percent from a year earlier. The fourth-quarter beef export forecast was raised to 770 million pounds on improved demand expected from major trading partners and China. The trade forecasts for 2021 were unchanged from last month.

Dairy: From the week ending October 3 to the week ending November 7, wholesale prices reported in the USDA *National Dairy Products Sales Report* for Cheddar cheese, nonfat dry milk, and dry whey increased significantly, while the butter price declined. Chicago Mercantile Exchange spot prices for 40-pound blocks and 500-pound barrels of Cheddar cheese increased through the trading week ending October 30, with barrels reaching a record high before both prices declined the following 2 weeks. The all-milk price forecast for the fourth quarter of 2020 has been raised by \$0.85 to \$19.75 per cwt, and the all-milk price forecast for the year has been raised \$0.25 to \$18.25 per cwt. The all-milk price forecast for 2021 has been raised by \$0.10 to \$17.70 per cwt.

Pork/Hogs: Fourth-quarter pork production is expected to be slightly below 7.4 billion pounds, about 1 percent less than a year ago. Lower production derives from lower slaughter numbers, a consequence of tighter processor margins. Third-quarter pork exports were 7.4 percent higher than the same period last year, due mostly to strong shipments to China\Hong Kong. Almost one-fourth of third-quarter U.S. pork exports were shipped to China\Hong Kong. The fourth-quarter 2020 export forecast of 1.9 billion pounds is unchanged from last month.

Poultry/Eggs: The fourth-quarter broiler production forecast was increased slightly on higher-than-expected production, while 2021 production is forecast to have a slightly lower rate of growth given higher expected feed costs. The fourth-quarter broiler export forecast was increased on expectations for continued strength in key markets, and the 2021 export forecast was increased on expectations that broiler meat will be attractive as an affordable protein. The fourth-quarter broiler price forecast was increased on recent price movements. Producers have built shell egg inventory levels despite an uncertain holiday season, causing prices to remain steady. The table egg production forecast was unchanged, as was the export forecast. Turkey production in the fourth quarter was revised down on lower weekly weights. The fourth-quarter forecasts for turkey exports and imports were revised up to 150 and 6 million pounds respectively. The fourth-quarter turkey price forecast was revised up to 113 cents per pound on weekly data.

Beef/Cattle

Russell Knight and Christopher Davis

Record Production in Second-Half 2020; 2021 Unchanged

Despite the challenges facing the industry at the beginning of the third quarter, the beef industry has processed more fed cattle in third-quarter 2020 than last year. As a result, the industry appears to have worked through the backlog of cattle that resulted from the plant disruptions in the second quarter. The combination of delayed cattle marketings and good feeding conditions this year raised average cattle carcass weights nearly 3 percent for the third quarter, also increasing third-quarter 2020 production nearly 3 percent higher year over year. As a result, beef production set a record for the quarter at 7.1 billion pounds.

In October, packers pushed the slaughter pace higher than last year. Based on USDA, Agricultural Marketing Service (AMS) data for actual and estimated Federally inspected cattle slaughter, the pace on a daily basis in October climbed to 3 percent above year-ago levels, led by steer and heifer slaughter that was up more than 4 percent above last year. Because of this quicker-than-expected pace of slaughter, the number of fed cattle expected to be slaughtered in the final quarter of 2020 was raised, as was cow slaughter, which raises production to record levels for the fourth quarter at 7.1 billion pounds. These factors increased the 2020 beef production forecast by 85 million pounds from last month to 27.2 billion pounds, which pushed it to just above 2019 levels.

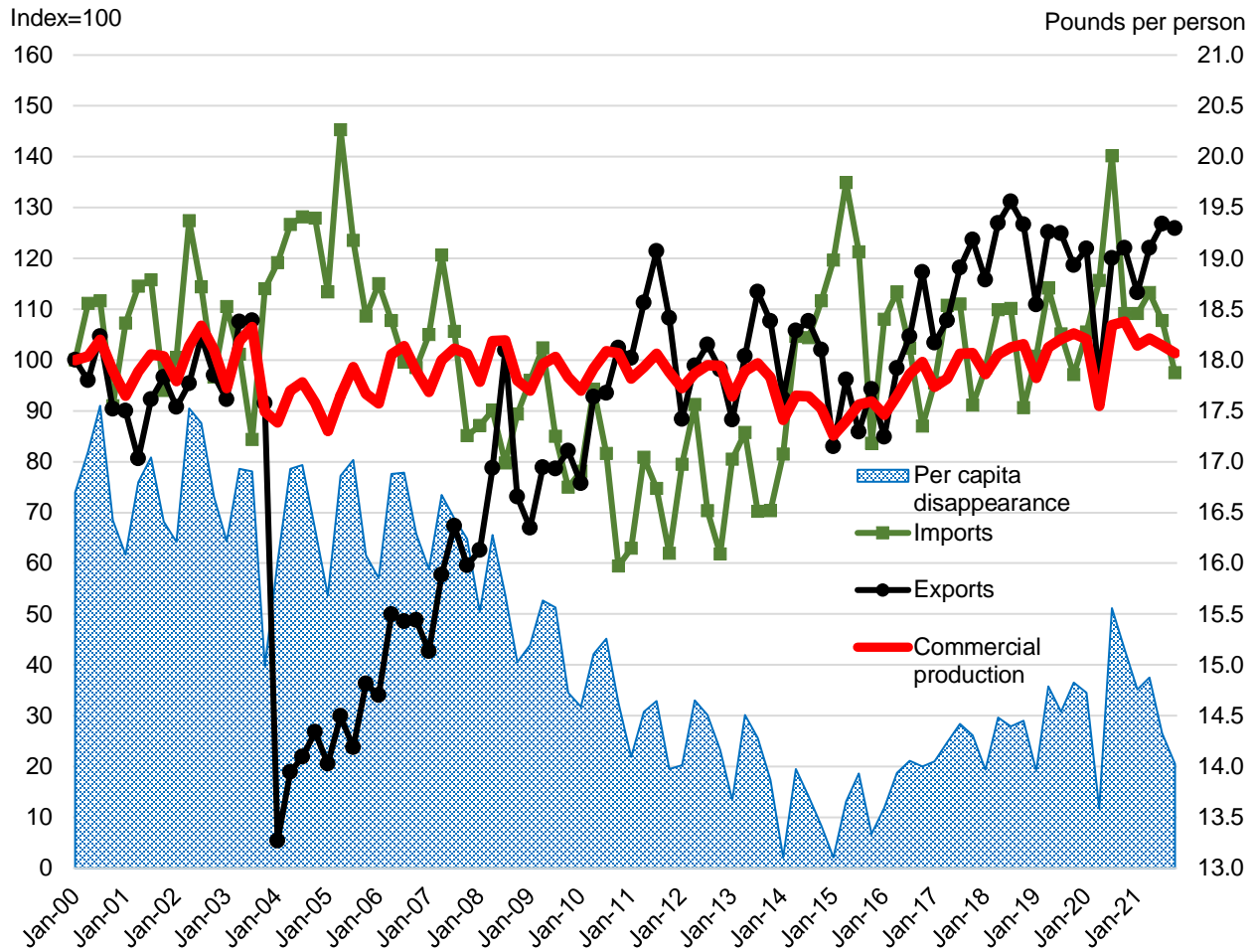
The forecast for 2021 beef production was unchanged from last month at 27.4 billion pounds.

Third Quarter Per Capita Disappearance Highest in 10 Years

The chart below shows quarterly per capita disappearance of beef from 2000 through the 2021 forecast period. Major components influencing per capita disappearance are beef production, imports, and exports. To demonstrate how changes over time of these components might affect disappearance, these values are indexed on levels in 2000. The second and third quarters are generally the periods of greatest beef consumption in the United States as cattle which had been over-wintered in feedlots are marketed for slaughter. However, for the first time, domestic consumption dropped from the first to the second quarter this year, respectively, from 14.7 to 13.6 pounds per person, on dramatically lower production in the second quarter.

In third-quarter 2020, production climbed to record levels for the quarter, and a combination of firm ground beef demand, large supplies of fat-trim from fed cattle, and a reduction in cow slaughter supported higher beef imports. Concurrently, exports were below year-earlier, due in part to global economic weakness. As a result, per capita beef consumption reached 15.6 pounds per person, an amount not seen since 2009. However, per capita disappearance is expected to recede through the rest of the forecast period. This is expected as production contracts, exports grow on global beef demand, and imports fall on lower domestic demand and fewer available global supplies.

Third quarter per capita disappearance reaches highest level since 2009



Note: Per capita disappearance is on a retail weight equivalent basis.

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

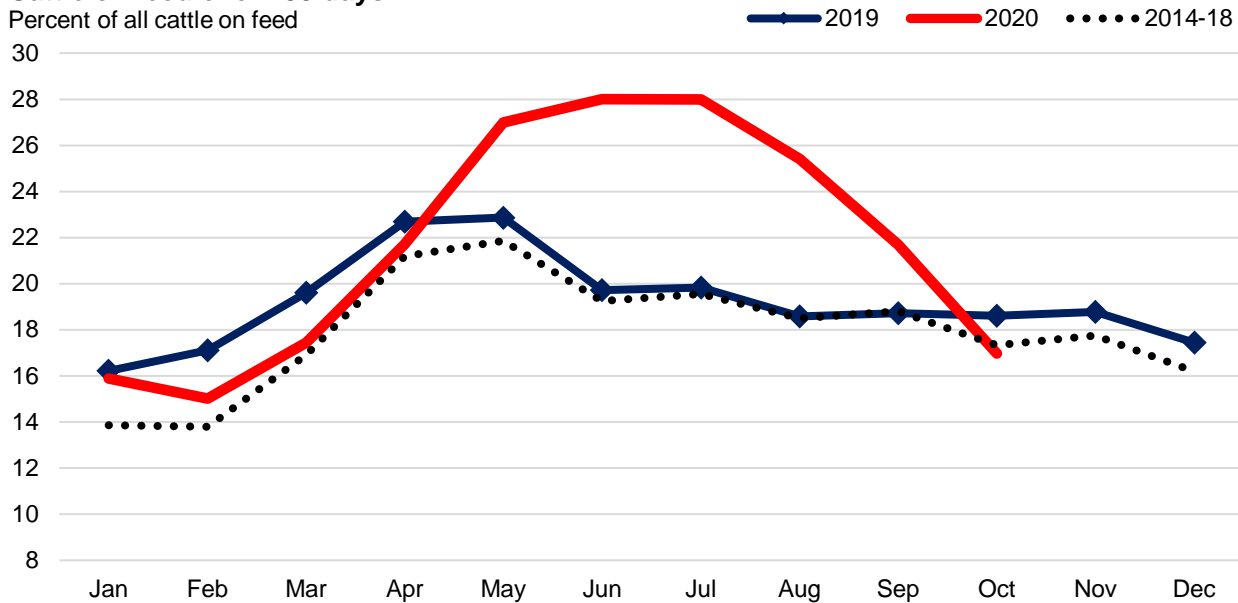
Front-End Cattle Supplies Below Year-Ago Levels

Based on the October USDA, National Agricultural Statistics Service (NASS) *Cattle on Feed* report, there were 6.1 percent more net placements in September than in that month the previous year. This is the largest number of placements for the quarter since 2011. Strong placements in the third quarter pushed cattle on feed on October 1 to above year-ago levels and to the largest number for October since the series began in 1996.

Despite the rising number of cattle on feed, front-end supplies—the number of cattle on feed over 150 days—decreased for the third consecutive month as a percentage (see chart below) and in volume. This is the result of an improving pace of fed cattle slaughter, which was faster than a year-ago for the last 3 months and above the 5-year average. The quickening slaughter pace, combined with an ample supply of fed cattle at heavier weights, has led to higher expected beef production in fourth-quarter 2020 relative to 2019. Nevertheless, tighter front-end supplies will likely support continued seasonal movement in fed steer prices.

Cattle on feed over 150 days

Percent of all cattle on feed



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

As a result, the price forecast for fed steers in fourth-quarter 2020 was unchanged at \$109 per hundredweight (cwt). The 2021 annual price forecast was also unchanged at \$114 per cwt.

The fourth-quarter 2020 feeder steer price was lowered by \$6 to \$137 per cwt on price data for October, which was more than \$9 below a year ago at \$137.55, and on expected seasonal price weakness for the remainder of the fourth quarter. Based on higher expected feed prices for 2021, a lower adjustment for feeder steer prices was carried over into the first three quarters, which were each lowered by \$1 for an annual price of \$138 per cwt.

Record September Imports Cap Record Quarter

U.S. beef imports totaled 300 million pounds in September 2020, a 26-percent increase from a year earlier and the largest ever recorded for that month. The demand for imported beef in the United States continues to be driven by demand for processed-grade beef. The greatest year over year increase of U.S. imports in September, by volume, came from Argentina, New Zealand, and Uruguay, which were 18.4, 16.5, and 10.8 million pounds, respectively. Beef imports from Brazil were up 6.9 million pounds year over year, totaling 23.3 million pounds, the largest on record for the month of September. Shipments from Australia, one of the leading beef suppliers to the United States, were also up 4.7 million pounds in September year-over-year. Some reductions in beef shipments from Canada and Nicaragua of about 5 million pounds but these were not enough to offset the increase from other leading beef suppliers.

U.S. year-over-year beef imports from major suppliers

	September 2019	September 2020	Difference in volume	Year-over-year change
	--- Million pounds---			--- Percent --
Canada	72.8	68.8	-4.0	-5.5
Australia	60.4	65.0	4.6	7.6
New Zealand	14.6	31.1	16.5	113.0
Mexico	47.0	55.5	8.5	18.0
Brazil	16.5	23.3	6.8	41.2
Uruguay	7.0	17.9	10.9	155.7
Nicaragua	15.5	14.5	-1.0	-6.5
ROW	4.4	23.9	19.5	443.2
Total Imports	238.2	300.1	61.9	26.0

ROW = Rest of the World.

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

The United States imported record levels of beef in the third quarter of 2020 totaling 1.028 billion pounds (see table below). Canada and Australia are the United States' two largest beef suppliers, and during the third quarter they shipped 216 and 231 million pounds, respectively, of the total beef imported to the United States. Besides Canada and Australia, there were other noteworthy key trading partners contributing to the growth in beef imports in the 2020 third quarter. New Zealand and Mexico shipped 76 and 39 million pounds more beef, respectively, than in the 2019 third quarter. Beef shipments from Brazil and Uruguay were also up 33 million pounds each in third-quarter 2020 compared to a year ago. Overall, the major beef suppliers in Central and South America accounted for 41 percent of the increase in beef in the third quarter, while major suppliers in Oceania contributed 38 percent of the growth.

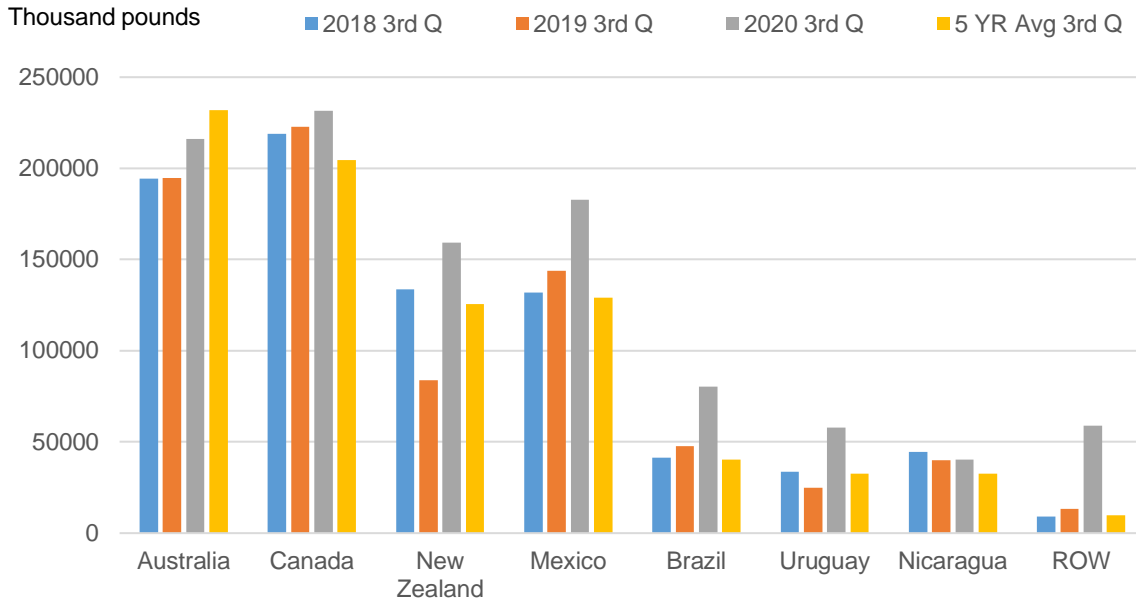
U.S. third-quarter beef imports

	2019 3 rd Quarter	2020 3 rd Quarter	Difference in volume	Year-over-year change
	--- Million pounds---			--- Percent --
Australia	194.6	216.0	21.4	11.0
Canada	222.9	231.6	8.7	3.9
New Zealand	83.8	159.4	75.6	90.2
Mexico	143.7	182.9	39.2	27.3
Brazil	47.7	80.5	32.8	68.8
Uruguay	25.0	58.1	33.1	132.4
Nicaragua	39.9	40.4	0.5	1.3
ROW	13.4	58.9	45.5	339.6
Total Imports	770.99	1,027.73	256.74	33

ROW=Rest of the World.

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

3rd-Quarter Changes in U.S. Beef Imports



ROW=Rest of the World.

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

The chart above reveals how 2020 third-quarter beef imports compare with the 5-year average and other years. U.S. beef imports in the 2020 third quarter were quite robust. Shipments from all the major beef suppliers exceeded the 5-year average except those from Australia. U.S. beef imports from Brazil were 99 percent higher during the 2020 third quarter, and 42 and 13 percent higher from Mexico and New Zealand. Shipments from Canada, Mexico, Brazil, and Nicaragua in the third quarters of 2018–2020 were all larger than the 5-year average. The 2020 third-quarter imports were 33 percent larger than 2019 totals and 27 percent larger than 2018 totals.

The forecast for the fourth quarter was unchanged from last month at 800 million pounds. The forecast for 2021 was also unchanged from last month.

Exports to Mexico, Other Markets, More Than Offset Record Sales to China

U.S. beef exports in September totaled 239 million pounds, down 6 percent or 14 million pounds, year over year. The reduction in U.S. beef exports reflects a weakening global market. As shown in the table below, beef exports to Mexico dropped 38 percent, or 12.4 million pounds, from the levels a year ago. U.S. beef exports to Mexico have been lower year over year for the entire year, partially due to a weak economy and a depreciated peso relative to the dollar. In addition, there were several other declines in U.S. exports to Asian countries, including Vietnam, Philippines, and Indonesia, who were down 2.6, 3.3, and 2.4 million pounds year over year, respectively. Some modest growth occurred in a few of the major destinations such as South Korea, Canada, Hong Kong, and Taiwan that helped increase U.S. beef exports in September. Similar to last month, U.S. beef exports to China set another record at 12.6 million pounds, up 2 million pounds from the August record.

U.S. year-over-year beef exports from major suppliers

	September 2019	September 2020	Difference in volume	Year-over-year change
	--- Million pounds---			--- Percent --
Japan	63.3	62.9	-0.4	-0.7
Mexico	32.4	19.9	-12.5	-38.6
South Korea	56.1	58.9	2.8	5.0
Canada	22.1	23.1	1.0	4.5
Hong Kong	18.5	19.3	0.8	4.3
Taiwan	15.8	18.0	2.2	13.9
ROW	44.9	36.9	-8.0	-17.8
Total Imports	253.0	238.9	-14.1	-5.6

ROW = Rest of the World.

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

The 2020 third-quarter beef exports totaled 758 million pounds, about 30 million pounds less than a year ago. The table below displays total beef exports for the third quarter, which includes two noticeable changes. The first is the reduction in U.S. beef exports to Mexico. U.S. beef shipments to Mexico declined by 48.7 million pounds during the third quarter partly due to a sluggish economy and weak peso relative to the dollar. Based on year to date data, in 2019, Mexico was the third largest U.S. export market, but this year, Mexico ranks fourth. Also notable is that the largest increase in U.S. beef exports in the third quarter, volume-wise, went to South Korea (15.0 million pounds). South Korea, the United States' second largest market, was down 2 percent year to date when compared with 2019.

U.S. third-quarter beef exports

	2019 3 rd Quarter	2020 3 rd Quarter	Difference in volume	Year-over-year change
	--- Million pounds---			--- Percent --
Japan	211.7	208.5	-3.2	-1.5
Mexico	106.4	57.7	-48.7	-45.8
South Korea	185.4	200.4	15.0	8.1
Canada	68.9	74.0	5.1	7.4
Hong Kong	49.0	54.2	5.2	10.6
Taiwan	52.1	59.5	7.4	14.2
ROW	114.8	104.1	-10.7	-9.4
Total Imports	788.2	758.3	-29.9	-3.8

ROW=Rest of the World.

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

The forecast for the fourth quarter was raised to 770 million pounds (+20 million from last month) on continued demand strength from several major trading partners and China. The forecast for 2021 beef exports was unchanged from last month at 3.080 billion pounds.

Dairy

Jerry Cessna

Recent Developments in Dairy Markets

From the week ending October 3 to the week ending November 7, most wholesale dairy product prices reported in the USDA *National Products Sales Report* (NDPSR) increased significantly. The price of 40-pound blocks of Cheddar cheese rose 40.1 cents to \$2.7649 per pound, and the price for 500-pound barrels (adjusted to 38-percent moisture) rose 68.9 cents to \$2.4087 per pound. The prices of nonfat dry milk (NDM) and dry whey rose to \$1.0945 per pound (+5.8 cents) and \$0.3686 per pound (+3.1 cents), respectively. The butter price was the exception, falling by 12.3 cents to \$1.4566 per pound.

Dairy wholesale product prices

from USDA *National Dairy Products Sales Report* (dollars per pound)

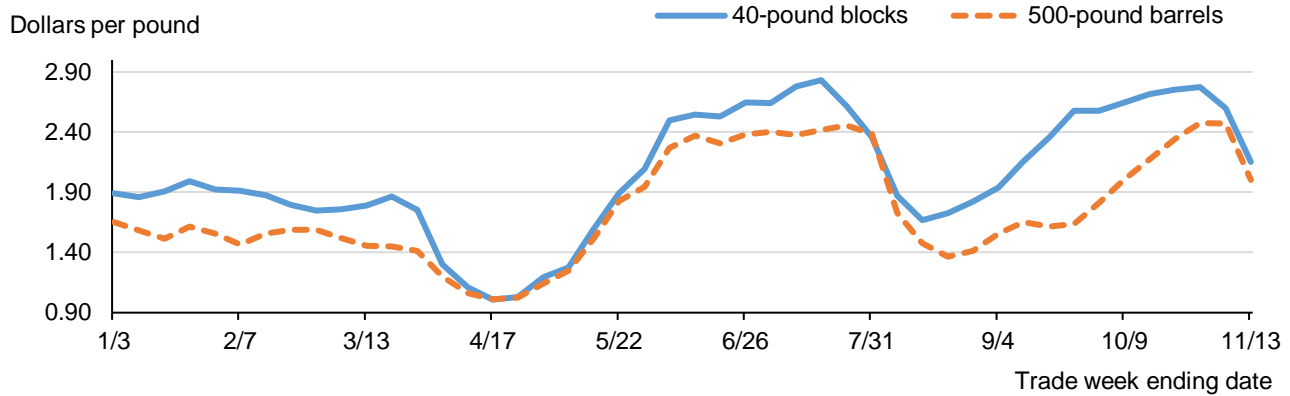
	For the week ending		Change
	October 3, 2020	November 7, 2020	
Butter	1.5795	1.4566	-0.1229
Cheddar cheese			
40-pound blocks	2.3639	2.7649	0.4010
500-pound barrels ¹	1.7197	2.4087	0.6890
Nonfat dry milk	1.0362	1.0945	0.0583
Dry whey	0.3380	0.3686	0.0306

¹ Adjusted to 38-percent moisture.

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

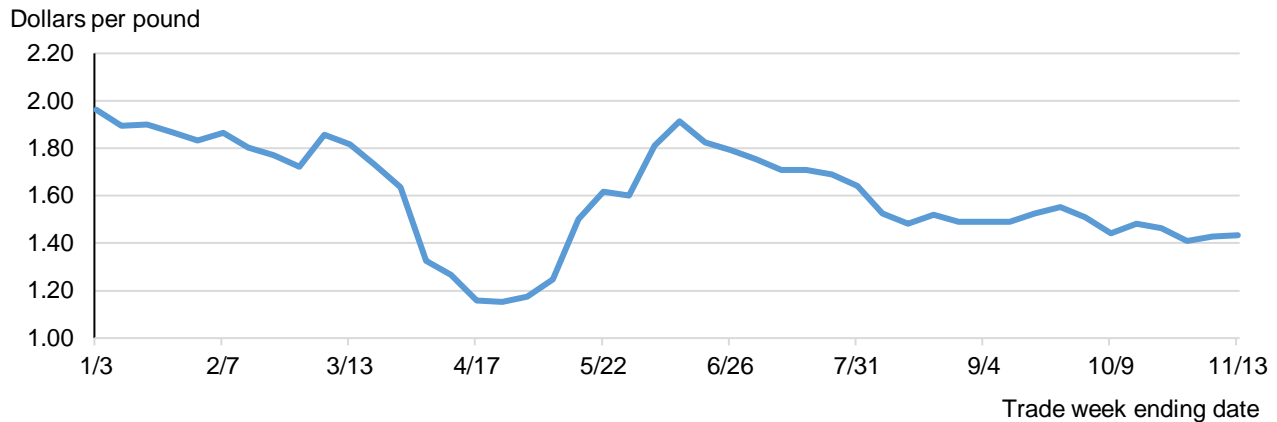
Recent movements of wholesale spot market prices for cheese and butter on the Chicago Mercantile Exchange (CME) have been remarkable. Average prices for 40-pound blocks and 500-pound barrels of Cheddar cheese rose to \$2.7745 and \$2.4755 per pound, respectively, for the trade week ending October 30. For barrels, this was a record high. The prices of both products fell substantially the following 2 weeks, and for the trade week ending November 13, average prices for blocks and barrels were \$2.1505 and \$2.0030 per pound, respectively. The block-barrel spread declined from the record high of 93.8 cents for the trade week ending September 25; for the week ending November 6 it was 14.75 cents. The CME weekly average butter price declined to \$1.4100 per pound for the trade week ending October 30, the lowest price since May. The butter price rose the following 2 weeks, and for the week ending November 6 it was \$1.4330 per pound.

Wholesale Cheddar cheese spot prices, Chicago Mercantile Exchange, average weekly prices for 2020



Source: Chicago Mercantile Exchange prices as reported in USDA *Dairy Market News*.

Wholesale butter spot prices, Chicago Mercantile Exchange, average weekly prices for 2020



Source: Chicago Mercantile Exchange prices as reported in USDA *Dairy Market News*.

U.S. dairy product prices for NDM and dry whey have continued to be competitive in foreign markets, and the U.S. price for butter has become competitive as well. For the month of October, Oceania and Western Europe skim milk powder (SMP) export prices averaged \$1.32 and \$1.17 per pound, respectively.¹ The dry whey price for Western Europe averaged \$0.42 per pound. Oceania and Western Europe butter export prices averaged \$1.67 and \$1.84 per pound, respectively. The Oceania export price for Cheddar cheese averaged \$1.73 per pound in October, substantially lower than U.S. domestic Cheddar cheese prices.

Milk production growth was substantial in September. At 18.008 billion pounds, it was 2.3 percent higher than September 2019. Average milk per cow was 1,923 pounds per head, 38 pounds higher than September 2019. Milk cows averaged 9.366 million head in September, an increase of 5,000 from August. Relatively low slaughter rates have contributed to the increase in milk cows. Weekly Federally

¹ The source for Oceania and Western Europe prices is USDA *Dairy Market News*. Prices listed in this report are at the midpoints of the ranges.

inspected dairy cow slaughter has been lower than the corresponding week in 2019 from the week ending May 9, 2020, through the week ending October 31.

Dairy exports on a milk-fat milk-equivalent basis totaled 747 million pounds in September, 46 million lower than August but 7 million higher than September 2019. On a skim-solids milk-equivalent basis, September exports totaled 3.723 billion pounds, 317 million lower than August but 167 million higher than September 2019. Exports of cheese continued to be substantial in September, totaling 62.7 million pounds, 5.7 lower than August but 2.5 million higher than September 2019. Although we do not have data indicating dates for export orders, it is reasonable to assume that many of the orders for cheese shipped in September were made in August, when U.S. cheese prices dipped to relatively low levels. Exports of dry skim milk products² weakened to 135.6 million pounds in September, 16.1 million less than August this year and 8.6 million less than September 2019. U.S. exports of dry skim milk products to Mexico totaled 50.2 million pounds in September, 25.0 million less than September 2019. Increased exports of dry skim milk products to Southeast Asian countries have made up for some of the loss in exports to Mexico.

U.S. dairy imports on a milk-fat basis were 627 million pounds in September, 54 million higher than August but 71 million lower than September 2019. On a skim-solids basis, September imports totaled 422 million pounds, 13 million higher than August but 2 million lower than September 2019. Notably, imports of butterfat products³ totaled 15.1 million pounds in September, 2.3 million higher than August. Imports of low-fat milk powders⁴ fell from 0.8 million pounds in August to 0.4 million pounds in September.

Ending stocks on a milk-fat basis totaled 17.753 billion pounds at the end of September, 750 million higher than September 2019. On a skim-solids basis, ending stocks totaled 10.380 billion pounds at the end of September, 356 million less than September 2019. Notably, butter stocks continued to be relatively high, totaling 343.9 million pounds at the end of September, 53.3 million higher than September 2019.

Domestic commercial use for the third quarter of 2020 was 55.759 million pounds on a milk-fat basis, 1.011 billion higher than the third quarter of 2019. On a skim-solids basis, domestic use for the third quarter totaled 45.462 billion pounds, 32 million less than the third quarter of 2019. High demand for Cheddar cheese contributed to the recent increase in Cheddar cheese prices. Of all the products for which USDA Economic Research Service publishes commercial disappearance numbers, American-type cheese⁵ is the only product category that had year-over-year growth in the third quarter—a 3.6 percent increase. Cheddar accounted for 71.5 percent of American-type cheese production in the third quarter.

The largest year-over-year percentage declines in commercial use for the third quarter were for dry skim milk products (-16.6 percent), dry whey (-29.2 percent), and whey protein concentrate (-20.6 percent). Fluid milk sales declined by 1.6 percent from the previous year in the third quarter. Low in-person school attendance due to the pandemic likely contributed to the decline.

² Dry skim milk products include NDM, SMP, and dry skim milk for animal use. Export data aggregate these products as milk powders with less than 1.5 percent milk fat.

³ Butterfat products include butter, anhydrous milkfat, butteroil, butter substitutes with high milk-fat content, and certain dairy spreads.

⁴ Low-fat milk powders include those containing milk fat of 3 percent or less.

⁵ American-type cheese includes Cheddar, Colby, Monterey, and Jack.

Commercial disappearance of milk and dairy products for third quarter

	2019, Quarter 3	2020, Quarter 3	Difference	Percent difference
	<i>Millions of pounds</i>		<i>Millions of pounds</i>	
All milk, milk-equivalent bases				
Milk-fat	54,748	55,759	1,011	1.8
Skim-solids	45,494	45,462	-32	-0.1
Manufactured dairy products				
American type cheese ¹	1,274.8	1,320.5	45.7	3.6
Other-than-American type cheese	1,913.1	1,895.6	-17.5	-0.9
Butter	491.5	489.8	-1.7	-0.3
Dry skim milk products ²	264.9	220.9	-44.0	-16.6
Dry whey	161.9	114.6	-47.3	-29.2
Whey protein concentrate	61.1	48.5	-12.6	-20.6
Lactose	89.9	85.8	-4.1	-4.6
Fluid beverage milk	11,265	11,086	-179	-1.6

¹ American-type cheese includes Cheddar, Colby, Monterey, and Jack.

² Dry skim milk products include nonfat dry milk, skim milk powder, and dry skim milk for animal use.

Sources: USDA, National Agricultural Statistics Service; USDA, Farm Service Agency; USDA, Foreign Agricultural Service; USDA, Agricultural Marketing Service; U.S. Department of Commerce, Bureau of the Census; California Department of Food and Agriculture; and USDA, Economic Research Service (ERS) calculations.

Numerous sources were used for conversion factors. For more information, see the section for this data set on the ERS Dairy Data Documentation webpage.

Fourth Round of the Farmers to Families Food Box Program

On October 23, USDA announced that it had authorized \$500 million for a fourth round of purchases for the USDA Farmers to Families Food Box Program. Deliveries are currently underway and are expected to continue through December 31. Combination boxes include fresh produce, dairy products, fluid milk, and meat products. Recipients of food box donations include food banks, faith-based organizations, and other nonprofit organizations. For more information, see the USDA Farmers to Families Food Box webpage on the USDA Agricultural Marketing Service website.

Outlook for Feed Prices

Forecasts for feed prices have been raised significantly. The corn price estimate for the 2019/20 marketing year is \$3.56 per bushel; the 2020/21 forecast is \$4.00 per bushel, 40 cents higher than last month's forecast. The soybean meal price estimate for the 2019/20 marketing year is \$299.50 per short ton; the 2020/21 forecast is \$355 per short ton, \$20 higher than the last forecast. The alfalfa hay price in September was \$171 per short ton, \$1 lower than August this year and \$8 lower than September 2019. The 5-State weighted-average price for premium alfalfa hay in September was \$192 per short ton, unchanged from this August but \$12 lower than September 2019. For more information, see *Feed Outlook*, published by USDA, Economic Research Service.

Dairy Forecasts for the Remainder of 2020

Based on recent milk production data, milk cows for the fourth quarter of 2020 are expected to average 9.370 million head, 5,000 more than last month's forecast. For the year, the rounded forecast for the average number of milk cows is 9.365 million head, unchanged from last month's forecast. Average milk output per cow in the third quarter was 5,910 pounds per head, 10 pounds more than expected. For the fourth quarter, the forecast has been raised by 10 pounds to 5,875 pounds per head. The forecast for the year is 23,755 pounds, 20 pounds higher than last month's forecast. The milk production forecast for 2020 is 222.5 billion pounds, 0.2 billion higher than last month's forecast.

The forecasts for dairy exports in the fourth quarter of 2020 have been raised. Slightly higher exports of cheese are expected based on recent export data. Higher exports of butterfat products and dry skim milk products are expected due to U.S. price competitiveness. For the year, the forecast for dairy exports on a milk-fat basis is 9.4 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the forecast is 47.3 billion pounds, 0.2 billion higher than the previous forecast.

The forecast for 2020 dairy imports on a milk-fat basis has been raised to 7.0 billion pounds (+0.1 billion) due to higher expected imports of cheese and butterfat products. On a skim-solids basis, the forecast has been lowered to 5.6 billion pounds (-0.1 billion) due to lower expected imports of low-fat milk powders.

The forecast for 2020 ending stocks on a milk-fat basis has been raised by 0.3 billion pounds to 14.3 billion pounds. On a skim-solids basis, the forecast for ending stocks is 10.3 billion pounds, 0.2 billion lower than last month's forecast. The forecast for 2020 domestic use on a milk-fat basis is 218.1 billion pounds, 0.1 billion lower than last month's forecast. On a skim-solids basis, the forecast for domestic use is 179.6 billion pounds, 0.1 billion higher than the previous forecast.

Based on recent price strength, price forecasts for the fourth quarter of 2020 have been raised for Cheddar cheese, nonfat dry milk, and dry whey to \$2.295 per pound (+21.5 cents), \$1.080 per pound (+1.5 cents), and \$0.360 per pound (+2.0 cents), respectively. The forecast for the fourth-quarter butter price has been lowered to \$1.500 per pound (-3.5 cents) due to recent price declines and high stock levels. For the year, price forecasts for Cheddar cheese, nonfat dry milk, and dry whey have been raised to \$1.965 (+5.5 cents), \$1.040 (+0.5 cents), and \$0.355 (+0.5 cents), respectively. The forecast for the 2020 butter price has been lowered to \$1.585 per pound (-1.0 cent).

With higher price forecasts for Cheddar cheese and dry whey, the fourth-quarter Class III milk price forecast has been raised to \$21.70 per hundredweight (cwt), \$2.20 higher than last month's forecast. With the lower butter price forecast more than offsetting the higher NDM price forecast, the fourth-quarter Class IV milk price forecast has been lowered to \$13.45 per cwt, \$0.05 lower than the previous forecast. The all-milk price forecast for the fourth quarter has been raised by \$0.85 to \$19.75 per cwt. For the year, the Class III price forecast has been raised \$0.55 to \$18.55 per cwt, but the rounded Class IV price annual forecast is unchanged at \$13.50 per cwt. The all-milk price forecast for 2020 is \$18.25 per cwt, \$0.25 higher than the previous forecast.

Dairy Forecasts for 2021

The milk production forecast for 2021 has been raised based on recent milk production data and higher expected milk prices. However, higher feed costs are expected to slow the rate of growth. The forecast for milk per cow in 2021 has been raised by 20 pounds to 24,090 pounds per head. The forecast for

2020 average size of the milking herd has been raised to 9.380 million head, 10,000 higher than last month's forecast. The milk production forecast for 2021 is 225.9 billion pounds, 0.4 billion higher than last month's forecast.

The forecast for 2021 dairy exports on a milk-fat basis is unchanged at 9.5 billion pounds. On a skim-solids basis, the forecast for dairy exports has been raised 48.1 billion pounds, 0.3 billion higher than last month, due to higher expected exports of dry skim milk products brought about by competitive U.S. prices. The forecast for 2021 imports on a milk-fat basis has been raised to 6.9 billion pounds, 0.2 billion higher than last month's forecast, due to higher expected imports of cheese and butterfat products. On a skim-solids basis, the import forecast for 2021 has been lowered to 5.6 billion pounds (-0.1 billion) due to lower expected imports of miscellaneous dairy products.

The forecast for 2021 domestic use on a milk-fat basis is 222.5 billion pounds, 0.6 billion higher than last month's forecast, due to an improved outlook for the U.S. economy. On a skim-solids basis, the forecast for domestic use is 182.7 billion pounds, unchanged from last month's forecast. Ending stock forecasts for 2021 have been raised to 14.1 billion pounds on a milk-fat basis (+0.3 billion), but they have been lowered to 10.0 billion pounds on a skim-solids basis (-0.2 billion).

Based on recent price movements and an improved economic outlook, price forecasts for 2021 have been raised for Cheddar cheese, dry whey, and NDM to \$1.825 (+2.5 cents), \$0.365 (+0.5 cents), and \$1.055 (+0.5 cents) per pound, respectively. However, with recent price movements and high stock levels for butter expected to carry into 2021, the butter price forecast has been lowered to \$1.685 per pound (-2.0 cents). With higher expected prices for cheese and dry whey, the Class III price forecast for 2021 has been raised by \$0.25 to \$17.25 per cwt. With the lower expected butter price more than offsetting the higher expected NDM price, the Class IV price forecast has been lowered by \$0.10 to \$14.00 per cwt. The all-milk price forecast for 2021 has been raised by \$0.10 to \$17.70 per cwt.

Pork/Hogs

Mildred Haley

Fourth Quarter Kicks Off With Higher Processor Demand for Hogs

The fourth quarter is the period of the pork production calendar year typically characterized by heavy supplies of hogs and pork products and low prices for both hogs and pork. This year, the fourth calendar quarter kicked off with processors' October demand for hogs increasing in response to strong pork product prices. It is notable that robust domestic pork demand and high wholesale pork prices through most of October likely discouraged export interest until late in the month.

Estimated federally inspected hog slaughter in October was about 2 percent higher than a year ago, after adjusting for interyear slaughter day differences. Prices of 51-52 percent lean live equivalent hogs, on the other hand, averaged \$55.92 per cwt, 25 percent higher than prices averaged in October 2019. Larger numbers of animals purchased by processors at higher average prices point to increased processor demand for hogs in October.

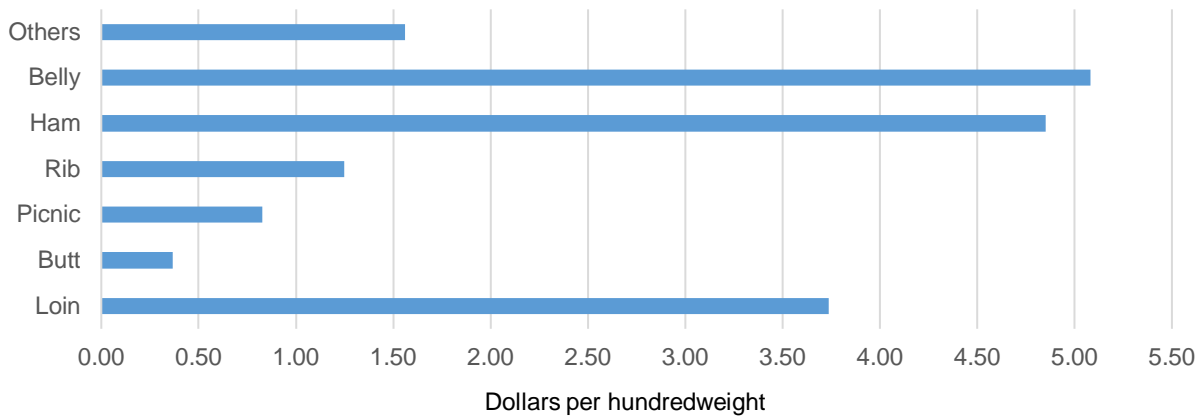
Processors' increased demand for hogs was likely responding to strongly increasing domestic demand for pork in October. Weekly wholesale load counts reported by USDA, aggregated over the weeks ending October 9 through the week ending October 30, showed an increase of 4 percent compared with the same period a year ago.⁶ For the month of October, the wholesale value of the pork carcass cutout averaged \$94.09 per cwt, 23 percent higher than a year ago. It is notable that over this same period, higher wholesale pork prices appear to have discouraged foreign buying interest in U.S. pork. USDA data show that the quantity of aggregated October export loads sold (outside of North America) declined 48 percent, likely due in part to higher wholesale pork prices.⁷

The year-over-year difference between the October wholesale carcass cutout value this year and October 2019 was \$17.67 per cwt. Disaggregating that difference by carcass primal yield shares indicates that the October 2020 cutout derived most of its comparative value from gains in the belly (\$5.08 per cwt), the ham (\$4.85 per cwt), and the loin (\$3.74 per cwt). Other primals (butts, picnics, ribs, and the "other" category) make up the balance of the October 2020 and 2019 difference.

⁶ USDA, Agricultural Marketing Service, National Weekly Negotiated Pork Report-FOB Plant, LM_PK610.

⁷ USDA, Agricultural Marketing Service, National Weekly Export Pork Report-FOB Plant, LM_PK640.

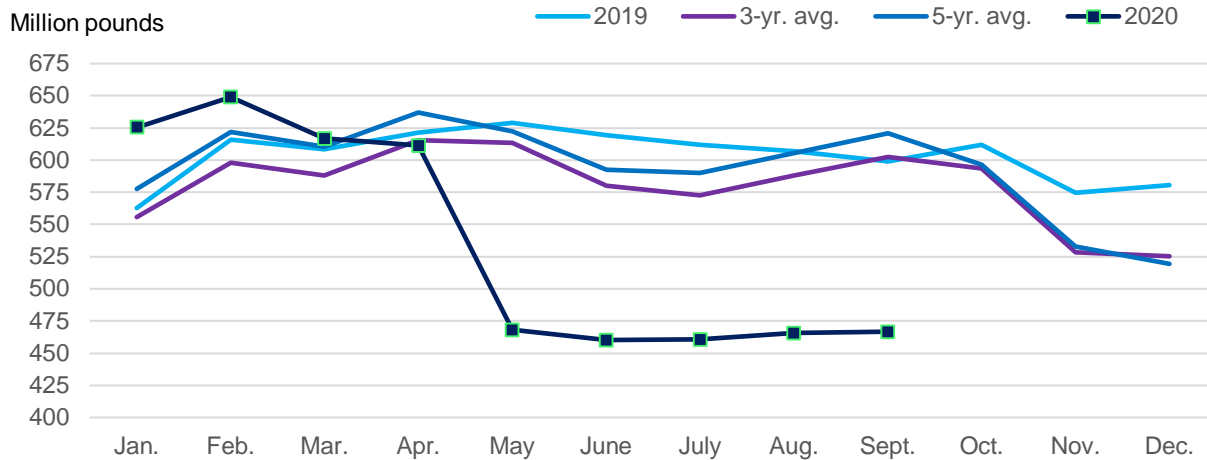
Primals' contribution to carcass cutout difference of October 2020 and October 2019



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

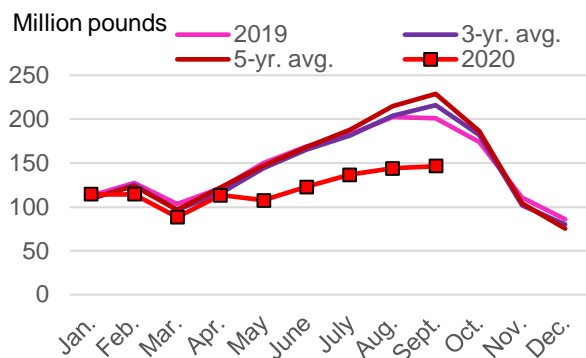
Part of the reason that prices of wholesale pork and hogs are both significantly higher this year, during the period of the year when production is typically seasonally high, is likely attributable to the pause in pork production in the spring when COVID-19 caused production interruptions and temporary plant shutdowns. The supply effects of the virus-related market turbulence were reflected in spring market prices, but also in the sharp drawdown in May pork ending stocks. The drawdown created a deficit in stocks of pork cuts, particularly those with a strong seasonal demand, whose prices were among the drivers of the October wholesale cutout price. Total ham ending stocks, for example, with a strong seasonal November-December demand component, were off by more than 27 percent year-over-year in September. Belly stocks were off by almost 39 percent in September.

Monthly pork cold stocks



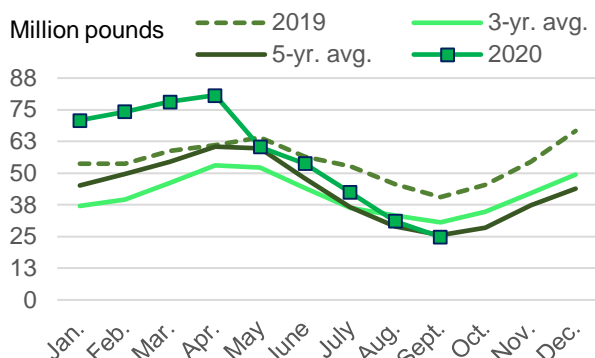
Source: USDA, National Agricultural Statistics Service.

Monthly total ham cold stocks



Source: USDA, National Agricultural Statistics Service.

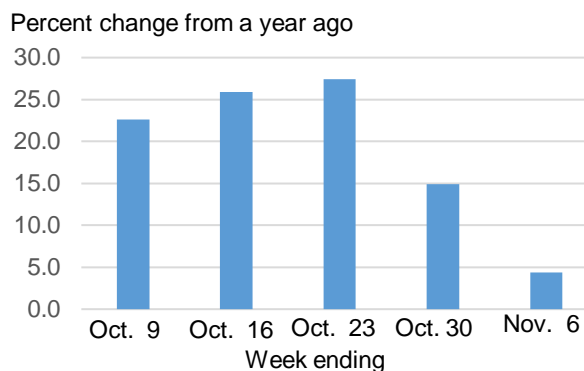
Monthly belly cold stocks



Source: USDA, National Agricultural Statistics Service.

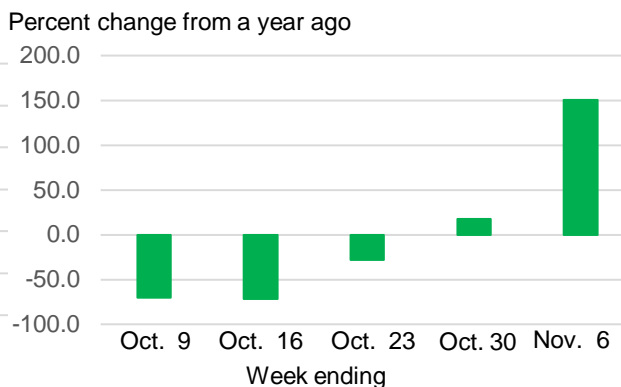
It is notable however, that in the final week of October and the first full week of November, increases in the prices of hogs and pork moderated, likely attracting export buying interest. Weekly data for export loads increased in the last week of October (the week ending October 30) by almost 18 percent, as the cutout increased by about 15 percent in the same week after having averaged more than 25 percent in the previous 3 weeks. In the following week—the first full week of November, ending November 6—when the wholesale cutout value of the pork carcass increased by only 3 percent, export load count jumped more than 150 percent over the same week of 2019. Most recent export load data show that export buyers favored loins, hams, bellies, and variety meats.

Weekly wholesale value of pork carcass



Source: USDA, Agricultural Marketing Service.

Weekly export load count



Source: USDA, Agricultural Marketing Service.

Fourth-Quarter Pork Production Forecast Slightly Lower Year Over Year

Pork production in the fourth quarter is expected to be just shy of 7.4 billion pounds, about 1 percent below a year ago. The lower production forecast derives from fewer animals slaughtered, a consequence of tightening processor margins as the quarter unfolds. Estimated dressed weights in the fourth quarter are anticipated to be just slightly higher than they were in the fourth quarter of 2019. Fourth-quarter prices of 51-52 percent lean live equivalent hogs are expected to average \$50 per cwt, 16 percent above the same period last year.

Shipments to China\Hong Kong Keep Total September Pork Exports Year-Over-Year Higher

U. S. pork exports for September were 545 million pounds, 17 percent greater than September 2019. Exports to Canada in particular were strong, increasing 19 percent over a year ago, likely reflecting some backfilling for Canadian exports to China. Exports to Mexico, although year-over-year positive, likely reflect high U. S. prices of cuts favored by Mexico—hams in particular—to which Mexican import demand is price-sensitive. Shipments to China\Hong Kong kept September exports year-over-year higher, but it is likely that U. S. pork prices limited China/Hong Kong's demand for U. S. pork. The two tables below summarize exports to the 10 largest foreign buyers of U. S. pork in September and in the third quarter of 2020.

U. S. pork exports: Volumes and export shares of the 10 largest foreign destinations, September 2019 and 2020

	Country	Exports September 2019 (Million pounds)	Exports September 2020 (Million pounds)	Percent change (2020/2019)	Export share September 2019 Percent	Export share September 2020 Percent
	World	465. 2	545. 2	17		
1	Mexico	126	129	2	27	24
2	China\Hong Kong	74	121	64	16	22
3	Japan	87	95	9	19	17
4	Canada	50	60	19	11	11
5	South Korea	34	28	-17	7	5
6	Australia	20	19	-7	4	3
7	Philippines	11	14	34	2	3
8	Colombia	18	13	-27	4	2
9	Vietnam	1	13	1668	0	2
10	Chile	4	9	135	1	2

Source: USDA, Economic Research Service.

U. S. pork exports: Volumes and export shares of the 10 largest foreign destinations, third-quarter 2019 and 2020

	Country	Exports Third-quarter 2019 (Million pounds)	Exports Third-quarter 2020 (Million pounds)	Percent change (2020/2019)	Export share Third-quarter 2019 Percent	Export share Third-quarter 2020 Percent
	World	1,515. 2	1,627. 0	7. 4		
1	China\Hong Kong	283	398	41	19	24
2	Mexico	414	383	-7	27	24
3	Japan	273	280	3	18	17
4	Canada	140	162	16	9	10
5	South Korea	112	87	-22	7	5
6	Australia	59	48	-18	4	3
7	Philippines	29	40	39	2	2
8	Colombia	50	38	-24	3	2
9	Vietnam	2	34	1333	0	2
10	Honduras	24	26	6	2	2

Source: USDA, Economic Research Service.

Poultry

Kim Ha and Grace Grossen

Broiler Production Forecast Increased

September broiler production once again came in higher than expected, estimated at 3.88 billion pounds, a year-over-year increase of 5.4 percent, or 0.3 percent when adjusted for slaughter days. This increase was supported by a 2.0-percent year-over-year increase in average bird weights to 6.5 pounds, while slaughter-day-adjusted processing volumes decreased by -1.8 percent year over year. Preliminary slaughter data for October points to a year-over-year decrease in slaughter and a slight increase in average bird weights. Based on higher-than-expected production in the first part of October, the fourth-quarter production forecast was raised slightly to 11.175 billion pounds. Production in 2020 is forecast to total 44.709 billion pounds, an increase of 1.8 percent year over year. The 2021 production forecast was increased to 45,095 million pounds to reflect the increase to the 2020 production forecast, but at a slightly slower rate of growth given higher expected feed prices.

Broiler Export Forecast Increased

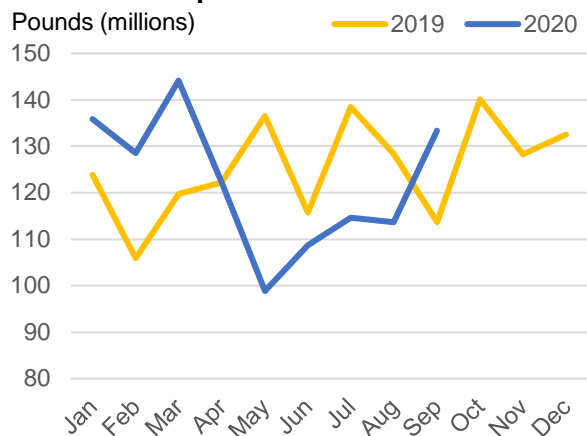
Broiler exports totaled 618 million pounds in September, an increase of 52 million pounds or 9.3 percent year over year. This increase was driven primarily by higher shipments to China (+72 million pounds) and Mexico (+20 million pounds) (see table). Broiler shipments to China increased month over month in August and September (see chart), and China is expected to remain an important market for U.S. broiler exports for the remainder of 2020 and into 2021. In addition, sales to Mexico appear to be rebounding after having fallen below year-earlier levels between the months of April and August (see chart). Based on expectations for continued strength in key export markets, the fourth-quarter export forecast was increased to 1,895 million pounds. Exports in 2020 are forecast to total 7,304 million pounds, an increase of about 3 percent compared to 2019. In 2021, despite expectations for a relatively weak global economy, broiler meat is anticipated to remain attractive as an affordable protein. The 2021 export forecast was increased to 7,275 million pounds, a slight decrease from the 2020 export forecast.

U.S. broiler exports: Volume and export share (September 2019 and 2020)

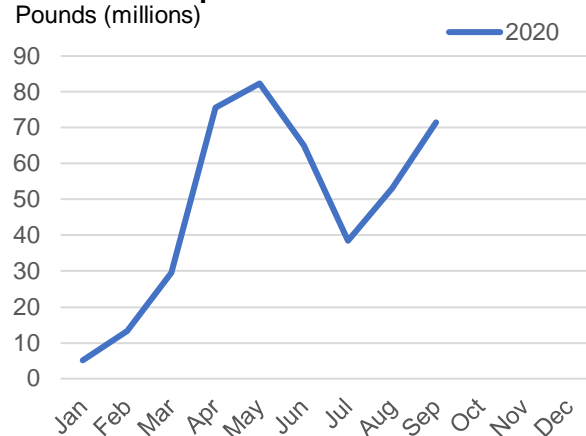
Country	Volume			Export share	
	September 2019	September 2020	Change in volume	September 2019	September 2020
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Percent</i>
Top 10 largest foreign markets (per year-to-date 2020 export volumes)					
Mexico	114	133	20	20	22
China	0	72	72	0	12
Taiwan	25	27	2	4	4
Vietnam	30	22	-8	5	4
Cuba	53	33	-20	9	5
Canada	28	34	6	5	5
Guatemala	21	19	-2	4	3
Georgia	30	10	-20	5	2
Angola	23	26	3	4	4
Republic of South Africa	12	17	5	2	3
World	566	618	52	100	100
Additional foreign markets of note					
Colombia	15	20	6	3	3
Philippines	23	21	-2	4	3
United Arab Emirates	4	4	0	1	1
Hong Kong	18	6	-12	3	1

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

U.S. broiler exports to Mexico



U.S. broiler exports to China



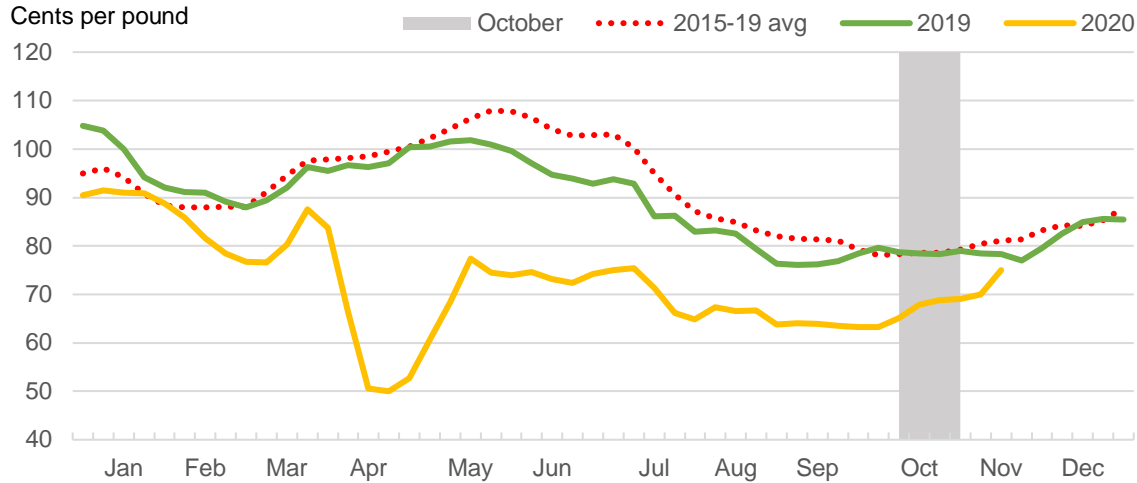
Source: USDA, Economic Research Service using data from the U.S. Department of Commerce, Bureau of the Census.

Fourth-Quarter Price Forecast Increased on Recent Price Movements

October wholesale broiler prices were slightly higher than expected, averaging 67.7 cents per pound, but still down by 14.2 percent from 2019. Despite being below year-earlier levels, wholesale prices have moved consistent with seasonal trends since late summer. In October, the benchmark broiler price saw a larger-than-expected uptick but has resumed its gradual increase in alignment with seasonal patterns. The fourth-quarter price forecast was increased to 70 cents per pound. In 2020,

wholesale broiler prices are forecast to average 71.8 cents per pound, 18.9 percent below the 2019 average price.

Weekly whole-bird wholesale broiler prices (National Composite Weighted Average)



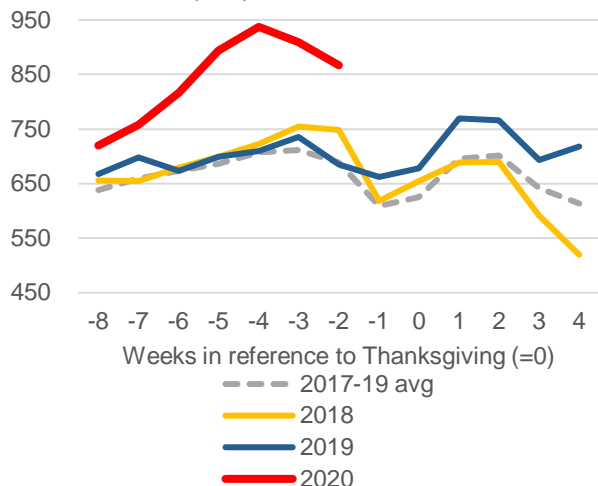
Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service.

Producers Build Shell Egg Inventory Levels in Preparation for Uncertain Holiday Season; Egg Prices Remain Steady

In March and April, the egg industry was caught off-guard when a perfect storm of Easter demand and COVID-19-related retail surges caused inventory levels to plummet and wholesale egg prices to reach record highs. Despite what is likely to be an uncertain holiday season this year, producers have built large shell egg inventories, which have averaged more than 910 thousand 30-dozen cases in recent weeks—about 23-32 percent higher year over year (see chart). Retail demand for eggs and wholesale prices typically increase in November when holiday baking season begins (see chart); however, this holiday season is likely to look different for a myriad of reasons, including smaller holiday gatherings and the potential for increased COVID-19 cases in the United States, as well as cold weather pushing people toward indoor hobbies like baking. Thus far, wholesale prices have remained steady at 116 cents per dozen in November, when they typically increase (see chart). As indicated by national retail egg purchase data, retail demand is elevated relative to last year and historical levels. Despite this increased retail activity, it appears that abundant inventory levels have likely outpaced demand. Egg prices are expected to increase, but how much will likely depend on the extent that retail demand increases. The fourth-quarter wholesale price forecast is unchanged.

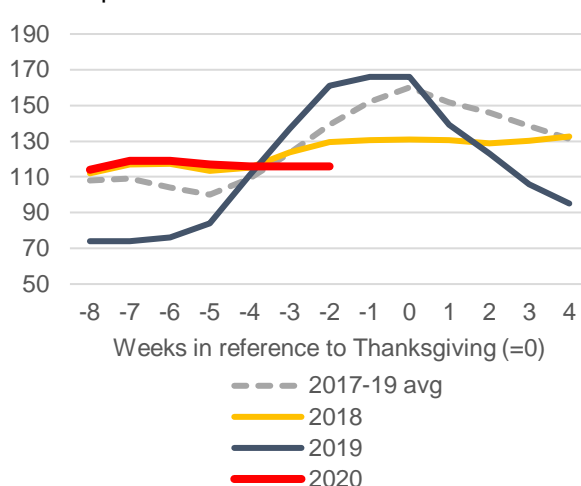
Weekly shell egg inventories* (Large) in the weeks leading up to Thanksgiving

30-dozen cases (000)



Wholesale table egg prices (New York, Grade A Large) in the weeks leading up to Thanksgiving

Cents per dozen



Note: *Total stocks on hand available for marketing.

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

Meanwhile, September table egg production is estimated at 651 million dozen, a year-over-year decrease of -3.1 percent. Consistent with seasonal patterns, the table egg layer flock expanded relative to August, reaching 319.6 million layers, but is still 4.2 percent lower than last year's flock—due in large part to weak demand for breaking eggs from foodservice. The September average lay rate (81.5 eggs per 100 layers per day) increased by 1.1 percent over 2019. The table egg production forecast for the fourth quarter is unchanged.

Egg Export Volumes Continue To Flow; Forecast Unchanged

Exports of eggs and egg products are estimated at 29.4 million dozen (shell egg equivalent) for September, which exceeds year-earlier volumes by 1,085 thousand dozen, or 3.8 percent. Shipments of both shell eggs and egg products increased year over year by 4.8 percent and 1.9 percent, respectively. Among the major U.S. egg export markets, Canada increased shipments by 1,401 thousand dozen (or 18.3 percent), driven by higher egg-product sales. In addition, volumes increased to Hong Kong (+290 thousand dozen) and Trinidad and Tobago (+249 thousand dozen). Conversely, shipments decreased to Japan (-800 thousand dozen), South Korea (-428 dozen), the United Arab Emirates (-334 thousand dozen), and Mexico (-179 thousand dozen). The export forecast is unchanged.

U.S. egg and egg product exports: Volumes and export shares of largest markets (September 2019 and 2020)

Country	Volume			Export share	
	September 2019	September 2020	Change in volume	September 2019	September 2020
	Thousand dozen	Thousand dozen	Thousand dozen	Percent	Percent
Mexico	8,110	7,931	-179	29	27
Canada	7,643	9,044	1,401	27	31
Hong Kong	3,683	3,973	290	13	13
Japan	2,301	1,500	-800	8	5
South Korea	743	315	-428	3	1
United Arab Emirates	492	158	-334	2	1
Trinidad and Tobago	413	662	249	1	2
Jamaica	681	622	-59	2	2
Denmark	314	293	-22	1	1
Bahamas	166	267	101	1	1
World	28,353	29,438	1,085	100	100

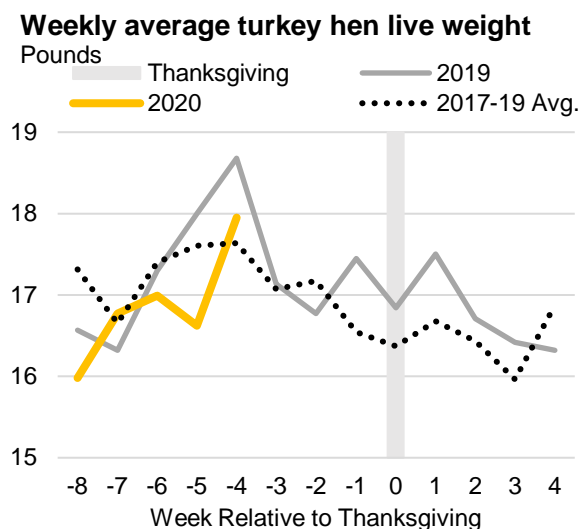
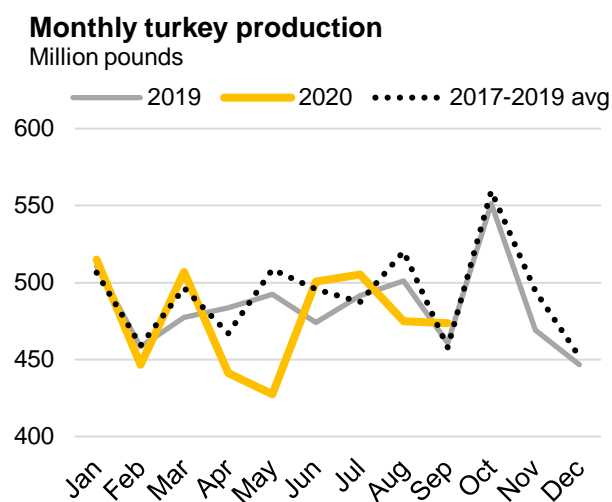
Note: Largest markets are based on year-to-date 2020 export volumes.

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

Turkey Production Adjusted Down in the Fourth Quarter

Turkey production in September totaled 473.8 million pounds, 13 million pounds more than last September. Third-quarter production totaled 1.454 billion pounds.

Expectations that people will gather in smaller groups for the holidays this year is resulting in increased demand for smaller turkeys for Thanksgiving tables. The graph on the right shows weekly average weights for turkey hens slaughtered. With the exception of the week ending October 10th, average slaughter weights for hens in the weeks leading up to Thanksgiving 2020 have been lower than in the same week a year ago. Based on these lower weights, the fourth-quarter production forecast was revised down by 5 million pounds to 1.445 billion pounds. The 2021 forecast is unchanged at 5.77 billion pounds. This would be a 1-percent increase over 2020.



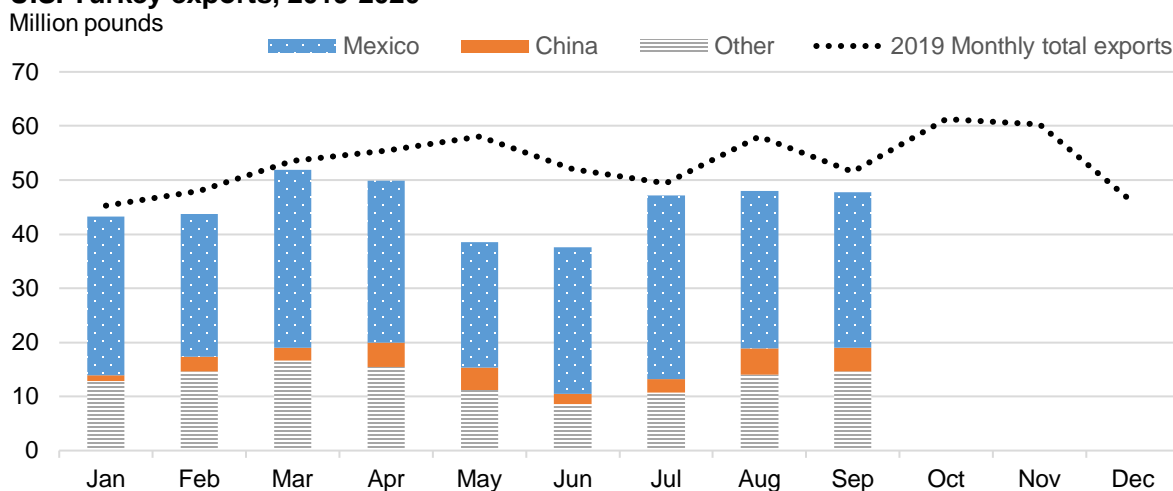
Sources: USDA, National Agricultural Statistics Service, and USDA, Agricultural Marketing Service.

Turkey Exports Revised Up in Fourth Quarter; Import Forecast Increased

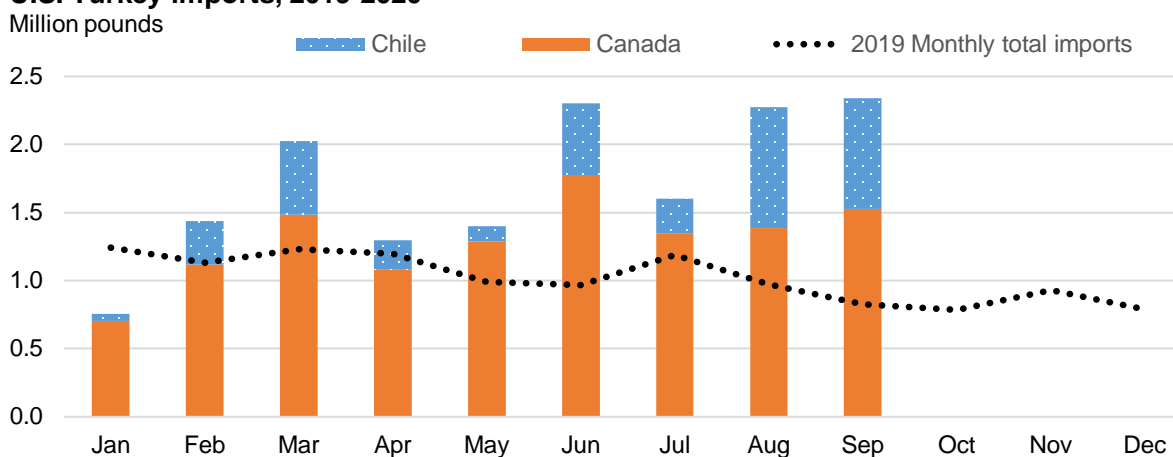
September turkey exports totaled 47.7 million pounds, 8 percent lower than last September but only fractionally below August 2020. Third-quarter exports totaled 142.9 million pounds. Of the September total, 60 percent (28.7 million pounds) was shipped to Mexico and 9 percent (4.3 million pounds) was shipped to China. The next largest export markets in September were Panama (1.2 million pounds), Jamaica (1.1 million pounds), Haiti (1.1 million pounds), Benin (0.9 million pounds), Guatemala (0.8 million pounds), and Canada (0.8 million pounds). Fourth-quarter exports were revised up to 150 million pounds, making the 2020 total turkey export forecast 558 million pounds. This is a 13-percent decrease from total exports in 2019. The total export forecast for 2021 remains unchanged at 570 million pounds, representing 2-percent growth over the 2020 forecast.

Third-quarter imports totaled 6.2 million pounds, with 2.3 million in September. The fourth-quarter import forecast was revised upward to 6 million pounds, bringing the 2020 total to 21 million pounds. The 2021 total import forecast was also revised up to 21 million pounds.

U.S. Turkey exports, 2019-2020



U.S. Turkey imports, 2019-2020

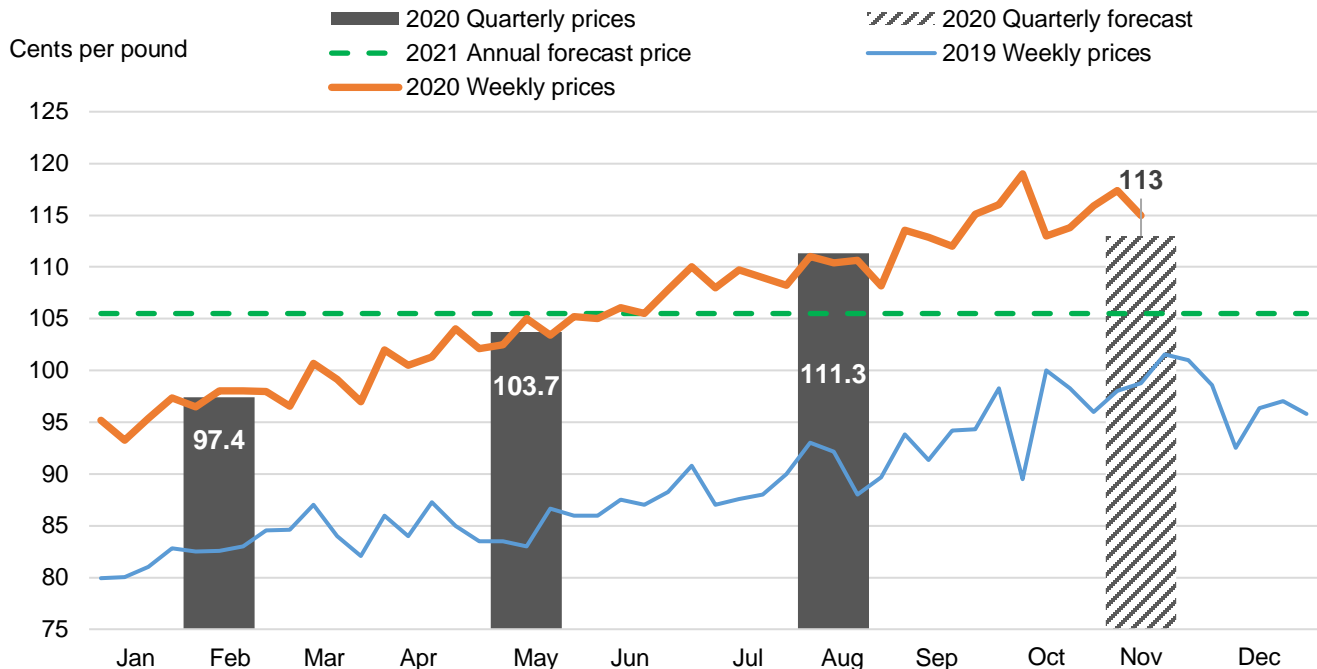


Source: USDA, Economic Research Service, Livestock and Meat International Trade Data.

Turkey Price Forecast Revised Up Again

In October, wholesale whole-hen frozen turkey prices averaged 115.7 cents per pound, 19 cents higher than last October. The weekly price was 115 cents per pound in the week ending November 6th. October 2nd's price of 119 cents per pound is still the highest weekly price of the year. The fourth-quarter forecast was adjusted up by 1 cent to 113 cents per pound. The 2021 forecast is unchanged with an annual average of 106 cents per pound.

Wholesale whole-hen frozen turkey prices



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

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Dairy Forecasts

	2019		2020					2021			
	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Milk cows (thousands)	9,345	9,336	9,374	9,362	9,361	9,370	9,365	9,375	9,380	9,375	9,380
Milk per cow (pounds)	5,779	23,391	5,988	5,981	5,910	5,875	23,755	6,005	6,150	5,985	24,090
Milk production (billion pounds)	54.0	218.4	56.1	56.0	55.3	55.0	222.5	56.3	57.7	56.1	225.9
Farm use	0.3	1.0	0.3	0.3	0.3	0.3	1.0	0.3	0.3	0.3	1.0
Milk marketings	53.7	217.4	55.9	55.7	55.1	54.8	221.5	56.0	57.4	55.9	224.9
Milk-fat (billion pounds milk equiv.)											
Milk marketings	53.7	217.4	55.9	55.7	55.1	54.8	221.5	56.0	57.4	55.9	224.9
Beginning commercial stocks	17.0	13.8	13.6	16.9	19.0	17.8	13.6	14.3	16.8	18.9	14.3
Imports	1.7	6.9	1.5	1.9	1.8	1.7	7.0	1.5	1.7	1.9	6.9
Total supply	72.4	238.1	71.0	74.5	75.9	74.3	242.1	71.9	76.0	76.6	246.1
Commercial exports	2.1	9.1	2.2	2.6	2.4	2.3	9.4	2.3	2.5	2.5	9.5
Ending commercial stocks	13.6	13.6	16.9	19.0	17.8	14.3	14.3	16.8	18.9	17.5	14.1
Commodity Credit Corporation donations ¹	0.0	0.2	0.1	0.1	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Domestic commercial use ²	56.7	215.2	51.8	52.8	55.8	57.7	218.1	52.8	54.6	56.6	222.5
Skim solids (billion pounds milk equiv.)											
Milk marketings	53.7	217.4	55.9	55.7	55.1	54.8	221.5	56.0	57.4	55.9	224.9
Beginning commercial stocks	10.7	10.7	10.2	11.6	11.4	10.4	10.2	10.3	10.5	11.4	10.3
Imports	1.5	5.8	1.5	1.5	1.4	1.3	5.6	1.4	1.5	1.4	5.6
Total supply	66.0	233.9	67.5	68.8	67.8	66.5	237.3	67.7	69.4	68.7	240.8
Commercial exports	11.0	41.5	11.2	12.5	11.9	11.6	47.3	11.5	12.7	12.3	48.1
Ending commercial stocks	10.2	10.2	11.6	11.4	10.4	10.3	10.3	10.5	11.4	10.5	10.0
Commodity Credit Corporation donations	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Domestic commercial use ²	44.7	181.9	44.7	44.9	45.5	44.6	179.6	45.8	45.2	45.9	182.7
Milk prices (dollars/hundredweight) ³											
All milk	20.60	18.63	18.83	15.37	19.07	19.75	18.25	18.65	17.10	17.05	17.70
Class III	19.51	16.96	16.77	15.42	20.25	21.70	18.55	18.90	16.50	16.55	17.25
Class IV	16.56	16.30	15.91	11.66	13.01	13.45	13.50	13.80	13.85	14.05	14.00
Product prices (dollars/pound) ⁴											
Cheddar cheese	2.064	1.759	1.769	1.639	2.157	2.295	1.965	2.000	1.750	1.750	1.825
Dry whey	0.325	0.380	0.360	0.373	0.332	0.360	0.355	0.360	0.360	0.360	0.365
Butter	2.076	2.243	1.826	1.426	1.597	1.500	1.585	1.620	1.650	1.720	1.685
Nonfat dry milk	1.155	1.042	1.202	0.905	0.978	1.080	1.040	1.060	1.050	1.040	1.055

Note: Totals may not add due to rounding.

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

² Domestic use for 2020 includes additional milk marketed but not processed.

³ Simple averages of monthly prices. May not match reported annual averages.

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

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

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

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