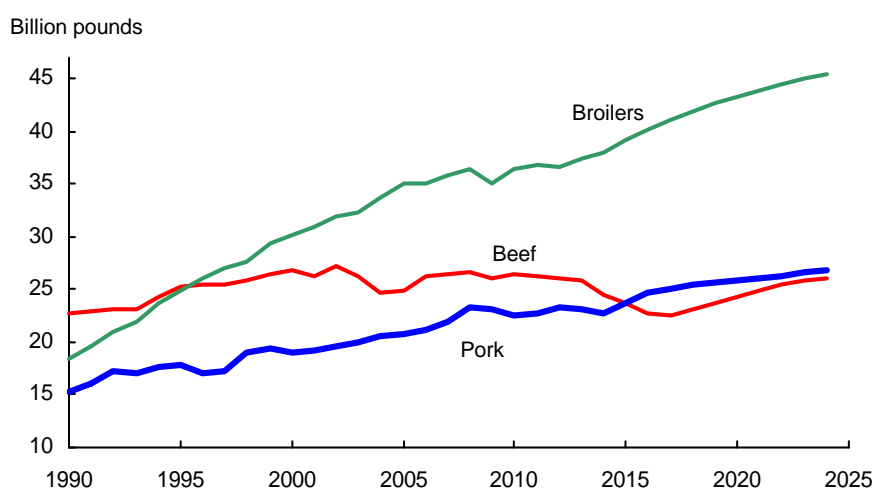


U.S. Livestock

The livestock sector is projected to adjust to lower feed costs, with stronger producer returns providing incentives for increasing production. Additionally, the pork sector rebounds from reduced production in 2014 that largely reflected effects of Porcine Epidemic Diarrhea virus (PEDv). Production expansions for pork and broilers are projected for the full projection period. Beef production increases begin in 2018 as near-term declines in output are exacerbated as more heifers are retained to build beef cow inventories rather than fed for slaughter. As a result, total U.S. red meat and poultry production is projected to rise over the projections period. Milk production also increases over the next decade.

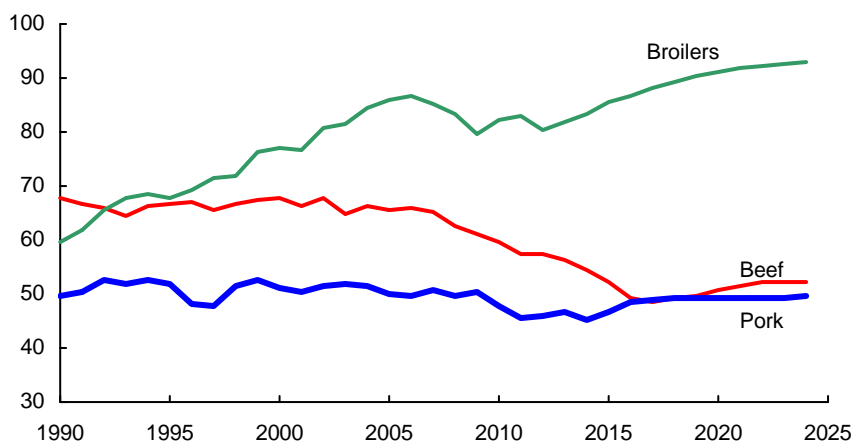
U.S. red meat and poultry production



- Lower feed prices than in the past several years raise producer returns and, coupled with improved pasture, provide incentives for increases in beef production. Retention of heifers for breeding, however, leads to declines in beef production through 2017. Beef production then rises in the remainder of the projection period as returns support continued herd expansion. Beef cow numbers rise from about 29 million head at the start of 2015 to more than 33 million toward the end of the projection period. The total cattle inventory rises from below 88 million head to about 94 million in 2024. Rising slaughter weights also contribute to the longer term increases in beef production.
- With lower feed costs than in recent years and with the pork sector rebounding from PEDv, producers are expected to increase farrowings, and the number of pigs saved per litter also rises. Pork production is projected to rise over the next decade with increases also supported by rising slaughter weights.
- Poultry production rises through the projection period, with both broiler and turkey meats projected to expand. Production growth is expected to come from both higher numbers of birds and higher average weights at slaughter.

U.S. per capita meat consumption

Pounds per capita, retail weight

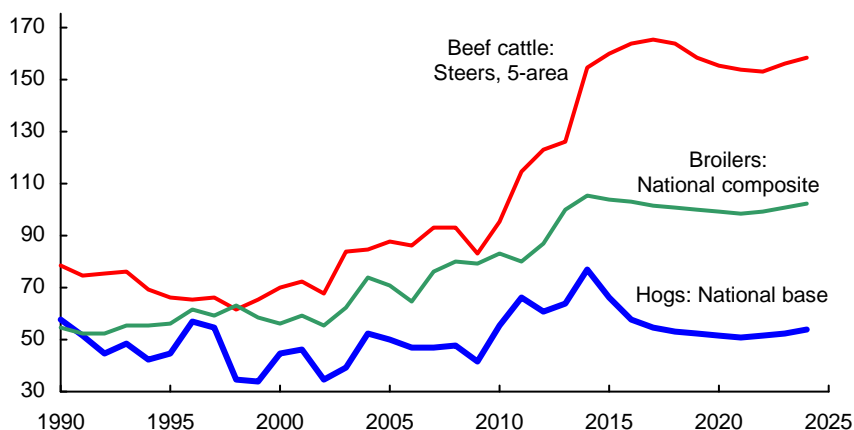


Since 2007, lower overall meat production and increased net exports have resulted in higher consumer prices and lower per capita consumption in the United States. Annual average consumption of red meats and poultry fell from over 221 pounds per capita in 2004-07 to under 202 pounds in 2014. As production increases, per capita consumption of red meats and poultry is projected to rise to about 215 pounds by 2024.

- Per capita beef consumption declines through 2017, before rising moderately over the remainder of the projection period. The near-term decline reflects reductions in beef production over the next several years. As beef production increases in subsequent years, per capita consumption grows.
- Per capita pork consumption is projected to rise sharply in 2015-16 as production gains reflect producer response to lower feed costs and a rebound from 2014 production that was reduced by PEDv. For the remainder of the projections, gains in production are large enough to accommodate both increased domestic use as well as rising U.S. pork exports, although per capita consumption gains moderate as pork production growth slows.
- Poultry production increases throughout the projection period. Per capita consumption rises over the next 10 years and, in contrast to red meats, surpasses levels of the past decade.

Nominal U.S. livestock prices

Dollars per hundredweight

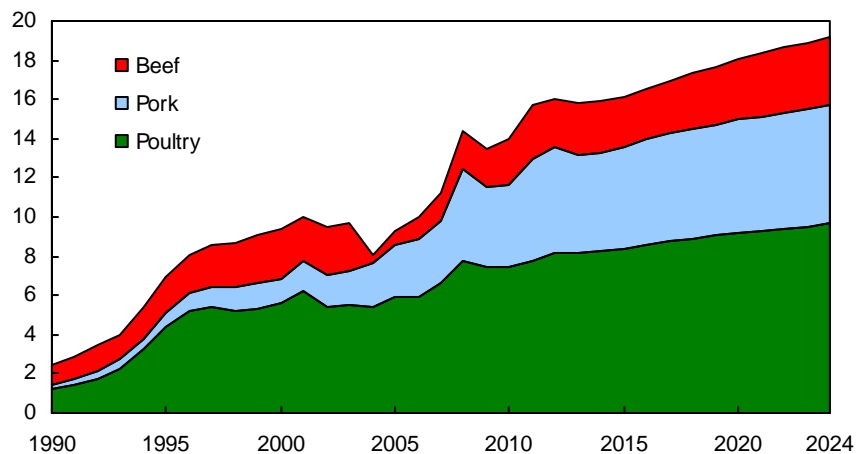


During the initial years of the projection period, prices for hogs and broilers decline as production levels for those meats rise. In contrast, beef cattle prices continue to rise as projected beef production initially falls.

- Beef cattle prices are projected to decrease for several years beginning in 2018 when beef production increases, before turning up again toward the end of the projection period as production gains slow.
- Nominal prices for hogs and broilers continue to decline over much of the projection period reflecting higher overall meat production, but begin to rise toward the end of the projection period as production gains for each slow.

U.S. meat exports

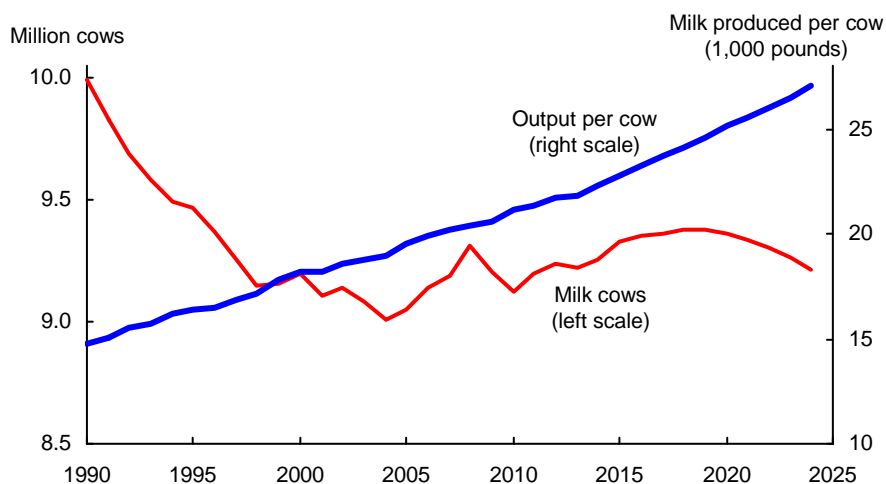
Billion pounds



The projected rise in U.S. red meat and poultry exports over the next decade reflects steady global economic growth, continued weakness of the U.S. dollar, and foreign demand for selected meat cuts and parts from the large U.S. market.

- Most U.S. beef exports are high-quality, grain-fed beef that typically go to Mexico, Canada, and Pacific Rim nations. U.S. beef exports to Japan and South Korea are expected to rise, continuing the recovery in these export markets that were closed to the United States for several years following the first U.S. case of bovine spongiform encephalopathy (BSE) in December 2003. The United States is projected to remain the world's largest importer of beef, primarily of grass-fed, lean beef from Australia, New Zealand, and NAFTA countries for use in ground beef and processed products.
- U.S. pork exports are projected to rise over the next decade. Production efficiency in the U.S. pork sector enhances the sector's international competitiveness. Pacific Rim nations and Mexico are key markets for long-term growth of U.S. pork exports. Exports to Russia are expected to resume as Russia's one-year ban on imports from several countries ends. However, Russia is assumed to continue using investment and trade policies to facilitate expansion of its domestic pork industry and limit reliance on imports, affecting pork exports from the United States and Brazil the most.
- U.S. broiler exports rise through the projection period. Major U.S. export markets include China and Mexico, but U.S. broiler exports also have been increasing to a number of other countries. Longer term gains in these markets reflect their economic growth and increasing consumer demand. International demand for broilers also remains strong because of its lower cost relative to beef and pork. U.S. poultry producers continue to face strong competition from other major exporters, particularly Brazil. Over the projection period, most exports from Thailand and China will continue to be fully cooked products, although Thai export gains also reflect the reopening of trade in uncooked chicken products from that country to the EU and Japan. As noted for pork, Russia is assumed to also support its domestic poultry industry with investment and trade policies.

U.S. dairy herd and milk production per cow



Milk production is projected to continue rising over the projection period. The long-term upward trend in output per cow continues, with favorable returns encouraging expansion of milk cow numbers through 2018.

- Milk cow numbers are projected to rise through 2018 as high milk prices and lower feed costs provide favorable returns to producers. In later years, feed costs begin to rise and milk cow numbers show year-to-year declines in 2020-24.
- U.S. milk output per cow is projected to increase through the projection period, reflecting continued technological and genetic developments.
- Domestic commercial use of dairy products increases faster than the growth in U.S. population over the next decade. The demand for cheese is expected to rise due to greater consumption of prepared foods and increased away-from-home eating. A slow decline in per capita consumption of fluid milk products is expected to continue.
- The United States is expected to be well positioned to expand exports of dairy products. Commercial U.S. dairy exports are projected to increase steadily over the next decade, reaching record levels on both a fat and a skim-solids basis. Production increases in other major dairy exporting countries are expected to lag growth in global import demand.
- Nominal farm-level milk prices are projected to decline through 2018 as lower feed costs encourage increased production. Prices remain flat in 2019 and 2020 and then gradually rise over the rest of the projection period as production gains slow. Declines in real prices largely reflect efficiency gains in production, which result from technological improvements and consolidation in the sector.

Table 29. Per capita meat consumption, retail weight

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<i>Pounds</i>												
Beef	56.3	54.6	52.2	49.4	48.5	49.1	49.8	50.6	51.5	52.1	52.4	52.4
Veal	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Pork	46.8	45.3	46.6	48.5	48.8	49.1	49.3	49.4	49.4	49.4	49.4	49.5
Lamb and mutton	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total red meat	104.4	101.1	99.9	99.0	98.4	99.3	100.1	101.0	101.9	102.4	102.8	102.9
Broilers	81.9	83.4	85.4	86.7	88.1	89.2	90.2	91.1	91.7	92.2	92.7	93.1
Other chicken	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Turkeys	16.0	15.7	15.8	16.2	16.5	16.7	16.8	17.0	17.1	17.2	17.3	17.3
Total poultry	99.2	100.3	102.5	104.2	106.0	107.3	108.4	109.5	110.2	110.8	111.3	111.9
Red meat & poultry	203.6	201.4	202.3	203.2	204.4	206.5	208.5	210.5	212.1	213.2	214.1	214.8

Table 30. Beef long-term projections

Item	Units	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning stocks	Mil. lbs.	608	584	495	485	490	500	500	500	500	500	500	500
Commercial production	Mil. lbs.	25,720	24,459	23,665	22,667	22,536	22,986	23,550	24,194	24,847	25,346	25,736	25,947
Change from previous year	Percent	-0.7	-4.9	-3.2	-4.2	-0.6	2.0	2.5	2.7	2.7	2.0	1.5	0.8
Farm production	Mil. lbs.	71	71	71	71	71	71	71	71	71	71	71	71
Total production	Mil. lbs.	25,791	24,530	23,736	22,738	22,607	23,057	23,621	24,265	24,918	25,417	25,807	26,018
Imports	Mil. lbs.	2,250	2,823	2,700	2,600	2,600	2,725	2,775	2,825	2,875	2,925	2,975	3,025
Total supply	Mil. lbs.	28,649	27,937	26,931	25,823	25,697	26,282	26,896	27,590	28,293	28,842	29,282	29,543
Exports	Mil. lbs.	2,590	2,599	2,525	2,543	2,662	2,800	2,935	3,070	3,200	3,300	3,390	3,475
Ending stocks	Mil. lbs.	584	495	485	490	500	500	500	500	500	500	500	500
Total consumption	Mil. lbs.	25,475	24,843	23,921	22,790	22,535	22,982	23,461	24,020	24,593	25,042	25,392	25,568
Per capita, retail weight	Pounds	56.3	54.6	52.2	49.4	48.5	49.1	49.8	50.6	51.5	52.1	52.4	52.4
Change from previous year	Percent	-1.8	-3.2	-4.4	-5.4	-1.8	1.3	1.4	1.7	1.7	1.1	0.7	0.0
Prices:													
Beef cattle, farm	\$/cwt	124.67	152.52	157.54	161.69	163.00	161.85	156.47	153.31	151.49	150.60	153.55	156.17
Calves, farm	\$/cwt	174.25	247.86	278.24	263.78	249.96	247.21	237.11	229.26	226.40	223.15	225.85	231.42
Steers, 5-area	\$/cwt	125.89	154.41	159.50	163.70	165.03	163.86	158.42	155.22	153.38	152.48	155.46	158.11
Yearling steers, Oklahoma City	\$/cwt	147.06	202.51	226.75	214.96	203.70	201.46	193.23	186.83	184.50	181.85	184.05	188.59
Feed price ratio:													
Beef cattle-corn	Ratio	18.1	34.2	45.0	47.6	46.6	46.2	44.7	43.2	42.7	41.8	42.1	42.2
Cattle inventory	1,000 head	90,095	87,730	87,700	87,900	88,281	89,613	90,878	92,525	93,419	93,634	93,984	94,127
Beefcow inventory	1,000 head	29,631	29,042	28,922	28,991	29,741	30,992	31,837	32,630	33,031	33,245	33,543	33,697
Total cow inventory	1,000 head	38,853	38,251	38,200	38,250	39,059	40,320	41,165	41,943	42,319	42,504	42,762	42,866

Note: Cwt = hundredweight.

Table 31. Pork long-term projections

Item	Units	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning stocks	Mil. lbs.	625	618	580	605	600	600	600	600	600	600	600	600
Commercial production	Mil. lbs.	23,187	22,662	23,620	24,664	25,052	25,402	25,681	25,922	26,129	26,327	26,554	26,808
Change from previous year	Percent	-0.3	-2.3	4.2	4.4	1.6	1.4	1.1	0.9	0.8	0.8	0.9	1.0
Farm production	Mil. lbs.	13	13	13	13	13	13	13	13	13	13	13	13
Total production	Mil. lbs.	23,200	22,675	23,633	24,677	25,065	25,415	25,694	25,935	26,142	26,340	26,567	26,821
Imports	Mil. lbs.	880	973	900	900	913	926	939	952	965	978	991	1,004
Total supply	Mil. lbs.	24,705	24,266	25,113	26,182	26,578	26,941	27,233	27,487	27,707	27,918	28,158	28,425
Exports	Mil. lbs.	4,992	5,066	5,250	5,375	5,500	5,600	5,675	5,750	5,825	5,900	5,975	6,050
Ending stocks	Mil. lbs.	618	580	605	600	600	600	600	600	600	600	600	600
Total consumption	Mil. lbs.	19,095	18,620	19,258	20,207	20,478	20,741	20,958	21,137	21,282	21,418	21,583	21,775
Per capita, retail weight	Pounds	46.8	45.3	46.6	48.5	48.8	49.1	49.3	49.4	49.4	49.4	49.4	49.5
Change from previous year	Percent	1.9	-3.2	2.7	4.2	0.6	0.6	0.4	0.2	0.0	0.0	0.1	0.2
Prices:													
Hogs, farm	\$/cwt	67.22	77.98	66.96	59.26	56.44	54.59	53.63	52.85	52.59	53.06	54.05	55.65
National base, live equivalent	\$/cwt	64.05	76.60	65.75	57.54	54.79	53.00	52.07	51.31	51.06	51.52	52.48	54.03
Feed price ratio:													
Hog-corn	Ratio	9.8	17.5	19.1	17.4	16.1	15.6	15.3	14.9	14.8	14.7	14.8	15.0
Hog inventory,													
December 1, previous year	1,000 head	66,224	64,775	65,400	66,916	67,480	67,987	68,393	68,743	69,043	69,331	69,661	70,030

Note: Cwt = hundredweight.

Table 32. Young chicken long-term projections

Item	Units	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning stocks	Mil. lbs.	651	669	610	645	650	650	650	650	650	650	650	650
Federally inspected slaughter	Mil. lbs.	37,830	38,484	39,630	40,586	41,525	42,307	43,081	43,805	44,421	44,967	45,483	45,997
Change from previous year	Percent	2.1	1.7	3.0	2.4	2.3	1.9	1.8	1.7	1.4	1.2	1.1	1.1
Production	Mil. lbs.	37,425	38,072	39,206	40,151	41,081	41,854	42,620	43,336	43,946	44,486	44,997	45,505
Total supply	Mil. lbs.	38,198	38,859	39,932	40,913	41,849	42,623	43,390	44,107	44,718	45,259	45,771	46,280
Change from previous year	Percent	2.3	1.7	2.8	2.5	2.3	1.9	1.8	1.7	1.4	1.2	1.1	1.1
Exports	Mil. lbs.	7,345	7,319	7,400	7,629	7,805	7,952	8,098	8,234	8,350	8,452	8,549	8,646
Ending stocks	Mil. lbs.	669	610	645	650	650	650	650	650	650	650	650	650
Consumption	Mil. lbs.	30,184	30,930	31,887	32,634	33,394	34,021	34,642	35,223	35,718	36,157	36,572	36,984
Per capita, retail weight	Pounds	81.9	83.4	85.4	86.7	88.1	89.2	90.2	91.1	91.7	92.2	92.7	93.1
Change from previous year	Percent	1.9	1.8	2.4	1.6	1.6	1.2	1.1	1.0	0.7	0.5	0.5	0.4
Prices:													
Broilers, farm	Cents/lb.	60.5	64.2	63.5	62.7	61.9	61.3	60.7	60.2	59.9	60.3	61.1	62.2
Broilers, National composite	Cents/lb.	99.7	105.2	104.0	102.9	101.7	100.7	99.7	98.8	98.3	99.1	100.3	102.2
Feed price ratio:													
Broiler-feed ¹	Ratio	3.5	4.7	6.0	6.6	6.4	6.3	6.1	6.0	5.9	5.9	5.9	6.0

¹Broiler feed price based on 58 percent corn price and 42 percent soybean price, as used by USDA, National Agricultural Statistics Service.

Table 33. Turkey long-term projections

Item	Units	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning stocks	Mil. lbs.	296	237	215	275	300	300	300	300	300	300	300	300
Production	Mil. lbs.	5,729	5,739	5,925	6,041	6,162	6,280	6,371	6,464	6,540	6,615	6,692	6,773
Total supply	Mil. lbs.	6,047	6,005	6,168	6,344	6,490	6,608	6,699	6,792	6,868	6,943	7,020	7,101
Change from previous year	Percent	-1.2	-0.7	2.7	2.9	2.3	1.8	1.4	1.4	1.1	1.1	1.1	1.1
Exports	Mil. lbs.	759	799	820	825	830	835	840	845	850	860	870	880
Ending stocks	Mil. lbs.	237	215	275	300	300	300	300	300	300	300	300	300
Consumption	Mil. lbs.	5,051	4,991	5,073	5,219	5,360	5,473	5,559	5,647	5,718	5,783	5,850	5,920
Per capita	Pounds	16.0	15.7	15.8	16.2	16.5	16.7	16.8	17.0	17.1	17.2	17.3	17.3
Change from previous year	Percent	-0.3	-1.9	0.9	2.2	2.0	1.4	0.9	0.9	0.6	0.5	0.5	0.5
Prices:													
Turkey, farm	Cents/lb.	66.5	72.0	71.2	71.6	70.6	69.3	68.3	66.8	66.0	66.4	67.1	68.4
Hen turkeys, National	Cents/lb.	99.8	107.6	106.5	107.0	105.7	103.7	102.1	99.9	98.7	99.3	100.4	102.3
Feed price ratio:													
Turkey-feed ¹	Ratio	4.2	5.7	7.2	8.1	8.0	7.7	7.5	7.3	7.1	7.1	7.1	7.2

¹Turkey feed price based on 51 percent corn price, 28 percent soybean price, and 21 percent wheat price, as used by USDA, National Agricultural Statistics Service.

Table 34. Egg long-term projections

Item	Units	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning stocks	Mil. doz.	21	23	23	23	23	23	23	23	23	23	23	23
Production	Mil. doz.	8,046	8,237	8,430	8,540	8,651	8,780	8,912	9,019	9,127	9,228	9,329	9,432
Change from previous year	Percent	2.1	2.4	2.3	1.3	1.3	1.5	1.5	1.2	1.2	1.1	1.1	1.1
Imports	Mil. doz.	17	33	40	40	40	40	40	40	40	40	40	40
Total supply	Mil. doz.	8,084	8,293	8,493	8,603	8,714	8,843	8,975	9,082	9,190	9,291	9,392	9,495
Change from previous year	Percent	2.0	2.6	2.4	1.3	1.3	1.5	1.5	1.2	1.2	1.1	1.1	1.1
Hatching use	Mil. doz.	960	975	1,000	1,019	1,036	1,051	1,065	1,078	1,090	1,100	1,109	1,118
Exports	Mil. doz.	372	362	355	358	361	364	367	370	373	376	379	382
Ending stocks	Mil. doz.	23	23	23	23	23	23	23	23	23	23	23	23
Consumption	Mil. doz.	6,729	6,933	7,115	7,203	7,294	7,405	7,520	7,611	7,704	7,792	7,881	7,972
Per capita	Number	255.2	261.1	266.0	267.5	269.0	271.2	273.5	274.9	276.4	277.7	278.9	280.2
Change from previous year	Percent	0.3	2.3	1.9	0.5	0.6	0.8	0.9	0.5	0.5	0.5	0.5	0.5
Prices:													
Eggs, farm	Cents/doz.	108.9	119.8	112.0	100.4	98.6	95.2	91.7	89.9	89.0	89.0	89.0	89.0
New York, Grade A large	Cents/doz.	124.7	137.2	128.3	115.0	113.0	109.0	105.0	103.0	102.0	102.0	102.0	102.0
Feed price ratio:													
Egg-feed ¹	Ratio	7.2	10.5	12.6	12.4	12.0	11.4	10.8	10.5	10.3	10.2	10.1	10.0

¹/Egg feed price based on 75 percent corn price and 25 percent soybean price, as used by USDA, National Agricultural Statistics Service.

Table 35. Dairy long-term projections

Item	Units	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Milk production and marketings:													
Number of cows	Thousand	9,221	9,255	9,325	9,350	9,365	9,375	9,375	9,360	9,335	9,305	9,265	9,215
Milk per cow	Pounds	21,822	22,285	22,770	23,275	23,680	24,140	24,580	25,100	25,495	25,980	26,475	27,060
Milk production	Bil. lbs.	201.2	206.2	212.3	217.6	221.8	226.3	230.4	234.9	238.0	241.7	245.3	249.4
Farm use	Bil. lbs.	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9
Marketings	Bil. lbs.	200.2	205.2	211.3	216.6	220.8	225.3	229.5	234.0	237.0	240.8	244.4	248.4
Supply and use, milkfat basis:													
Beginning commercial stocks	Bil. lbs.	12.2	11.2	10.5	12.1	12.6	13.0	13.3	13.5	13.6	13.7	13.6	13.5
Marketings	Bil. lbs.	200.2	205.2	211.3	216.6	220.8	225.3	229.5	234.0	237.0	240.8	244.4	248.4
Imports	Bil. lbs.	3.7	4.2	3.8	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.9	4.1
Commercial supply	Bil. lbs.	216.2	220.6	225.7	232.5	237.1	242.0	246.4	251.1	254.4	258.3	261.9	266.0
Domestic commercial use	Bil. lbs.	192.6	197.8	202.6	207.9	211.2	214.7	218.2	221.7	224.3	227.6	230.8	234.6
Commercial exports	Bil. lbs.	12.4	12.3	11.0	12.0	12.8	14.0	14.8	15.8	16.5	17.1	17.6	17.9
Ending commercial stocks	Bil. lbs.	11.2	10.5	12.1	12.6	13.0	13.3	13.5	13.6	13.7	13.6	13.5	13.5
Total utilization	Bil. lbs.	216.2	220.6	225.7	232.5	237.1	242.0	246.4	251.1	254.4	258.3	261.9	266.0
Supply and use, skim solids basis:													
Beginning commercial stocks	Bil. lbs.	12.4	11.6	12.0	12.8	13.1	13.4	13.6	13.8	13.9	14.0	14.1	14.0
Marketings	Bil. lbs.	200.2	205.2	211.3	216.6	220.8	225.3	229.5	234.0	237.0	240.8	244.4	248.4
Imports	Bil. lbs.	5.3	5.8	5.4	5.2	5.1	5.1	5.1	5.2	5.3	5.3	5.4	5.5
Commercial supply	Bil. lbs.	217.9	222.6	228.8	234.7	239.0	243.8	248.2	252.9	256.2	260.1	263.9	268.0
Domestic commercial use	Bil. lbs.	167.7	172.3	178.6	182.4	184.8	187.3	190.0	193.0	195.0	197.6	200.2	203.0
Commercial exports	Bil. lbs.	38.5	38.3	37.4	39.1	40.8	42.9	44.4	46.0	47.2	48.5	49.7	50.9
Ending commercial stocks	Bil. lbs.	11.6	12.0	12.8	13.1	13.4	13.6	13.8	13.9	14.0	14.1	14.0	14.0
Total utilization	Bil. lbs.	217.9	222.6	228.8	234.7	239.0	243.8	248.2	252.9	256.2	260.1	263.9	268.0
Prices:													
All milk	\$/cwt	20.05	24.20	19.30	18.70	18.30	18.05	18.05	18.05	18.25	18.50	18.90	19.20
Cheese	\$/lb.	1.77	2.18	1.73	1.70	1.66	1.64	1.63	1.63	1.63	1.65	1.68	1.71
Butter	\$/lb.	1.55	2.14	1.72	1.55	1.47	1.43	1.42	1.39	1.41	1.44	1.47	1.50
Nonfat dry milk	\$/lb.	1.71	1.78	1.45	1.43	1.41	1.41	1.43	1.46	1.50	1.52	1.56	1.58
Dry whey	\$/lb.	0.59	0.66	0.57	0.58	0.58	0.58	0.59	0.59	0.60	0.60	0.62	0.62

Note: Cwt = hundredweight.

Totals may not add due to rounding.