Livestock and Poultry Economic Outlook

Larry Haller
(Lawrence.haller@ams.usda.gov)
Senior Economist

Agricultural Analytics Division
Agricultural Marketing Service
U.S. Department of Agriculture

AMS Annual Industry Conference
Egg, Fish, Poultry, and Red Meat Breakout Sessions

October 24 – 25, 2017
Broiler Industry

- **Supply**
  - Production increasing in 2018 – up 2%
  - Live weights appear to have plateaued

- **Demand**
  - 2017 per capita disappearance 90.6 lbs, up 1%
  - 2018 per capita disappearance 91.5 lbs, up 1%
  - Exports up in 2018 by 3%

- **Price Trends**
  - 2017 wholesale whole bird—$0.88/lb, down 5%
  - Retail composite—$1.93/lb, up 3%
Turkey Industry

- **Supply**
  - Production up in 2018 by 2%
  - Live weights continue to increase

- **Demand**
  - 2017 per capita disappearance 16.5 lbs, down 1%
  - 2018 per capita disappearance 17.0 lbs, up 3%
  - 2018 turkey exports up 6%

- **Price Trends**
  - 2018 wholesale whole hen $1.04/lb, up 6%
  - Retail whole bird $1.52/lb., down 3%
Egg Industry

- **Supply**
  - Industry slowing transition to cage-free
  - Table egg production up 1% in 2018
  - Eggs broken up 2% in 2018

- **Demand**
  - Per capita disappearance 276 eggs in 2017, unchanged
  - Per capita disappearance up 1% in 2018
  - Exports up 5% in 2018

- **Price Trends**
  - 2018 wholesale Grade A large $0.95/doz, up 2%
  - Retail Grade A large $1.62/doz, up 13%
Cattle/Beef Industry

- **Supply**—Record high production continues
  - Production up 5% in 2017 to 26.5 billion lbs and up 3% in 2018 to 27.3 billion lbs
  - Imports down 5% in 2017 and up 2% in 2018

- **Demand**
  - Per capita disappearance in 2017 up 4% to 57.6 lbs., and in 2018 up 2% to 58.8 lbs
  - Exports up 11% in 2017 and 3% in 2018

- **Price Trends**
  - Current Retail Choice beef $5.78/lb, Wholesale $2.83/lb
  - Retail prices virtually flat in 2017 at $5.96/lb and down less that 1% in 2018 at $5.93/lb
Swine/Pork Industry

- Supply—Record High Production
  - Production increase 3.5% in 2017 to 25.8 billion lbs
  - Production increase 4% in 2018 to 26.9 billion lbs
  - Imports up 2% in 2017 and down 10% in 2018

- Demand
  - Per capita disappearance 2017 50.4 lbs, up 1%
  - Per capita disappearance 2018 51.5 lbs, up 2%
  - Exports up 11% in 2017 and up 3% in 2018

- Price Trends
  - Current retail price $3.99 per lb, wholesale price $1.29 lb
  - Retail prices for 2017 should average $3.70/lb, down 1%, and $3.50/lb for 2018, down 5%
Sheep/Lamb Industry

- **Supply**
  - Production decrease 3% in 2017 to 145 million lbs
  - Production flat in 2018
  - Imports up 16% in 2017, down 3% in 2018

- **Demand**
  - Per capita disappearance 2017 1.1 lbs
  - Per capita disappearance 2018 1.0 lbs

- **Price Trends**
  - Between −0.5% and +0.5% in 2017, up 1.5% − 2.5% in 2018
Fish

- **Catfish (Top 3 states)**
  - Loss of surface acres down 1% from 2016
  - More than 20% of catfish are now hybrid, which is causing some adjustment problems

- **Salmon**
  - Sockeye harvests about even with 2016 totals; prices higher in 2017
  - Pink salmon harvests up significantly in 2017 after a small 2016 harvest; prices steady to slightly higher
Fish, cont’d.

- Pollock
  - Strong harvest season, with prices rising from 2016 lows as producers work down high inventories

- Tuna
  - Restrictions on Yellowfin Tuna in the Indian Ocean have affected supplies and prices of other tuna species and other tuna harvesting regions

- Fish/Seafood prices up 1% – 2% in 2017 and 0.5% – 1.5% in 2018
General Outlook

- **Feed situation**
  - Corn—prices in 2018 expected to fall 2%
  - Soybean meal—prices in 2018 expected to be unchanged

- **Trade**
  - Weakened U.S. dollar in 2017 is supporting exports

*Note: All forecasts assume no new HPAI outbreak*
Questions?

Don’t forget to check out our monthly publication, “The Economic Landscape” available at

https://www.ams.usda.gov/services/market-research/aad