

# **Outlook for U.S. Livestock and Poultry in 2010**

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# **Weak Demand in 2009...**

- **U.S. GDP -2.5, World GDP -2.1**
- **U.S. unemployment rises to 10%**
- **Disposable income growth weak**
- **Consumer confidence weak**
- **Reduced restaurant sales**

# **Weak Demand In 2009 Impacts The Meat Sector**

- **Producer returns negative**
  - Reflects high feed prices of 2008
  - Impacting production through 2009
- **Recession compounds losses for sector**

# Meat Production Falls in 2009

Billion Pounds	2008	2009	% Change
Beef	<b>26.56</b>	<b>25.96</b>	<b>-2.3</b>
Pork	<b>23.35*</b>	<b>23.00</b>	<b>-1.5</b>
Broiler Meat	<b>36.91*</b>	<b>35.49</b>	<b>-3.8</b>
Turkey	<b>6.25*</b>	<b>5.66</b>	<b>-9.3</b>

\* Record

# Livestock & Poultry Prices Lower in 2009

	2008	2009	% Change
Cattle, \$/cwt	92.27*	82.68	-10.4
Hogs, \$/cwt	47.84	41.24	-13.8
12-City Broilers, ¢/lb	79.7*	77.6	-2.6
Eastern Turkey Hens, ¢/lb	87.5*	79.5	-9.1

# Meat Exports Lower in 2009

Billion Pounds	2008	2009	% Change
Beef	1.89	1.87	-0.9
Pork	4.67*	4.13	-11.6
Broiler Meat	6.96*	6.84	-1.8
Turkey	0.68*	0.53	-20.9

# What to Look For In 2010...

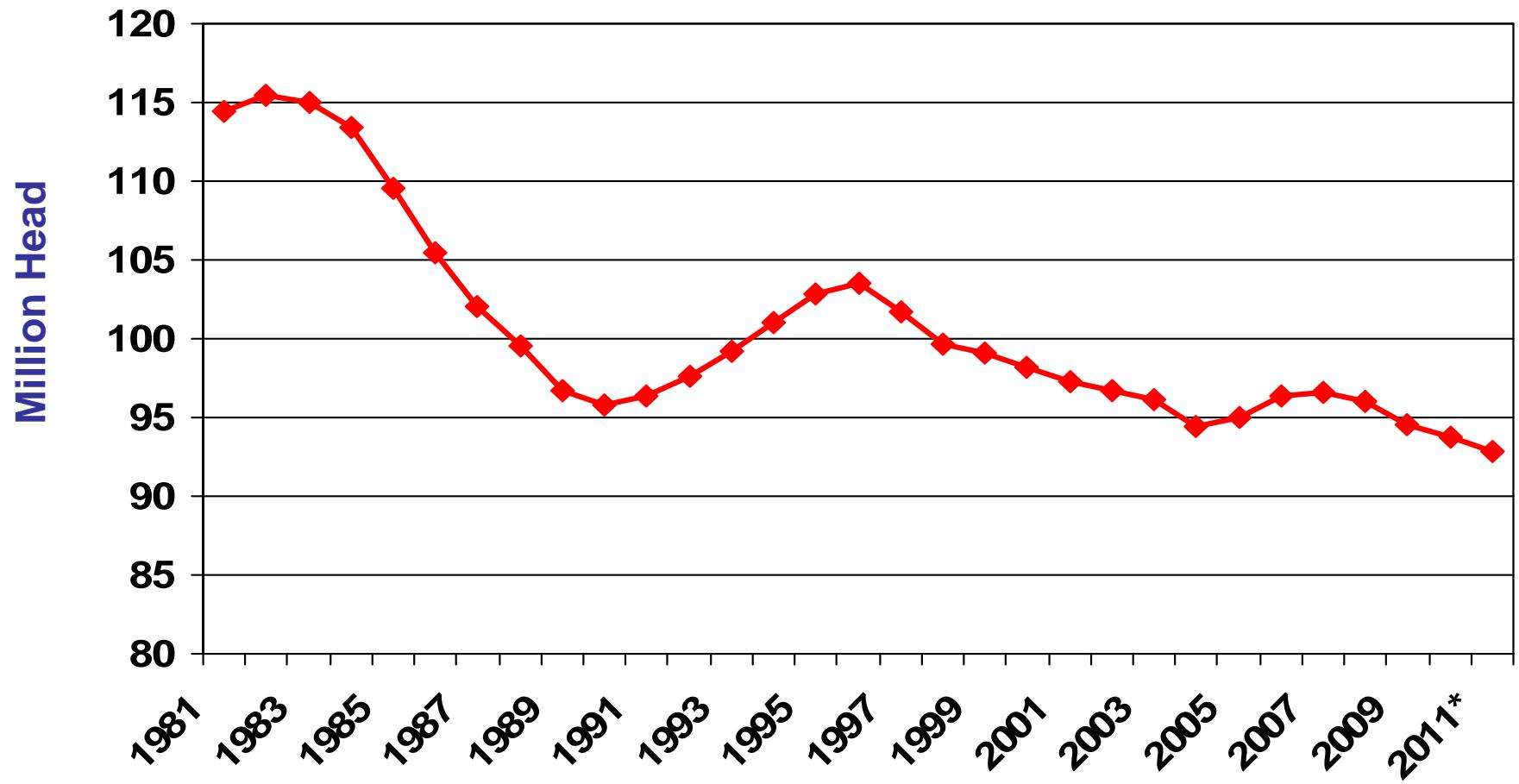
- Positive GDP, domestic and international
- Relatively weak U.S. dollar
- Demand will firm?
  - Consumer confidence stronger
  - Restaurant sales pick up
  - Disposable income growth higher than 2009
  - But, persistent high unemployment

# What to Look For In 2010...

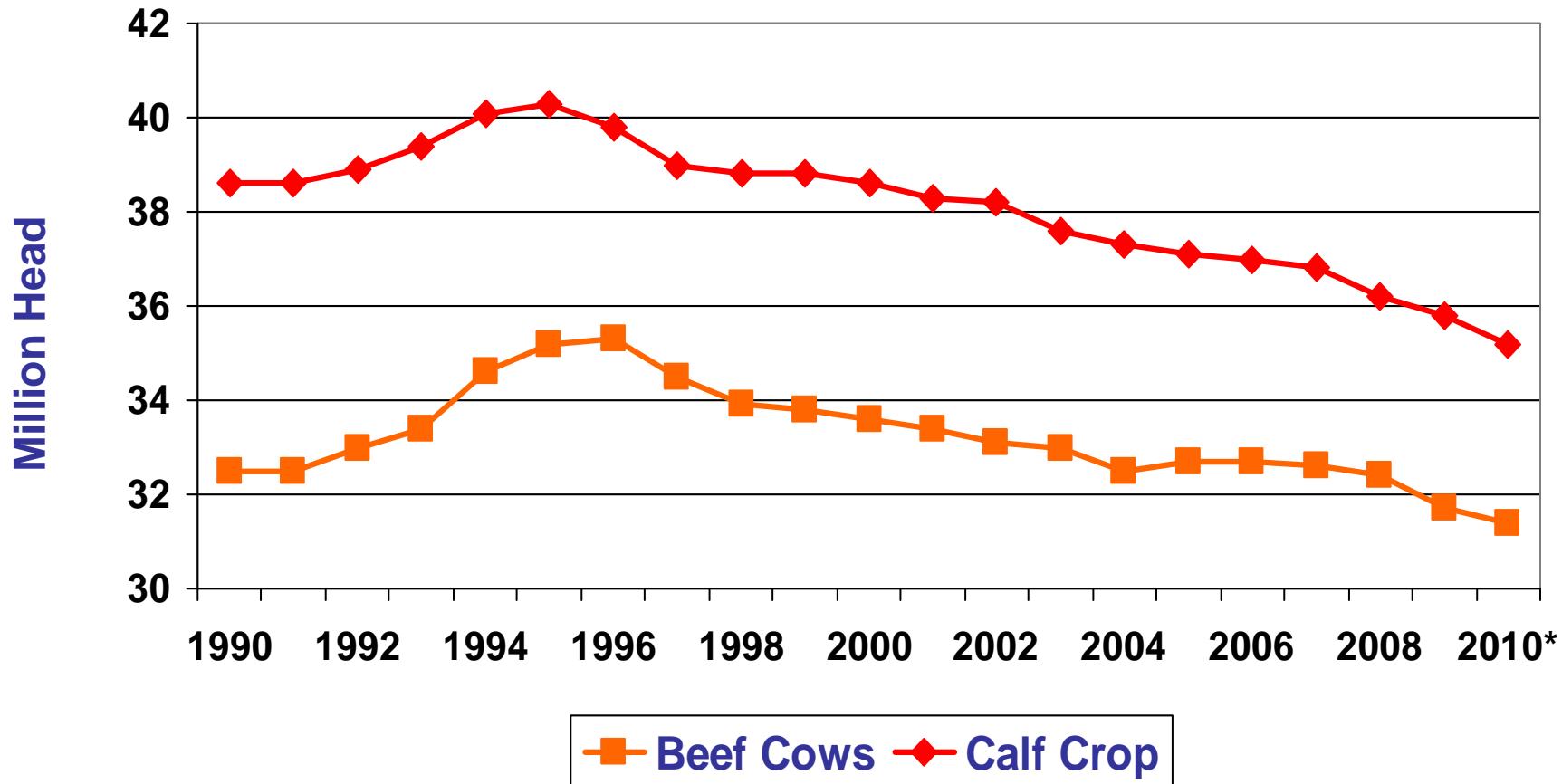
- Producer returns improving
  - Lower to steady feed prices
  - Higher prices across the board
- Declining or slow growth in meat output
- Stronger exports for red meat
- Trade issues for poultry
- Declining per capita disappearance

# Cattle and Beef

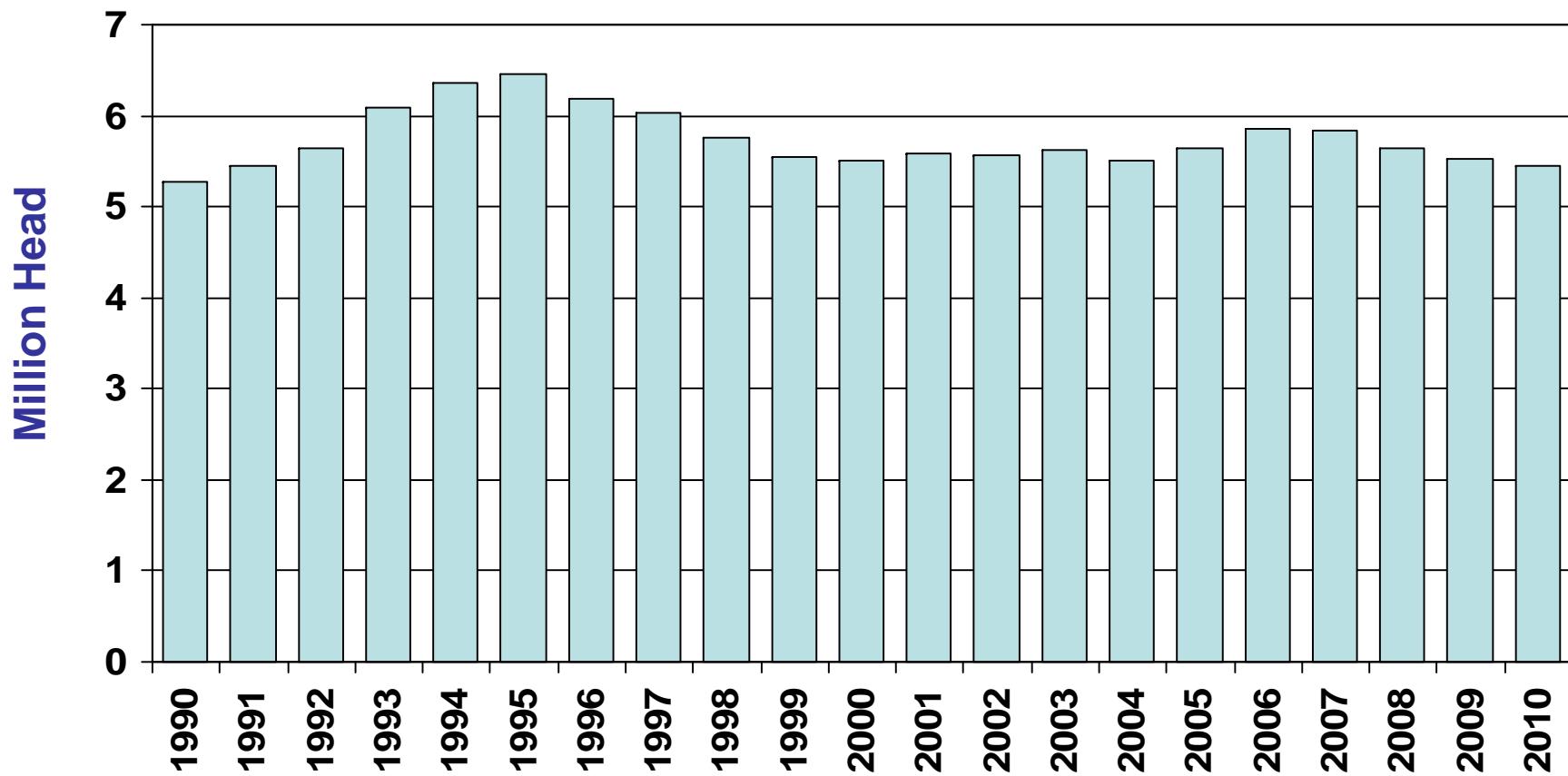
# Cattle Herd at 93.7 Million on Jan 1, 2010, Herd Contraction Continues During Year



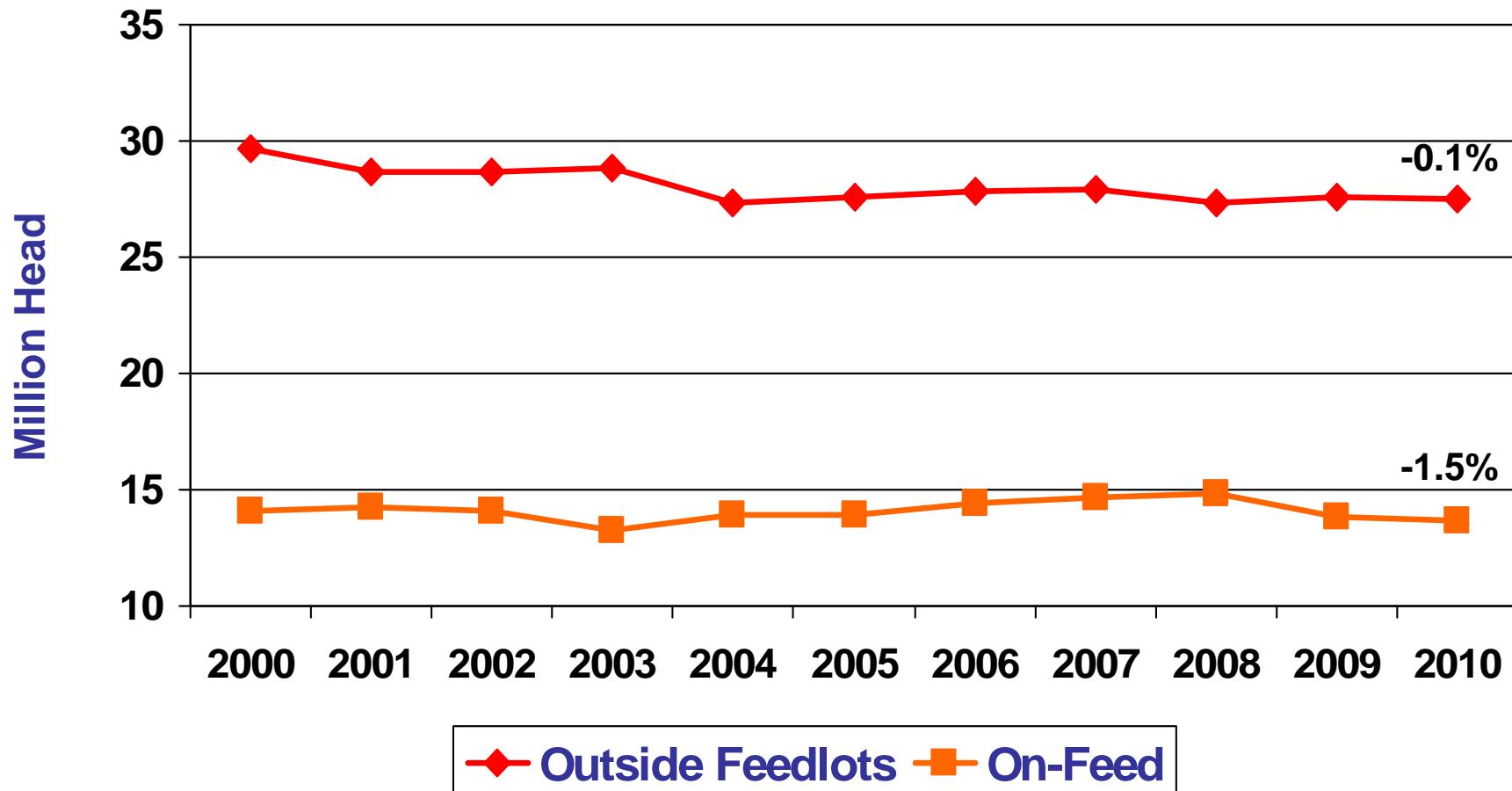
# Beef Cows 1 Percent Lower Jan. 1, 2010. Calf Crop Declines This Year



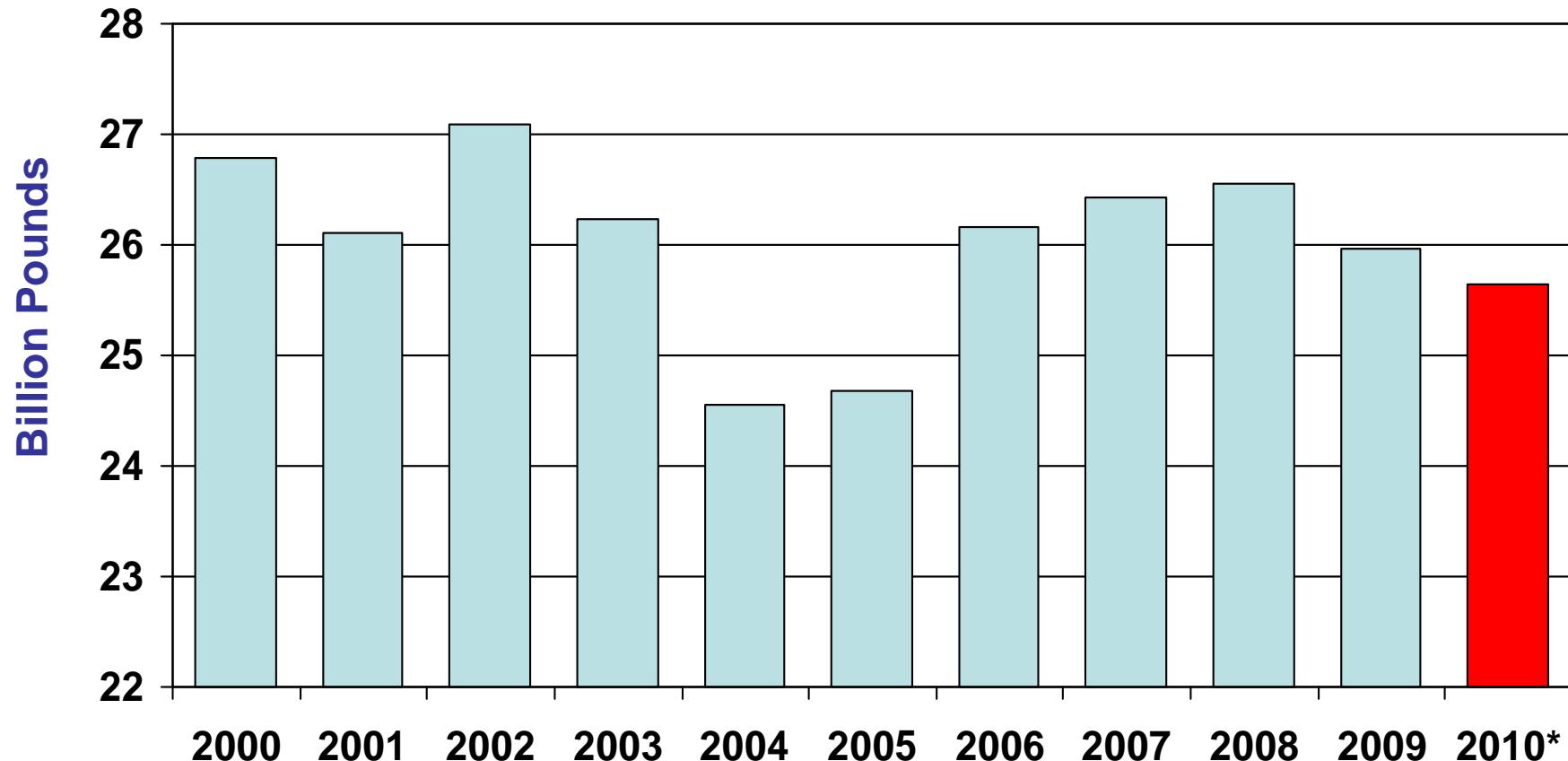
# Beef Replacement Heifers 2 Percent Lower on January 1



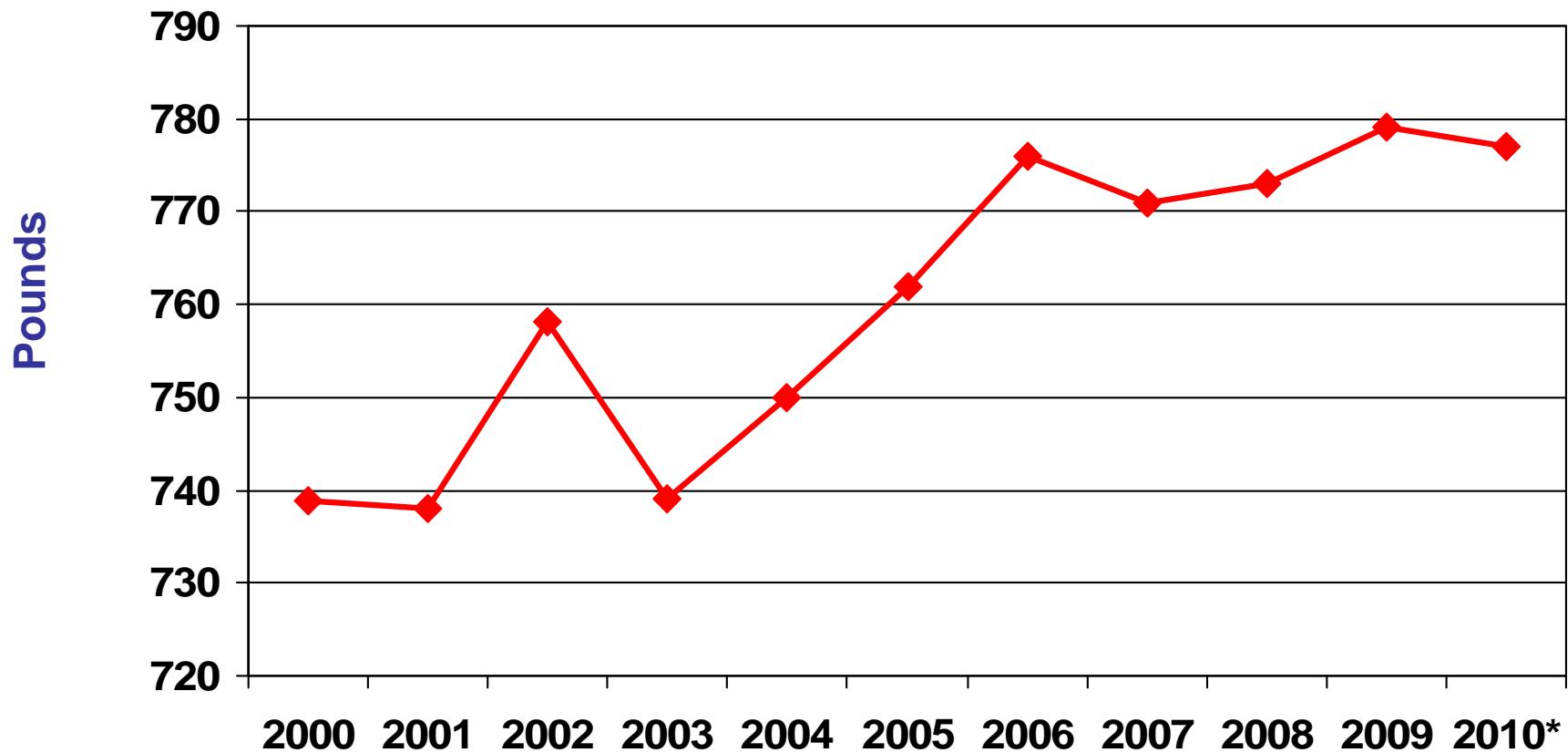
# Cattle On Feed Lower on January 1



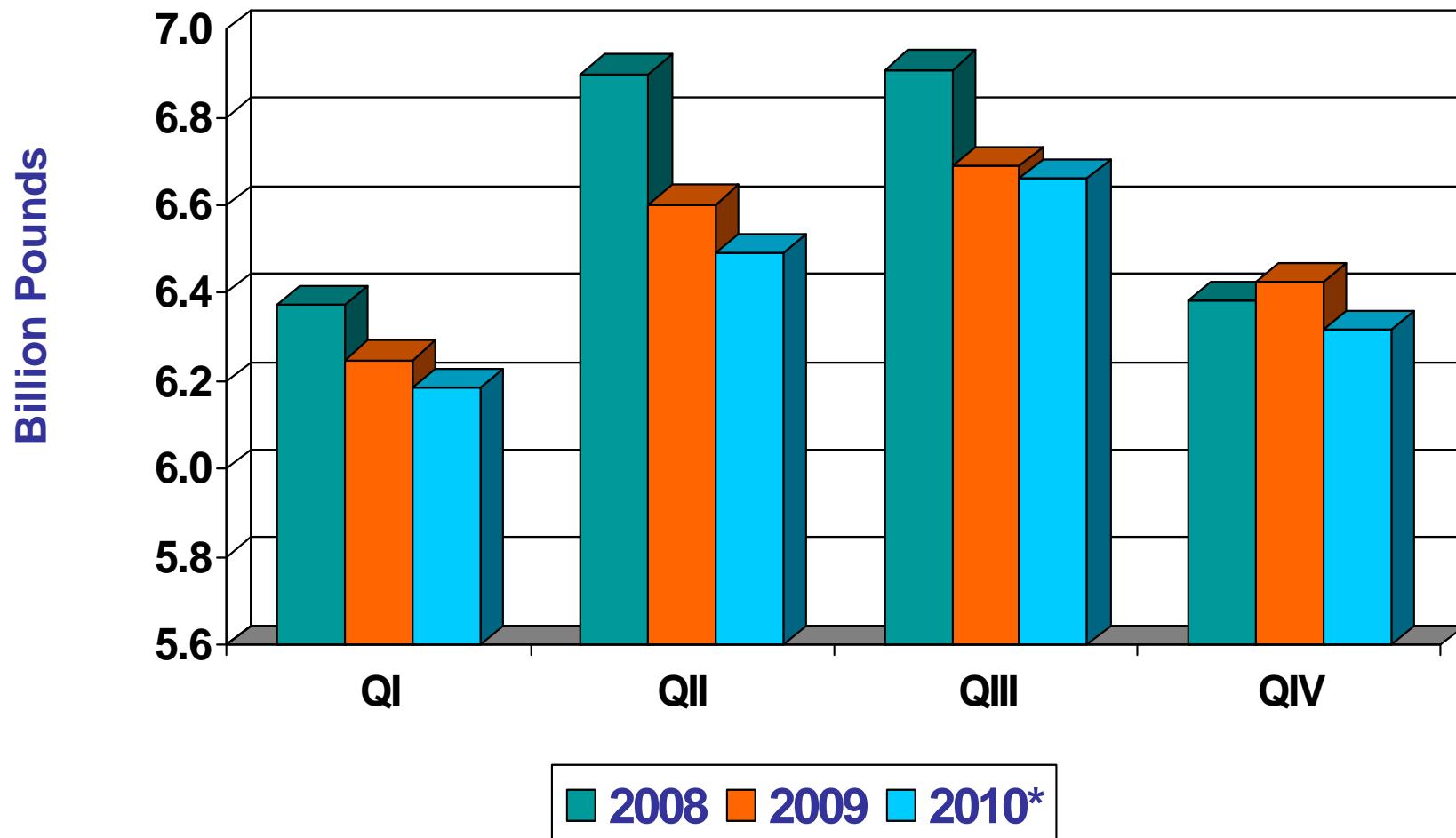
# Beef Production to Decline to 25.7 Billion Pounds in 2010



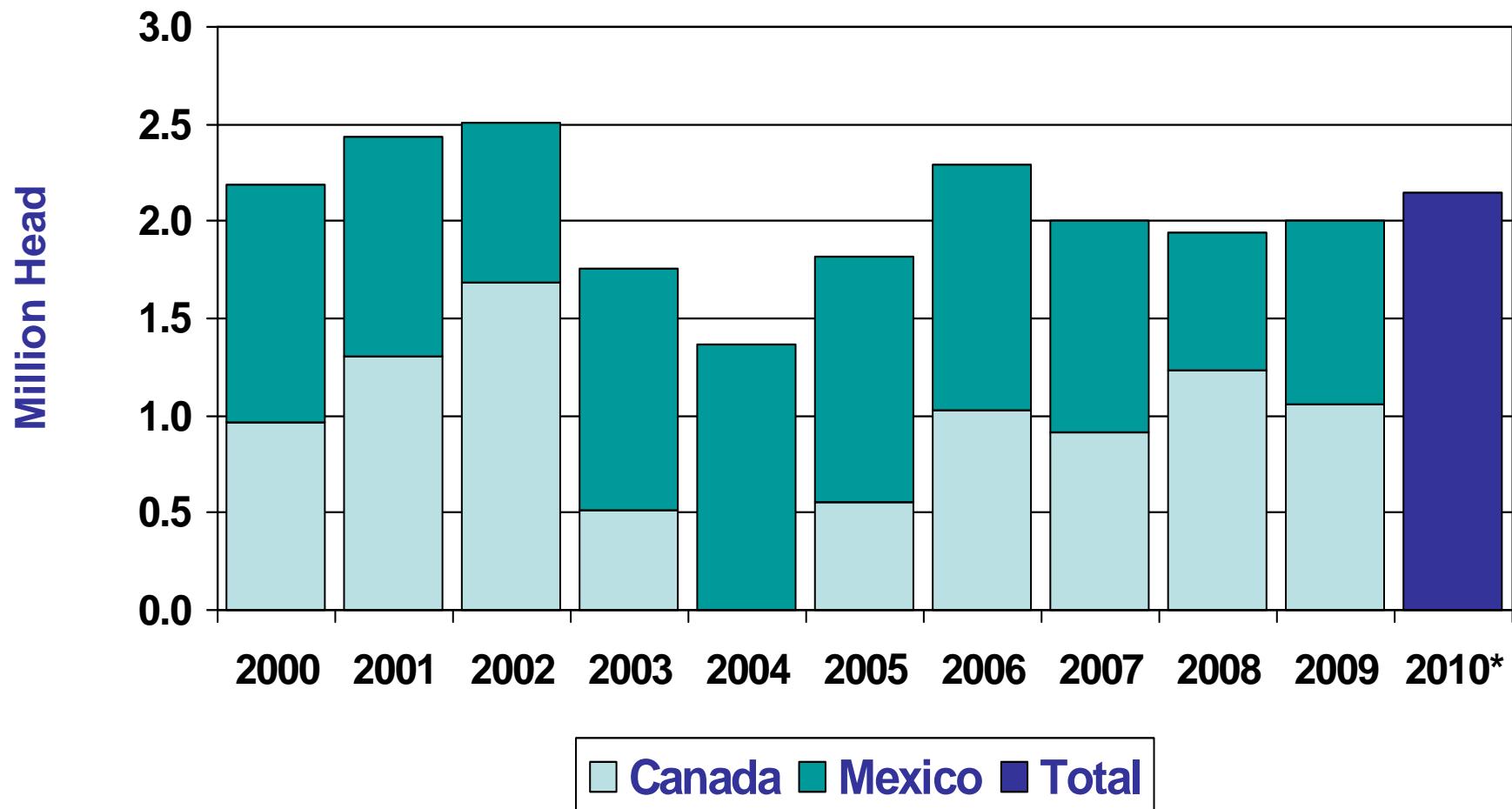
# Average Cattle Carcass Weight Growth Slips in 2010



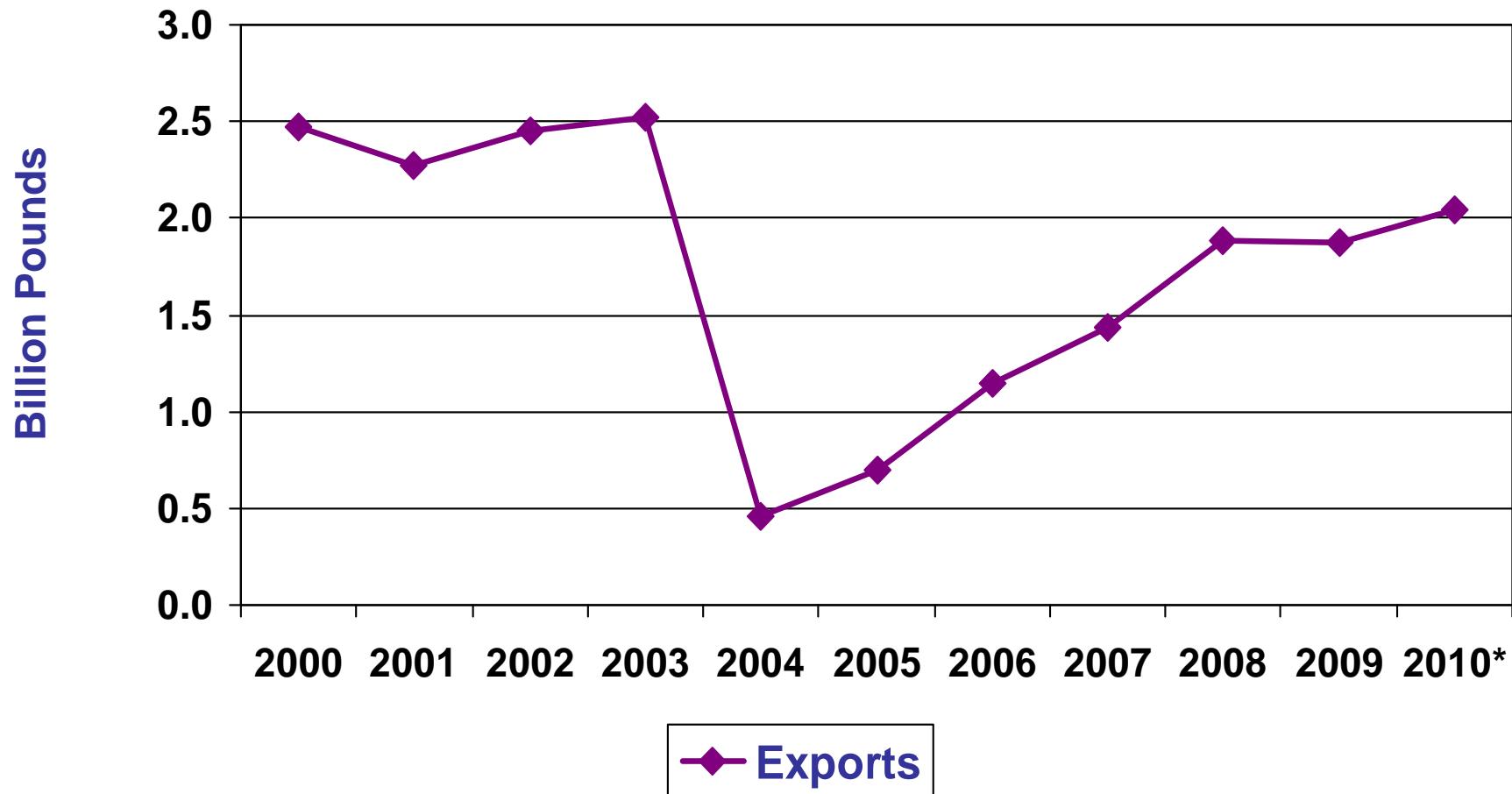
# Beef Output Falls Below Year Earlier in Each Quarter



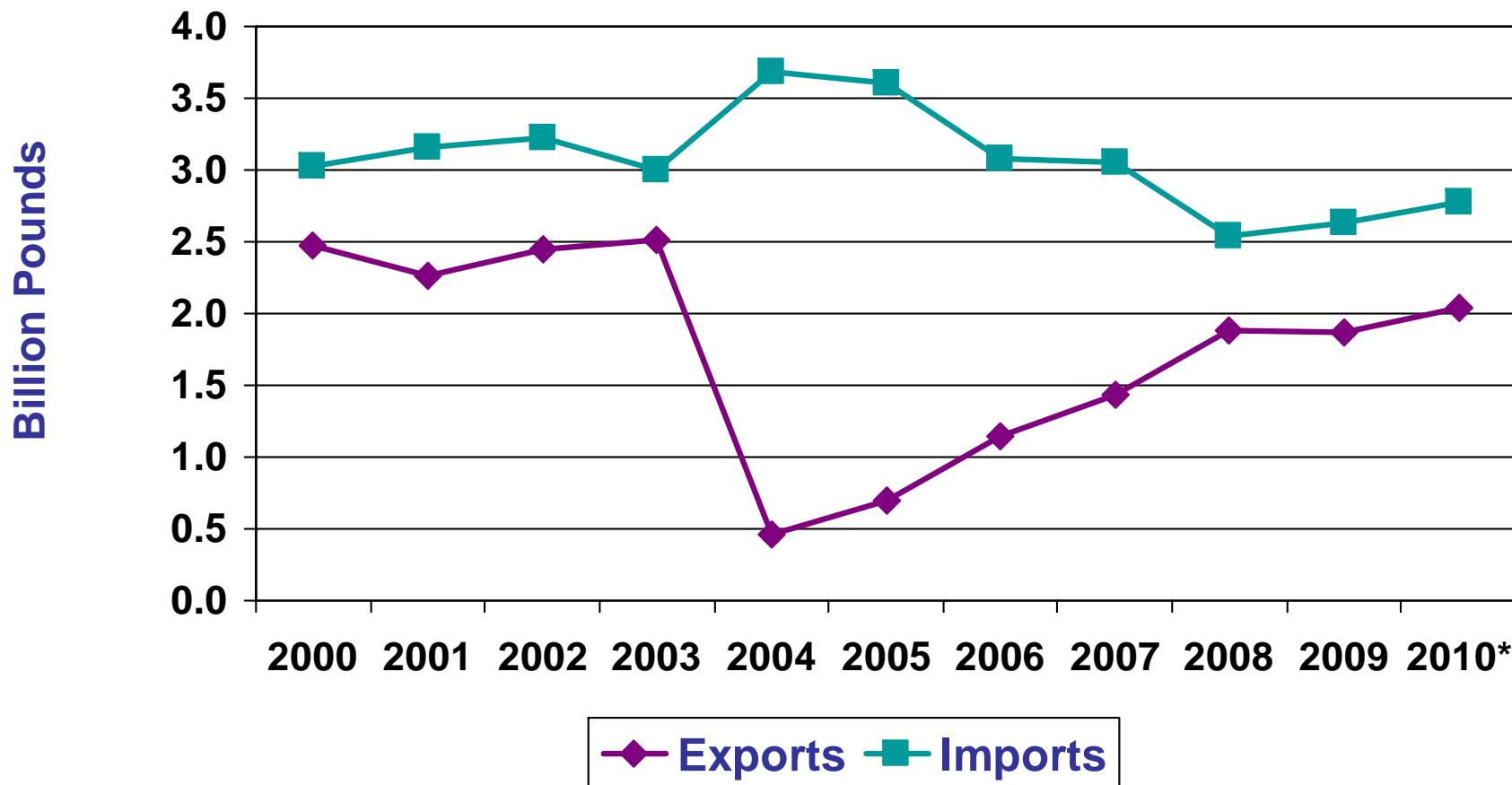
# Cattle Imports Increase About 5 Percent to 2.1 Million Head In 2010



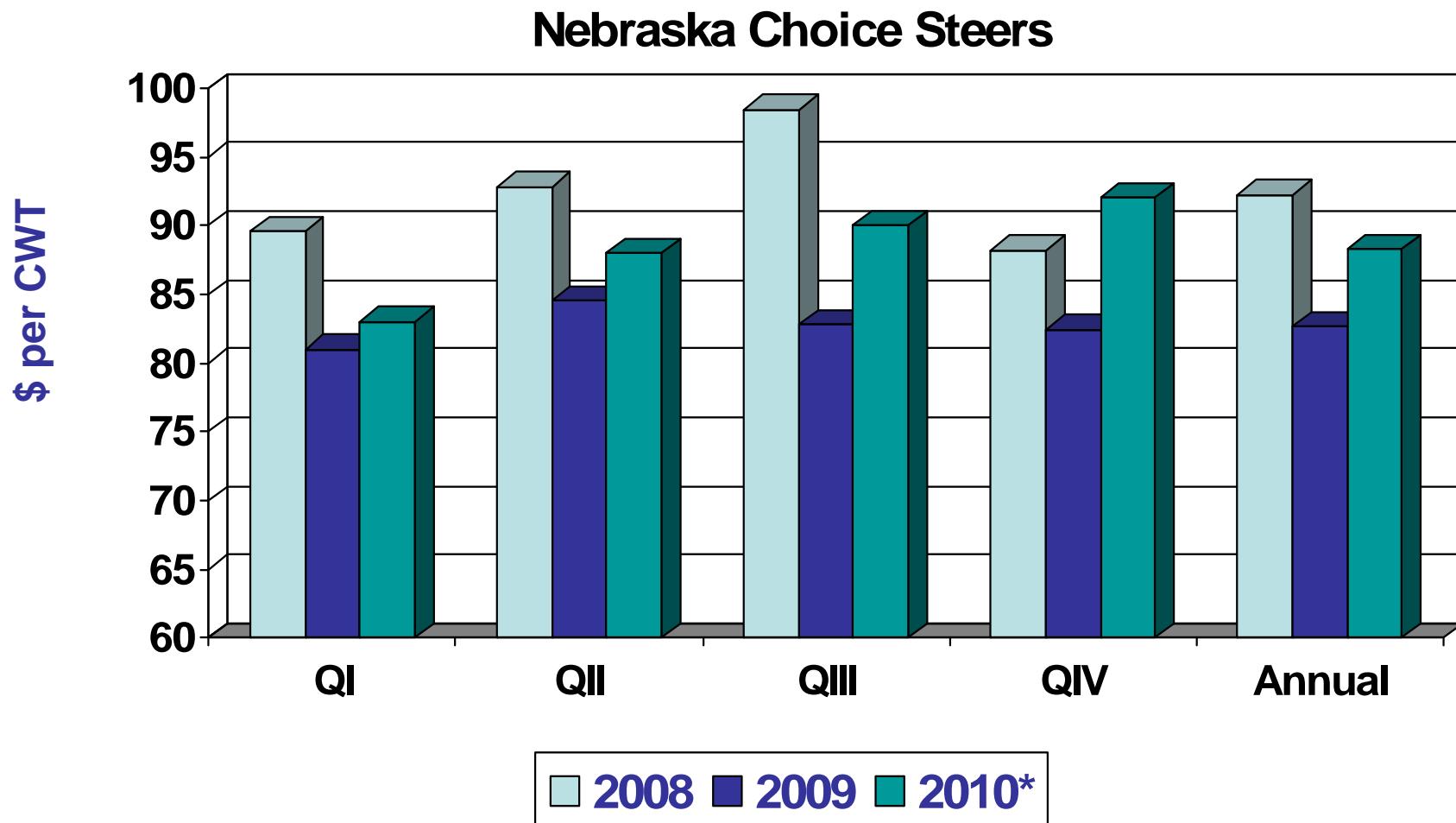
# Beef Exports Expected to Exceed 2 Billion Pounds



# Beef Imports Increase 6 Percent to 2.8 Billion Pounds

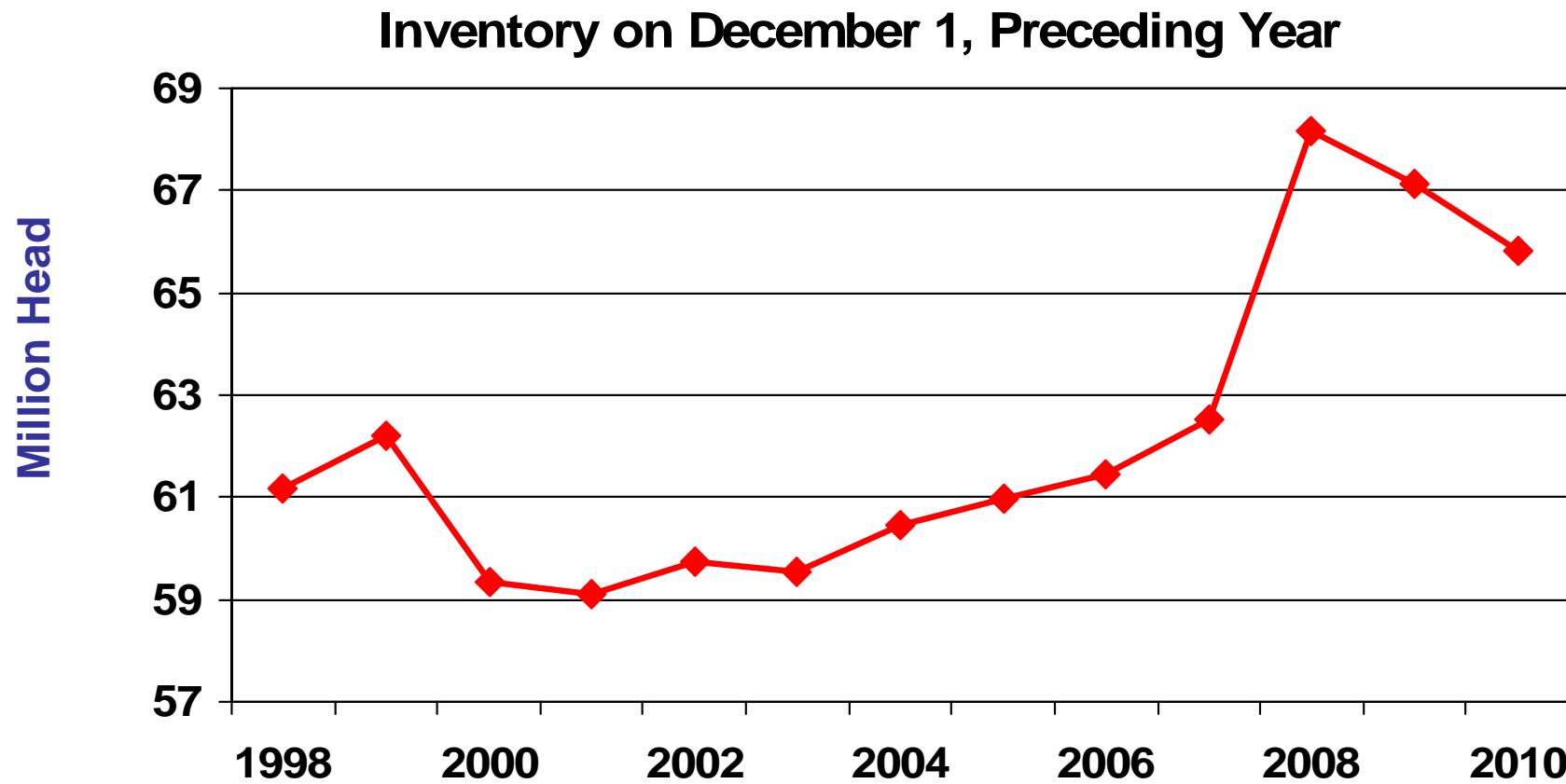


# Cattle Prices Rise in 2010, to Average \$85 to \$91 per cwt

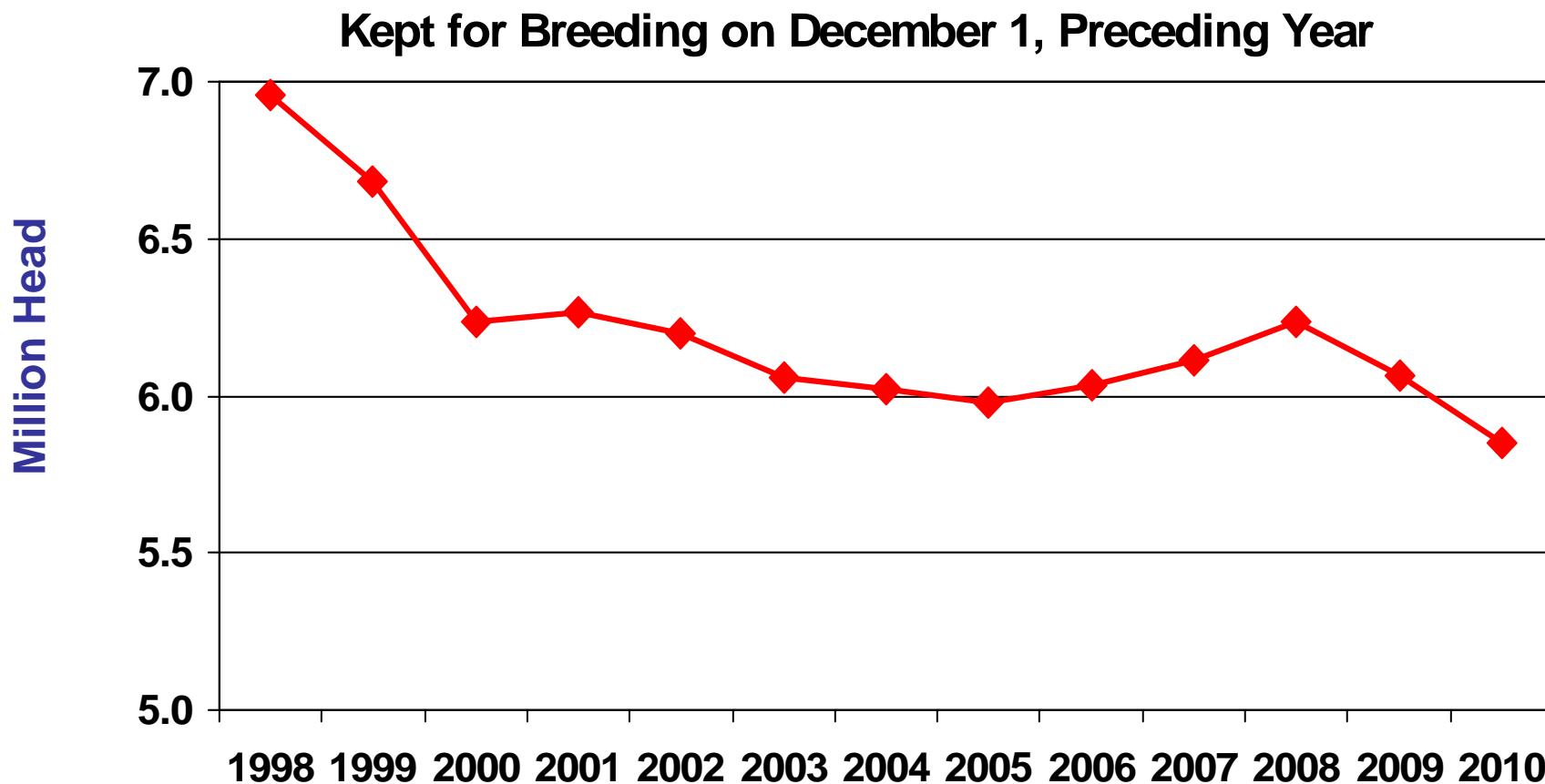


# Hogs and Pork

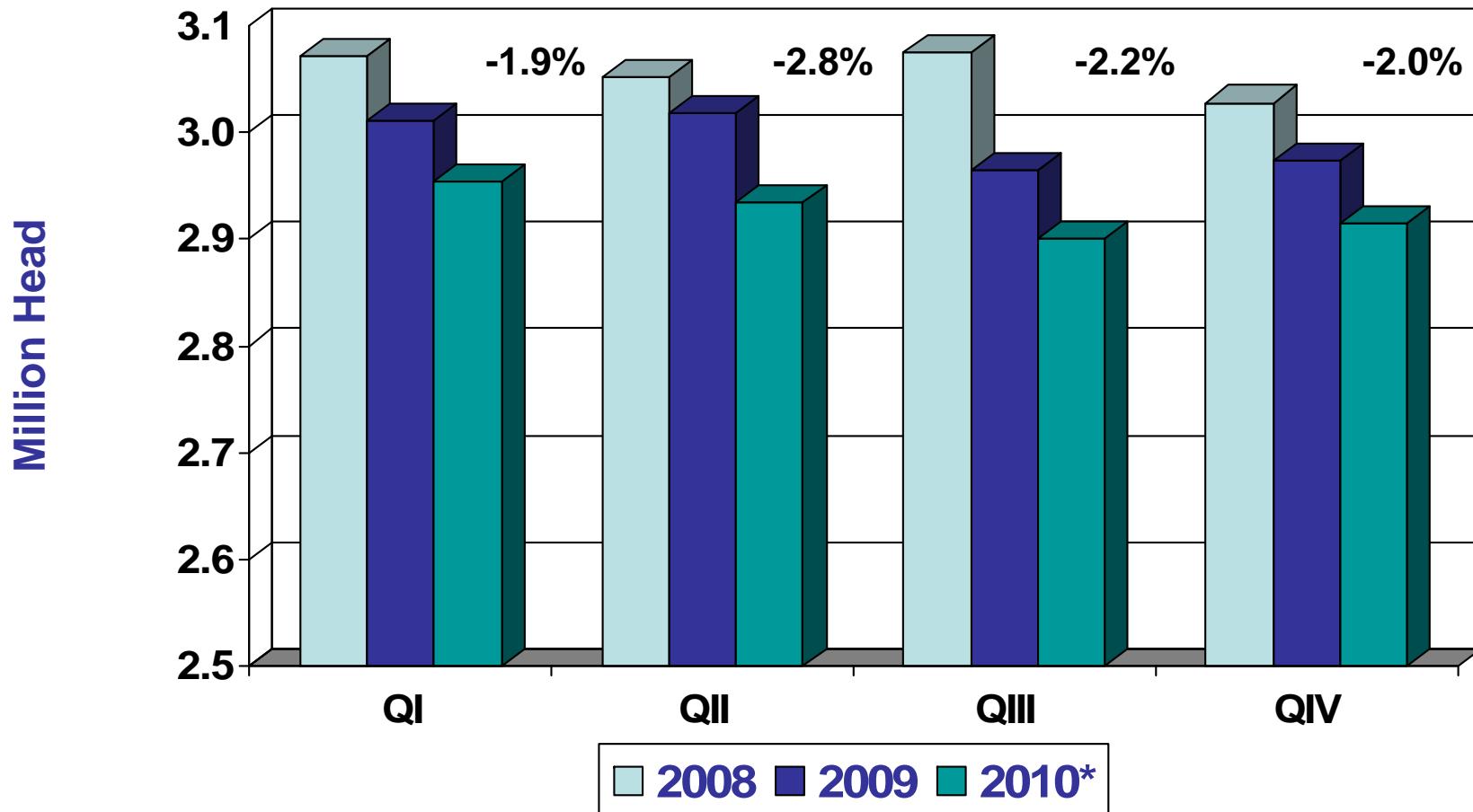
# Beginning Hog Inventory Falls 2 Percent to 65.8 Million Head



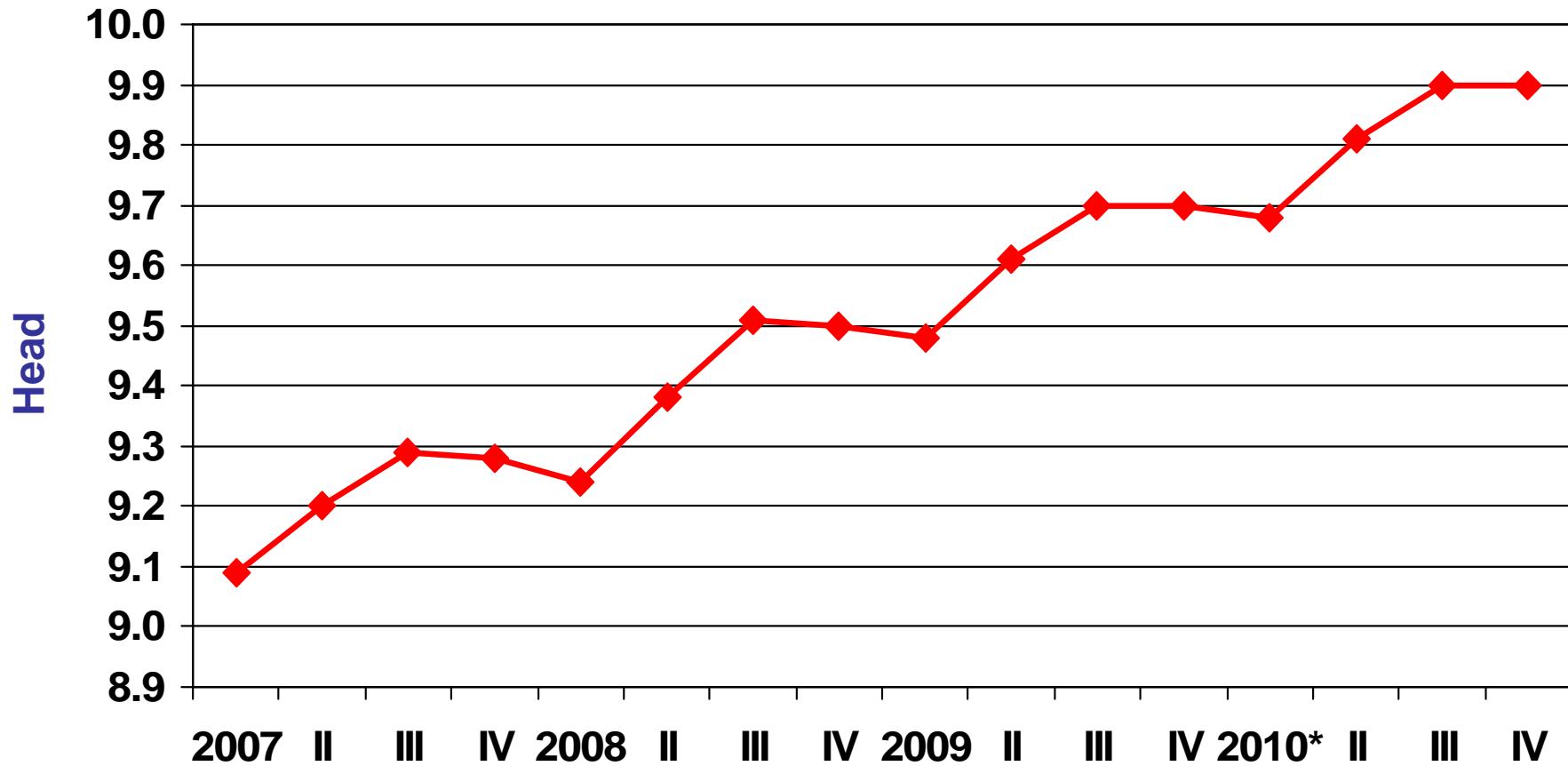
# Breeding Herd Falls 3.5 Percent to 5.85 Million Head



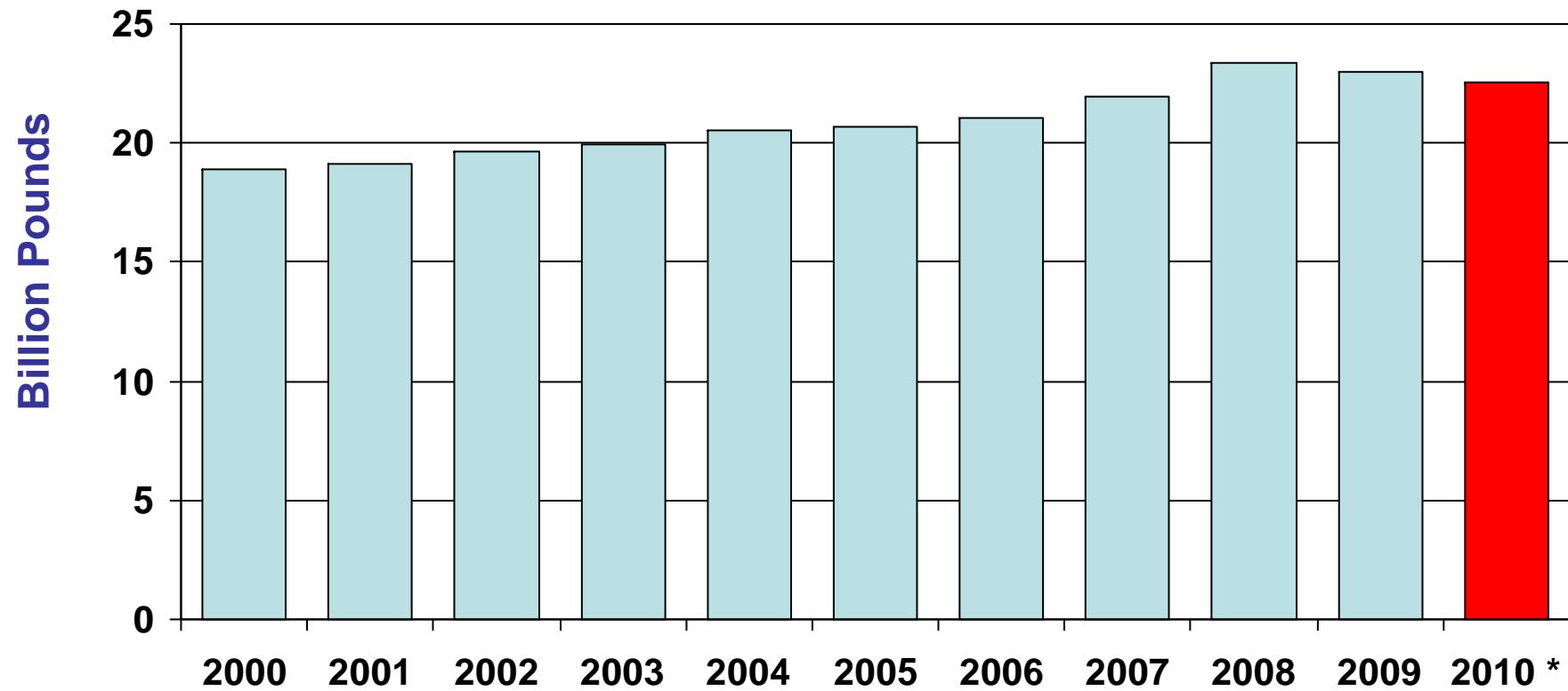
# Sows Farrowing Expected to Continue to Decline During 2010



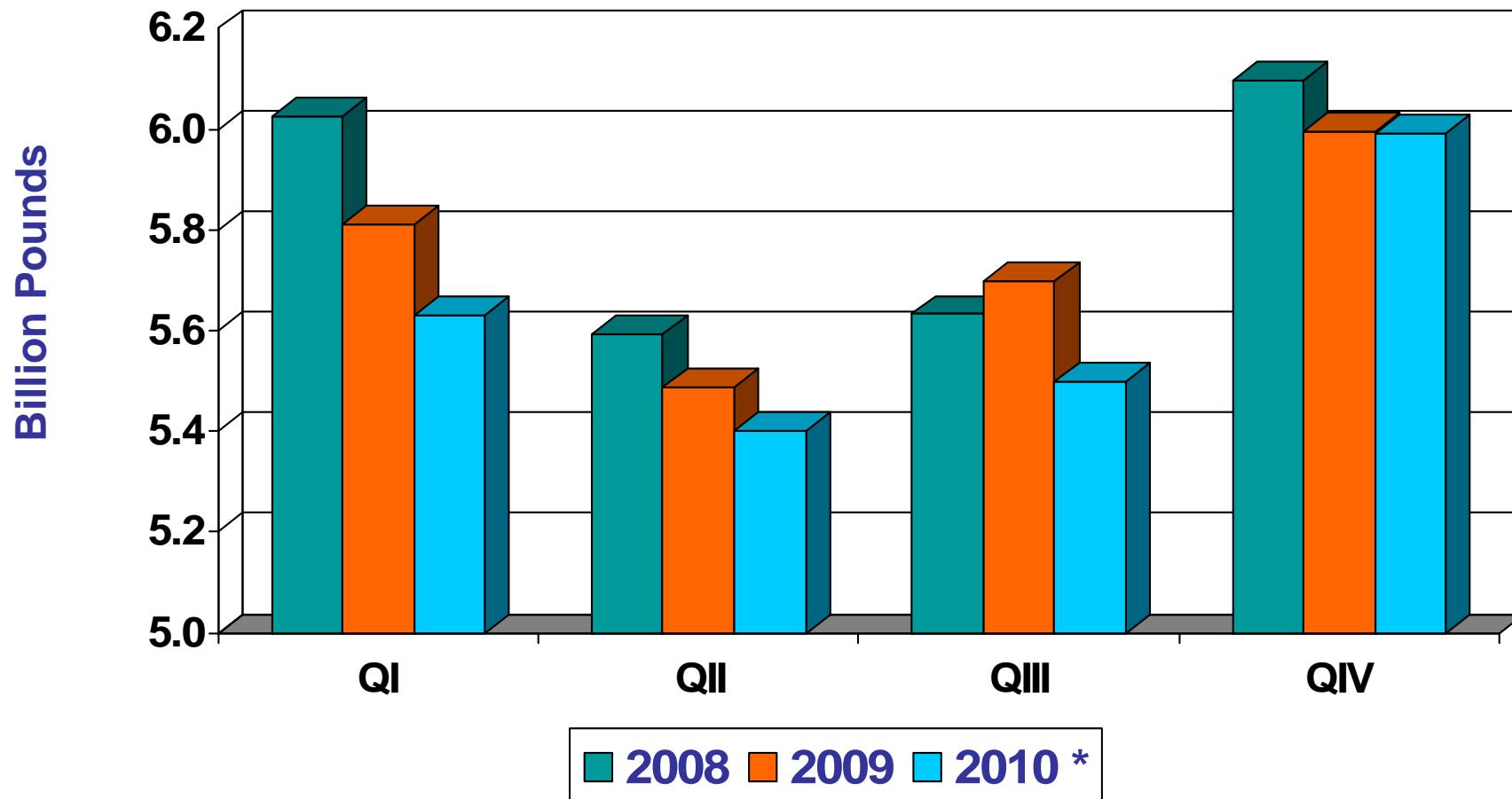
# Pigs Per Litter Growth Steadily Higher



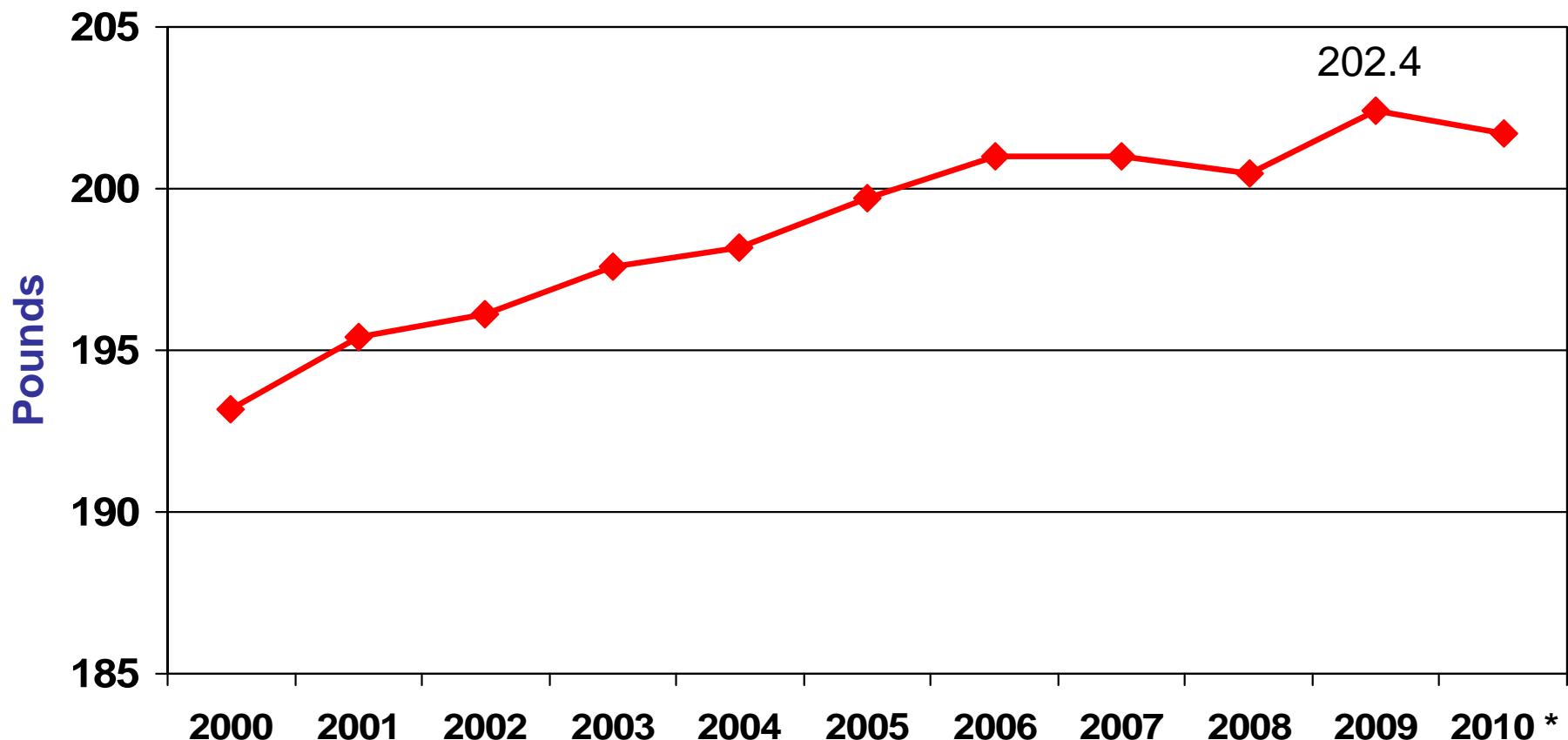
# Pork Production Decreases 2 Percent to 22.5 Billion Pounds in 2010



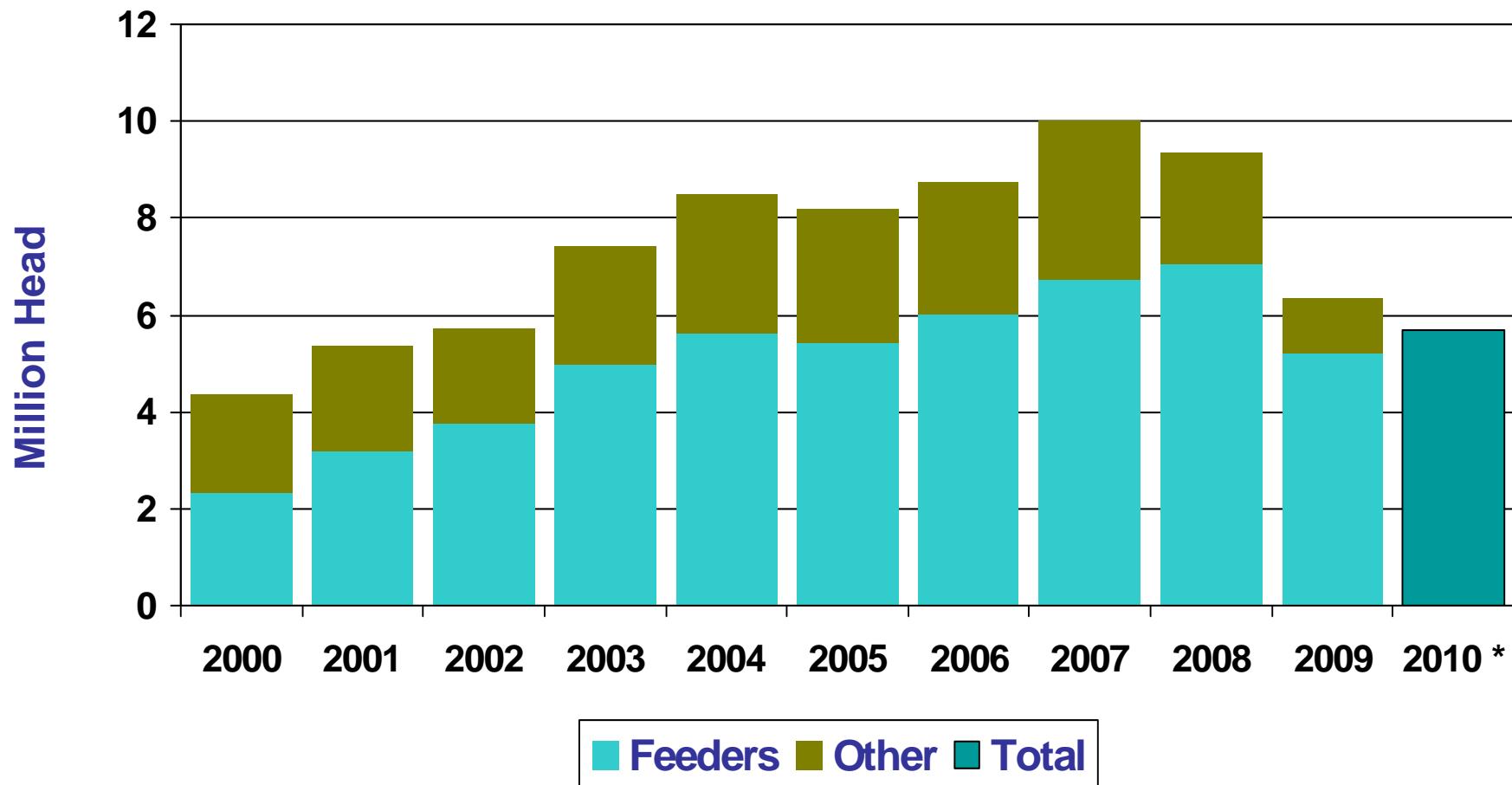
# Pork Production Declines Through Fourth Quarter



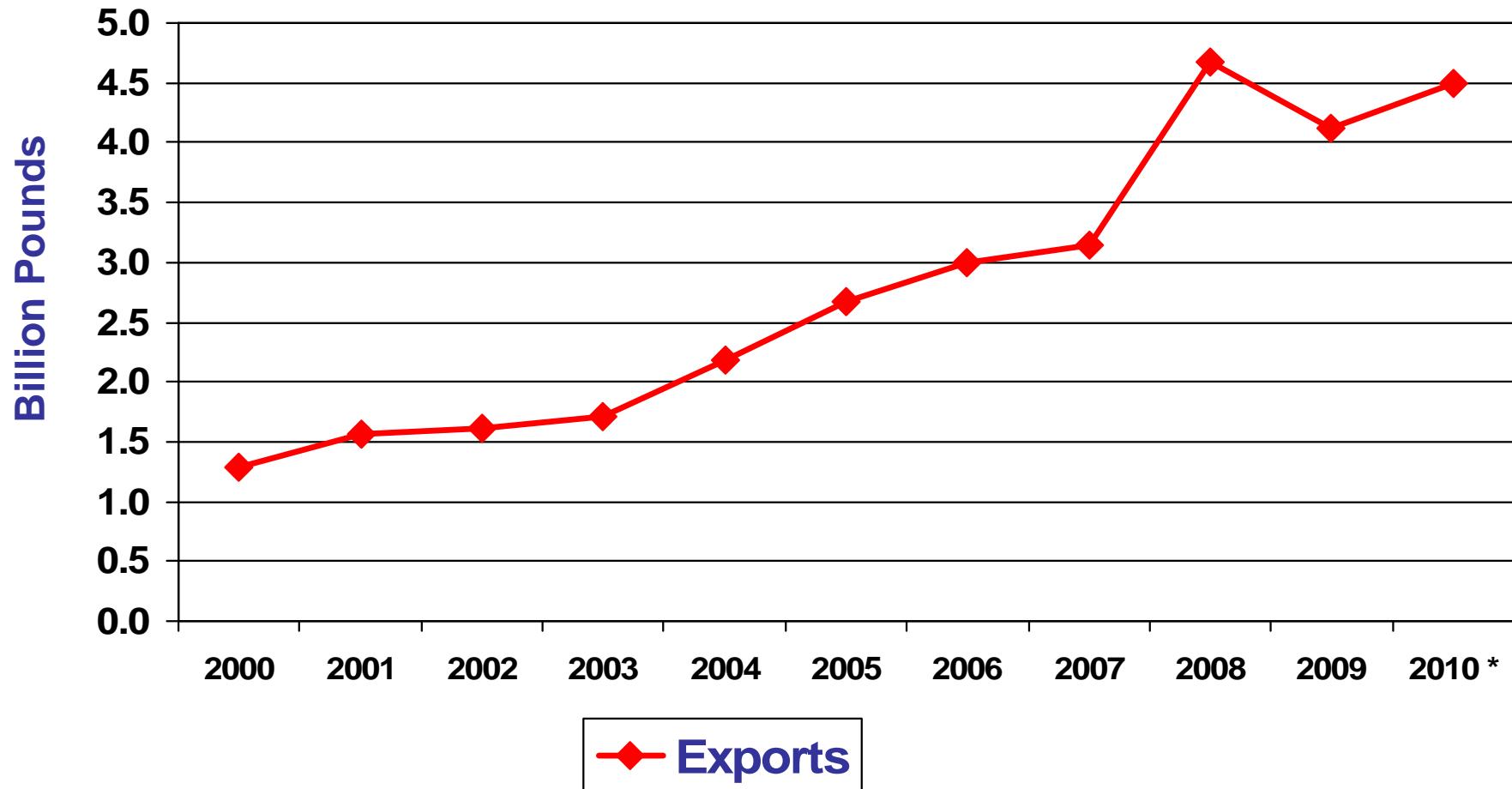
# Average Hog Carcass Weights Record High in 2009, Decline in 2010



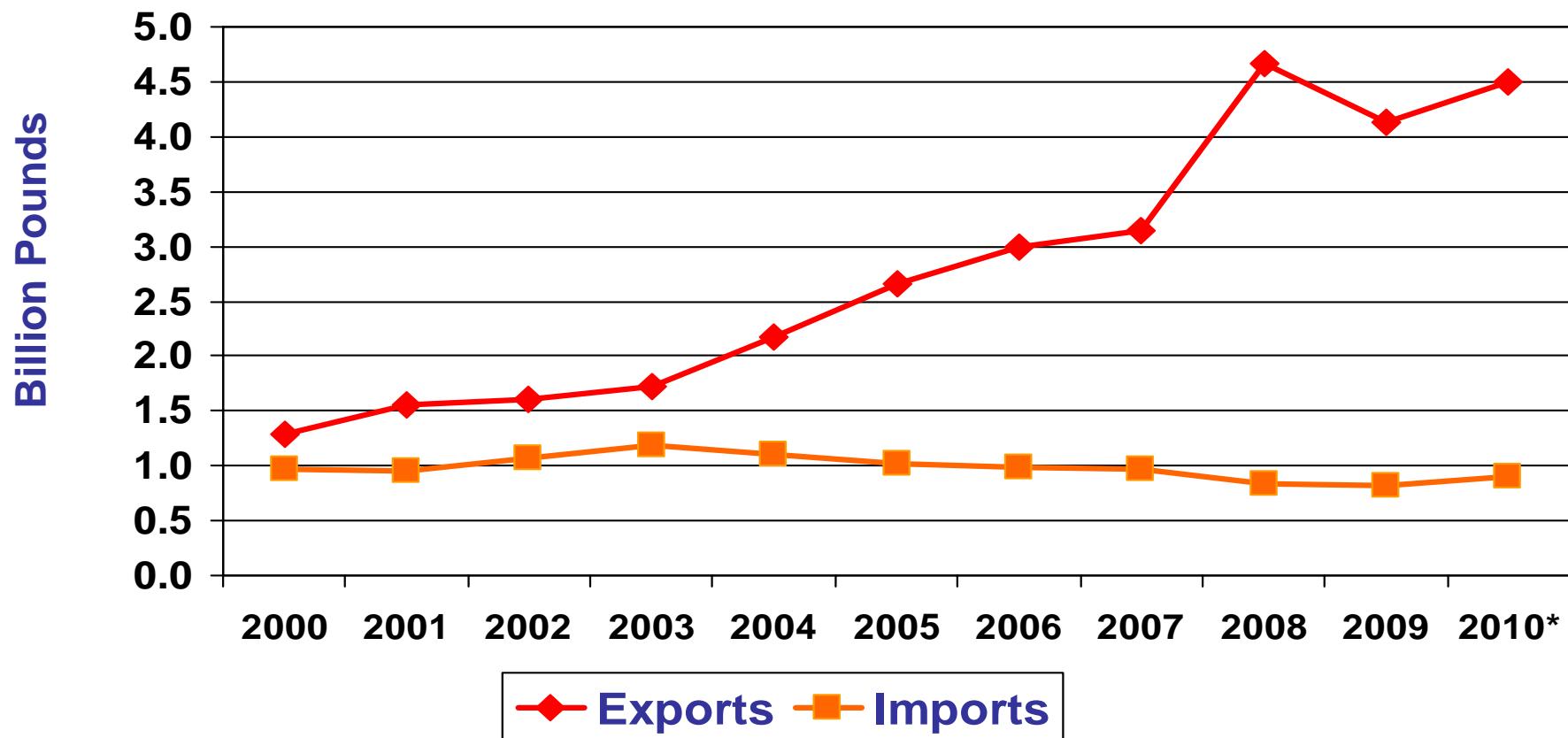
# Hog Imports Drop 32 Percent in 2009, Decline Below 6 Million Head in 2010



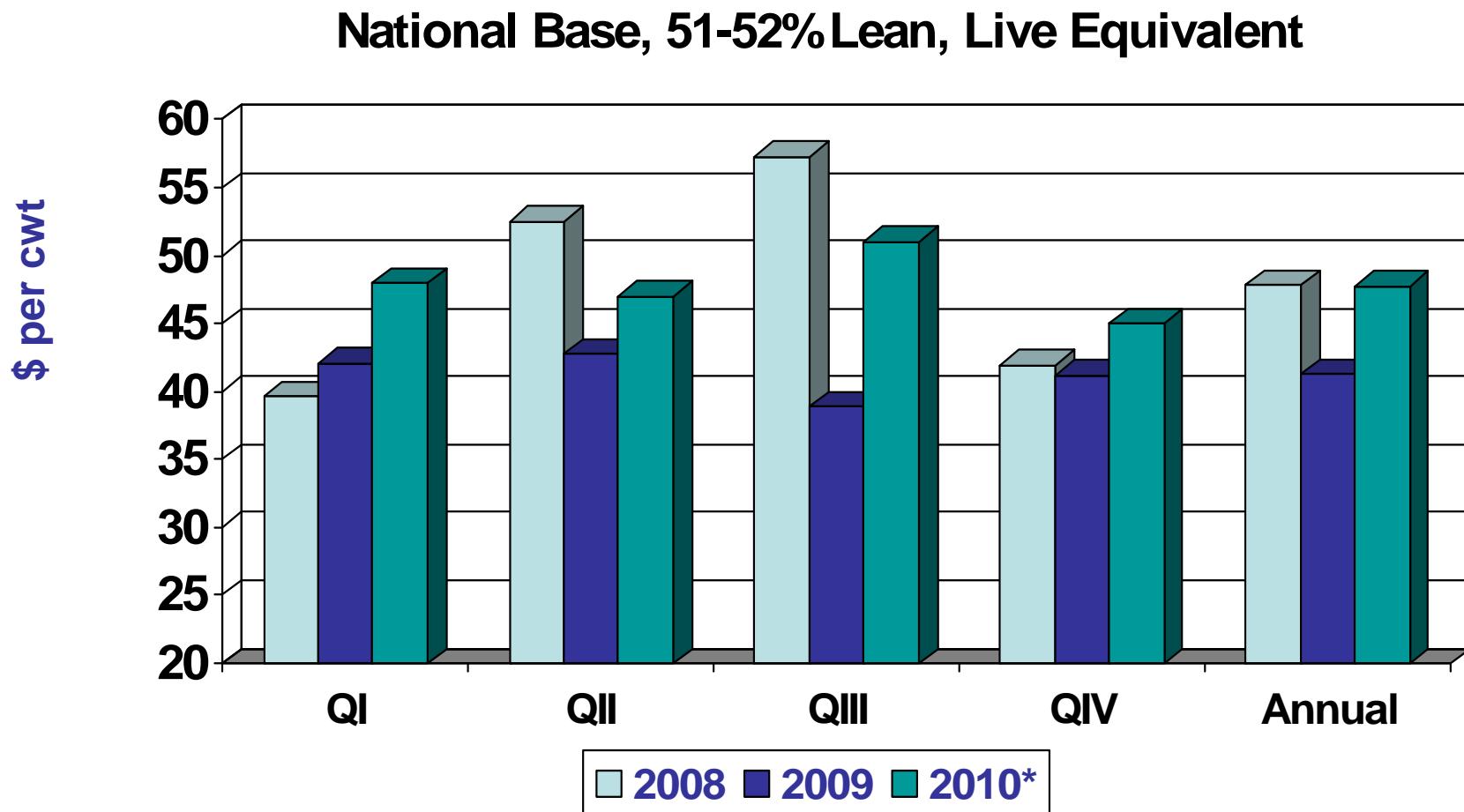
# Pork Exports in 2010 Rise to 4.5 Billion Pounds



# Pork Exports Rise to 4.5 Billion Pounds, Pork Imports Continue Slow Growth

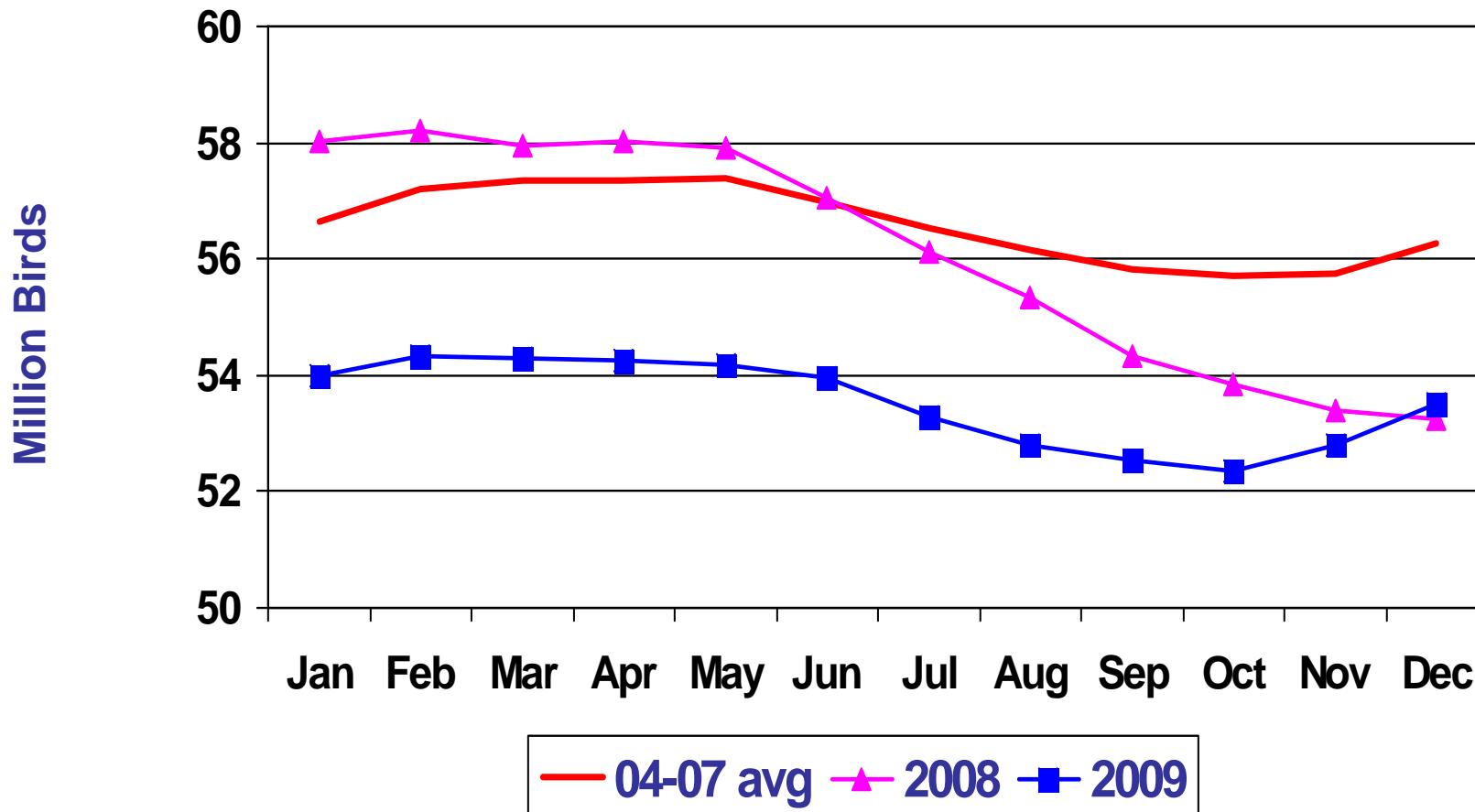


# Hog Prices to Rebound to Average \$46 to \$49 per cwt

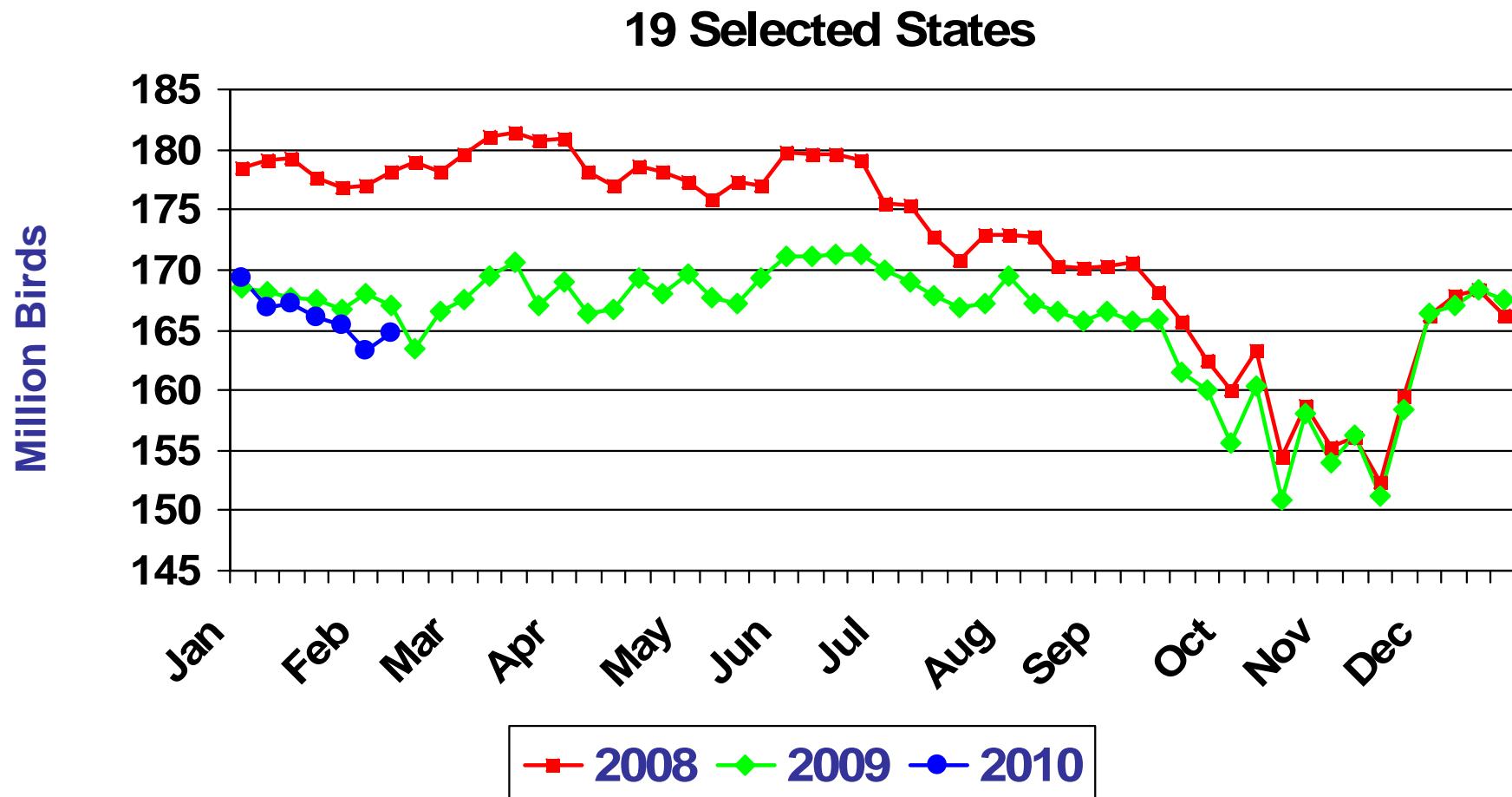


# Poultry

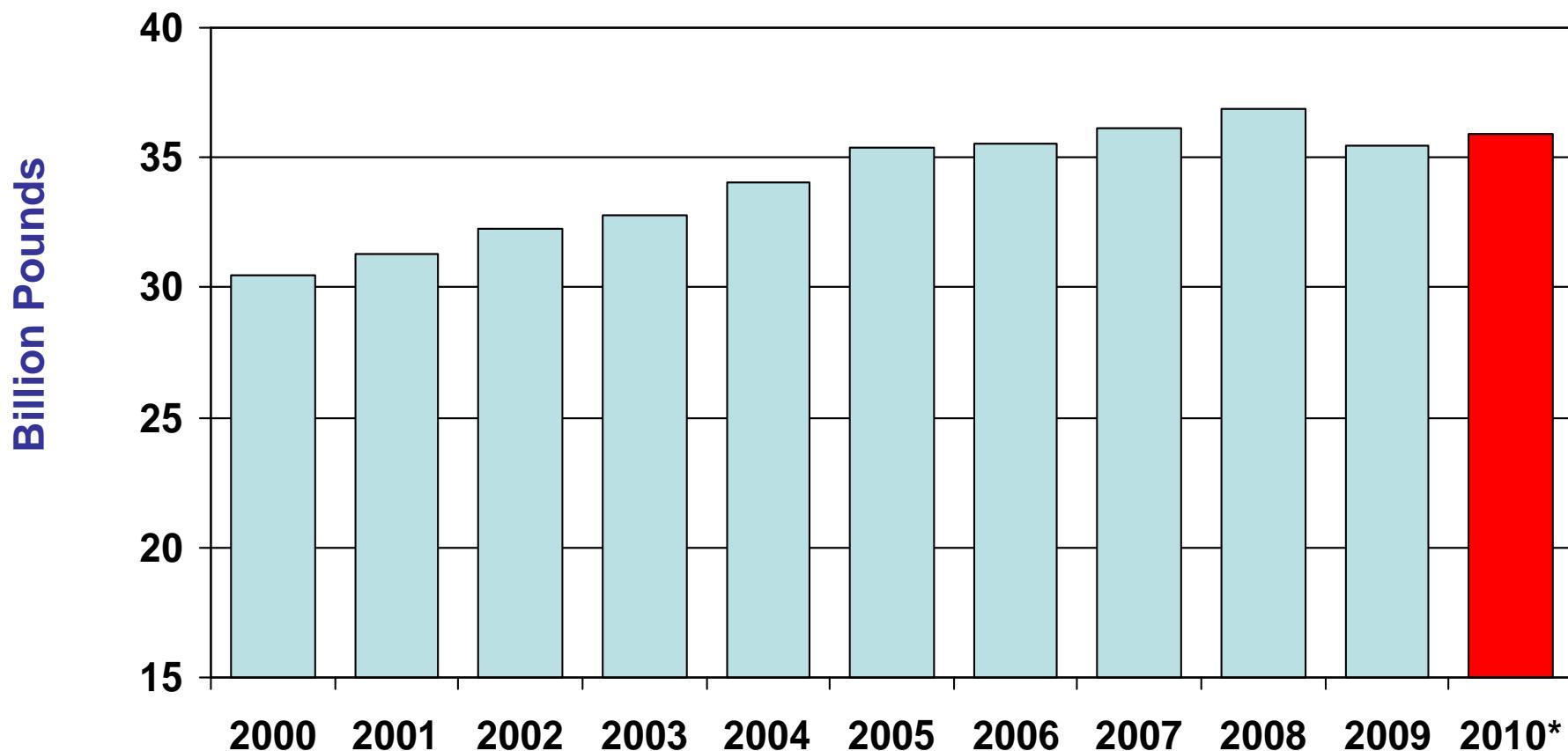
# Broiler Hatching Flock Just Moving Back Into Positive



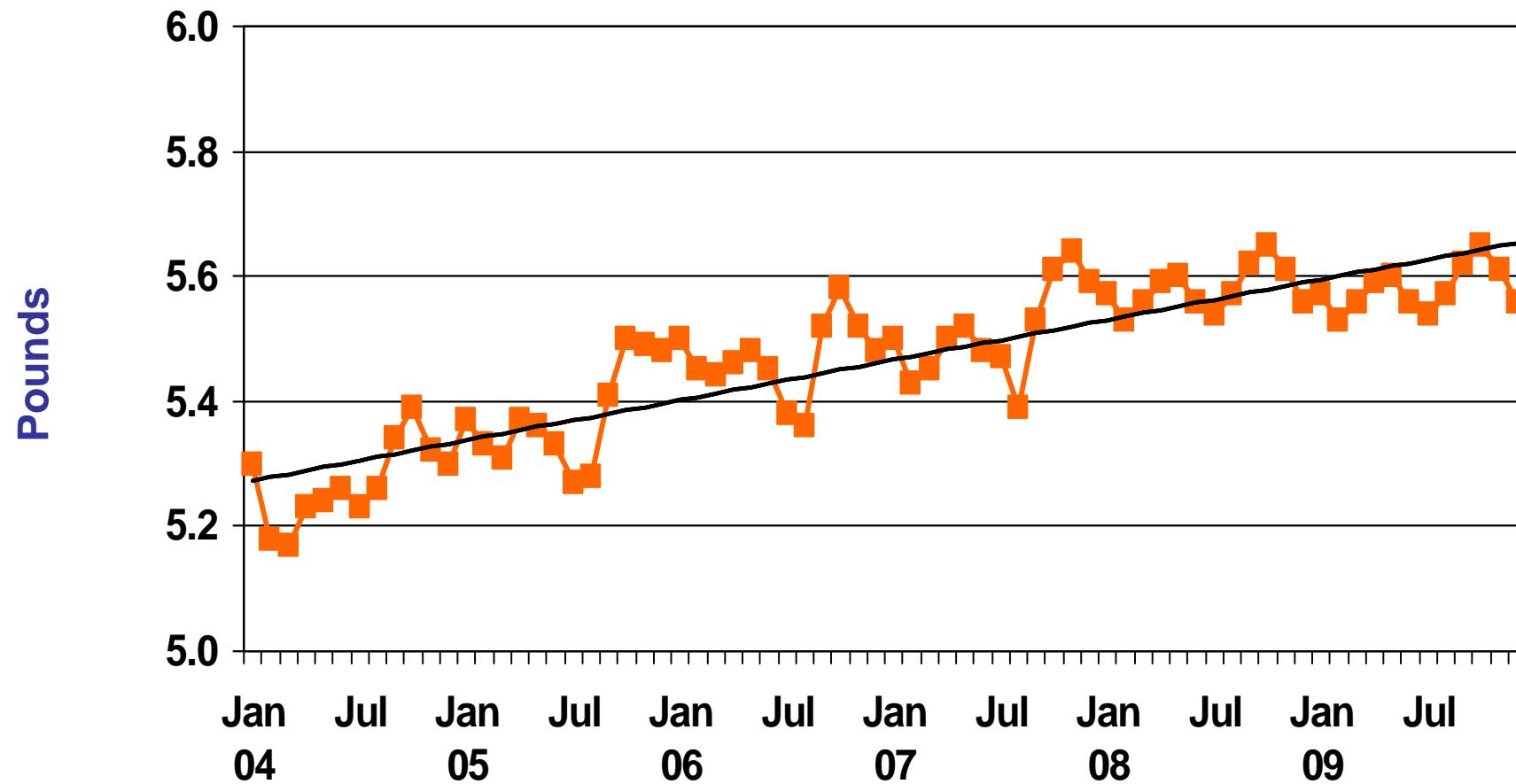
# Chicks Placed For Grow Out About at Year Ago Level



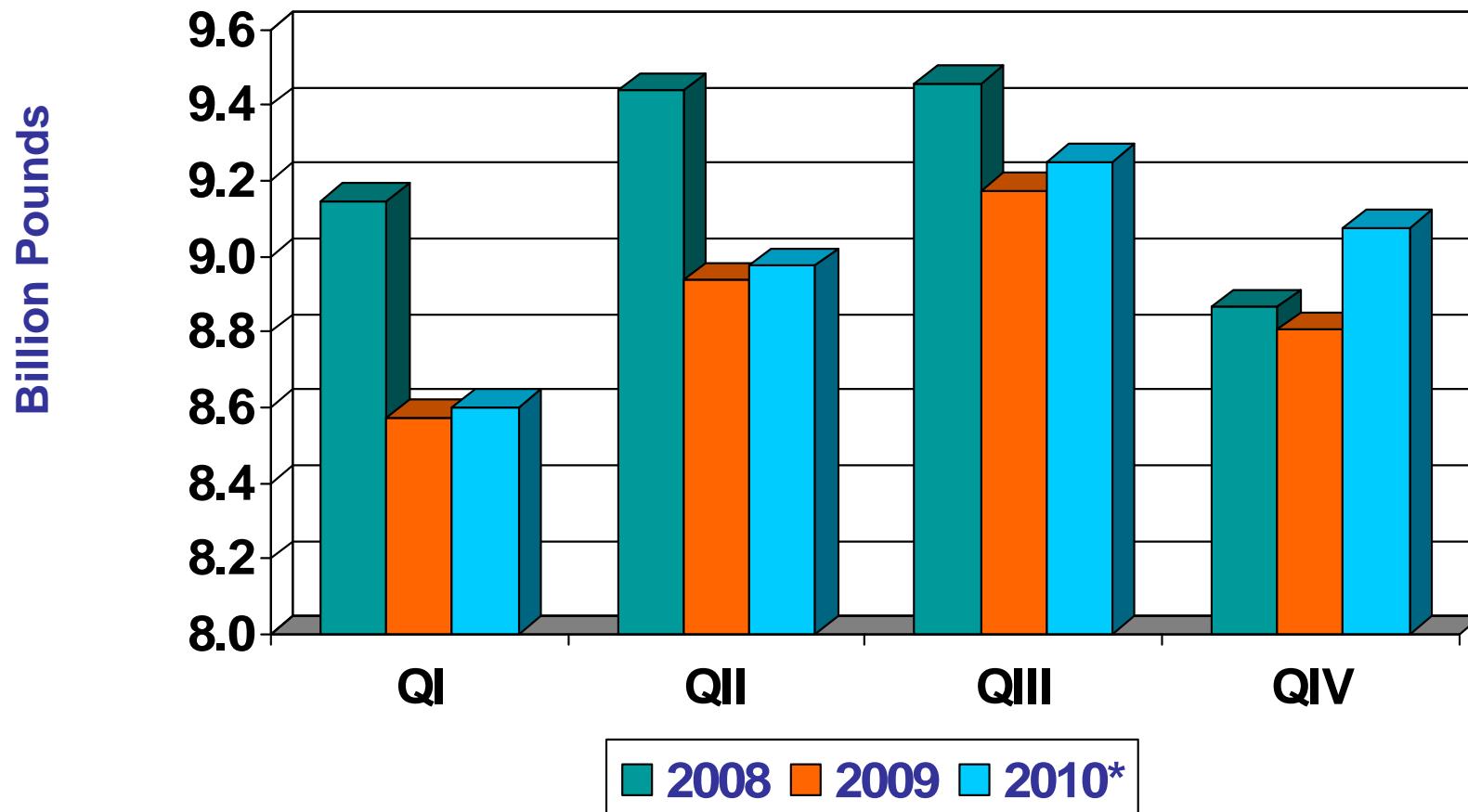
# Broiler Meat Output Rises to 35.9 Billion Pounds in 2010



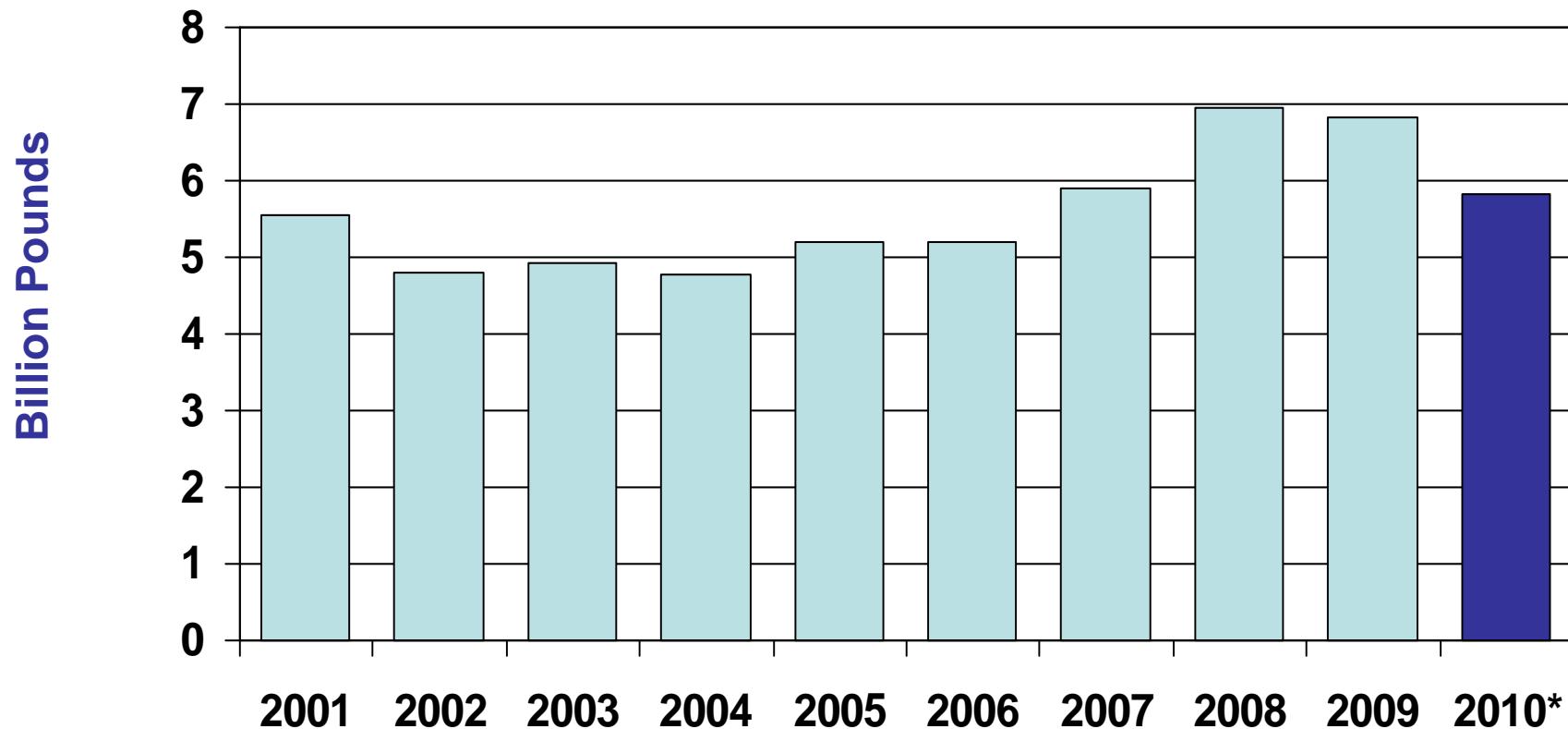
# Live Bird Weight Growth Slowed in 2009



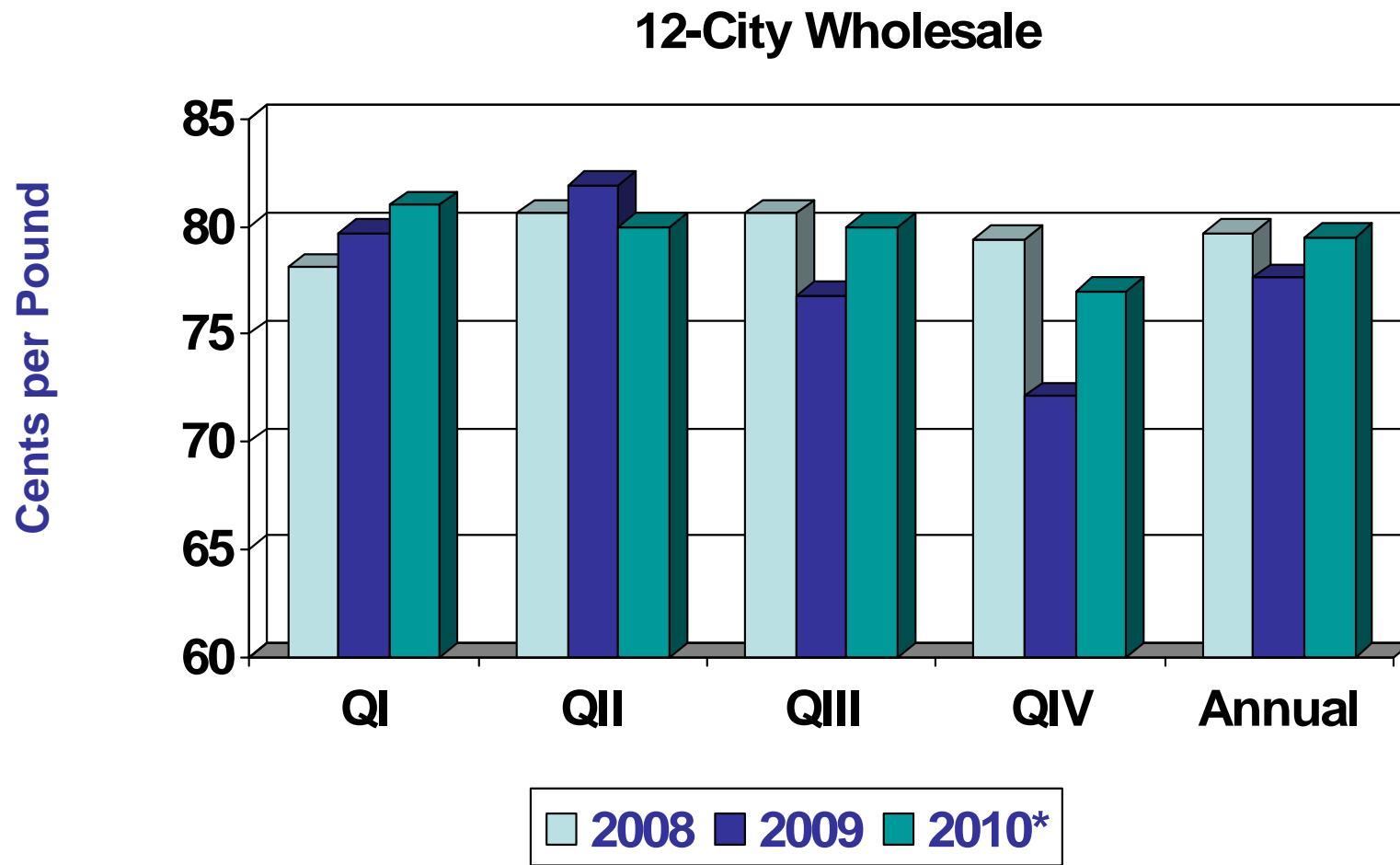
# Broiler Meat Output Grows In Each Quarter In 2010



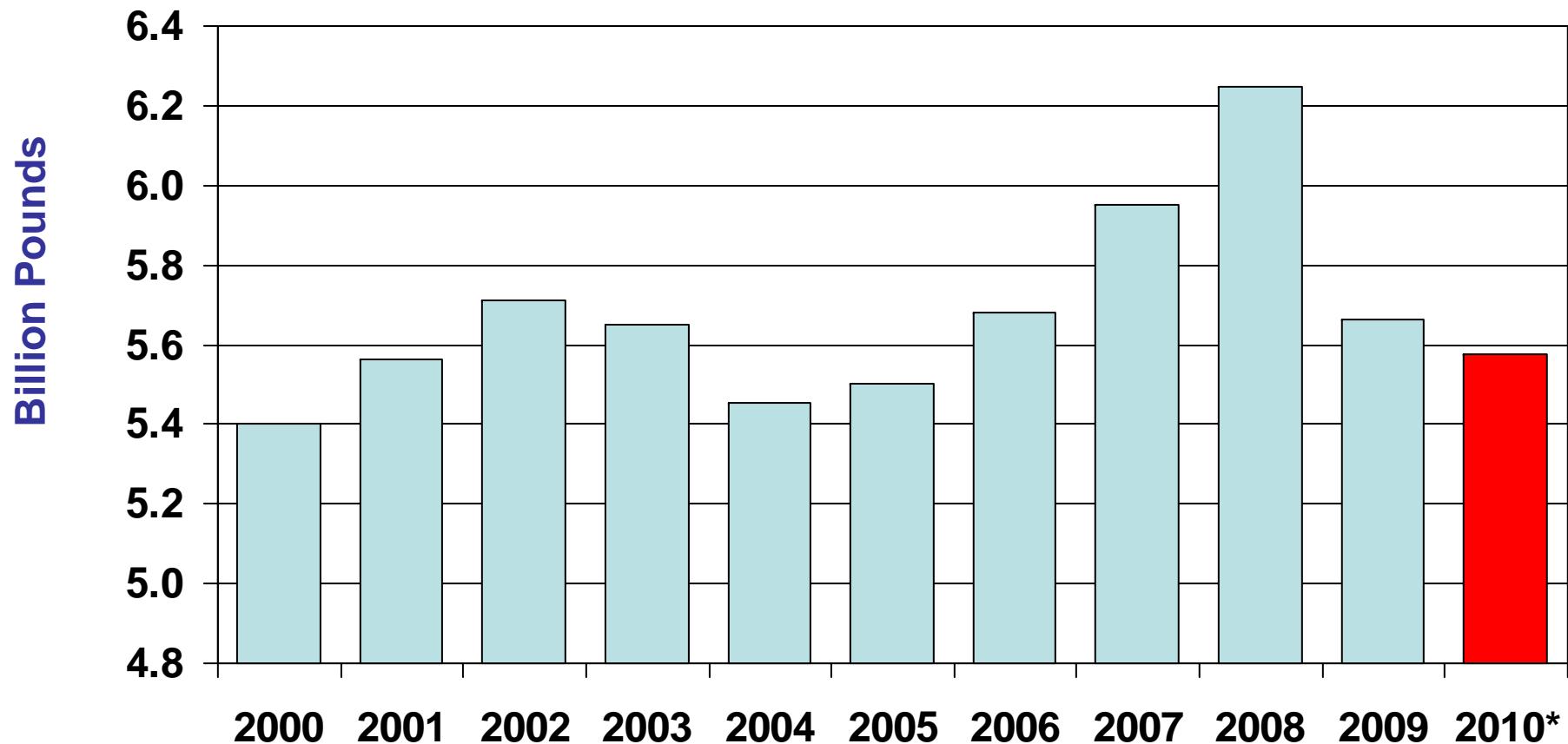
# Broiler Exports Drop 15 Percent in 2010 to 5.8 Billion Pounds



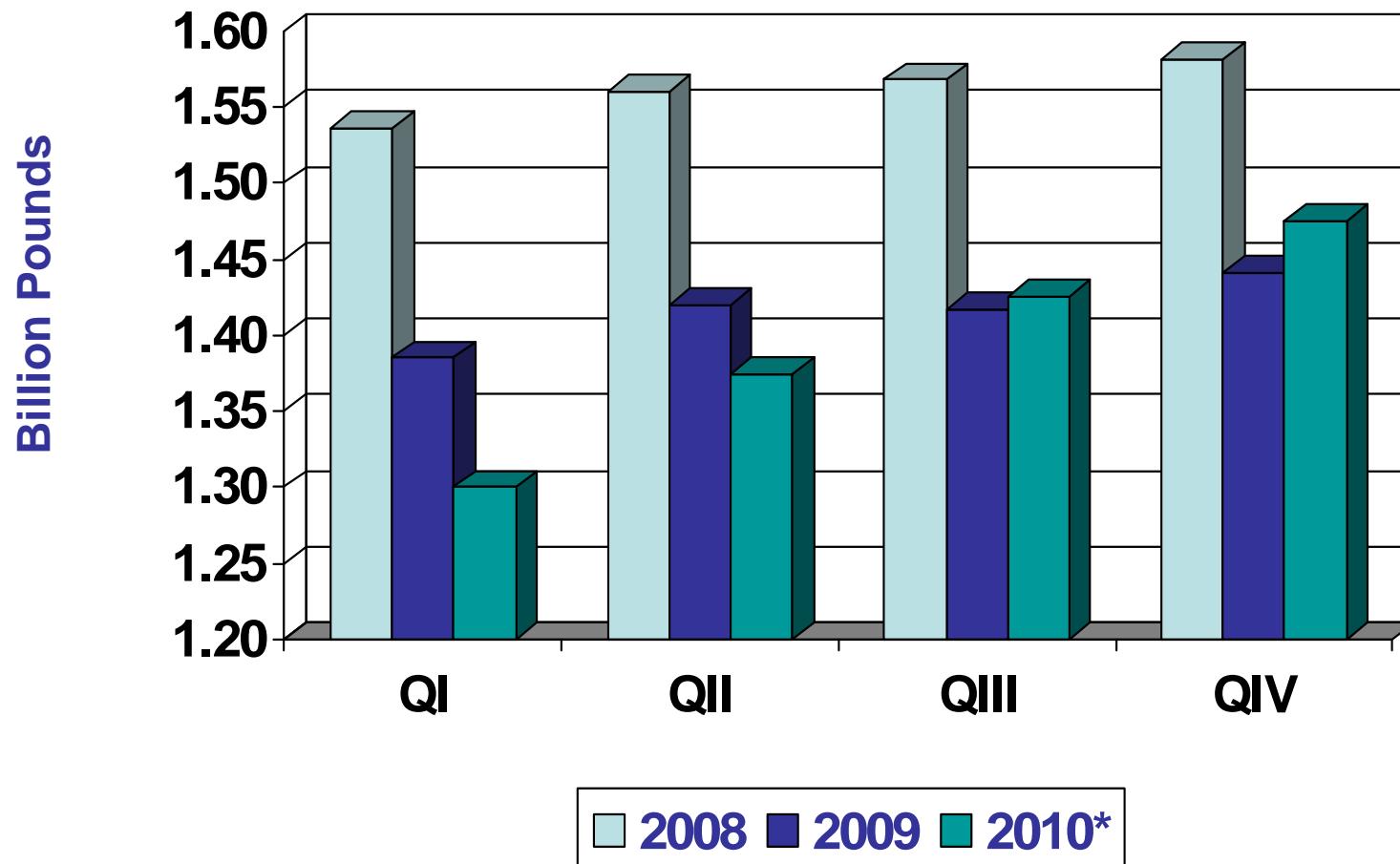
# Broiler Whole Bird Prices Increase, to Average 77 to 82 Cents Per Pound



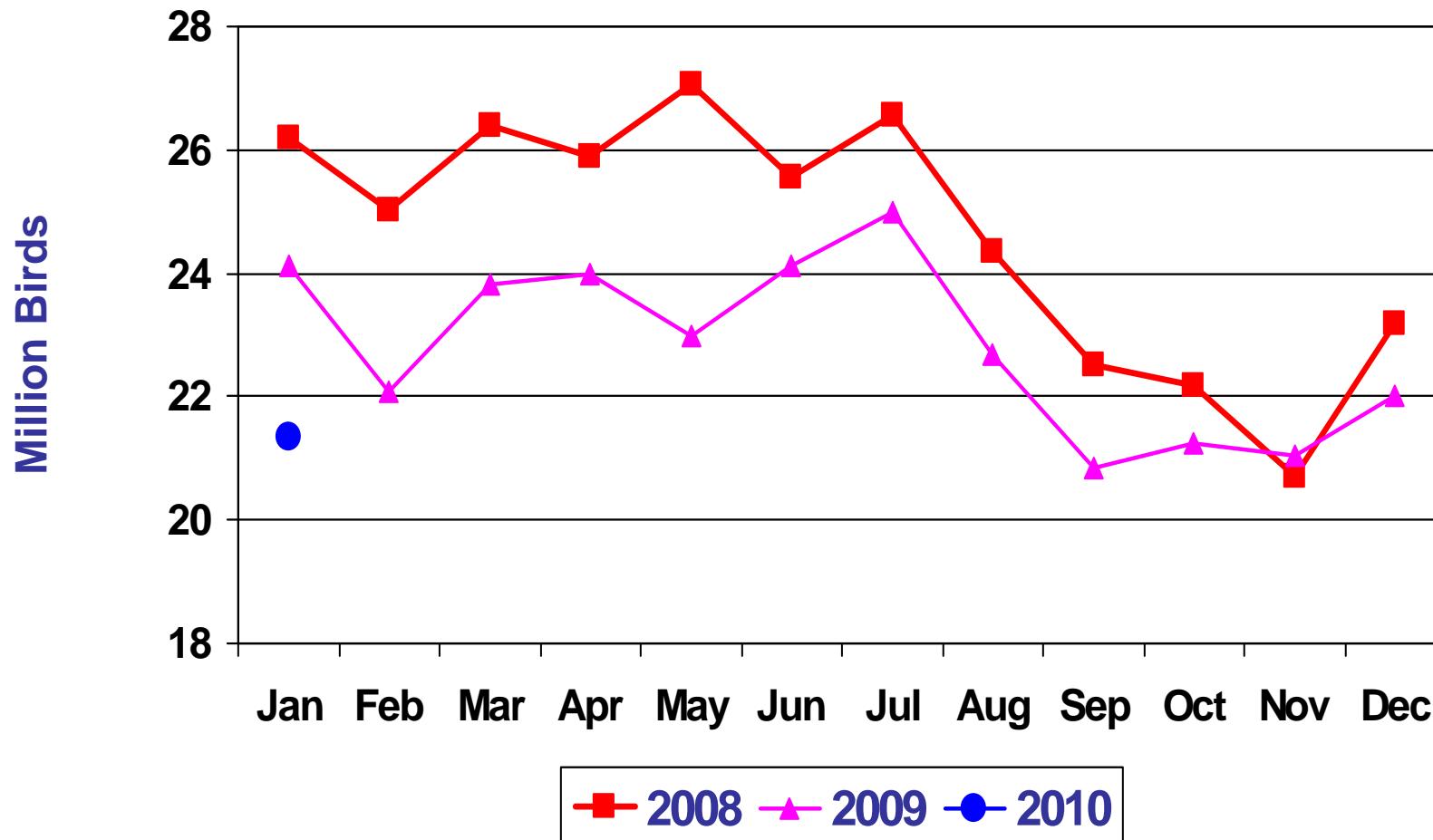
# Turkey Production Drops Below 5.6 Billion Pounds in 2010



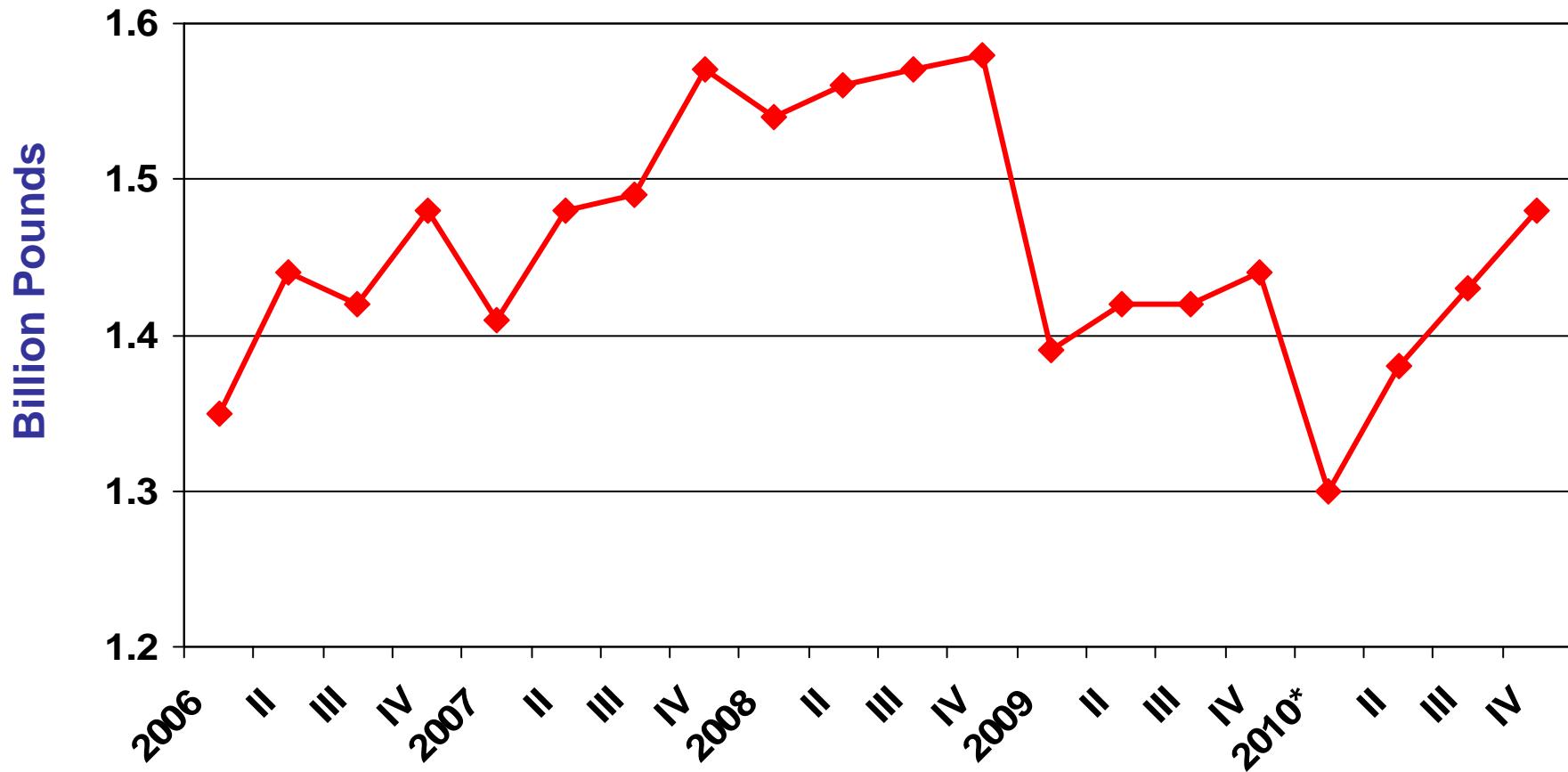
# Turkey Production Rises in Second Half, Still Below Year Earlier at 5.56 Billion Pounds



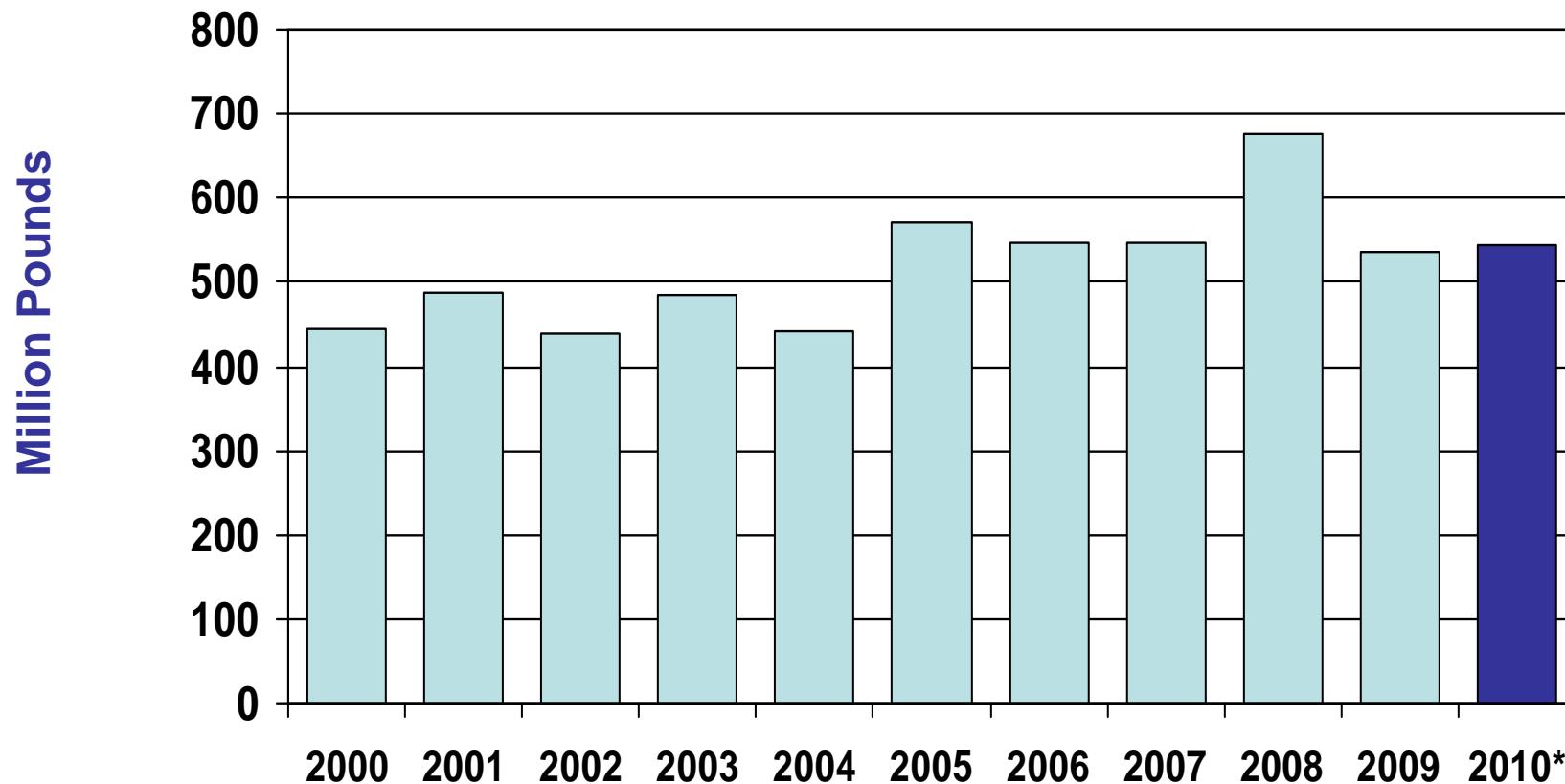
# Net Poults Placements Remain Low Into 2010



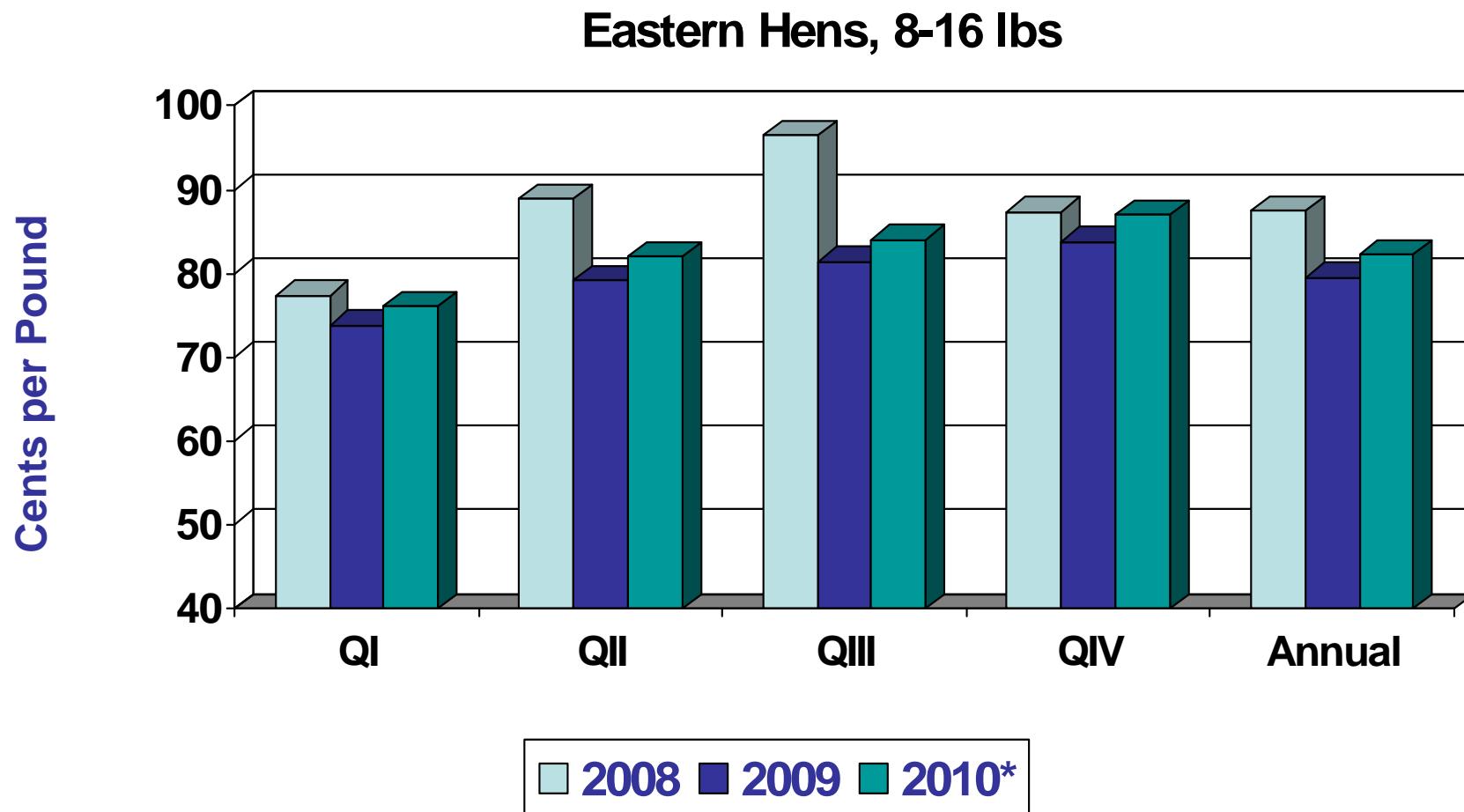
# Turkey Production Start to Rebuild from Lowest 1st Quarter Since 2000



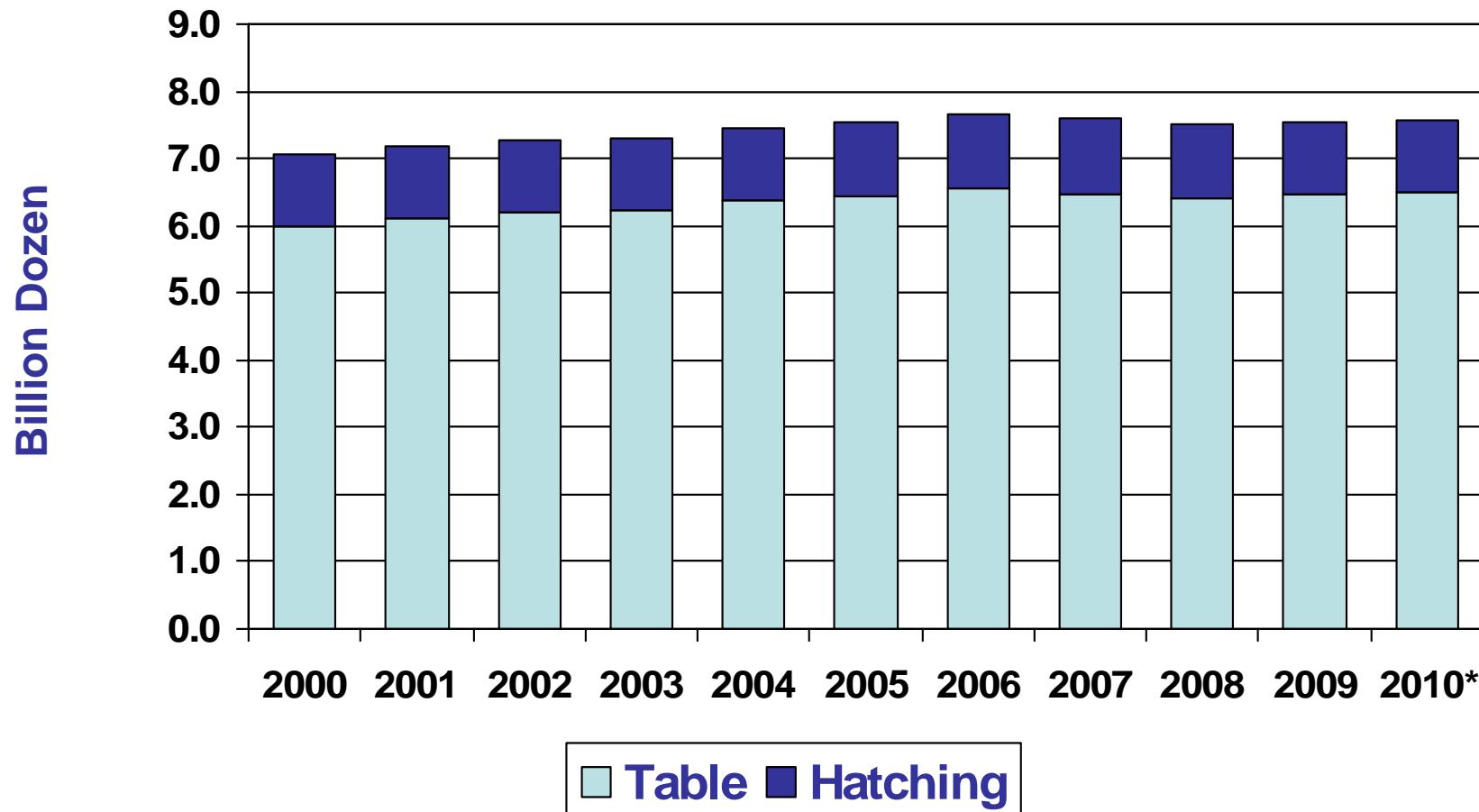
# Turkey Exports Increase Slightly to 545 Million Pounds in 2010



# Turkey Prices Increase to Average 80 to 85 Cents Per Pound

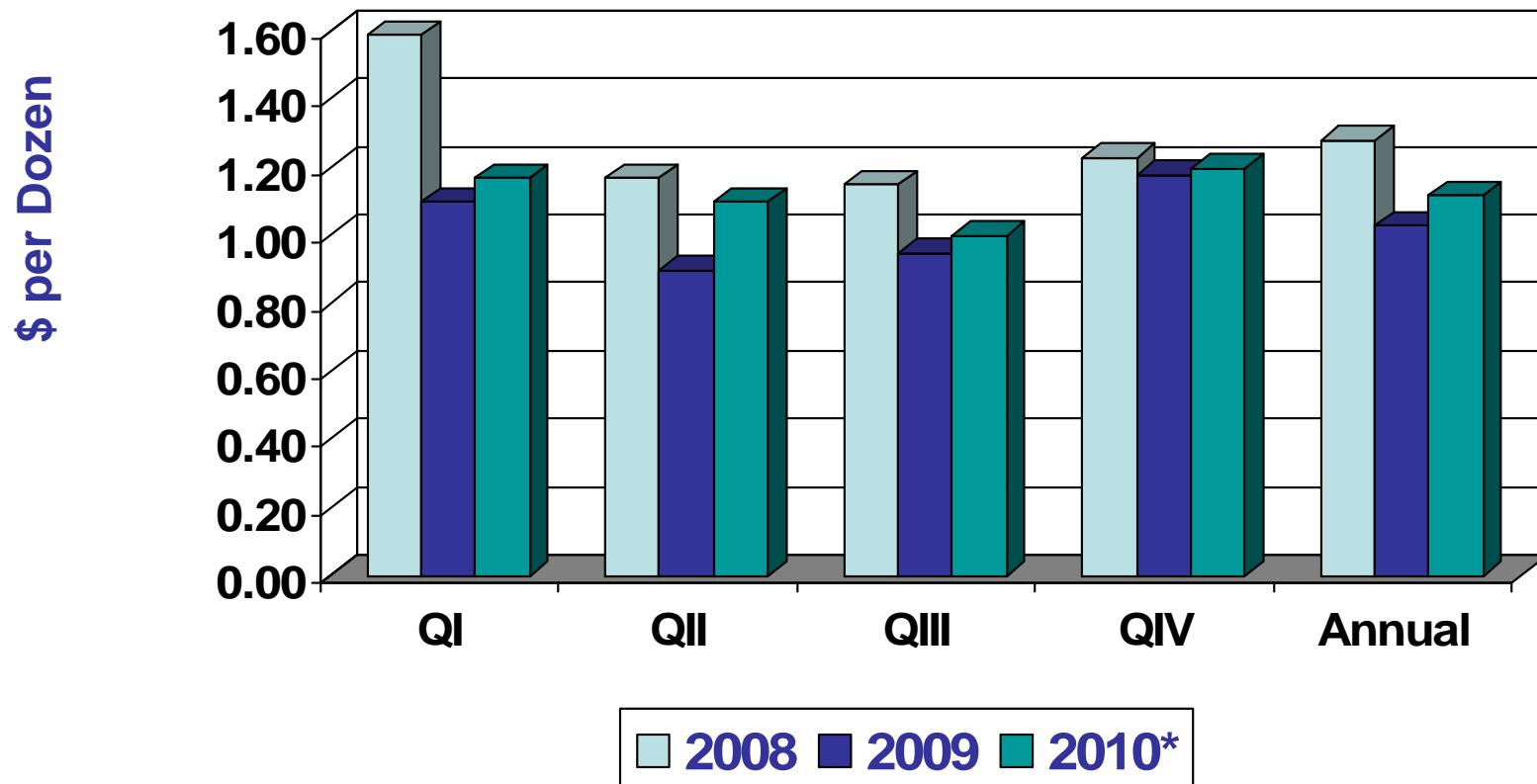


# Total Egg Production Slightly Higher at 7.6 Billion Dozen

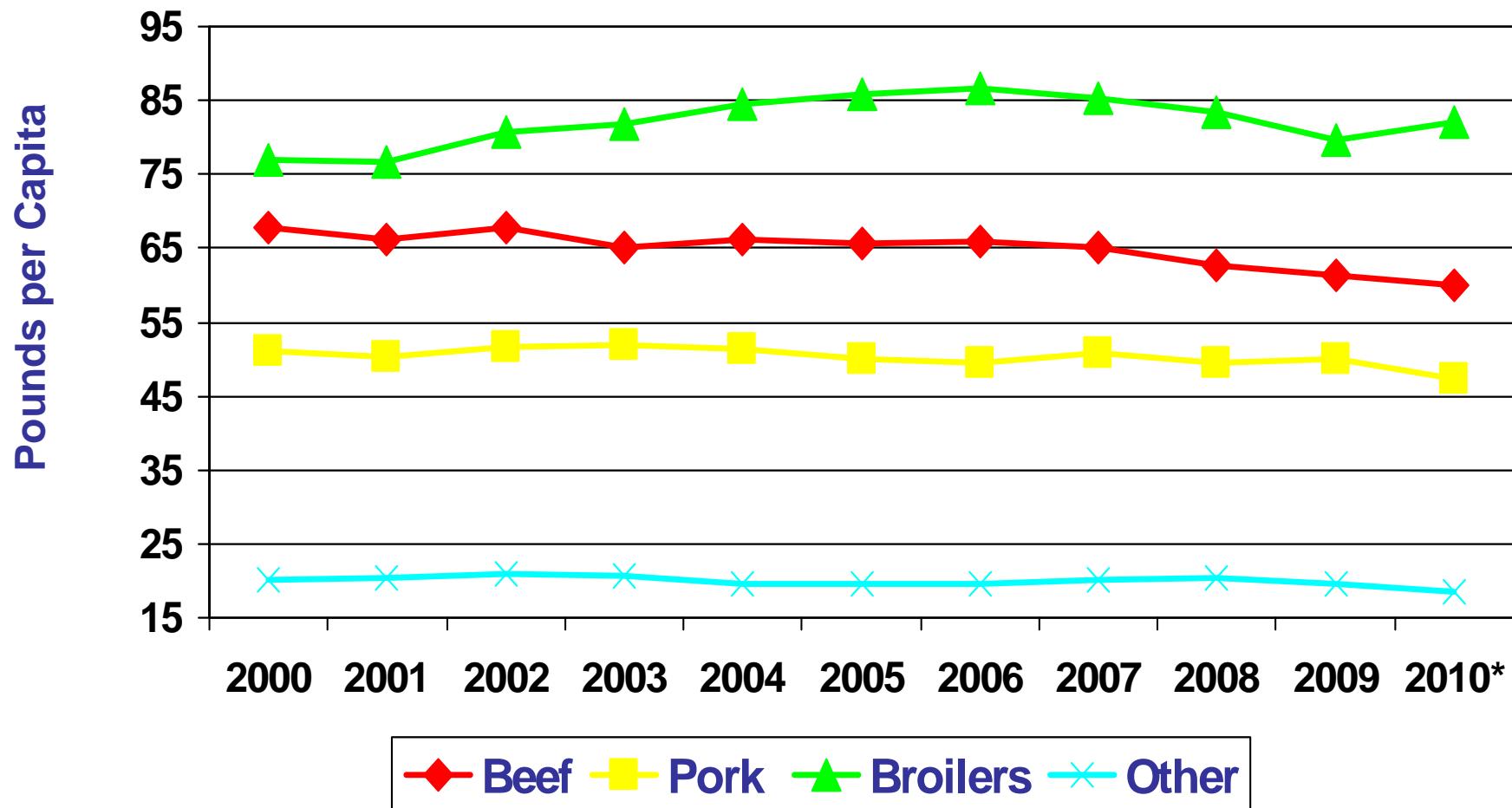


# Egg Prices Increase in 2010 to Average \$1.08 to \$1.15 Per Dozen

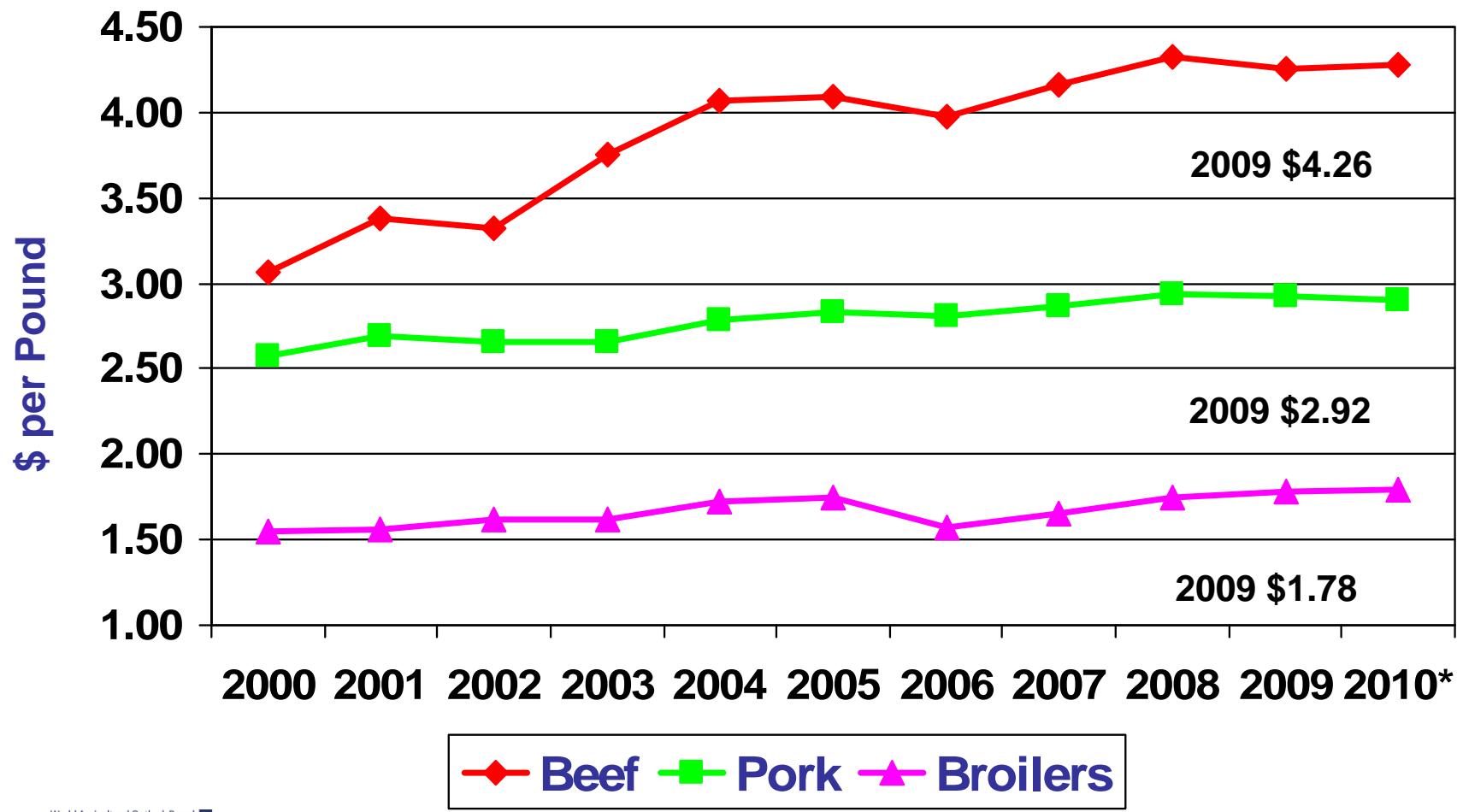
Wholesale, Grade A, Large, NY



# Total Meat Per Capita Disappearance in 2010 About 208 Pounds, Retail Weight



# Retail Beef and Broiler Meat Increase, Pork Down Slightly for 2010



# **Additional information about the 2008 outlook is available on the following websites:**

- **World Agricultural Outlook Board (WAOB)**  
**World Agricultural Supply and Demand Estimates**  
– [www.usda.gov/oce/commodity/wasde/index.htm](http://www.usda.gov/oce/commodity/wasde/index.htm)
- **Economic Research Service (ERS)**  
**Livestock, Dairy, and Poultry Situation and Outlook**  
– [www.ers.usda.gov/publications/lkp/](http://www.ers.usda.gov/publications/lkp/)
- **Foreign Agricultural Service (FAS)**  
**Livestock and Poultry: World Markets and Trade**  
– [www.fas.usda.gov/dlp/livestock\\_poultry.asp](http://www.fas.usda.gov/dlp/livestock_poultry.asp)