



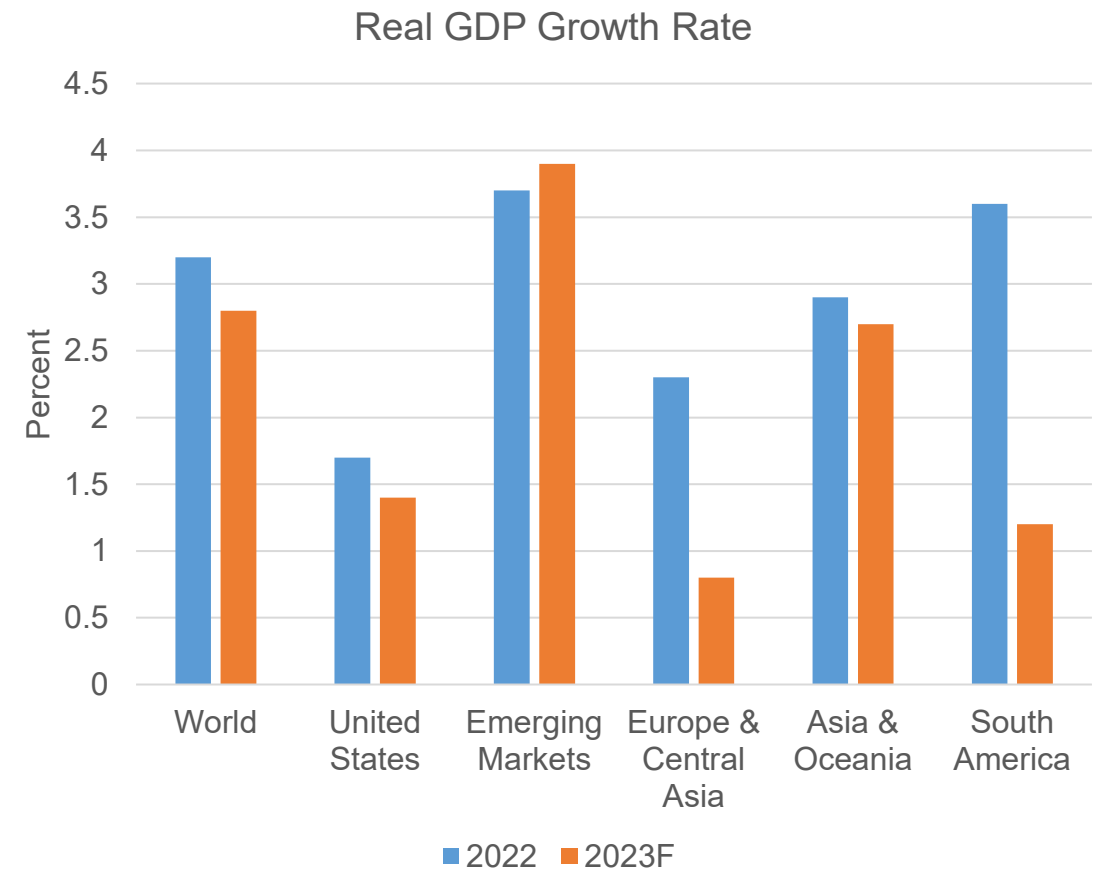
2023 U.S. Livestock and Poultry Outlook

Justin Choe

World Agricultural Outlook Board, OCE, USDA

Macroeconomic and Economy-wide Assumptions

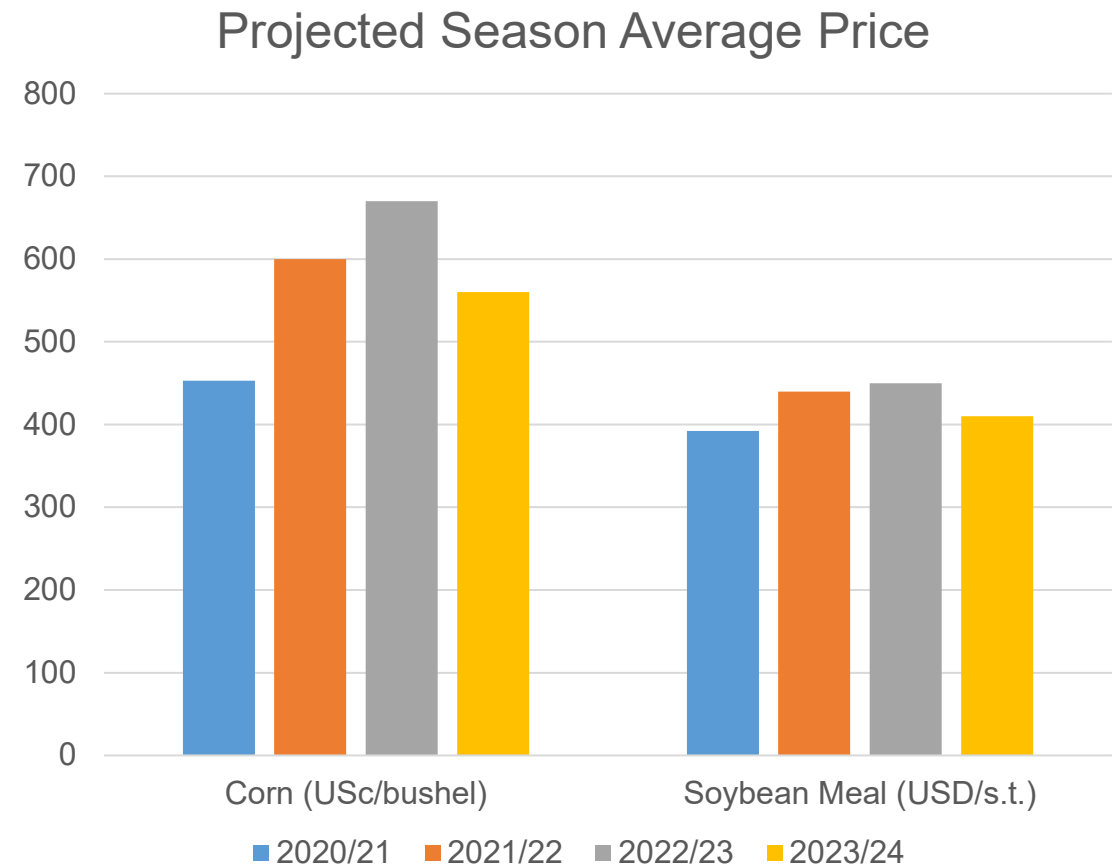
- Global economic outlook projected to be steady, but slower
- Real disposable income is likely to be lower on higher interest rates and inflationary pressure
- U.S. dollar strength to weaken slightly, supporting export potential
- “Normal” weather assumed, and only considering observed disease outbreaks to date



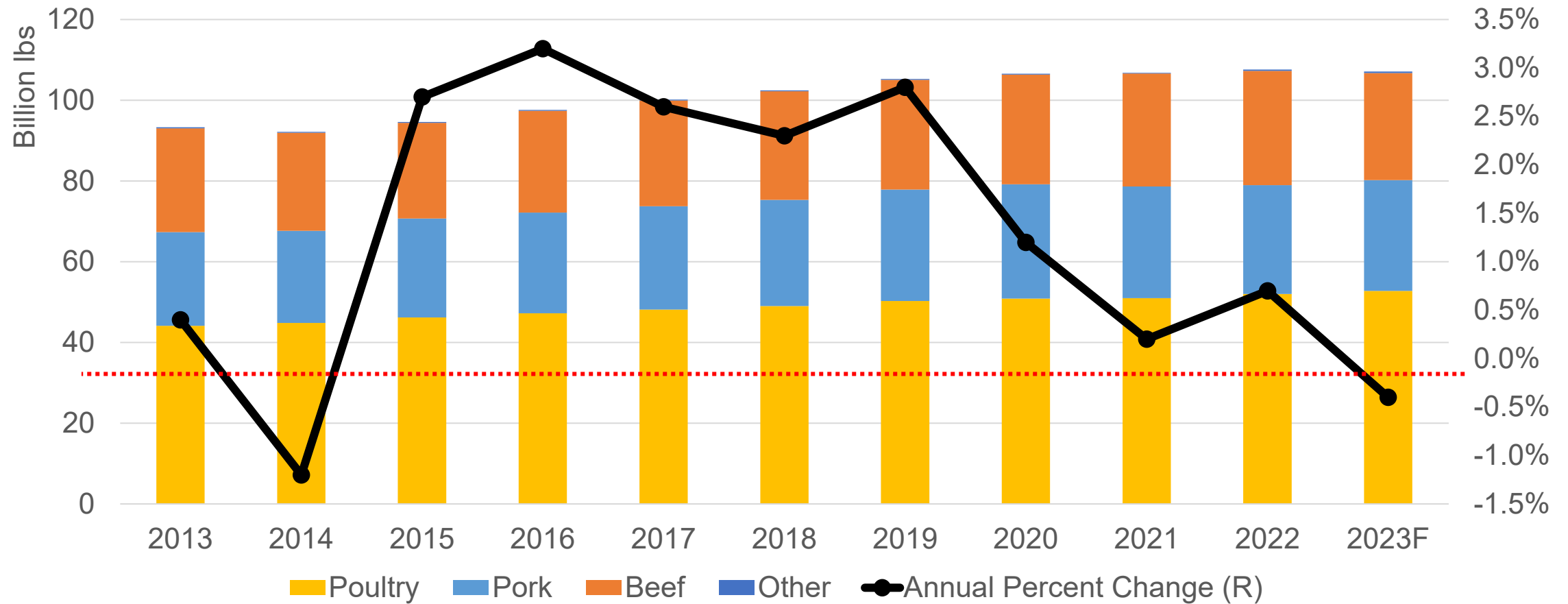
Source: *Outlook for U.S. Agricultural Trade*, Feb 2023, USDA

Feed Prices Lower in 2023

- Feed prices are projected lower in 2023
- Corn prices are forecast at \$5.60/bu, down 16% from 2022/23
- Soybean Meal prices are forecast at \$410/short ton, down 9% from 2022/23

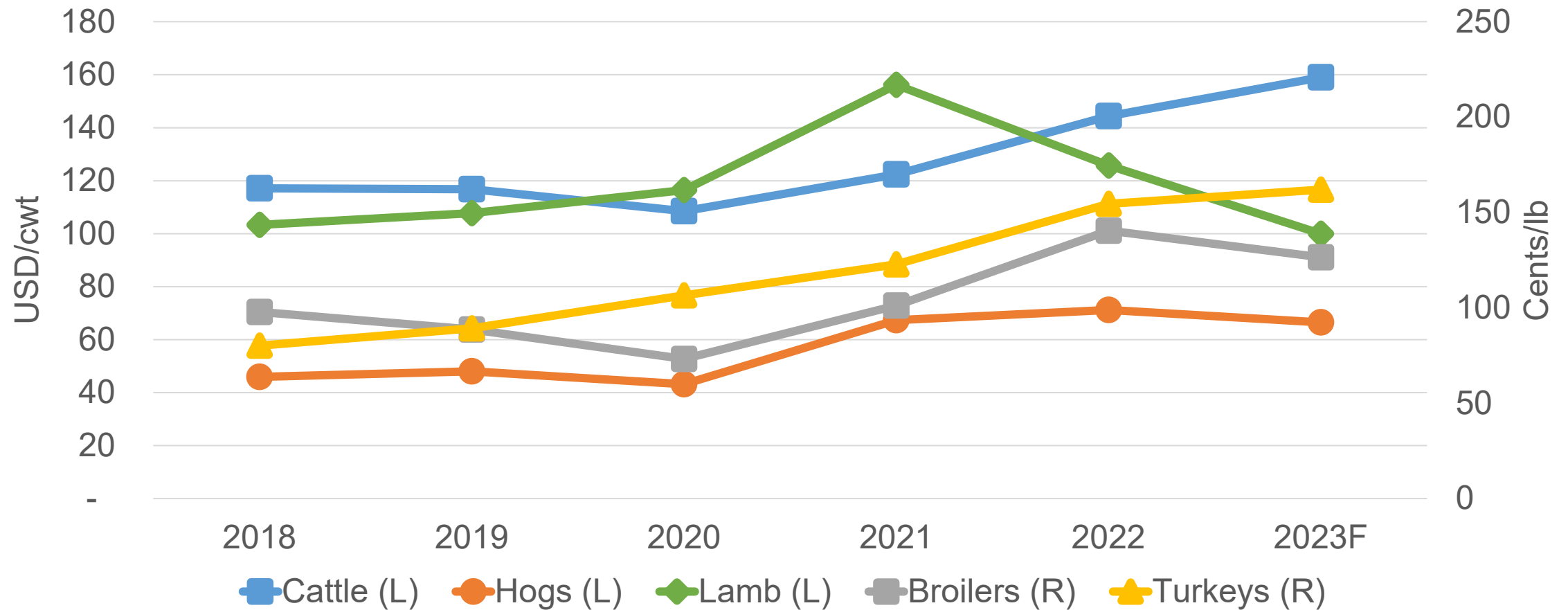


Production: Total meat* to fall in 2023, first decline since 2014



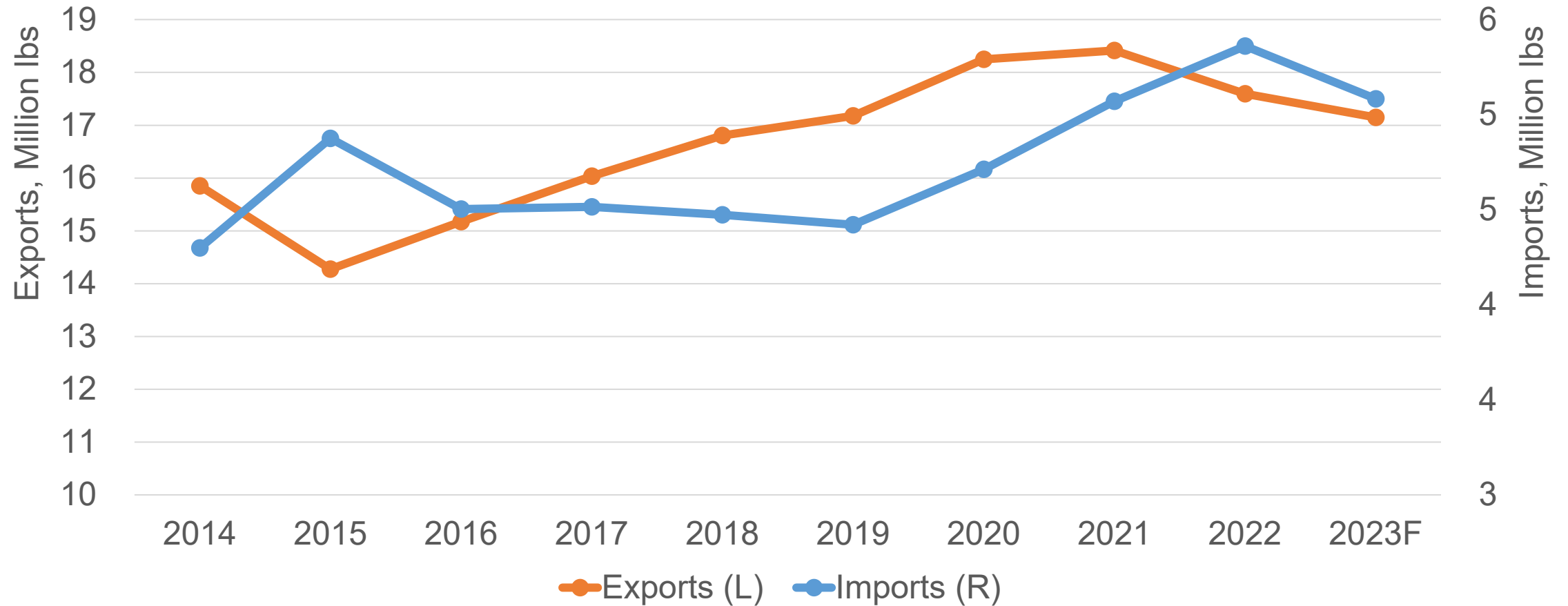
*Total Meat: Total Red Meat + Poultry. Source: OCE/USDA

Prices: Cattle/Turkeys to rise, while Hogs/Broilers to fall



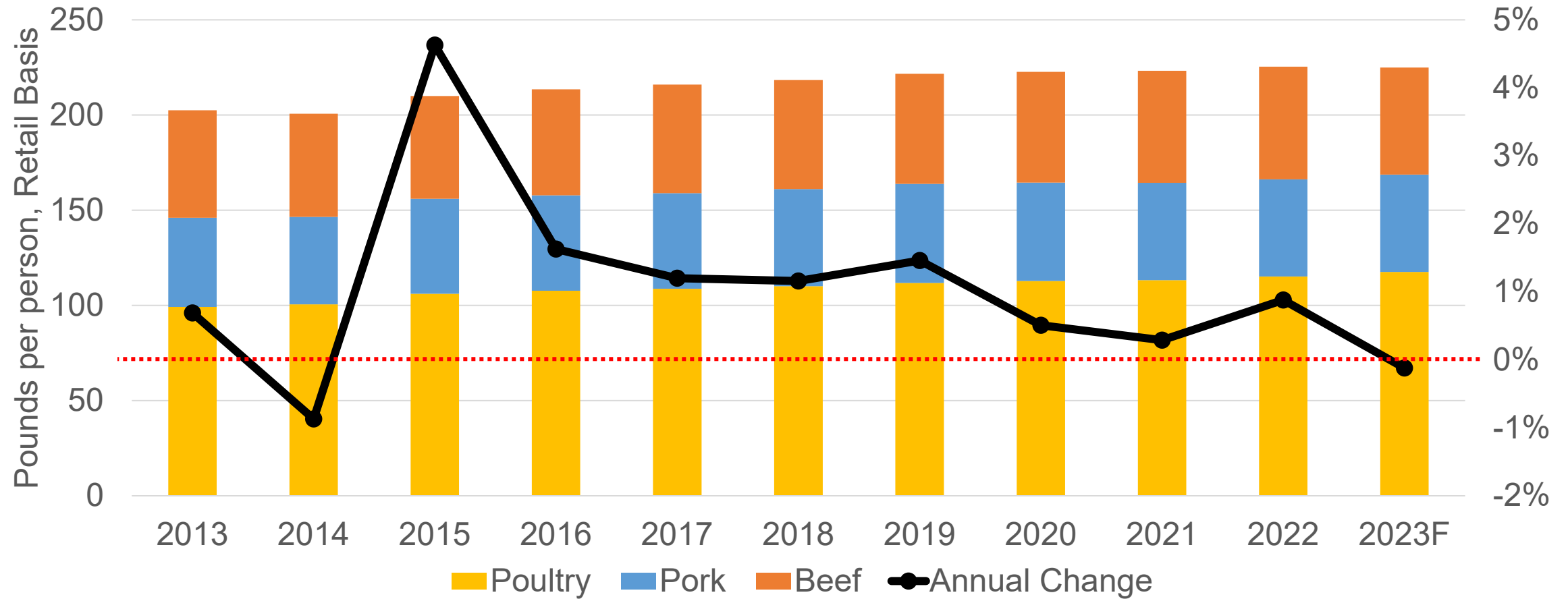
Source: OCE/USDA

Trade: Total Meat Imports and Exports to both fall in 2023



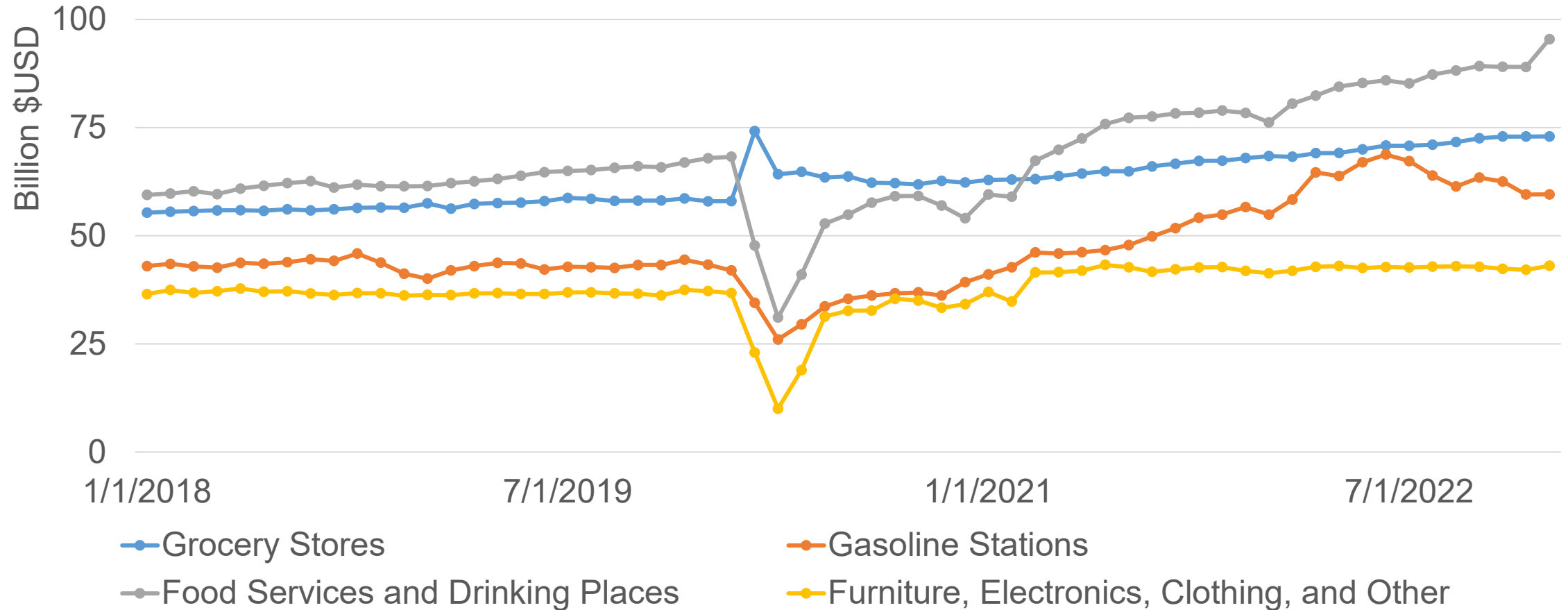
Total Meat: Total Red Meat + Poultry. Source: OCE/USDA

Consumption: Total Meat Per Capita Disappearance to fall slightly



Total Meat: Beef, Pork, Broiler, and Turkey. Source: OCE/USDA

Further Considerations: Will food expenditure continue to grow?

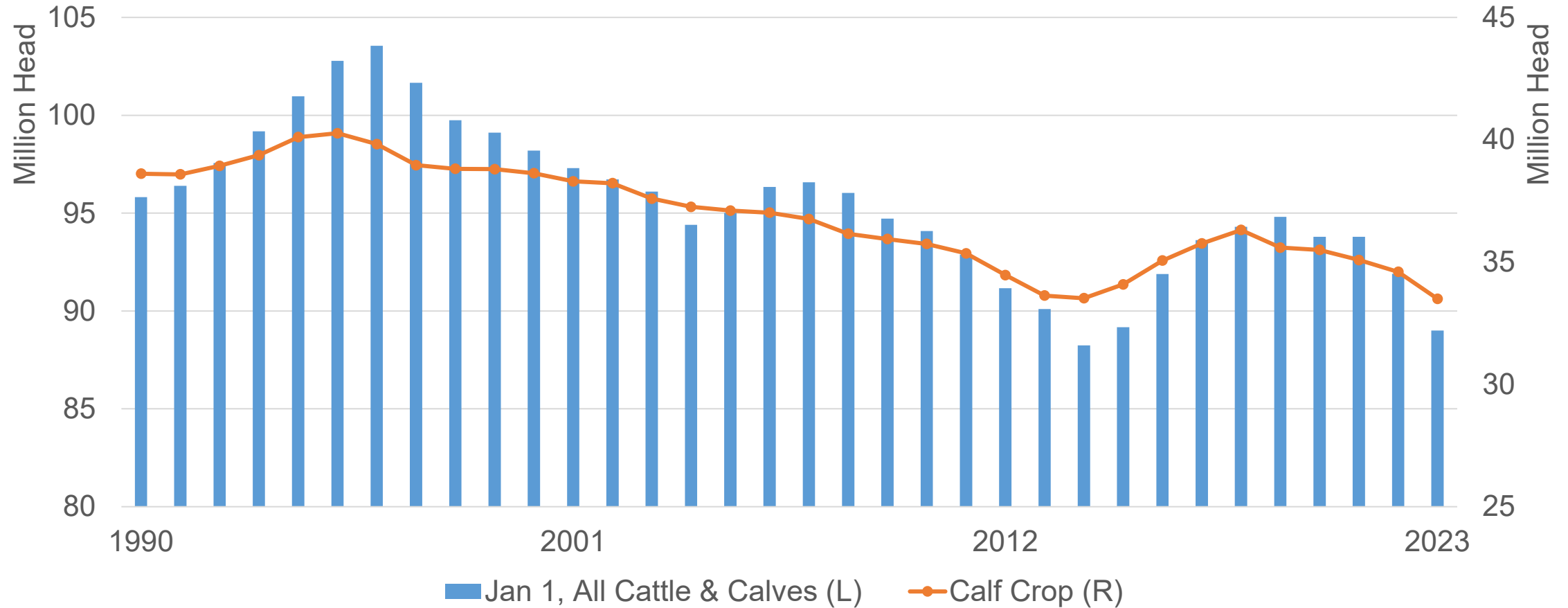


Source: U.S. Census Bureau, via FRED



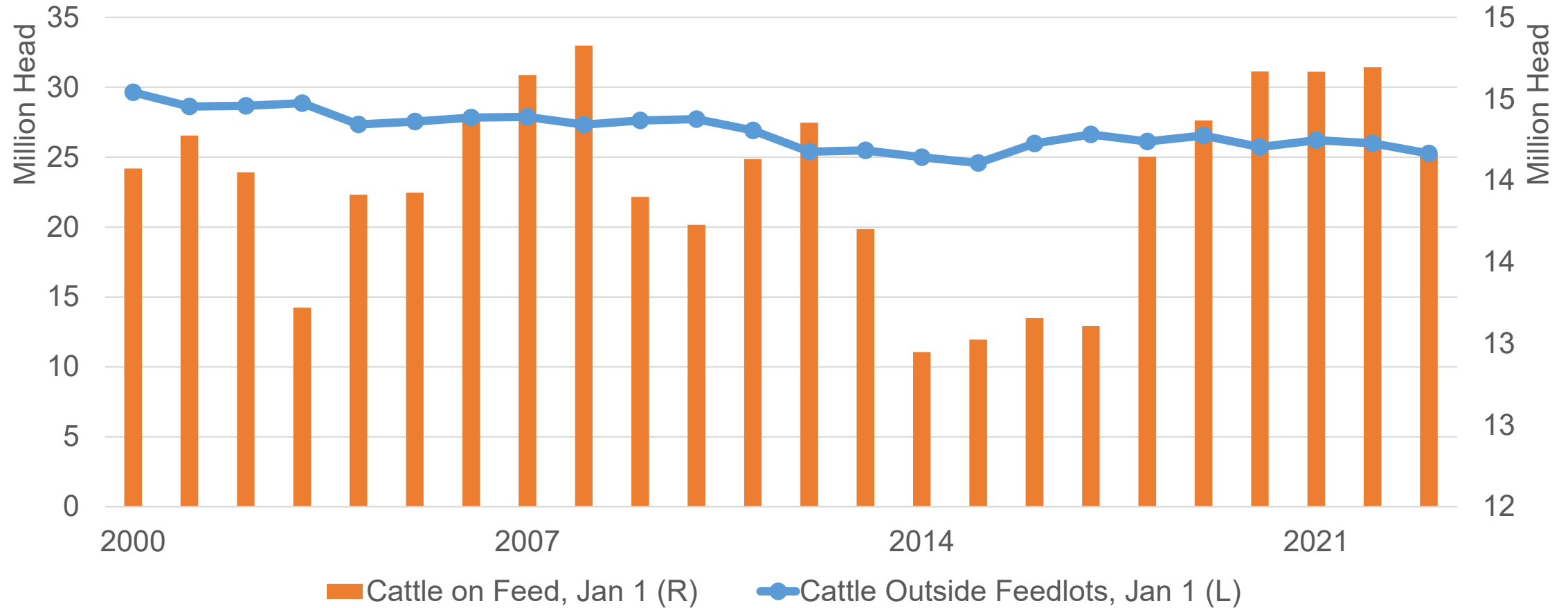
Outlook: Cattle & Beef

Cattle herd will likely contract further in 2023



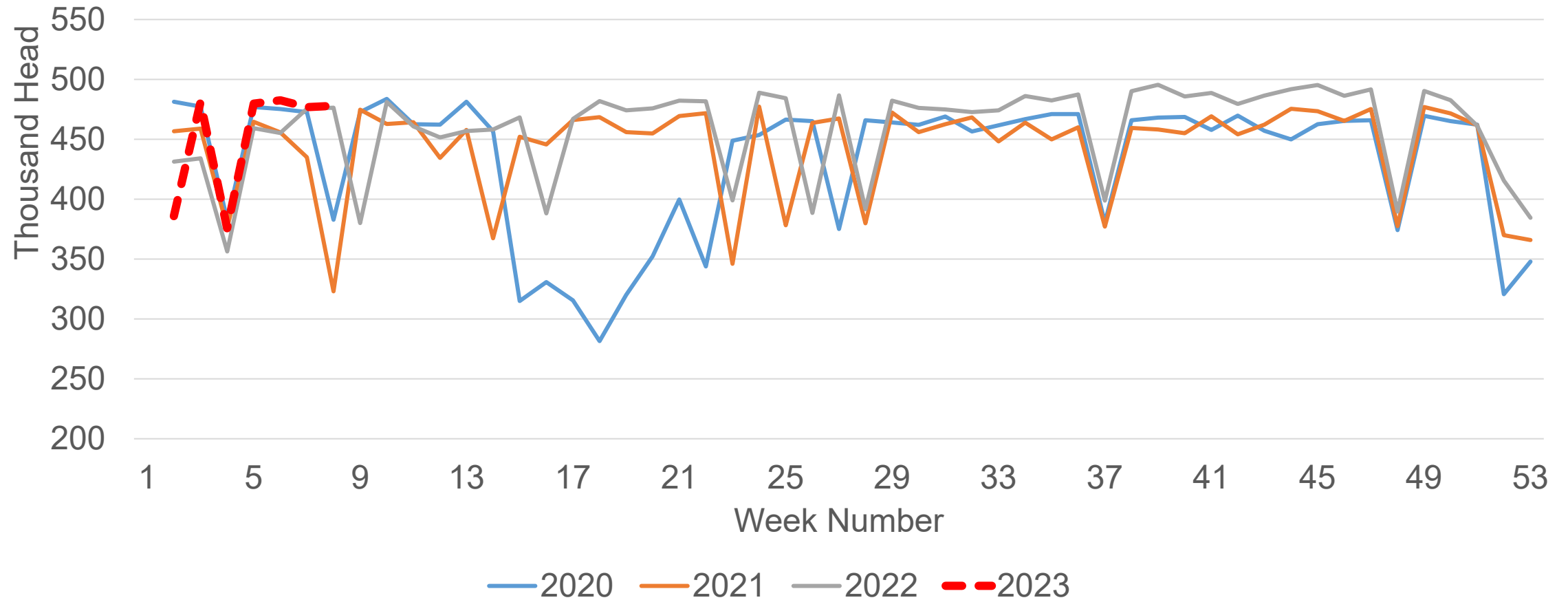
Source: NASS/USDA

Cattle On Feed and Cattle Outside Feedlots are both lower



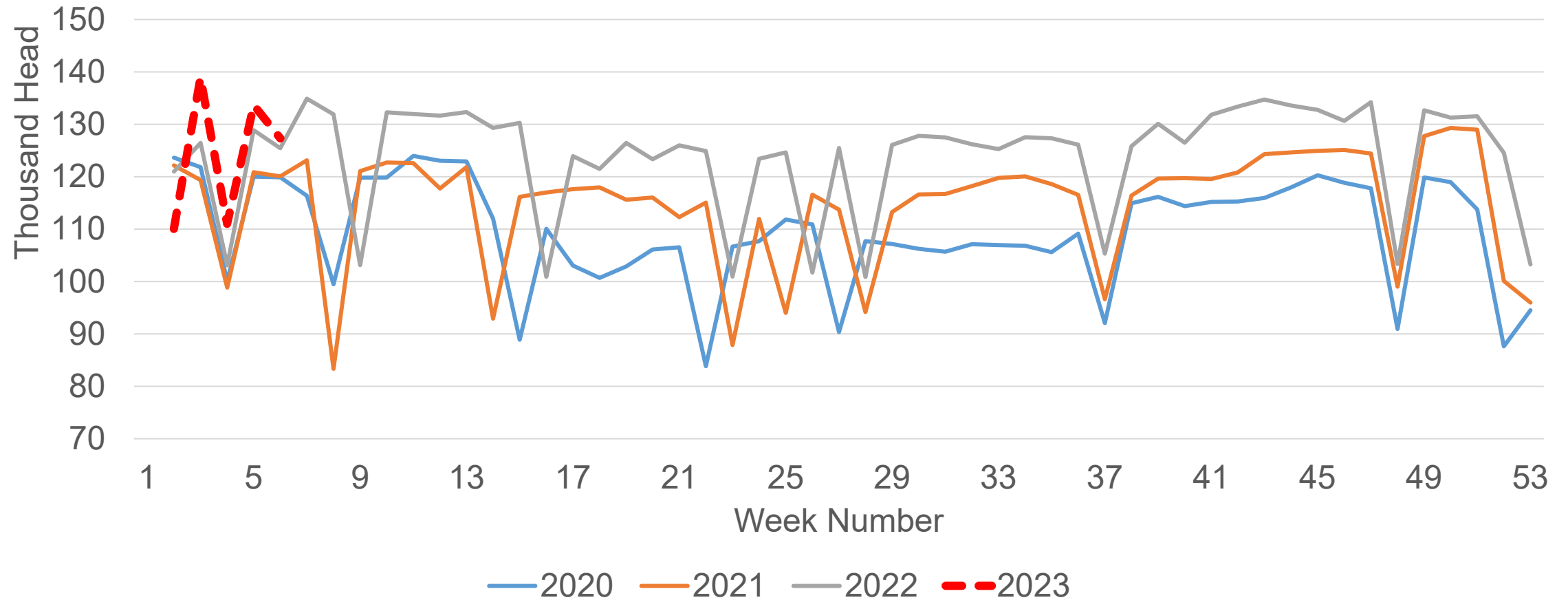
Source: NASS & OCE/USDA

Early year Steer and Heifer slaughter remains on par with 2022



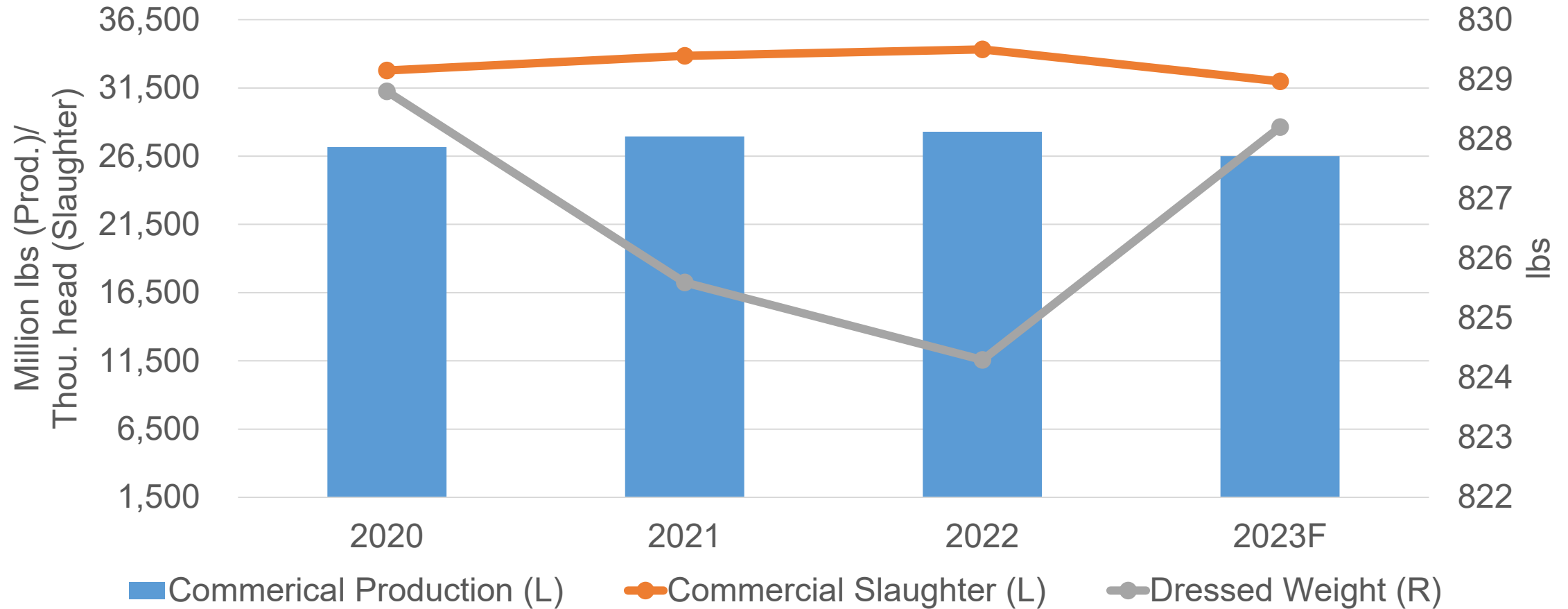
Source: AMS/USDA

Cow slaughter is above last year's pace



Source: AMS/USDA

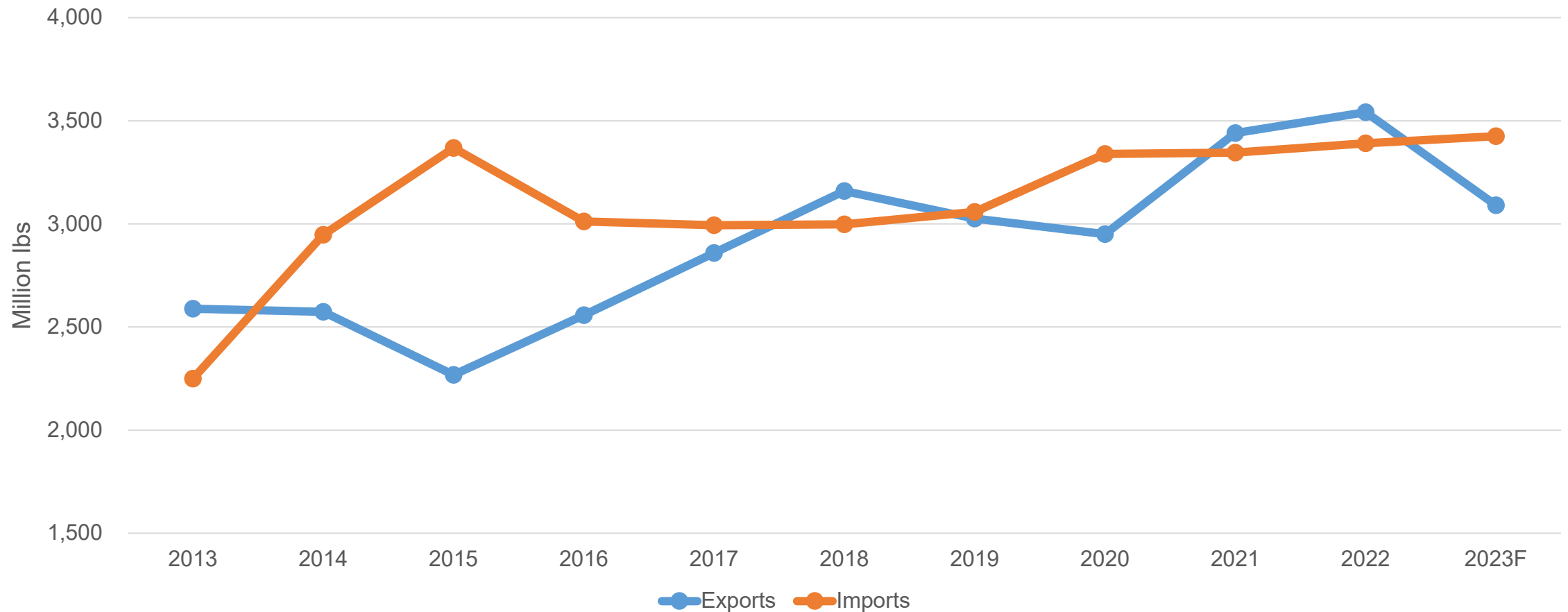
Tight cattle supplies will limit beef production, slaughter



Source: OCE/USDA

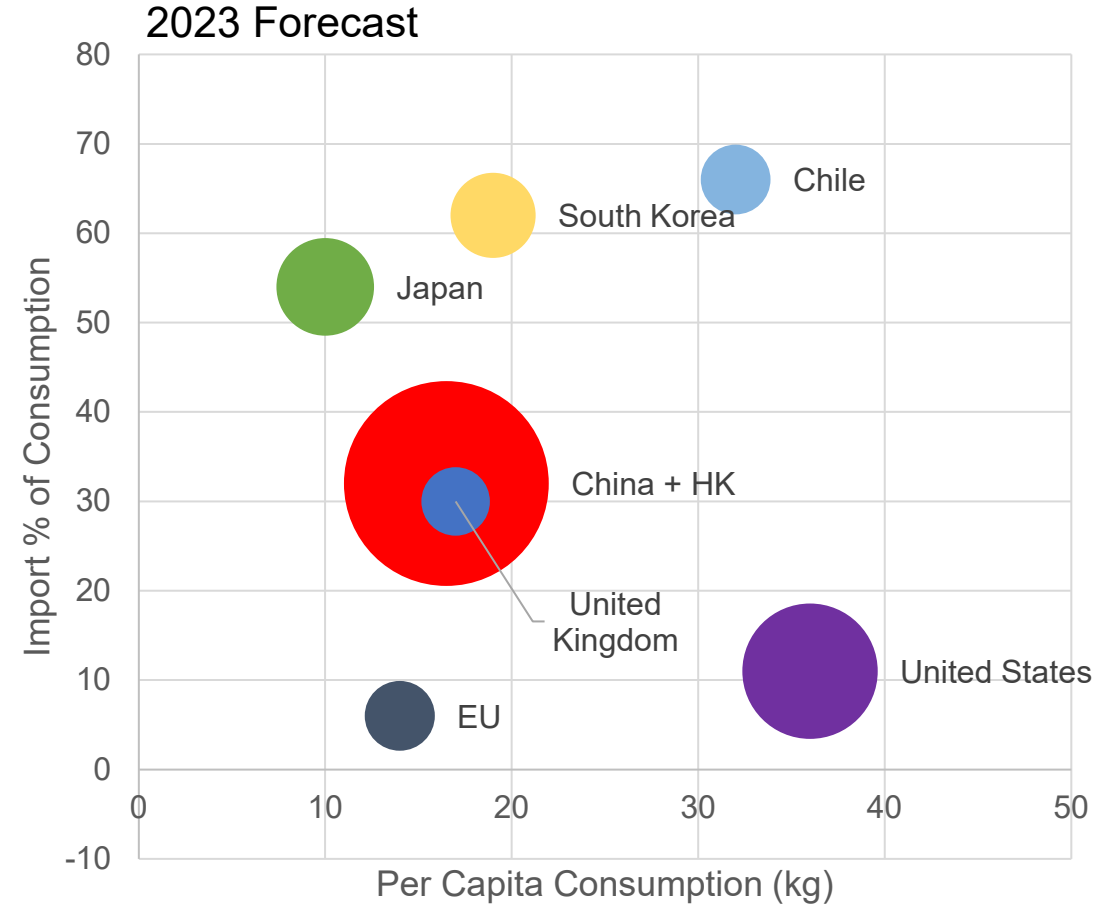
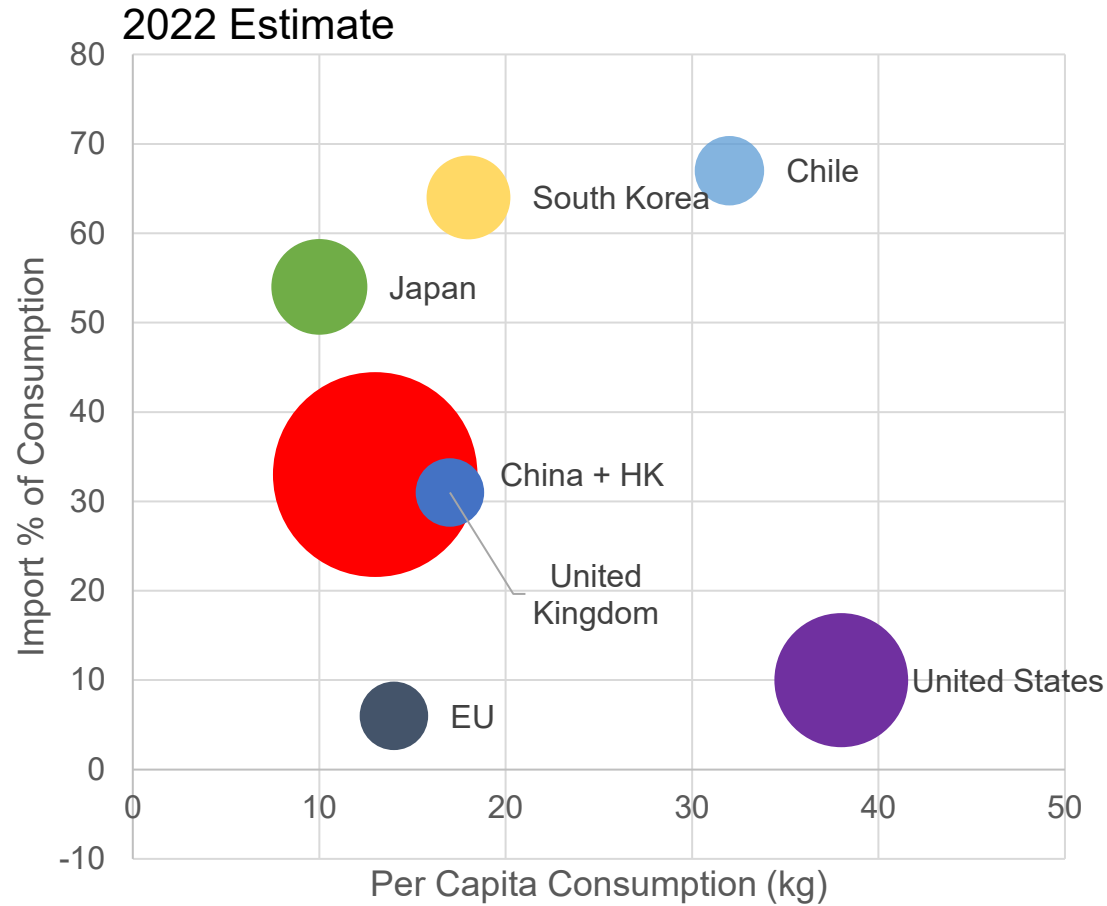


Exports to fall, Imports to remain strong



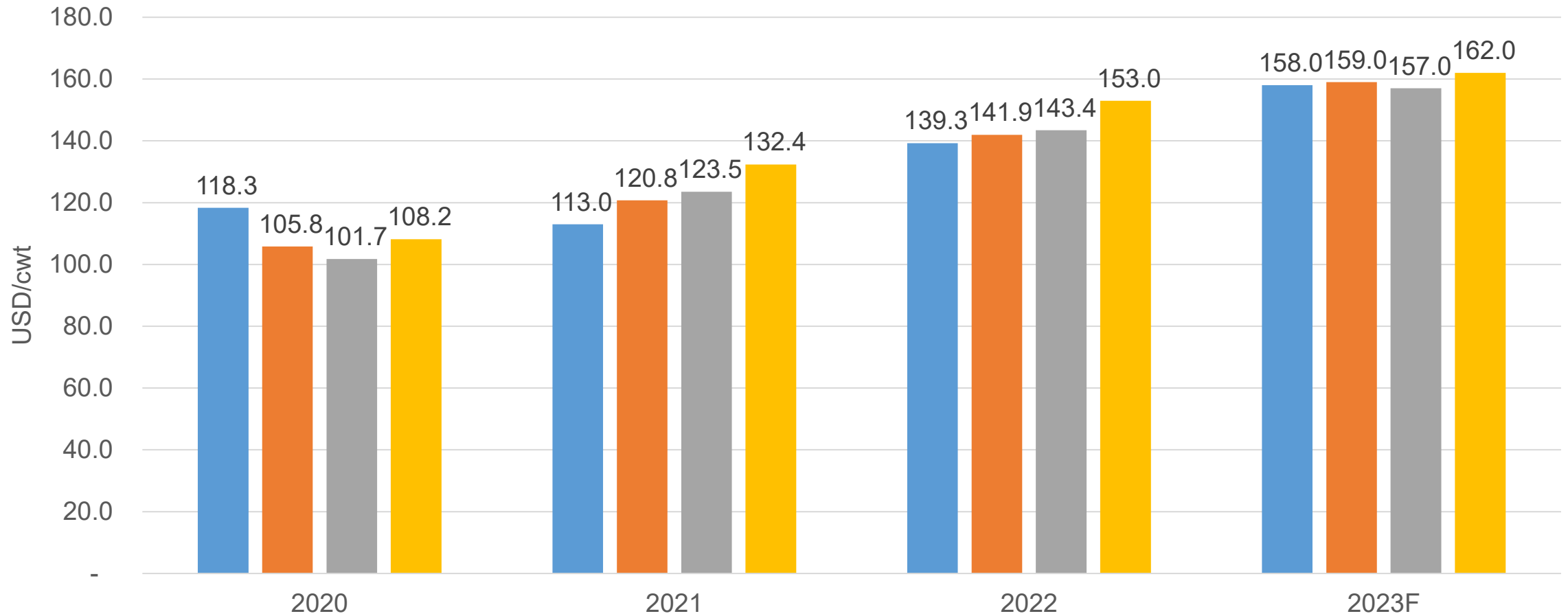
Source: OCE/USDA

Forecast for Key Beef Importers



Source: PSD, FAS/USDA. Size of bubble represents total import estimate/projection.

Steer Prices to Rise in 2023



* Total, All Grades, 5 Area. Source: OCE/USDA

■ Q1 ■ Q2 ■ Q3 ■ Q4

U.S. Beef Balance Sheet for 2023

In million lbs, cwe			
	2022	2023	Change
Comm. Production	28,290	26,495	-6%
Beg. Stocks	676	723	+7%
Imports	3,391	3,425	+1%
Exports	3,536	3,090	-13%
Disappearance	28,165	26,981	-4%
Per Capita (lbs)	59.1	56.3	-5%
Ending Stocks	723	640	-11%
Price (Steers, \$/cwt)	\$144.40	\$159.00	+\$14.60

- Beef production to fall
- Imports to continue, but exports will dip on price, domestic demand
- Per capita disappearance will fall
- Prices to jump on tight supplies

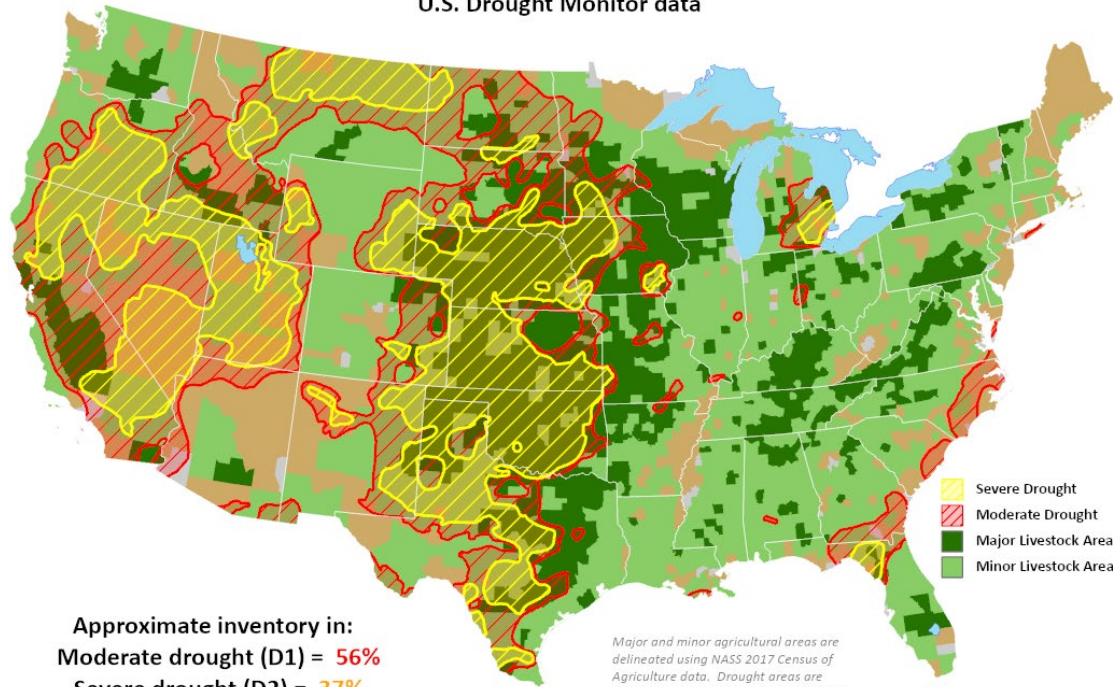
Further Consideration: U.S. Weather



This product was prepared by the
USDA Office of the Chief Economist (OCE)
World Agricultural Outlook Board (WAOB)

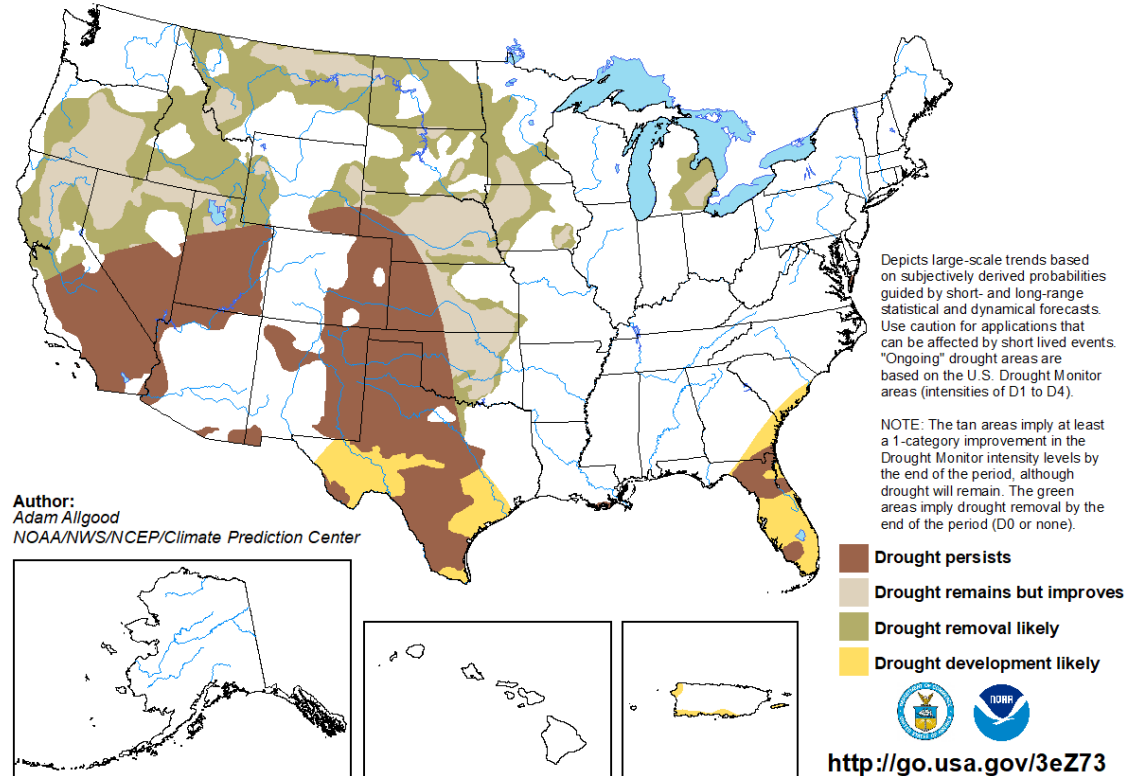
Cattle Areas in Drought

Reflects **January 24, 2023**
U.S. Drought Monitor data



U.S. Seasonal Drought Outlook Drought Tendency During the Valid Period

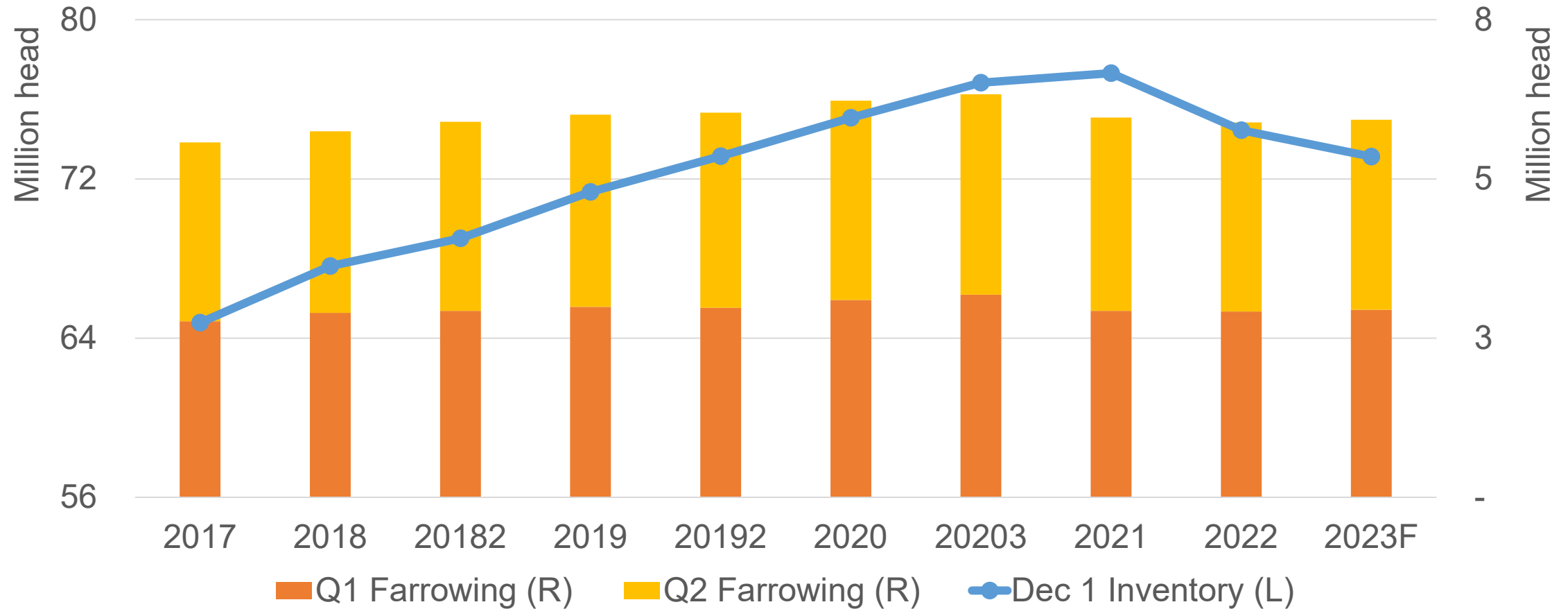
Valid for February 16 - May 31, 2023
Released February 16



A photograph of several white hogs in a field. In the foreground, three hogs are standing on dark, tilled soil, looking towards the camera. In the background, more hogs are visible in a grassy field, with some blue structures (possibly pig houses) and a line of trees in the distance. A semi-transparent dark rectangle is overlaid in the center of the image, containing the text "Outlook: Hog & Pork" in white.

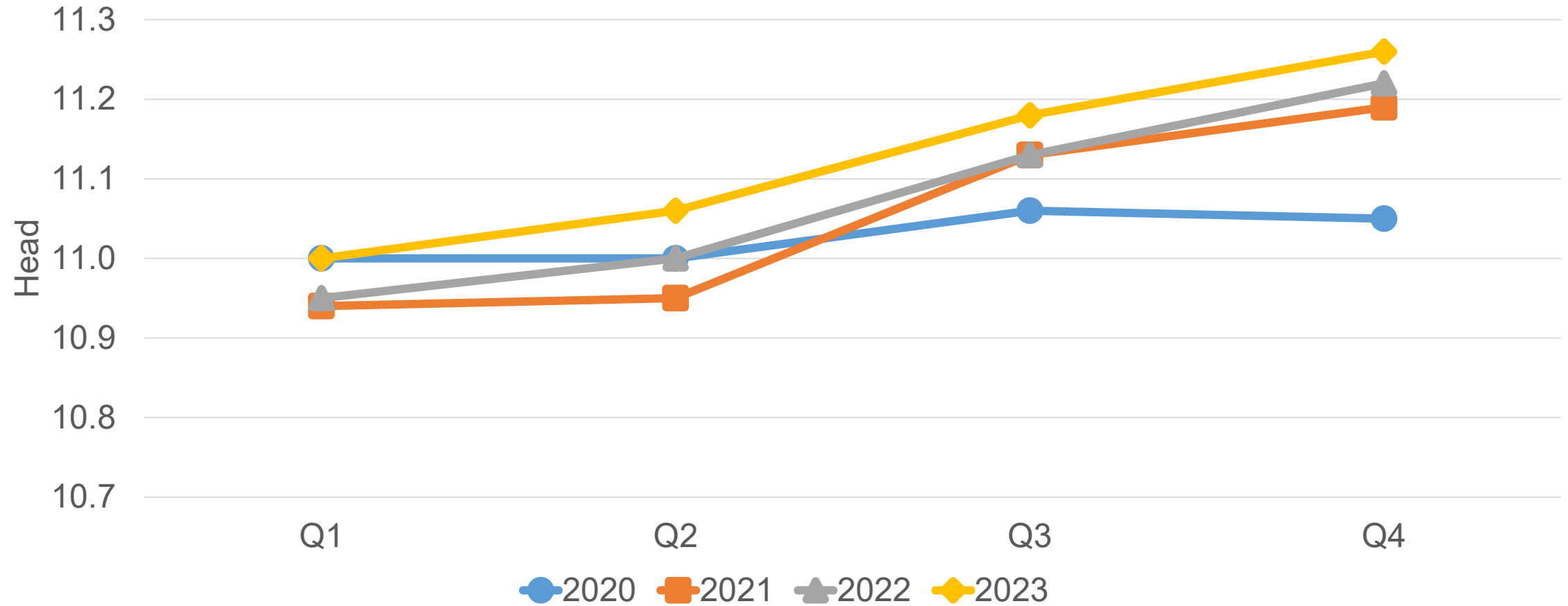
Outlook: Hog & Pork

Hog Inventory declines, with little second half support



* 2023 Q1 and Q2 farrowings are farmer reported intentions. Source: *Quarterly Hogs and Pigs*, NASS, December 2022

Hogs Per Litter projected to grow in 2023



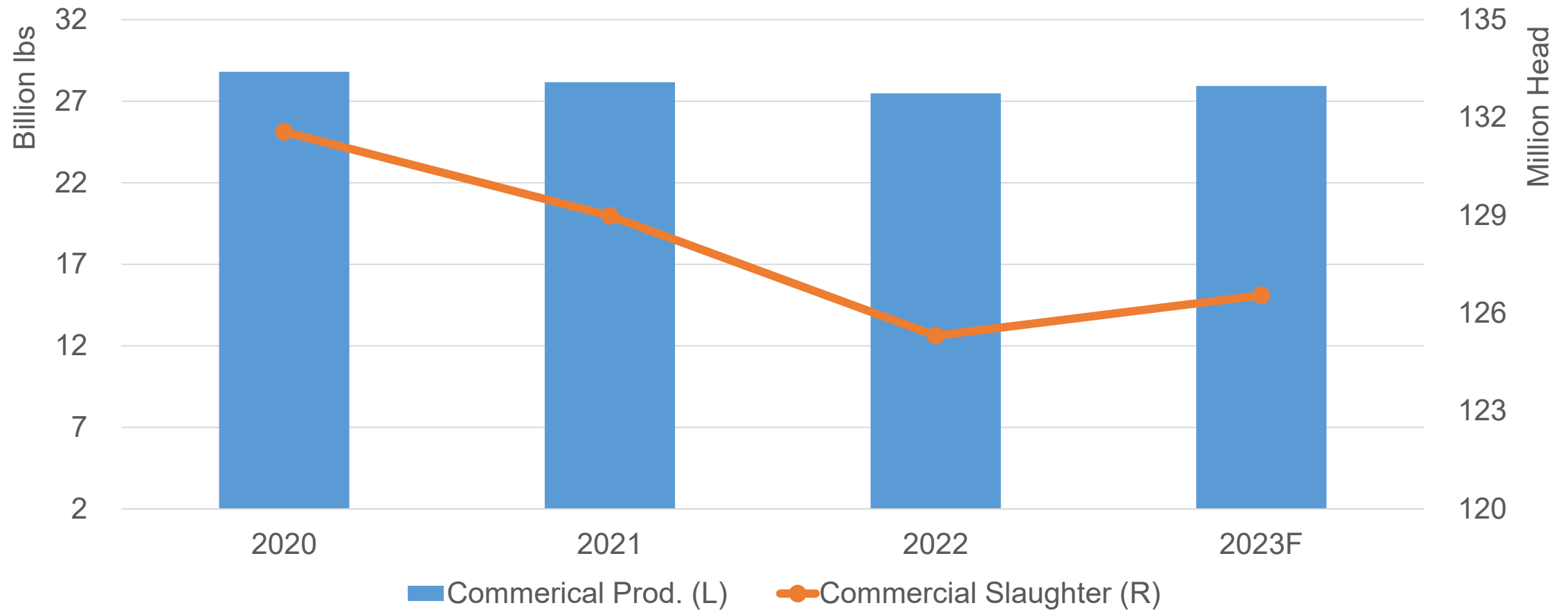
Source: OCE/USDA

Hog Slaughter still strong and on par with 2022



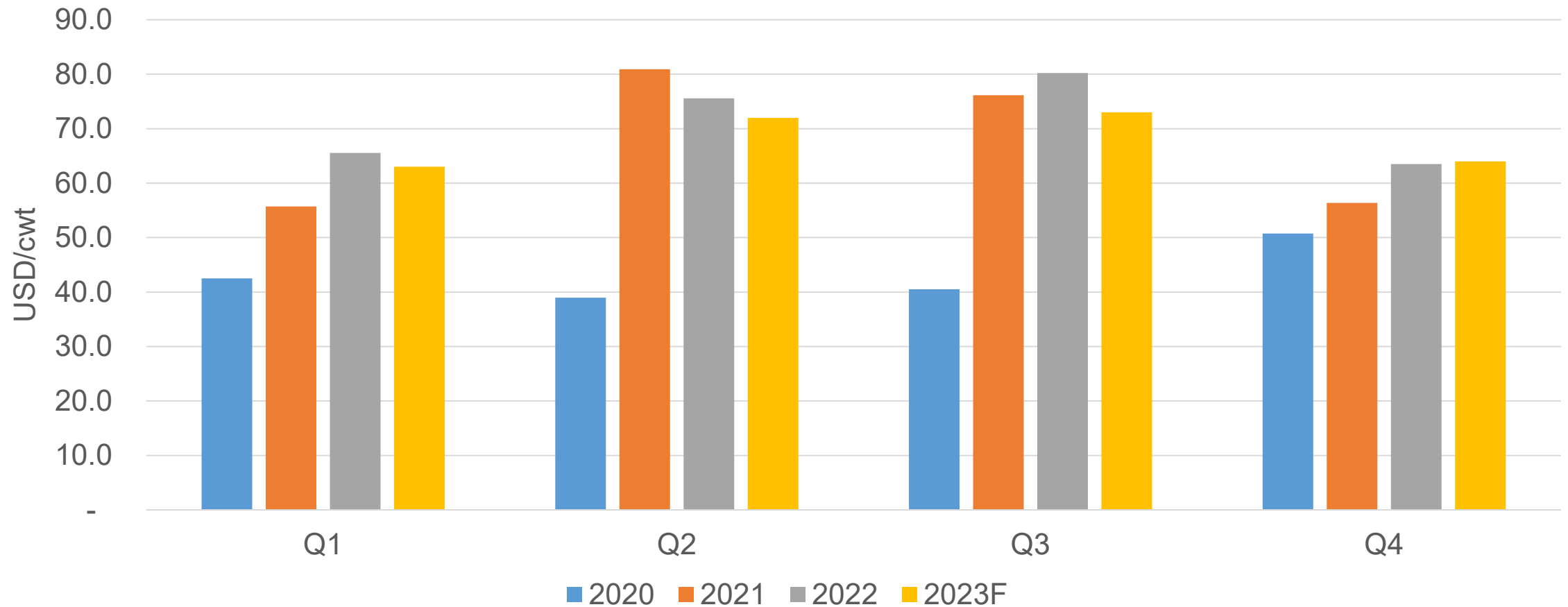
Source: AMS/USDA

Pork production to rise on increased slaughter and improved weights



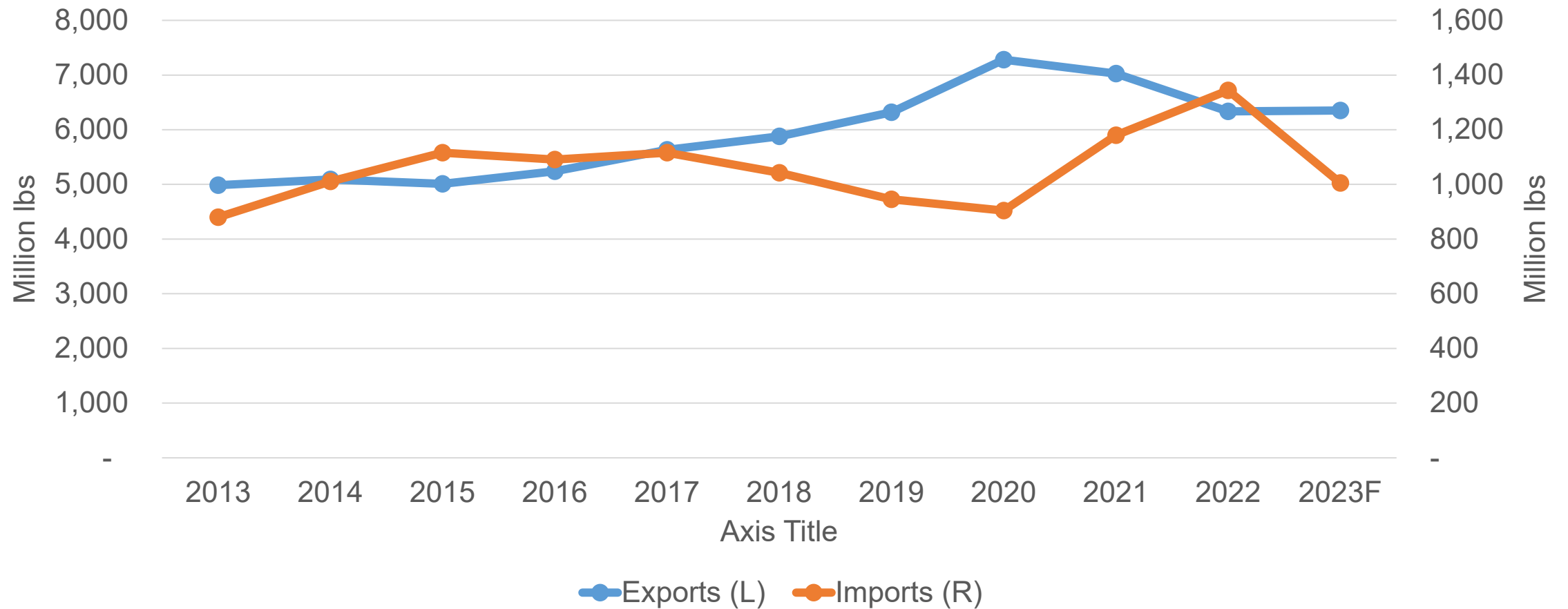
Source: OCE/USDA

2023 Hog Prices to average lower



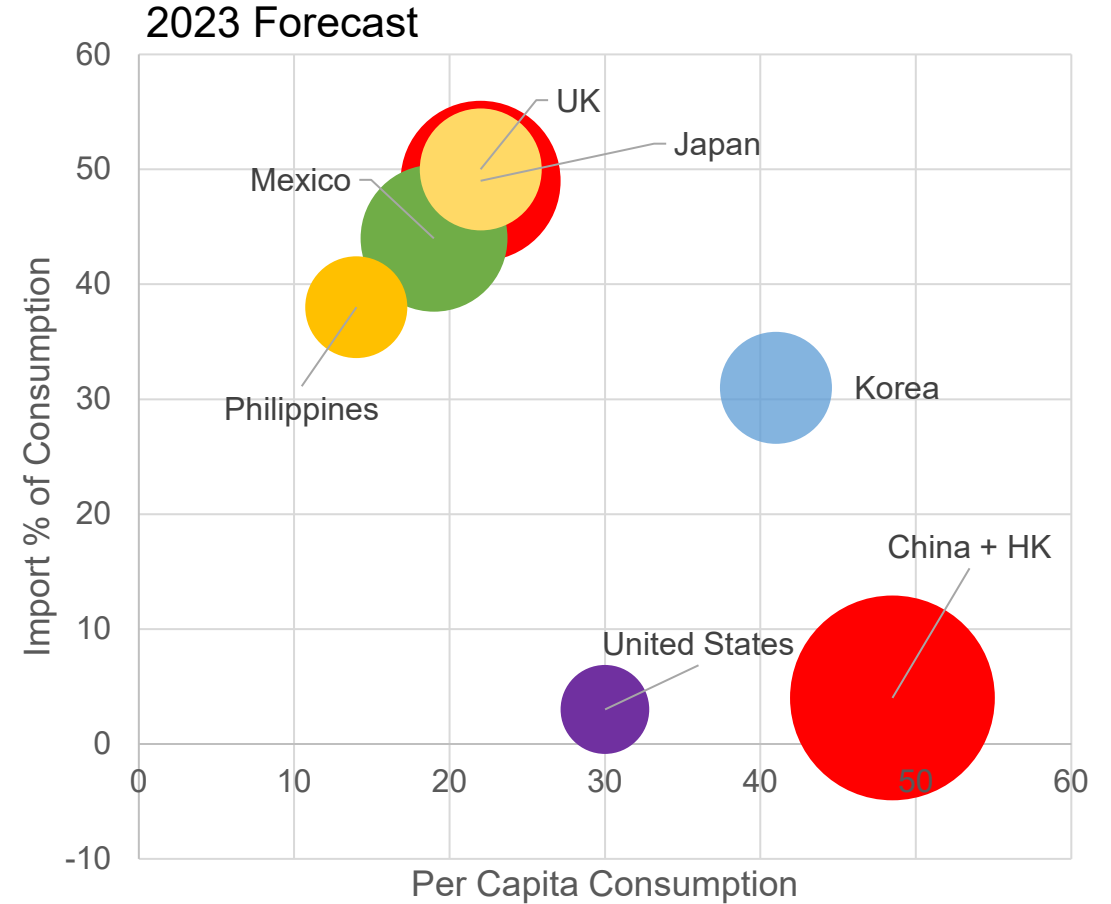
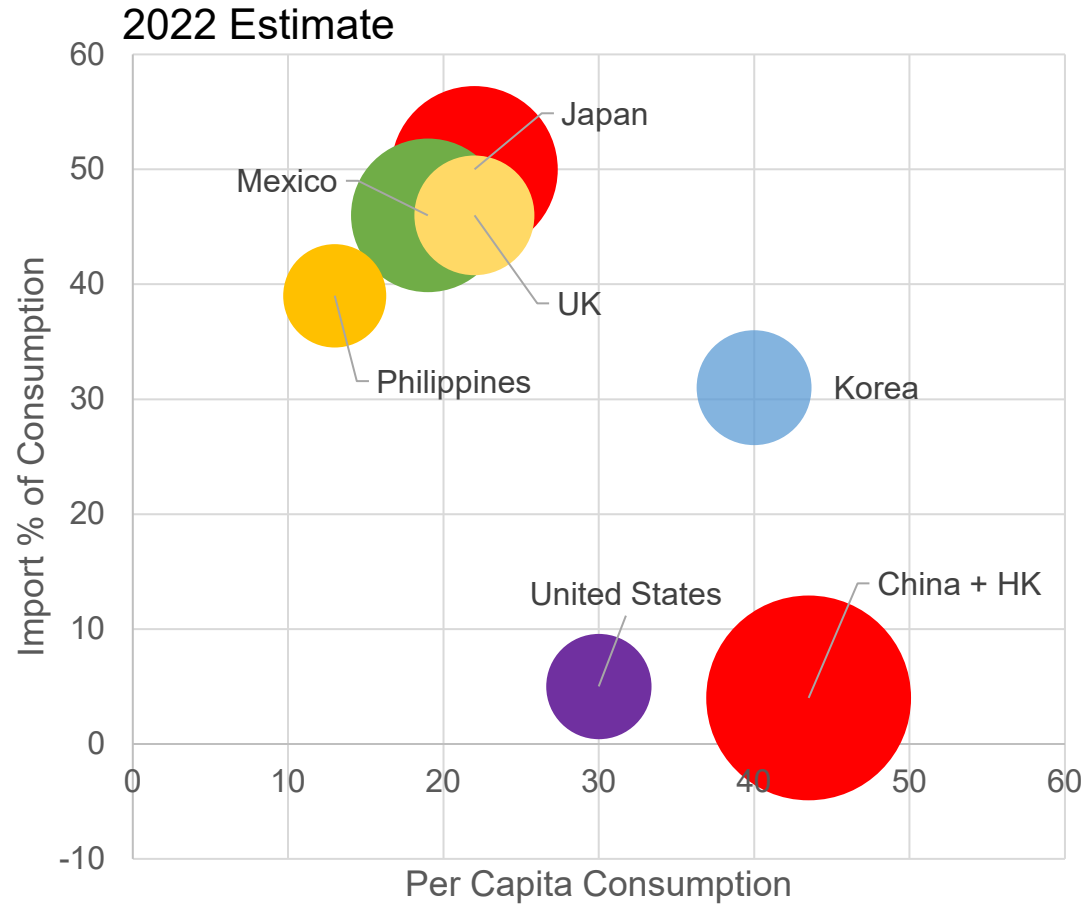
* Barrow and Gilt, National Base Live Equivalent. Source: OCE/USDA

Exports to hold, but Imports will fall



Source: OCE/USDA

Forecast for Key Pork Importers



Source: PSD, FAS/USDA. Size of bubble represents total import estimate/projection.

U.S. Pork Balance Sheet for 2023

In million lbs			
	2022	2023	Change
Comm. Production	26,995	27,435	+2%
Beg. Stocks	446	506	+13%
Imports	1,344	1,005	-25%
Exports	6,338	6,350	0%
Disappearance	21,955	22,096	+2%
Per Capita (lbs)	51.1	51.1	-
Ending Stocks	506	515	+2%
Price (Barrows/Gilts, \$/cwt)	\$71.21	\$66.50	-\$4.71

- Production to rise on higher inventory
- Imports are lower with higher domestic supply, while exports are fractionally higher
- Per capita disappearance is unchanged
- Prices projected to fall on larger supplies

Further Consideration: Proposition 12

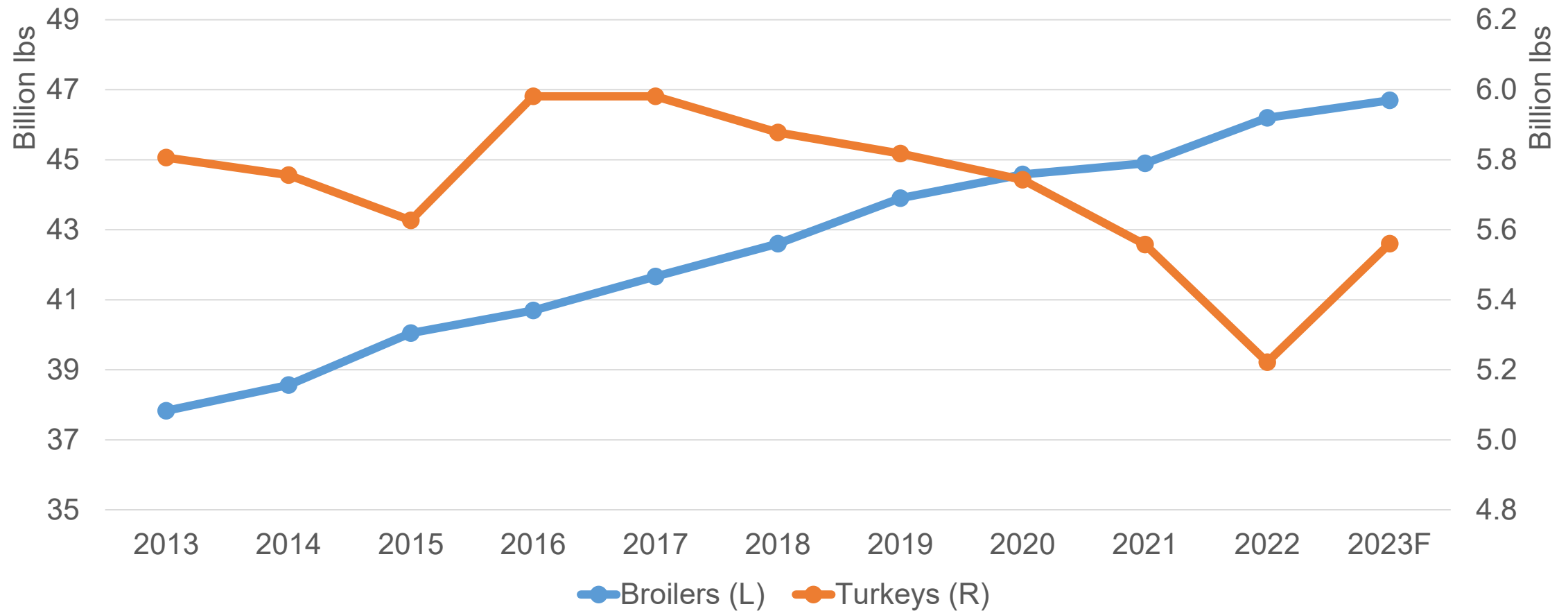


- “Prop 12” would ban sales of pork that doesn’t follow CA regulation (gestation crates)
- Prop 12 passed in 2018, but was appealed/dismissed in 2021
- In March 2022, the Supreme Court announced it would review the case
- Prop 12 could cost producers and reduce demand

A photograph of several brown chickens in a farm setting. The chickens are standing on a dirt ground, and a wire fence is visible in the background. The text "Outlook: Poultry" is overlaid in the center of the image.

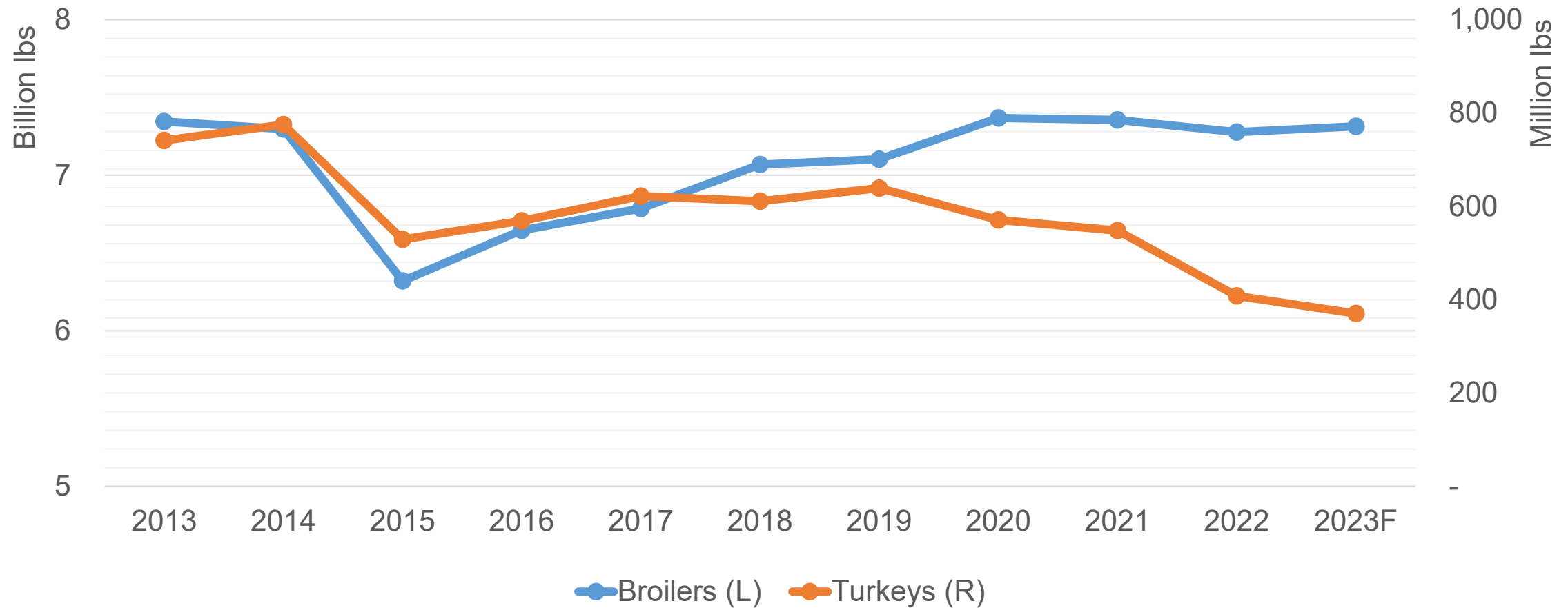
Outlook: Poultry

Broiler production forecast at record, Turkey to rebound in 2023



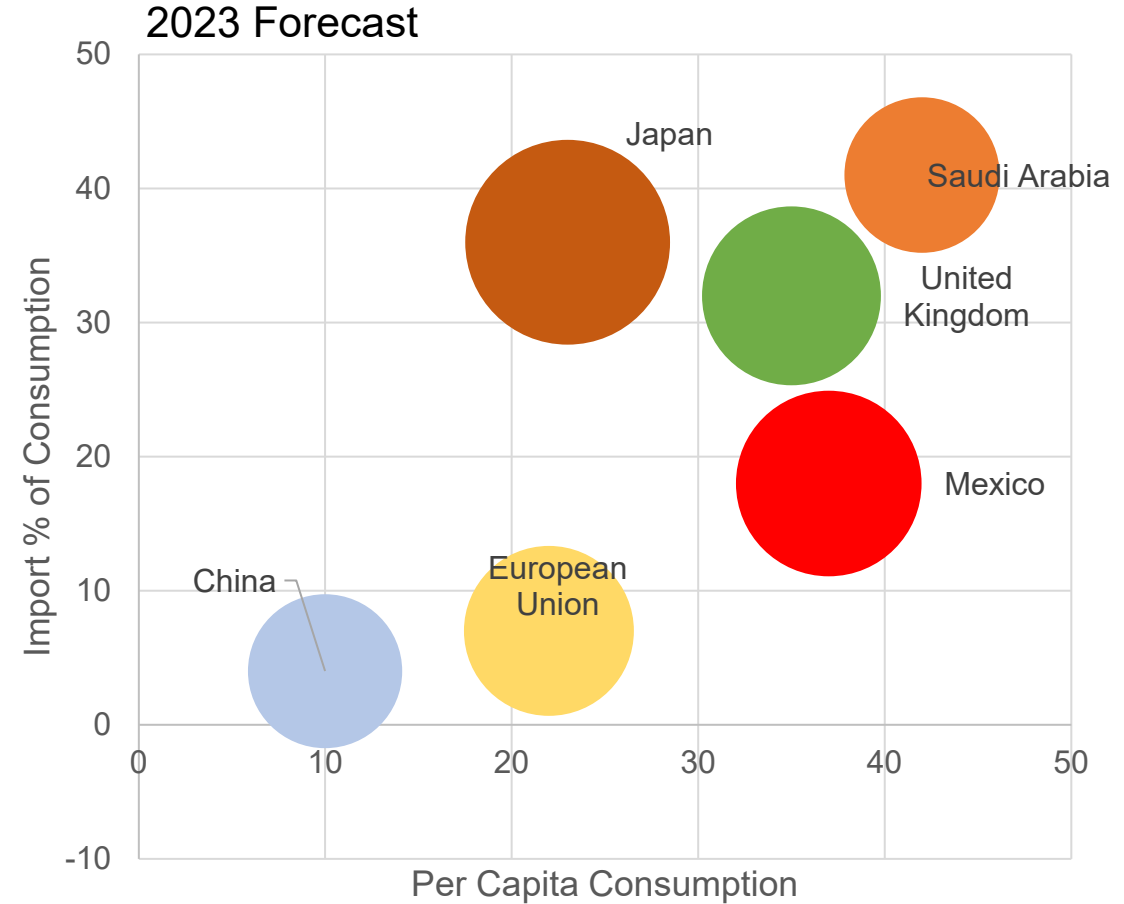
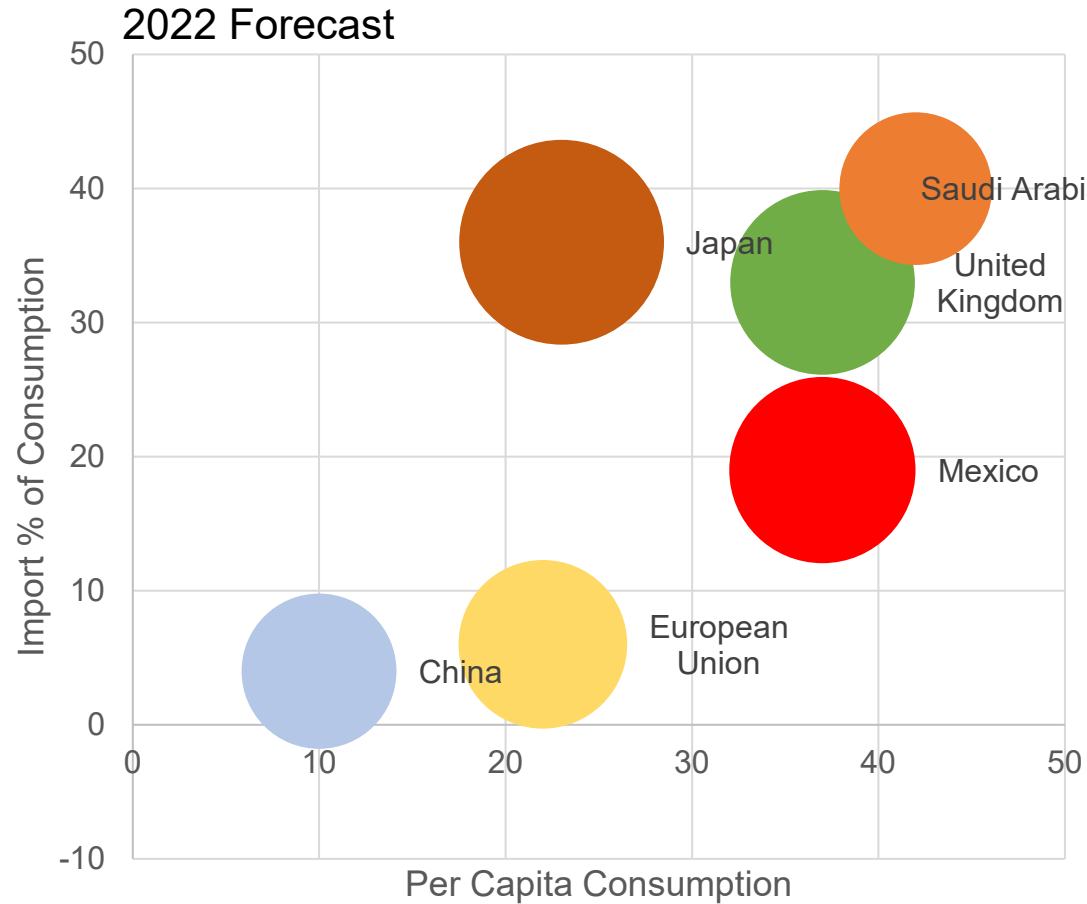
Source: OCE/USDA

Broiler Exports to Hold Steady, but Turkey Exports will Fall



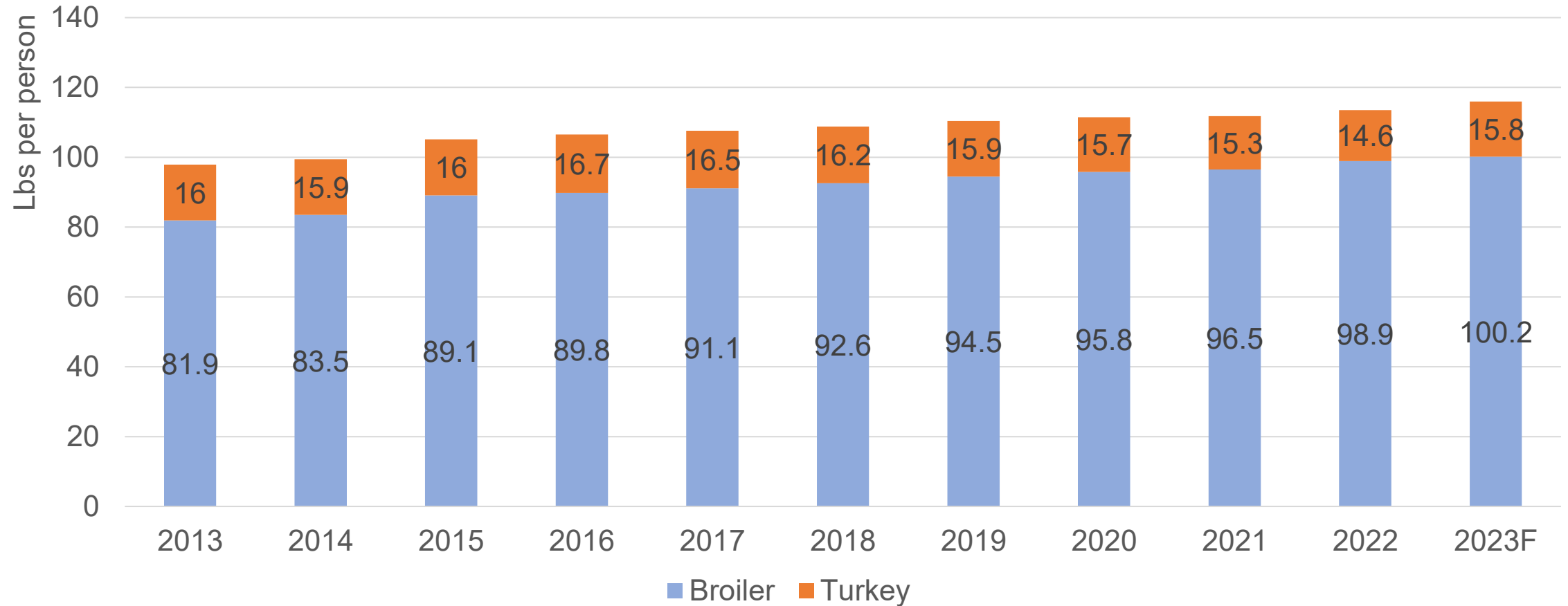
Source: OCE/USDA

Forecast for Key Broiler Importers



Source: PSD, FAS/USDA. Size of bubble represents total import estimate/projection.

Poultry per capita disappearance to grow



Source: OCE/USDA

U.S. Broiler Balance Sheet for 2023

	In million lbs		
	2022	2023	Change
F.I. Production	46,201	46,700	+1%
Beg. Stocks	705	892	+27%
Imports	176	160	-9%
Exports	7,282	7,315	0%
Disappearance	38,418	39,098	+2%
Per Cap. Disapp.(lbs)	98.9	100.2	+1%
Ending Stocks	892	840	-6%
Price (Broilers, USc/lb)	140.50	126.50	-14.00

- Production to grow slightly in 2023
- Trade is marginally up, with HPAI restrictions and price sensitive importers
- Per capita disappearance will be higher in both volume and proportion of major meat consumption
- Prices are projected lower

U.S. Turkey Balance Sheet for 2023



	In million lbs		
	2022	2023	Change
F.I. Production	5,222	5,560	+6%
Beg. Stocks	166	190	+14%
Imports	85	120	+41%
Exports	408	370	-9%
Disappearance	4,786	5,315	+11%
Per Capita (lbs)	14.6	15.9	+9%
Ending Stocks	190	185	-3%
Price (Hens, USc/lb)	154.5	162.0	+7.50

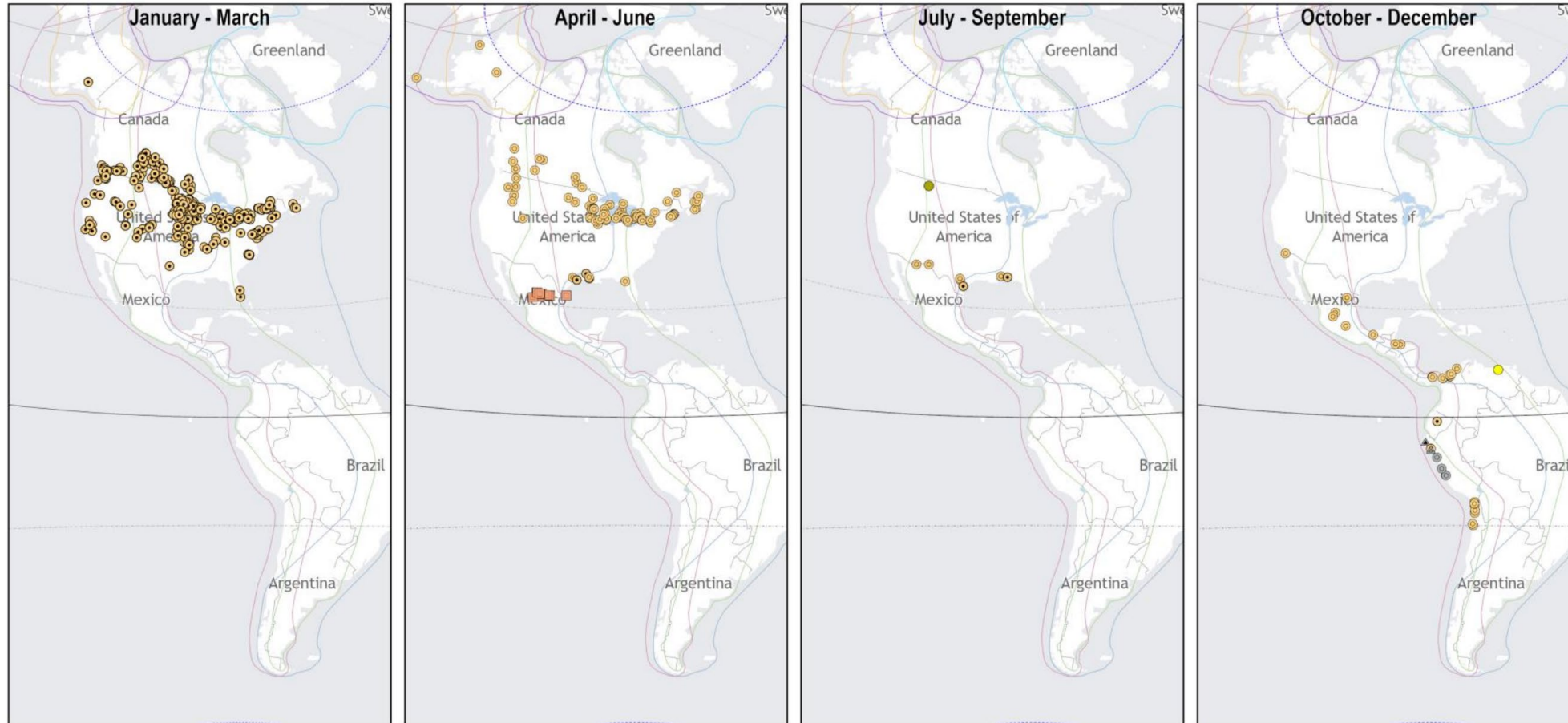
- Production to recover in the latter half of the year
- Imports will rise and exports will fall
- Prices to average higher on first half strength

Overhanging Concern: HPAI

Avian Influenza Outbreaks from Jan 2022 to Jan 2023, Region of the Americas

Subtype

-  H5N1 (HPAI)
-  H5N1 (HPAI non. Plt)




Source: *Epidemiological Alert*, PAHO, Jan 2023

U.S. Egg Balance Sheet for 2023

	In million dozen		
	2022	2023	Change
Table Egg Production	7,719	8,095	+5%
Beg. Stocks	19.1	18.8	-2%
Imports	26	26	-
Exports	227	240	+6%
Disappearance	7,691	8,030	+4%
Per Capita (no.)	277	287	+4%
Ending Stocks	18.8	20.0	+6%
Price (Wholesale, Grade A, Large, USD/dz)	\$2.82	\$2.07	-\$0.75

- Production to rebound for table eggs, with hatching eggs flat
- Imports to remain elevated, as well as exports
- Disappearance per person to increase, with falling prices and increased supplies



Concluding Remarks

In Summary:

- **Total Red Meat and Poultry** to decline to 106.9 billion lbs, the first decline since 2014
- **Cattle** supplies will be tight, limiting exports and supporting imports of **beef**
- **Hog** supplies will recover, and **pork** supplies will also grow, pushing down prices
- **Broiler** meat will grow in 2023, weighing on prices and increasing disappearance
- **Turkey** prices will average higher despite higher supplies, due to temporal lag in production
- **Lamb** production is projected lower, imports higher, and prices lower
- **Egg** production to rebound in 2023, lower prices and increasing disappearance



Additional Resources

- World Agricultural Supply and Demand Estimates

<http://www.usda.gov/oce/commodity/wasde/index.htm>

- Livestock, Dairy, and Poultry Situation and Outlook

<https://usda.library.cornell.edu/concern/publications/g445cd121?locale=en>

- Livestock: World Markets and Trade

<https://www.fas.usda.gov/data/livestock-and-poultry-world-markets-and-trade>



Thank you for listening.

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