Outlook for the U.S. Livestock and Poultry Sectors in 2024

Presented By
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World Agricultural Outlook Board, USDA

USDA Agricultural Outlook Forum
February 16, 2024
## Total Meat Production Fractionally Higher

<table>
<thead>
<tr>
<th>Billion pounds</th>
<th>2022</th>
<th>2023</th>
<th>2024F</th>
<th>2023-24 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>28.291</td>
<td>26.963</td>
<td>26.185</td>
<td>-2.9</td>
</tr>
<tr>
<td>Pork</td>
<td>26.996</td>
<td>27.301</td>
<td>27.880</td>
<td>2.1</td>
</tr>
<tr>
<td>Broiler Meat</td>
<td>46.206</td>
<td>46.383</td>
<td>46.775</td>
<td>0.8</td>
</tr>
<tr>
<td>Turkey</td>
<td>5.222</td>
<td>5.455</td>
<td>5.395</td>
<td>-1.1</td>
</tr>
<tr>
<td>Total Red Meat &amp; Poultry</td>
<td>107.469</td>
<td>106.858</td>
<td>106.986</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Source: USDA: WAOB
## Trade Dependent on Competitiveness

<table>
<thead>
<tr>
<th>Billion pounds</th>
<th>2022</th>
<th>2023</th>
<th>2024F</th>
<th>2023-24 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beef</td>
<td>3.544</td>
<td>3.038</td>
<td>2.785</td>
<td>-8.3</td>
</tr>
<tr>
<td>Pork</td>
<td>6.345</td>
<td>6.818</td>
<td>7.080</td>
<td>3.8</td>
</tr>
<tr>
<td>Broiler Meat</td>
<td>7.290</td>
<td>7.265</td>
<td>7.215</td>
<td>-0.7</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beef</td>
<td>3.390</td>
<td>3.727</td>
<td>4.125</td>
<td>10.7</td>
</tr>
<tr>
<td>Pork</td>
<td>1.344</td>
<td>1.143</td>
<td>1.195</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Source: USDA: WAOB
# Livestock & Poultry Prices Mixed

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
<th>2024F</th>
<th>2023-24 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cattle, $/cwt</strong></td>
<td>$144.40</td>
<td>$175.54</td>
<td>$180.0</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Hogs, $/cwt</strong></td>
<td>$71.21</td>
<td>$58.59</td>
<td>$60.0</td>
<td>2.4</td>
</tr>
<tr>
<td>(live equiv.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>National Composite Broiler, $/lb</strong></td>
<td>$1.41</td>
<td>$1.24</td>
<td>$1.27</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Turkey, $/lb</strong></td>
<td>$1.55</td>
<td>$1.40</td>
<td>1.07</td>
<td>-23.6</td>
</tr>
</tbody>
</table>

Source: USDA: WAOB
Per Capita Domestic Disappearance Recovers Slightly

Source: USDA: WAOB
Situation Facing Livestock and Poultry Producers

Moderating Feed Prices

• Corn: $4.80/bu in 2023/24
  $4.40/bu in 2024/25

• Soybean meal: $380/ton in 2023/24
  $320/ton in 2024/25

Forage Supplies Improving

• “Other” hay prices in second-half 2023 below 2022
• Dec 1 hay stocks 7 percent higher
• Drought area diminishing
Cattle Areas in Drought

Reflects January 2, 2024
U.S. Drought Monitor data

Approximate inventory in:
Moderate drought (D1) = 35%
Severe drought (D2) = 15%

Major and minor agricultural areas are delineated using NASS 2017 Census of Agriculture data. Drought areas are identified using the U.S. Drought Monitor product.
Factors Driving the U.S. Forecasts:

- Cattle – Herd Contraction Continues
  - January 1 cattle inventory down 2 percent
  - Beef cow numbers down 2 percent
  - Heifers for beef cow replacement 1 percent lower
Cattle Herd at 87.2 Million on Jan 1, 2024
Further Decline Likely

Source: USDA: NASS, WAOB
Numbers = Annual Percent Change in Beef Cows and Retained Beef Heifers

Approximate inventory in SEVERE drought (D2) = 15%

Major and minor agricultural areas are delineated using NASS 2017 Census of Agriculture data. Drought areas are identified using the U.S. Drought Monitor product.
December 1 Hay Stocks Remain Below Historical Averages

Source: USDA: NASS
Beef Cow Herd, Calf Crop Smaller

* 2024 Calf Crop Forecast

Source: USDA: NASS, WAOB
Cattle on Feed Higher, Available for Placement Lower

Source: USDA: NASS
Feeder Calf Prices Will Be Record High in 2024

750-800 lb Feeder Steers, Oklahoma City

Source: USDA: AMS, WAOB
Factors Driving the Forecasts:

- Hogs – Inventory Smaller
- Producers Retrenching
Hog Inventory Rose to 75.0 Million Head on December 1, 2023

Inventory on December 1, Preceding Year

* Forecast

Source: USDA: NASS, WAOB
Estimated Returns to Farrow-Finish Operators

Source: Iowa State University
2023-24 Stated Farrowing Cuts Reflect Weak Returns

QI & QII Reported Intentions
QIII & QIV Forecast

Source: USDA: NASS, WAOB
Factors Driving the Forecasts:

• Hogs – Inventory Smaller
  • Producers Retrenching
  • But Growth in Pigs per Litter Higher
Pigs per Litter Back to Pre-Covid Trend

Trend: 2014.3-2019.4

Source: USDA: NASS, WAOB

* Forecast
Right-Sizing the Breeding Herd?

Weekly Sow and Boar Slaughter Less Imports from Canada

Source: USDA: Agricultural Marketing Service
Factors Driving the Forecasts:

- Broilers – Sector Slowly Expanding
Broiler Returns Improving

Indexed Broiler Returns:
Whole Broiler Price Minus Feed Cost

Source: USDA: Economic Research Service
Broiler Laying Flock Gradually Rebuilding

Source: USDA: NASS
Factors Driving the Forecasts:

- Broilers – Sector Slowly Expanding
- Current Expansion Limited
Broiler Pullets Hatched as Proportion of Layers Close to Historical Levels

Source: USDA: NASS
Early-Year Chick Placements Close to Prior Years

Source: USDA: NASS
Factors Driving the Forecasts:

• Broilers – Sector Slowly Expanding
• Current Expansion Limited
• Bird Weights Increasing Gradually
Broiler Weight Growth Slowed

Source: USDA: NASS
Factors Driving the Forecasts:

- Turkey – Market is Facing Residual Impacts of HPAI Discoveries and Weak Demand
  - Prices Are Weak; Outweighing Lower Feed Prices
Turkey Prices Moved Counter-seasonally Lower in 2023

Frozen Hen Price

Source: USDA: AMS
Indexed Turkey Returns:
Frozen Hen Price Minus Feed Cost

Source: USDA: Economic Research Service
Factors Driving the Forecasts:

- Turkey – Market is Facing Weak Demand
  - Prices Are Weak; Outweighing Lower Feed Prices
- Bird Numbers Lower at Start of Year
HPAI and Response to Weak Demand Reflected in Reduced Bird Numbers

Eggs in Incubators, First of Month

Source: USDA: NASS
Smaller Poult Placements Followed

Source: USDA: NASS
Factors Driving the Forecasts:

- Eggs – Impacted by HPIA in 2023
  - Laying Flock Impacted and Pullets Lost to HPAI
Egg Laying Flock Higher at Start of 2024

Table Egg Layers, First of Month

Source: USDA: NASS
Egg per Layer Gains Helping Boost Supplies

Source: USDA: NASS
Egg Production Will Increase Slightly

*Forecast

Source: USDA: NASS, WAOB
Factors Driving the Forecasts:

- Eggs – Impacted by HPIA in 2023
  - Laying Flock Impacted and Pullets Lost to HPAI
  - Egg Prices Have Been Volatile
Weekly Egg Prices Reflected Supply Tightness, Especially at Holiday Periods

Source: USDA: AMS
Egg Prices Will Average $1.83 per Dozen in 2024

N.Y. Wholesale Price - Large Eggs

Source: USDA: AMS, WAOB
Additional information about the USDA outlook is available at the following websites:

- World Agricultural Outlook Board (WAOB)
  World Agricultural Supply and Demand Estimates
  [World Agricultural Supply and Demand Estimates](#)

- Economic Research Service (ERS)
  Livestock, Dairy, and Poultry Situation and Outlook
  [Livestock, Dairy, and Poultry Situation and Outlook](#)

- Foreign Agricultural Service (FAS)
  Livestock and Poultry: World Markets and Trade
  [Livestock and Poultry: World Markets and Trade](#)