

Outlook for the U.S. Livestock and Poultry Sectors in 2022

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Total Meat Production Lower

Billion pounds	2020	2021	2022F	2021-22 % Change
Beef	27.174	27.937	27.375	-2.0
Pork	28.303	27.673	27.380	-1.1
Broiler Meat	44.583	44.889	45.485	1.3
Turkey	5.743	5.558	5.615	1.0
Total Red Meat & Poultry	106.556	106.784	106.601	-0.2



Tighter Meat Supplies Will Constrain Exports, Boost Imports

Billion pounds	2020	2021	2022F	2021-22 % Change
Exports				
Beef	2.951	3.447	3.270	-5.1
Pork	7.280	7.030	6.810	-3.1
Broiler Meat	7.367	7.367	7.375	0.1
Imports				
Beef	3.342	3.348	3.370	0.7
Pork	0.904	1.180	1.310	11.0

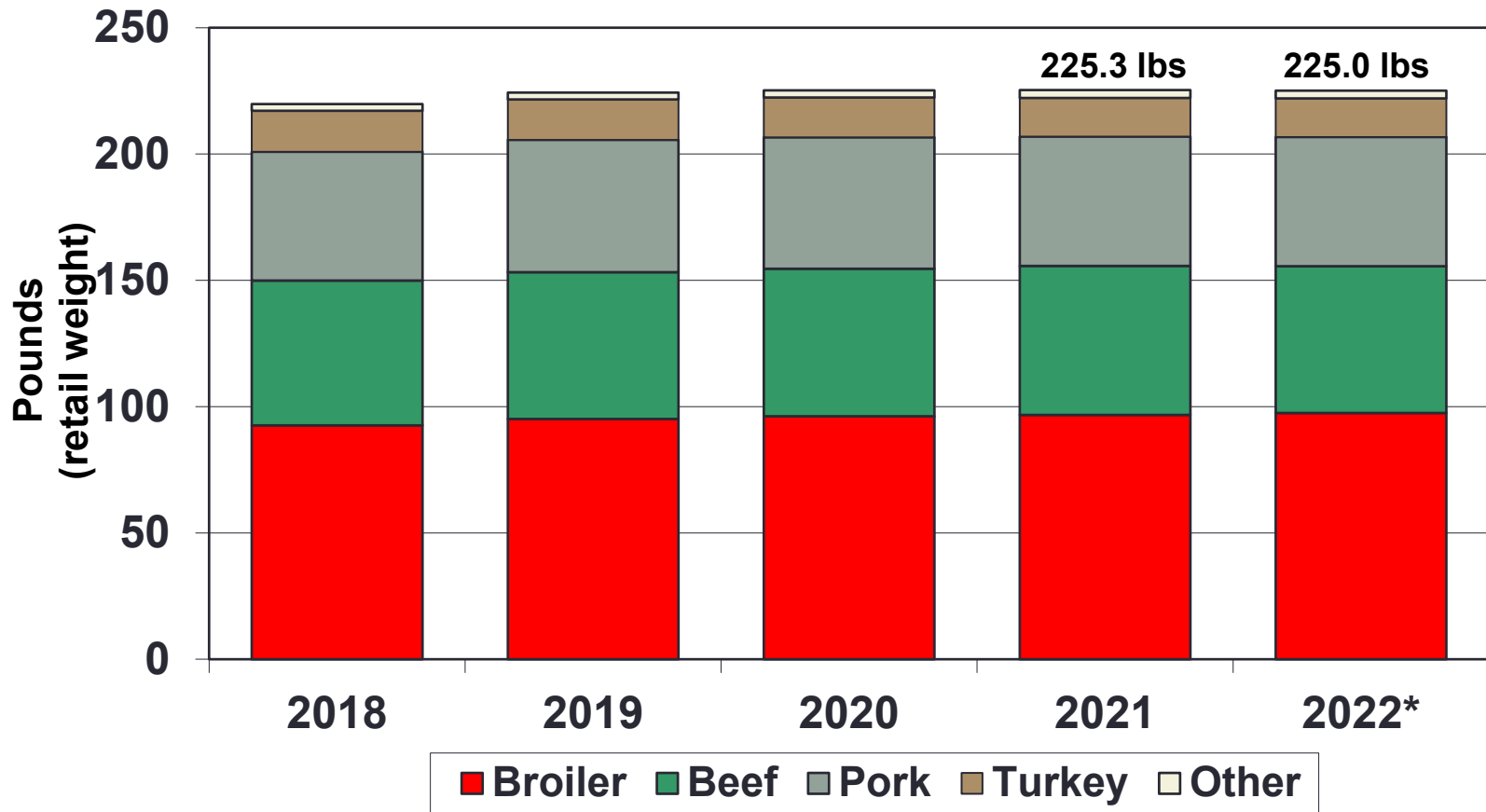


Livestock & Poultry Prices Mixed

	2020	2021	2022F	2021-22 % Change
Cattle, \$/cwt	\$108.51	\$122.40	\$137.50	12.3
Hogs, \$/cwt (live equiv.)	\$43.18	\$67.29	\$66.00	- 3.4
National Composite Broiler, \$/lb	\$0.73	\$1.01	\$1.13	11.4
Turkey, \$/lb	\$1.07	\$1.23	\$1.26	2.8



First Decline in Per Capita Domestic Disappearance Since 2012



* Forecast

Situation Facing Livestock and Poultry Producers

Lower Feed Prices

- Corn: \$5.45/bu in 2021/22
\$5.00/bu in 2022/23
- Soybean meal: \$410/ton in 2021/22
\$375/ton in 2022/23

Forage Supplies Tight

- Drought in parts of the country
- “Other” hay prices in second-half 2021 above 2020
- Dec 1 hay stocks 6 percent lower



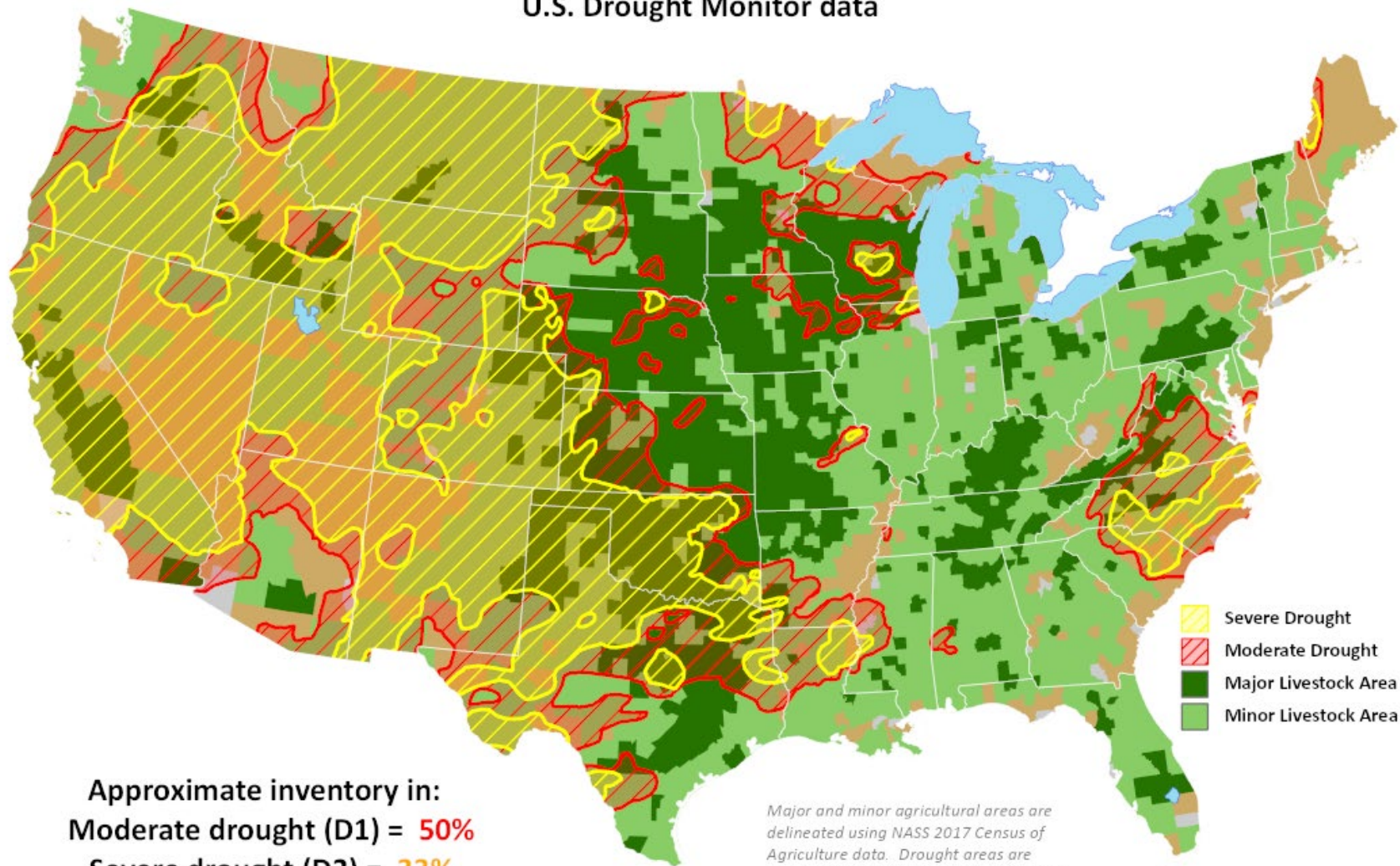


United States
Department of
Agriculture

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

Cattle Areas in Drought

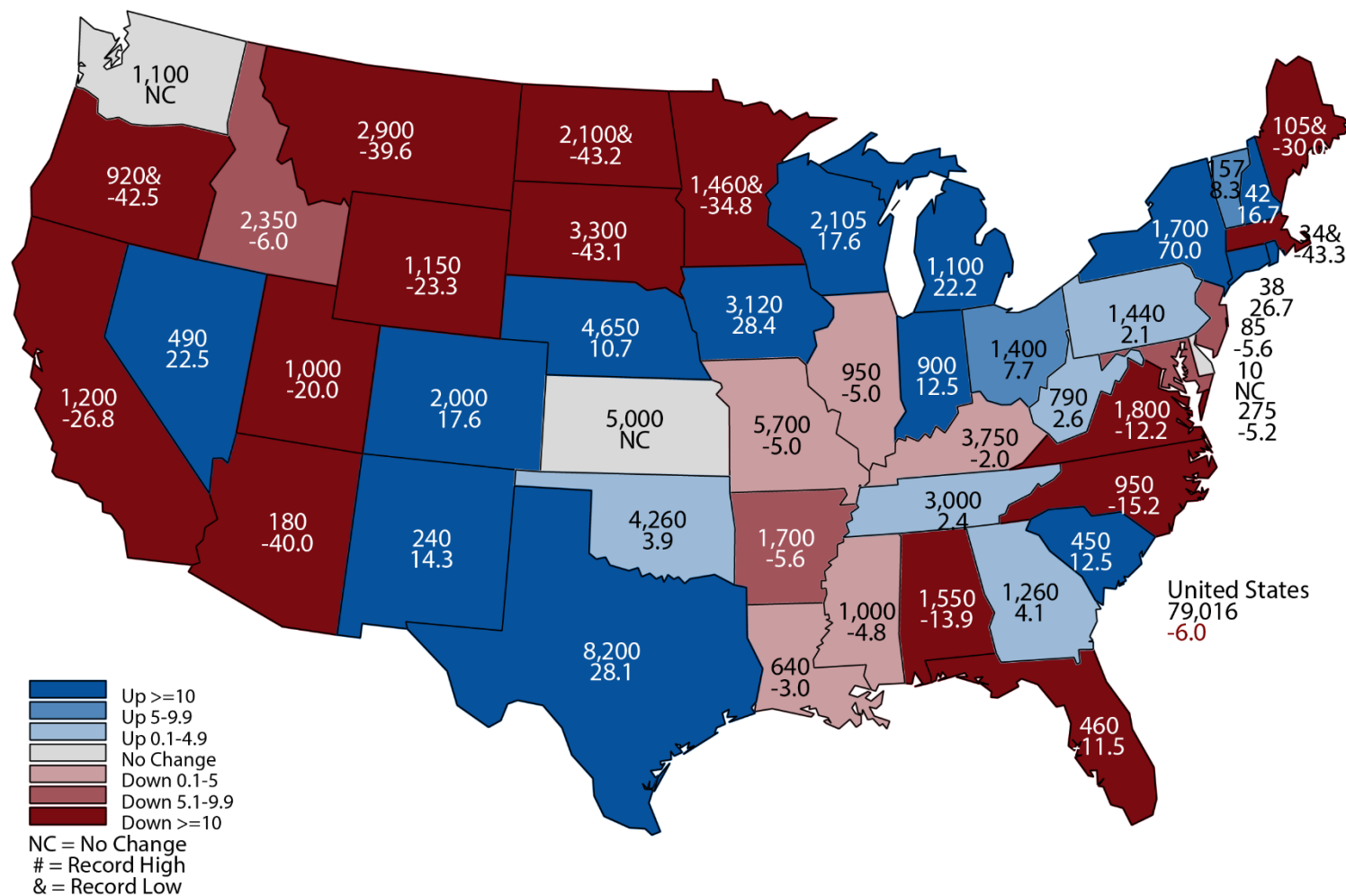
Reflects **December 28, 2021**
U.S. Drought Monitor data



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 2021 Hay Stocks

1,000 Tons and Percent Change from 2020



Source: US Department of Agriculture
National Agricultural Statistics Service

Situation Facing Livestock and Poultry Producers

- **Animal Diseases - Ongoing Concern**
 - **Forecasts based on conditions as of February 9, 2022**

Highly Pathogenic Avian Influenza Disease Presence – Early 2022



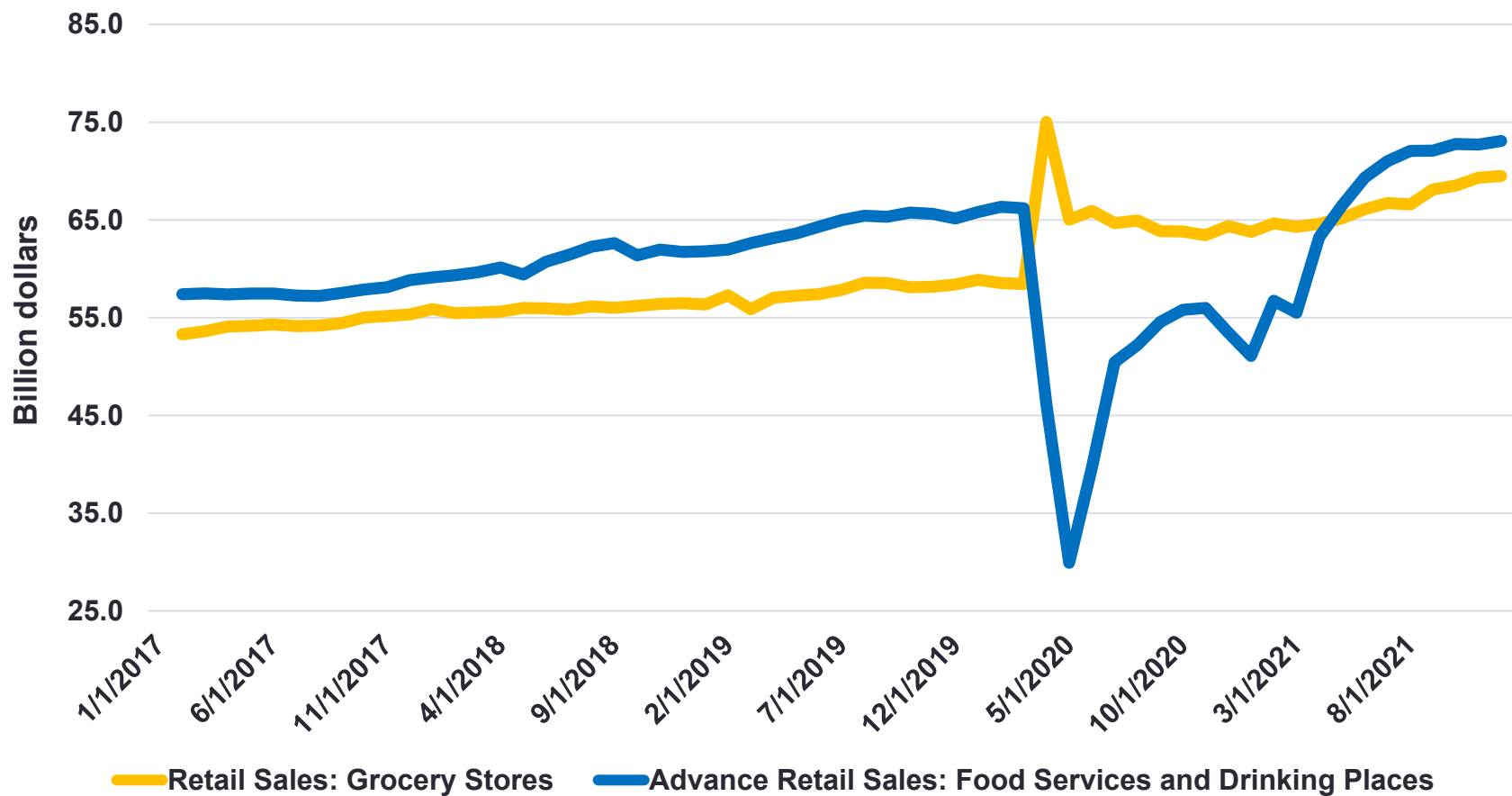
African Swine Fever Presence - Early 2022



Situation Facing Livestock and Poultry Producers

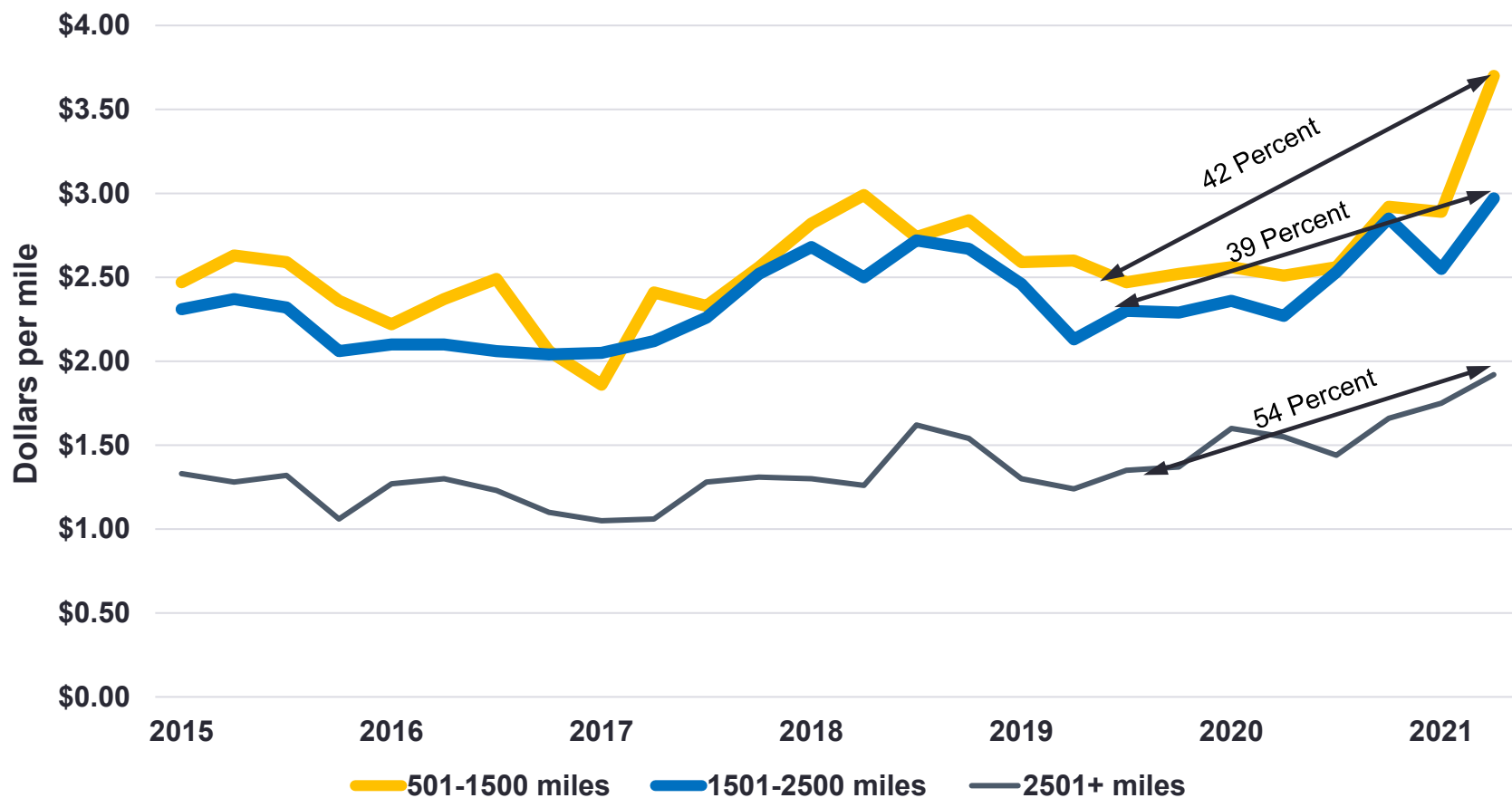
- Animal Diseases - Ongoing Concern
 - Forecasts based on conditions as of February 9, 2022
- **Covid-19 Impacts Still Reverberate**
 - Health and Safety Restrictions Easing
 - Logistical Costs and Constraints

Is Spending Shifting Back to Longer-term Relationship?



Source: U.S. Census Bureau data
retrieved Federal Reserve Bank of St. Louis

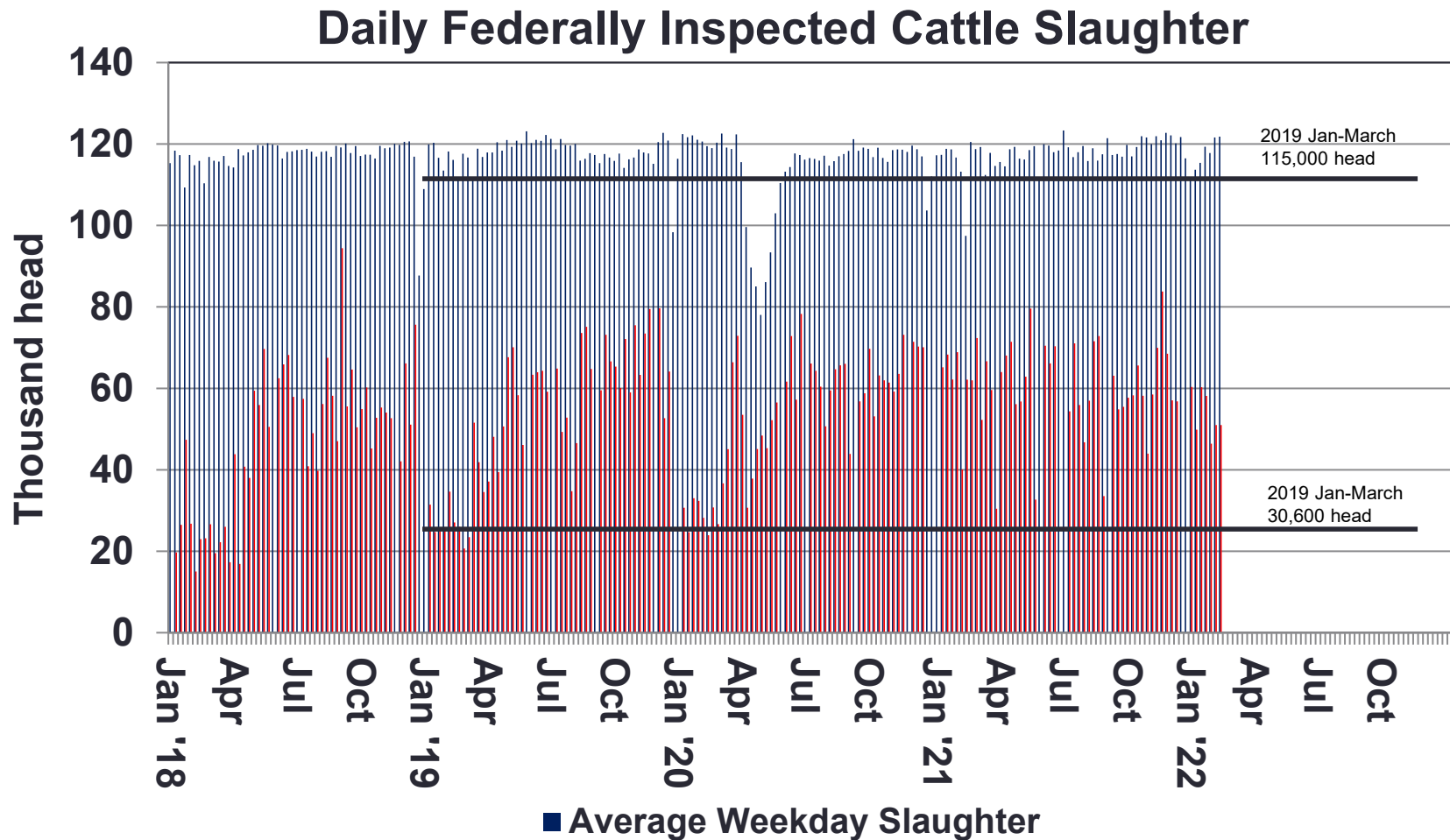
Refrigerated Container Trucking Rates* Rose in First-Half 2021



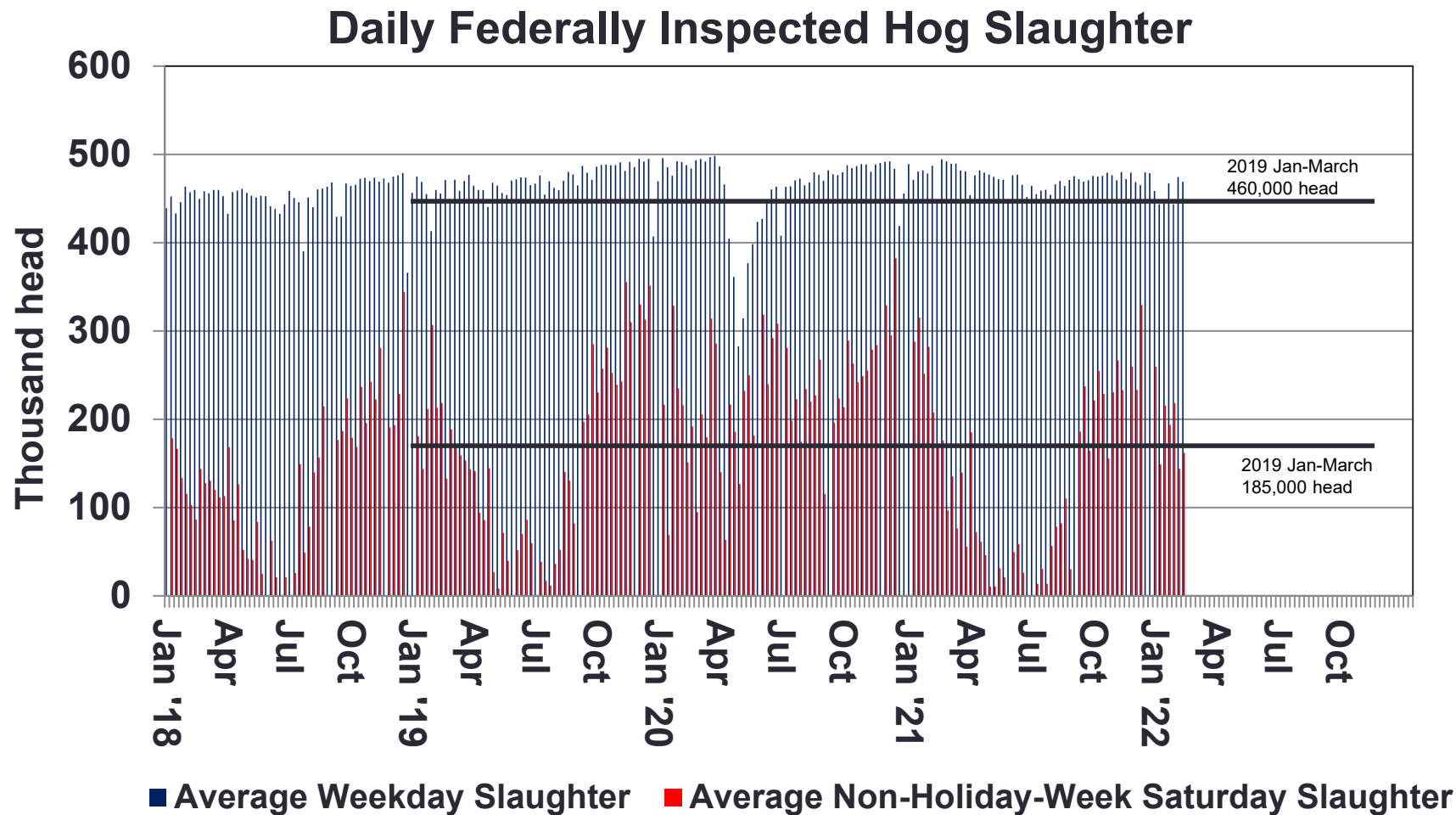
*Based on fruit and vegetable shipments

Source: USDA Agricultural Marketing Service

Cattle Slaughter is Close to Pre-Covid Weekday Averages



Hog Slaughter is Partly Constrained by Supplies



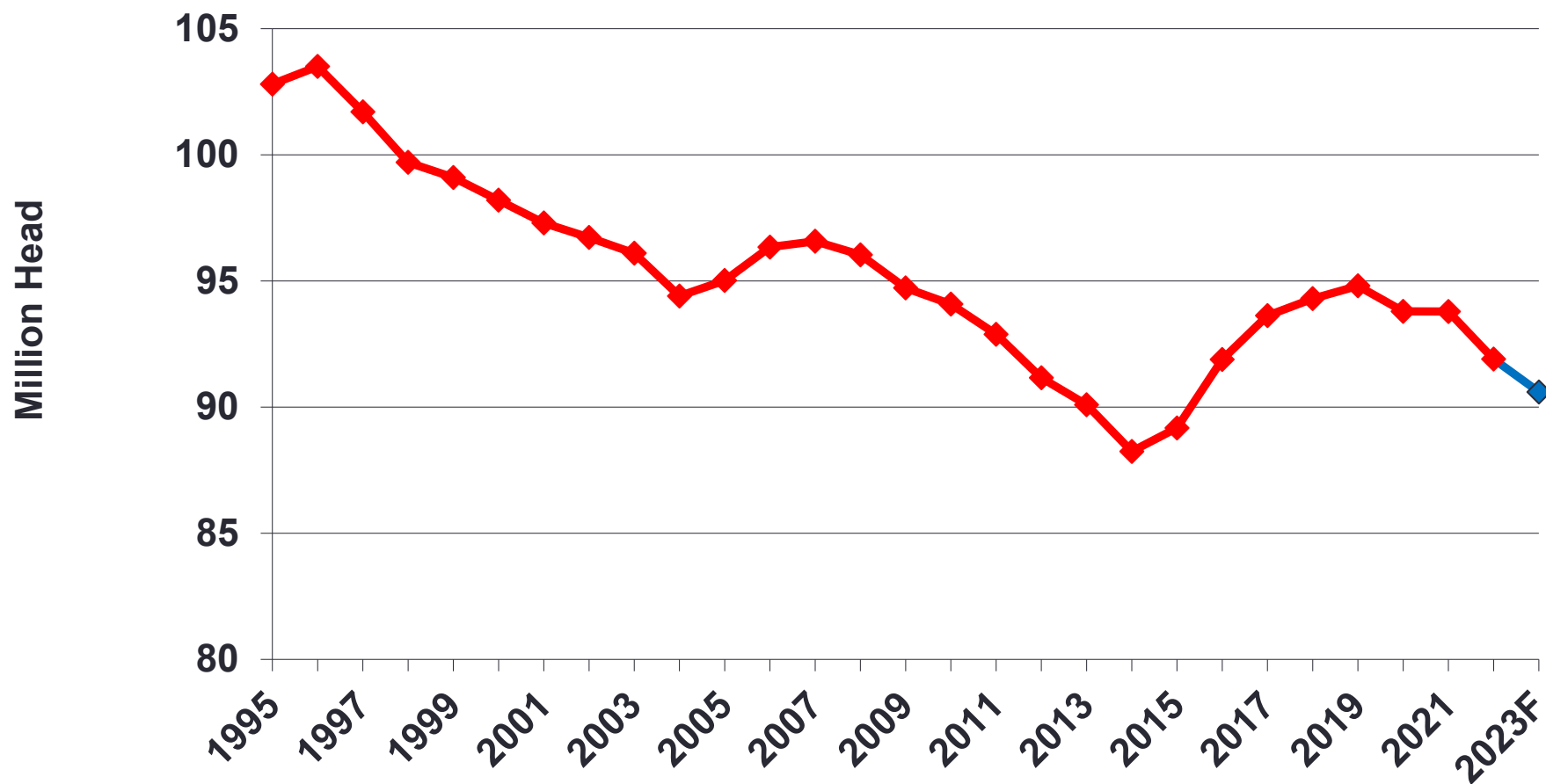
Factors Driving the U.S. Forecasts:

- Cattle –Herd Contraction Continues
 - January 1 cattle inventory down 2 percent
 - Beef cow numbers down 2 percent
 - Heifers for beef cow replacement 3 percent lower

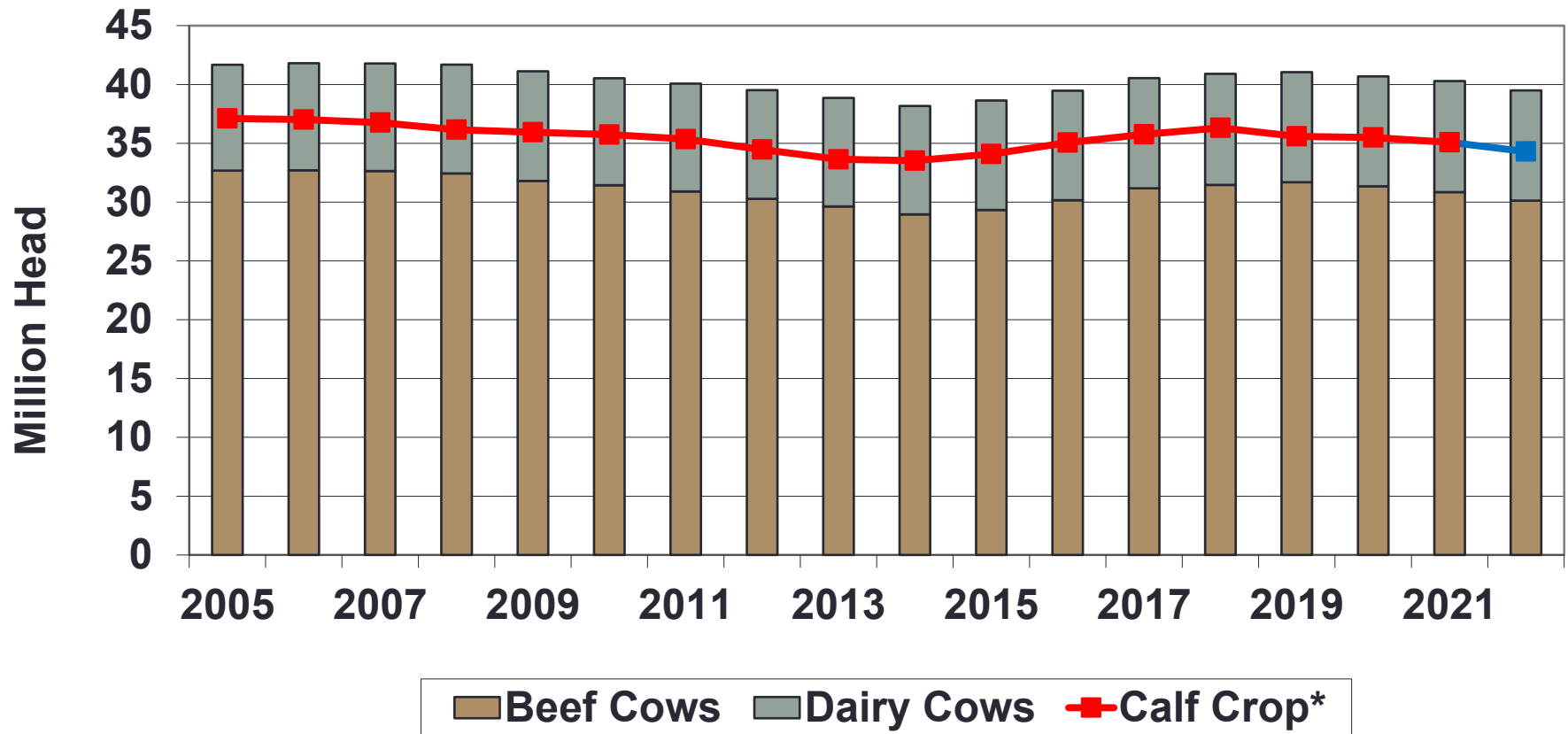


Cattle Herd at 91.9 Million on Jan 1, 2022

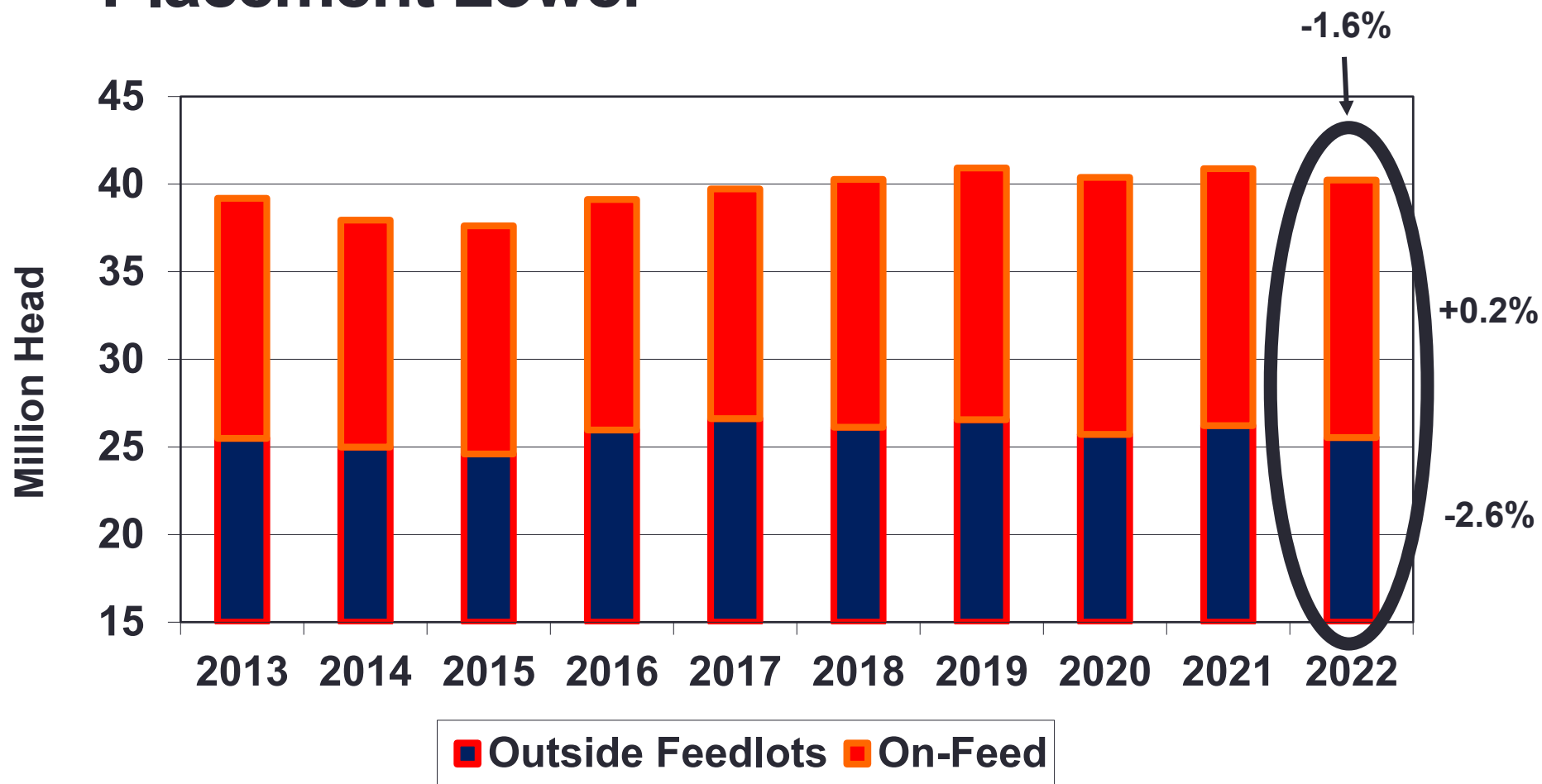
Further Decline Likely



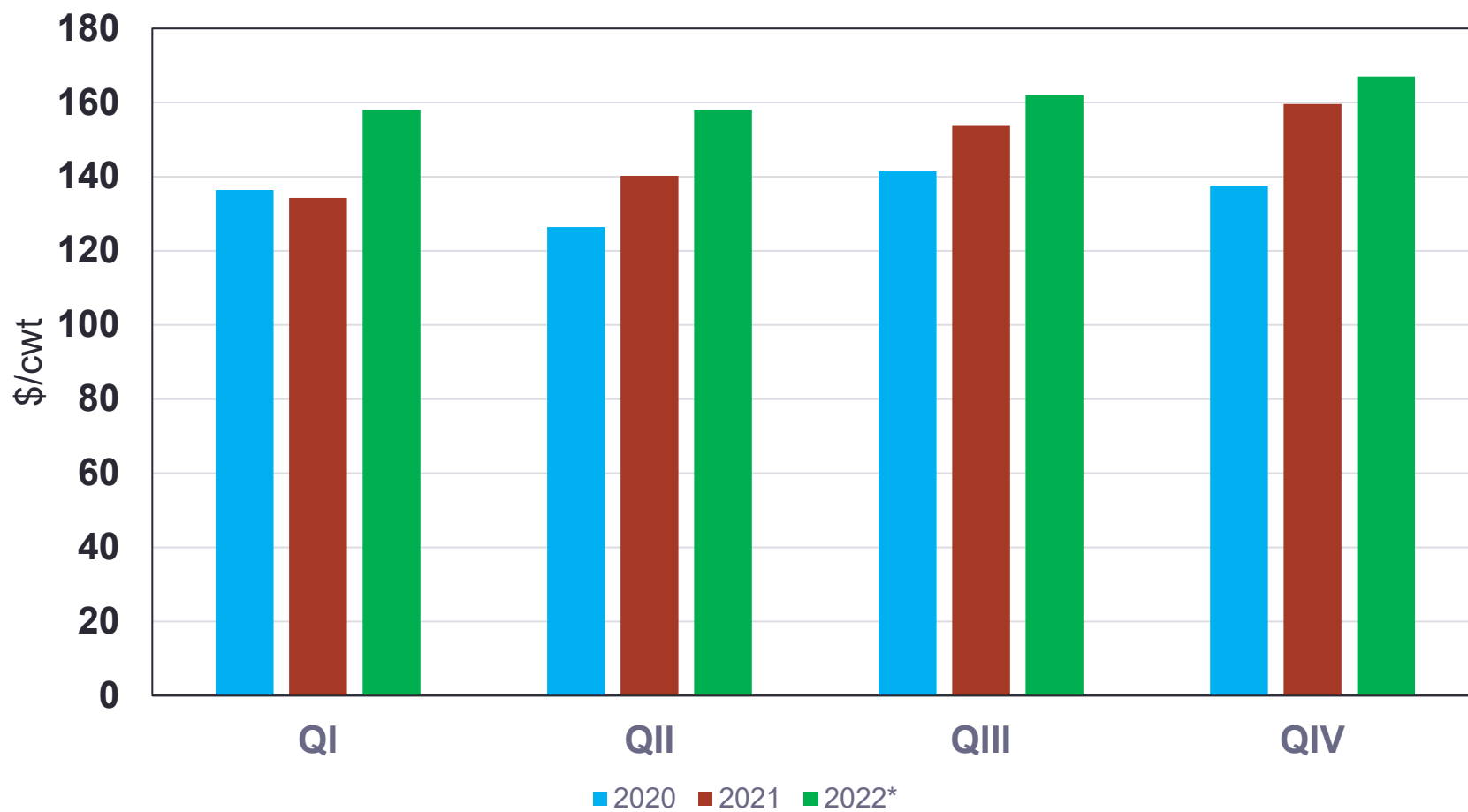
Beef Cow Herd, Calf Crop Smaller



Cattle on Feed Higher, Available for Placement Lower



Feeder Calf Prices Will Average Higher in 2022

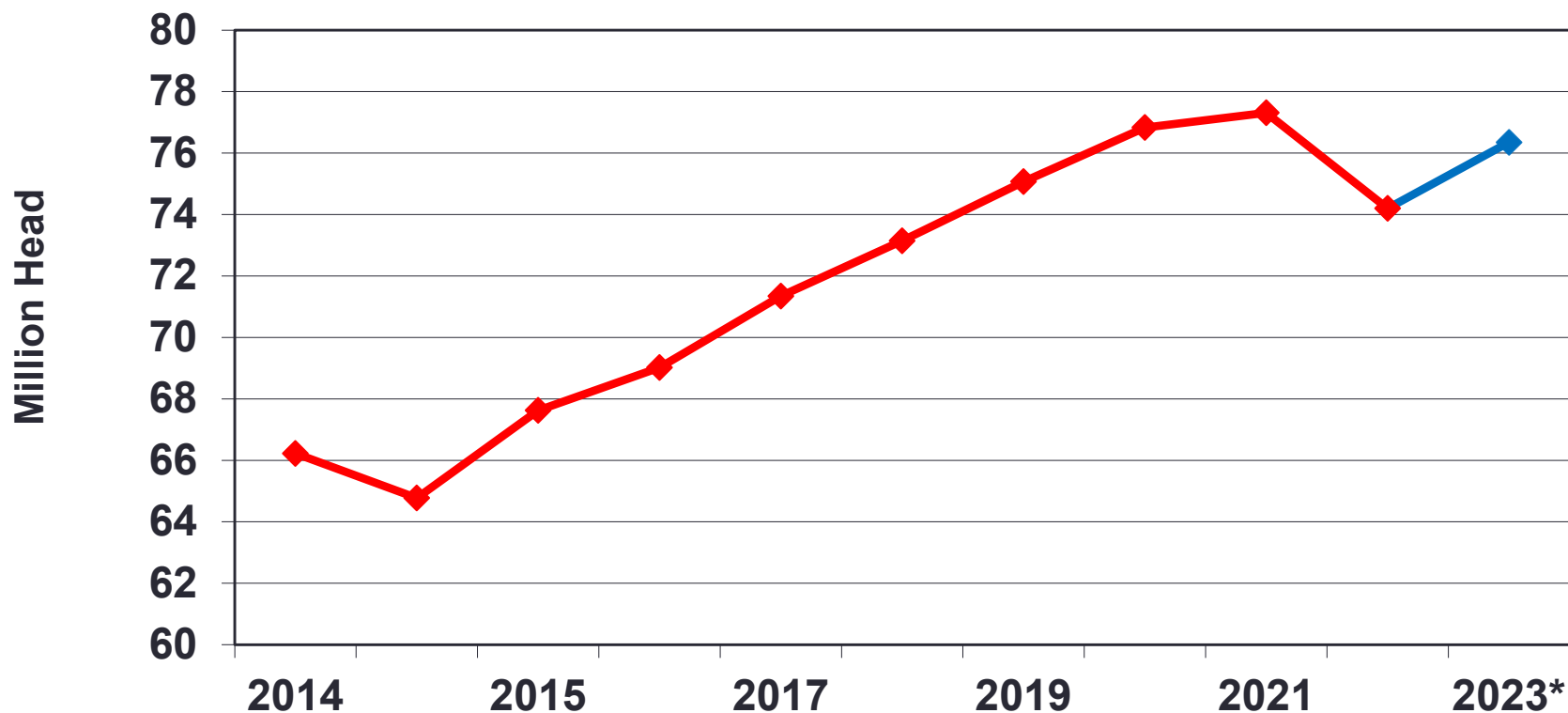


Factors Driving the Forecasts:

- Hogs – Inventory Smaller
 - **Producers Retrenching**

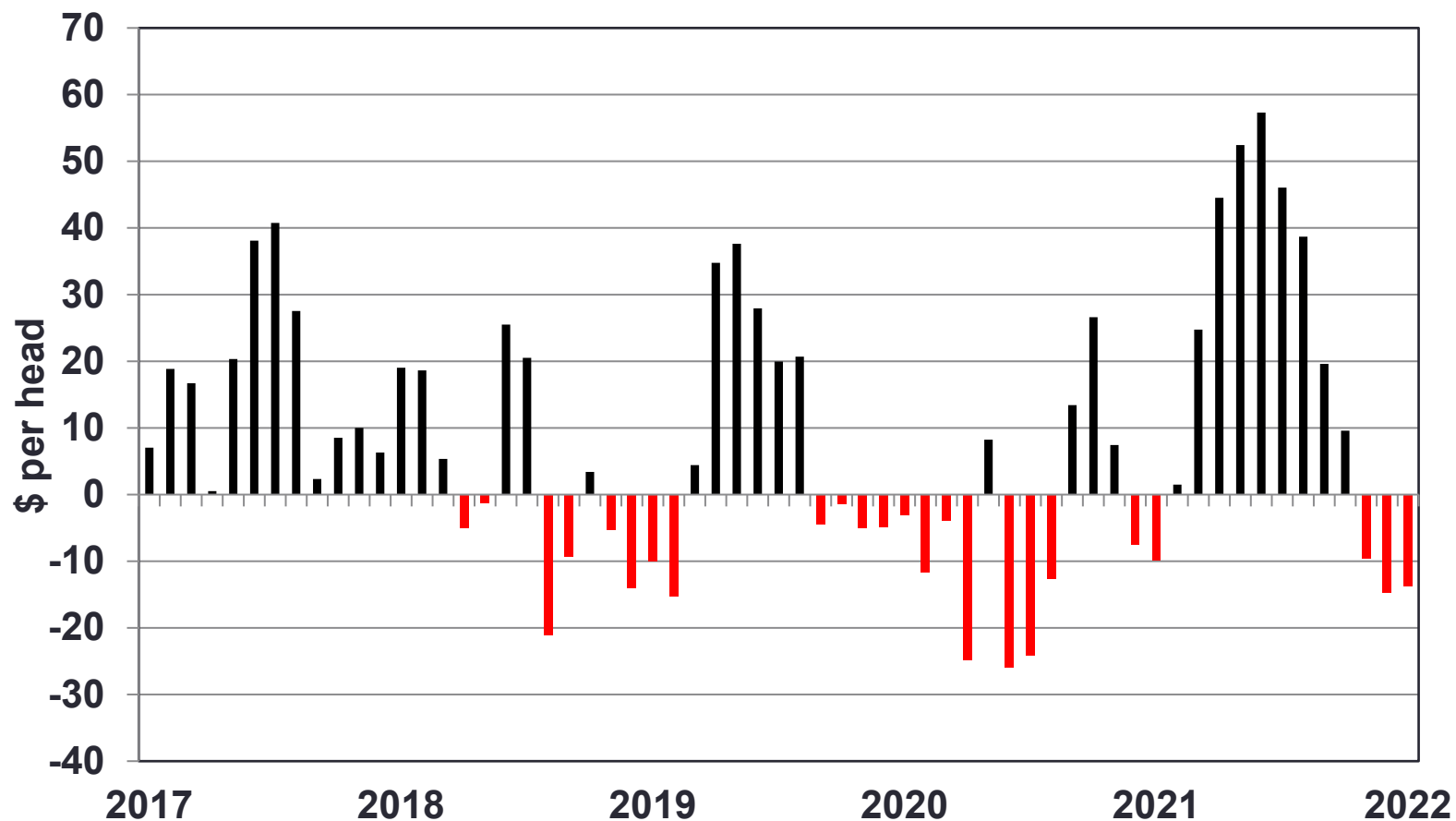
Hog Inventory Declined to 74.2 Million Head on December 1, 2021

Inventory on December 1, Preceding Year

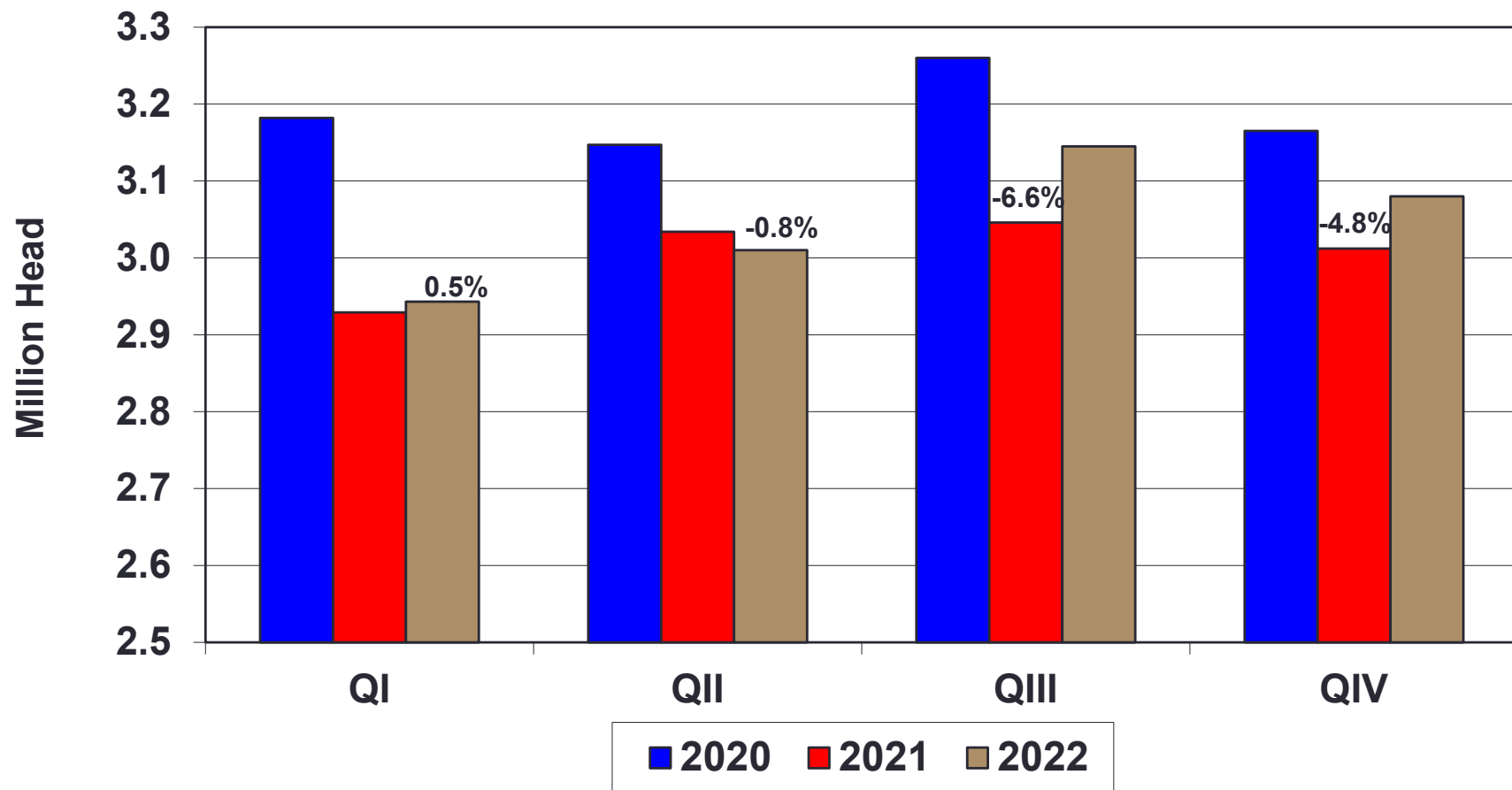


* Forecast

Average Returns to Farrow-Finish Operators



2021-22 Stated Farrowing Intentions Reflect Uncertainty

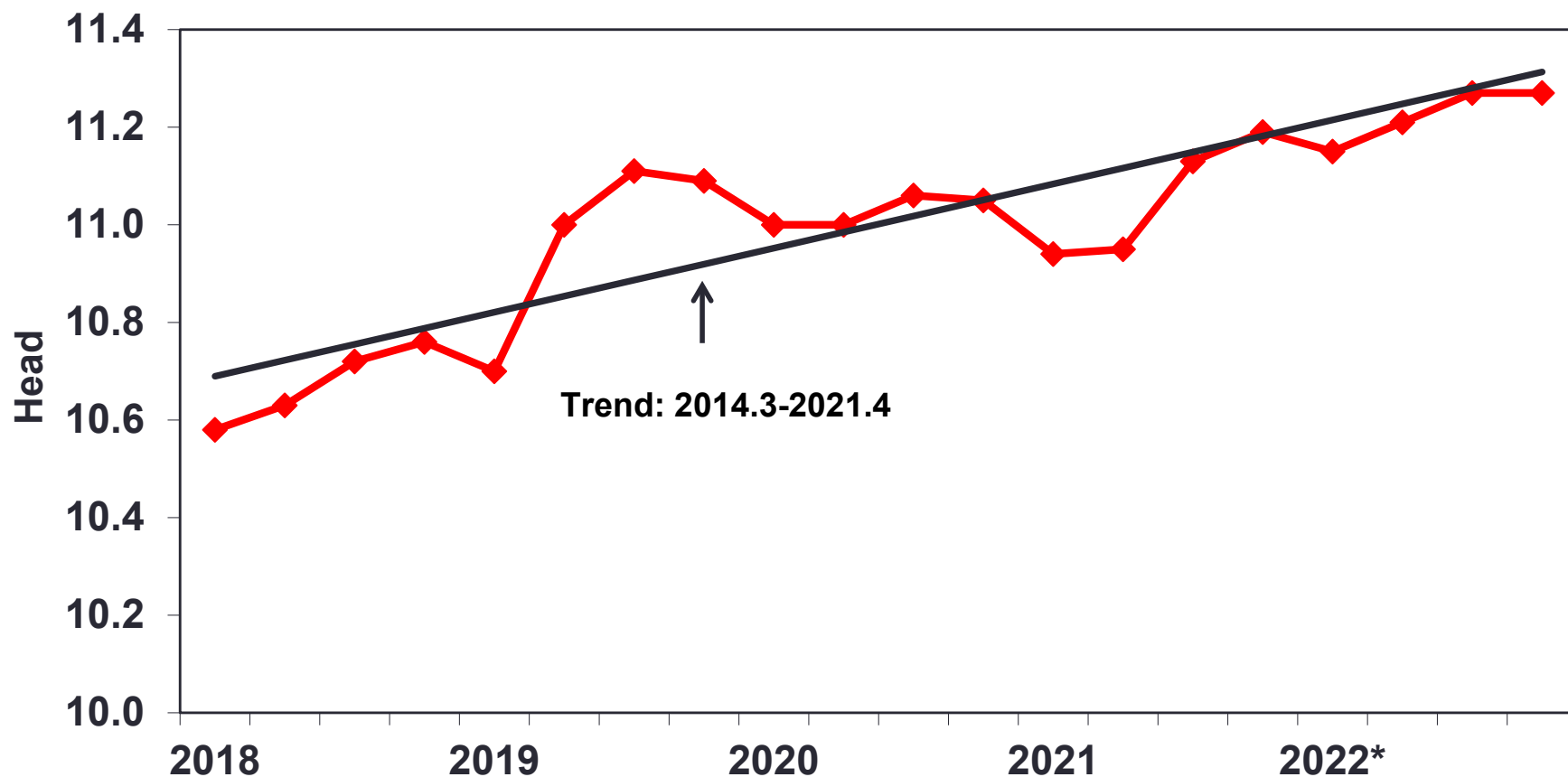


*QI & QII Reported Intentions
QIII & QIV Forecast

Factors Driving the Forecasts:

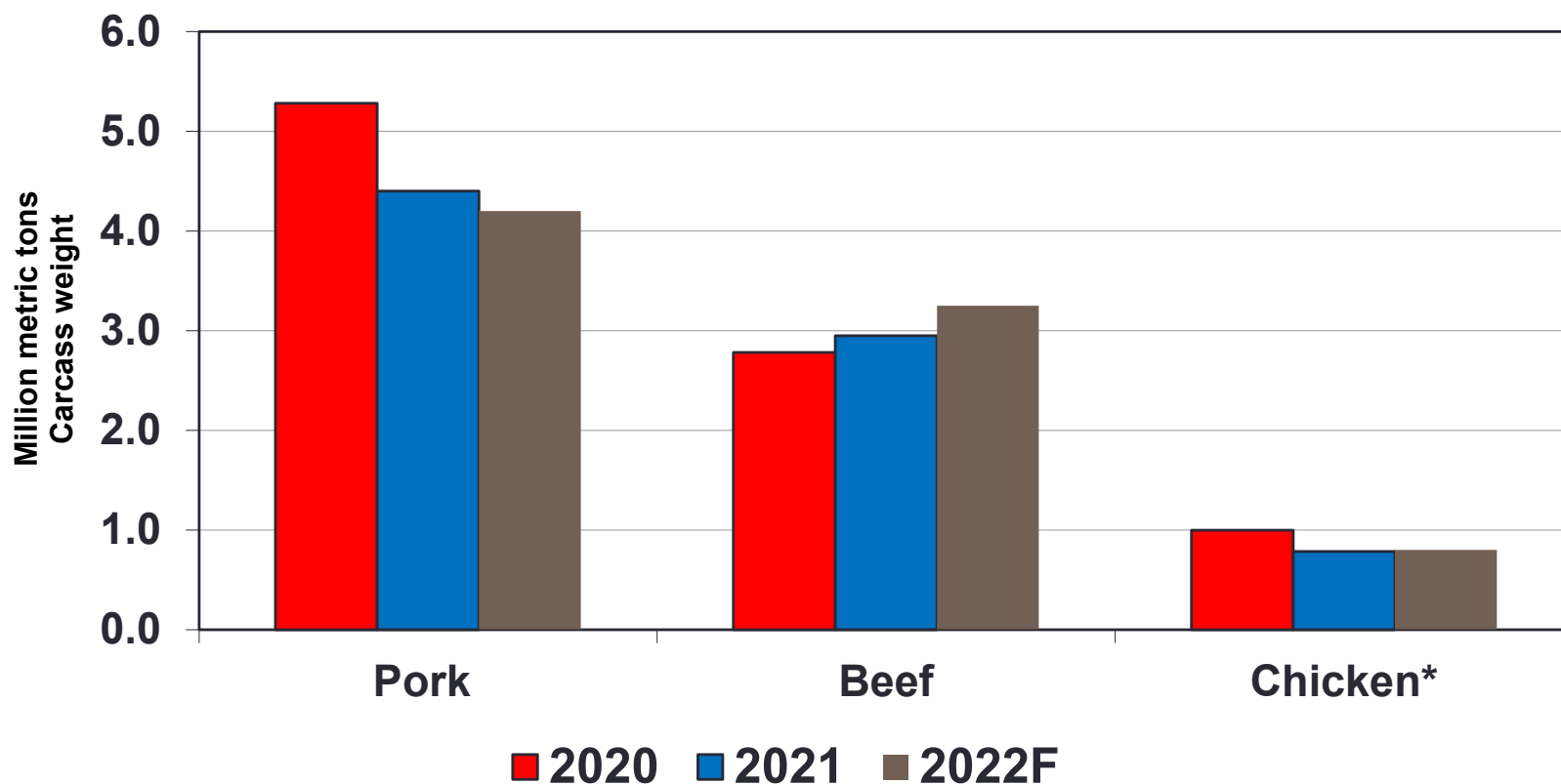
- Hogs – Inventory Smaller
 - Producers Retrenching
 - **Slower Growth in Pigs per Litter**

Pigs per Litter Slightly Below Trend



* Forecast

China's Recovery From African Swine Fever has Affected Import Patterns

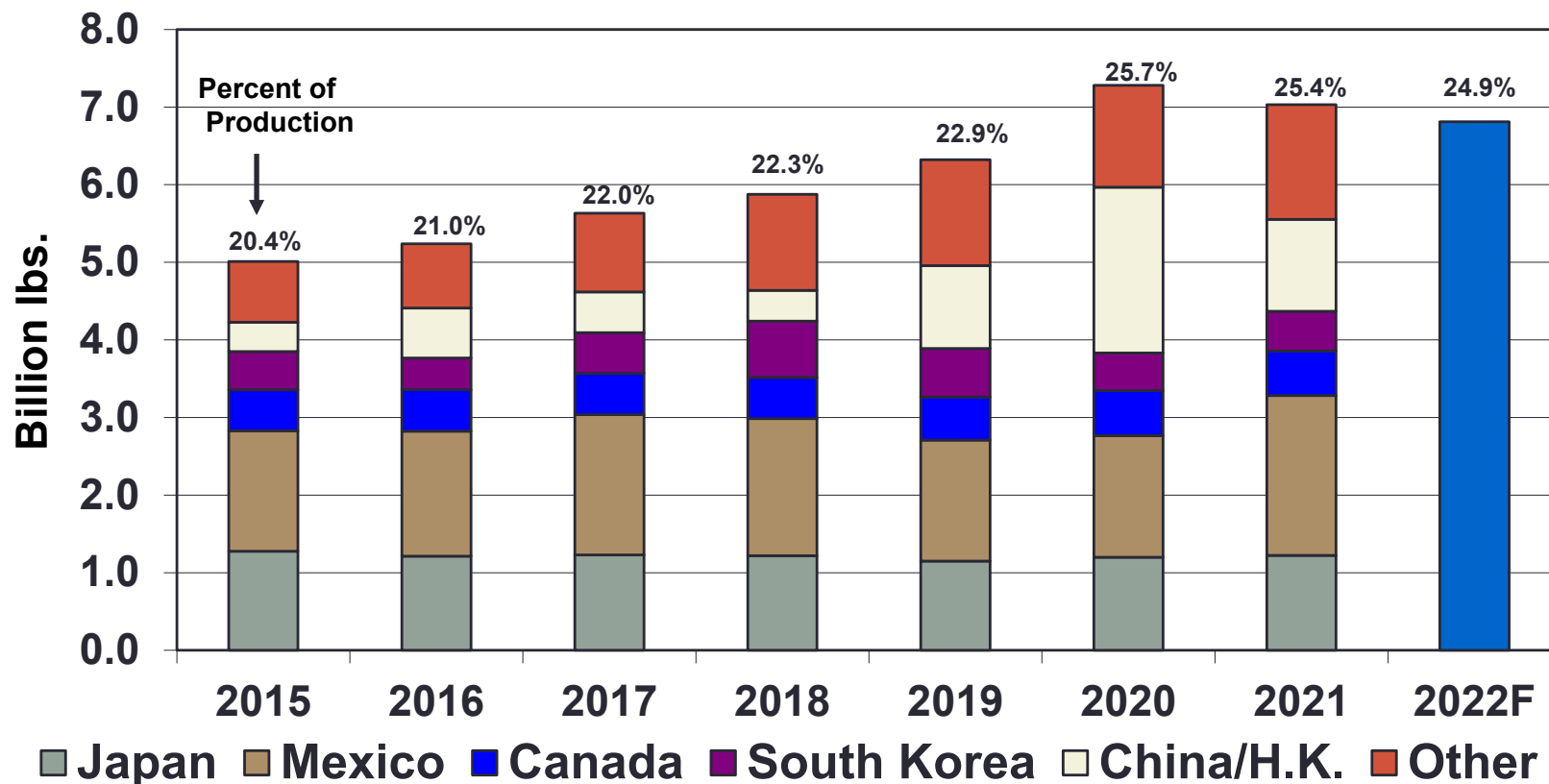


*Excluding paws

Source: Livestock and Poultry: World
Markets and Trade, January 12, 2022
USDA/FAS



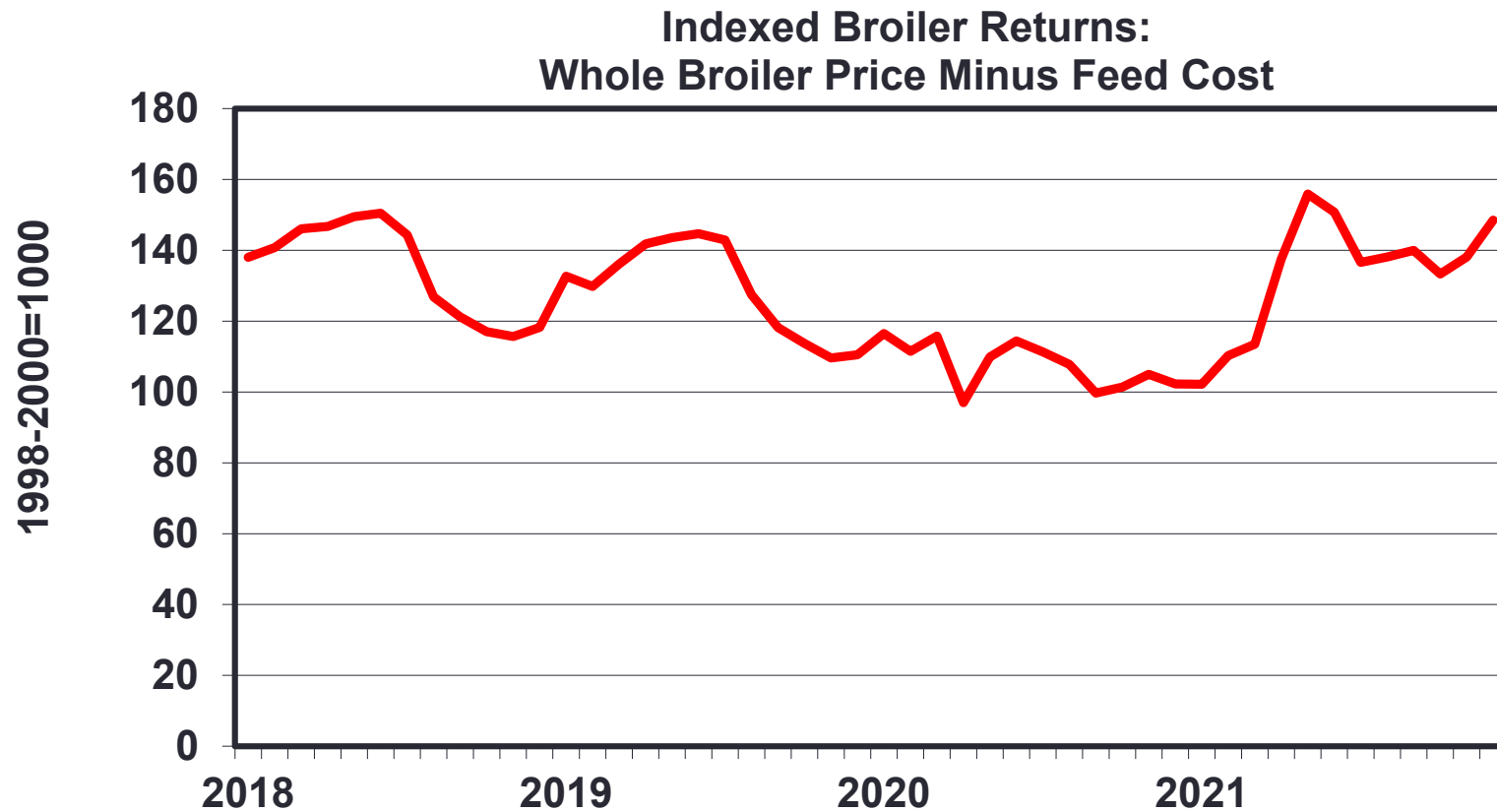
2021 Pork Exports Fell, First Decline Since 2015



Factors Driving the Forecasts:

- **Broilers – Sector Slowly Expanding**

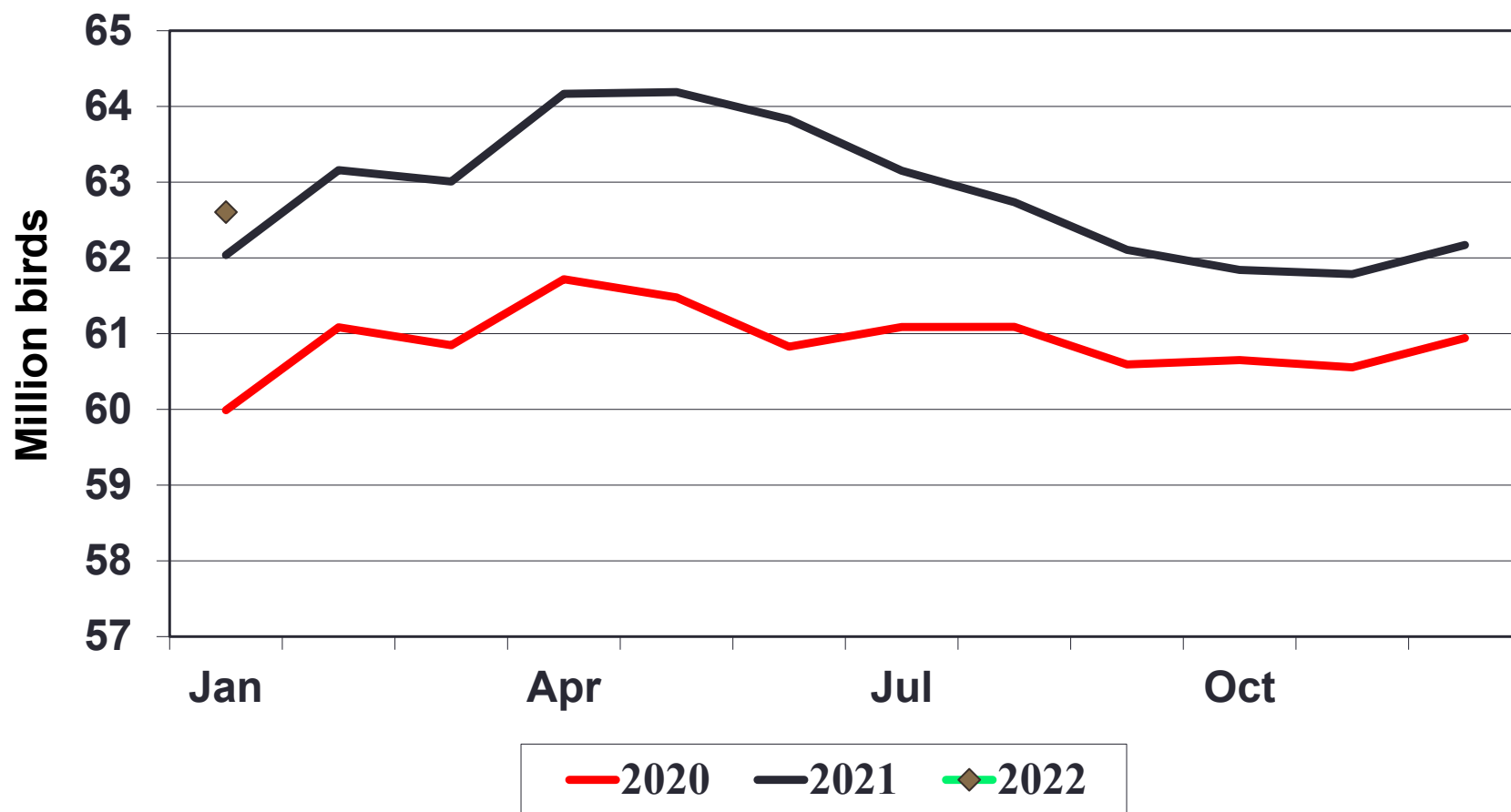
Broiler Returns Improving



Source: USDA Economic Research Service

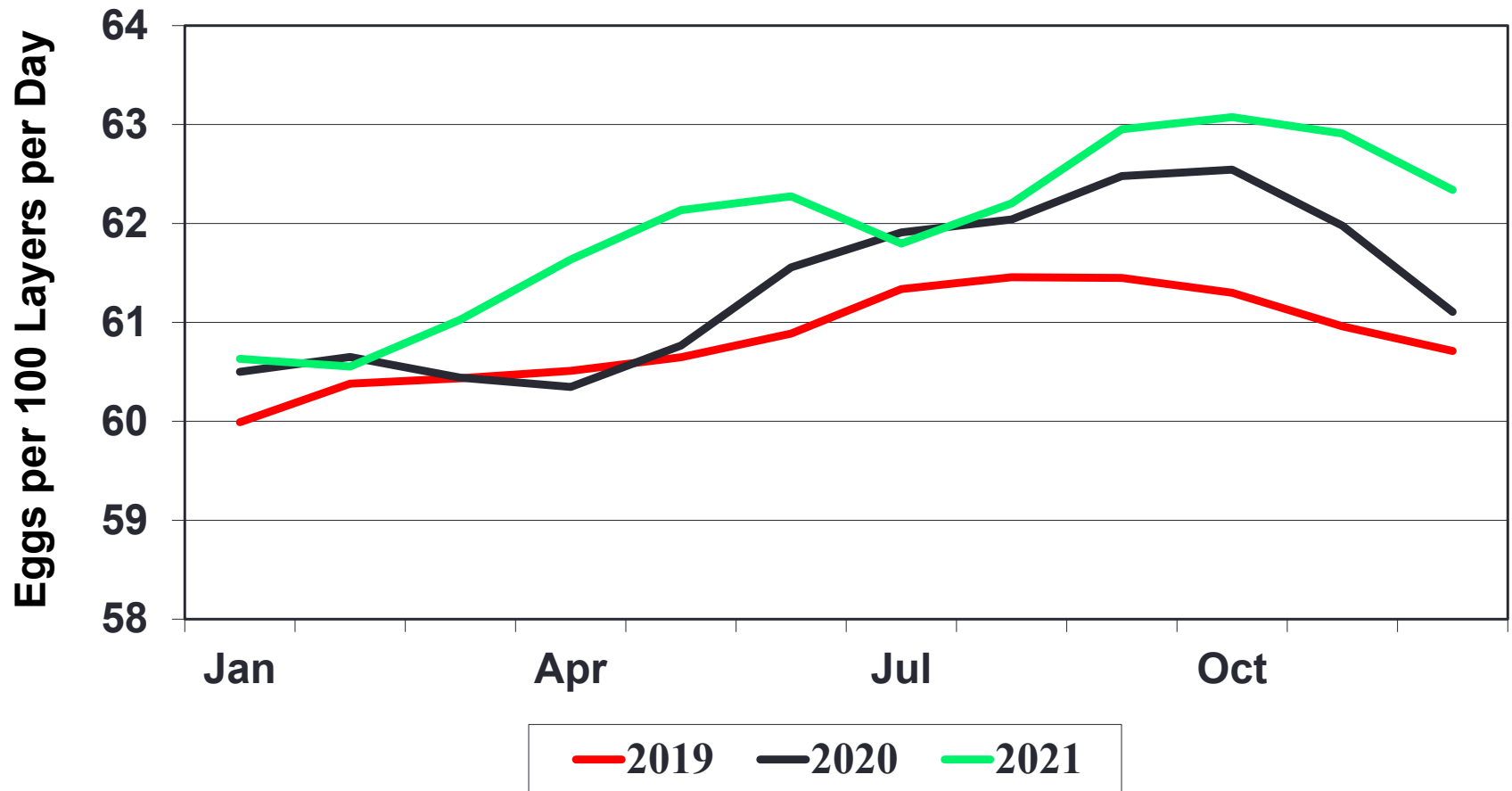
Broiler Laying Flock Grew During 2021

First of Month



Source: US Department of Agriculture
National Agricultural Statistics Service

Eggs per Layer Mostly Higher

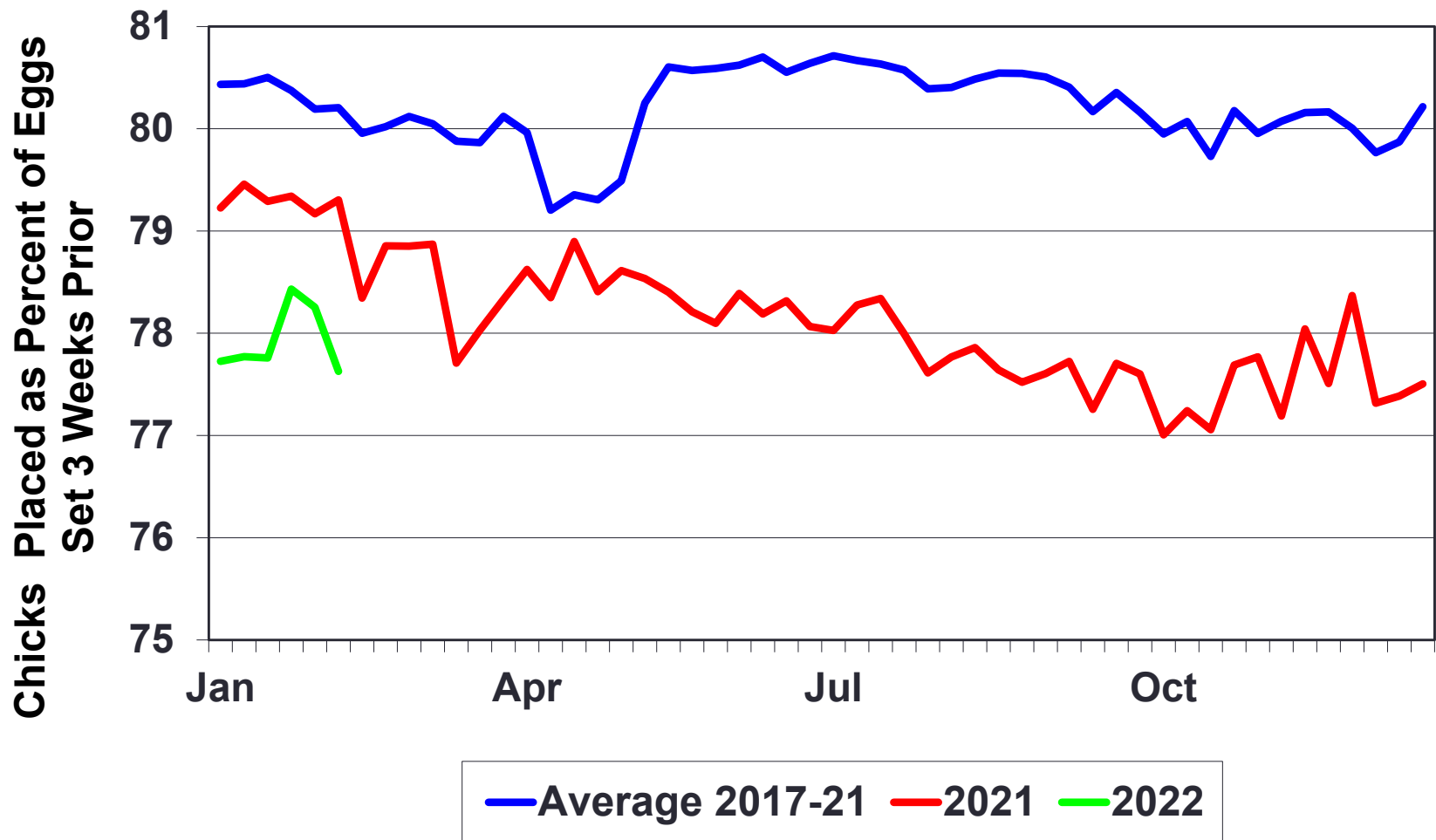


Source: US Department of Agriculture
National Agricultural Statistics Service

Factors Driving the Forecasts:

- Broilers – Sector Expanding
 - **Hatchability Remains a Constraint to Production Increase**

Placements Lag Egg Sets

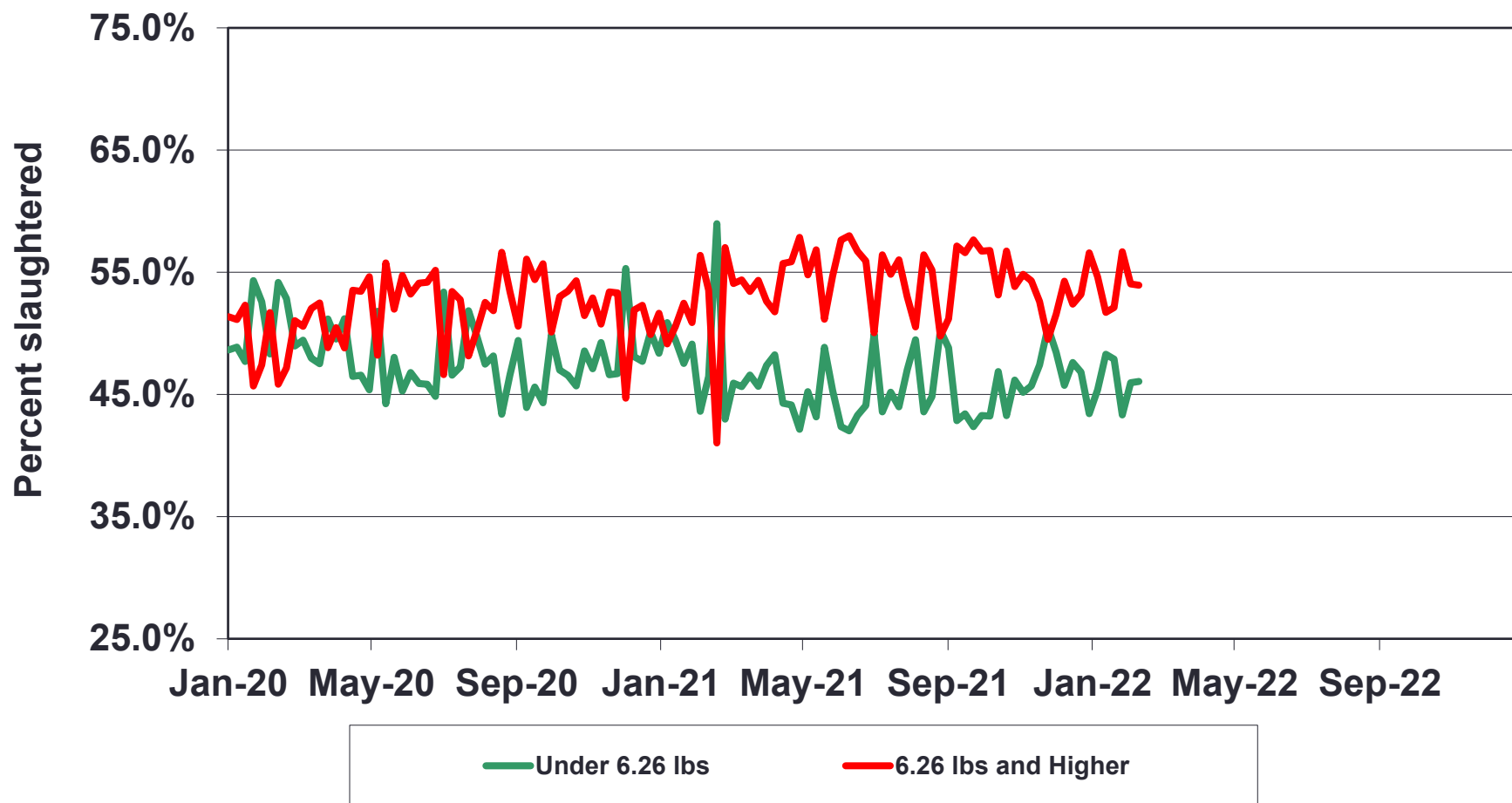


Source: US Department of Agriculture
National Agricultural Statistics Service

Factors Driving the Forecasts:

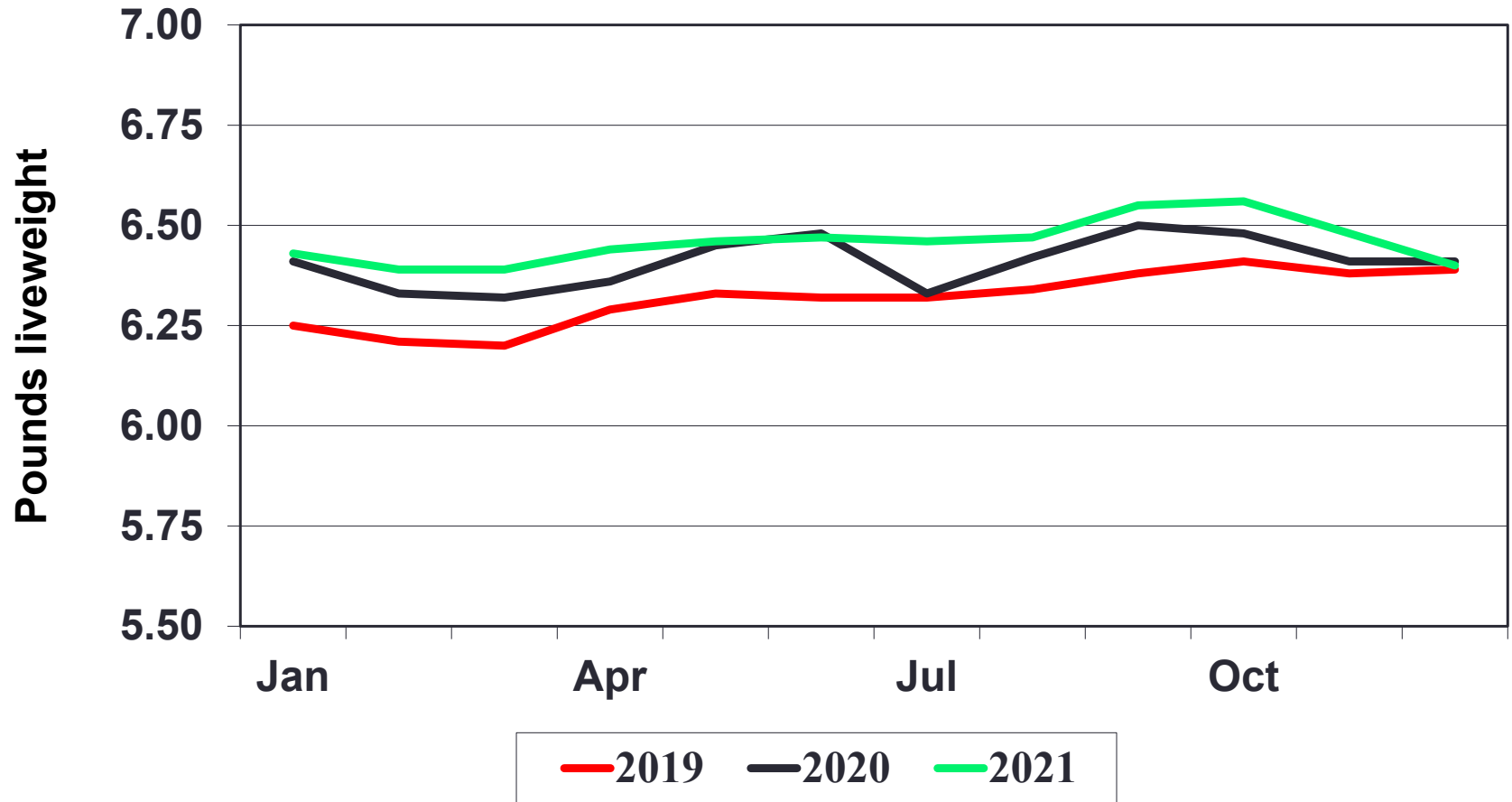
- Broilers – Sector Slowly Expanding
 - Hatchability Remains a Constraint to Production Increase
 - **Bird Weights Continue to Increase**

Proportion of Heavier-Weight Birds Above Last Year...



Source: USDA Agricultural Marketing Service

...But Broiler Weight Growth Slowed

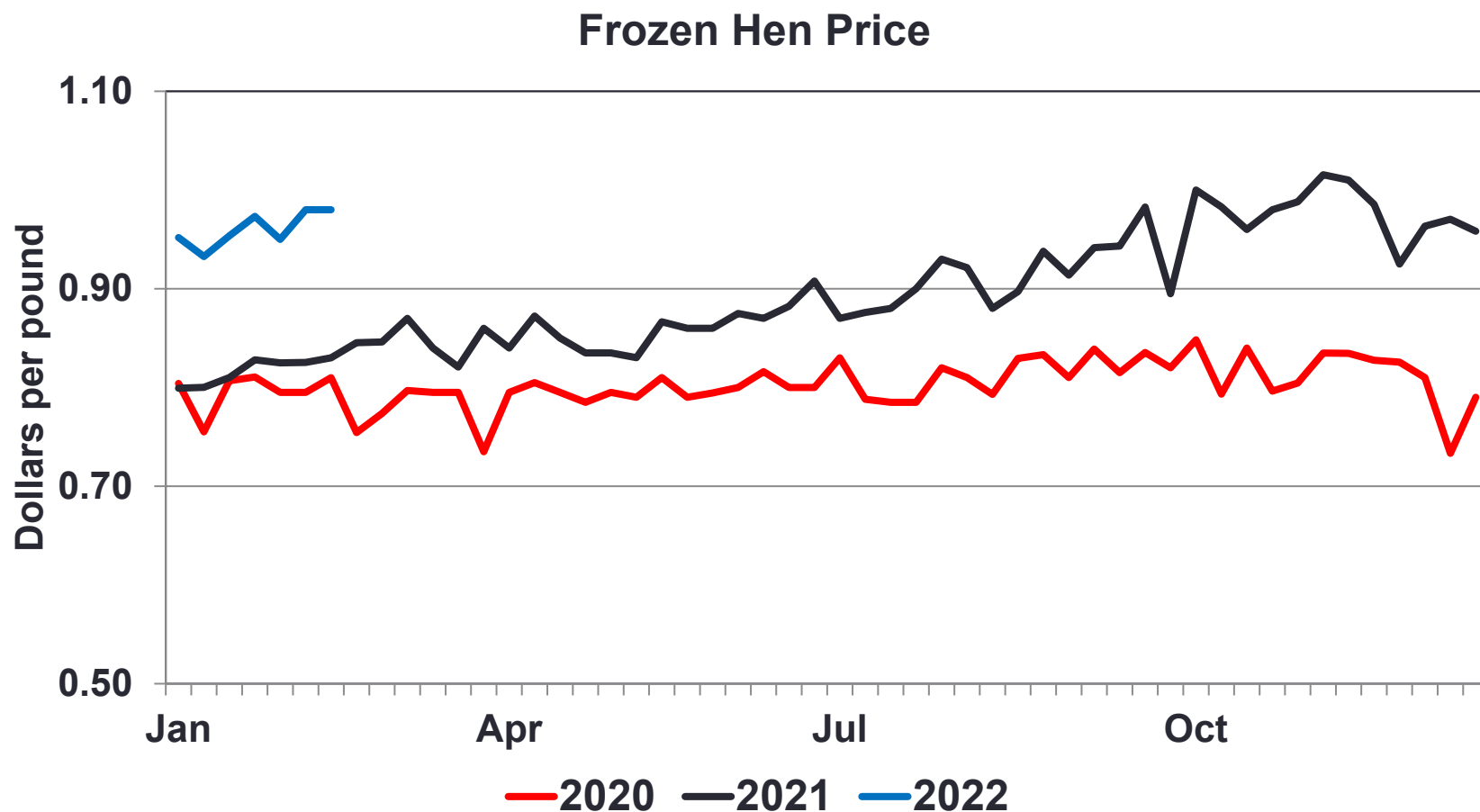


Source: US Department of Agriculture
National Agricultural Statistics Service

Factors Driving the Forecasts:

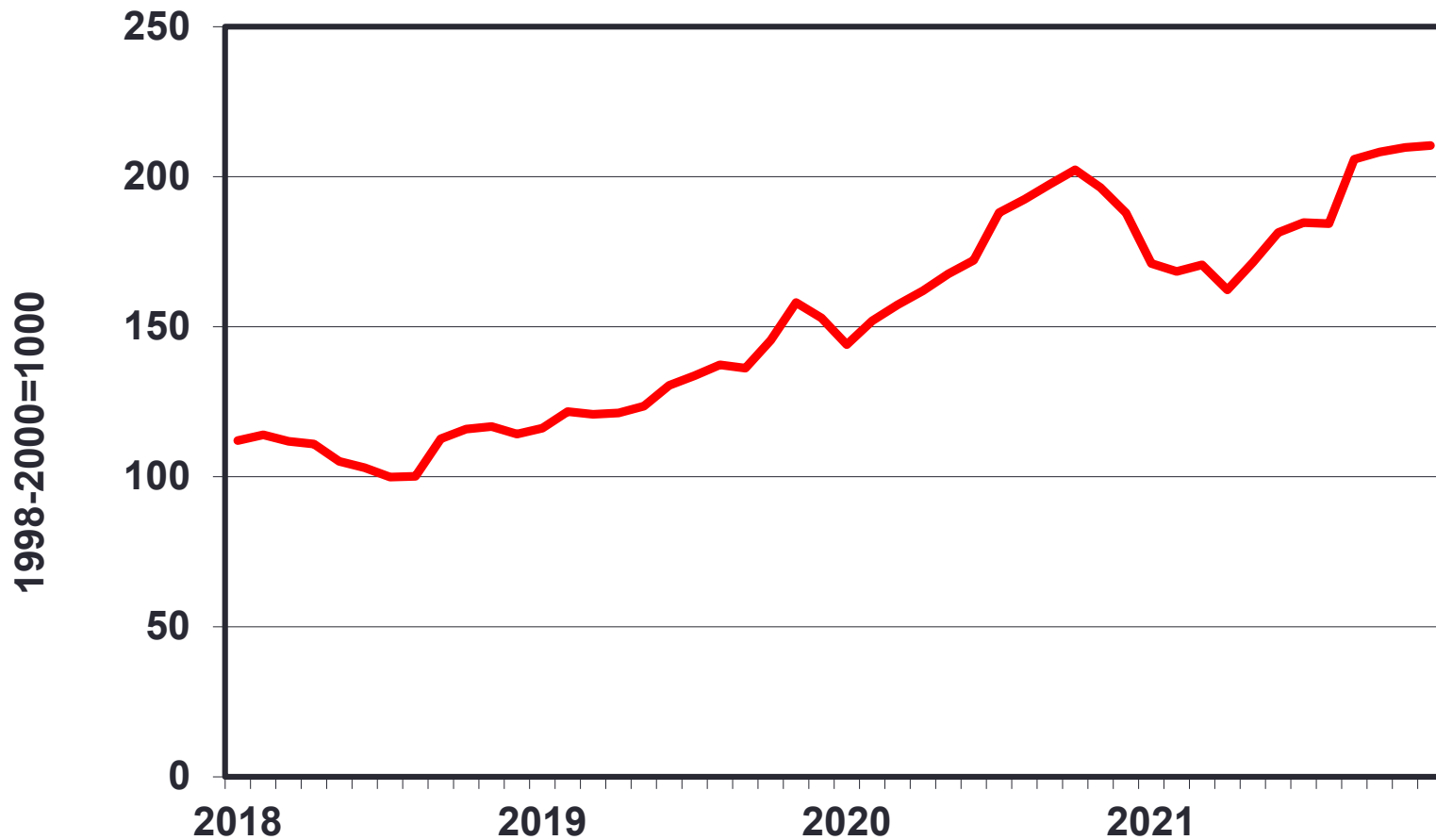
- Turkey – Market is Facing Tight Supplies
 - **Prices Are Stronger**

Turkey Prices Increasing with Tight Supplies



Source: USDA Agricultural Marketing Service

Indexed Turkey Returns: Frozen Hen Price Minus Feed Cost



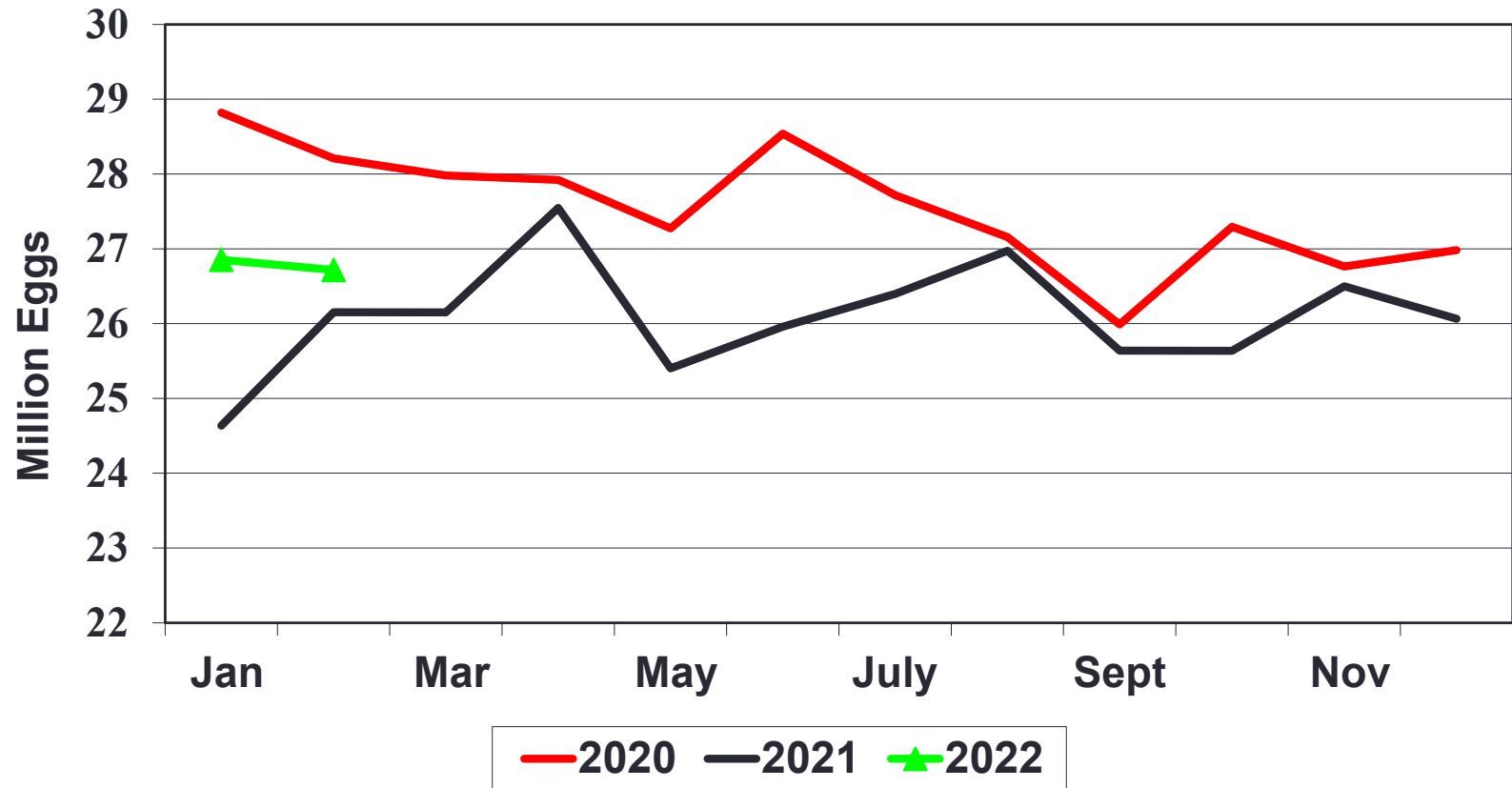
Source: USDA Economic Research Service

Factors Driving the Forecasts:

- Turkey – Market is Facing Tight Supplies
 - Prices Are Stronger
 - **Signs of Expansion**

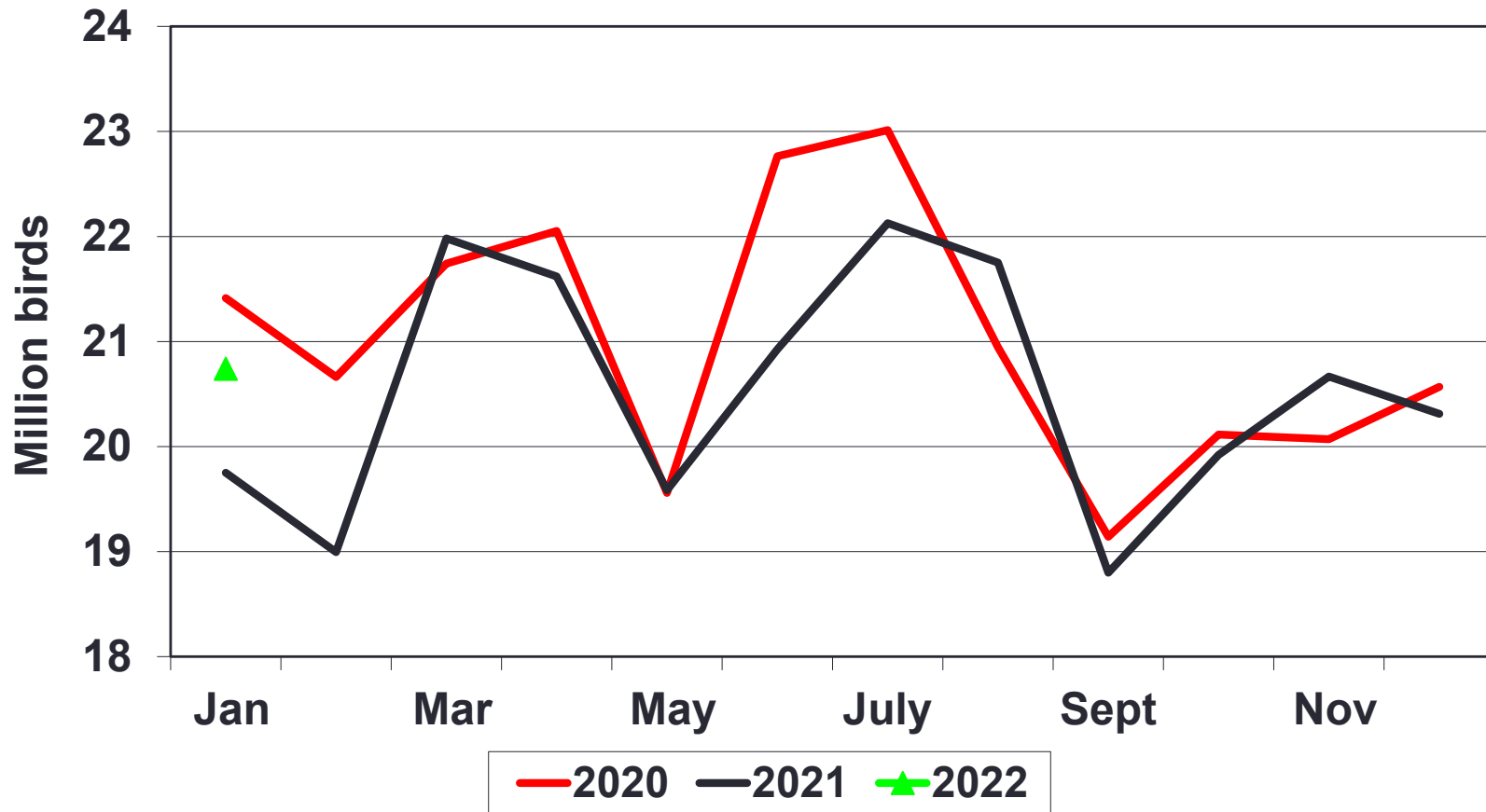
Has the Sector Begun to Rebound?

Eggs in Incubators, First of Month



Source: US Department of Agriculture
National Agricultural Statistics Service

Turkey Poult Placement Higher



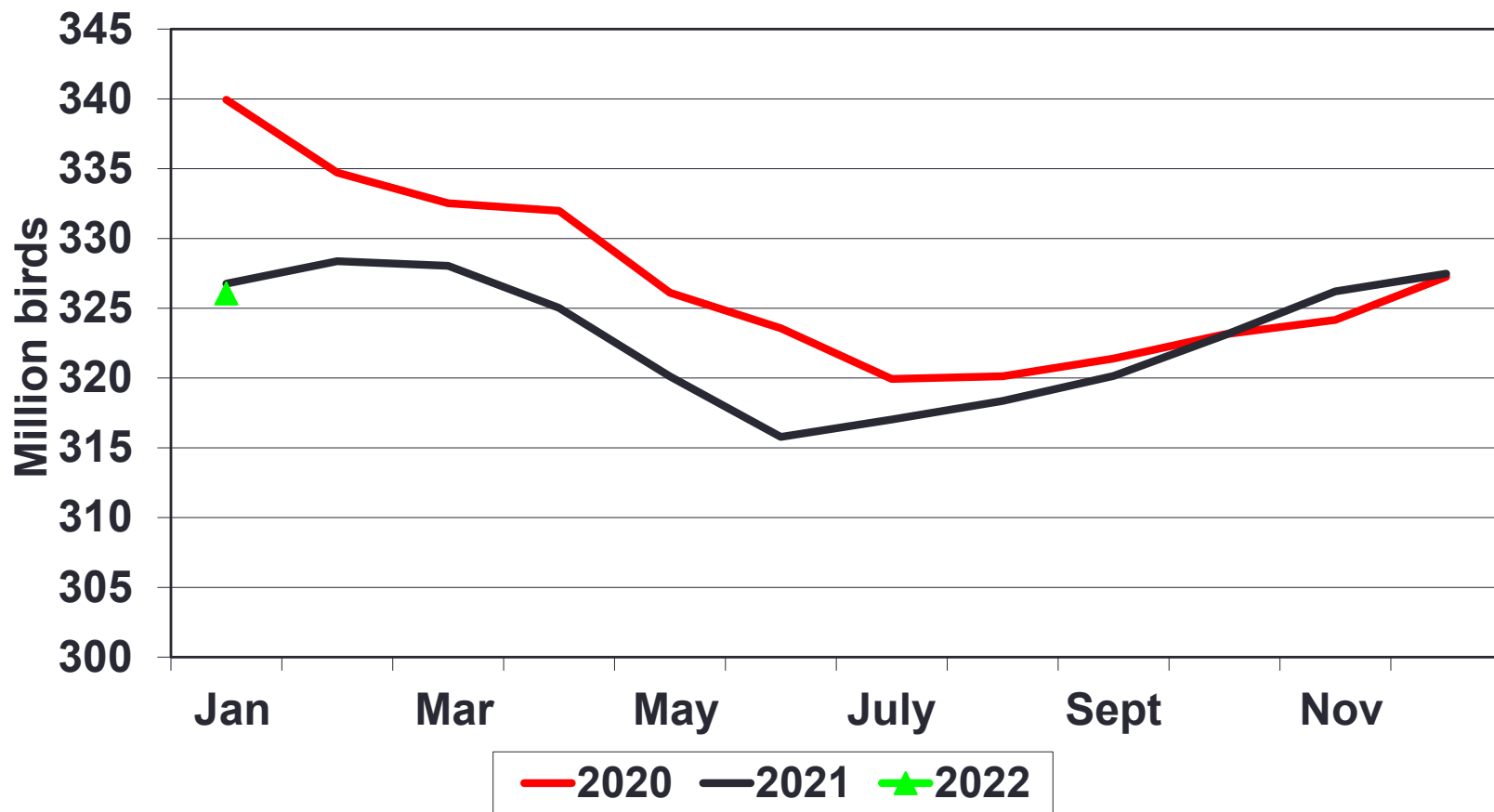
Source: US Department of Agriculture
National Agricultural Statistics Service

Factors Driving the Forecasts:

- Eggs – Slow Growth Continues
 - Laying Flock Little Changed

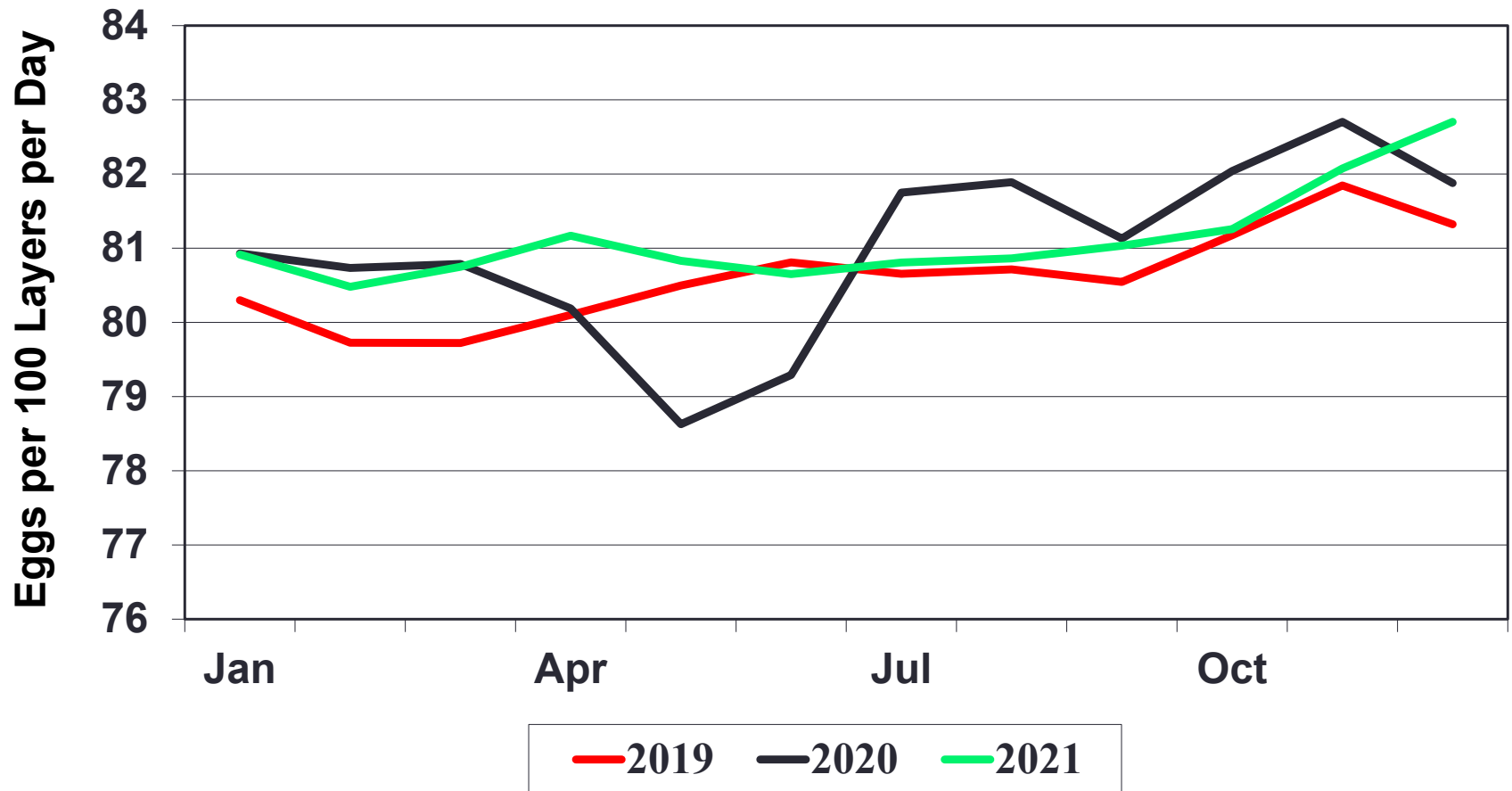
Egg Laying Flock Remains Little Changed

First of Month



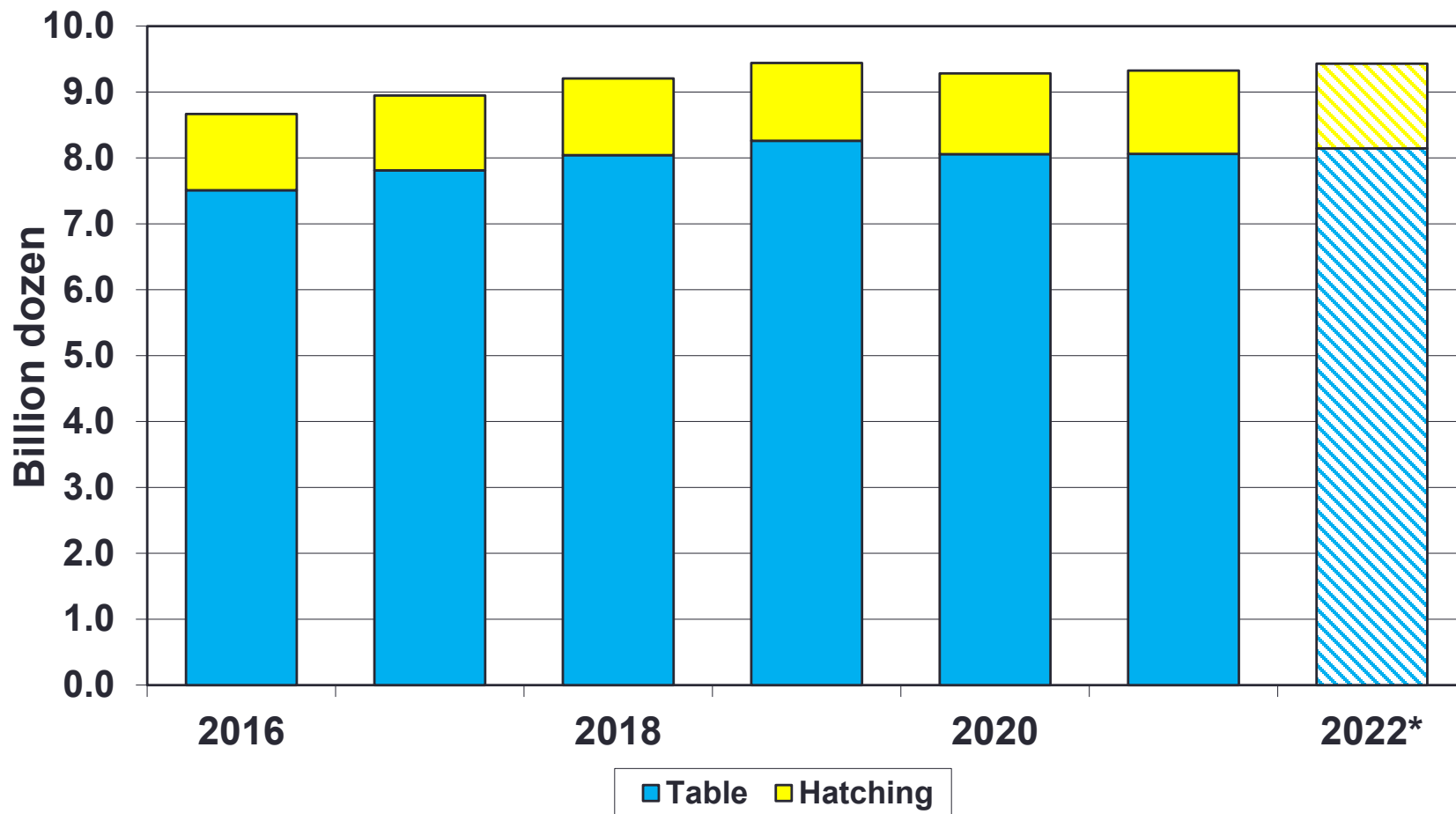
Source: US Department of Agriculture
National Agricultural Statistics Service

Second-Half Eggs per Layer Lagged 2020 with Older Hens



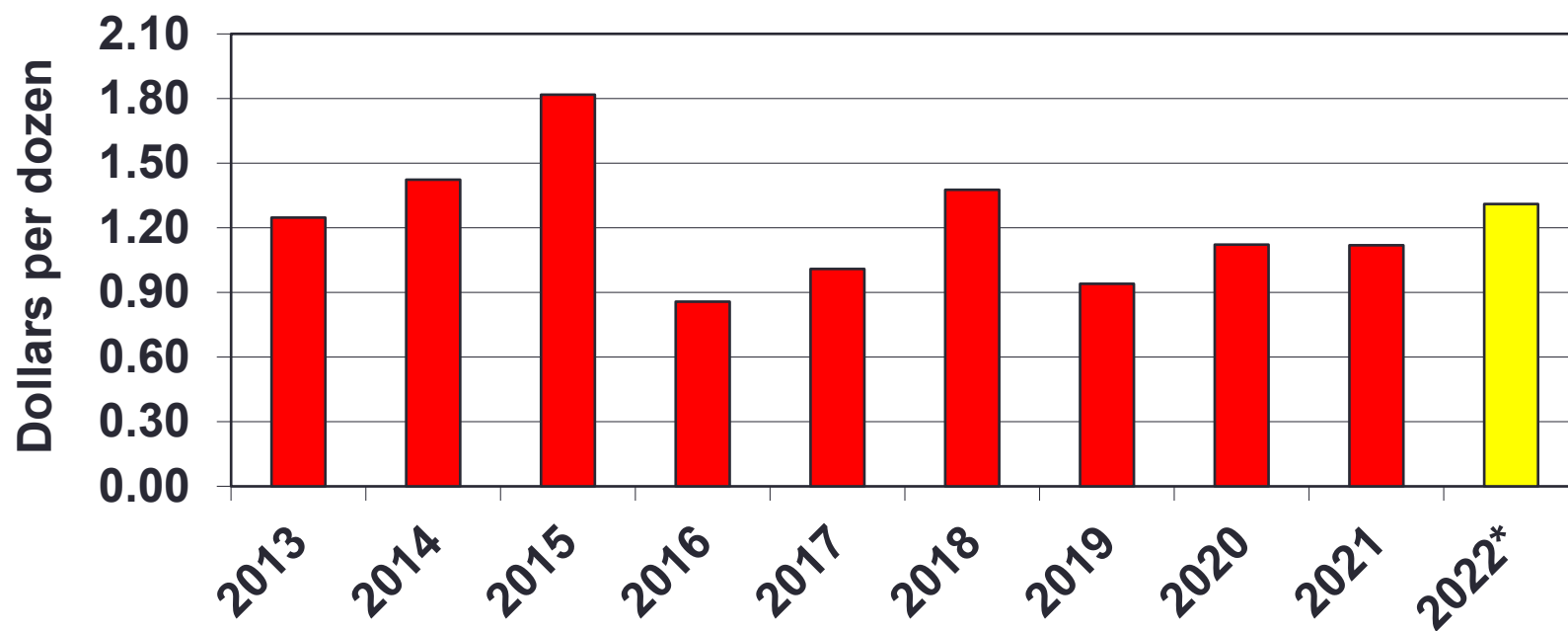
Source: US Department of Agriculture
National Agricultural Statistics Service

Egg Production Will Be Below 2019 Record



Egg Prices Will Average \$1.31 per Dozen in 2022

N.Y. Wholesale Price - Large Eggs



* Forecast

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](#)

