Outlook for the U.S. Livestock and Poultry Sectors in 2011

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World Agricultural Outlook Board, USDA

USDA Outlook Forum

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Situation Facing Livestock and Poultry Producers in 2011

- **Higher feed prices**
  - **Corn: $5.05-$5.75/bu in 2010/11**
    $3.55 in 2009/2010
  - **Soybean meal: $340-380/ton in 2010/11**
    $311 in 2009/2010

- **Shrinking returns**

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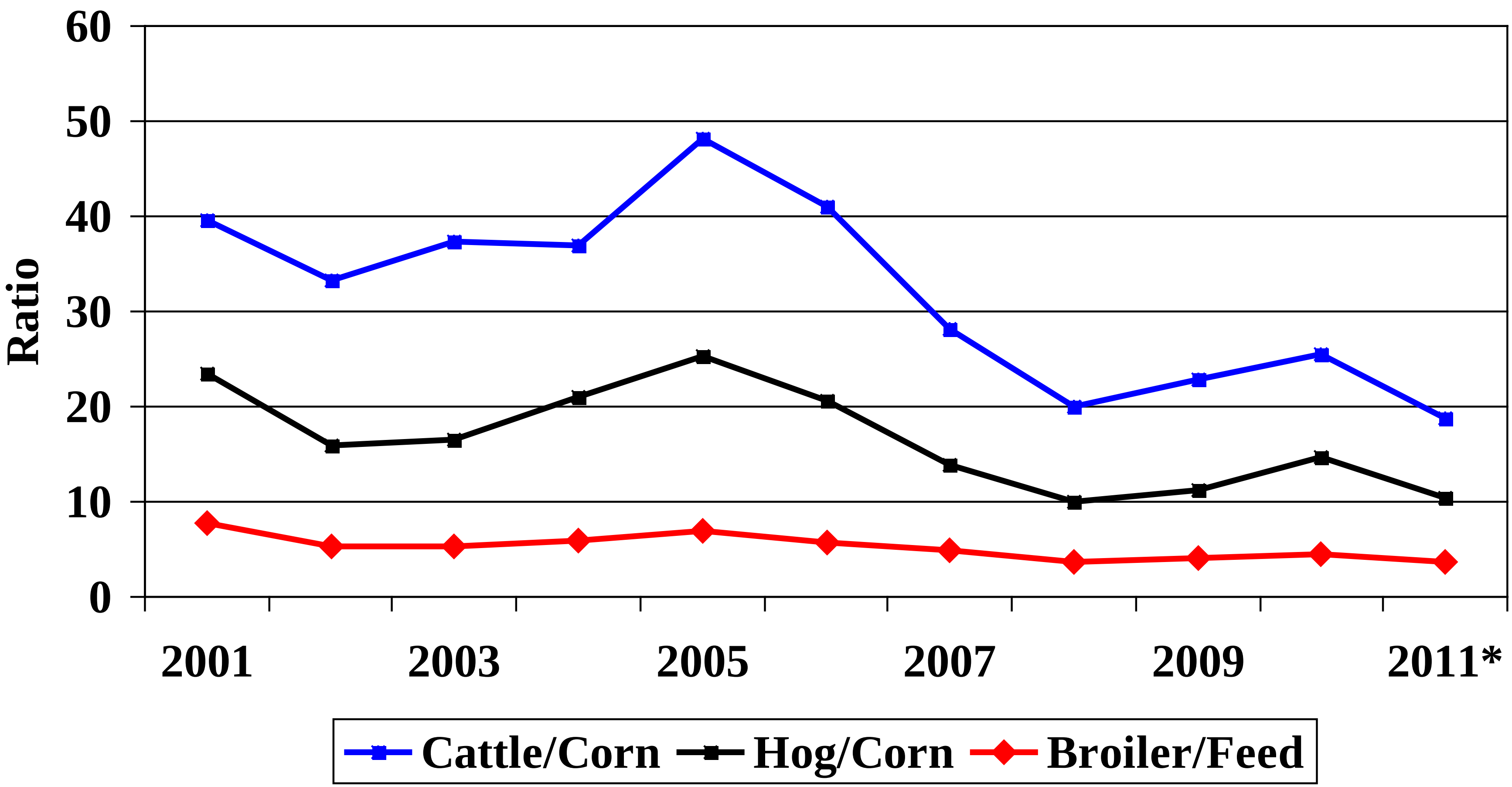
Higher Feed Bites into Gains from Livestock and Poultry Prices

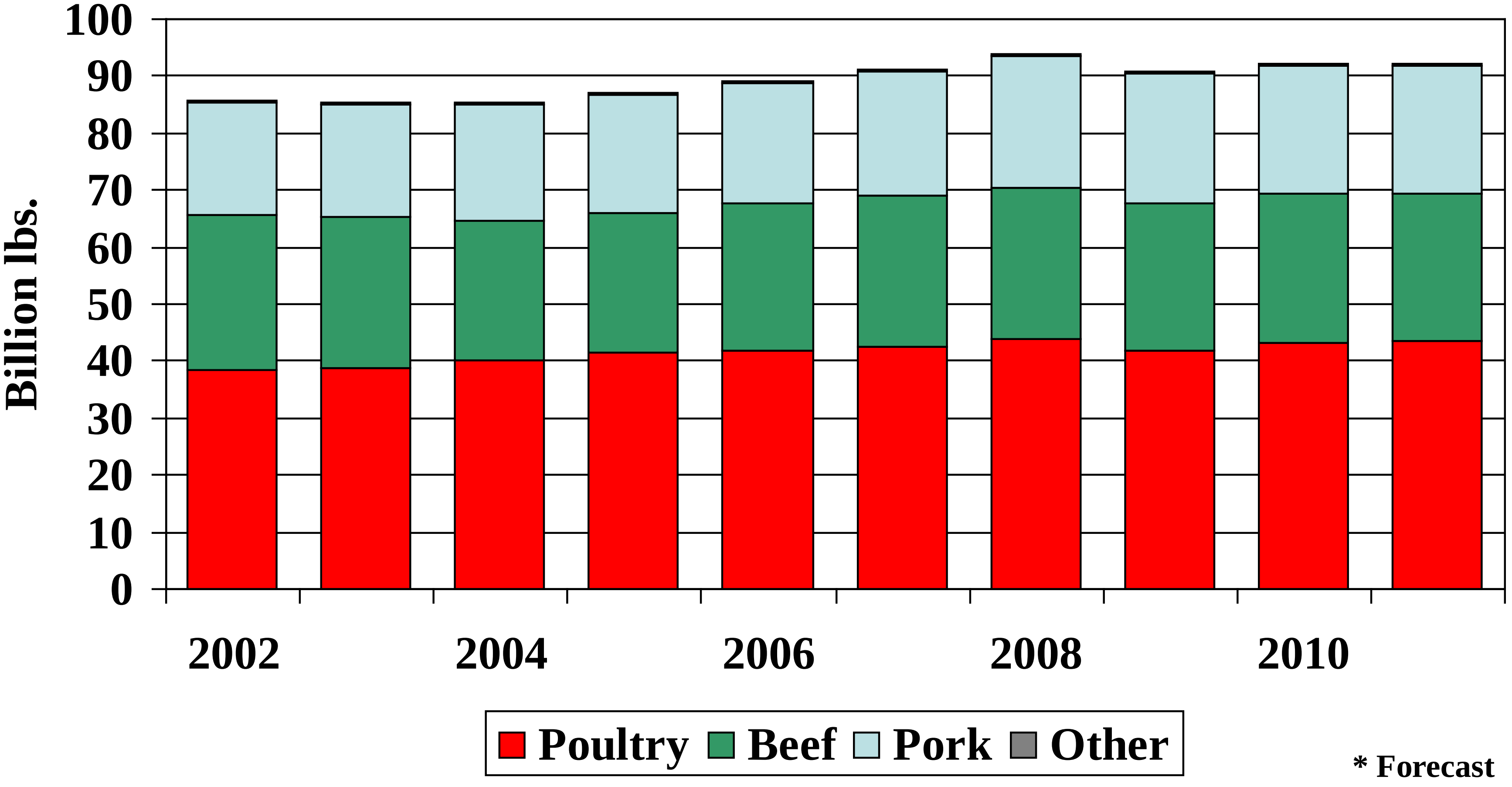


* Forecast

Highlights for Livestock & Poultry in 2011

- Offsetting meat production
  - Beef, lamb, and turkey lower
  - Pork and broilers higher

Red Meat and Poultry Production Will Increase 0.1 Percent in 2011



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Highlights for Livestock & Poultry in 2011

- Offsetting meat production
- Stronger red meat exports but weaker broiler exports

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Support for Exports

- **Rising incomes fuel increased demand for meat protein.**
  - **World GDP, less U.S., at about 3-4 percent in 2011**
- **Weaker U.S. dollar will support meat exports.**
- **Trade issues remain irritants**
  - **Pork issues resolved**
  - **BSE restrictions remain**
  - **Poultry issues**

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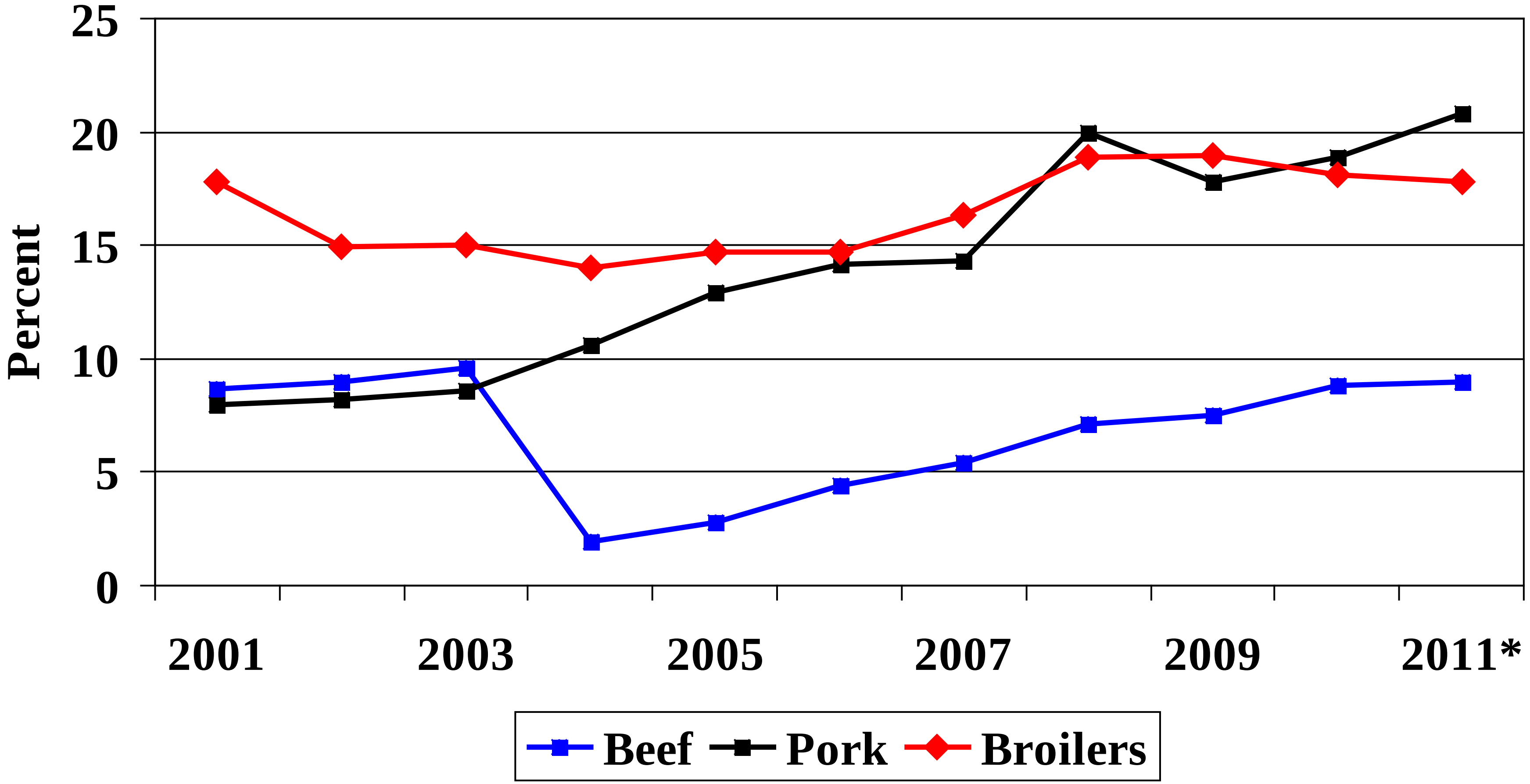
Red Meat Exports Represent Increasing Share of Production



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Highlights for Livestock & Poultry in 2011

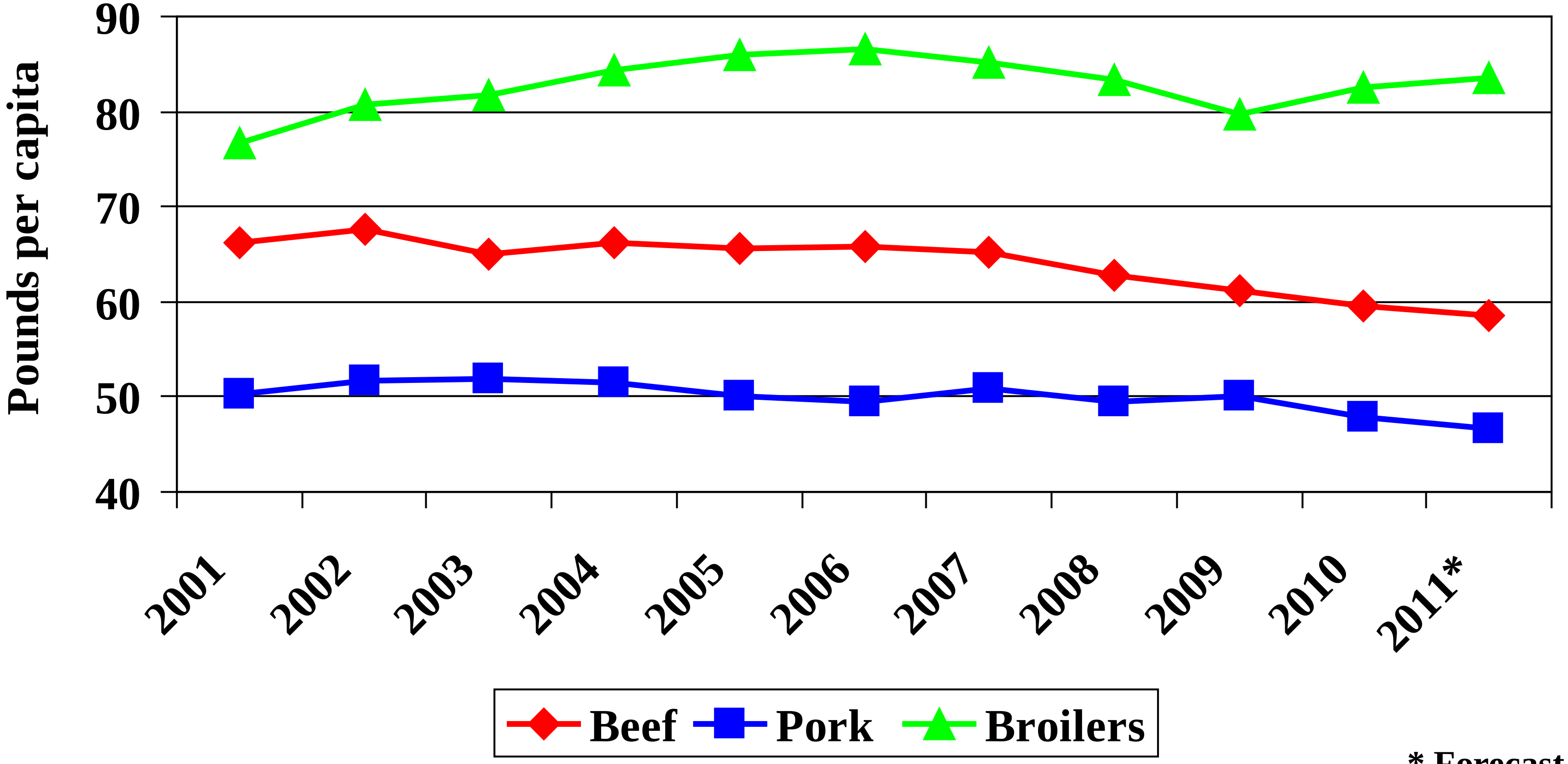
- Offsetting meat production

- Stronger red meat exports but weaker broiler exports

- Domestic supply impacts mixed
  - Larger broiler meat net supplies
  - Smaller beef, pork, and turkey net supplies

- Gradual economic improvement
  - U.S. GDP growth about 3 percent
  - Unemployment gradually declining

Total Per Capita Retail Basis Meat Disappearance in 2011 at 207 Pounds



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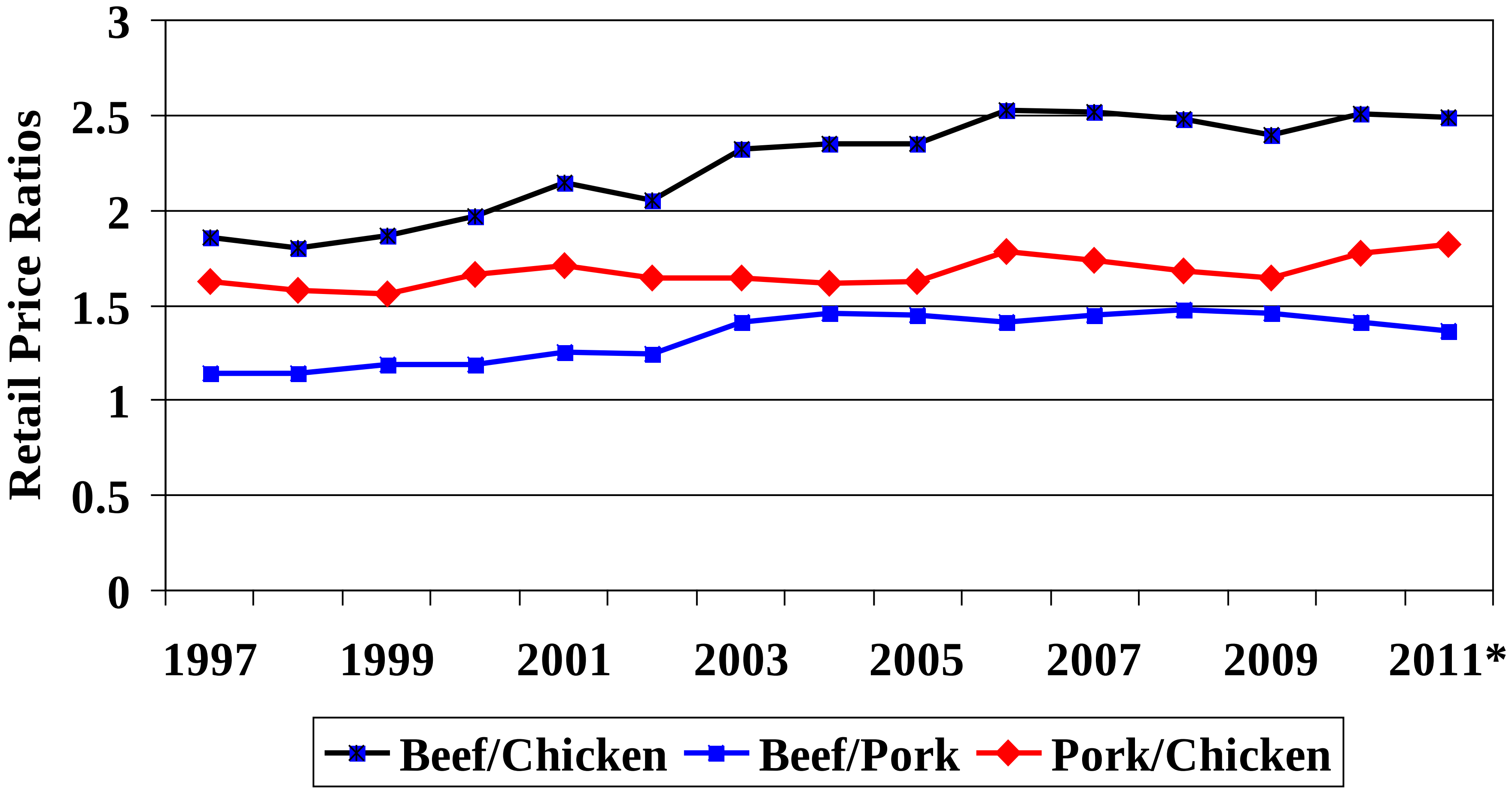
Despite Price Increase, Chicken Will Maintain Pricing Advantage at Retail



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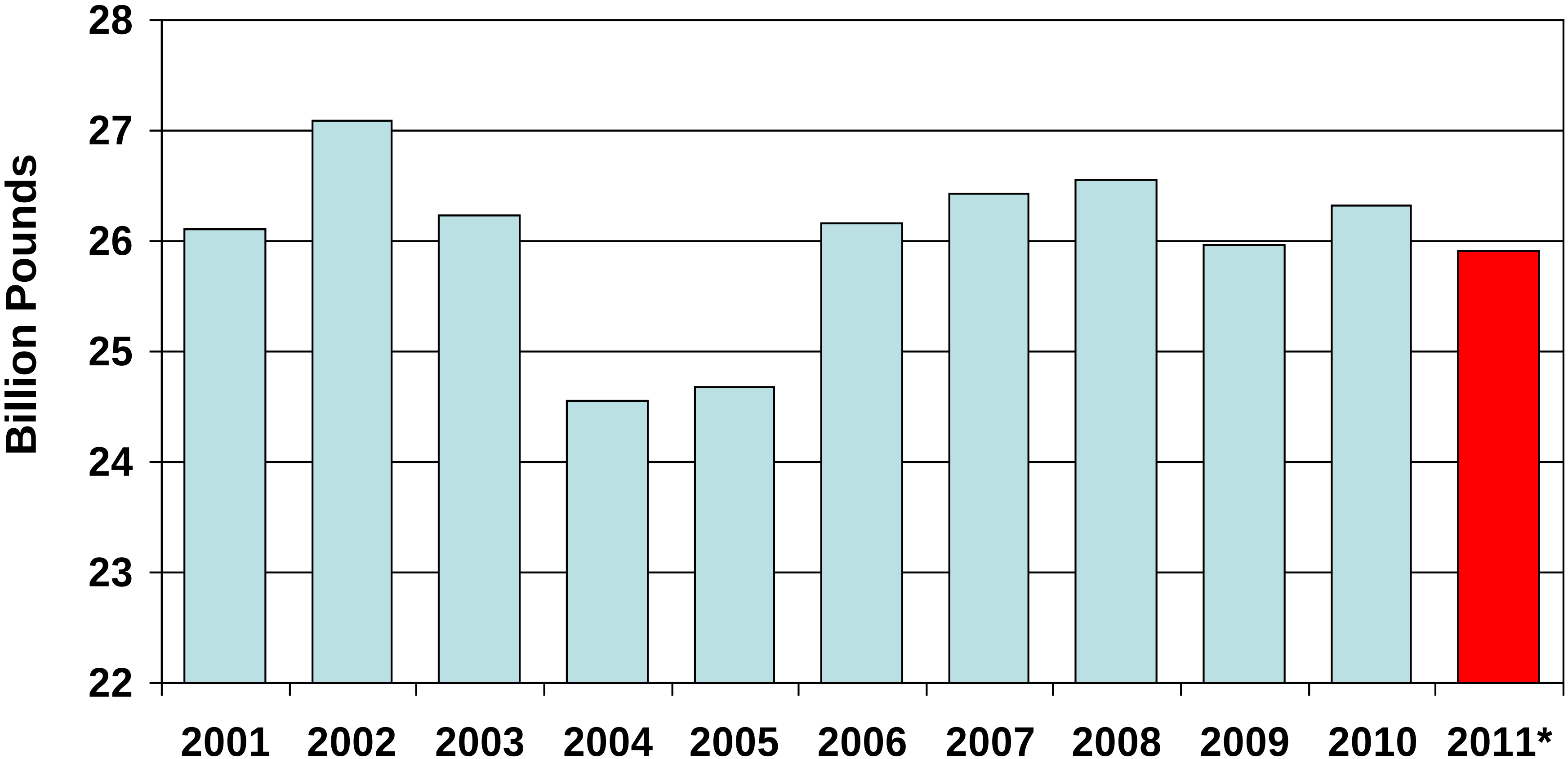
Beef Production to Decline to 25.9 Billion Pounds in 2011



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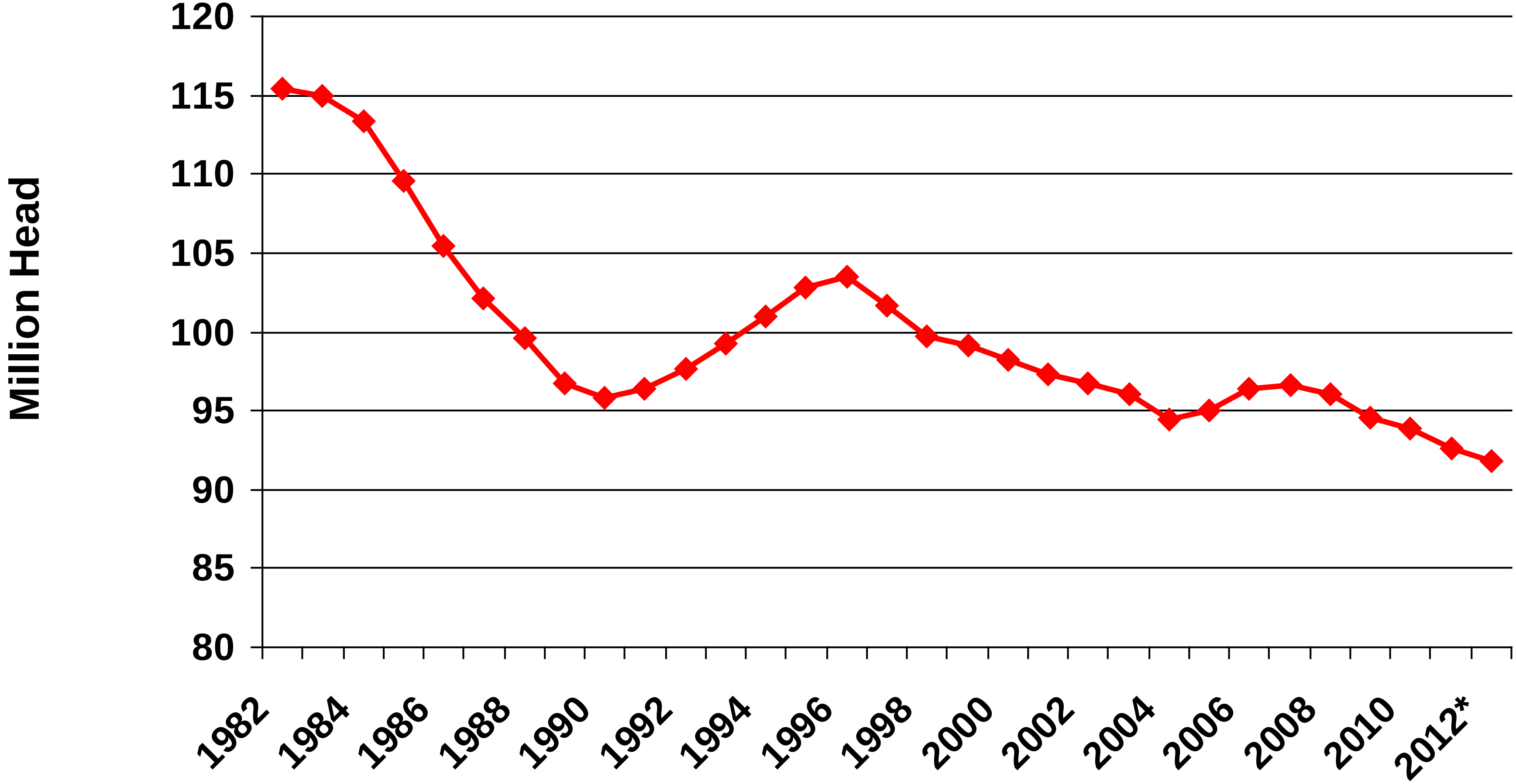
Cattle Herd at 92.6 Million on Jan 1, 2011; Further Contraction Likely



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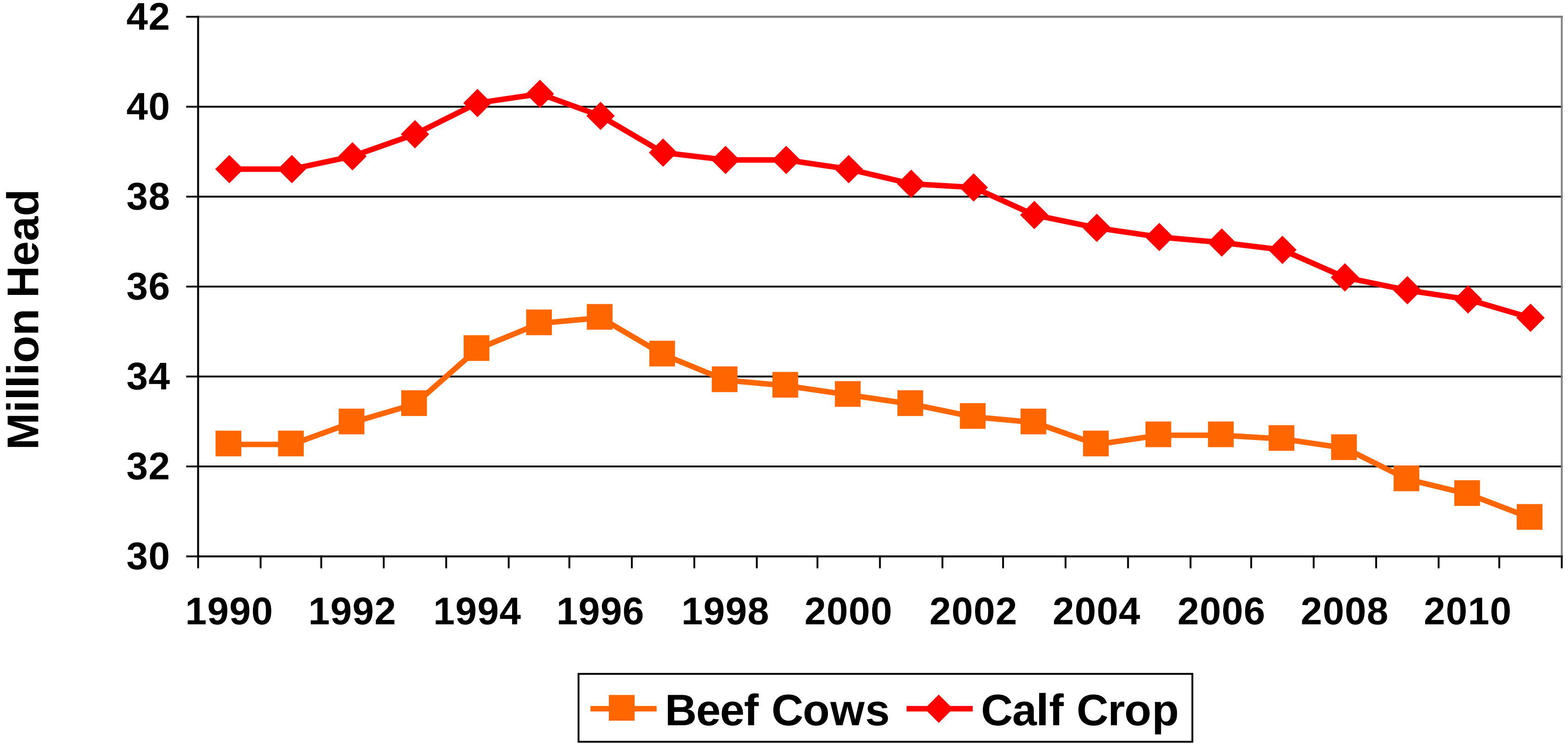
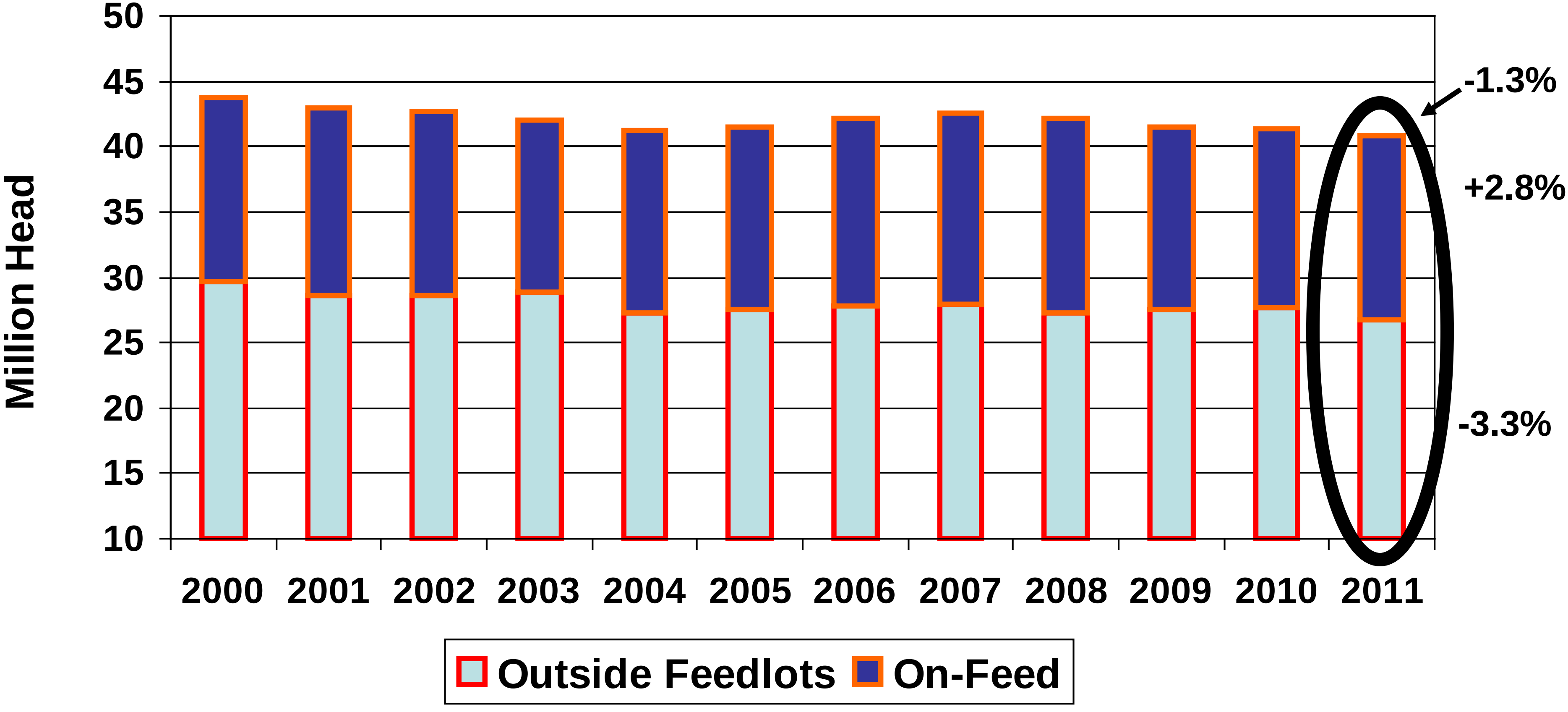
Beef Cows 1 Percent Lower Jan. 1, 2011. Calf Crop Declines in 2010



* Forecast Calf Crop

Cattle for Feeding Lower on January 1



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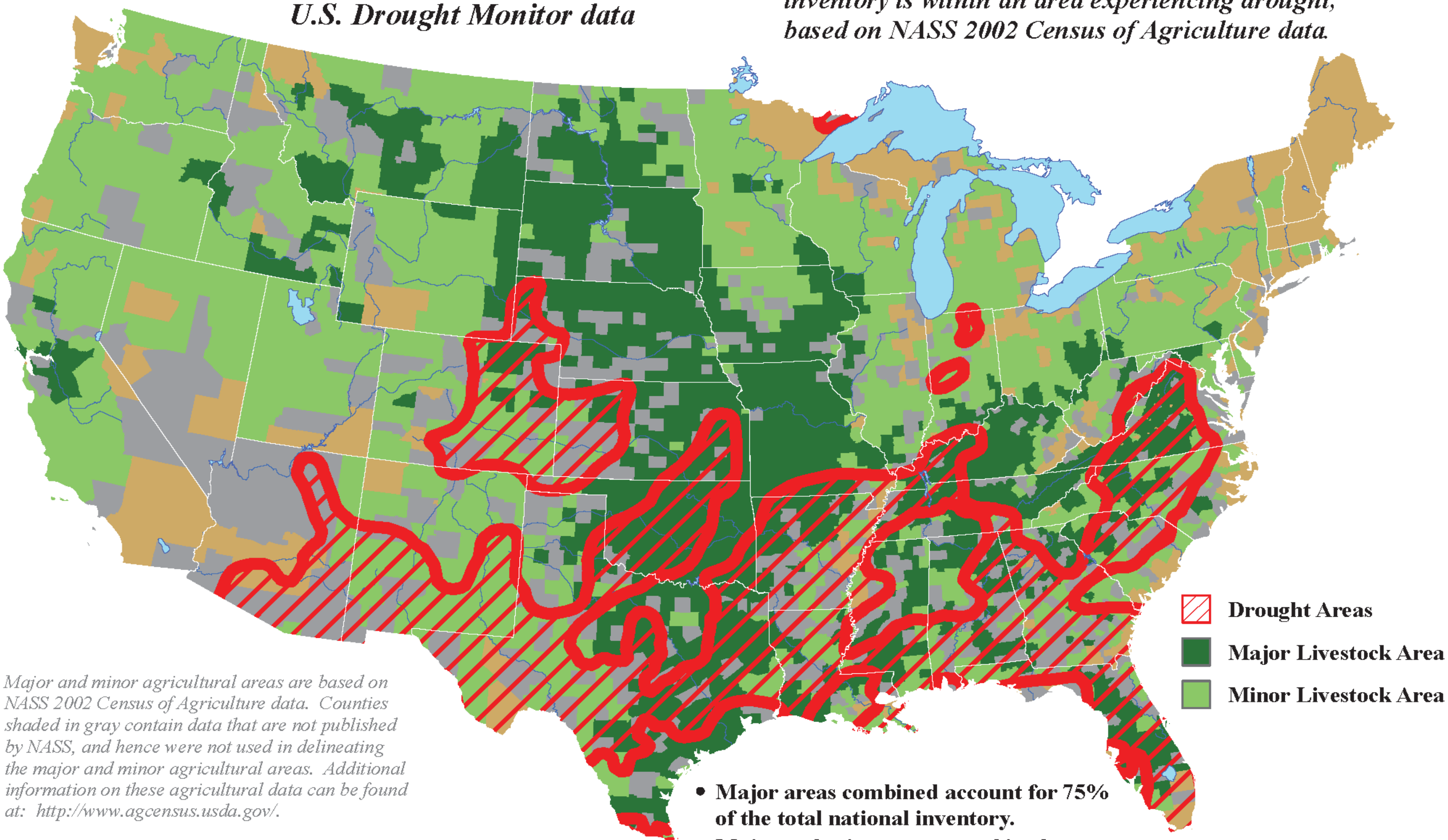
U.S. Beef Cow Areas Experiencing Drought

Reflects February 15, 2011
U.S. Drought Monitor data

Approximately 31% of the domestic beef cow inventory is within an area experiencing drought, based on NASS 2002 Census of Agriculture data.



- **Major areas combined account for 75% of the total national inventory.**
- **Major and minor areas combined account for 99% of the total national inventory.**

Major and minor agricultural areas are based on NASS 2002 Census of Agriculture data. Counties shaded in gray contain data that are not published by NASS, and hence were not used in delineating the major and minor agricultural areas. Additional information on these agricultural data can be found at: http://www.agcensus.usda.gov/.

Mapped drought areas are derived from the U.S. Drought Monitor product and do not depict the intensity of drought in any particular location. More information on the Drought Monitor can be found at: http://www.drought.unl.edu/dm/monitor.html.

USDA **Agricultural Weather Assessments**
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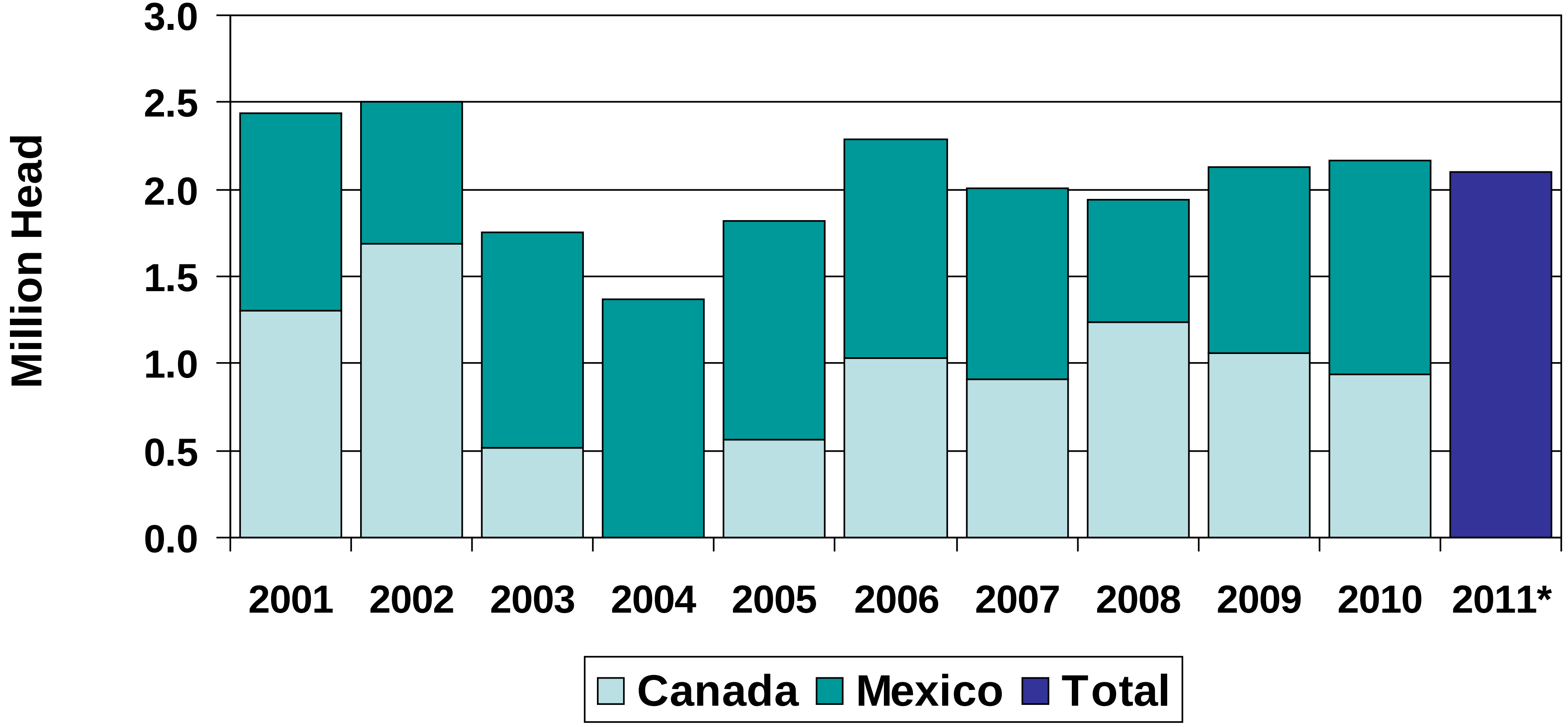
Cattle Imports Decline to 2.1 Million Head In 2011



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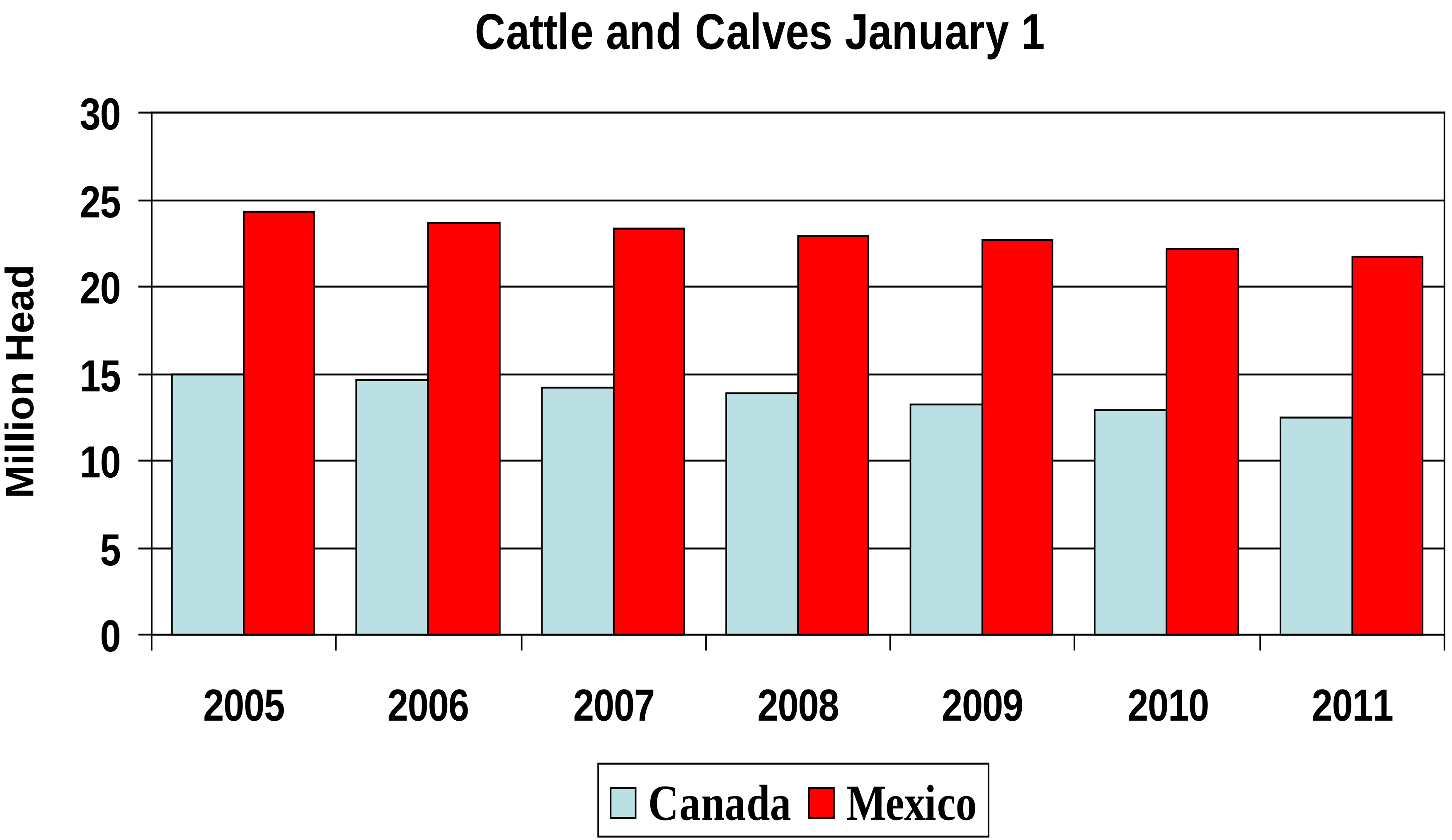
Herds in Canada and Mexico Shrink



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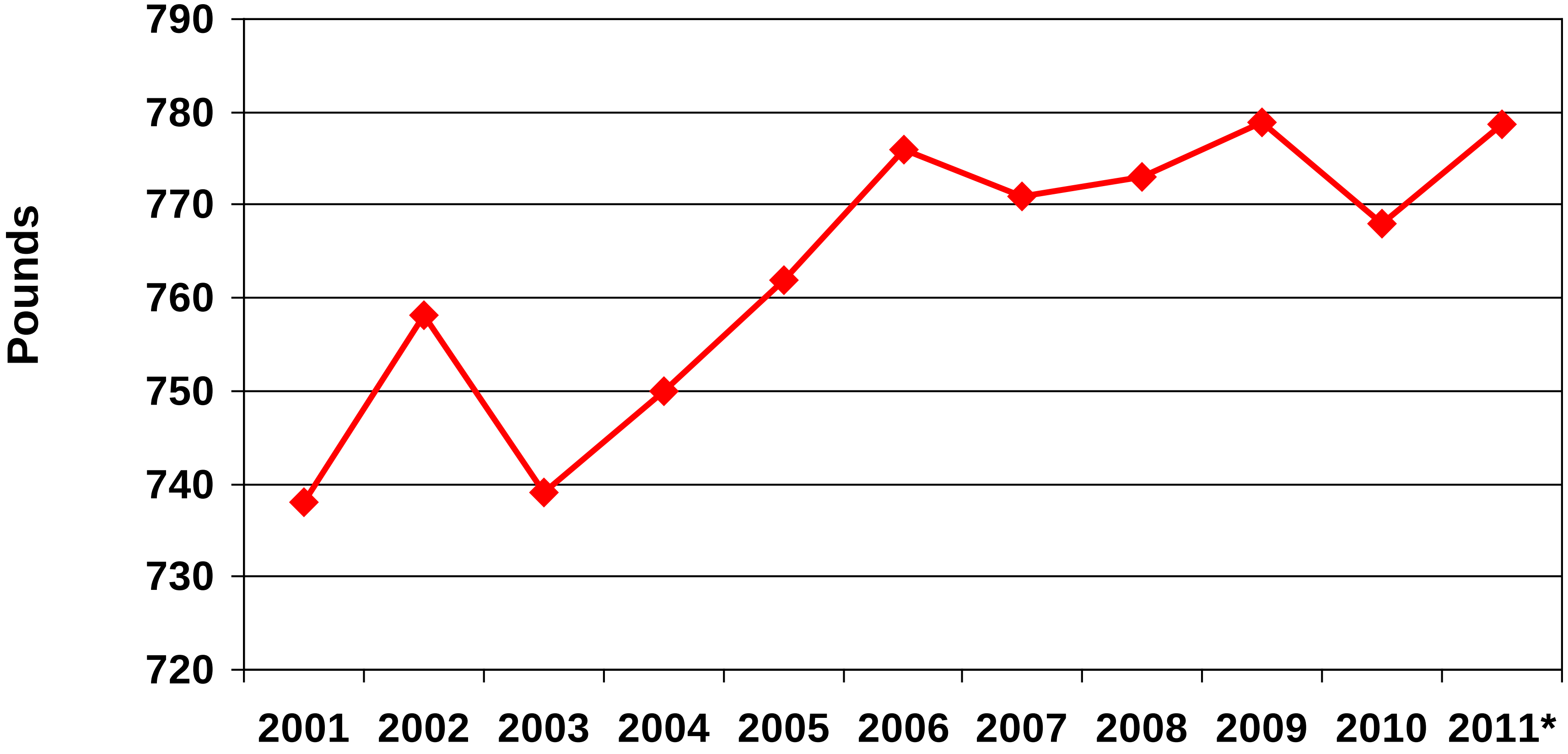
Average Cattle Carcass Weights Recover to Near Record in 2011



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Beef Exports Increase 2 Percent to 2.4 Billion Pounds

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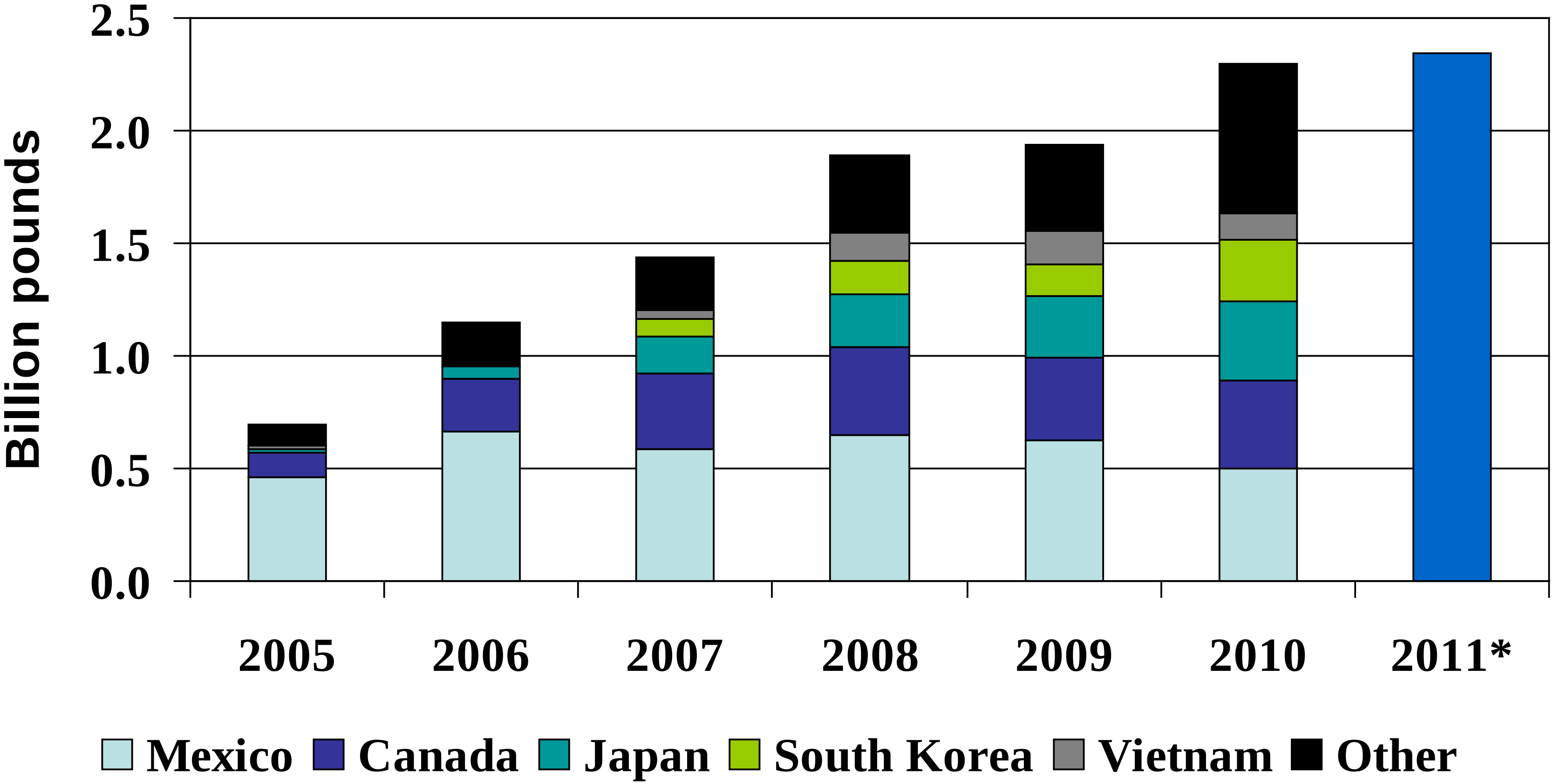
2011 Exports Remain Below 2003



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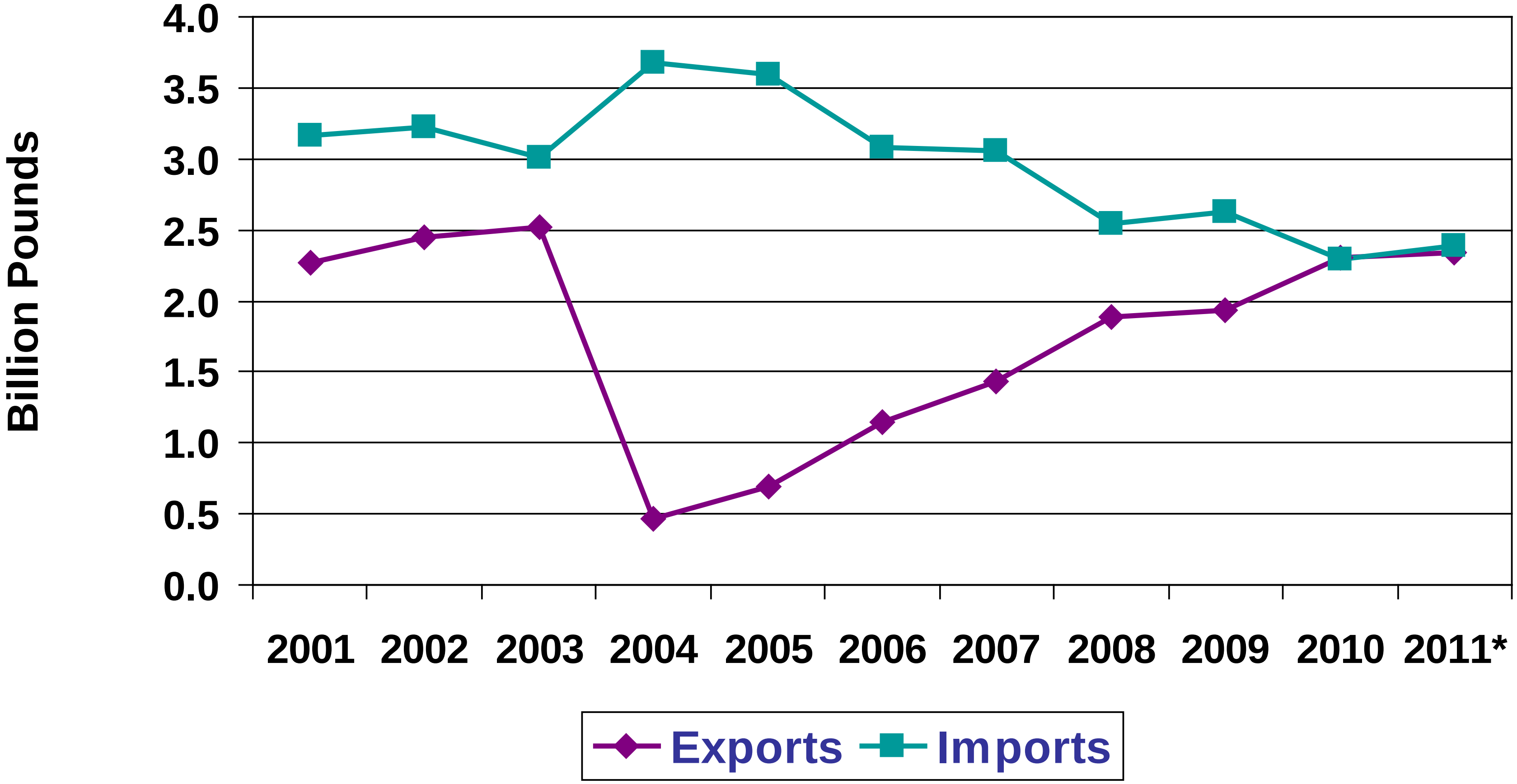
Beef Imports Increase 4 Percent to 2.4 Billion Pounds



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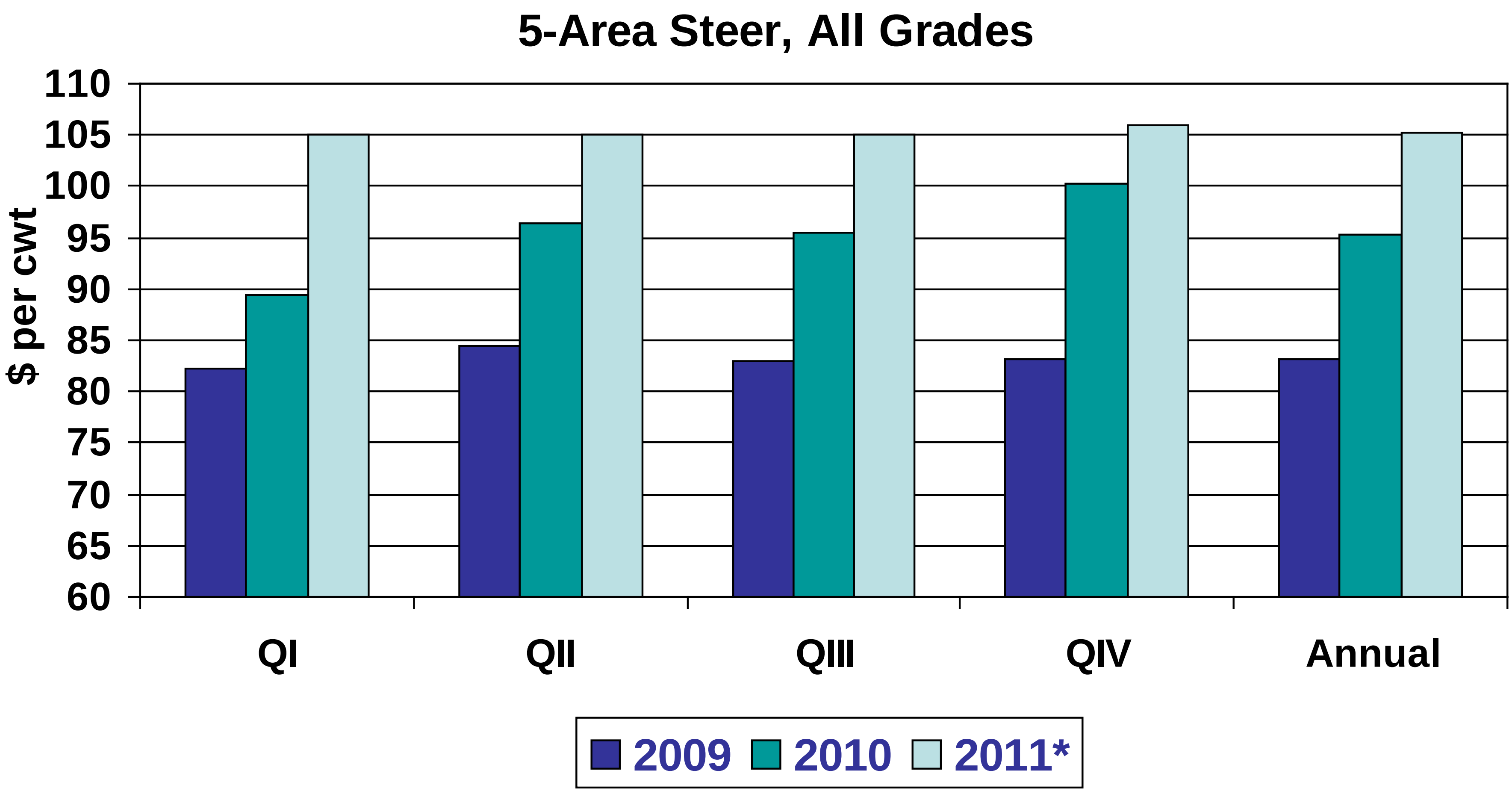
Cattle Prices Rise in 2011, to Average $102 to $109 per cwt



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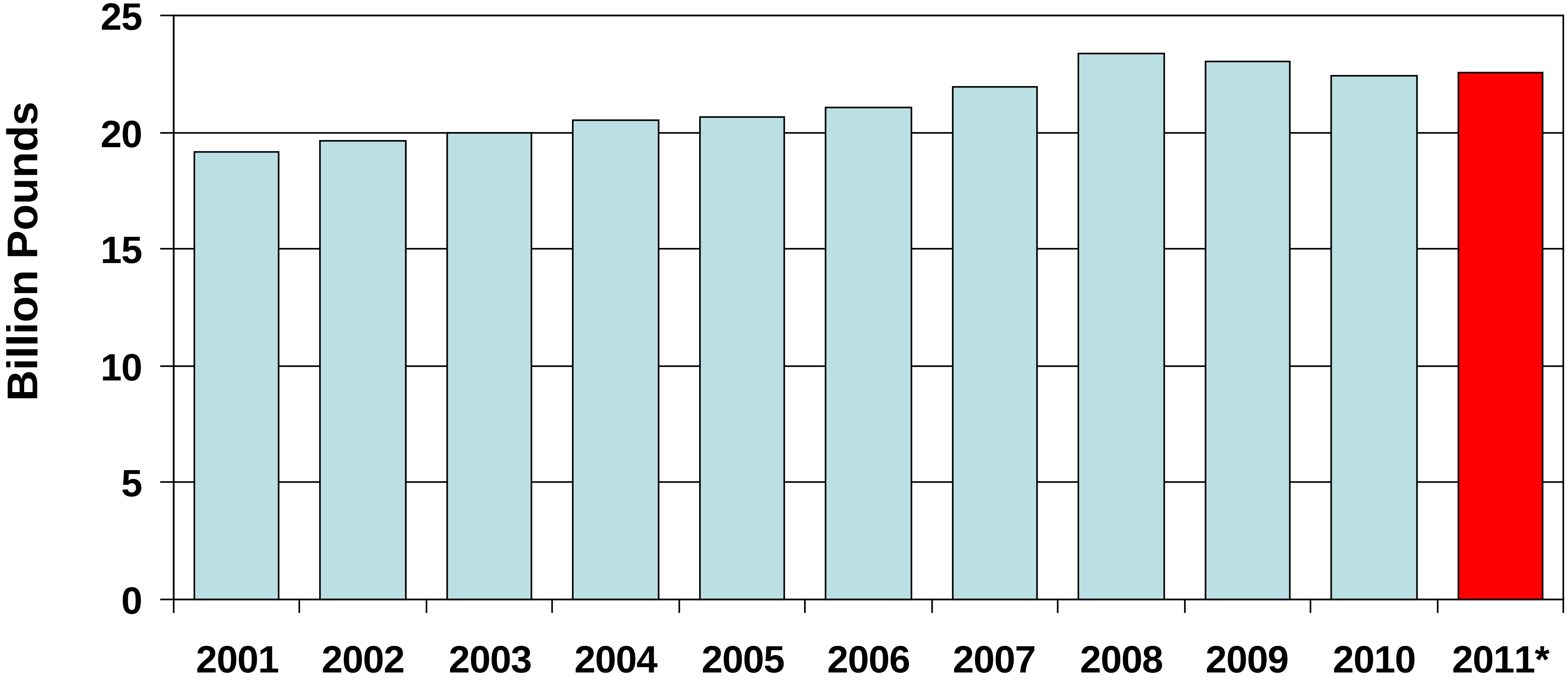
Pork Production Increases to 22.5 Billion Pounds in 2011



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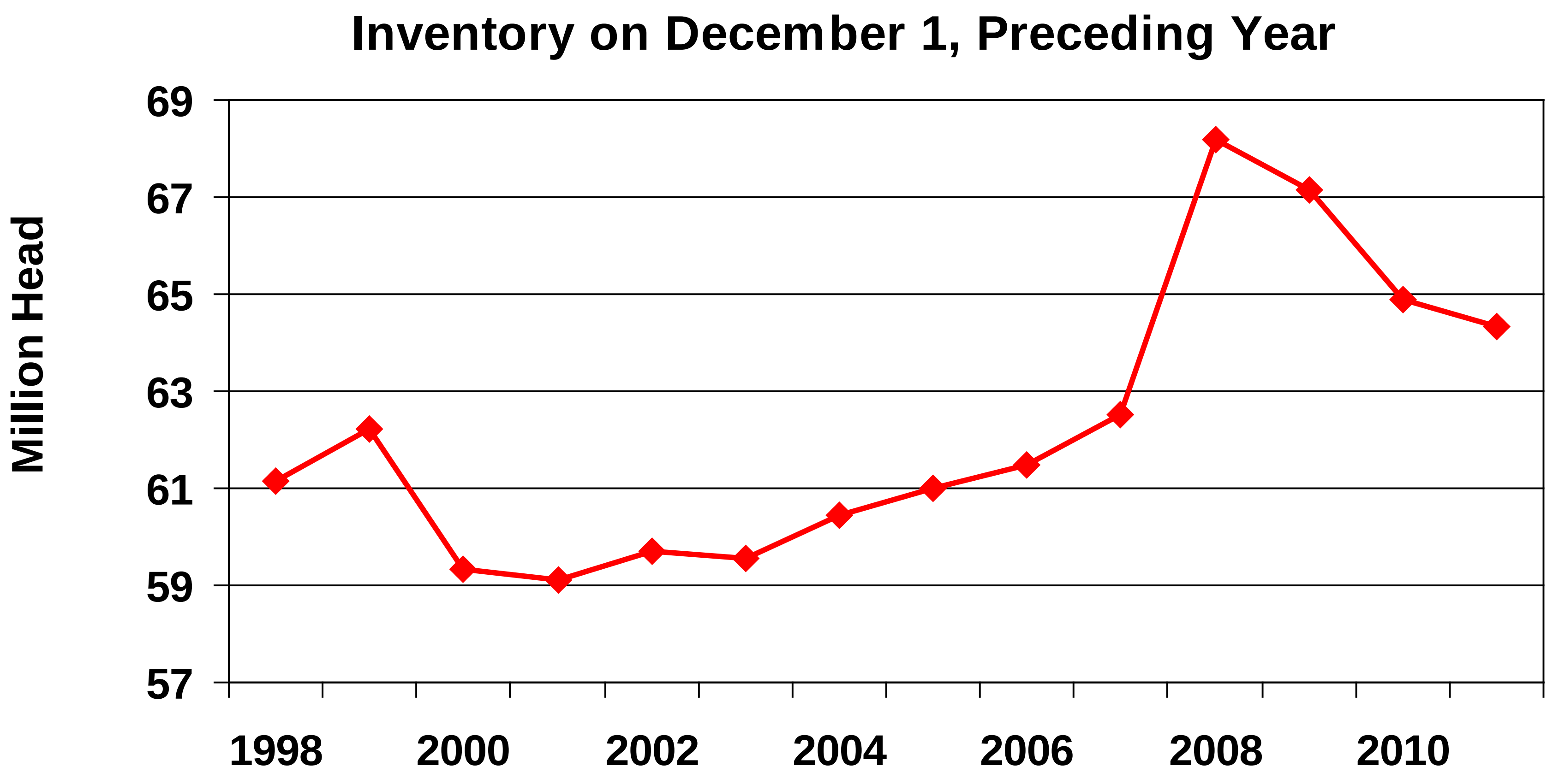
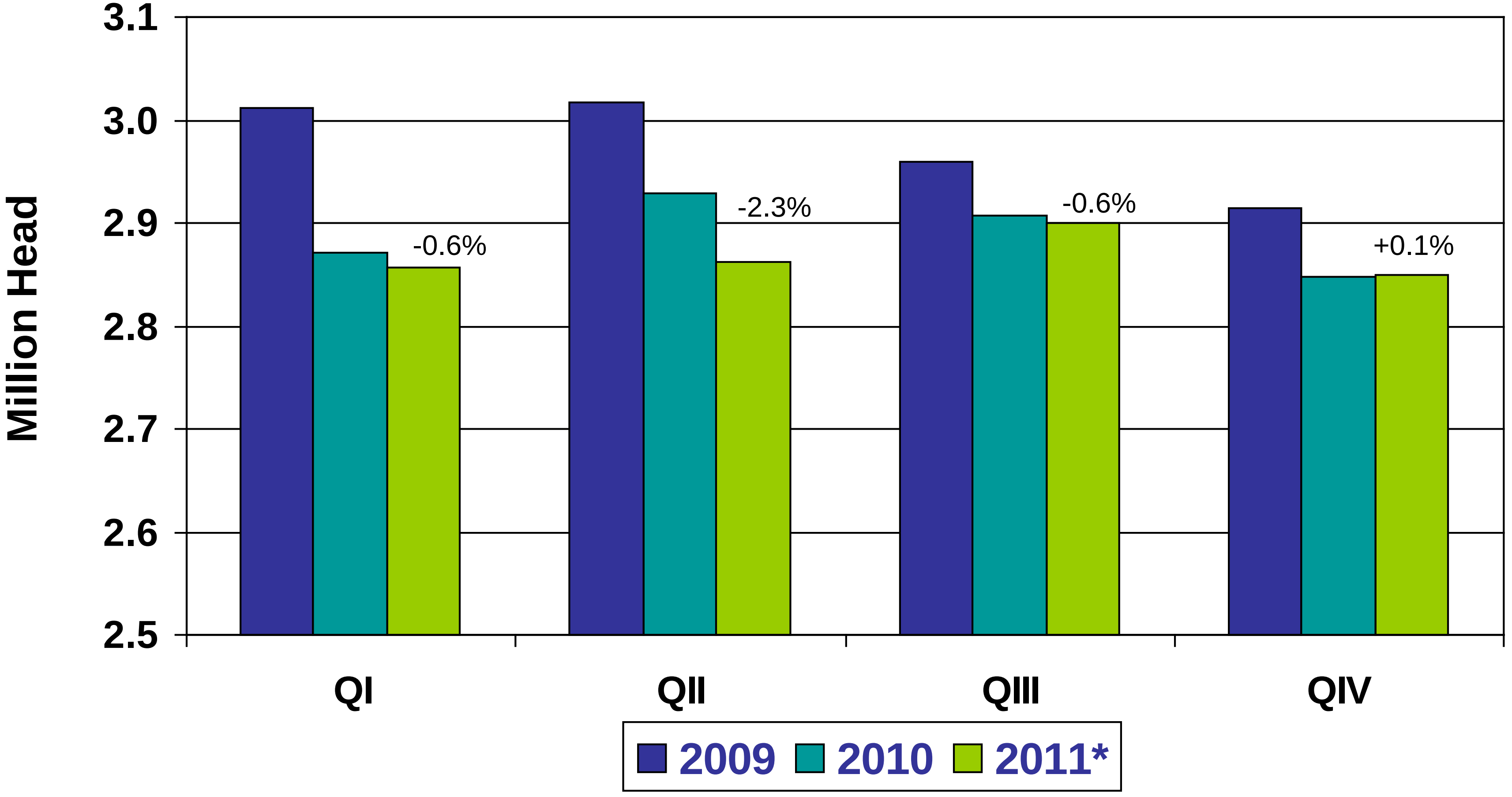
Beginning Hog Inventory Falls to 64.3 Million Head



Sows Farrowing Expected to Stabilize in Late 2011



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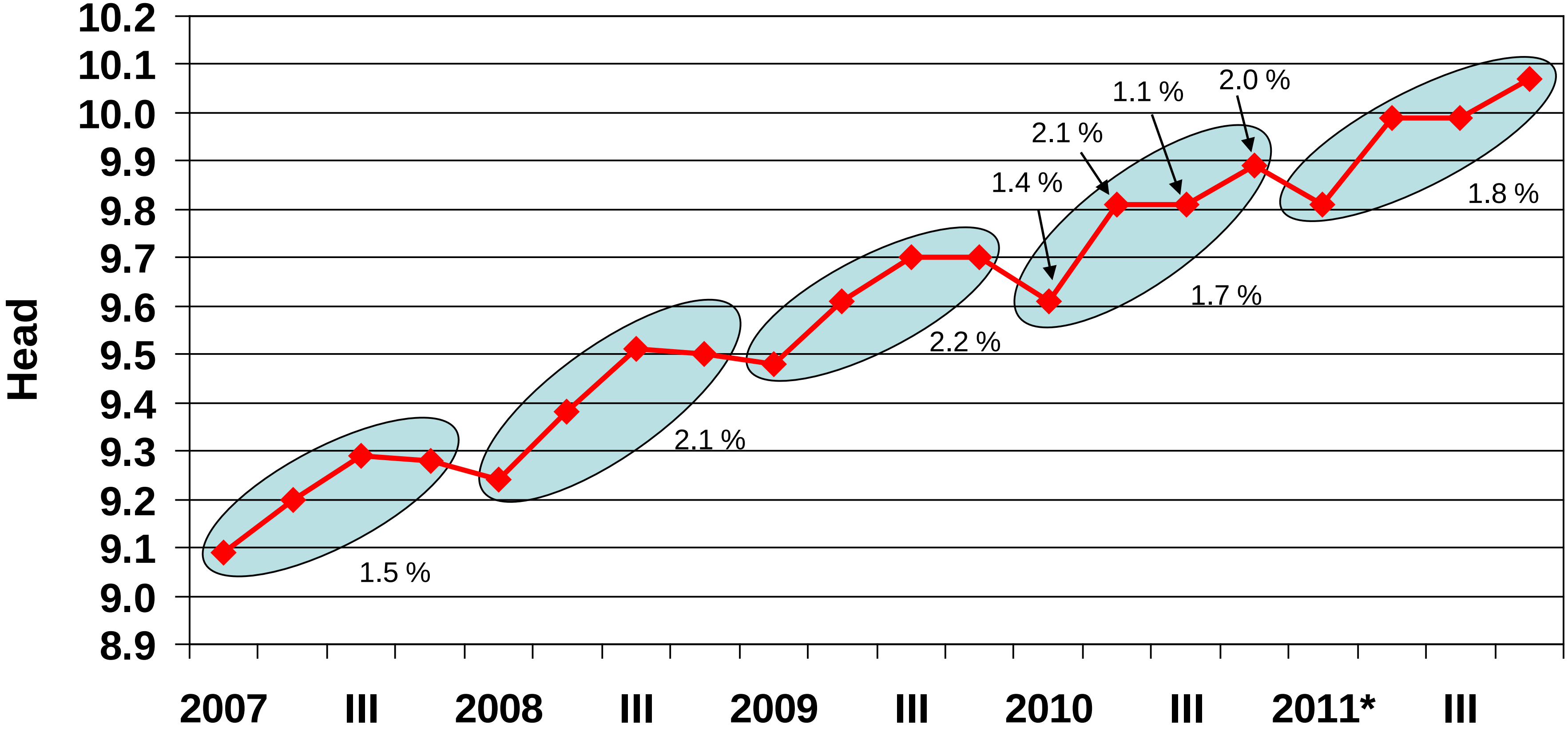
*** Quarters 1-2 NASS Reported ,**
Quarters 3-4 Forecast

Growth in Pigs Per Litter Slower



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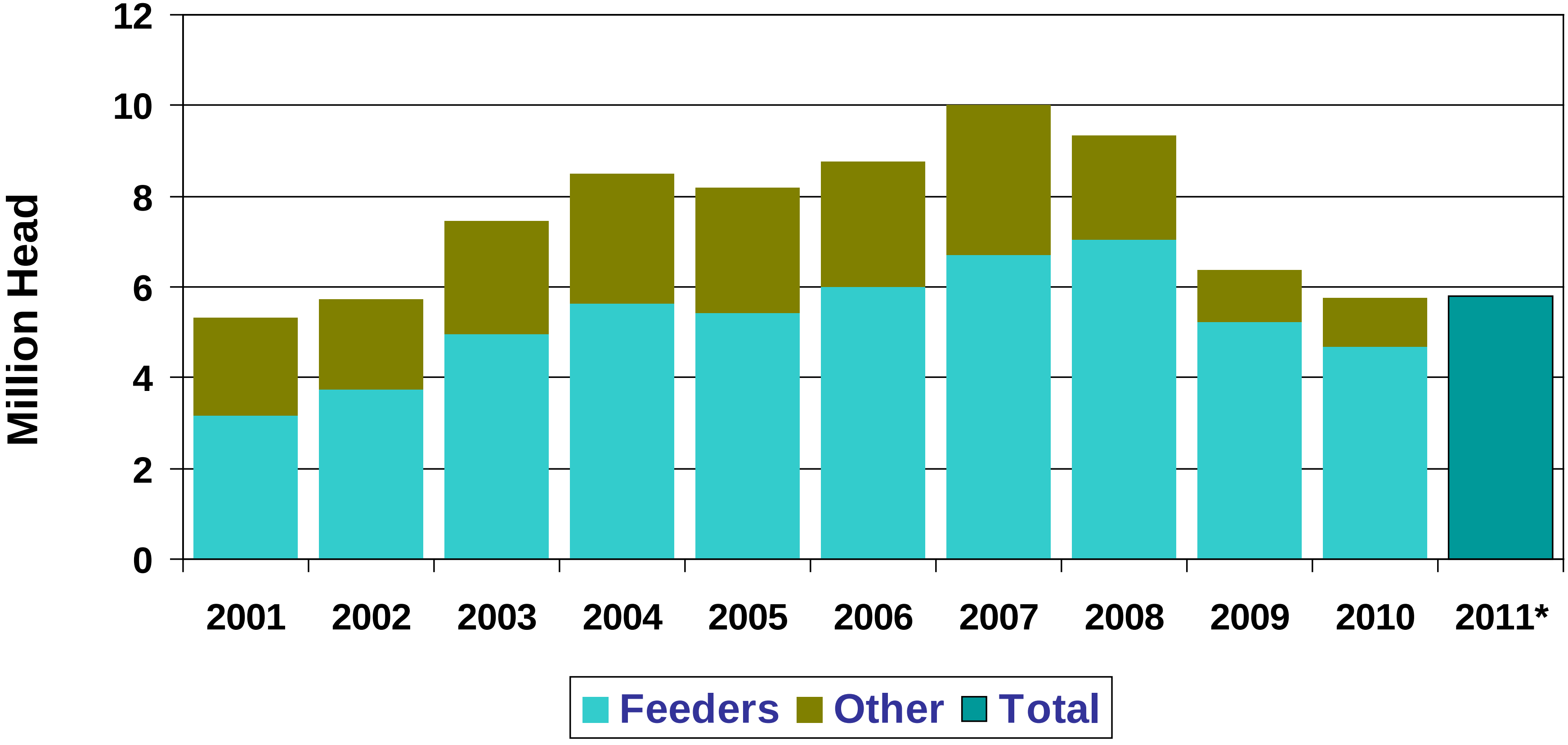
Hog Imports at 5.8 Million Head in 2011



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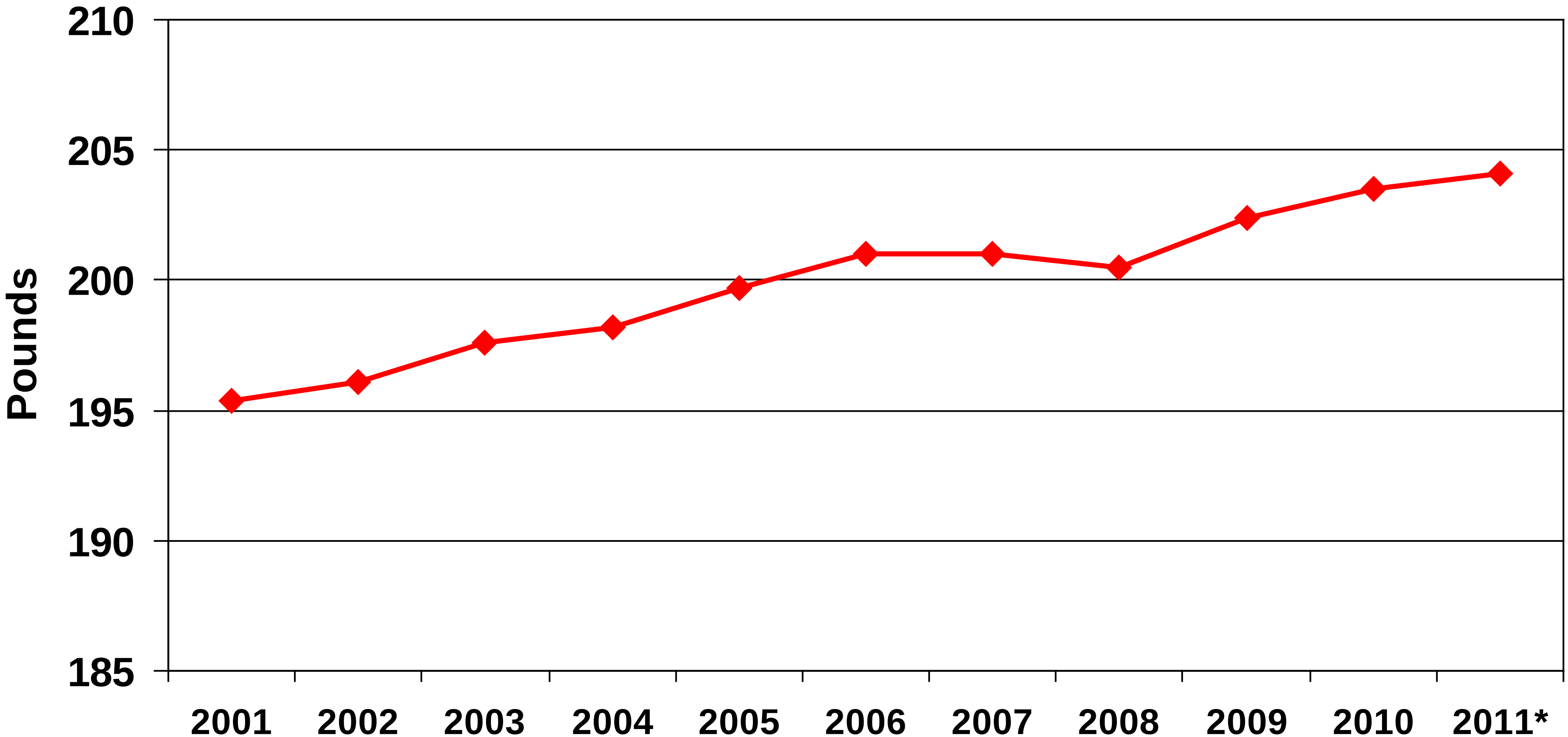
Average Hog Carcass Weights Record High in 2011



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Pork Exports Rise to 4.7 Billion Pounds, Pork Imports Continue Slow Growth

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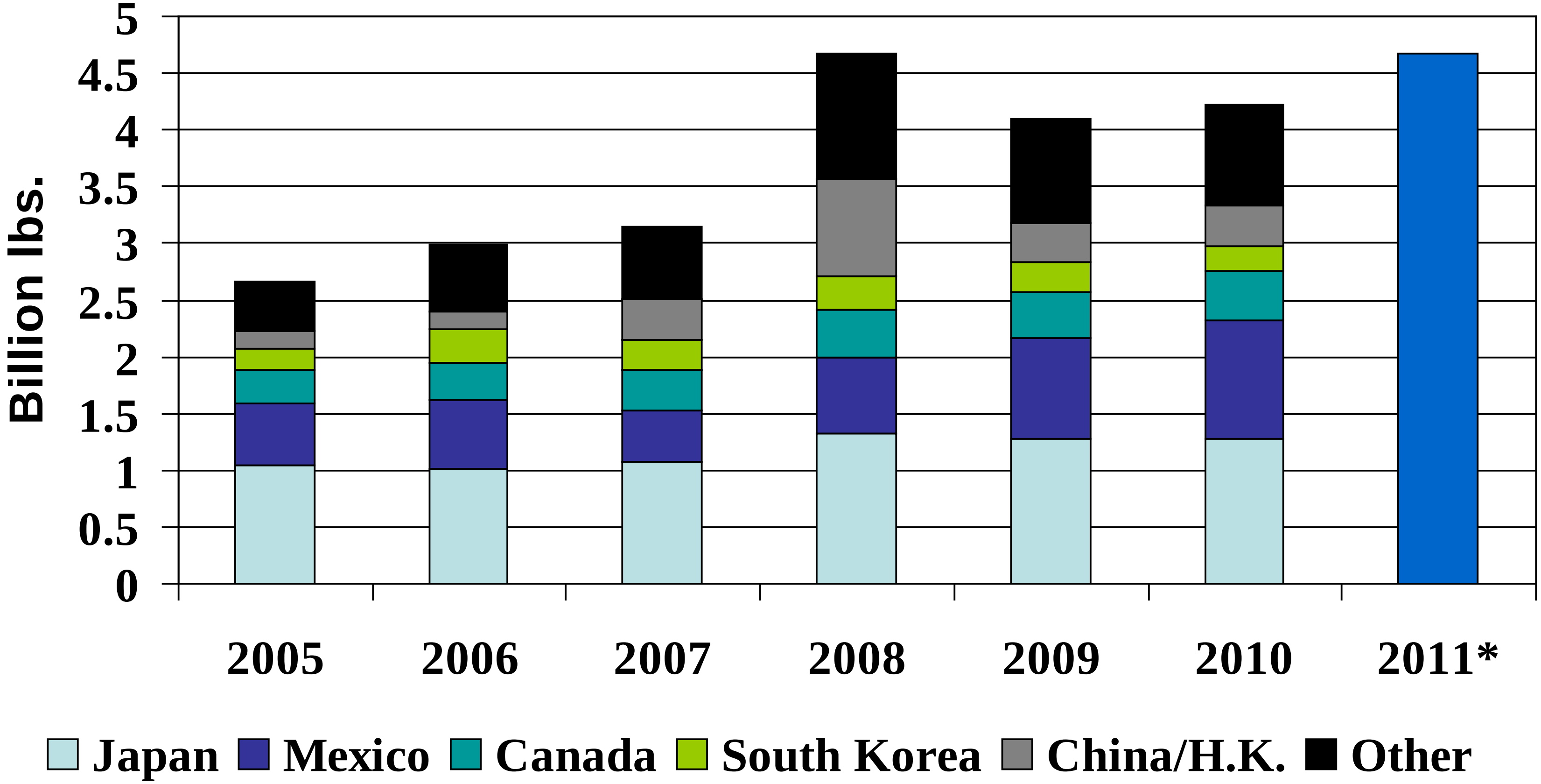
2011 Pork Exports Record High



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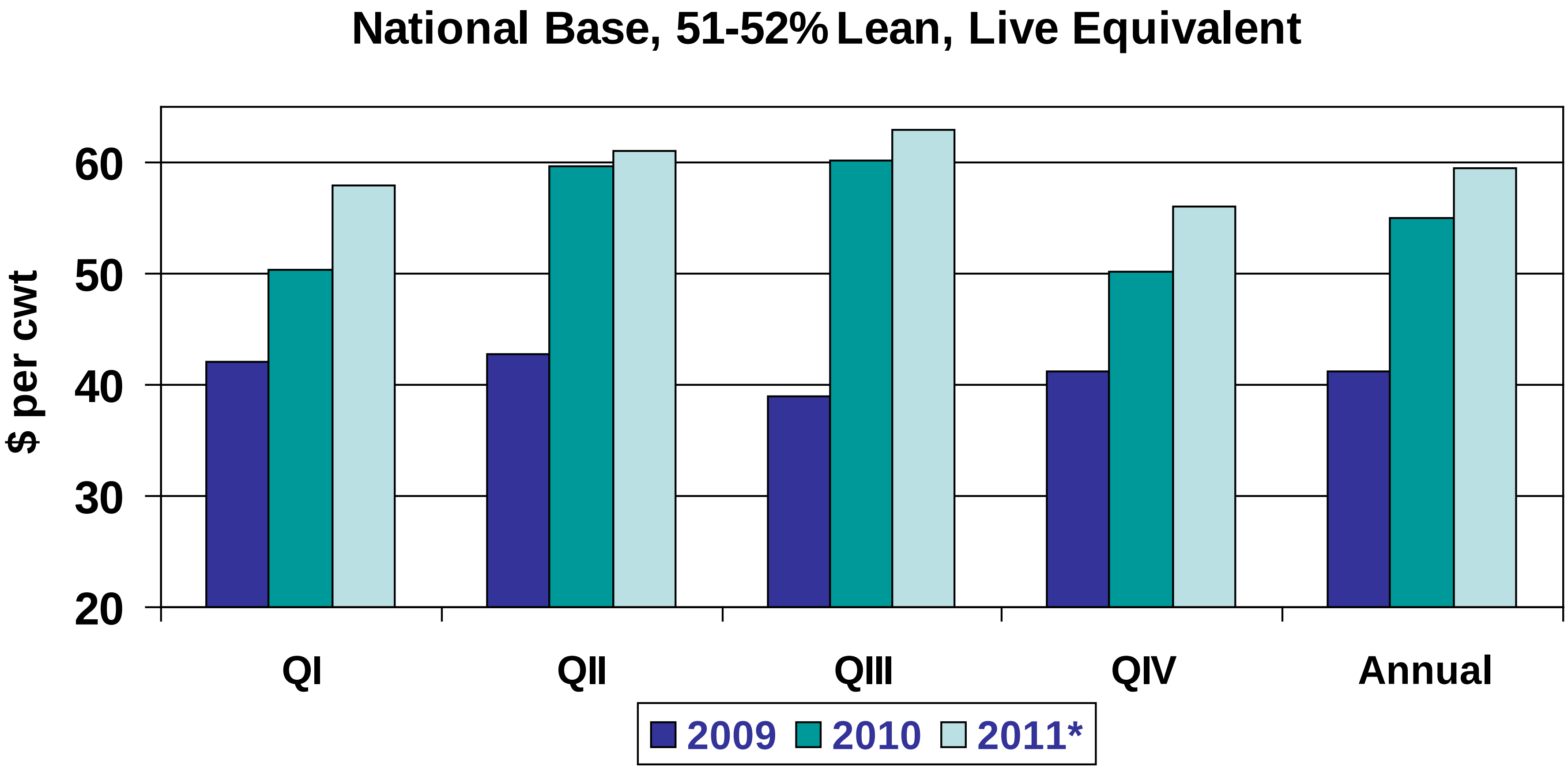
Hog Prices to Average $58 to $61 per cwt



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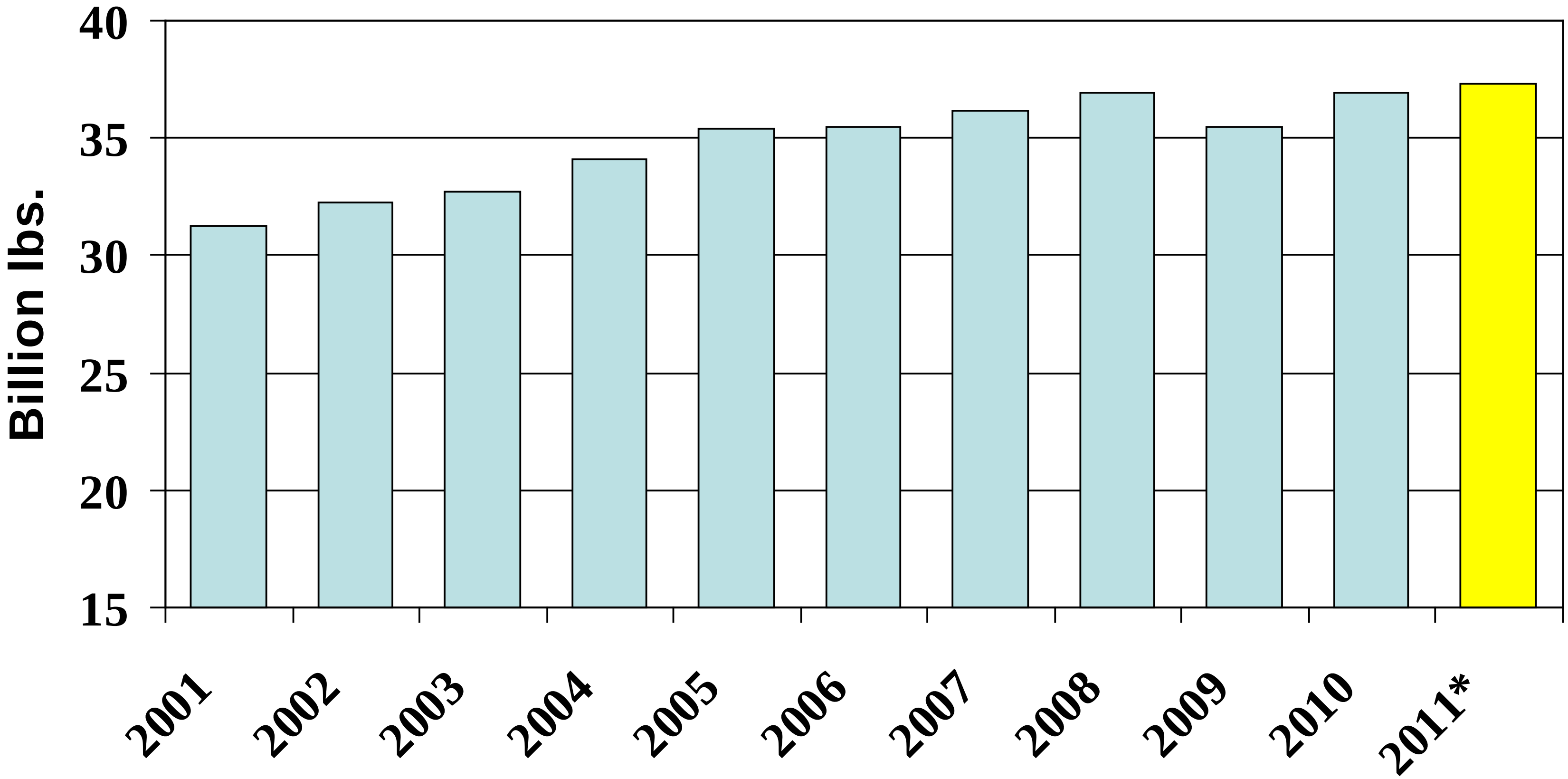
Broiler Meat Production Record High in 2011



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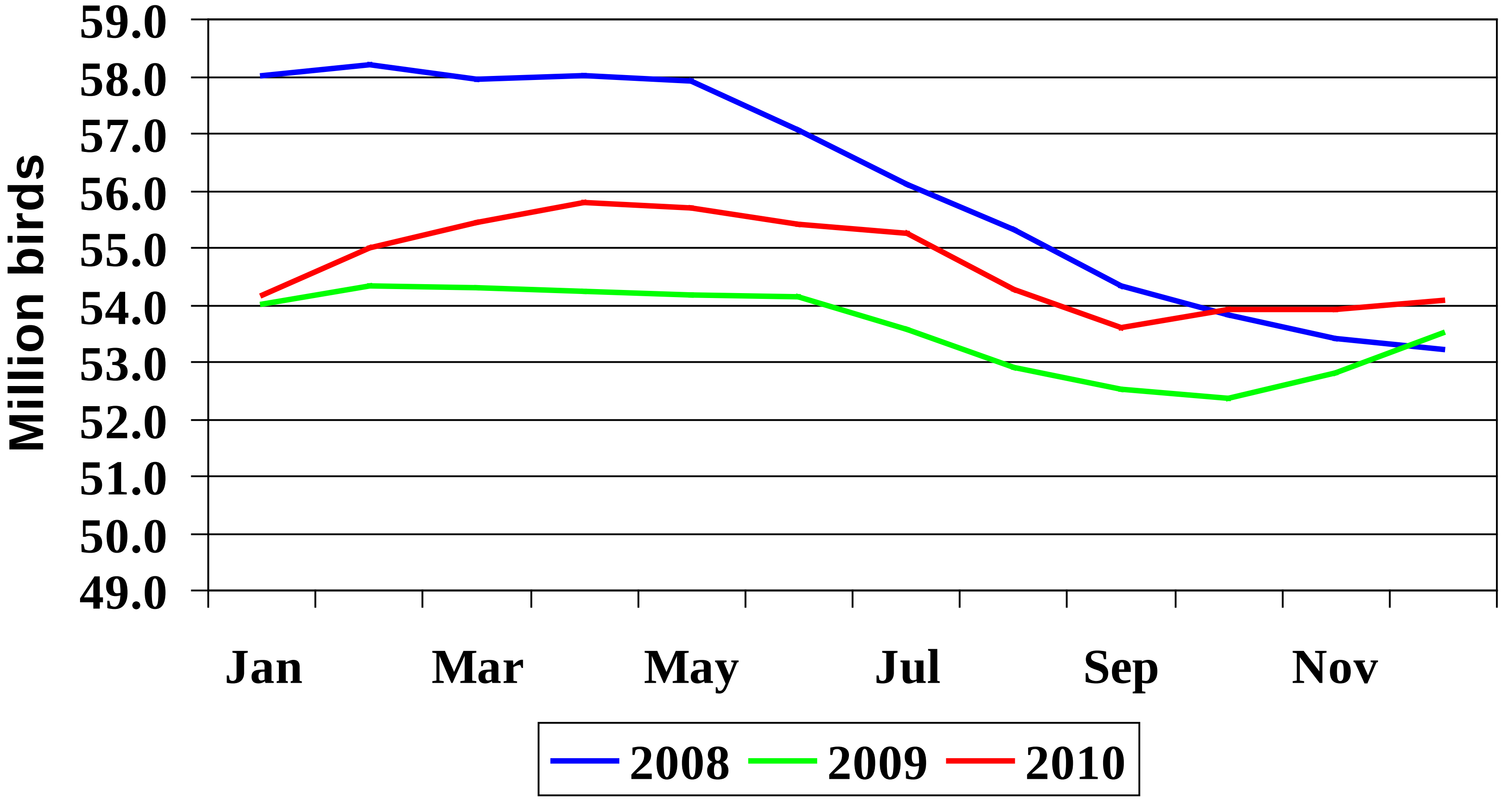
Broiler Laying Flock

Monthly Average



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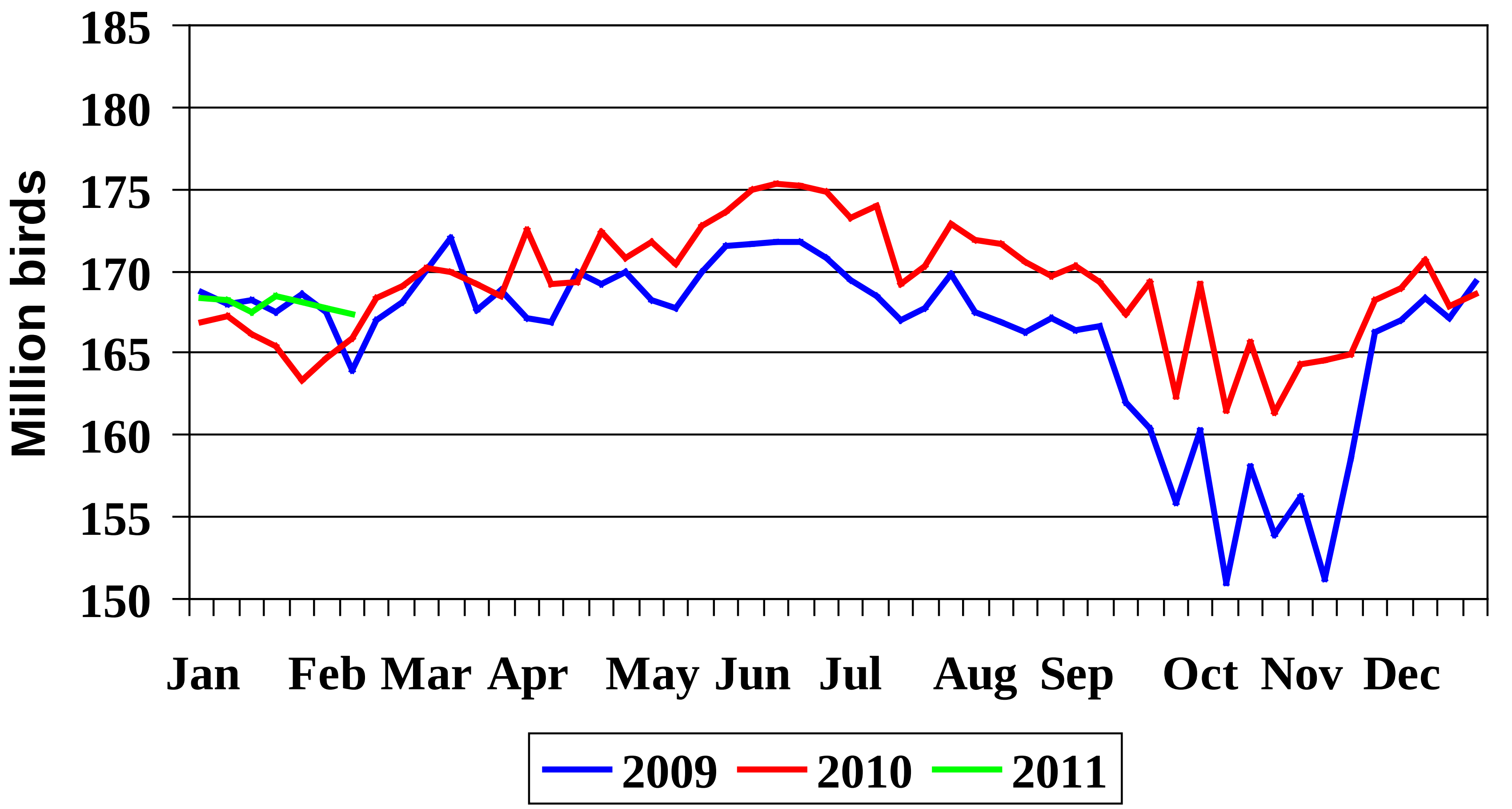
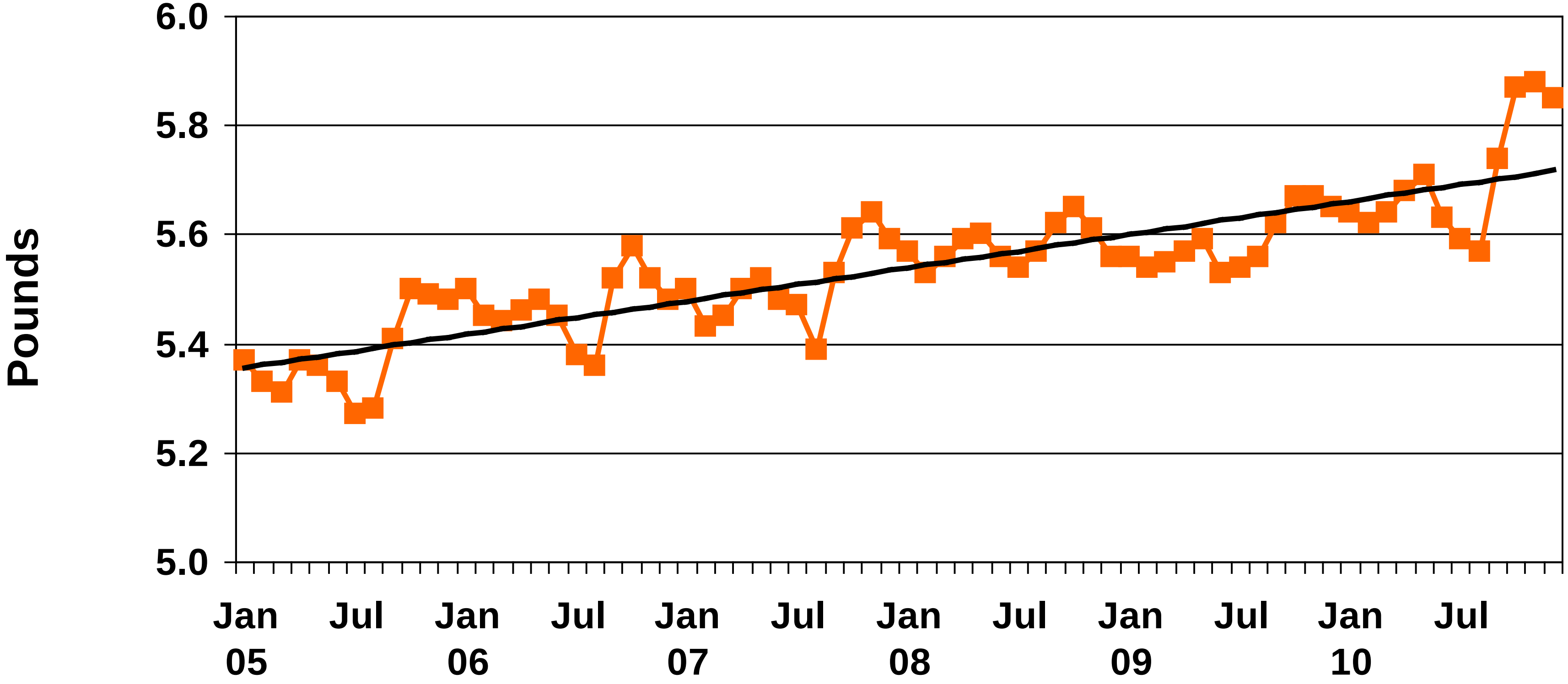
Chicks Placed For Grow Out
19 Selected States



Live Bird Weights Jumped in Late 2010



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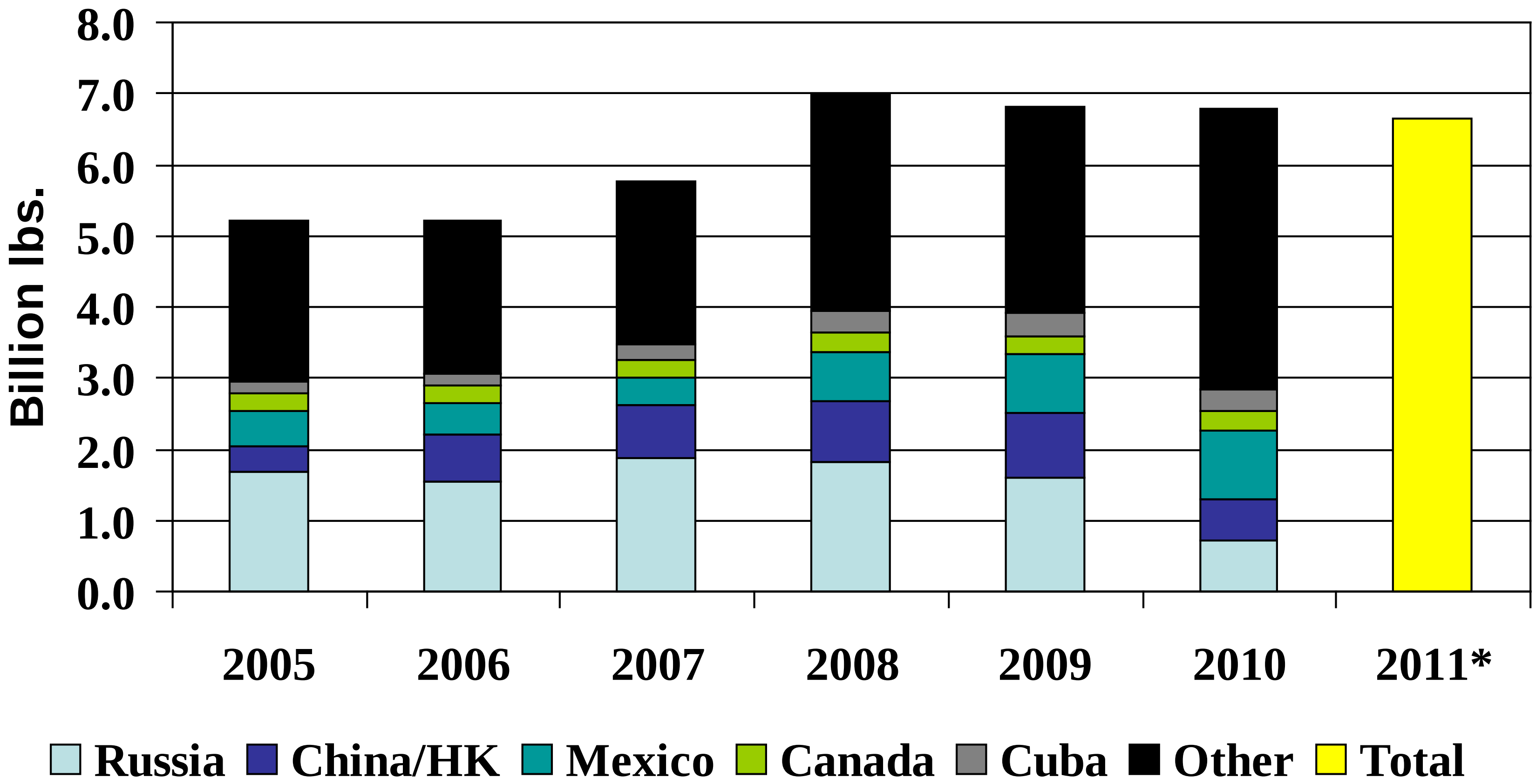
2011 Broiler Exports Will Fall



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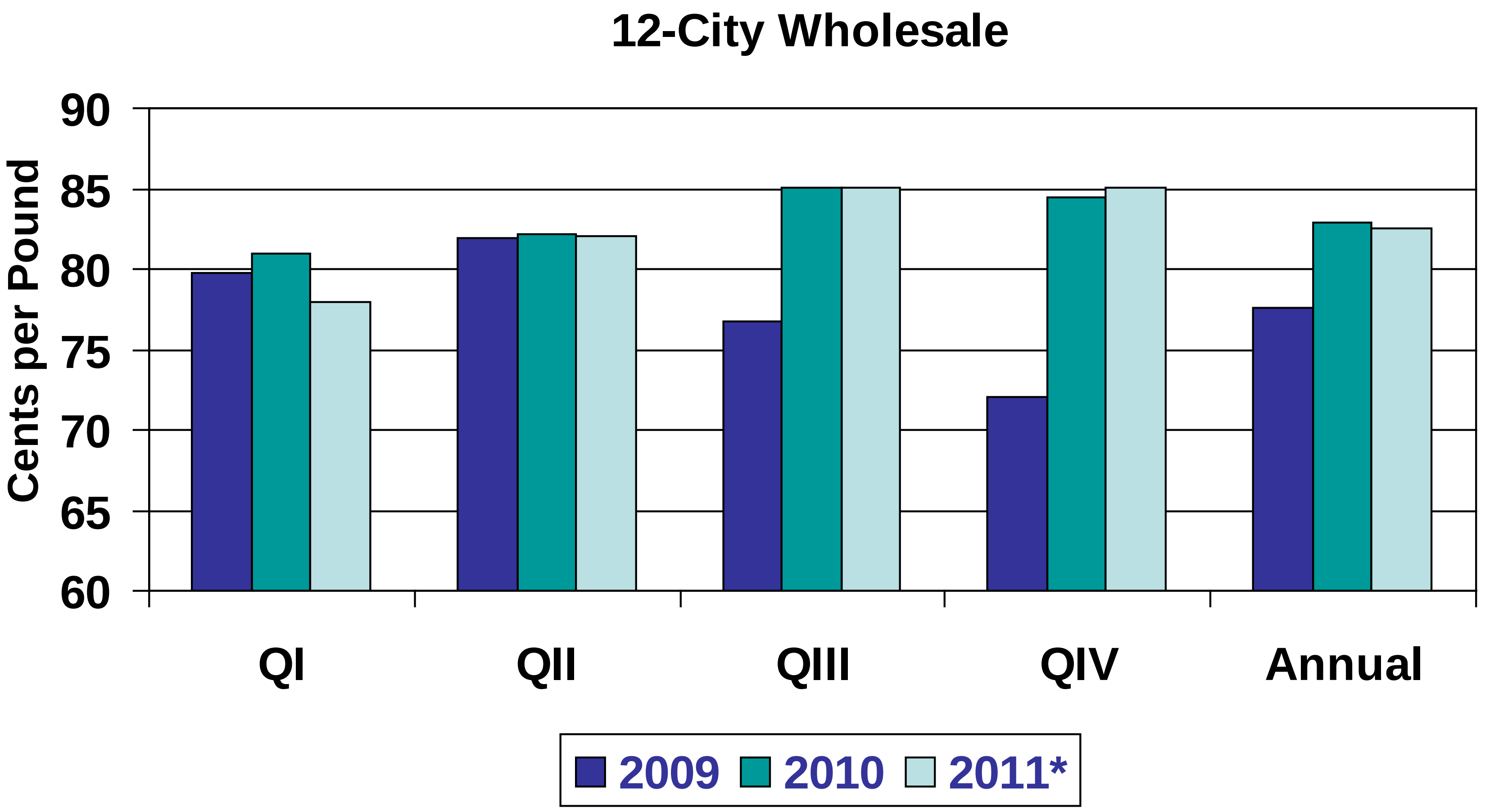
Broiler Whole Bird Prices to Average 80 to 85 Cents Per Pound



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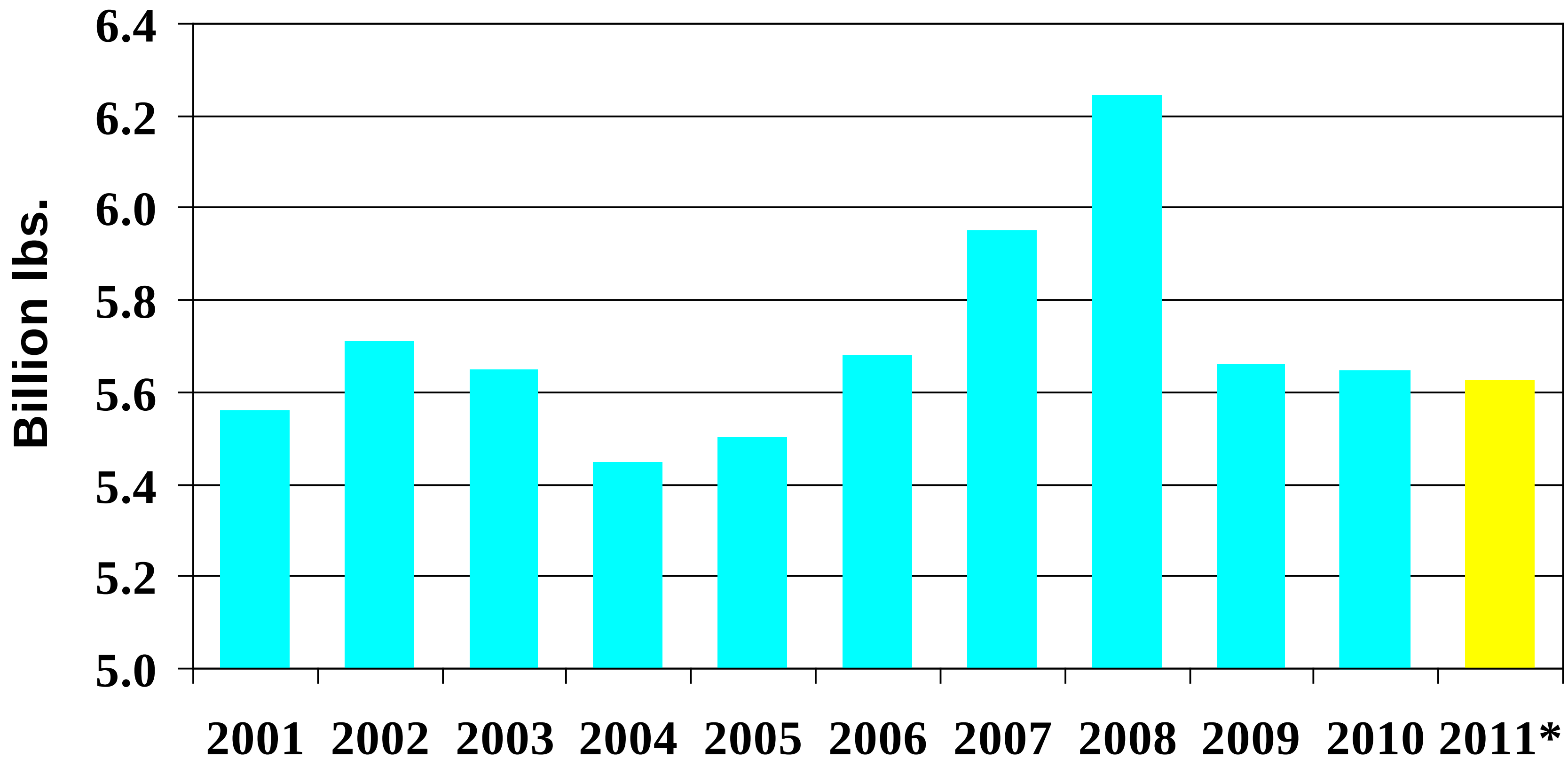
Turkey Production Forecast At 5.6 Billion Pounds in 2011



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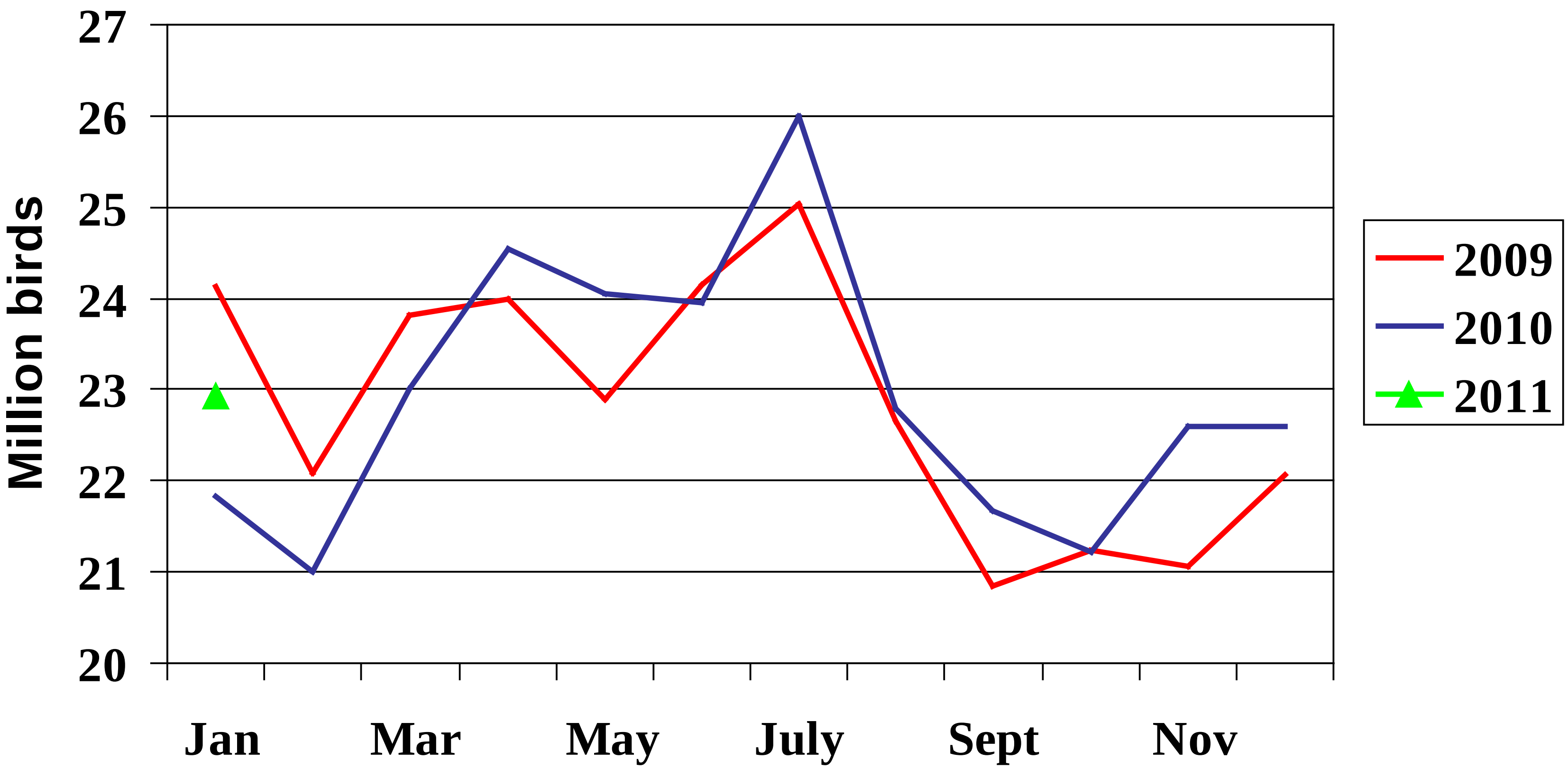
Turkey Poult Placements Above Year Earlier



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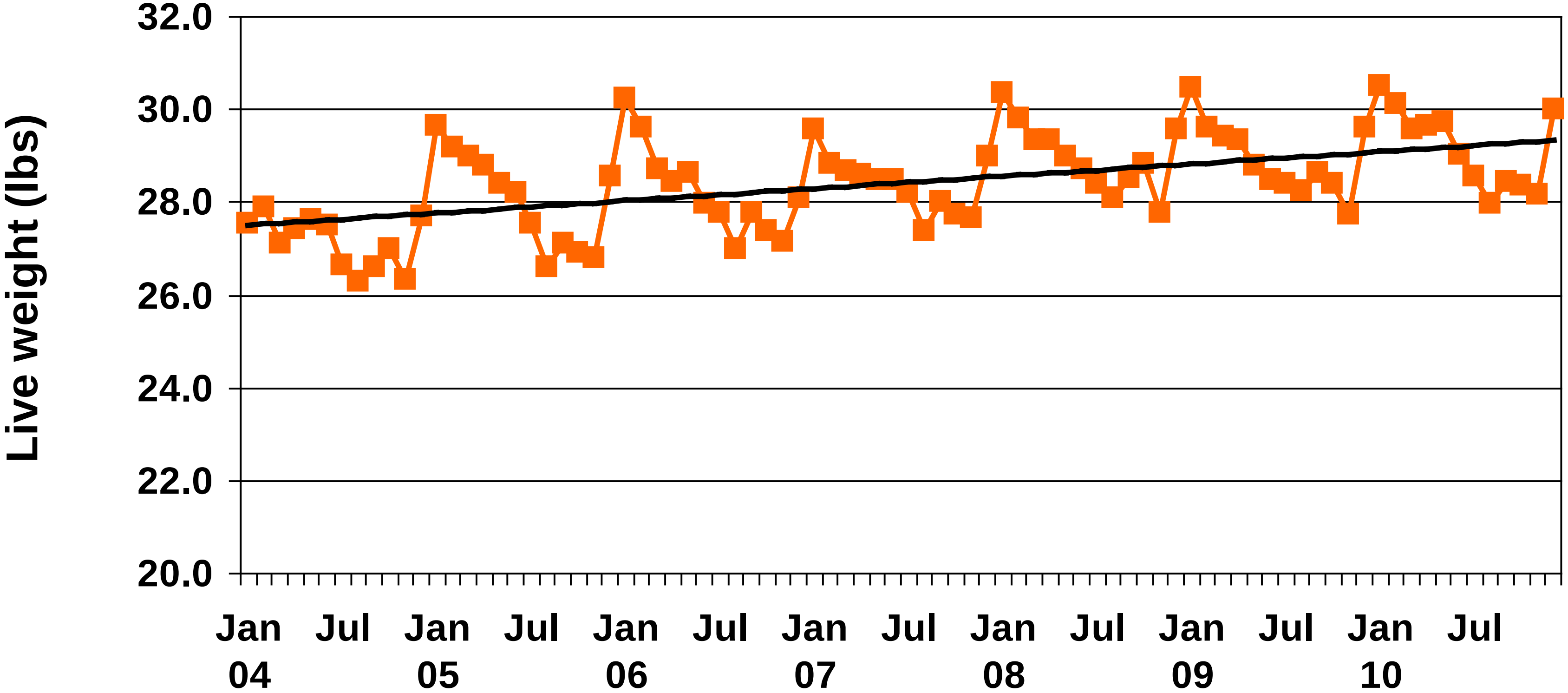
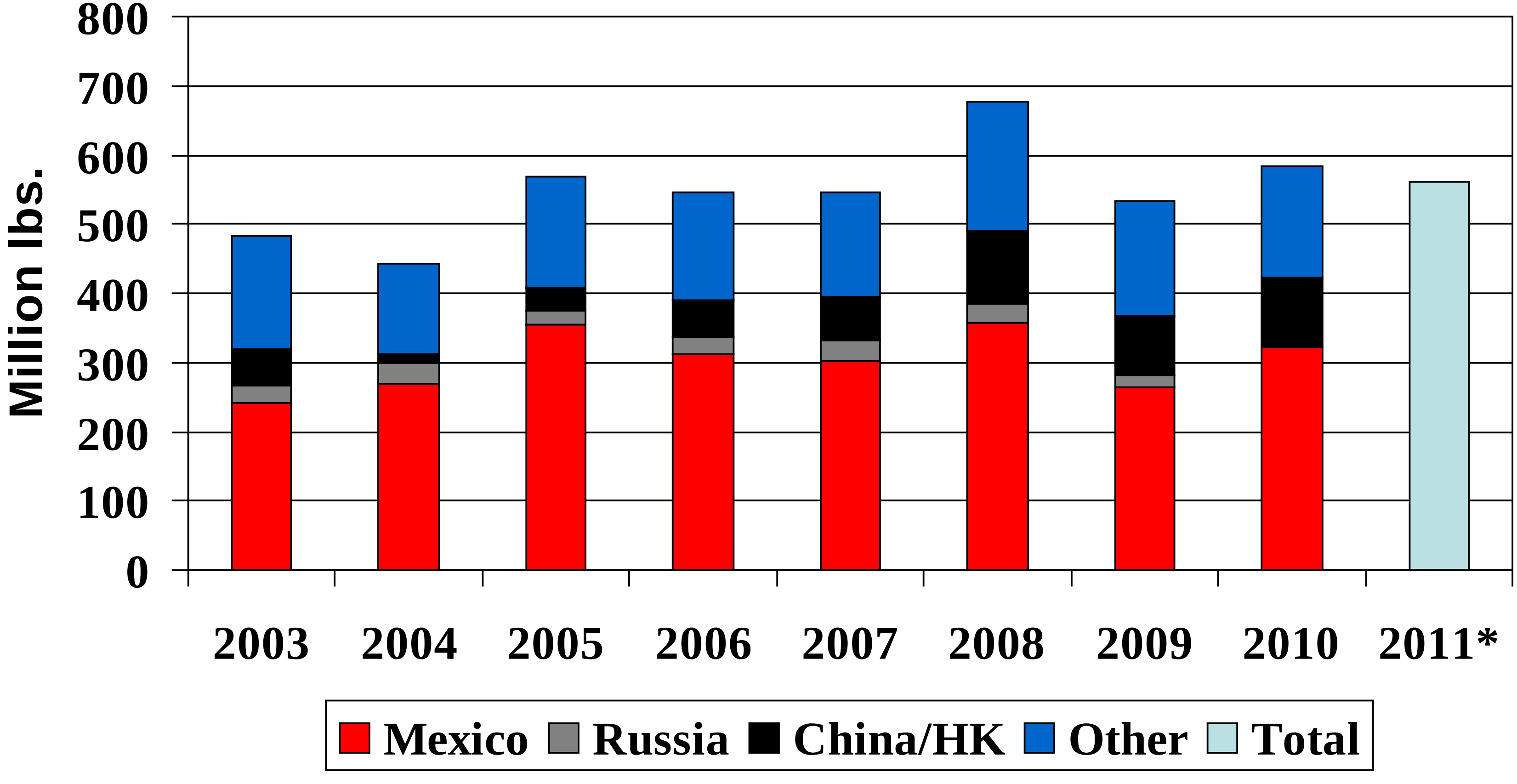
Turkey Weight Growth Continues



Turkey Exports Will Decline in 2011



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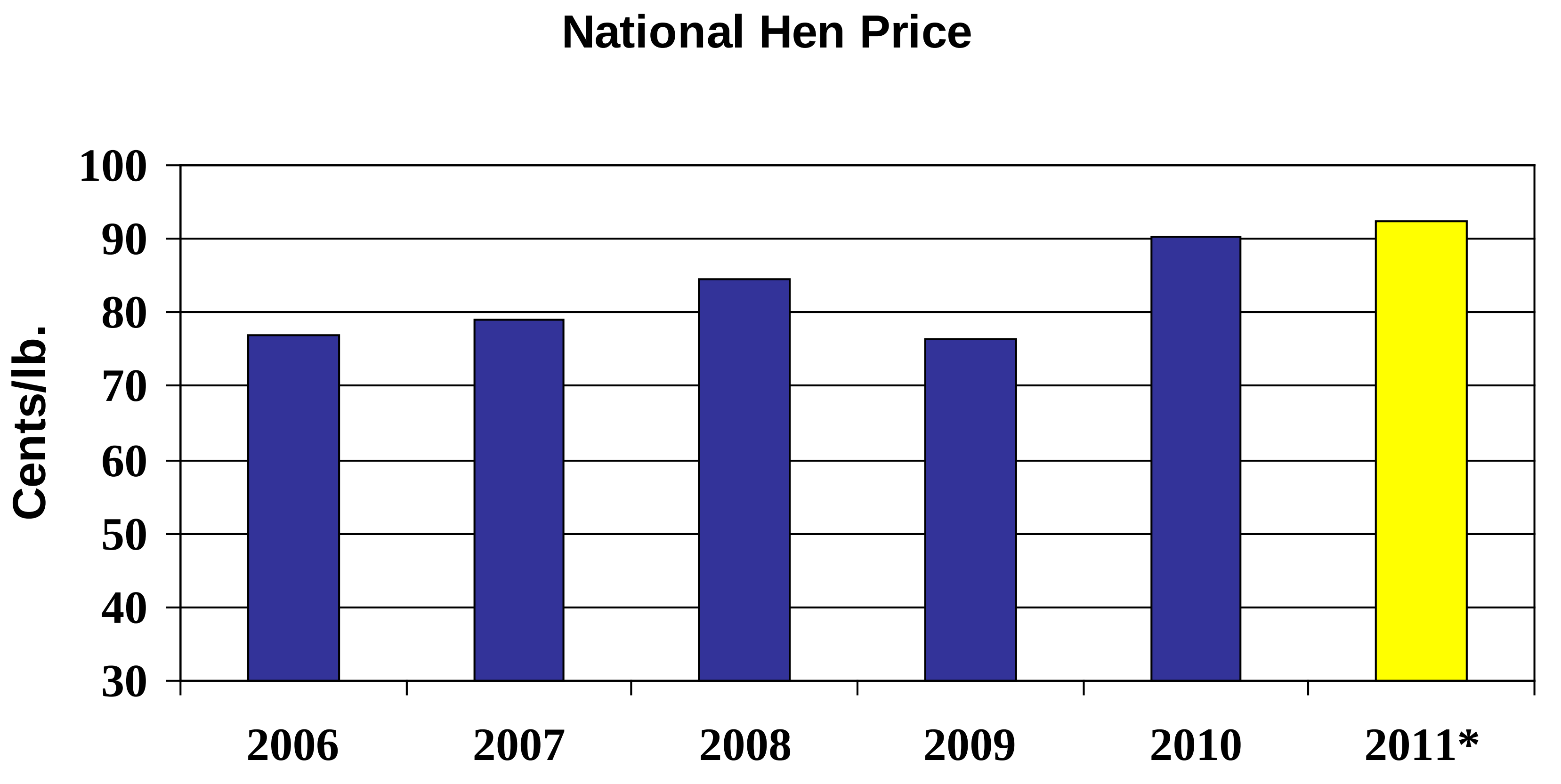
Turkey Prices to Average 89-95 Cents per Pound



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Egg Production Growth Slow

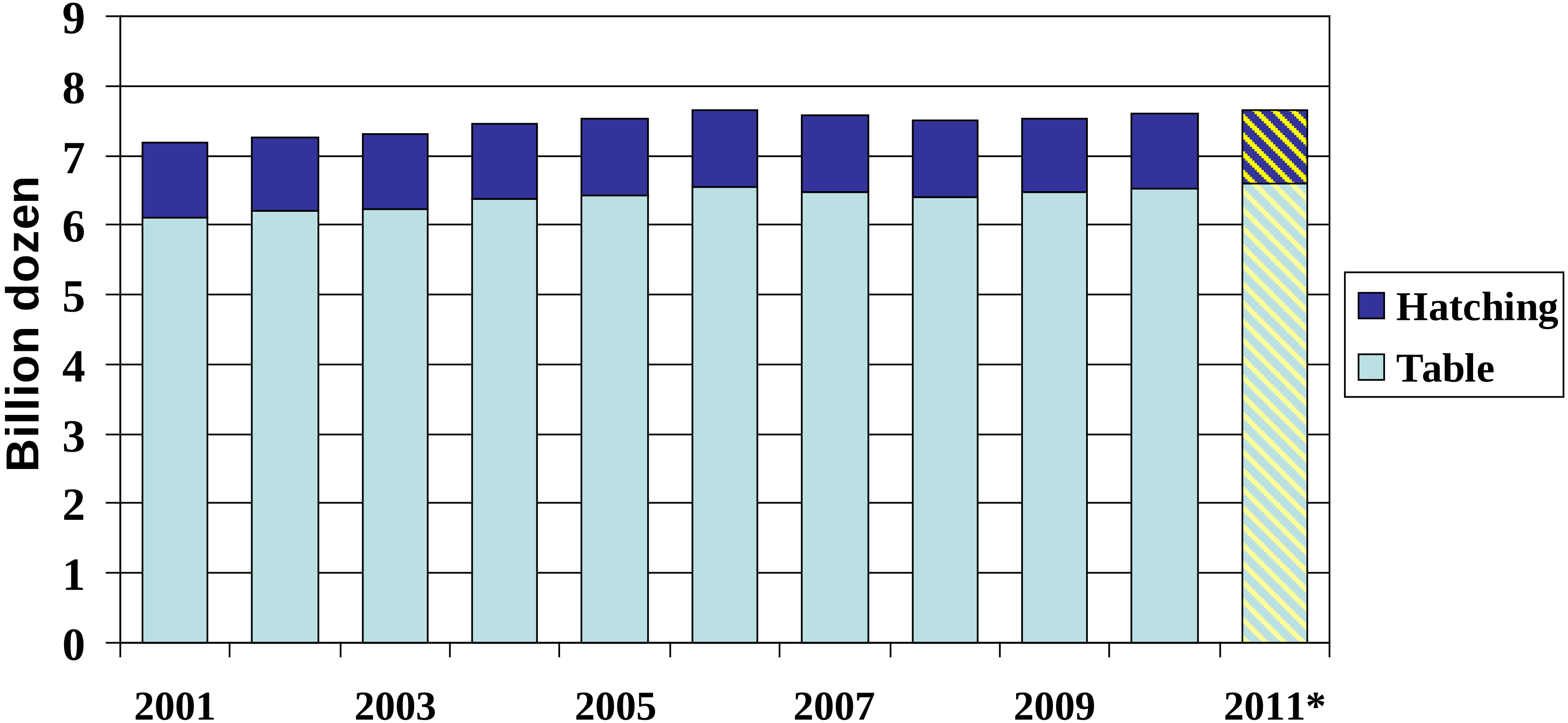

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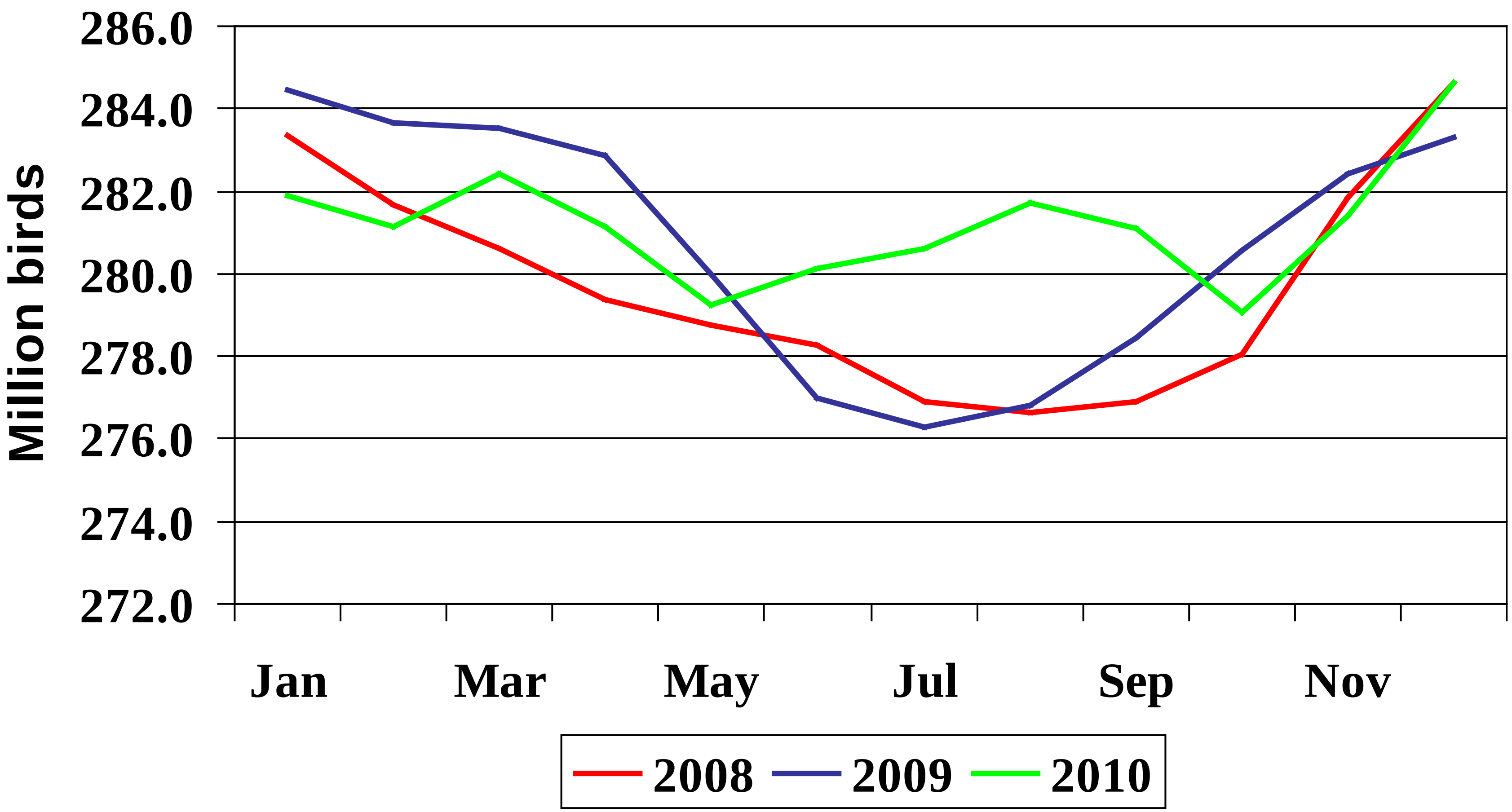
Table Egg Laying Flock

Monthly Average



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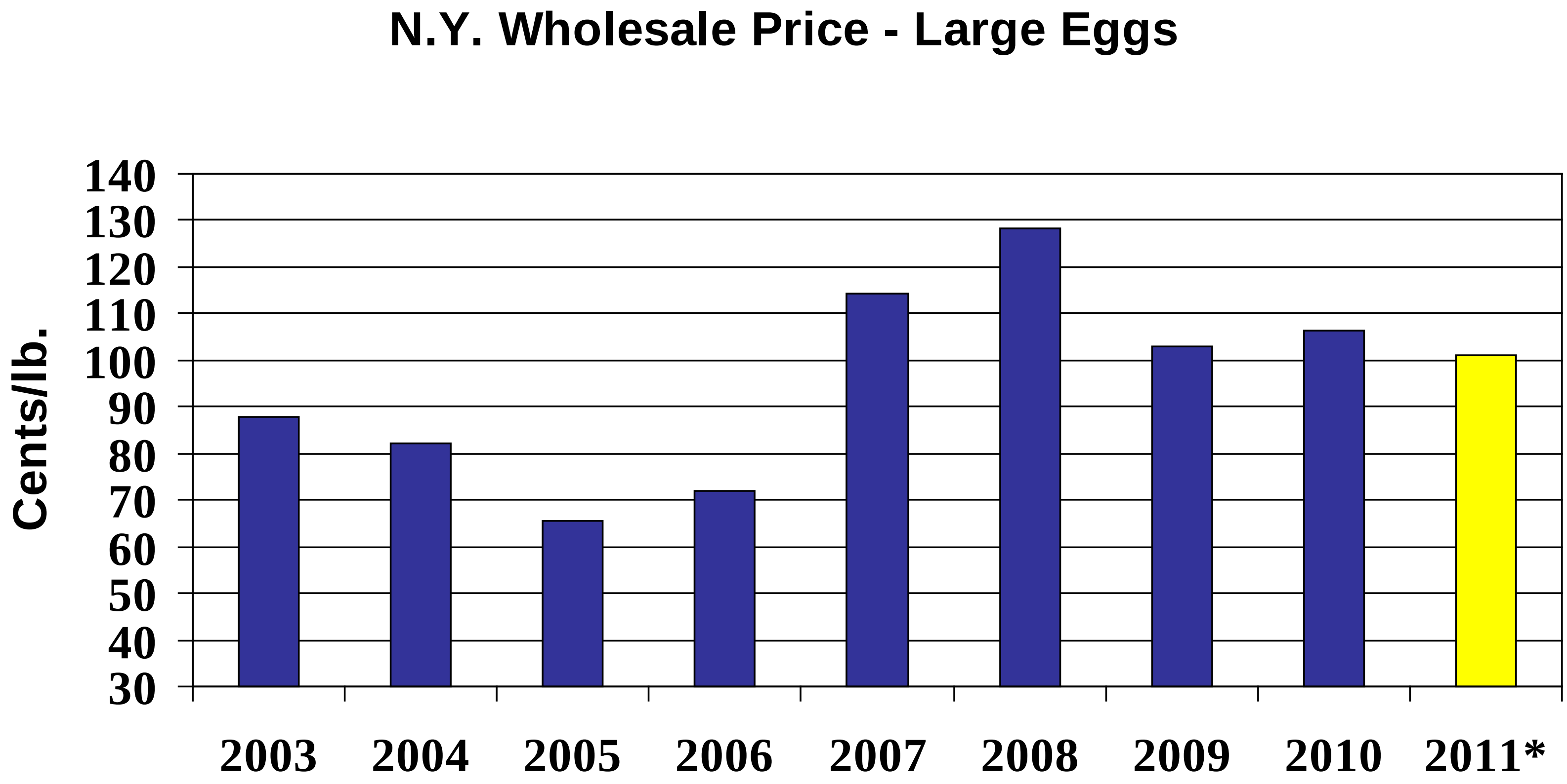
Egg Prices Will Decline



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Additional information about the 2011 outlook is available at the following websites:

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

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