United States Department of Agriculture

Economic Research Service | Situation and Outlook Report

LDP-M-368 | February 18, 2025

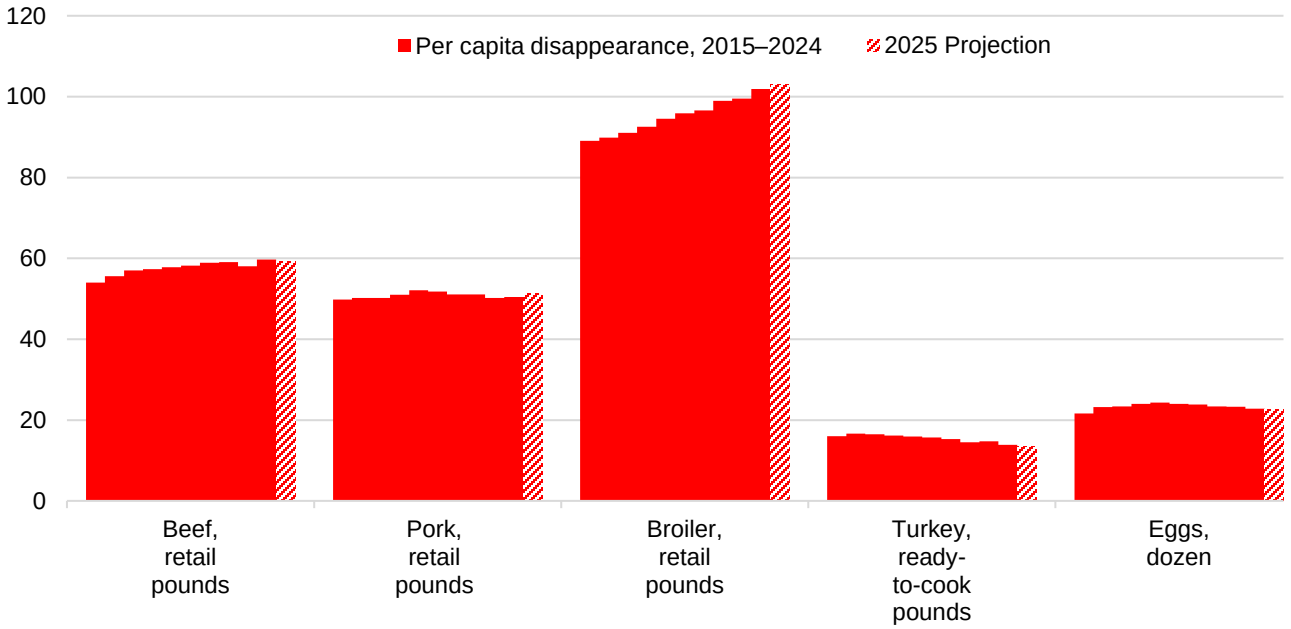
Next release is March 17, 2025

Livestock, Dairy, and Poultry Outlook: February 2025

Per Capita Consumption of Pork and Broilers Projected To Increase In 2025, With Beef, Turkey, and Egg Consumption Projected To Fall From 2024

Per capita availability is calculated by subtracting exports and ending stocks from total supply (beginning stocks, imports, and production) and dividing by population. Projected per capita beef consumption for 2025 was adjusted up from last month's report but is still expected to be lower than the 2024 estimate. Pork consumption per capita for 2025 is projected at 51.4 pounds, up slightly from the 2024 estimate. Broiler meat is the most consumed animal product, and per capita consumption has been growing for many years; it is projected to be 103.1 pounds in 2025. Consumption of turkey, by comparison, has been falling in recent years and is projected at 13.4 pounds in 2025. As table egg production has faced disease pressure from Highly Pathogenic Avian Influenza (HPAI), per capita consumption has also fallen. Per capita egg consumption for 2025 is projected at 270.7 eggs, or 22.6 dozen.

Annual per-capita disappearance of beef, pork, broilers, turkey, and eggs, 2015–25



Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

Summary

Beef/Cattle: The January *Cattle* report confirms historically tight supplies of cattle heading into 2025. However, some relief was provided in the form of a larger calf crop in 2024 than previously expected and the reintroduction of Mexican feeder cattle into the supply chain beginning in February. Projected beef production in 2025 is raised to 26.565 billion pounds, up 775 million pounds from last month. This is based on increased cattle supplies available for placement and heavy cattle slaughter weights early in the year being carried forward. Slaughter cattle prices in 2025 are raised on firm demand and the fact that cattle available for placement in feedlots will still be less than last year despite more feeder calves being available than previously expected. This year's import forecast is unchanged from last month at 4.770 billion pounds. However, export projections are raised from last month to 2.795 billion pounds on increased beef production available for export.

Lamb\Sheep: The January 1 sheep inventory report shows that the total sheep and lamb inventory increased slightly between 2024 and 2025. The forecast for 2025 lamb and mutton production was increased compared to the January issue of this report from 132 to 134 million pounds, roughly the same as 2024 production.

Dairy: The milk production forecast for 2025 is lowered from last month based on smaller-than-expected dairy herd size in 2024 and fewer replacement heifers as of January 1, 2025. Wholesale price forecasts for 2025 have been increased for Cheddar cheese to $1.880 on strong demand, but decreased for dry whey, butter, and nonfat dry milk to $0.605, $2.645, and $1.295 per pound, respectively, based on recent price movements, ample supplies, and weaker-than-expected demand. With the revised price forecasts for dairy products, Class III and IV milk price forecasts for 2025 have been decreased to $19.10 per hundredweight (cwt) and $19.70 per cwt, respectively. The 2025 all-milk price estimate is adjusted lower to $22.60 per cwt. The milk price forecasts account for the updated Federal Milk Marketing Order formulas effective later in 2025.

Pork/Hogs: First-quarter pork production is unchanged at 7.1 billion pounds, while first-quarter prices of live equivalent 51-52 percent lean hogs are raised $1 to $62 per cwt on strong pork demand. Pork production for the year was increased slightly on higher-than-expected dressed weights. Total 2025 pork exports are forecast at about 7.3 billion pounds, up 2.5 percent from last year.

Poultry/Eggs: Projected broiler production for 2025 was adjusted lower in the first half but higher in the second half, resulting in an unchanged total projection. Broiler exports were adjusted down, reflecting international competition. Projected quarterly broiler prices were adjusted to reflect recent price trends. Projected table egg production was adjusted down on recent disease pressure resulting in a smaller laying flock. Projected egg prices are adjusted up in kind, also reflecting recent price trends. Projected egg exports in 2025 were adjusted down, reflecting lowered production expectations as well as less-competitive prices. Turkey production was adjusted down in 2025 to reflect low placements, along with disease pressure. Turkey export expectations were adjusted down based on lowered production expectations, and projected turkey prices were adjusted down on recent price trends.

Beef/Cattle

Russell Knight and Hannah Taylor

Cattle Report Marks 50-Year Decline in Herd Size, Which Is Likely To Linger

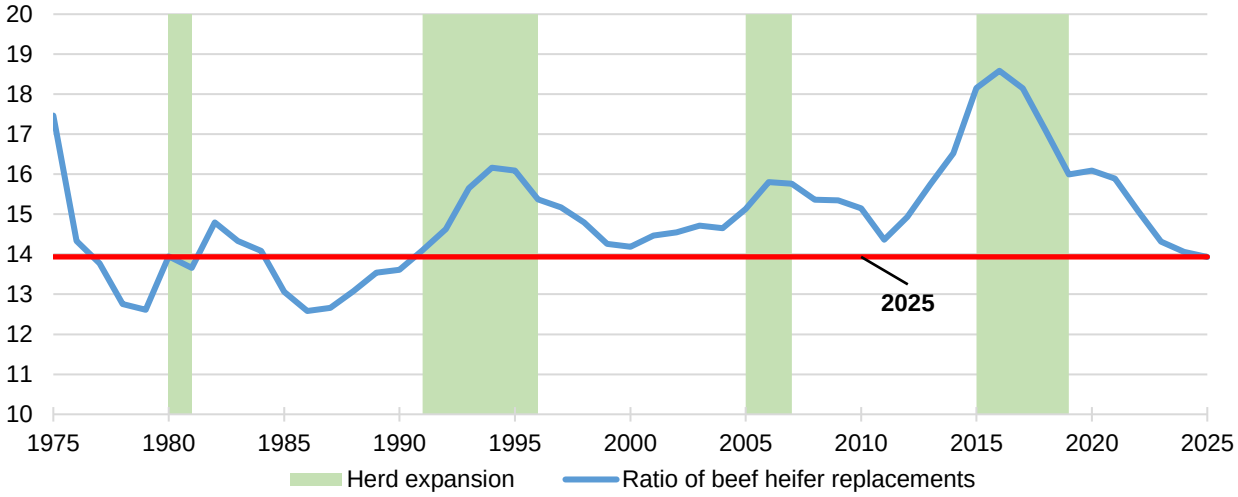
The USDA National Agricultural Statistics Service (NASS) released its *Cattle* report on January 31st. The total of all cattle and calves[1] on January 1, 2025, was estimated at 86.662 million head, about 0.5 million fewer than the previous year. This marks the 6th year of contraction for aggregate beef and dairy cattle inventories and the 11th year overall of the current cattle cycle—the cyclical expansion and contraction of the national cattle herd over time. The cycle is influenced by the combined effects of cattle prices, input costs that drive cow-calf producer profitability, the gestation period for cattle, the time needed for raising calves to market weight, and climate conditions.

Beef cows,[2] the largest class of cattle estimated in the *Cattle* report, are particularly affected by the factors affecting the cattle cycle and the subsequent driver of year-to-year changes in cattle inventory. The number of beef cows on January 1 declined 0.5 percent from last year to 27.864 million head. The culling rate of beef cows in 2024 was over 10 percent of the beef cow inventory on January 1, 2024, a 2-percentage point decline from last year and the lowest since 2019.

Estimated retention of beef heifers[3] was only 4.672 million head, 1 percent less than last year. For additional context, the number of beef cows is down 39 percent from the historic peak set in 1975 of 45.712 million head and is the smallest beef cow inventory since 1961. As the number of beef heifers available for addition to the herd is correlated to the size of the beef cow herd and the previous year's calf crop, beef heifer replacements also peaked in 1975 at 8.884 million head and have since fallen 47 percent. In the last three cattle cycles, including the beginning of the current cycle, the percent of beef heifers kept for replacements in the coming year has had several years of year-over-year increasing proportions compared to the previous year's calf crop. If the same pattern holds in the future, it could be several years from now before the U.S. cattle herd expands. Biologically speaking, many of the offspring from heifers born in 2024 would not enter the beef cow herd until the 2027 *Cattle* report. Historically high prices for calves likely encouraged many producers to market their heifer calves to the feeder market in 2024.

[1] The inventory estimate includes beef and dairy-type cattle.
[2] Includes cows and heifers that have calved.
[3] Female cattle that have not calved.

Ratio of 2025 beef heifer replacements to previous year's calf crop continues to decline
Percent



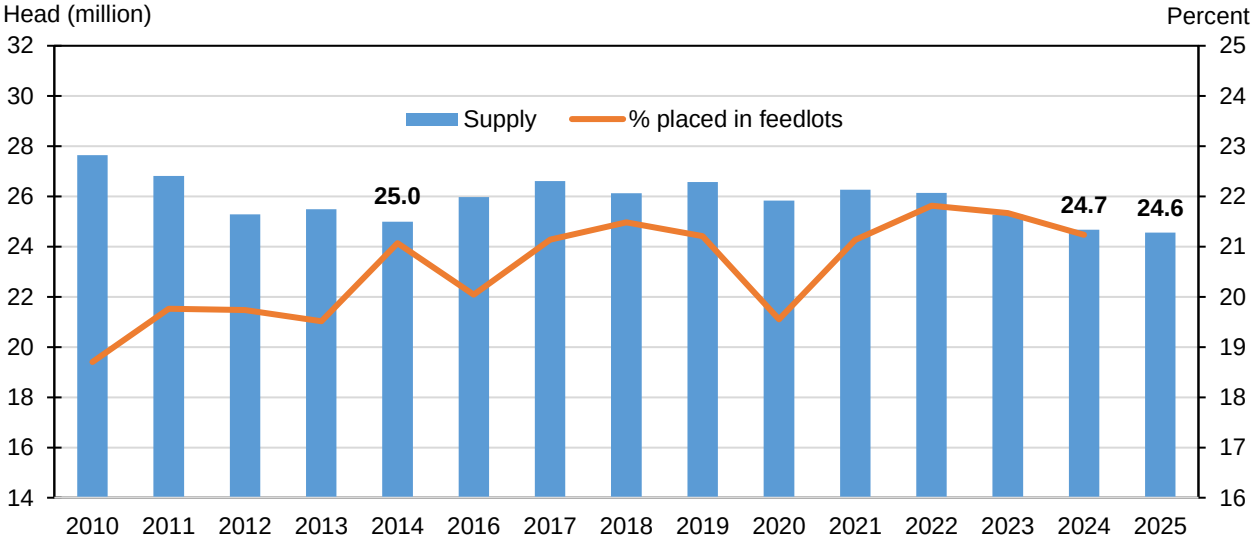
Note: The historical low for beef replacement heifers could not be established as NASS's current classification system is different prior to 1970.
Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

The 2024 calf crop estimate is larger than previously expected as the ratio of calves to cows is nearly 90 percent, the highest since 2004. This has contributed in large part to the relatively large share of calves under 500 pounds at 13.458 million head, down just 29,600 head from 2024. Steers 500 pounds and over were estimated at 15.802 million head, down 156,800 head from 2024, and other heifers 500 pounds and over were estimated at 9.593 million head, down 57,300 head from 2024. It was further noted in the *Cattle* report that the number of cattle on feed in total feedlots was estimated at 14.297 million head, down 129,600 head from last year.

Based on the number of cattle on feed and the number of calves, steers and other heifers on January 1, it is estimated there are 24.557 million head of cattle outside of feedlots available for placement at the beginning of the year. This is only 114,000 thousand head fewer than last year, and it is noteworthy considering the import ban on cattle from Mexico since late November 2024. From 2019 to 2023, the number of feeder cattle imported from Mexico in the month of December averaged more than 134,000 head.

The chart below shows the number of cattle outside feedlots on January 1 and the corresponding cattle placed in feedlots in the first quarter as a percent of the number outside feedlots as of that date. This gives a sense of the cattle available and what is typically placed in the first quarter; however, this time there will be additional cattle in the mix as Mexico feeder calves begin to rejoin the supply chain—albeit at a slower pace than the number that might typically cross the border in February and March.

Feeder cattle supply outside of feedlots on January 1 and placements in the first quarter



Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

Beef Production Outlook Raised on Resumption of Cattle Imports From Mexico and Heavier Expected Carcass Weights

Reflecting on beef production in 2025, there are several components to examine, including the number of cattle on feed, the number of calves expected to be placed in the first half of 2025, and days on feed as it relates to cattle weights. With respect to the first part, the latest NASS *Cattle on Feed* report estimated January 1 inventory of cattle in feedlots of 1,000 head or greater to be 11.823 million head, almost 1 percent below 11.930 million head in the same month last year. Feedlot net placements[4] in December were more than 3 percent lower year over year at 1.583 million head. Marketings in December were 1.742 million head, up 1 percent year over year.

With respect to the number of placements anticipated in 2025, on February 1, the USDA, Animal and Plant Health Inspection Service announced the resumption of cattle and bison imports from Mexico under a new protocol. At the time of the release of the current USDA *World Agricultural Supply and Demand Estimates*, only two border crossings are available: Santa Teresa, New Mexico and Douglas, Arizona. The handling of cattle imports under the new protocol is expected to be slow at first. The number of head crossing the border will require time for processing seasonal volumes and the holdover of cattle that might have crossed since late November. Weekly volumes may not reach year-ago levels, so feeder cattle import volumes are expected to be less than last year. In addition to Mexican feeder calves re-entering the U.S. supply chain, there was a relatively larger than expected number of calves under 500 pounds on January 1, increasing feeder cattle supplies for potential placements.

The number of cattle on feed over 150 days on January 1 was down 0.5 percent from year-ago levels; however, the percent on feed over 150 days was up 0.4 percent above year-ago based on a slowing pace of placements and a relatively strong pace of marketings in late 2024. The relatively low feed costs and the ability to feed cattle to heavier weights support continued longer periods on feed than historically.

[4] Net placements are placements minus other disappearance.

As a result, the projection for 2025 beef production is raised 775 million pounds from last month to 26.565 billion pounds, which is almost 2 percent below 2024. The first quarter is unchanged from last month as an increase in expected carcass weights offsets a pullback in cattle slaughter. In the second quarter, an increase in production is primarily due to an increase in expected carcass weights. Higher production forecasts for the third and fourth quarters is due to higher expected carcass weights and increased steer and heifer slaughter from the larger-than-expected number of calves outside feedlots on January 1, along with the reintroduction of Mexican feeder cattle into the mix of cattle expected to be placed in the first half of 2025.

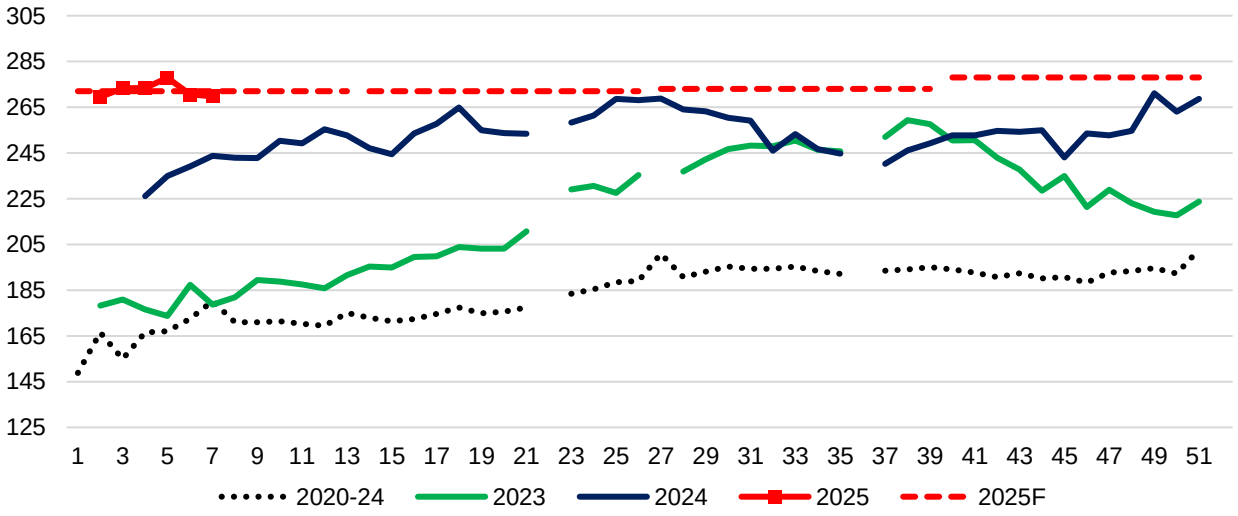
With the inclusion of official slaughter and production estimates for December 2024, beef production in 2024 is estimated at 26.988 billion pounds, up marginally from 2023. The slight increase in production was driven by an increase of over 3 percent in average carcass weights from the previous year that was partially offset by a 3-percent decline in total cattle slaughter.

Price Forecasts Reflect Greater Calf Supply in 2025

In January, the weighted-average price for feeder steers weighing 750–800 pounds at the Oklahoma City National Stockyards was $274.45 per hundredweight (cwt), a new monthly record and more than $48 above January 2024. However, since the announcement of resumption of cattle imports from Mexico, feeder cattle prices have dropped considerably. After reaching a weekly record price of $277.84 per cwt on January 27, prices have dropped more than $8 to $269.82 per cwt on February 10, but more than $26 above the same week last year.

In addition to incorporating the resumption of feeder cattle imports into the forecast, the *Cattle* report showed more head than previously expected outside feedlots on January 1, albeit still less than a year ago. The increase in the cow/calf ratio was carried over into 2025 expectations, increasing prospects for a larger-than-previously-expected calf supply in 2025. Based on current prices, first-quarter prices are raised by $4; however, the increase from last month for feeder calf supply available in 2025 lowered third- and fourth-quarter prices by $2 from last month. As a result, the price outlook for 2025 is $273.75 per cwt, an increase of nearly 9 percent from 2024.

Weekly feeder steer prices and 2025 quarterly forecasts updated on more cattle supplies
Dollars per hundredweight



Source: USDA, Economic Research Service calculations using data from USDA, Agricultural Marketing Service

The January average price for slaughter steers in the 5-area marketing region[5] was $204.49 per cwt, $11.05 higher than December and over $30 above January 2024. In the first week of February, prices averaged $207.05 per cwt, nearly $26 above the same week last year. Based on recent price data and the fact that wholesale beef prices are at record levels for this time of year, the 2025 price forecast is adjusted higher from last month, with the annual price projected at $200.75 per cwt, over 7 percent higher than 2024.

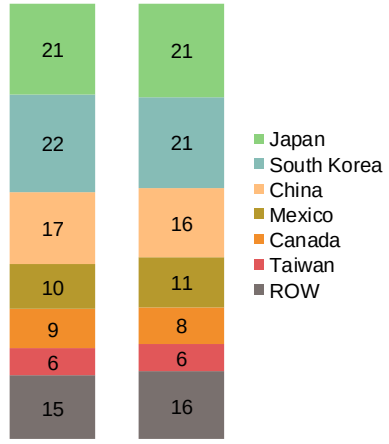
2025 Beef Export Forecast Raised on Higher Production and Strong Demand

As discussed above, the resumption of cattle imports from Mexico boosts the domestic beef production forecast. With greater expected supplies, the export forecast is similarly raised. This increase also reflects strong global beef demand. Despite higher prices in 2024, exports remained relatively strong, declining only 1 percent. The beef export forecast for 2025 is raised 200 million pounds from last month to a total of 2.795 billion pounds. This would be a year-over-year decrease of about 7 percent; it puts exports as a percent of production at 10.5 percent, compared to 11.1 percent in 2024.

The strength of demand globally for U.S. beef is evidenced by these sustained strong exports, despite higher beef prices and a strong U.S. dollar. The total value of U.S. beef exports in 2024 was over 9 billion dollars, a year-over-year increase of about 6 percent. The average unit value of exports increased by about 7 percent. Additionally, the Nominal Broad Dollar Index, an indicator of the exchange rates of the U.S. dollar against selected foreign currencies, trended higher throughout 2024, especially in the latter months. A stronger U.S. dollar makes U.S. exports more expensive in the global market. However, U.S. beef exports remained relatively strong throughout the year, largely aided by broad growth in some of the mid-sized markets.

U.S. beef exports by volume (million pounds), January–December 2023 and 2024

Country	December 2024 exports	2024 Annual Exports			
		2023	2024	Year-over-year volume change	Year-over-year percent change
Japan	49.2	639.5	641.5	2.0	0.3
South Korea	60.9	671.9	630.2	-41.8	-6
China	41.7	502.5	474.6	-27.9	-6
Mexico	31.7	317.7	342.6	24.9	8
Canada	20.8	269.7	252.3	-17.4	-6
Taiwan	18.6	186.3	193.8	7.5	4
ROW	36.0	450.6	468.3	17.7	4
Total	258.9	3038.3	3003.3	-34.9	-1



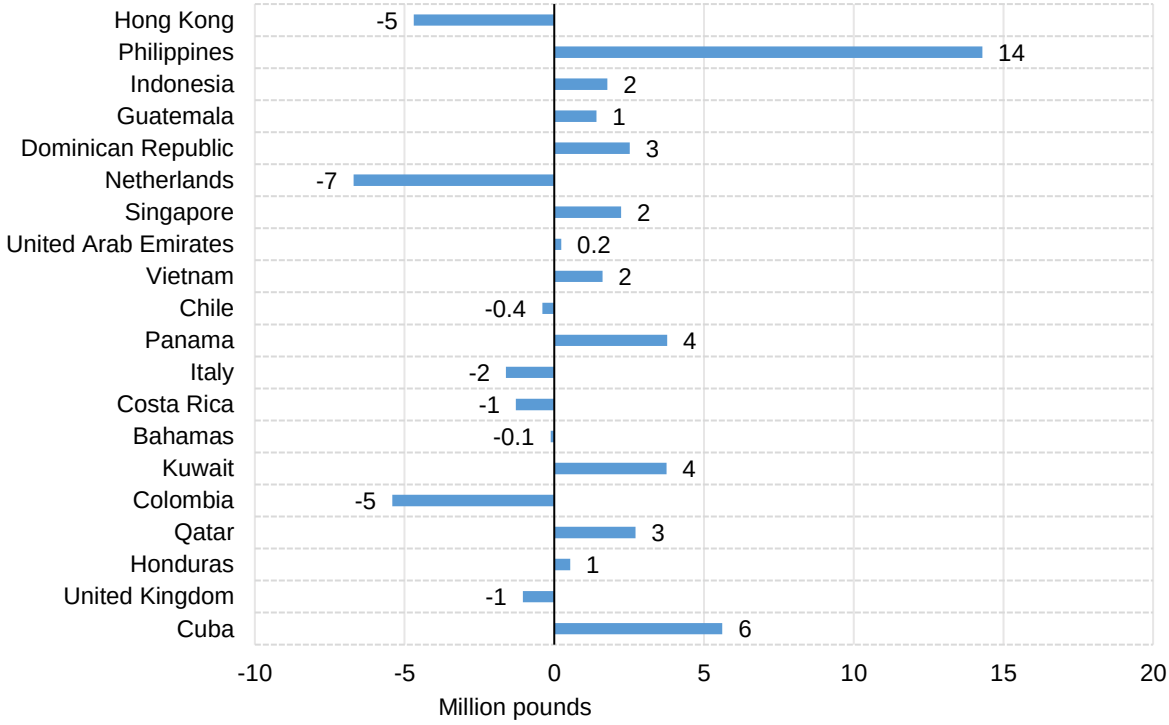
Note: The ranking of the top six countries shown here is based on 2024 year-to-date exports; ROW = rest of world.
Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census.

[5] The 5-area marketing region includes Colorado, Iowa, Kansas, Nebraska, New Mexico, Oklahoma, and Texas.

The chart above shows the year-over-year changes in exports to the top six markets. The shares of exports to major markets did not change substantially in 2024. Japan was the largest market for U.S. beef, edging out South Korea slightly. Exports to Mexico and Taiwan increased over the previous year, as did exports to the Rest of the World – markets outside the top six.

The chart below shows exports to the top 20 of these smaller markets. Beef demand in many of these markets is supported by tourism and the hotel, restaurant, and institution sector, as well as growth in middle-class incomes. These markets are perhaps becoming less price-sensitive, supporting demand for high quality U.S. beef even at the stronger prices seen throughout 2024. Exports to the Philippines represented the largest increase in exports to these smaller markets, up over 14 million pounds, or 44 percent, year over year. The USDA, Foreign Agricultural Service report *Food Service – Hotel Restaurant Institutional Annual* (HRI) for the Philippines in December notes that they expect to see continued food service sales growth as the sector recovers to pre-pandemic levels. The annual HRI reports for Indonesia, Dominican Republic, Singapore, Vietnam, and Panama echo similar sentiments of expanding HRI industries and growing or recovering tourism.

Year-over-year change in U.S. beef exports to top 20 Rest of World markets in 2024



Note: The countries listed here represent the top 20 markets for U.S. beef outside of the major 6 markets discussed in the chart above.
Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census.

2024 Trade Data Finalized; 2025 Import Forecasts Remain Unchanged

U.S. beef imports in December totaled nearly 400 million pounds, a 30-percent year-over-year increase. Monthly imports from Australia reached over 131 million pounds, an increase of nearly 69 percent over last year and the largest monthly shipment from the country since 2015. Exports from Brazil were also higher year over year, though down sharply from November as the product was likely staged in bonded warehouses to be imported on January 1, when the tariff-rate-quota reopened for the 2025 calendar year.

Total U.S. beef imports for 2024 were 4.635 billion pounds, a year-over-year increase of about 24 percent. Annual imports from Australia reached over 1.1 billion pounds, making it the largest supplier of beef to the United States for the first time since 2016. The chart below shows how the import shares shifted in 2024. Imports from Canada were fairly level year over year, decreasing less than 1 percent. However, the share of imports from Canada decreased to 22 percent as the shares from Australia and Brazil increased substantially. The share of imports from countries outside of the top five suppliers increased as well. These countries include Uruguay, Paraguay, Argentina, and Costa Rica, which combined accounted for an increase of 213 million pounds for the year.

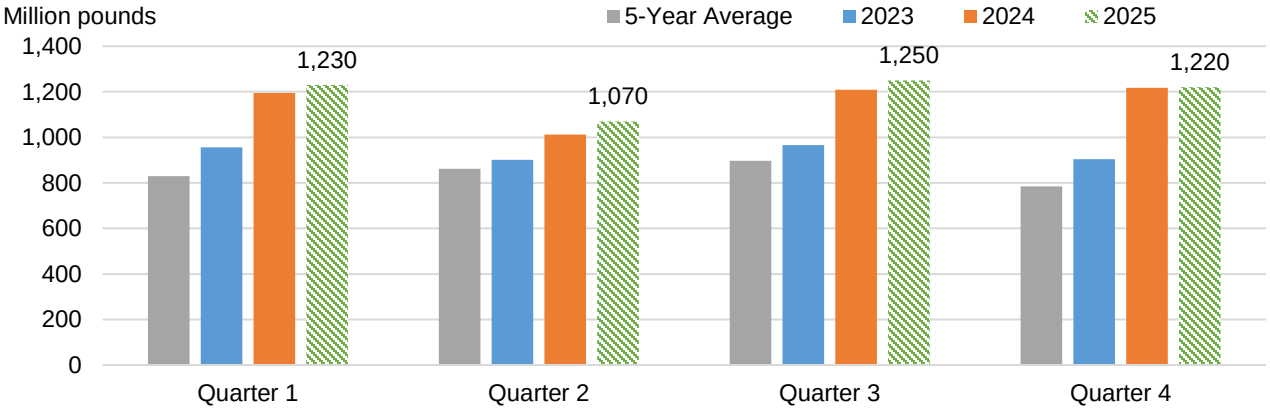
U.S. beef imports by volume (million pounds), January–December 2023 and 2024

Country	December 2024 imports	2024 Annual imports				Share of annual imports, percent	
		2023	2024	Year-over-year volume change	Year-over-year percent change	2023	2024
Australia	131.4	667.1	1114.9	447.8	67	18	24
Canada	88.2	1018.1	1013.1	-5.0	0	27	22
Brazil	33.7	430.3	690.9	260.6	61	12	15
Mexico	50.7	648.1	596.8	-51.3	-8	17	13
New Zealand	40.5	524.0	559.1	35.1	7	14	12
ROW	54.5	437.7	660.5	222.9	51	12	14
Total	398.9	3725.3	4635.3	910.1	24		

Note: The ranking of the top five countries shown here is based on 2024 year-to-date imports; ROW = rest of world.
Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census.

The import forecast for 2025 remains unchanged from last month at 4.770 billion pounds. If realized, this would represent about a 3-percent increase year over year. The chart below shows the quarterly forecasts for 2025. Each quarter is expected to be slightly above 2024 and expected to follow a similar seasonal pattern.

Quarterly beef imports



Note: 2025 quarters are forecasts.
Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census; USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

Lamb/Sheep

William F. Hahn

January 1, 2025 Sheep and Lamb Inventory Report Released

The U.S. Department of Agriculture, National Agricultural Statistics Service (NASS), released its 2025 Sheep and Goats report on January 31, 2025. This report shows NASS estimates for the inventory of sheep and goats on U.S. farms on January 1. The table below shows the inventories in 2023, 2024, and 2025 for all sheep and lambs and by classes of sheep and lambs.

January 1 sheep and lamb inventory, thousand head

	January 1 inventory for			
	2023	2024	2025	Percent change 2024 to 2025
All sheep and lambs	5,130.0	5,030.0	5,050.0	0.4
Breeding sheep and lambs	3,740.0	3,670.0	3,680.0	0.3
Replacement lambs under 1 year old	643.5	635.0	635.0	0.0
Ewes - 1 year old and older	2,930.0	2,870.0	2,880.0	0.3
Rams - 1 year old and older	166.5	165.0	165.0	0.0
Market sheep and lambs	1,390.0	1,360.0	1,370.0	0.7

Source: U.S. Dept. of Agriculture, National Agricultural Statistics Service, *Sheep and Goats*.

There were 20 thousand more sheep on January 1, 2025, than in the previous year, an increase of 0.4 percent. All the sub-classes were either unchanged from the previous year or less than 1 percent higher.

The 2024 report also provides an estimate of the 2024 lamb crop, which was 3,040 thousand head, 10 thousand head higher than the 2023 lamb crop: 3,030 thousand head. There were fewer breeding females in 2024 than 2023. In 2024 each 100 ewes averaged 106 lambs. In 2023 each 100 ewes averaged only 103 lambs.

Changes to Sheep and Lamb Forecasts

Forecasts for lamb and mutton are included in the red meat and poultry tables toward the end of this report. The actual production and trade numbers for the fourth quarter of 2024 are now available. Actual commercial lamb and mutton production for the fourth quarter of 2024 is 34.1 million pounds; January's forecast for 2025 production was 34 million pounds.

January's report forecast 2025 annual lamb and mutton production to be 132 million pounds, 2 million pounds below 2024 production. The annual total 2025 production in this report is 134 million pounds, roughly the same as 2024 production. Given that starting 2025 sheep inventories are similar to 2024; one would expect similar lamb and mutton production this year.

Actual imports for the fourth quarter of 2024 were 92.9 million pounds, while exports totaled 1.3 million pounds, which was 2.9 and 0.3 million pounds more than the previous month's forecast, respectively. No changes were made to 2025 lamb and mutton trade forecasts.

Lamb prices were lower than expected in the early weeks of 2025. The first-quarter lamb price forecast is $172 per cwt, $3 per cwt lower than the January forecast.

Dairy

Adriana Valcu-Lisman and Angel Terán

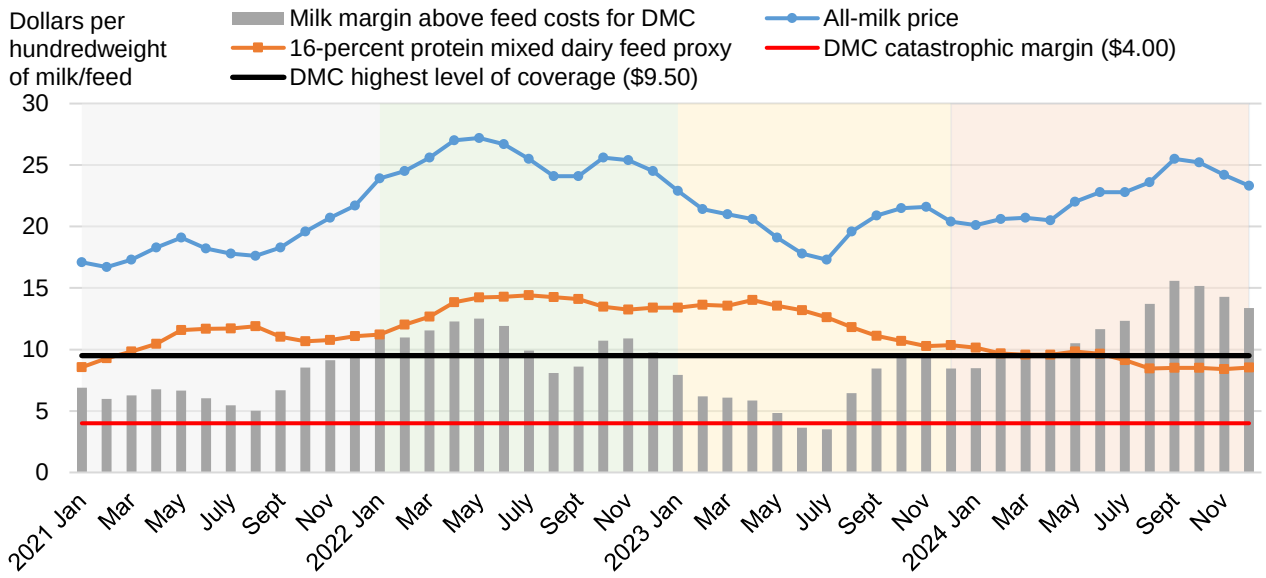
2024 Dairy Situation Recap

In 2024, U.S. dairy farmers benefited from both higher farm-gate milk prices and lower costs for the main feed inputs (corn, soybean meal, and alfalfa hay). The national milking herd continued to shrink in 2024 with dairy farmers adopting reduced slaughter rates to compensate for tight replacement dairy heifer inventories. With a higher number of older dairy cows in the national herd, milk per cow was only marginally year-over-year higher. Moreover, the discovery of Highly Pathogenic Avian Influenza (HPAI) in dairy cows in early March and its increased prevalence after September reduced milk production growth. Consequently, total milk production in 2024 was fractionally smaller than in 2023. However, because the percentage of milk components per fluid volume of milk increased, total skim-solids production decreased at a slower rate than total milk production total and total milk-fat production actually increased (after adjusting for the leap year). Driven by year-over-year higher wholesale prices, domestic use of dairy products declined both on milk-fat and skim-solids milk-equivalent bases. The bright stars of 2024 U.S. dairy exports were total shipments of cheese, which achieved record-high levels, and butter exports which increased significantly.

The all-milk price in 2024 averaged $22.61 per hundredweight (cwt), $2.27 higher than 2023. Using the proxy used by USDA, National Agricultural Statistics Service (NASS) to calculate the milk-feed ratio, the feed-price proxy decreased by 26 percent from 2023 to 2024.

In 2024, the farm milk margin above the feed costs reported by the Dairy Margin Coverage Program (DMC) was above the $9.50 per cwt threshold that triggers payments for dairy producers who choose the highest levels of coverage for most of the year, except for January and February when it was slightly below this level. Moreover, since August the DMC margins achieved the highest levels in the program's history. The evolution of DMC margins in 2024 comes in stark contrast to 2023, when they dipped below the catastrophic level of $4.00 for 2 months and below the $9.50 threshold for another 9 months.

All-milk price, dairy feed value, and milk above feed costs[1]



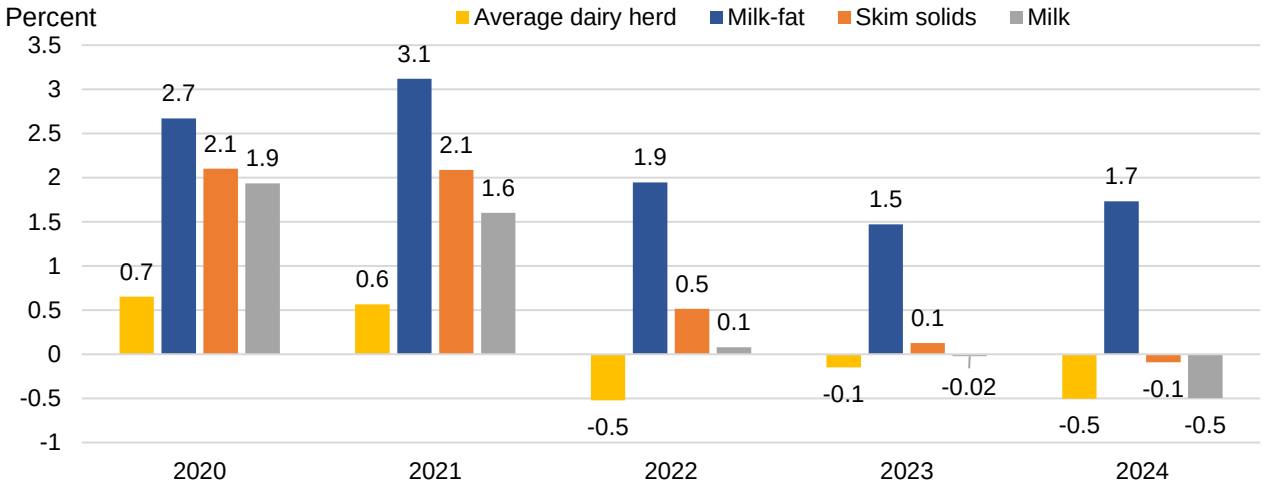
Note: [1]The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa.
Milk margins above feed costs follows Diary Margin Coverage (DMC) cost calculations.

Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service and USDA, Farm Service Agency.

Milk production in 2024 totaled 225.9 billion pounds, a decrease of 0.5 percent from 2023 (adjusted for leap year). The milk cow herd continued its mostly downward trend that began in early spring of 2022, reaching the low point for the year at 9.317 million head in July. From July to October, the number of dairy cows climbed, reaching a peak in October of 9.366 million head before declining in November and December. However, after several quarters of year-over-year declines, the fourth-quarter dairy herd was 0.1 percent above the fourth quarter of 2023, suggesting farmers' intentions to expand the dairy herd. Milk per cow averaged 24,185 pounds in 2024, almost unchanged from 2023 (adjusted for leap year).

Milk components continued to test at higher levels. The milk-fat test as reported by USDA, National Agricultural Statistics Service (NASS) averaged 4.24 percent in 2024, a 2.2 percent year-over-year increase, while the skim-solids test reported by USDA, Agricultural Marketing Service (AMS) averaged 9.08 percent, a 0.4 percent year-on-year increase. The recent trends in the annual production of milk components indicate that dairy farmers continue to focus on adopting genetic traits that increase the component levels, offsetting the slower growth in milk per cow.

Year-over-year change in annual[1] average dairy herd, production of milk, milk-fat, and skim-solids



[1]Annual production of milk, milk-fat and skim-solids for 2020 and 2024 have been adjusted for leap year.

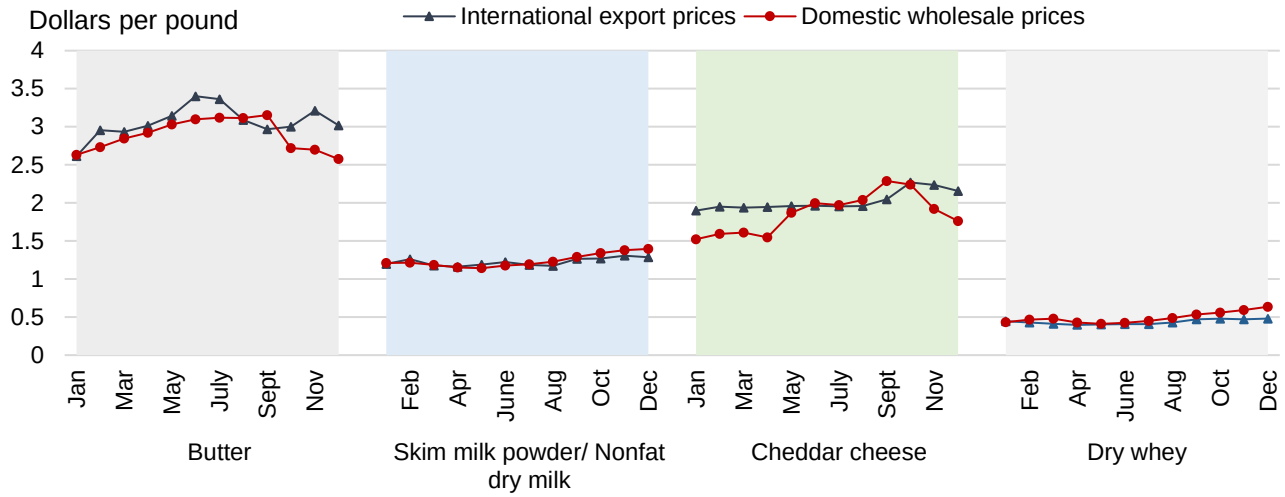
Sources: USDA, Economic Research Service (ERS) calculations using data from USDA, National Agricultural Statistics Service. For production of milk fat and skim solids numerous sources were used for conversion factors. For more information, see the ERS Dairy Data Documentation webpage.

Dairy imports on a milk-fat basis in 2024 totaled 9.1 billion pounds, 1.8 billion higher than 2023. On a skim-solids basis, 2024 dairy imports totaled 6.8 billion pounds, 0.5 billion higher than 2023. Notably, butter imports, which were supplied mostly by Ireland, totaled 173 million pounds, a record-high level, 54.1 million pounds more than in 2023.

Year over year, 2024 U.S. dairy exports increased on a milk-fat basis (+12.2 percent) but declined on a skim-solids basis (-2.2 percent). The changes in exports were driven in part by a weaker international demand for dry skim milk products[6] and dry whey products, as well as by varying price competitiveness of U.S. dairy products relative to the international export prices for similar products. For example, U.S. butter and Cheddar wholesale prices maintained their price competitiveness through most of the year, but domestic prices for dry skim milk products and dry whey were stronger than the Oceania and Western Europe prices for similar products.

[6] Dry skim milk products include nonfat dry milk, skim milk powder, and dry skim milk for animal use.

Dairy product prices: Domestic wholesale prices[1] versus export prices[2] for Oceania[3] and Europe[4]



[1]As reported by USDA, Agricultural Marketing Service (AMS), *Announcement of Class and Component Prices* monthly reports.
[2]As reported by USDA (AMS) *Dairy Market News*.
[2]Oceania export prices for butter, Cheddar cheese and skim milk products.
[3]Western Europe export prices for dry whey.
Source: USDA, Economic Research Service (ERS) calculations using information from USDA, Agricultural Marketing Service.

By quantity, exports for dairy products with high content of skim-solids except for whey protein concentrate were lower year over year. Notably, the exports of dry skim milk products declined by 7.9 percent, their third consecutive year of decline since peaking in 2021. Conversely, combined exports of cheese reached a record-high of 1.125 billion pounds. This represents an upward movement of 18 percent, the highest year-over-year percent increase since 2017. Butter exports in 2024 increased by 7.4 percent relative to 2023. By quantity, exports for dairy products with a high content of skim-solids except for whey protein concentrate were lower year over year.

Exports of milk and major dairy products

Product	Units	2022	2023		2024	
		Quantity	Quantity	% change 2023/22	Quantity	% change 2024/23
Milk in all products	Billion pounds					
Milk-fat basis		12.8	10.5	-18.0	11.8	12.2
Skim-solids basis		52.9	49.9	-5.7	48.8	-2.2
Dairy products (million pounds)	Million pounds					
Cheese		994	955	-3.9	1,125	17.8
Butter		115	64	-44.7	69	7.4
Dry skim milk products		1,838	1,783	-3.0	1,643	-7.9
Dry whey		499	398	-20.1	397	-0.5
Whey protein concentrate		387	323	-16.6	339	5.2
Lactose		908	955	5.2	899	-5.9

Sources: USDA, National Agricultural Statistics Service; USDA, Foreign Agricultural Service; U.S. Dept. of Commerce, Bureau of the Census; and USDA, Economic Research Service (ERS) calculations. Numerous sources were used for conversion factors. For more information, see the ERS Dairy Data Documentation webpage.

Domestic use for dairy products was relatively weak in 2024, due in part to year-over-year higher wholesale prices for the main dairy products. On a milk-fat milk-equivalent basis, 2024 domestic use declined modestly by 0.1 percent from the previous year, in contrast to the 1.5 percent increase in 2023. Domestic use on a skim-solids milk-equivalent basis declined by 0.4 percent in 2024, compared to a 2.7-percent increase in 2023. In 2024, there were significant declines in domestic use of products high in skim-solids such as dry skim milk products, dry whey, and whey protein concentrate products. Domestic use of American type cheese and lactose also declined, albeit at more modest rates. Conversely, in 2024 domestic use for other-than-American type cheese and butter moved upward relative to the previous year.

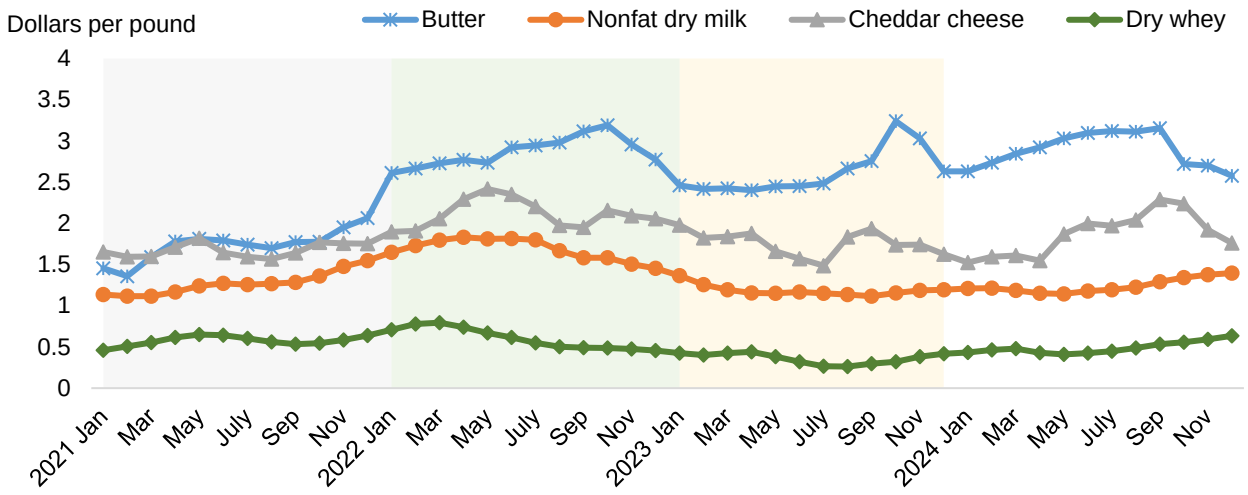
Domestic use of milk and major dairy products

Product	Units	2022	2023		2024	
		Quantity	Quantity	% change 2023/22	Quantity	% change 2024/23
Milk in all products	Billion pounds					
Milk-fat basis		219.6	222.9	1.5	222.7	-0.1
Skim-solids basis		178.7	183.6	2.7	182.8	-0.4
Dairy products	Million pounds					
American type cheese		5,461	5,661	3.7	5,521	-2.5
Other-than-American- type cheese		7,941	7,910	-0.4	8,032	1.5
Butter		2,032	2,186	7.6	2,313	5.8
Dry skim milk products		781	849	8.8	529	-37.8
Dry whey		403	542	34.3	476	-12.1
Whey protein concentrate		99	249	152.5	201	-19.1
Lactose		206	221	7.4	221	-0.2

Sources: USDA, National Agricultural Statistics Service; USDA, Farm Service Agency; USDA, Foreign Agricultural Service; U.S. Dept. of Commerce, Bureau of the Census; and USDA, Economic Research Service (ERS) calculations. Numerous sources were used for conversion factors. For more information, see the ERS Dairy Data Documentation web page.

With year-over-year milk production decreasing in 9 months of 2024, the annual average wholesale prices for all the main dairy products increased in 2024 from 2023 averages. Rallying after starting 2024 at relatively low levels, the Cheddar cheese monthly average prices jumped in May, moving upwards at steady rates until August, and soared in September and October to the highest levels since 2014, before returning to historical levels in November and December.

Dairy wholesale product prices 2021–24



Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service, *Announcement of Class and Component Prices* monthly reports.

Recent Wholesale Dairy Product Prices

Wholesale prices for butter and nonfat dry milk (NDM) reported in the USDA *National Dairy Products Sales Report (*NDPSR) declined from the week ending January 11 to the week ending February 8, while the prices for cheese and dry whey increased. During the last week of the reported period, prices for butter and nonfat dry milk averaged $2.5265 (-7.11 cents) and $1.3691 (-2.11 cents), respectively. On the other hand, wholesale prices for Cheddar cheese 40-pound blocks and 500-pound barrels (adjusted to 38 percent moisture) averaged $ 1.9153 (+3.40 cents) and $1.8892 (+7.12 cents) per pound, respectively. Dry whey prices averaged $0.7281 (+1.98 cents) per pound.

Dairy products wholesale prices
Dollars per pound

		For the week ending		
		January 11	February 8	Change
Butter		2.5976	2.5265	-0.0711
Cheddar cheese	40-pound blocks	1.8813	1.9153	0.0340
	500-pound barrels *	1.8180	1.8892	0.0712
Nonfat dry milk		1.3902	1.3691	-0.0211
Dry whey		0.7083	0.7281	0.0198

* Adjusted to 38-percent moisture.
Source: USDA, Agricultural Marketing Service, *National Dairy Products Sales Report,* February 12, 2025.

Dairy product spot prices reported by the Chicago Mercantile Exchange (CME) for the week ending February 7 averaged as follows: butter $2.4100 per pound, Cheddar cheese 40-pound blocks and 500-pound barrels $1.8685 and $1.7970 per pound, respectively. For the same week, prices for whey and nonfat dry milk averaged $0.6055 and $1.3380 per pound, respectively.

According to the USDA, *Dairy Market News* report, the January average international prices for butter, Cheddar cheese (Oceania), and skim milk powder (Western Europe) moved higher from December averages, while the prices for the rest of the selected commodities moved lower. Over this period, the United States maintained international price competitiveness for butter and Cheddar cheese.

Dairy product export prices for Oceania and Europe

Dollars per pound

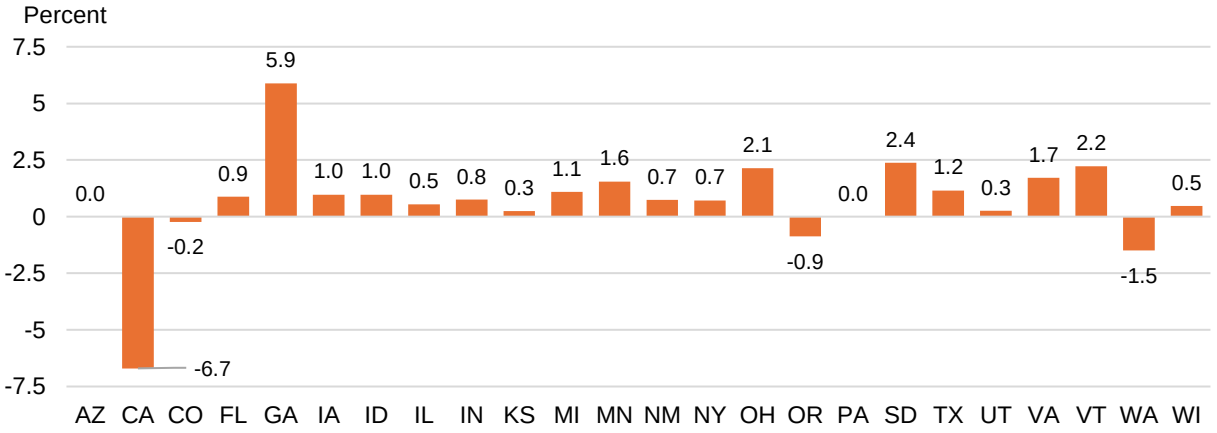
Product	Region	December 2024	January 2025	Change
Butter	Oceania	3.020	3.086	0.066
	Western Europe	3.594	3.499	-0.095
Cheddar cheese	Oceania	2.158	2.195	0.037
Skim milk powder	Oceania	1.287	1.265	-0.022
	Western Europe	1.241	1.246	0.005
Dry whey	Western Europe	0.480	0.476	-0.004
Whole milk powder	Oceania	1.767	1.754	-0.013

Sources: USDA, Economic Research Service (ERS) calculation using information from USDA, Agricultural Marketing Service, *Dairy Market News.*

Recent Dairy Supply and Use Data

According to the most recent USDA, NASS Milk *Production* report, the milking cow herd was 9.351 million head in December 2024, about 3,000 higher than in December 2023. December is the third consecutive month of year-over-year growth in the monthly inventory. However, the December herd was about 9,000 head lower than the previous month. Average milk production per cow for December 2024 was 2,005 pounds, about 10 pounds less than December 2023. Analysis of the year-over-year changes in milk per cow across the 24 main production States showed that most of the decline was due to reductions in California, the State with the highest number of dairy herds impacted by HPAI, while most of the other States reported growth in milk per cow. As a result of a smaller milk herd in December, milk production totaled 18.747 billion pounds, about 0.5 percent lower than the previous year.

Year-over-year change in milk per cow for the main 24 milk producing States: December 2024/23

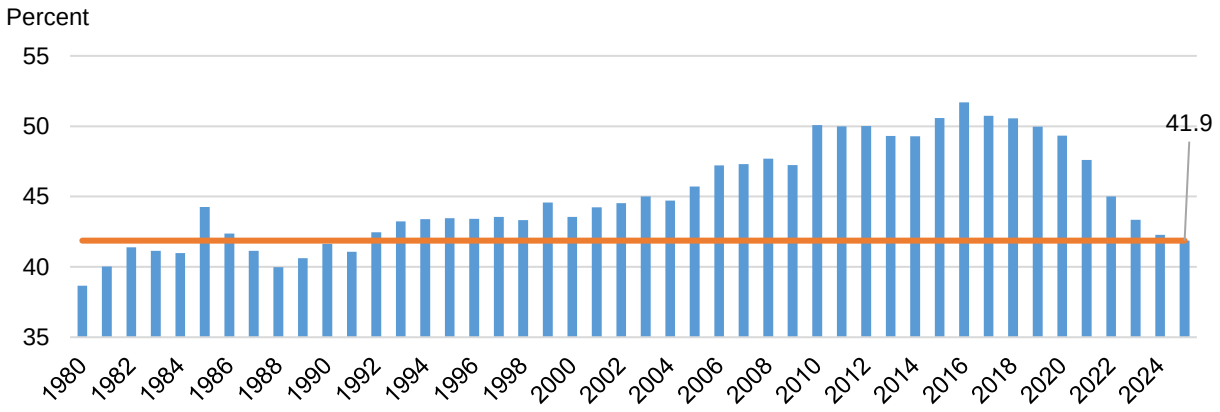


Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.

According to the most recent NASS *Cattle* report, the January 1, 2025, milk cow inventory was 9.349 million head. The milk replacement heifer inventory for January 1 was reported at 3.914

million head, about 0.9 percent lower than January 1, 2024. The reported level of replacement heifers is the lowest since 1978. Milk replacement heifers expected to calve totaled slightly below 2.500 million head, 0.4 percent below January 1, 2024. The ratio of replacement heifers to milk cows was 41.9 percent, one of the lowest rates since the early 1990s.

Replacement heifers as a percent of milk cows



Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.

Total dairy cow slaughter for the first 4 weeks of 2025 was below last's year level despite being year-over-year higher during week 3. The year-over-year decline in milk cow inventory (both in terms of end-of-year inventory and of heifer inventory) indicate that expansion efforts in the near term will likely be modest despite the large farm margins farmers experienced in 2024.

The farm milk margin above feed costs reported by the Dairy Margin Coverage program for December was $13.38 per cwt, up $4.94 from last December. The increase in December margins was due to year-over-year higher all-milk prices of $23.30(+2.90) per cwt and lower costs for the main feed inputs. The milk-feed ratio reported by NASS was estimated at 2.73 in December, up 0.76 points from last year but down 0.15 points from November 2024.

Dairy exports on a milk-fat basis in 2024 increased year over year to 981 million pounds (+178 million) while on a skim-solids basis, exports declined to 3,715 million pounds (-219 million). December dairy imports were estimated year-over-year higher. Dairy imports on a milk-fat basis totaled 736 million pounds (+81 million). On a skim-solids basis, December imports totaled 580 million pounds (+75 million).

Domestic use of dairy products was about 0.3 percent year-over-year higher in the final quarter of 2024 on both bases. The reported stocks for most dairy products ended year-over-year lower. Only the ending stocks for butter and dry skim milk products were higher than last year. On a milk-fat basis, ending stocks totaled 13.242 billion pounds, 3.8 percent lower than the 2023 ending stocks. On a skim-solids basis, 2024 ending stocks totaled 9.983 billion pounds, about 0.8 percent higher than last year.

Uniform Pricing Formula Amendments to Federal Milk Marketing Orders (FMMOs) To Be Implemented in 2025

On January 17, 2025, the USDA Agricultural Marketing Service (AMS) announced the final rule amending the uniform pricing formulas applicable to all 11 Federal milk marketing orders (FMMOs). The final rule contains amendments related to milk composition factors, surveyed commodity prices, Class III and IV formula factors, the Base Class I Skim Milk price (Class 1

mover), and Class I differentials. For more information, see the USDA, AMS web page for National Federal Milk Marketing Order Pricing Formula Hearing.

Dairy Forecasts for 2025

Based on recent data indicating a smaller-than-expected dairy herd size in 2024 and fewer replacement heifers as of January 1, 2025, the forecast for the 2025 dairy herd has been revised downward by 15,000 head, bringing the total to 9.375 million for the year. The yield per cow remains unchanged from the previous month's forecast at 24,200 pounds of milk per cow. As a result, the revised milk production forecast for 2025 stands at 226.9 billion pounds, a reduction of 0.3 billion pounds from the previous month’s estimate but an increase of 1.0 billion pounds compared to 2024.

Dairy imports for 2025 are projected to decline, reflecting recent trade data from 2024. On a skim-solids basis, imports are expected to decrease to 7.2 billion pounds, down by 0.1 billion pounds. On a milk-fat basis, the forecast has been lowered to 8.9 billion pounds, a reduction of 0.4 billion pounds from the previous forecast. The reductions are primarily attributed to lower expected infant formula and ice cream imports, which are expected to outweigh increases in cheese and butter imports.

The dairy export forecast for 2025 has also been reduced compared to the previous month's projection. On a milk-fat basis, the export forecast has been revised downward by 0.1 billion pounds to 11.8 billion pounds. On a skim-solids basis, exports are forecast at 48.7 billion pounds, down by 0.4 billion pounds. Expected decreases in shipments of dry whey products and dry skim milk products are anticipated to more than offset projected growth in cheese and lactose exports.

Domestic dairy use for 2025 is forecast to exceed 2024 levels but has been revised downward compared to last month’s projections. On a milk-fat basis, the forecast has been lowered by 0.8 billion pounds, bringing the total to 223.0 billion pounds. On a skim-solids basis, the forecast stands at 184.0 billion pounds, a decrease of 0.1 billion pounds. The downward revision reflects lower expected domestic demand.

Price forecasts for major dairy products, excluding Cheddar cheese, have been adjusted downward from previous projections. The updated forecast for Cheddar cheese stands at $1.880 per pound, an increase of 1.5 cents. The dry whey price forecast is $0.605 per pound, down by 3.5 cents. The butter price is forecast at $2.645 per pound, 5.0 cents lower, while the nonfat dry milk (NDM) price forecast has been lowered to $1.295 per pound, a reduction of 4.5 cents.

Milk price forecasts account for new updated Federal Milk Marketing Order (FMMO) formulas to take effect in June and December 2025. Despite higher cheese prices, lower dry whey prices and higher FMMO manufacturing allowances are expected to result in a reduction of the Class III milk forecast to $19.10 per cwt, $0.60 below the previous estimate. Lower butter and NDM prices, along with higher FMMO manufacturing allowances have led to a revised Class IV milk forecast of $19.70 per cwt, $1.10 below the previous projection. The all-milk price for 2025 is now forecast at $22.60 per cwt, down $0.45 from last month’s estimate. The decrease in the all-milk price is not as large as the decrease in the Class III and IV prices since on average Class I differentials have been raised.

Dairy Margin Coverage Update

Dairy producers may enroll in the 2025 Dairy Margin Coverage (DMC) program until March 31, 2025. DMC offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer. The program includes both catastrophic coverage and additional, higher levels of coverage for an annual premium. For more information, see the USDA, FSA web page for the Dairy Margin Coverage Program.

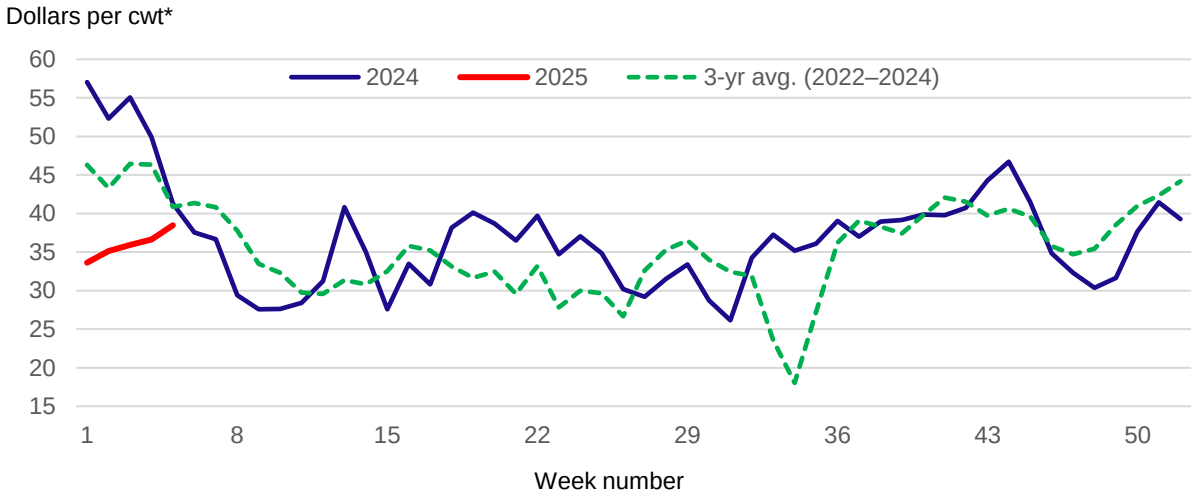
Pork/Hogs

Mildred Haley

The U.S. pork industry produced more pork in January 2025 than it did a year earlier. Estimated federally inspected (FI) pork production was about 2.5 billion pounds, almost 1 percent higher than production in January 2024. Increased production resulted from a greater number of slaughter-ready animals processed—11.4 million head, nearly 1 percent more than a year ago— that when combined with fractionally-higher estimates of average dressed weights boosted production beyond 2024 levels. It is notable, however, that processors paid considerably higher prices for hogs in January—$80.19 per cwt, which was more than 19 percent higher than in January 2024—but that at the same time they received higher sale prices for pork cuts from wholesalers. The January 2025 wholesale pork carcass cutout averaged $91.07, almost 4.7 percent higher than a year ago.

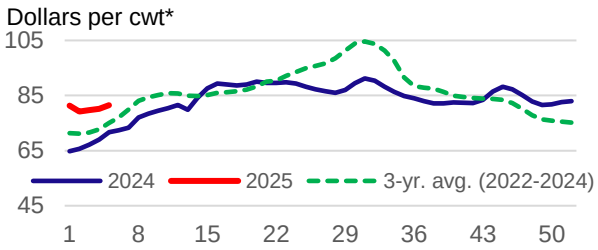
Although the gross processors' spread remains below both the levels of 2024 and the 3-year average, it is notable that to date the slope of the 2025 spread is strongly positive, while those of prior years' trends were negative. This is due to 2025 wholesale carcass values increasing faster than hog prices. Even with higher volumes of pork supplied to the market in January, consumers were willing and able to pay higher prices for pork products. The key variable in January—and continuing into February—seem to be strong consumer demand pulling year-over-year higher volumes of pork through food supply chains and distribution systems at higher prices than a year ago. Consumer demand in January drove changes in wholesale pork prices higher relative to increasing hog prices, changing the direction of processor spreads compared with the past years.

Weekly gross processors' spread



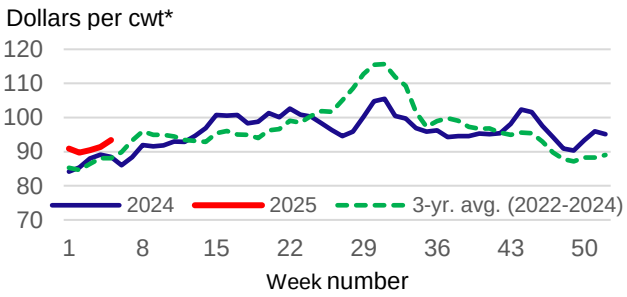
cwt = hundredweight.
Source: USDA, Economic Research Service transformation of data from USDA, Agricultural Marketing Service.

Weekly price, 51–52 percent lean hogs



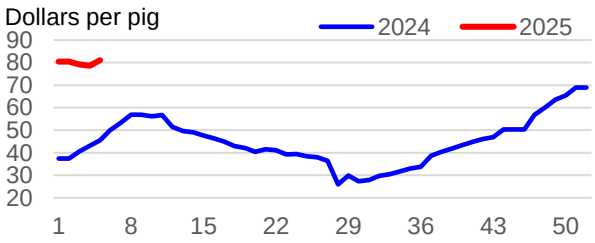
*cwt = hundredweight.
Source: USDA, Agricultural Marketing Service.

Weekly price, wholesale pork carcass cutout



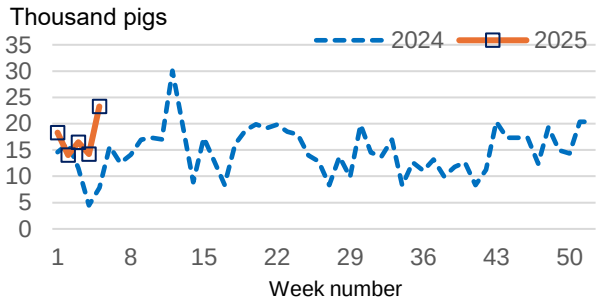
High January hog prices, reflecting strong consumer pork demand and an apparent tightening in market-ready hog supplies—despite a slightly higher year-over-year January 2025 FI slaughter—have spilled over into markets for early-weaned pigs and 40-pound feeder pigs, elevating prices and deliveries for both.[1] As producers anticipate a continuation of strong pork demand and relatively tight slaughter hog supplies, they have bid up prices of early weans and feeder pigs.

Weekly weighted average price, early-weaned pigs



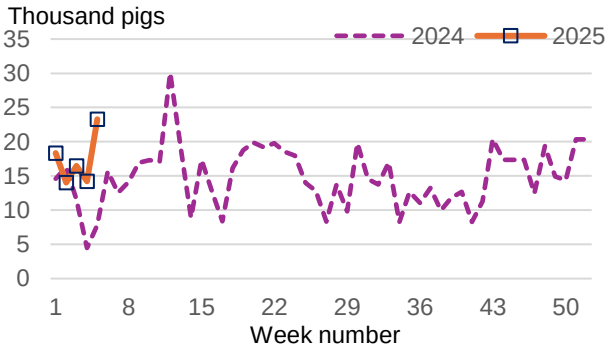
Source: USDA, Agricultural Marketing Service.

Early-weaned pigs: Total weekly deliveries



Weekly weighted average price, 40-pound feeder pigs

40-pound feeder pigs: Total weekly deliveries



Source: USDA, Agricultural Marketing Service.

Prices of both early-weaned pigs and 40-pound feeder pigs kicked off 2025 significantly above year-earlier prices, suggesting that there is currently a robust demand for slaughter hogs in the United States. Early-weaned-pig prices for January 2025 are record-high for the series, while

[1] Early weaned pigs and 40-pound feeder pigs imported from Canada are included in the calculation of weighted average category prices and delivered animal numbers. Weekly price and delivery information comes from AMS document NW_LS446, “National Direct Feeder Pig Report.”

prices for spring 2014 exceed January 2025 prices for 40-pound feeder pigs. For January 2025, the average price of early-weaned pigs was $79.96 per pig, almost 96 percent higher than prices in January 2024. For 40-pound feeder pigs, January 2025 prices averaged $102.82, more than double the $49.57 price per pig in January 2024.

Canada is the most important source of U.S-imported swine. Imported animals break down into several categories of finishing animals,[8] as well as slaughter ready hogs along with some breeding stock. In 2024 the United States imported about 6.8 million head of swine—5 percent of U.S. FI slaughter. About 72.2 percent of Canadian imported animals were finishing animals, and 27 percent were animals for immediate slaughter. In 2025 the United States is expected to import slightly fewer hogs and pigs from Canada, about 6.7 million head, down 0.6 percent from 2024.

First-Quarter Production Unchanged, Hog Prices Raised, on Strong Demand

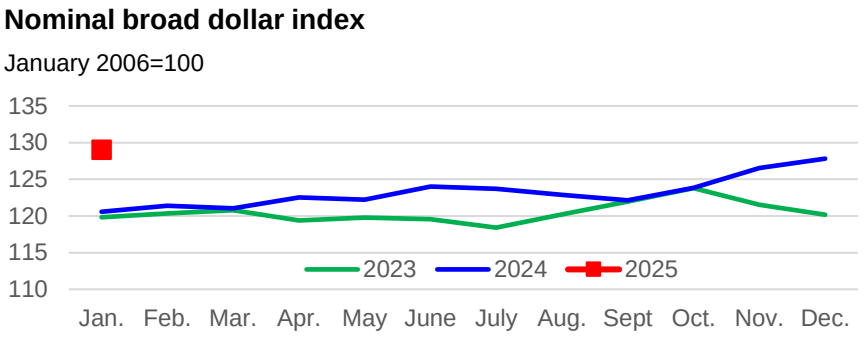
First-quarter pork production is unchanged from last month at 7.1 billion pounds, an increase of 0.4 percent over production in the first quarter of 2024. Prices of live equivalent 51-52 percent lean hogs are raised to $62 per cwt on expectations for continued strong demand for pork and hogs. Total pork production for 2025 is forecast at 28.5 billion pounds, about 2.7 percent higher than production in 2024. Hog prices are expected to average $63.50 per cwt this year, about 3.2 percent higher than prices in 2024. With expectations for year-over-year higher pork production accompanied by higher hog prices, 2025 is likely to be the second consecutive year of robust, increasing pork demand.

December Pork Exports Largely Unchanged From a Year Ago

U.S. pork exports in December 2024 were about 646 million pounds, roughly the same as in December 2023. December shipments to Mexico, the country that is typically the largest buyer of U.S. pork, were largely unchanged from a year ago, and this set the tone for the month. Declines in exports to Japan and South Korea were offset by increased shipments to China and Hong Kong. Increases also offset declines in shipments to several other Western Hemisphere countries and to Australia.

Relatively high U.S. pork prices and a high exchange rate value of the U.S. dollar may have affected export volumes in December. The high value of the Federal Reserve's broad dollar index in late 2024 may have created headwinds for U.S. pork in late 2024 as well. The value of the broad dollar index for January 2025—129.04—is notable and may have implications for exports in early 2025.

[8] In this case, "finishing animals" is a collective term, used to mean all categories of young swine imported into the United States—the overwhelming majority of which are animals from Canada—and then fed U.S. feed rations. Upon attaining market weights, the hogs are marketed to U.S. processors.



Source: Board of Governors of the Federal Reserve System.

The10 largest foreign buyers of U.S. exported pork in December are listed below.

U.S. pork exports: Volumes and export shares of the 10 largest foreign destinations in December 2023 and 2024

Country	Exports Dec. 2023 (Million pounds)	Exports Dec. 2024 (Million pounds)	Percent change (2024/2023)	Export share Dec. 2023 Percent	Export share Dec. 2024 Percent
World	644	646	0.32		
Mexico	249	249	-0.22	39	39
Japan	85	75	-11.45	13	12
South Korea	75	58	-23.10	12	9
China and Hong Kong	32	49	55.29	5	8
Canada	46	45	-2.98	7	7
Colombia	28	31	10.82	4	5
Panama	20	29	46.22	3	5
Australia	28	27	-1.39	4	4
Dominican Republic	26	20	-21.33	4	3
Honduras	12	14	10.78	2	2
Western Hemisphere Nations	382	388	2	59	60
Asian Nations	192	182	-5	30	28
Oceania	28	27	-1	4	4

Source: USDA, Economic Research Service transformations of information from the U.S. Bureau of the Census.

Finally, the table below shows a full year's data for 2024 with respect to the 10 largest markets for U.S. exported pork. Although the constituents of the list do not vary dramatically from month to month, it is notable how top-heavy U.S exports seem to be; that is, in both 2024 and 2023, the top two countries on the list—Mexico and Japan—account for over 40 percent of U.S. exports, after which there is a steep drop-off. The next set of countries purchase U.S. pork in single digit percentages. Taken as an aggregate, however, this set of 8 countries is crucial to the continuing stability and growth of the U.S. pork exports. These 10 countries together account for 93 percent of U.S. exports in 2023 and 92 percent in 2024.

U.S. pork exports: Volumes and export shares of the 10 largest foreign destinations in 2024 compared with 2023

Country	Exports 2023 (Thousand pounds)	Exports 2024 (Thousand pounds)	Percent change (2024/2023)	Export share 2023 Percent	Export share 2024 Percent
World	6,824	7,115	4.27		
Mexico	2,566	2,661	3.71	38	37
Japan	1,078	1,054	-2.19	16	15
South Korea	592	663	12.01	9	9
Canada	558	530	-5.02	8	7
China and Hong Kong	528	484	-8.40	8	7
Colombia	278	368	32.50	4	5
Dominican Republic	283	274	-3.06	4	4
Australia	207	270	30.61	3	4
Honduras	144	154	6.85	2	2
Guatemala	88	93	5.62	1	1
Western Hemisphere Nations	3917	4034	3	57	57
Asian Nations	2198	2248	2	33	32
Oceania	207	270	31	3	4

Source: USDA, Economic Research Service transformations of information from the U.S. Bureau of the Census.

Poultry

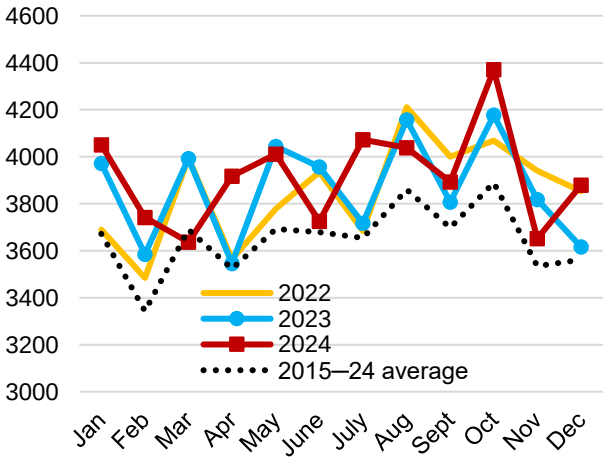
Grace Grossen and Brian Bourquard

2025 First-Quarter Broiler Production Revised Down

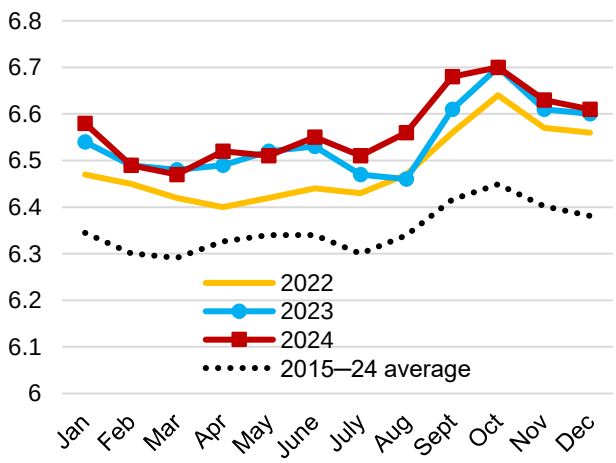
Broiler production in December 2024 totaled 3,878 million pounds, up 6.2 percent from November 2024 and up 7.3 percent year over year from December 2023. Production increases were driven by 1 more slaughter day in December than in November 2024 and December 2023. There was little change in live weights from November to December, rounding to 6.6 pounds in both months. Average live weights in December were also nearly identical to December 2023. Preliminary data indicate that live weights remained near 6.6 pounds through January and into early February 2025.

Fourth-quarter production was 11,901 million pounds, nearly equal to last month's estimate, bringing total 2024 production to 46,988 million pounds. Production in 2024 was 1.3 percent higher than 2023, slightly below the average growth of 1.9 percent but continuing the year-over-year upward trend that has persisted for 13 years. Year-over-year growth remained slightly below the average of 1.9 percent, as it has since 2000. For 2025, projected first- quarter broiler production is adjusted down slightly to 11,675 million pounds from 11,700 million pounds, reflecting the losses due to Highly Pathogenic Avian Influenza (HPAI) in January and early February of 2025, along with early indications of slightly reduced production in January. Projected production in the second half of the year is increased by 25 million pounds. The total 2025 production estimate remains 47,625 million pounds.

Monthly broiler production, 2015–24
Million pounds



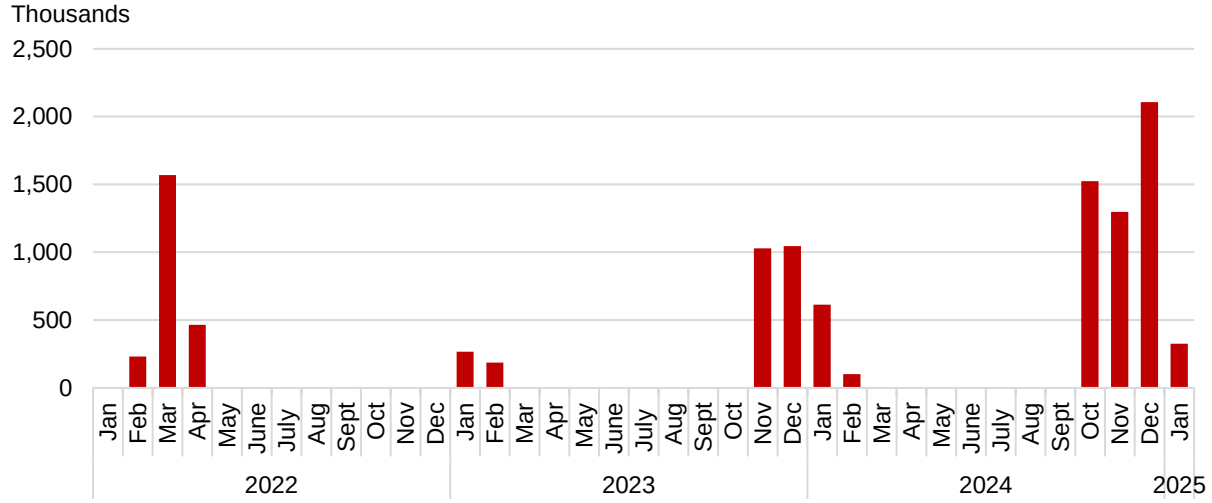
Monthly average broiler weights, live basis, 2015–24
Pounds



Source: USDA, National Agricultural Statistics Service and USDA, *World Agricultural Supply and Demand Estimates*

According to USDA's Animal and Plant Health Inspection Service (APHIS), January 2025 HPAI outbreaks resulted in the depopulation of over 23 million birds nationwide, up from 18 million in December. In January 2025, approximately 2.2 million were in the broiler production chain, including birds used for meat production and birds used for breeding. Since November 2024, HPAI outbreaks have also affected 211,000 birds in broiler breeding operations.

Highly Pathogenic Avian Influenza in commercial broiler production, birds affected by month, 2022–24



Source: USDA, Animal and Plant Health Inspection Service and USDA, Economic Research Service.

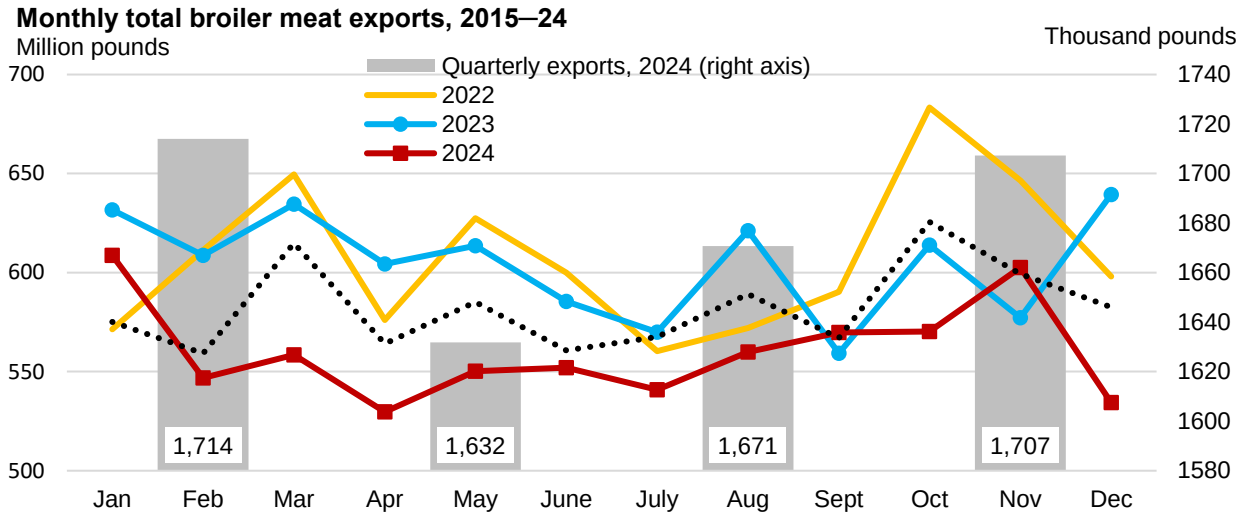
Broiler meat in cold storage totaled 762.9 million pounds at the end of December, a year-over - year decline of 8.6 percent and a 1.1 percent decline from 772 million pounds in November. Breast meat as a share of total cold storage holdings increased again, to 30.3 percent. Ending stocks projections for 2025 are adjusted down by 30 million pounds to 760 million pounds based on increasing consumption trends and high prices across competing animal products.

Broiler Exports Are Down Year Over Year

Broiler exports in December 2024 totaled 534.3 million pounds, down 68.3 million pounds (11.3 percent) from November's 602.7 million pounds. Year-over-year broiler exports fell by 105.1 million pounds in December. Total annual exports in 2024 were 6,724 million pounds, down 535.9 million pounds or 7.4 percent from 2023's total exports. The annual decline in exports was largely the result of steep drops in exports to China, Taiwan, Congo (Brazzaville), and South Africa, which combined decreased their imports of U.S. broilers by 488.8 million pounds between 2023 and 2024. The annual decline between 2023 and 2024 continues the trend of declining broiler exports since 2020.

Mexico continues to be the primary destination for U.S. broiler exports, receiving 129.5 million pounds (24.2 percent) of U.S. exports in December 2024, followed distantly by Taiwan, which received 46.7 million pounds, or 8.7 percent of total exports.

Export projections for 2025 are revised down by 130 million pounds to 6,605 million pounds, based on early indicators of softening trade and the current strength of the U.S. dollar compared to other broiler-exporting nations. Broiler imports totaled 149.6 million pounds in 2024, up from 131 million pounds in 2023. Projected 2025 imports are 140 million pounds.



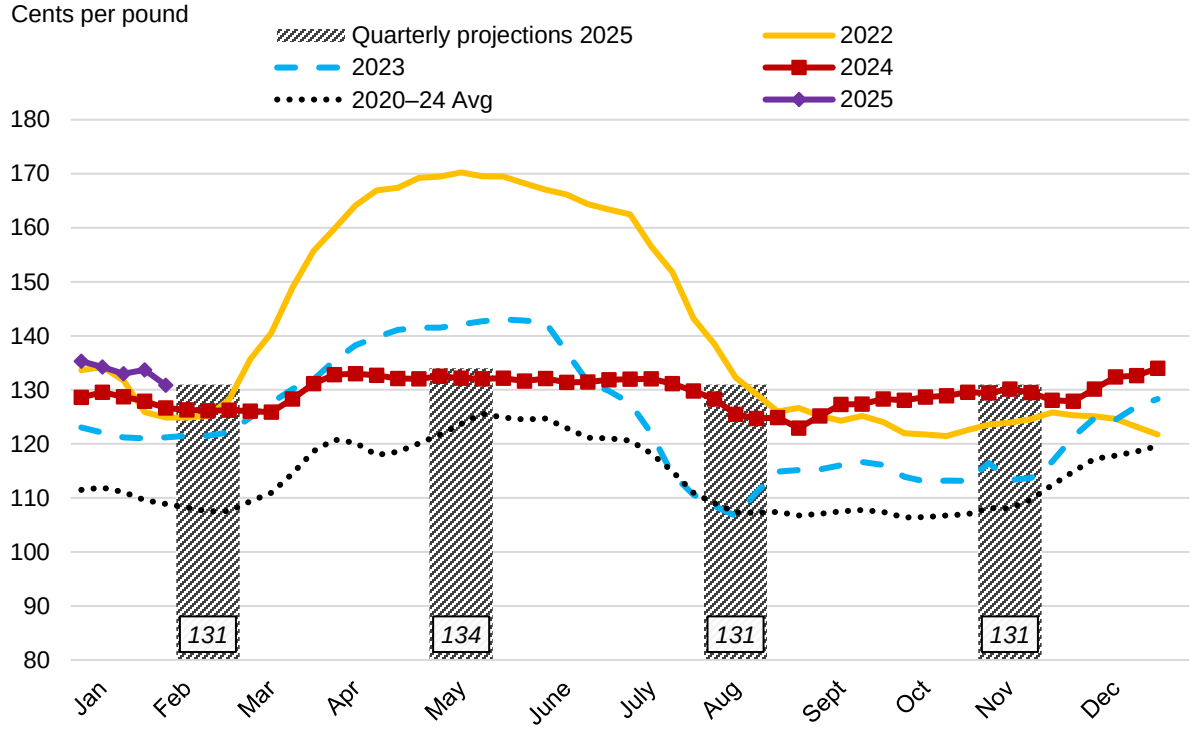
Source: USDA, Economic Research Service calculations using data from the U.S. Department of Commerce, Bureau of the Census.

Broiler Prices Show Small Increase Year Over Year While 2025 Price Forecasts Are Revised Upward

Wholesale broiler prices for 2024 averaged 129.4 cents per pound, with the fourth quarter averaging 130 cents per pound. The 2024 price was up 5 cents per pound, a 4-percent increase over the 124.4 cent per pound average in 2023. Forecasts for the first and second quarters of 2025 are 131 (adjusted 1 cent down from last month) and 134 cents per pound (unchanged from last month), respectively. The third and fourth quarter price forecasts were raised by 1 cent per pound each, resulting in a 2025 national broiler composite price projection of 132 cents per pound. The slightly higher 2025 projected price is concurrent with increased price projections across most major animal products, including beef, pork, eggs, and dairy products.

Weekly national composite whole bird price, 2020-25, and 2025 quarterly projections

Cents per pound



Source: USDA, Agricultural Marketing Service and USDA, *World Agricultural Supply and Demand Estimates*.

Table Egg Production Adjusted Down Reflecting HPAI Outbreaks

Table egg production in December totaled 652.8 million dozen, down 3.7 percent from December 2023. This was a result of an average layer inventory of 307.6 million and an average lay rate of 82.1 eggs per 100 layers per day in December. The December average table-egg layer inventory was down 2.6 percent year over year and the average lay rate was down 1.2 percent year over year. The table egg laying inventory on the first of January was 304.3 million layers. This is the lowest inventory since the first of August 2024. The lowest first-of-the-month inventory since the start of the current HPAI outbreaks in 2022 was 302.8 million layers on the first of June 2022.

Table egg layer inventory on the first of the month, 2019–24

Million birds

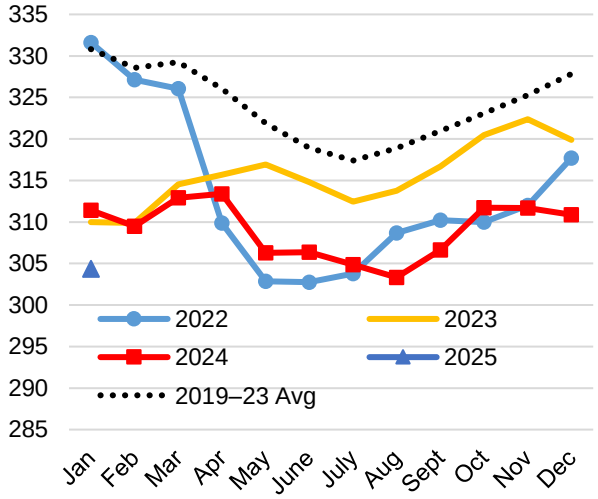
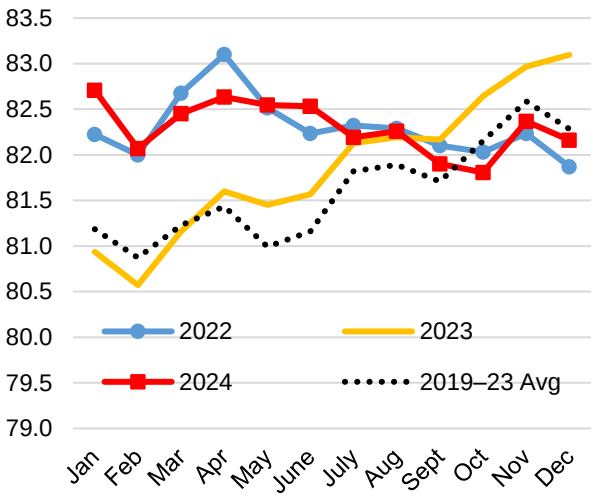


Table egg lay rate, eggs per 100 layers per day, 2019–24

Eggs



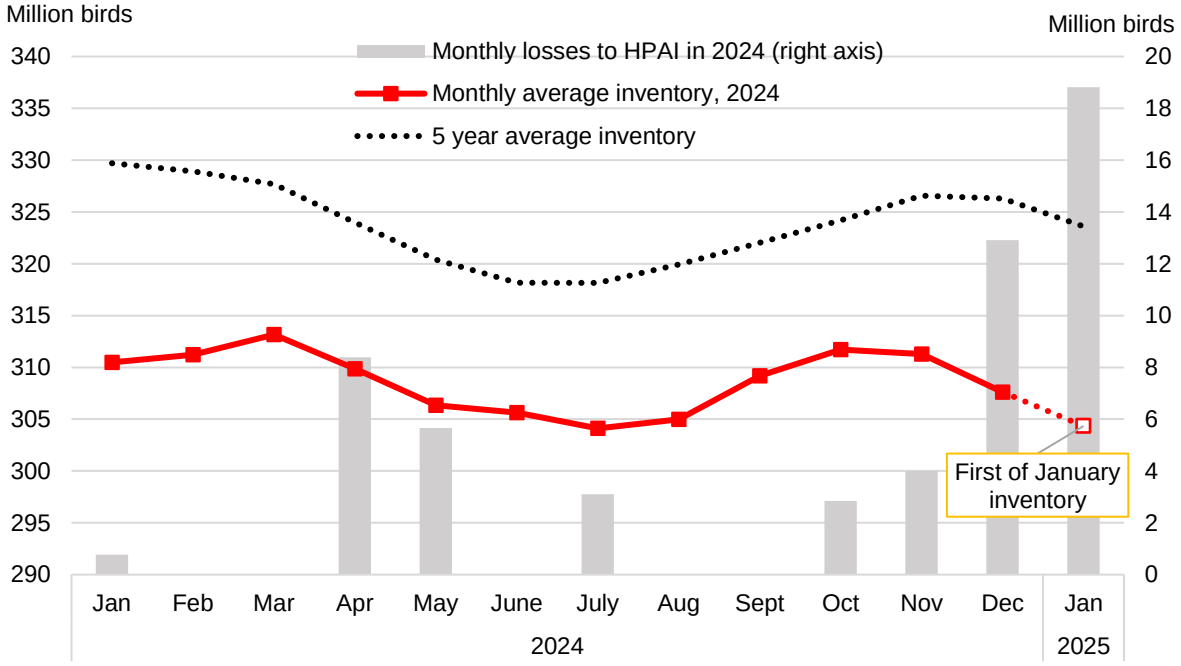
Source: USDA, Economic research Service calculations using data from USDA, National Agricultural Statistics Service.

Table egg layer losses due to HPAI in January totaled 18.8 million birds. This was the most table egg layers lost in a single month since the start of the outbreaks in 2022. In the first week of February, eight flocks in Ohio and Pennsylvania were confirmed to be infected with HPAI, resulting in the loss of another 3.6 million table egg layers. As of February 7, a total of 116.9 million layers have been depopulated since February 2022. While the industry has been able to replace many of these lost birds along the way, the inventory of table egg layers on the first of January 2025 was still 27.3 million birds shy of the same inventory measure on the first of January 2022.

The size of the flock that produces replacement table egg layers, the egg-type hatching-egg layers, was 13 percent higher on January first of 2025 than on the same day in 2022. The inventory of replacement pullets, those young hens that will enter the productive flock once they start laying, was 131.4 million on January 1 of 2025, up 5.6 percent from the same day in 2022. The industry is producing more replacement layers than is typical in order to make up for the recent losses.

Table egg production in 2024 totaled 7,751 million dozen, a decrease of 1.4 percent year-over-year. In 2025, reflecting a smaller layer flock and lower recent lay rates, projected table-egg production was adjusted down in all four quarters. Projected first-quarter production was adjusted down to 1,830 million dozen, the second quarter down to 1,870 million dozen, the third quarter down to 1,950 million dozen, and the fourth quarter down to 2,000 million dozen. In total, the 2025 projection was adjusted down 170 million dozen to 7,650 million dozen. This would be a decrease of 1.3 percent from 2024. Based on recent data, projected 2025 hatching egg production was adjusted down by 10 million dozen to 1,310 million dozen. This would still be an increase of 2.6 percent from the 2024 total. Hatching eggs include both broiler-type and egg-type hatching eggs.

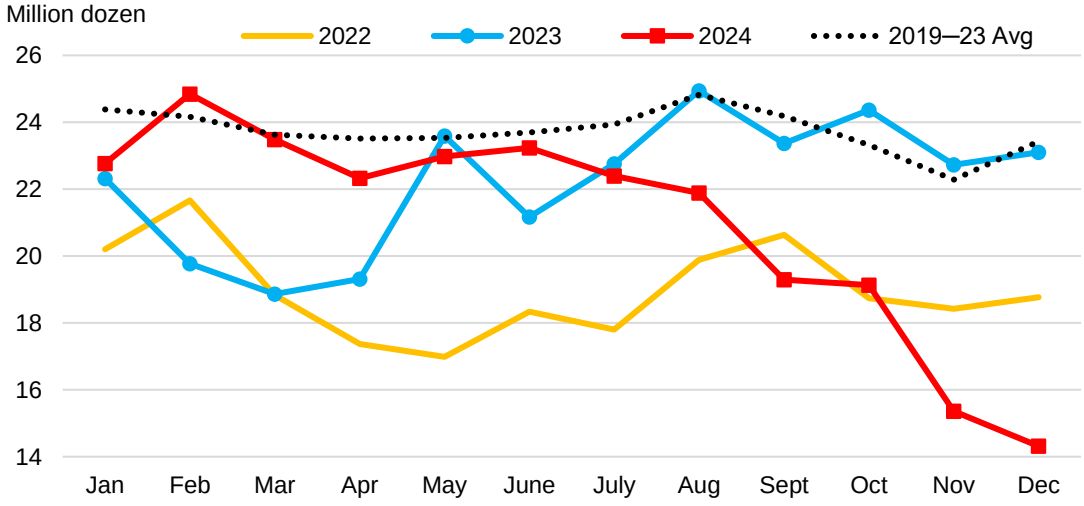
Average monthly table egg layer inventory and HPAI losses, January 2024–January 2025



Source: USDA, Economic research Service calculations using data from USDA, National Agricultural Statistics Service and USDA, Animal and Plant Health Inspection Service.

The total amount of egg products in cold storage at the end of December 2024 was 14.3 million dozen equivalent. This is down from a 2024 high of 24.8 million dozen at the end of February, and down 8.8 million dozen from the end of 2023. It is likely that these frozen eggs helped make up for some of the production lost due to disease, serving as a substitute for fresh shell eggs for some uses. Reflecting this drop in stocks, the projected ending stocks level for 2025 was adjusted down to 20 million dozen.

Frozen eggs in cold storage at the end of the month, 2019–2024



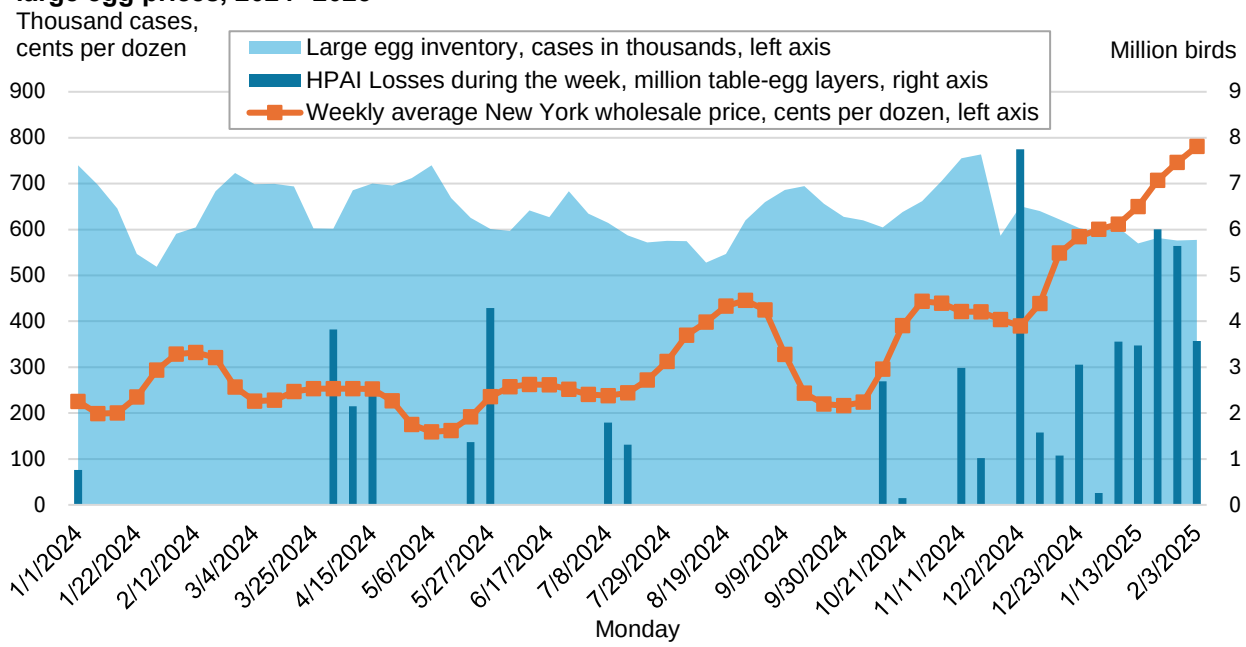
Source: USDA, Economic research Service calculations using data from USDA, National Agricultural Statistics Service.

Egg Price Projections Adjusted Up in 2025

From October 15, 2024 through February 7, 2025, USDA's Animal and Plant Health Inspection Service (APHIS) confirmed cases of HPAI in 47 commercial table-egg layer flocks, resulting in the depopulation of 42.8 million layers. These losses coincided with the winter holidays, when egg demand is strong. Another holiday that drives egg demand, Easter, will fall on April 20 this year. The inventory of table egg layers reported by USDA, National Agricultural Statistics Service on the first of January was 304.3 million birds. This is 6.3 percent below the 2020–2024 average for January 1. On Monday, February 3, the inventory of large shell eggs was 577,100 cases.

The weekly average New York wholesale price for large eggs in the last week in January was 746 cents per dozen, an increase of 452 cents from the same week in 2024. The daily New York wholesale price midpoint for a dozen large white eggs has been climbing each day since December 6, with a one-day pause on January 8 at 609 cents per dozen. Since then, daily midpoint prices have only continued to climb, reaching 801 cents per dozen on February 10.

Weekly large egg inventories, losses of table-egg layers due to HPAI, and New York wholesale large egg prices, 2024–2025



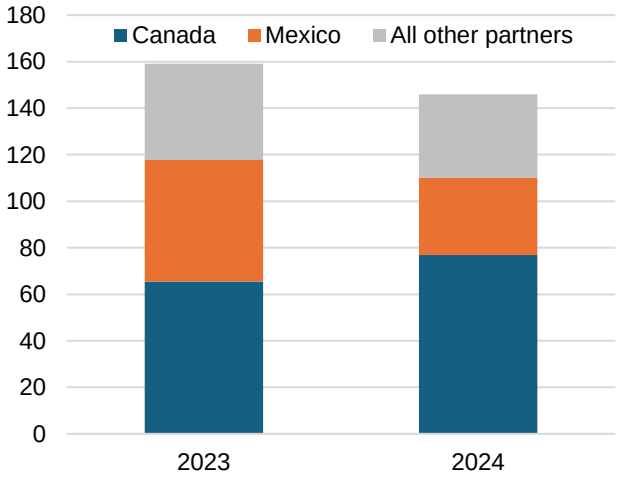
Note: One case = 30 dozen.
Source: USDA, Agricultural Marketing Service, and USDA, Animal and Plant Health Inspection Service.

Based on recent trends in prices, as well as decreased production expectations, the projected quarterly average prices for 2025 were all adjusted up. The first quarter is raised to 725 cents per dozen, the second to 425 cents per dozen, the third quarter to 300 cents per dozen, and the fourth quarter to 325 cents per dozen. This would result in a 2025 average price of 444 cents per dozen.

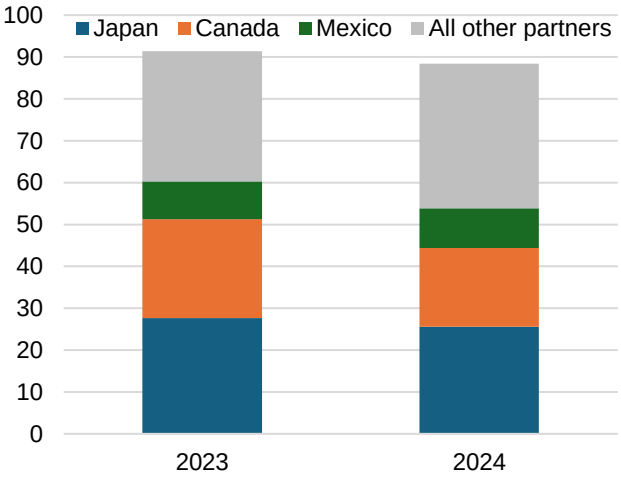
Egg and Egg Product Export Projections Lowered; Import Projections Increased

Combined egg and egg product exports in December totaled 18.7 million shell-egg equivalent dozen, down 5.8 million from December of last year. In total, 2024 egg and egg product exports were down 6.4 percent year-over-year and consisted of 145.9 million dozen shell eggs (including hatching eggs) and 88.4 million shell-egg equivalent dozens of egg products. Exports represented a 2.6-percent share of egg production (including table and hatching eggs). The largest markets for U.S. shell eggs are Canada and Mexico, which together accounted for 75.5 percent of shell egg exports in 2024. Shell egg exports include both table and hatching eggs intended for incubation. In 2024, hatching eggs made up about 46 percent of shell egg exports. Egg product exports are less concentrated, with the top three markets (Japan, Canada, and Mexico) accounting for 61.0 percent of egg product exports in 2024.

Annual shell egg exports, 2023–24
Million dozen



Annual egg product exports, 2023–24
Million shell-egg equivalent dozen



Source: USDA, Economic Research Service calculations using data from the U.S. Department of Commerce, Bureau of the Census.

Based on recent trade data, as well as on lowered production expectations, estimated egg and egg product exports for 2025 are adjusted down to 209 million dozen equivalent. This would be a year-over-year decrease of 10.8 percent and represent 2.3 percent of projected total table and hatching egg production in 2025.

Egg and egg product imports in December totaled 2.96 million shell-egg equivalent dozen, making the 2024 total 29.8 million shell-egg equivalent dozen. This consisted of 19.4 million dozen equivalent of egg products and 10.5 million dozen shell eggs. Based on consistent strength in shipments from steady partners including Canada and Turkey, projected egg and egg product imports for 2025 were adjusted up to 32 million dozen equivalent.

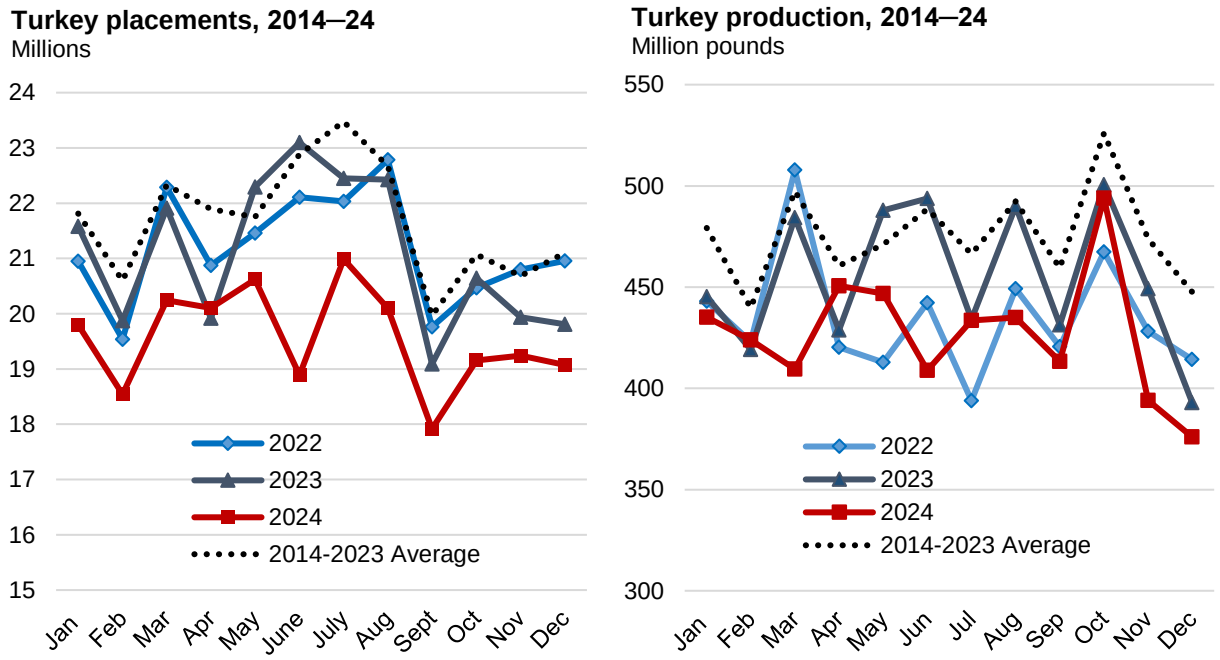
Turkey Meat Production Projected To Decline in 2025

Turkey production in December 2024 totaled 376 million pounds, a 4.6-percent decrease from November 2024 and a 4.3-percent year-over-year decrease from December 2023. The month-over-month decrease in production was only slightly less than the 5.4 percent average decrease between November and December from 2014 to 2024. Fourth-quarter 2024 production was 1,264 million pounds, down 1.4 percent from the third quarter of 2024 and down 5.9 percent

year over year from the fourth-quarter of 2023. Total 2024 turkey production is estimated at 5,121 million pounds. Slaughter live weights in December reached their highest level since April 2021, at 33.6 pounds.

There were 14.1 million head of turkey slaughtered in December, a year-over-year decline of 10.2 percent, despite the one additional slaughter day in December 2024 compared to December 2023. The December decline in production is due in part to the decline in net placements in August and September 2024, which were down 10.4 and 6.1 percent year over year, respectively. The average decline in net placements between August and September was 11.8 percent between 2014 and 2024, making this September's decrease slightly smaller than average. Net placements recovered in the fourth quarter of 2024, with 19.1 million in December and 57.5 million for the quarter, down 4.8 percent from the fourth quarter of 2023.

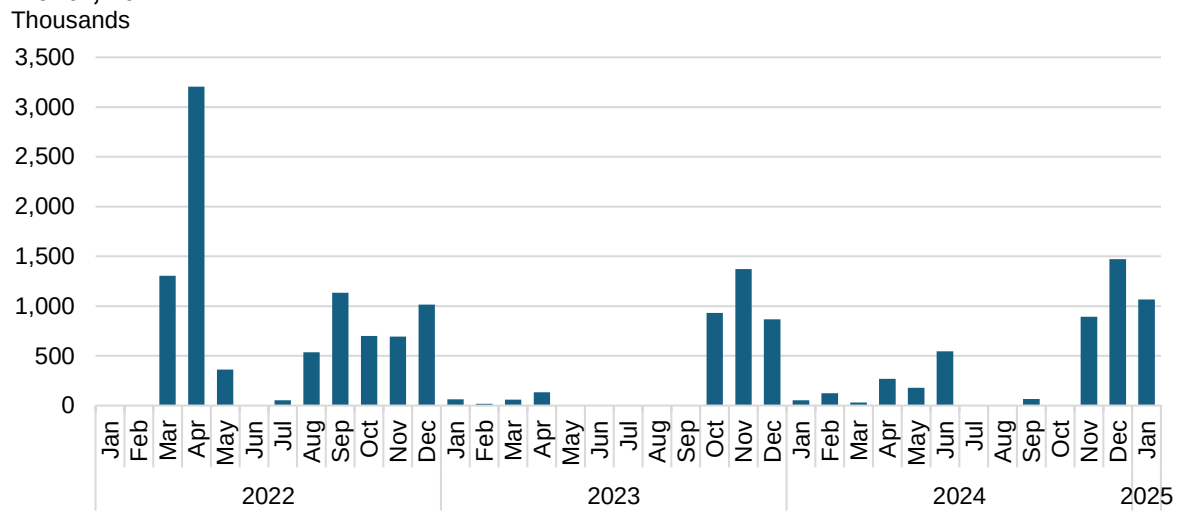
Based on fourth-quarter net placements, large increases in HPAI culls, and the continuing long-term downward trend in turkey production, first-quarter 2025 production is adjusted down by 15 million pounds to 1,215 million pounds, second-quarter production is adjusted down by 30 million pounds to 1,230 million pounds, third quarter production is adjusted down by 50 million pounds to 1,250 million pounds, and fourth quarter production is adjusted down by 35 million pounds to 1,275 million pounds. In total, 2025 production is adjusted down to 4,970 million pounds from a previous 5,100 million pounds.



Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

HPAI outbreaks continued to impact turkey meat production, with nearly 1.1 million meat birds culled in January 2025, and nearly 1.5 million in December 2024. Across the turkey production chain, 3.8 million birds were culled in 2024, up slightly from the 3.7 million birds culled in 2023. The largest outbreaks in January were in Minnesota, Missouri, and Michigan, and data from APHIS indicate cases continuing to spread in Ohio and California in February.

Highly Pathogenic Avian Influenza in commercial turkey production, birds affected by month, 2022–24



Source: USDA, National Agricultural Statistics Service, USDA, Animal and Plant Health Inspection Service, and USDA, *World Agricultural Supply and Demand Estimates*. The current data reporting system for HPAI losses was implemented in February 2022. Data are current as of January 31, 2025.

Projected Turkey Prices Adjusted Down as Per Capita Consumption Declines

The December average wholesale price for frozen, whole hen 8-16 pound conventional basted turkeys was 89 cents per pound. This is down by 7.2 percent, or 6.9 cents per pound, from November 2024. The December price is the lowest monthly price of 2024 but is 8.3 percent higher than the December 2023 price of 82.1 cents per pound. The fourth-quarter weighted average price for turkeys was 93.6 cents per pound. The 2024 annual average weighted price was 93.7 cents per pound. Per capita consumption of turkey is estimated to decline to 13.9 pounds in 2024.

Based on lower January 2025 weekly prices, first- and second-quarter 2025 turkey prices are adjusted down to 90 and 96 cents per pound, respectively. Downward adjustments in the outlying quarters result in a 2025 annual projected price of 96.5 cents per pound, 3 percent higher than 2024. The 2025 projected annual price is 31 percent below the 2023 price of 140.1 cents per pound.

Turkey Meat Exports Expected To Decline in 2025

Turkey exports were 36.3 million pounds in December 2024, down from 42.1 million pounds in November, a decrease of 13.8 percent. Exports accounted for approximately 9.7 percent of total production in December. Year-over-year exports were down from 42.5 million pounds in December 2023, a decline of 14.5 percent. Mexico continues to be the primary export destination for U.S. turkey, receiving 74.6 percent of total U.S. turkey exports, or 27.1 million pounds, in December 2024.

Fourth-quarter 2024 exports totaled 124.4 million pounds, a quarter-over-quarter decline of 6.6 percent and a year-over-year decline of 14.2 percent. Total 2024 turkey exports were 486.3

million pounds, down 3.6 million pounds from 2023. For 2024, turkey exports accounted for 9.5 percent of total production.

Total turkey export projections are adjusted down for all quarters of 2025. First and second quarters are adjusted down by 5 million pounds each to 105 and 110 million pounds, respectively. The third and fourth quarters are each adjusted down by 10 million pounds. Total 2025 projected turkey exports are adjusted down to 465 million pounds, or 9.4 percent of total projected 2025 production.

Turkey imports for the fourth quarter of 2024 were 9.3 million pounds, bringing total 2024 imports to 36.6 million pounds. Turkey import projections for 2025 remain unchanged at 40 million pounds.

Suggested Citation

U.S. Department of Agriculture, Economic Research Service. (2025). *Livestock, dairy, and poultry outlook: February 2025* (Report No. LDP-M-368).

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U.S. red meat and poultry forecasts	2023	2024					2025				
	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Production, million pounds											
Beef	26,967	6,560	6,766	6,780	6,883	26,988	**6,600**	**6,710**	**6,645**	**6,610**	**26,565**
Pork	27,302	7,094	6,714	6,775	7,207	27,790	**7,125**	**6,875**	**7,010**	**7,520**	**28,530**
Lamb and mutton	131	34	33	32	34	134	**34**	**33**	**33**	**34**	**134**
Broilers	46,387	11,430	11,654	12,003	11,901	46,988	**11,675**	**11,825**	**12,125**	**12,000**	**47,625**
Turkeys	5,457	1,269	1,306	1,282	1,264	5,121	**1,215**	**1,230**	**1,250**	**1,275**	**4,970**
Total red meat and poultry	106,880	26,533	26,628	27,032	27,428	107,620	**26,793**	**26,823**	**27,223**	**27,593**	**108,431**
Table eggs, million dozen	7,864	1,947	1,924	1,927	1,953	7,751	**1,830**	**1,870**	**1,950**	**2,000**	**7,650**
Per capita disappearance, retail pounds 1/											
Beef	58.1	14.8	14.6	15.1	15.2	59.7	**14.8**	**14.7**	**14.9**	**14.7**	**59.1**
Pork	50.2	12.8	12.0	12.4	13.1	50.4	**12.7**	**12.3**	**12.7**	**13.6**	**51.4**
Lamb and mutton	1.1	0.3	0.3	0.3	0.3	1.3	**0.3**	**0.3**	**0.3**	**0.3**	**1.3**
Broilers	99.5	24.9	25.4	26.0	25.6	101.9	**25.4**	**25.8**	**26.2**	**25.7**	**103.1**
Turkeys	14.8	3.1	3.3	3.5	4.0	13.9	**2.9**	**3.1**	**3.3**	**4.0**	**13.4**
Total red meat and poultry	225.4	56.3	56.2	57.8	58.6	228.9	**56.6**	**56.6**	**57.9**	**58.9**	**230.1**
Eggs, number	279.3	68.5	67.8	68.2	69.2	273.8	**64.6**	**66.1**	**69.1**	**70.7**	**270.7**
Market prices											
Steers 5-area Direct, Total all grades, dollars/cwt	175.54	181.03	188.42	189.26	189.75	187.12	**205.00**	**200.00**	**198.00**	**200.00**	**200.75**
Feeder steers, Medium Frame No. 1, OK City, dollars/cwt	218.69	239.82	257.17	252.37	258.48	251.96	**272.00**	**272.00**	**273.00**	**278.00**	**273.75**
Cows, Live equivalent, Cutter 90% lean, 500 lbs and up, National, dollars/cwt	94.77	101.62	125.22	132.01	116.33	118.80	**130.00**	**140.00**	**146.00**	**130.00**	**136.50**
Choice/Prime slaughter lambs, National, dollars/cwt	172.01	193.43	211.53	192.98	167.29	191.31	**172.00**	**180.00**	**185.00**	**190.00**	**181.75**
Barrows and gilts, National base cost, 51-52% lean, live equivalent, dollars/cwt	58.59	54.97	65.53	63.71	62.03	61.56	**62.00**	**66.00**	**70.00**	**56.00**	**63.50**
Broilers, Wholesale, National composite, weighted average, cents/lb	124.4	128.0	132.1	127.4	130.0	129.4	**131.0**	**134.0**	**131.0**	**131.0**	**131.8**
Turkeys, National 8-16 lb hens, National, cents/lb	140.1	92.1	95.7	93.3	93.6	93.7	**90.0**	**96.0**	**98.0**	**102.0**	**96.5**
Eggs, Grade A large, New York, volume buyers, cents/dozen	192.4	258.5	227.1	317.2	409.5	303.1	**725.0**	**425.0**	**300.0**	**325.0**	**443.8**
U.S. trade, million pounds, carcass-weight equivalent											
Beef and veal exports	3,038	733	782	735	753	3,003	**715**	**745**	**675**	**660**	**2,795**
Beef and veal imports	3,725	1,196	1,012	1,210	1,218	4,635	**1,230**	**1,070**	**1,250**	**1,220**	**4,770**
Lamb and mutton imports	284	88	95	89	93	365	**90**	**95**	**90**	**90**	**365**
Pork exports	6,824	1,802	1,765	1,676	1,872	7,115	**1,835**	**1,805**	**1,725**	**1,930**	**7,295**
Pork imports	1,142	298	291	274	285	1,148	**300**	**295**	**285**	**290**	**1,170**
Broiler exports	7,260	1,714	1,632	1,671	1,707	6,724	**1,625**	**1,590**	**1,675**	**1,715**	**6,605**
Turkey exports	490	110	119	133	124	486	**105**	**110**	**125**	**125**	**465**
Live swine imports (thousand head)	6,745	1,747	1,734	1,598	1,683	6,762	**1,745**	**1,715**	**1,615**	**1,645**	**6,720**

Note: Forecasts are in bold. cwt=hundredweight.

1/ Per capita meat and egg disappearance data are calculated using the Resident Population plus Armed Forces Overseas series from U.S. Department of Commerce, Bureau of the Census.

Source: World Agricultural Supply and Demand Estimates and Supporting Materials.

For further information, contact: Mildred Haley, Economic Research Service, USDA.

Updated 2/18/2025

Dairy forecasts

Years	2023	2024					2025				
Quarters	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thousands)	9,386	9,337	9,328	9,330	9,359	9,339	9,365	9,375	9,380	9,385	9,375
Milk per cow (pounds)	24,118	6,100	6,150	6,008	5,927	24,185	6,045	6,160	6,020	5,975	24,200
Milk production (billion pounds)	226.4	57.0	57.4	56.1	55.5	225.9	56.6	57.8	56.5	56.1	226.9
Farm use	1.0	0.2	0.2	0.3	0.3	1.0	0.2	0.2	0.3	0.3	1.0
Milk marketings	225.4	56.7	57.1	55.8	55.2	224.9	56.4	57.5	56.2	55.8	225.9
Milk-fat (billion pounds milk equiv.)											
Milk marketings	225.4	56.7	57.1	55.8	55.2	224.9	56.4	57.5	56.2	55.8	225.9
Beginning stocks	14.4	13.8	16.3	18.0	16.0	13.8	13.2	13.2	15.4	17.4	13.2
Imports	7.4	2.0	2.2	2.4	2.5	9.1	2.0	2.2	2.2	2.5	8.9
Total supply	247.1	72.5	75.6	76.2	73.7	247.8	71.6	73.0	73.8	75.6	248.0
Exports	10.5	2.8	3.1	3.0	2.9	11.8	2.8	3.2	3.1	2.8	11.8
Ending stocks	13.8	16.3	18.0	16.0	13.2	13.2	15.4	17.4	15.5	13.2	13.2
Domestic use	222.9	53.4	54.6	57.2	57.6	222.7	53.4	52.5	55.3	59.6	223.0
Skim solids (billion pounds milk equiv.)											
Milk marketings	225.4	56.7	57.1	55.8	55.2	224.9	56.4	57.5	56.2	55.8	225.9
Beginning stocks	11.7	9.9	10.6	11.0	10.4	9.9	10.0	10.6	10.8	10.8	10.0
Imports	6.3	1.7	1.7	1.7	1.7	6.8	1.7	1.8	1.8	1.9	7.2
Total supply	243.3	68.3	69.4	68.4	67.4	241.6	68.1	69.8	68.8	68.5	243.0
Exports	49.9	12.3	12.4	12.8	11.4	48.8	12.0	12.5	12.3	11.9	48.7
Ending stocks	9.9	10.6	11.0	10.4	10.0	10.0	10.6	10.8	10.8	10.3	10.3
Domestic use	183.6	45.4	46.1	45.3	46.0	182.8	45.6	46.5	45.7	46.3	184.0
Milk prices (dollars/hundredweight) [1]											
All milk	20.34	20.47	21.77	23.97	24.23	22.61	23.50	22.30	21.90	22.80	22.60
Class III	17.02	15.86	17.97	21.26	20.47	18.89	20.10	19.25	18.60	18.55	19.10
Class IV	19.12	19.78	20.56	21.73	20.92	20.75	20.30	19.55	19.55	19.45	19.70
Product prices (dollars/pound) [2]											
Cheddar cheese	1.7593	1.5752	1.8049	2.0999	1.9735	1.8634	1.890	1.880	1.880	1.870	1.880
Dry whey	0.3618	0.4592	0.4215	0.4891	0.5954	0.4913	0.675	0.600	0.580	0.570	0.605
Butter	2.6170	2.7363	3.0173	3.1296	2.6647	2.8870	2.555	2.580	2.750	2.700	2.645
Nonfat dry milk	1.1856	1.2033	1.1566	1.2366	1.3716	1.2420	1.355	1.290	1.270	1.270	1.295

Totals may not add due to rounding.

[1] Simple averages of monthly prices. May not match reported annual average prices.

[2] Simple averages of monthly prices calculated by the USDA, Agricultural Marketing Service, for use in class price formulas. Product prices are based on weekly USDA *National Dairy Products Sales Report*.

Sources: USDA, National Agricultural Statistics Service; USDA, Agricultural Marketing Service; USDA, Foreign Agricultural Service; and USDA, World Agricultural Outlook Board.

Published by USDA, Economic Research Service, in *Livestock, Dairy, and Poultry Outlook.*

Updated 2/18/2025.