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### **USA Hide Supply Situation 2015 and 2016 Projections**

All cattle and calves in the United States as of January 1, 2016 totaled 92.0 million head. This is 3 percent above the 89.1 million head on January 1, 2015.

All cows and heifers that have calved, at 39.6 million head, are 3 percent above the 38.6 million head on January 1, 2015. Beef cows, at 30.3 million head, are up 4 percent from a year ago. Milk cows, at 9.32 million head, are up slightly from the previous year.

All heifers 500 pounds and over as of January 1, 2016 totaled 19.8 million head. This is 3 percent above the 19.3 million head on January 1, 2015. Beef replacement heifers, at 6.29 million head, are up 3 percent from a year ago. Milk replacement heifers, at 4.82 million head, are up 2 percent from the previous year. Other heifers, at 8.71 million head, are 3 percent above a year earlier.

All Calves under 500 pounds in the United States as of January 1, 2016 totaled 14.1 million head. This is 4 percent above the 13.5 million head on January 1, 2015. Steers weighing 500 pounds and over totaled 16.3 million head, up 4 percent from one year ago. Bulls weighing 500 pounds and over totaled 2.14 million head, up 2 percent from the previous year.

The 2015 calf crop in the United States was estimated at 34.3 million head, up 2 percent from last year's calf crop. Calves born during the first half of 2015 were estimated at 24.8 million head. This is up 2 percent from the first half of 2014. The calves born during the second half of 2015 were estimated at 9.50 million head, 28 percent of the total 2015 calf crop.

Cattle and calves on feed for the slaughter market in the United States for all feedlots totaled 13.2 million head on January 1, 2016. The inventory is up 1 percent from the January 1, 2015 total of 13.0 million head. Cattle on feed, in feedlots with capacity of 1,000 or more head, accounted for 80.2 percent of the total cattle on feed on January 1, 2016. This is down 1 percent from the previous year. The combined total of calves under 500 pounds and other heifers and steers over 500 pounds (outside of feedlots) is 25.9 million head. This is 5 percent above one year ago.

The expansion of both the beef cow herd and the calf crop are largely due to 2 factors: 2 years of record and near-record feeder calf prices and dramatically improved supplies of pasture. Although feeder calf prices rose every year between 2010 and 2015, constraints on forage due to drought limited the ability of cow-calf operators to expand their herds. Although recent declines in feeder calf prices may have tempered returns, it is likely that herd expansion will continue

through 2016. Feeder cattle prices in 2016 will likely be less than those in 2014 and 2015, but returns for cow calf operators should be sufficient to support continued herd expansion.

Imports of cattle declined to just over 1.98 million head in 2015 as supplies tightened in both Canada and Mexico. Imports are expected to fall to 1.90 million head in 2016 as inventories in those countries are lower and price incentives to ship cattle to the U.S. diminish.

Commercial cattle slaughter in the U.S. for 2015 totaled 28.739 million head, about 5% below 2014 levels. Commercial red meat production in 2015 was 48.4 billion pounds, up 2 percent from 2014. Accumulated beef production was down 2 percent from last year, veal was down 12 percent, pork was up 7 percent from last year, and lamb and mutton production was down 3 percent.

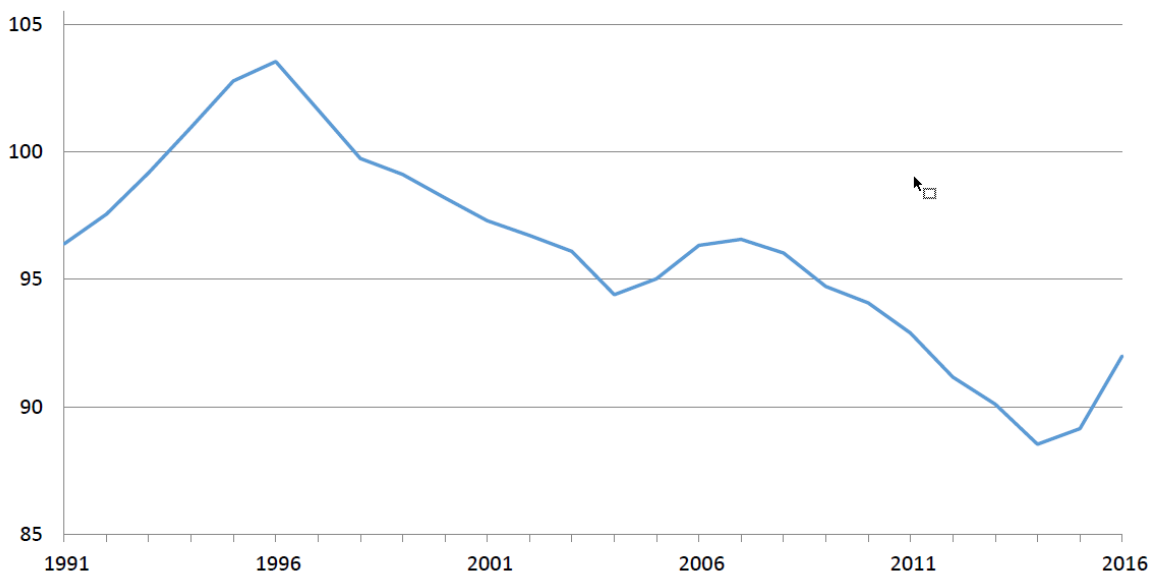
Commercial beef production for 2016 is forecast to increase by almost 4 percent, to 24.58 billion pounds. Steer and heifer slaughter will be above 2015 as an increasing number of cattle are placed on feed. Cow slaughter is also expected to increase from 2015 as herds are refreshed with the large number of heifers expected to enter both dairy and beef herds. Total commercial cattle slaughter during 2016 is expected to increase over 3 percent. However, the increase in beef production will also reflect continued increases in carcass weights. The abundance of forage has provided opportunities for cow-calf operators and backgrounders to keep cattle on forage longer, while moderating feed costs have resulted in an increase in length of the time cattle are being kept in feedlots. Carcass weights are forecast to increase to just over 827 pounds.

According to U.S. Department of Agriculture statistics, U.S. exports of wet salted cattle hides dropped to \$1.47 billion in value, a 20% decrease from 2014 levels. Exports of wet blue cattle hides likewise fell 22% to \$752 million in value. Export data for specific markets is included in the tables below.

The USDA data regarding quantities of hides, skins and wet blue products exported in 2014 was incorrect. The quantities listed for 2015 are more accurate, but the quantities listed for 2014 in the table below should be disregarded (as well as the change percentages). This is a multi-year problem with regard to piece counts that USHSLA worked to remedy with USDA in 2015.

## Cattle Inventory – United States: January 1

Million head



## Export Numbers for U.S. Bovine Fresh/Wet Salted Hides

Number of Pieces/Thousand \$U.S.\*

	Number of Pieces*			Value Thousand \$		
	Jan - Dec 2014	Jan - Dec 2015	% Chg	Jan - Dec 2014	Jan - Dec 2015	% Chng
<b>World</b>	22,577,685	19,153,371	-15%	1,836,928	1,477,471	-20%
<b>China/HK</b>	13,858,367	11,935,263	-14%	1,195,230	953,707	-20%
<b>Korea</b>	3,332,055	3,059,165	-8%	290,870	254,317	-13%
<b>Mexico</b>	1,453,588	1,453,844	0%	96,406	83,658	-13%
<b>Taiwan</b>	1,385,343	713,586	-48%	108,443	60,583	-44%
<b>EU-28</b>	1,363,247	827,315	-39%	69,520	45,772	-34%
<b>Thailand</b>	267,729	352,642	32%	23,578	27,593	17%
<b>Japan</b>	413,787	173,959	-58%	26,449	17,155	-35%
<b>Vietnam</b>	130,208	221,399	70%	9,609	16,612	73%
<b>Indonesia</b>	42,132	61,648	46%	3,827	3,996	4%
<b>Turkey</b>	131,508	107,274	-18%	6,305	3,795	-40%
<b>Canada</b>	38,434	60,294	57%	2,170	3,141	45%
<b>India</b>	23,640	55,539	135%	449	1,456	224%
<b>Bosnia</b>	1,320	16,210	1128%	128	1,226	858%
<b>Israel</b>	67,543	36,745	-46%	1,088	870	-20%
<b>Costa Rica</b>	34	29,603	86968%	3	847	28133%
<b>Pakistan</b>	20,141	23,916	19%	1,110	830	-25%
<b>Cambodia</b>	0	7,732	-	0	793	-
<b>Dom. Rep.</b>	9,331	7,823	-16%	480	580	21%
<b>Chile</b>	0	2,720	-	0	178	-
<b>Brazil</b>	900	1,880	109%	36	124	244%
<b>Australia</b>	170	1,253	637%	10	104	940%
<b>Uruguay</b>	0	946	-	0	28	-
<b>Tunisia</b>	0	675	-	0	22	-
<b>Norway</b>	0	307	-	0	21	-
<b>Haiti</b>	0	776	-	0	14	-
<b>Bahamas</b>	722	150	-79%	49	13	-73%
<b>Philippines</b>	7,000	179	-97%	59	12	-80%
<b>Colombia</b>	25,576	170	-99%	820	12	-99%
<b>Guatemala</b>	0	314	-	0	9	-
<b>Panama</b>	0	44	-	0	4	-

## Export Numbers for U.S. Pig Skins

Number of Pieces/Thousand \$U.S.

	Number of Pieces			Value Thousand \$		
	Jan - Dec 2014	Jan - Dec 2015	% Chg	Jan - Dec 2014	Jan - Dec 2015	% Chng
<b>World Total</b>	6,753,208	5,875,489	-13%	54,768	39,220	-28%
<b>Mexico</b>	2,520,208	2,293,190	-9%	26,711	19,457	-27%
<b>Taiwan</b>	3,314,575	3,070,688	-7%	18,832	15,234	-19%
<b>Thailand</b>	434,476	306,333	-29%	4,555	2,303	-49%
<b>EU-28</b>	152,953	86,550	-43%	1,355	954	-30%
<b>China/HK</b>	68,853	75,533	10%	675	693	3%
<b>Cambodia</b>	0	11,436	-	0	180	-
<b>Korea</b>	182,460	17,544	-90%	1,804	176	-90%
<b>Vietnam</b>	71,699	10,279	-86%	701	162	-77%
<b>Japan</b>	5,945	3,936	-34%	117	62	-47%

## Export Numbers for U.S. Wet Blue Hides

Number of Pieces/Thousand \$U.S.\*\*

	Number of Pieces*			Value Thousand \$		
	Jan - Dec 2014	Jan - Dec 2015	% Chg	Jan - Dec 2014	Jan - Dec 2015	% Chng
<b>World Total</b>	9,702,793	7,508,196	-23%	959,716	752,628	-22%
<b>China/HK</b>	3,749,436	2,746,756	-27%	374,825	267,649	-29%
<b>EU-28</b>	2,265,727	1,758,176	-22%	234,105	181,603	-22%
<b>Vietnam</b>	1,068,168	927,805	-13%	98,373	96,259	-2%
<b>Taiwan</b>	547,295	517,337	-5%	54,811	52,108	-5%
<b>Mexico</b>	669,762	523,616	-22%	53,267	46,270	-13%
<b>Korea</b>	261,186	370,937	42%	26,688	36,845	38%
<b>Thailand</b>	480,102	259,799	-46%	46,360	29,560	-36%
<b>Dom. Rep.</b>	359,901	256,640	-29%	39,801	28,147	-29%
<b>Japan</b>	108,381	90,694	-16%	11,542	8,712	-25%
<b>India</b>	72,407	54,189	-25%	7,283	5,235	-28%
<b>Argentina</b>	0	1,547	-	0	180	-
<b>Uruguay</b>	117,649	675	-99%	12,348	57	-100%
<b>Australia</b>	0	25	-	0	3	-