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Summary

Prices of meat animals in general are expected to continue high through the first half of 1947, although there will be considerable variation in price changes for the various kinds and grades

Declines in prices of better grade slaughter cattle are probable as marketings increase seasonally through the spring and early summer. Stocker and feeder cattle prices also may decline after spring as marketings increase seasonally, but not as much as prices for better grade slaughter cattle. Prices of hogs and lambs are expected to remain at or near current high levels in the first half of the year.

By fall, meat-animal prices are expected to be declining generally. The decline is likely to be more than seasonal in the last quarter of 1947 when livestock marketings will be large, and demand for meat probably will be weaker.

Prices of hogs and lambs in mid-February were near the record levels reached last November, and were more than half again as high as in February 1946. Prices of better grade fed cattle declined during December and January, but prices of stocker and feeder cattle continued at near-record levels.

Pork supplies this spring and summer will be less than a year earlier, chiefly because of the reduced 1946 fall pig crop. In addition, storage stocks of pork were low in February which is near the end of the usual into-storage season. Beef supplies will be large during 1947.

Farmers reduced numbers of all kinds of livestock during 1946. There were 4 million (7 percent) fewer hogs on farms January 1 this year than last. The number of stock sheep on January 1 was the smallest since 1867, declining 9 percent during 1946. The number of sheep has declined for 5 consecutive years, and the total decline of about 30 percent during that period was greater than for any previous 5-year period. There were 2 percent fewer milk cows and about 2 percent fewer beef cattle on farms and ranches at the beginning of 1947 than a year earlier.

The hog-corn price ratio since October has continued to be near the highest of record. The ratio is likely to continue favorable to hog farmers through the spring at least. This, together with the large quantities of corn available, will encourage an expansion in hog production this year. Farmers reported last December that they intend to breed 6 percent more sows for spring farrow in 1947 than in 1946. The number of sows to be bred for fall farrow this year also is likely to show a much larger increase. With a record or near-record cattle slaughter in prospect, total numbers of cattle may decline, with most or all of the decline being in cattle kept primarily for beef.

(For release March 3 A. M.)

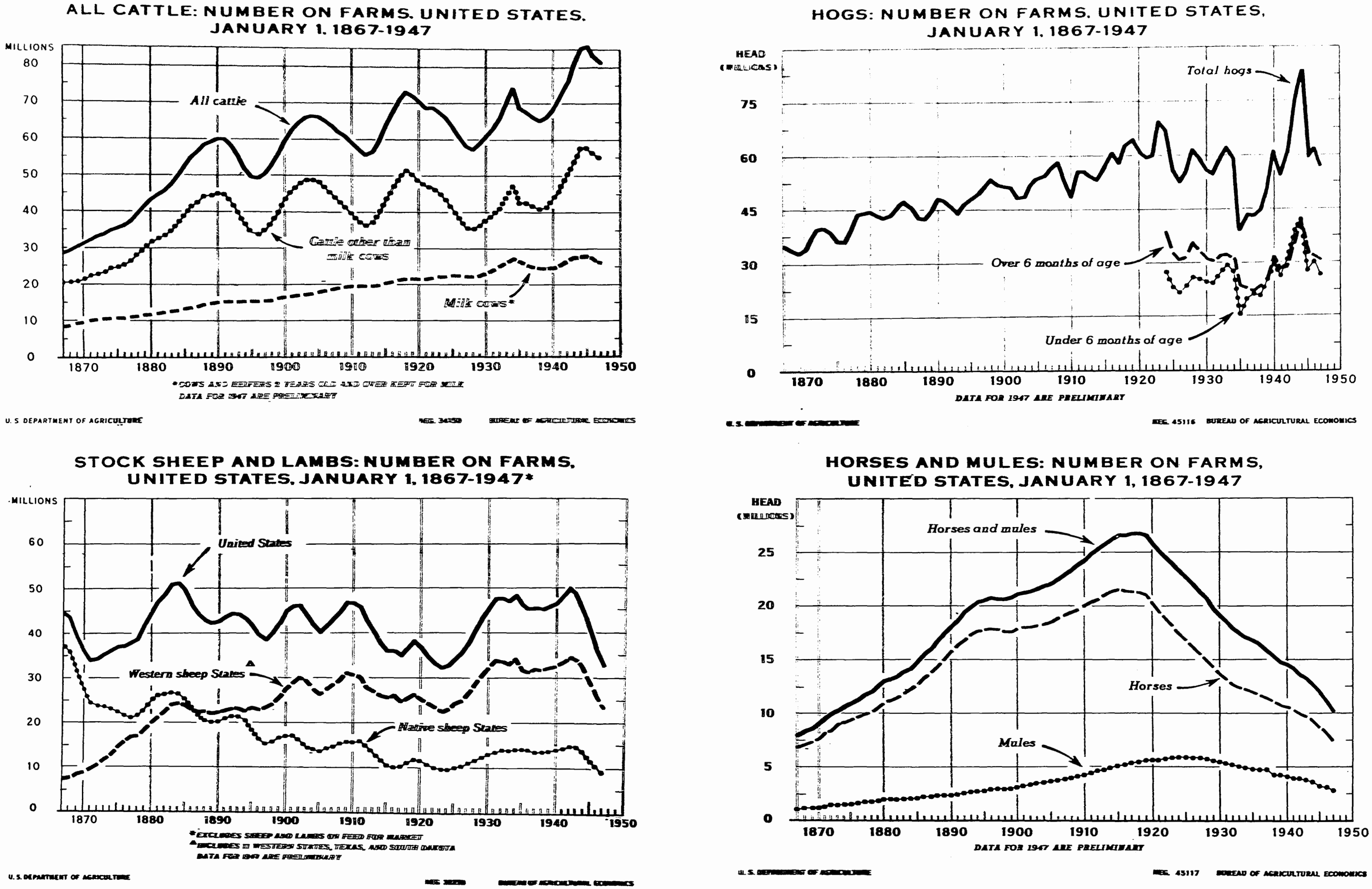


Figure 1.

Farmers reduced numbers of all species of livestock during 1946. During the next few years cattle numbers may continue the downward movement of the numbers cycle begun in 1945. Beef and veal production will be large during the next year or two as numbers decline. Hog numbers are now the lowest since 1941. However, very high hog prices are encouraging an increase in hog production which will be reflected in increased pork production in late 1947 and in 1948. Stock sheep numbers are the lowest on record, and output of lamb and mutton during the next few years will be considerably smaller than during

OUTLOOK

Fed Cattle Prices Expected to Decline Further;
Hog Prices to Remain High Through Summer

Farmers will continue to receive high prices for meat animals through the first half of 1947, although prices of the different kinds probably will show divergent trends. Prices of hogs and lambs are expected to continue at or near current high levels, but prices of better grade slaughter cattle probably will decline at least moderately. By fall, prices of meat and of meat animals in general are expected to decline.

There has been a steady decline in the purchasing power of salary and wage earners during the past several months. This, and some other important economic forces, suggest a downturn in general business activity during the latter part of 1947. Total meat supplies are expected to be large during 1947. Beef will constitute a larger-than-usual proportion of the total meat supply during the spring and summer.

Hog prices probably will continue at or near current high levels through the summer. Reduced pork production and the current relatively low level of pork stocks will be strong price-supporting factors. But it is unlikely that hog prices will be much, if any, above current levels, particularly in view of the large beef supplies in prospect.

Hog prices rose moderately in January and continued to rise in early February, as hog slaughter declined seasonally. The average price of barrows and gilts at Chicago in January was $22.85, or $1.34 per hundred pounds lower than the average for November 1946 when prices reached a peak after decontrol. But January prices were $8.00 per hundred pounds higher than the ceilings in June 1946.

The hog-corn price ratio continued to be exceptionally favorable to hog producers in January and early February. The ratio of 18.0 on January 15 (U.S. farm basis) was a near-record for the third consecutive month.

Further declines in prices of fed cattle are in prospect this spring. There was some decline in prices of better grades of fed cattle in January and early February as wholesale beef prices declined and slaughter of medium and good fed cattle increased. Although marketings of prime and choice cattle were very small, prices of these grades dropped sharply from the record highs reached last fall.

Fed cattle marketings probably will be much larger in the spring and summer than a year earlier. A near-record number of 4.3 million head of cattle were on grain feed January 1. The number was only 2 percent more than a year earlier, but a much larger number of cattle continued to move to feeding areas in January and early February 1947 than a year earlier. Shipments of stocker and feeder cattle into 8 North Central States in December 1946 were 25 percent greater than a year earlier. In January they were 59 percent greater than in January 1946.

Slaughter of fed cattle during January-March 1946 was a near-record, reflecting early marketings, largely as a result of the tight feed situation. Slaughter dropped off sharply in the spring and the number of cattle in feedlots during the spring of 1946 was substantially smaller than the year before. By mid-summer 1946 only a small number of cattle were on grain feed in the Corn Belt.

Prices of lower grade fed cattle and of stocker and feeder cattle are expected to continue relatively high during the next few months. Cattle-feeding margins continued much above average in January, but were below those of November

Table 1.- Cattle, hogs and sheep: Average price per 100 pounds at Chicago, January, November and December 1946, and January 1947

Class and grade	Price January 1946	Average subsidy direct to farmers, January 1946	Price January 1946, plus farm subsidies	Price November 1946	Price December 1946	Price January 1947	November 1946 as percentage of January 1946, plus farm subsidies	January 1947 as Percentage of January 1946, plus farm subsidies
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Corn Belt Beef Steers								
Choice and prime	17.81	.50	18.31	32.40	31.09	28.08	177	153
Good	16.51	.50	17.01	25.63	25.28	23.93	151	141
Medium	14.80	1/ .40	15.20	19.63	20.81	20.44	129	134
Common	11.86	1/ .12	11.98	15.30	14.68	15.83	128	132
All grades	16.49	1/ .47	16.96	23.64	23.19	22.16	139	131
Cows (all weights)								
Good	14.01	2/ .25	14.26	16.00	16.48	15.65	112	110
Medium	12.80	---	12.80	13.77	14.12	13.52	108	106
Cutter and common	9.88	---	9.88	11.48	11.72	11.22	116	114
Vealers								
Good and choice	14.78	---	14.78	20.28	20.13	24.58	137	166
Common and medium	11.59	---	11.59	14.27	13.45	16.25	123	140
Lambs (spring)								
Good and choice	14.89	3/ 2.50	17.39	23.67	23.41	23.23	136	134
Ewes								
Good and choice	7.26	1.00	8.26	8.39	7.61	8.05	102	97
Hogs (all purchases)	14.72		14.72	24.07	22.87	22.45	164	153
Barrows and gilts	14.79	---	14.79	24.19	23.19	22.85	164	154
Sows	14.02	---	14.02	23.23	20.67	19.26	166	137

1/ Sales of common and medium grade represented 25.7 percent of all steers marketed; estimated that subsidy was paid on approximately 80 percent of the medium grade sold and one-fourth of all common grade sold.
2/ Estimated subsidy paid on 50 percent of sales.
3/ Estimated 20 percent of liveweight sales averaged 65 to 90 pounds; 80 percent of sales averaged over 90 pounds.

Table 2.- Wholesale meat; Average price per 100 pounds at Chicago, January, November, and December 1946, and January 1947

Type and grade	Ceiling price January-June 1946	Average subsidy paid to packers January 1946 1/	Average subsidy direct to farmers, wholesale price equivalent, January 1946 1/	Ceiling price plus subsidies January 1946	Price November 1946	Price December 1946	Price January 1947	November 1946 as percentage of January 1946 ceilings plus subsidies	January 1947 as percentage of January 1946 ceilings plus subsidies
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Steer beef carcasses									
Choice 600-700 pounds	20.88	4.90	2/ .82	26.60	45.60	45.88	43.70	171	164
Good 500-600 pounds	19.88	5.10	2/ .86	25.84	39.82	38.72	36.22	154	140
Com'l.400-600 pounds	17.88	3.40	2/ .71	21.99	29.87	31.25	30.72	136	140
Utility 400-600 pounds	15.88	2.30	2/ .22	18.40	26.13	25.78	26.34	142	143
Lamb carcasses									
Good 30-40 pounds	23.68	---	3/ 4.45	28.13	40.65	37.54	39.94	145	142
Pork products									
Loins 10-12 pounds	24.75	4/ 3.00	---	27.75	47.18	38.35	41.09	170	148
Hams, smk.reg. No. 1 8-10 pounds	26.75	4/ 3.00	---	29.75	55.38	54.10	52.34	186	176
Bacon, smk.D.C. No. 1 8-10 pounds	25.00	4/ 3.00	---	28.00	52.69	52.60	50.78	188	181
Prime steam lard 1-pound cartons	15.55	---	---	15.55	40.99	27.38	26.29	264	169

1/ Excludes minor subsidies paid to livestock slaughterers to insure them against losses because of price controls and special payments to nonprocessing slaughterers of cattle.
2/ Estimated that susidy in January was paid on all steers grading good and better, on around 80 percent of the medium, and around 25 percent of the common grade.
3/ Lambs weighing under 90 pounds liveweight, on which the subsidy was $2.00 per 100 pounds.
4/ Assumes that no subsidy was paid on lard, and that subsidies were the same for all cuts.

and December. Prices of feeder cattle rose only slightly in January. The average price of feeder and stocker steers at Kansas City in January was $17.68, compared with $17.63 in December 1946, and $13.56 a year earlier. The margin between prices of average feeding steers at Kansas City and good grade slaughter steers at Chicago in January was $6.25, compared with $7.65 in December, and $2.95 in January 1946.

A small slaughter of lambs is in prospect during the next several months and prices are expected to continue high through early spring. Although prices may decline after May, they will be high relative to cattle prices. Fewer lambs will be marketed for slaughter in 1947 than in 1946 but cattle slaughter will be large.

Prices of lambs declined slightly in January, reflecting heavy marketings of fed lamb. But prices of good and choice slaughter lambs at Chicago averaged 34 percent higher in January than the price plus subsidies a year earlier. Slaughter-ewe prices in early February were moderately lower than the price plus subsidies a year earlier.

Meat prices declined during December, January and early February from the post-war peaks reached in October and November. Prices of good grade beef carcasses at Chicago advanced from the June 30 ceiling level of $19.38 (exclusive of subsidies then paid) to an average of $39.82 in November, but had declined to $36.22 in January. At that time, the average price was 40 percent higher than the June 1946 ceilings plus the equivalent of subsidies paid to packers and directly to farmers. Price declines occurred for most pork products and for lamb and mutton, with lamb prices declining less than the other meats. The composite average price of pork and lard at Chicago in January was 45 percent higher than the June 1946 ceilings plus subsidies to packers. Prices of lamb in January 1947 averaged around 42 percent higher than the June 1946 price ceiling plus the wholesale price equivalent of subsidies to farmers.

Numbers of all kinds of Livestock Declined During 1946

Farmers reduced numbers of all kinds of livestock in 1946 - beef cattle slightly; milk cows and hogs, moderately; sheep, horses, and mules, sharply. In terms of feed-grain consuming animal units, numbers were down 5 percent; including chickens they were down 5.9 percent. In terms of pasture and roughage units, the total was down 3 percent. The total number of cattle on farms and ranches January 1, estimated at 81 million head, was 2 percent less than a year earlier, and 5 percent less than the all-time high of January 1, 1945. East of the Mississippi River, total cattle numbers increased about 1 percent in 1946, but west of the River numbers were reduced 3 percent.

Cattle numbers still are above pre-war (1941) in nearly all states. The total number of cattle was at a low point in the numbers cycle at the beginning of 1938 (65.3 million head) and reached an all-time high of 85.6 million head at the beginning of 1945. Relative increases in cattle numbers since 1938 have been greatest in the West North Central and South Atlantic regions. Most of the increase is in beef cattle.

Decreases occurred in numbers of both beef cattle and dairy cattle in 1946. At the beginning of 1947, there were 42.6 million head of beef cattle on farms, 2 percent fewer than a year earlier, and 5 percent less than the peak number of January 1, 1945. The number of milk cows, which started to drop in 1945, declined 2 percent more during 1946, reaching the lowest level since 1941. Year to year changes in the number of milk cows are seldom greater than 3 percent. The decline in milk cow numbers during each of the past two years was greatest in the North and South Central regions.

The number of beef cows on January 1 was practically the same as on January 1, 1946. But the number of beef heifers from 1 to 2 years of age declined 4 percent and steers declined 7 percent. The number of replacement milk heifers, 1 to 2 years of age declined 3 percent during 1946, reflecting the reduced number of heifer calves saved for milk cows in 1945. On the other hand, the number of heifer calves being kept for milk cows increased around 2 percent in 1946. The number of other calves January 1, 1947 was little changed from a year earlier.

Farmers had 4 million fewer hogs on January 1, 1947 than a year earlier. The number of hogs at the beginning of 1947 was the lowest since 1941, and far below 1943 or 1944. The reduction in the number of hogs in 1946 was due chiefly to an 11-percent reduction from the previous year in the size of the 1946 fall pig crop. The number of hogs over 6 months of age on farms January 1 (largely from the 1946 spring crop) was down 4 percent from a year earlier.

The number of sheep continued to decline in 1946 for the fifth consecutive year. The total number on hand January 1, 1947 was the smallest in 22 years, and over 18 million head (31 percent) less than the peak of January 1, 1942. This was the greatest decline on record for a 5-year period. The decline in the number of sheep since 1942 has been general over the country, but the greatest reduction occurred in the Western States.

There were fewer stock sheep on farms and ranches on January 1 than on any January 1 since at least 1867. Compared with January 1, 1946, the number of stock sheep and lambs on January 1 this year was 9 percent smaller, and sheep and lambs on feed on January 1 were 12 percent smaller.

The rate of decline in horse and mule numbers in recent years has accelerated as the number of tractors increased markedly. There were only about one-third as many horses on farms at the beginning of 1947 as the all-time high of 21.4 million head on January 1, 1915 and only around two-thirds as many as at the beginning of 1940. The number of mules on farms has declined from a record of almost 6 million at the beginning of 1925 to 2.8 million at the beginning of 1947. The decline in the number of mules in recent years has been relatively greatest in the North Central, North Atlantic and Western States. Smallest declines have been in the South Atlantic region.

Number of Hogs to Increase in 1947; Cattle Numbers to Decline

The number of hogs on farms January 1, 1948 probably will be somewhat greater than on January 1, 1947. An increase in spring farrowings is expected and an increase in the fall pig crop also is probable in view of the current and prospective favorable hog-corn price relationships. On the other hand, the total number of cattle on farms probably will decline this year, with most, if not all of the reduction being in cattle other than milk cows. The number of sheep is expected to decline at a slower rate in 1947 than in 1946. Prospective high prices for lambs relative to cattle and further improvement in the farm labor supply may lessen the tendency for liquidation and encourage retention of more breeding stock.

Table 3.-Livestock on farms and ranches January 1 by regions, 1935-39 average, 1940-47 1/

Year	North Atlantic	North Central: East	North Central: West	South Atlantic	South Central	Western	United States
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
			All cattle and calves				
1935-39 Av.	4,823	11,029	18,893	4,543	16,351	11,175	66,814
1940	4,992	11,795	19,471	4,573	16,421	11,057	68,309
1941	5,029	12,283	21,002	4,739	17,063	11,639	71,755
1942	5,027	12,705	22,445	4,911	18,359	12,578	76,025
1943	5,099	13,047	24,332	5,225	20,062	13,439	81,204
1944	5,280	13,529	25,586	5,598	20,968	14,373	85,334
1945	5,366	13,513	25,746	5,603	21,190	14,155	85,573
1946	5,239	13,102	24,000	5,502	20,625	13,966	82,434
1947	5,234	13,186	23,374	5,589	20,096	13,571	81,050
			Milk cows, heifers and heifer calves being kept for milk				
1935-39 Av.	4,388	8,416	9,326	2,718	7,263	3,301	35,412
1940	4,585	8,826	9,412	2,731	7,500	3,378	36,432
1941	4,619	9,098	9,736	2,793	7,608	3,529	37,383
1942	4,617	9,432	10,170	2,891	8,001	3,726	38,837
1943	4,646	9,670	10,560	3,006	8,485	3,873	40,240
1944	4,813	9,958	10,714	3,124	8,678	3,970	41,257
1945	4,903	9,979	10,352	3,084	8,622	3,909	40,849
1946	4,787	9,700	9,573	3,038	8,222	3,773	39,093
1947	4,785	9,663	9,279	3,044	8,001	3,697	38,469
			Other cattle and calves, including all bulls				
1935-39 Av.	435	2,613	9,567	1,825	9,088	7,874	31,402
1940	407	2,969	10,059	1,842	8,921	7,679	31,877
1941	410	3,185	11,266	1,946	9,455	8,110	34,372
1942	410	3,273	12,275	2,020	10,358	8,852	37,188
1943	453	3,377	13,772	2,219	11,577	9,566	40,964
1944	467	3,571	14,872	2,474	12,290	10,403	44,077
1945	463	3,534	15,394	2,519	12,568	10,246	44,724
1946	452	3,402	14,427	2,464	12,403	10,193	43,341
1947	449	3,523	14,095	2,545	12,095	9,874	42,581
			Hogs				
1935-39 Av.	1,206	11,587	16,106	4,608	8,377	2,048	43,932
1940	1,479	16,218	23,737	5,549	11,321	2,861	61,165
1941	1,329	15,057	20,689	5,204	9,398	2,676	54,353
1942	1,275	16,130	25,007	5,348	9,908	2,939	60,607
1943	1,520	18,381	31,783	6,076	12,333	3,788	73,881
1944	1,963	20,980	36,111	6,856	13,580	4,251	83,741
1945	1,519	15,420	24,048	5,738	10,112	2,494	59,331
1946	1,332	16,491	26,627	5,079	9,486	2,286	61,301
1947	1,248	15,585	23,546	5,376	9,135	2,011	56,901
			All Sheep and Lambs				
1935-39 Av.	947	5,994	8,124	1,179	10,674	24,323	51,241
1940	799	5,605	9,127	1,039	11,949	23,588	52,107
1941	809	5,634	10,406	1,007	12,146	23,918	53,920
1942	811	5,606	11,320	980	12,940	24,556	56,213
1943	830	5,543	11,634	945	13,150	23,048	55,150
1944	796	4,891	10,585	876	12,290	21,344	50,782
1945	660	4,297	9,891	809	11,650	19,213	46,520
1946	588	3,992	8,590	774	11,074	17,418	42,436
1947	536	3,604	7,867	755	10,226	15,583	38,571
			Horses				
1935-39 Av.	785	2,444	3,980	499	1,892	1,685	11,285
1940	729	2,229	3,496	520	1,924	1,546	10,444
1941	703	2,113	3,428	523	1,906	1,520	10,193
1942	669	1,970	3,347	524	1,861	1,502	9,873
1943	640	1,859	3,257	525	1,832	1,492	9,605
1944	610	1,718	3,103	529	1,816	1,416	9,192
1945	582	1,561	2,929	525	1,771	1,347	8,715
1946	549	1,389	2,652	516	1,692	1,255	8,053
1947	508	1,187	2,303	503	1,571	1,179	7,251
			Mules				
1935-39 Av.	61	220	455	998	2,620	111	4,465
1940	54	175	388	981	2,354	82	4,034
1941	52	165	381	961	2,274	78	3,911
1942	49	146	355	946	2,213	73	3,782
1943	45	135	337	925	2,117	67	3,626
1944	39	118	294	911	1,998	61	3,421
1945	33	104	270	889	1,882	57	3,235
1946	30	84	238	865	1,741	52	3,010
1947	27	64	195	839	1,599	49	2,773

1/ Data for 1940-46 revised - 1947 data preliminary.

Table 4.--Number and Value of Livestock on farms and ranches, United States, January 1, 1935-39 Average and annually 1940 - 47 1/

Year	Milk Cows	Other Cattle	Hogs	Sheep and Lambs	Horses	Mules	Chickens	Turkeys	Total 2/
				Number on farms January 1 (Thousand head)					
1935-39 Av.	24,999	41,815	43,932	51,241	11,285	4,465	405,108	6,035	
1940	24,940	43,369	61,165	52,107	10,444	4,034	438,288	8,569	
1941	25,453	46,302	54,353	53,920	10,193	3,911	422,841	7,193	
1942	26,313	49,712	60,607	56,213	9,873	3,782	476,935	7,485	
1943	27,138	54,066	73,881	55,150	9,605	3,626	542,047	6,600	
1944	27,704	57,630	83,741	50,782	9,192	3,421	582,197	7,429	
1945	27,770	57,803	59,331	46,520	8,715	3,235	516,497	7,203	
1946	26,695	55,739	61,301	42,436	8,053	3,010	530,203	8,493	
1947	26,100	54,950	56,901	38,571	7,251	2,773	475,442	6,632	
				Farm Value per head (Dollars)					
1935-39 Av.	47.84	23.44	10.77	5.71	89.59	118.03	.684	2.49	
1940	57.30	30.95	7.78	6.31	77.30	116.00	.605	2.14	
1941	60.90	33.52	8.34	6.73	68.20	107.00	.654	2.26	
1942	77.90	42.85	15.60	8.60	64.70	107.00	.833	3.08	
1943	99.50	54.08	22.50	9.66	79.80	127.00	1.04	4.47	
1944	102.00	52.17	17.50	8.71	78.60	143.00	1.18	5.33	
1945	99.40	51.23	20.60	8.57	64.90	134.00	1.21	5.78	
1946	112.00	58.94	23.90	9.69	57.40	133.00	1.27	5.75	
1947	145.00	74.78	36.00	12.63	59.20	141.00	1.44	6.47	
				Total farm value January 1 (Million dollars)					
1935-39 Av.	1,196	980	473	293	1,011	527	277	15	4,772
1940	1,428	1,342	476	329	808	467	265	18	5,133
1941	1,550	1,553	453	363	695	419	276	16	5,326
1942	2,049	2,131	945	484	638	406	398	23	7,073
1943	2,701	2,924	1,662	533	766	462	564	30	9,643
1944	2,830	3,007	1,467	442	723	490	686	40	9,684
1945	2,761	2,961	1,224	399	565	434	626	42	9,011
1946	2,994	3,286	1,468	411	462	401	671	49	9,742
1947	3,788	4,110	2,048	487	429	390	684	43	11,979
				Value of each type as a percentage of total value (Percentage)					
1935-39 Av.	25.1	20.5	9.9	6.2	21.2	11.0	5.8	0.3	
1940	27.8	26.1	9.3	6.4	15.7	9.1	5.2	0.4	
1941	29.1	29.2	8.5	6.8	13.0	7.9	5.2	0.3	
1942	29.0	30.1	13.4	6.9	9.0	5.7	5.6	0.3	
1943	28.0	30.3	17.2	5.5	8.0	4.8	5.9	0.3	
1944	29.2	31.0	15.1	4.6	7.5	5.1	7.1	0.4	
1945	30.6	32.9	13.6	4.4	6.3	4.8	6.9	0.5	
1946	30.7	33.7	15.1	4.2	4.8	4.1	6.9	0.5	
1947	31.6	34.3	17.1	4.1	3.6	3.2	5.7	0.4	

1/ Data for 1940-46 revised - 1947 data preliminary.

2/ Total value is sum of unrounded figures.

The number of chickens on farms January 1, 1947, totaled 475.4 million, 10 percent less than a year earlier and the lowest since 1941. The number of turkeys on farms January 1, 1947 of 6.6 million was 22 percent less than a year earlier and the smallest since 1939. Although egg-feed price relationships have been below average, about as many chickens are likely to be raised in 1947 as in 1946 because of abundant feed supplies and better distribution of feeds. Inventory numbers are likely to be little changed at the end of 1947.

The total farm inventory value of meat animals, milk cows, chickens and turkeys on January 1 set a new high, estimated at 12 billion dollars. This exceeded the previous record of January 1, 1946 by nearly 25 percent. The average inventory value per head for cattle, hogs, and sheep was the highest on record. The value of all cattle, estimated at 7.9 billion dollars, was the highest on record. The value of all cattle, estimated at 7.9 billion dollars, was 66 percent of the total inventory value of all livestock on farms. Milk cows accounted for 32 percent of the total. The value of hogs on farms January 1, estimated at 2 billion dollars, was 17 percent of the total inventory value of livestock.

The value of horses and mules at the first of 1947 accounted for 7 percent of the farm value of all livestock, compared with an average of 32 percent in 1935-39. The average farm value of horses at the first of 1947 was moderately greater than a year earlier, but otherwise the lowest since 1933. The average value of mules was moderately below the peak at the first of 1944.

Meat Animal Goals for 1947

Official livestock production goals for 1947 were announced in January. The goal for 1947 hog production calls for the farrowing of 9.2 million sows in the spring. The December intentions report indicated only 8.6 million sows for farrowing. The beef cattle goal calls for a slaughter of 34.5 million cattle and calves, a near record. This would cause a moderate reduction in beef cattle numbers in 1947. The sheep goal calls for no further reduction in numbers in 1947. Achievement of the 1947 goals would result in a production of meat of around 23.4 billion pounds in 1947 and in a continued large meat production in 1948. The 1947 production would provide a civilian per capita supply of around 157 pounds of meat, 13 pounds per person more than in 1946.

1947 Meat Production Around 4 Percent Above 1946; Government Buying Reduced

Total meat production in 1947 is expected to be around 23 billion pounds (dressed meat basis), about 1 billion pounds more than in 1946 and 5 billion pounds more than the 1937-41 average. Civilian meat supplies in 1947 probably will average around 150 to 155 pounds per person compared with 144 pounds in 1946. 1/ Most, if not all of the 1947 increase will be in beef, production of which may be the largest on record. Pork production is expected to be slightly less than the 10.3 billion pounds produced in 1946. Lamb and mutton production in each quarter is likely to be less than in comparable quarters of 1946.

1/ Estimates for 1946 are preliminary. Revised estimates of meat production and consumption for 1946 and other recent years will be available in late April.

Table 5.-Livestock by classes, United States, January 1,1940-47 1/

Years	Cattle: Total	Milk Animals: Cows 2 years +	Milk Animals: Heifers 1-2 years	Milk Animals: Heifer calves	Other Animals: Cows 2 years	Other Animals: Heifers 1-2 years	Other Animals: Other Calves	Other Animals: Steers 1-yr. +	Other Animals: Bulls 1 yr. +
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
1940	68,309	24,940	5,525	5,967	10,676	3,357	10,936	5,283	1,625
1941	71,755	25,453	5,676	6,254	11,366	3,789	11,413	6,119	1,685
1942	76,025	26,313	5,889	6,635	12,578	4,055	12,219	6,596	1,740
1943	81,204	27,138	6,067	7,035	13,980	4,547	13,239	7,361	1,837
1944	85,334	27,704	6,352	7,201	15,521	4,971	13,768	7,849	1,968
1945	85,573	27,770	6,307	6,772	16,456	5,069	12,871	8,329	1,999
1946	82,434	26,695	5,803	6,595	16,319	4,854	12,565	7,715	1,888
1947 2/	81,050	26,100	5,611	6,758	16,360	4,659	12,572	7,149	1,841

Years	Sheep: All sheep	On Feed	Stock sheep: Total	Lambs: Ewes	Lambs: W & R	One year and over: Ewes	One year and over: Rams	One year and over: Wethers
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
1940	52,107	5,841	46,266	6,931	1,398	35,707	1,325	905
1941	53,920	6,479	47,441	7,345	1,422	36,419	1,379	876
1942	56,213	6,867	49,346	7,864	1,778	37,361	1,446	897
1943	55,150	6,954	48,196	6,928	1,643	37,303	1,434	888
1944	50,782	6,512	44,270	6,142	1,951	33,991	1,345	841
1945	46,520	6,911	39,609	4,782	1,513	31,280	1,264	770
1946	42,436	6,837	35,599	4,773	1,533	27,680	1,100	513
1947 2/	38,571	6,029	32,542	4,323	1,451	25,340	1,011	417

Years	Hogs: Total	Under 6 mo.	6 month +: Sows & Gilts	6 month +: Other	Horses and Mules: Total	2 years +	1 - 2 years	Under 1 yr.
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
1940	61,165	30,044	9,413	21,708	14,478	13,000	724	754
1941	54,353	26,328	8,565	19,460	14,104	12,651	722	731
1942	60,607	31,090	10,699	18,818	13,655	12,346	676	633
1943	73,881	38,401	13,334	22,146	13,231	12,117	600	514
1944	83,741	42,337	10,825	30,579	12,613	11,668	483	462
1945	59,331	27,212	9,223	22,896	11,950	11,116	434	400
1946	61,301	30,035	9,411	21,855	11,063	10,392	366	305
1947 2/	56,901	26,839	9,637	20,425	10,024	9,477	292	255

1/ Data for 1940-46 are revised
2/ Preliminary.

Total meat output in the second and third quarters of 1947 will be considerably greater than in the same quarters of 1946. Meat output was very small during June, September, and early October last year when producers sharply reduced marketings of livestock because of price uncertainties. Beef production during the second and third quarters of 1947 will be larger than a year ago, reflecting the increased numbers of cattle being fed for market. However, a smaller production of pork is in prospect for the second and third quarters this year compared with last.

Total meat production in the fourth quarter of 1947 is expected to be at least as large as in the fourth quarter of 1946. Slaughter of grass cattle is expected to be large on the basis of the number now on farms and ranches. Slaughter of cattle in the fourth quarter of 1947 will be exceptionally large if cattlemen reduce breeding stock to any extent. Hog slaughter in the fourth quarter of 1947 will be as large as or larger than a year earlier if farmers' breeding intentions for spring farrow are borne out.

Meat exports from the United States are expected to be sharply reduced in 1947. Commodity Credit Corporation purchases of meat for export in 1946 totaled around 640 million pounds (dressed meat basis). In addition, CCC stocks of meat were liquidated and the Army transferred surplus canned meat to UNRRA for relief feeding abroad. Virtually all of the meat purchased by CCC last year came out of January-June production. CCC has purchased very little meat since June 1946. The United States has allocated 115 million pounds of meat and meat products for commercial export in the first quarter of 1947. Export licensing and domestic allocation of meat are authorized under the Second War Powers Act. This authority will expire March 31, unless extended by Congress.

Purchases of meat by the Armed forces, Veterans Administration, War Shipping Administration, Public Health Service and Marine Hospitals in 1947 may be moderately less than the 1946 purchases of 870 million pounds, dressed meat basis.

Pork Stocks Continue Low

Total stocks of meat and edible offals in commercial cold-storage houses and meat-packing plants on February 1 totaled 713 million pounds, 82 million less than the 1942-46 average for that date. Most of the reduction was in pork. Pork stocks usually account for 66 percent of total stocks February 1, but this year were only 54 percent. Pork stocks in storage February 1 totaled 388 million pounds, 27 percent smaller than average and small relative to current production. Pork stocks reached a record low in October following very large withdrawals from storage in July-September. The November-January into-storage movement was 7 percent more than a year earlier, but 4 percent less than average for the period. Pork storage stocks usually accumulate in November-February. Net withdrawals from storage usually occur during March-October and are heaviest in July-September.

February 1 stocks of beef totaled 179 million pounds, about the same as a year earlier, but materially above average. Beef stocks usually reach a seasonal peak in January or February and a seasonal low about August.

SEASONAL VARIATION IN PRICES OF MEAT AND MEAT ANIMALS

Retail Meat

Seasonal changes in retail meat prices usually are not great and probably correspond roughly to the cost of storing meat from months of high production to months of low production. The maximum seasonal variation in the retail price for all meat (including beef, veal, lamb and mutton, edible offals and pork products, less lard), for the years 1922-41 adjusted for trend, was 7 percent,--from 97.4 percent of the yearly average in March to 104.3 percent of the yearly average in September. Retail prices tend to reach a low for the year in February and March, lagging a month or two behind the peak in meat production and the usual low in cattle, hog and calf prices. The low in most years occurs during Lent. Prices tend to increase throughout the April-August period, reaching seasonal highs in the late summer and early fall.

Retail pork prices are seasonally low in December-February. Prices usually are highest in September, and then tend to fall as supplies increase with the marketings of spring pigs.

Seasonal changes in retail prices of good grade beef are similar to those in pork prices. The maximum seasonal variation in monthly prices of good-grade beef for the years 1922-41 was slightly less than for pork. Beef prices at retail tend to be lowest in March and reach a peak for the year in September. Prices usually decline rather sharply in October and November, and continue downward at a slower rate through February.

Monthly variations in retail lamb prices are more pronounced than for any of the other meats. Average retail lamb prices reach a peak most often in June, when old-crop fed lambs have largely been marketed and before spring lambs are marketed in volume. Retail lamb prices, although tending to decline after June, remain above average through September. Prices usually reach the seasonal low in December, one or two months after marketings of lambs reach their usual peak for the year.

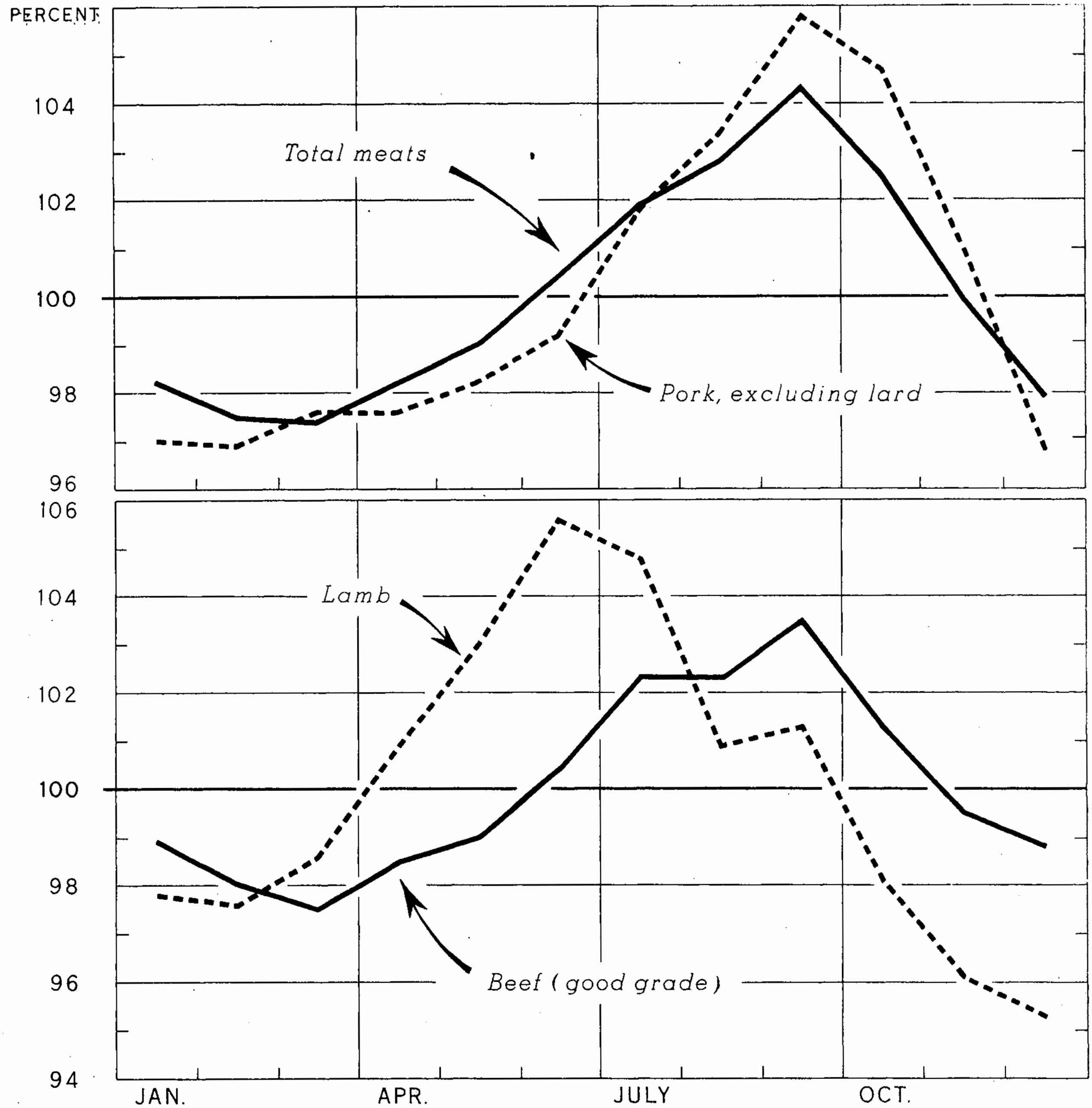
Meat Animals

Prices of meat animals as a group tend to be seasonally high in July-September and seasonally low in December-January. The peak usually occurs in September and a secondary peak is reached usually in March or April. Variations by species, and by classes and grades, show contrasting trends. (See table 6).

Prices received by farmers for hogs usually are seasonally high in September, corresponding to the usual low in hog marketings. Prices usually decline sharply in November, and most often reach a low point for the year in December. After December prices tend to rise as slaughter declines, reaching a secondary peak in March or April. Prices tend to weaken in May and June when marketings of fall pigs are greatest but usually begin to rise again in July.

SEASONAL VARIATION IN AVERAGE RETAIL PRICES OF MEATS, UNITED STATES

INDEX NUMBERS (AV. FOR YEAR = 100)*



*AVERAGE OF MEDIAN RATIOS OF ACTUAL DATA TO 12-MONTH MOVING AVERAGE CENTERED; BASED ON MONTHLY PRICE DATA FOR YEARS 1922-41

U. S. DEPARTMENT OF AGRICULTURE NEG. 46094 BUREAU OF AGRICULTURAL ECONOMICS

Figure 2.

Seasonal price variations in beef and pork are similar. Prices of both beef and pork tend to be low in December-April and usually reach their peaks in September. The seasonal variation in retail pork prices is slightly wider than in retail beef prices, but less than in retail prices of lamb cuts. Lamb prices tend to be highest in May-July, before spring lambs are marketed in large volume.

Seasonal price variations for barrows and gilts and for sows at Chicago are similar to those for average farm prices of all hogs. Prices for butcher hogs and sows show similar seasonal variation, even though sow marketings are seasonally highest in July-September, when prices are usually the highest for the year.

Seasonal changes in prices of Corn Belt beef steers usually show little relation to seasonal changes in marketings. 1/ Prices of choice and prime and of good grade slaughter steers tend to be highest in September-October when marketings at Chicago are above average. At that time total production and stocks of all meat are near their annual low points. Prices of common steers at Chicago tend to reach a high for the year in May when marketings of low-grade cattle from all areas of the United States are small and demand for steers for grazing is strong. Average feeder steers are roughly comparable with common grade slaughter steers and show similar seasonal price changes. Prices of medium grade steers show little seasonal variation throughout the year.

Monthly changes in veal calf prices (farm basis) show a closer relationship to monthly changes in marketings than do cattle. Marketings of veal calves are below average in January-February when prices are at or near the usual high. Veal calf slaughter increases materially after February, following the spring increase in milk cow freshening. Veal slaughter usually reaches a peak in May. The increased marketings after February are accompanied by a seasonal decline in prices which usually reach a low in June. Veal calf prices usually rise sharply in August and September. But, with the October secondary peak in calf slaughter, prices tend to fall, reaching an annual low most often in December.

Prices of lambs tend to reach a peak for the year in April or May when marketings of early spring lambs are just getting under way in volume and the volume of marketings of all lambs is below average. Lamb slaughter is usually the smallest for the year in April. Fed lambs marketed in April and May generally are of good to choice grades, having been fed for a long period. Prices of lambs tend to fall rather sharply after June as marketings of new-crop lambs increase. Prices reach a low for the year most often in October, when lamb slaughter is usually at a peak. Prices of lambs tend to show a relatively slight seasonal increase in November through February, but usually increase more sharply in March.

Seasonal variations in prices received by farmers for sheep are similar to those for lambs but tend to be more pronounced. The increase from the usual October or November lows to a peak which most often occurs in April is relatively greater. (The peak in prices of lambs tends to occur most often in May). Changes in sheep marketings partly explain the monthly variations in sheep prices. Sheep slaughter is usually lowest in March or April and highest in October, with slaughter at a high level in both September and November.

1/ See the Livestock and Wool Situation, January-February 1946, pages 14-17.

Table 6.- Index numbers of seasonal variation in prices of meat-animals and meat, 1922-41 1/
(Monthly average for calendar year - 100)

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
					Meat Animals							
Hogs:												
U. S. farm basis	94.2	98.1	102.2	100.0	98.3	97.8	104.9	107.1	110.0	103.3	94.7	89.4
Chicago:												
Barrows and gilts 2/	94.3	97.3	100.5	98.3	99.1	100.3	105.7	108.0	110.8	101.5	93.1	91.1
Sows 3/	95.7	98.6	103.1	101.0	99.9	99.6	100.7	101.5	107.2	102.2	97.1	93.4
Beef cattle:												
U. S. farm basis	97.5	98.4	101.5	103.5	104.1	102.7	102.2	100.9	100.2	98.2	95.8	95.0
Corn Belt Beef Steers,												
Chicago:												
Choice and prime	103.3	99.1	98.4	96.5	94.2	92.9	98.1	100.3	104.0	105.1	104.4	103.7
Good	100.5	98.2	98.4	96.8	96.6	97.0	100.0	101.6	104.0	104.4	102.3	100.2
Medium	99.9	98.3	99.7	100.0	101.4	101.7	102.0	100.0	100.6	100.1	98.2	98.2
Common	101.3	100.6	105.4	104.9	107.4	103.7	100.8	96.1	94.5	93.8	94.9	96.6
Feeder and Stocker steers, K.C. 4/	102.8	103.6	109.2	108.1	107.0	98.7	95.5	96.0	94.4	94.6	95.6	94.5
Veal Calves:												
U. S. farm basis	101.1	103.9	103.1	100.3	98.0	97.3	97.7	98.4	102.9	101.9	98.2	97.2
Sheep:												
U. S. farm basis	100.5	105.5	109.4	110.8	106.2	99.4	96.2	94.6	94.7	93.4	93.8	95.5
Lambs:												
U. S. farm basis	99.1	102.2	105.7	106.4	106.5	104.6	99.7	95.6	95.9	94.5	94.6	95.2
All meat animals 5/	98.2	99.4	101.7	102.0	101.1	100.2	102.0	102.3	103.0	100.4	95.6	94.1
				Meat, United States retail basis 6/								
Pork, excl. lard	97.0	96.9	97.6	97.6	98.2	99.2	101.8	103.4	105.8	104.7	101.0	96.8
Beef, good grade	98.9	98.0	97.5	98.5	99.0	100.4	102.3	102.3	103.5	101.3	99.5	93.8
Lamb	97.8	97.6	98.6	100.9	103.0	105.6	104.8	10[illegible]	101.3	98.1	96.1	95.3
All meats 7/	98.2	97.5	97.4	98.2	99.0	100.4	101.9	102.8	104.3	102.5	99.9	97.9

1/ Average of ratios of actual prices to 12 month moving average centered, adjusted to total 1,200 and to eliminate abnormal fluctuations. 2/ Average all weights above 200#. 3/ All weights. 4/ 1925-41 all weights and grades. 5/ Calculated from index numbers of prices received by farmers for meat animals including hogs, beef cattle, veal calves, sheep and lambs. 6/ Prices reported in USDA Misc. Pub. 576, Price Spreads Between Farmers and Consumers for Food Products 1913-44, and records used in preparation of that report. 7/ Calculated from value of a "market basket" of beef, veal, pork, lamb, mutton and edible offals weighted by average consumption (excluding lard) in 1935-39. Reported in USDA Misc. Pub. No. 576.

Livestock prices per 100 pounds(except where noted), marketings and slaughter statistics, by species, January, 1947 with comparisons

PRICES

Item	Annual: Av. 1937-41	1944	1945	1946	1946: Jan.	Dec.	1947: Jan.
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Cattle and calves							
Beef steers sold out of first hands, Chicago:							
Choice and prime	12.01	17.05	17.30	20.24	17.81	31.09	28.08
Good	10.52	15.73	16.00	19.32	16.51	25.28	23.93
Medium	8.94	13.87	14.12	17.36	14.80	20.81	20.44
Common	7.59	11.25	11.73	13.75	11.86	14.68	15.83
All grades	10.47	15.44	16.18	19.16	16.49	23.19	22.16
Good grade cows, Chicago	7.38	13.21	14.01	15.04	14.01	16.48	15.65
Vealers: Gd. and ch., Chicago	10.34	14.86	15.12	16.87	14.78	20.13	24.58
Stocker and feeder steers Kansas City	8.36	11.78	13.07	15.69	13.56	17.63	17.68
Av. price received by farmers:							
Beef cattle	7.41	10.80	12.10	1/15.10	11.80	17.40	17.30
Veal calves	8.72	12.50	13.20	1/15.40	13.60	17.40	18.00
Hogs							
Av. market price, Chicago:							
Barrows and gilts	-	13.77	14.75	18.42	14.79	23.19	22.85
Sows	-	12.75	13.99	18.31	14.02	20.67	19.26
All purchases	7.97	13.57	14.66	18.40	14.72	22.87	22.45
Av. price received by farmers for hogs	7.59	13.10	14.00	1/17.30	14.10	22.70	21.80
Av. price received by farmers for corn, cents per bushel	62.9	113.3	109.7	1/141.4	110.0	122.0	121.0
Hog-corn price ratio, U.S. 2/	12.8	11.6	12.8	12.5	12.8	18.6	18.0
Sheep and Lambs							
Lambs, gd. and ch., Chicago	9.82	15.22	15.48	18.65	14.89	23.41	23.23
Feeding lambs, gd. & ch., Omaha	8.70	12.70	3/14.17	3/16.46	14.46	18.00	19.45
Ewes, gd. and ch., Chicago	4.43	6.89	7.69	8.25	7.26	7.61	8.05
Av. price received by farmers:							
Sheep	4.20	6.00	6.40	1/ 7.30	6.36	7.58	7.63
Lambs	8.28	12.50	13.00	1/15.40	13.00	18.60	19.00
Meat							
Wholesale, Chicago:							
Steer beef, carcass (good, 500-600 lbs)	16.09	19.88	19.88	27.81	19.88	38.72	36.22
Composite hog products	11.07	14.69	14.80	20.37	14.82	26.82	25.94
Lamb carcasses (good, 30-40 lbs.)	17.11	23.68	23.68	31.08	23.68	37.54	39.94
B.L.S. index retail meat prices 4/	100.9	129.9	131.1	161.3	131.4	197.8	-
Index income of industrial workers 1935-39 = 100	120.4	335.0	285.7	264.2	234.9	300.7	-

Livestock Marketing and Slaughter Statistics

Item	Unit	Av. 1937-41	1944	1945	1946	Jan. 1946	Dec. 1946	Jan. 1947
Meat-animal marketings:								
Index numbers (1935-39=100)	--	109	161	149	141	144	161	-
Stocker and Feeder shipments to 8 Corn Belt States:								
Cattle and Calves	Thous.	-	2,280	2,555	2,935	97	233	154
Sheep and Lambs	"	-	3,357	3,454	3,212	102	121	171
Slaughter under Federal Inspection:								
Numbers:								
Cattle	"	9,999	13,960	14,538	11,413	1,012	1,352	1,403
Calves	"	5,571	7,770	7,020	5,830	440	591	591
Sheep and Lambs	"	17,609	21,876	21,220	19,897	1,440	1,346	1,542
Hogs	"	41,225	69,017	40,960	44,394	4,911	5,133	5,844
Average live-weight:								
Cattle	lb.	933	924	948	943	974	922	5/ 937
Calves	"	191	218	214	199	176	204	5/ 188
Sheep and Lambs	"	86	89	94	94	101	95	5/ 95
Hogs	"	234	244	265	255	258	247	5/ 253
Meat Production:								
Beef	Mil.lb.	5,002	6,655	7,240	5,666	515	641	5/ 659
Veal	" "	597	926	823	641	42	65	5/ 59
Lamb and Mutton	" "	710	887	913	850	66	59	5/ 66
Pork (excluding lard)	" "	5,530	9,456	6,387	6,642	747	728	5/ 790
Storage stocks end of month:								
Beef	" "	-	-	-	-	179	156	179
Pork	" "	-	-	-	-	397	276	388
Lamb and Mutton	" "	-	-	-	-	19	17	17
Total Meats and Meat Products	" "	-	-	-	-	689	554	713
Percent packing sows are of Federal Inspected hog slaughter	Percent	-	13	11	12	8	7	-

1/ Simple average of 12 months. 2/ Number of bushels of corn equivalent in value of 100 pounds of live hogs. 3/ Average of prices for Jan., Feb., Mar., Apr., Aug., Sept., Oct., Nov. and Dec. 4/ Meats, poultry and fish: Bureau of Labor Statistics, 1935-39 = 100. 5/ Partly estimated.

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