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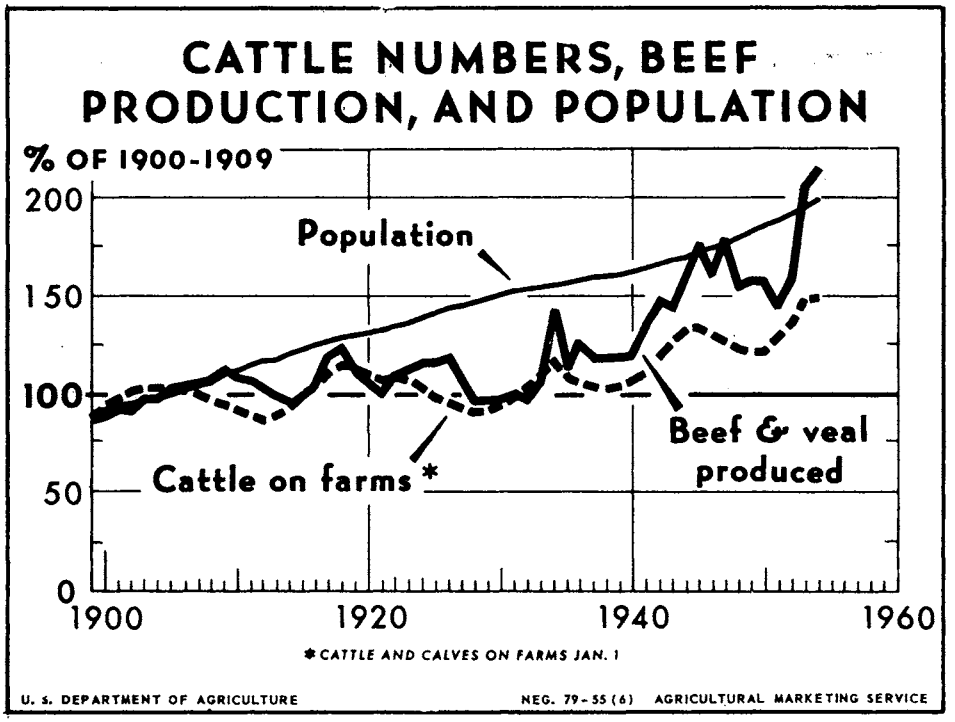
The LIVESTOCK and MEAT SITUATION

In this issue:
Statistical Review of Beef Production Trends

LMS-79



Beef and veal output has been at record high since 1953. It has increased faster over time than cattle inventories, because cattle of beef type have become a larger proportion of the total; cattle are fed better; calf crops are larger; death rates are reduced; more are slaughtered as cattle rather than calves; and slaughter weights are heavier.

Beef output is high also in relation to population. Consumption per person was a record in 1954, and is equally high this year.

Cattle numbers and beef output are currently about stable at their record levels, and few changes are likely in 1956.

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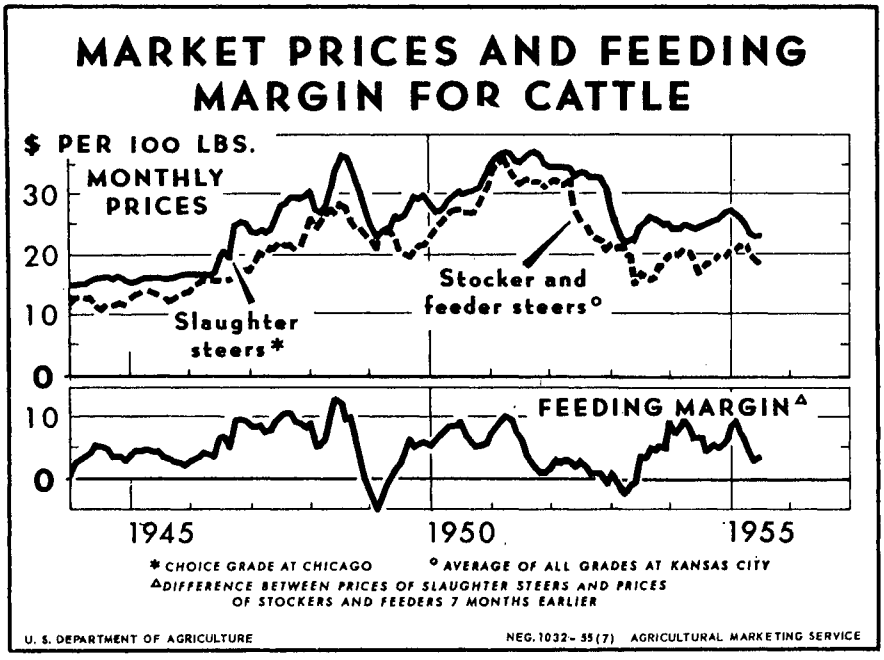
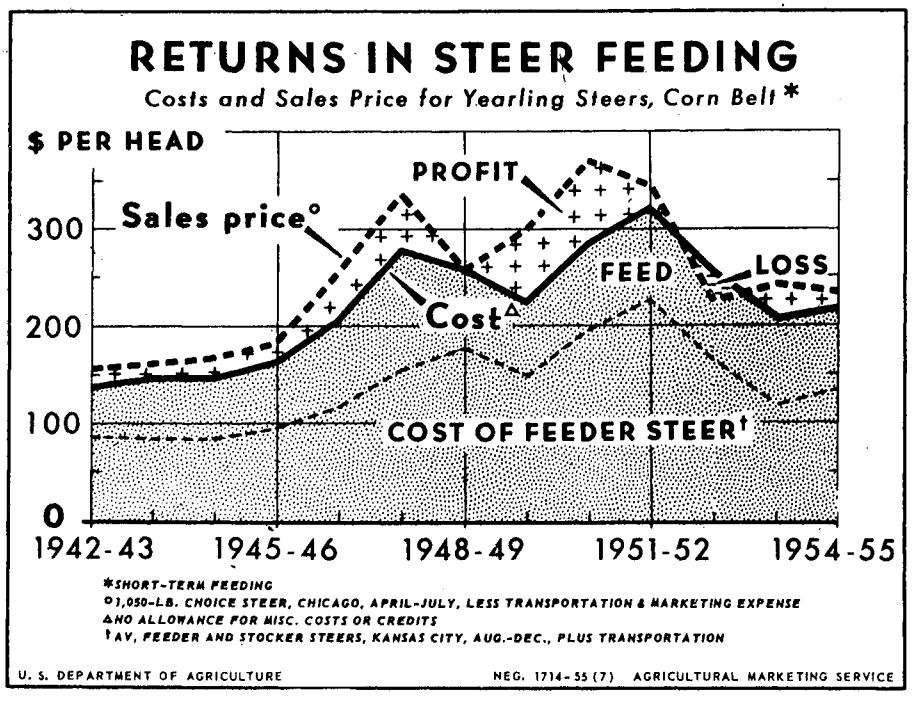


Price margins in feeding were wide for 22 months, then narrowed as fed steer prices declined this spring. As a result—



profits in short feeding of yearling steers sold this spring and summer were below average. Price margins in feeding will likely be narrow next year, but feed will cost less.

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, August 8, 1955

SUMMARY

Bumper crops of feed being harvested, the good condition of most ranges and the large numbers of meat animals on farms make a high volume of livestock production in the next year almost certain. Another new record number of cattle will likely be fed, and increased hog production this fall has been indicated by farmers' farrowing plans.

Strong demand will likely support prices of feeder cattle this fall. No more than moderate seasonal declines are likely, and margins between prices of feeders and fed cattle are expected to be relatively narrow. As prices of feed will be lower, profits in feeding this coming season may be close to average.

Prices of hogs dropped sharply from their June high. Prices throughout the fall will be considerably below last fall. They may reach their seasonal low late in the year. Prices of lambs declined in late June and July, and in early August were about the same as a year before. Some further seasonal drop may occur.

The spring pig crop of 1956 is expected to be larger than that of this spring. However, due to lower prices of hogs this fall, the increase will probably be moderate.

Because large output will limit prices of meat animals in the next year, profit margins in livestock production generally will continue rather narrow.

Production of all meat in 1955 is expected to be about 26.7 billion pounds, 5 percent more than last year's record. Consumption per person is forecast at 160 pounds, up 7 pounds from last year and the second highest since records began. All the increase from last year is in pork.

REVIEW AND OUTLOOK

Bumper Feed Crops for 1955 Harvest; Livestock Production to Stay High

Record or near-record harvests of feed crops were in prospect in early August. According to the crop report of August 1, a corn crop of 3,478 million bushels was in view. This would be 17 percent more than last year's rather small crop. The grain sorghums crop is expected to be up 30 percent from last year, while increases of 8 percent in oats and 6 percent in barley were estimated. The hay crop also is 5 percent larger than last year.

Some of the increase in feed output will be removed from the market by price support storage. Last year 258 million bushels of corn went under support. This year the quantity will likely be larger. But too few corn producers complied with allotments for price supports to absorb more than part of the additional corn harvest, or to prevent lower prices than last fall. Only producers in the commercial corn area who stayed under their allotments are eligible for support at the announced average of not less than $1.58 per bushel. All corn producers outside the commercial area are eligible but at a one-fourth lower rate. Producers of oats, barley and grain sorghums are eligible for support on those commodities at 70 percent of parity.

Farmers' own free carryover stocks of corn also might be increased somewhat in the next year. Nevertheless, a considerable part of the additional feed harvest will necessarily be fed to livestock.

Supplies of by-product feeds this next year will likely be up a little. Most of the increase will be in protein supplements. The 23 percent larger soybean crop in prospect will provide more soybean oil meal--probably enough to more than offset a reduction in cottonseed meal.

Pastures and ranges are greatly improved this year. The average condition August 1 was reported as 76 percent. On the same date last year, it was 59 percent.

The larger quantities of all feeds--grains, by-product feeds, and forage--will provide a strong incentive for increased livestock production. Numbers of cattle are at a standstill, but more may be fed this winter than last. Hog production might rise further next spring. Output of meat is at a new record this year. It will be at least as large next year.

13 Percent More Cattle on Feed July 1

On July 1 of this year, 13 percent more cattle were on feed in 13 reporting States than a year before. The number was a record for the date.

Slaughter of fed cattle has been large all spring and summer. The many cattle short-fed added to the market supply. Fed cattle slaughter will stay large in the next few months--until at least mid-fall. It may slacken later, as declining profits have reduced short feeding operations substantially. At 10 markets in July, only 74 percent as many feeder steers weighing over 800 pounds were sold as a year before. Shipments of steers under 800 pounds were down somewhat less from last year.

More Cows, Heifers, Fed Cattle Slaughtered in First 7 Months

Slaughter of all cattle in July was about 6 percent less than a year earlier when dry ranges forced unseasonally large marketings.

Slaughter for the first 7 months was slightly above a year before. More cows and more fed steers and heifers have been slaughtered, but fewer steers and heifers off grass.

Calf slaughter to date this year has totaled almost exactly the same as last year.

No clear trend in cattle inventories is indicated by these slaughter rates. The inventory next January is more likely to show a small decrease than an increase, but any change will be small. Major reasons for this prospect are the failure of calf slaughter to rise, and the rather small slaughter of young steers and heifers off grass. The rate young stock are slaughtered has much influence on short-run trends in cattle numbers.

On the other hand, a continued higher rate of cow slaughter would imply that the size of the breeding herd is being reduced. Cow numbers in January 1955 were unchanged from a year previously. Hence, any increase in slaughter for 1955 would point to a smaller inventory of cows in January 1956. With fewer cows on hand, the calf crop next year would likely be smaller, and cattle numbers would probably decline gradually for at least a year or two.

In most cycles, slaughter of cows and of calves increases at the same time. The failure of calf slaughter to rise as much this time is proof that the price and income position of producers is better than at this stage of most cycles. With feed conditions improved, few producers have been forced to reduce herds this year because of feed shortage. Strong demand for meat and orderly marketings have cushioned the cyclical price declines. So long as demand stays strong and feed supplies ample, cattle numbers may not decrease as much in this cycle as in most other cycles.

Price Ratios Favor Feeding Over Breeding

Cow slaughter has increased while calf slaughter has not, chiefly because price relationships the last two years have become more favorable to feeding and less favorable to cow-and-calf production than they had been previously.

It is typical for prices of different classes of cattle to move up and down at different rates as a cattle cycle progresses. When cattle numbers are expanding and prices generally rising, prices of cows rise most, and prices of calves rise more than prices of older steers. The breeding and production phase is favored, and cow-and-calf operations are popular. When the expansion ends and prices fall, price reductions are greatest for the same two classes, and least for high grade fed cattle. Feeding thereby gains more advantage over production than it had before. Numerous areas try to develop means for feeding cattle. Feeding expands, cow-and-calf production receives less emphasis, and cow herds are cut back.

Fed Steer Prices Unchanged by Early August

Because of large marketings, prices of fed steers at Midwest markets had failed to increase by early August. Cutbacks in short-term feeding may allow some price advance this fall.

Price trends for fed cattle during late fall and early winter are primarily determined by how soon feeders put cattle on feed in early fall. Last year they used cattle to clean up pastures and corn fields and fall feeding was delayed. Accordingly, market supplies of finished cattle were relatively small and prices advanced to a January high. Feeders have more old corn in their own hands this year, and may feed for earlier marketing. It is unlikely that prices will be as high this winter as last. The report of cattle on feed October 1, to be released October 17, will provide a clearer indication of feeding prospects for the fall and early winter.

Lower Profits in Cattle Feeding This Year Than Year Before

For most systems of feeding, less profit was realized in feeding cattle this last season than the previous year.

Net returns in short feeding of yearling steers in the Corn Belt, according to the program described in table 1, were less than half those of the year before and less than average (see lower chart, inside cover page). Feeder steers cost about $2.50 more per 100 pounds last fall than the preceding fall. Although feed was slightly cheaper, the decline in fed steer prices during the spring wiped out much of the profit margin.

Data in table 1 apply to a representative program for short feeding of yearling steers. They will not reflect exactly the costs and returns on each farm. Several miscellaneous costs and credits are not included in the calculations.

Other feeding programs were more profitable than short feeding of yearlings. Long feeding may have yielded somewhat higher returns because it took advantage of cheaper feed prices this spring and summer. Highest profits were made in short feeding of cattle sold last winter, which capitalized on higher selling prices and wide price margins at that time.

Price margins in feeding were favorable for almost 2 years--from July 1953 to April 1955. During that period, fed steers were sold for a considerably higher price than had been paid for feeders 7 months previously. (See table 2 and upper chart, inside cover page.) But by June this year, the price margin was down to only $3.00 per 100 pounds.

Table 1.- Average prices and costs in feeding steers in the Corn Belt, 1946-47 to date

Item	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Prices									
Choice grade beef steers sold out of first hands, Chicago, Apr.-July, per 100 pounds	25.26	32.59	25.40	29.36	36.15	33.69	22.70	24.24	23.26
Feeder steers, Kansas City, Aug.-Dec., per 100 pounds 1/	16.37	21.75	25.00	20.65	27.73	31.71	22.86	16.36	18.74
Corn, North Central States, Sept.-July, per bushel	1.490	2.201	1.239	1.175	1.511	1.638	1.438	1.401	1.370
Alfalfa hay, received by farmers North Central States, Sept.-July, per ton 2/	22.37	24.37	23.96	21.48	21.34	20.79	23.23	21.88	20.59
Soybean meal, 44 percent protein, wholesale, Chicago, Sept.-July, per ton 3/	76.78	94.19	74.06	75.85	75.34	88.66	82.85	88.29	72.84
Sales value, per head									
Choice steer, 1,050 pounds	265.23	342.20	266.70	308.28	379.58	353.74	238.35	254.52	244.23
Cost, per head									
Feeder steer, 700 pounds	114.59	152.25	175.00	144.55	194.11	211.97	160.02	114.52	131.18
Transportation from market to feedlot	2.55	2.73	3.61	3.96	3.96	4.21	4.14	4.21	4.21
Corn, 45 bushels	67.05	99.04	55.76	52.88	68.00	73.71	64.71	63.05	61.65
Alfalfa hay, 0.75 ton	16.78	18.28	17.97	16.11	16.00	15.59	17.42	16.41	15.44
Soybean meal, 150 pounds	5.76	7.06	5.55	5.69	5.65	6.65	6.21	6.62	5.46
Transportation and marketing expense	6.27	7.57	8.65	8.97	9.18	10.12	10.29	10.46	10.43
Total, for items shown 4/	213.00	286.93	266.54	232.16	296.90	332.25	262.79	215.27	228.37
Margin, value over costs shown 4/	52.23	55.27	.16	76.12	82.68	21.49	- 24.44	39.25	15.86

1/ Average all weights and grades.

2/ Prices for 1946-47 and 1947-48 estimated from price paid for baled alfalfa hay, United States.

3/ Prior to July 1950, 41 percent protein.

4/ Does not include overhead costs, cost of pasture or other feed ingredients and death loss, or credits for manure and for hogs following steers. The feed ration and prices shown are designed to be fairly representative of average feeding experience in the Corn Belt, but do not necessarily coincide with the experience of individual feeders.

Table 2.- Price of Choice grade slaughter steers at Chicago and of all stocker and feeder steers at Kansas City, and 7 months lagged margin, by months, 1954 to date

Year and month	Price per 100 pounds: Choice grade slaughter steers, Chicago	Price per 100 pounds: Stocker and feeder steers, Kansas City 1/	Margin between slaughter steers, and stockers and feeders 7 months previous 2/
	Dollars	Dollars	Dollars
1954			
January	24.74	19.83	9.52
February	23.86	20.02	7.11
March	23.89	19.81	8.11
April	24.83	20.62	9.76
May	24.25	20.44	8.51
June	23.88	18.20	6.32
July	23.99	16.12	6.36
August	24.08	17.88	4.25
September	25.00	18.10	4.98
October	25.37	18.84	5.56
November	25.85	19.63	5.23
December	26.53	19.23	6.09
1955			
January	26.98	20.40	8.78
February	26.17	20.46	10.05
March	25.80	21.28	7.92
April	24.62	21.25	6.52
May	23.09	20.01	4.25
June	22.63	19.03	3.00
July	22.72	18.19	3.49
August 3/	22.40	17.24	2.00

1/ Average for all weights and grades.

2/ Margin between prices of Choice grade slaughter steers at Chicago for current month shown and of stocker and feeder steers at Kansas City 7 months previously.

3/ Average for first week.

Market price data compiled from Market News, Livestock Division

Feeding Margin to be Rather Narrow; Feed Cheaper; Profits Moderate

In early August Choice slaughter steers at Chicago sold for $22.40 per 100 pounds. Good feeder steers at Kansas City, which had declined from their spring high, were priced at $18.60. The difference of $3.80 was unusually small. (See table 3.) (This difference or concurrent margin is not the same as the feeding margin realized over the feeding period. However, it is a good starting point in considering profit prospects in feeding.)

Table 3.- Comparison between prices per 100 pounds for fed steers and feeder steers, August, 1953, 1954 and 1955

Item	August 1953	August 1954	Week ended August 6, 1955
	Dollars	Dollars	Dollars
Slaughter steers at Chicago			
Choice	25.28	24.08	22.40
Good	21.90	21.54	20.20
Commercial	17.58	17.21	17.25
Choice-Commercial spread	7.70	6.87	5.15
Feeder steers at Kansas City			
Choice, 500-800 lb.	19.52	20.13	20.85
Good, 500-800 lb.	16.84	18.22	18.60
Medium, 500-1,000 lb.	13.45	16.00	15.25
Choice-Medium spread	6.07	4.13	5.60
Spread between Choice slaughter and Good feeder steers	8.44	5.86	3.80

Market prices compiled from Market News, Livestock Division.

Although feeder and fat cattle prices were unusually close together in early August, feeders can feed on a narrower margin this year than most years because feed will cost less.

Selling prices of fed cattle next spring do not seem likely to change materially from their average of this spring and summer. On the supply side, more fed cattle may be available but supplies of other cattle may be no larger than this year, or a bit smaller. High employment and incomes of consumers should keep demand strong. But from this year's experience when an appreciable rise in consumer incomes resulted in only a small rise in demand for meat, a really large increase in demand that would strengthen prices is hardly to be expected in 1956.

In most years the price of feeder cattle declines to a seasonal low in mid-fall. Prices were already down about $2.00 per 100 pounds by early August. Good range conditions and prospects for more and cheaper grain feed will probably prevent much further reduction. Lower feed prices will give most support to the programs that require most feed--principally the long feeding of steer calves. For this reason, calf prices might prove somewhat stronger than steer prices this fall.

In summary, large further seasonal declines in prices of feeder cattle this fall are not expected and prices probably will not differ a great deal from last fall, on the average. Some classes at some times might be higher, and other prices lower. The price margin in feeding this coming year will likely be rather narrow. But feed will cost less, and profits may be close to average.

Profits will naturally vary by farm, by area, by program, and by season. Feed will be cheaper at some places than others. According to reports from several experiment stations, feeding the synthetic hormone stilbesterol to steers can reduce feed costs considerably. To the extent individual feeders obtain similar results, larger profits could be earned in steer feeding than standard price comparisons would indicate.

Hog Slaughter on Seasonal Rise

Slaughter of hogs under Federal inspection in July was about 3 to 4 percent higher than a year before. This was the smallest increase this year. However, slaughter from the spring pig crop began to increase in August. The slaughter rate will rise seasonally and for the rest of the year is expected to average 10 to 12 percent above last year. The spring pig crop was up 9 percent, and more of the spring crop will likely be marketed before December 31 this year than last.

Prices of hogs declined in July following a sharp rise in June. Some recovery is possible in August, depending on how fast marketings increase, but a gradual seasonal decline is likely throughout the fall. Prices will continue considerably below last fall. Their low point might appear before the end of the year.

Further Rise Likely
in 1956 Spring Pig Crop

If feed crops turn out as large as the August crop report estimated, hog production will likely continue upward in 1956. Farmers will raise more hogs in order to utilize the "free" corn not eligible for price support.

The further expansion probably will not be great. Lower prices for hogs this fall will discourage large increases.

Producers of corn in the commercial area had the choice in each of the last 2 years of complying with acreage allotments so as to be eligible for price supports, or of planting more than the allotted acres. They doubtless will have the same decision next year. Whenever they choose not to comply, their return from corn is determined by the market price. The lower the expected price in relation to the support price, the greater is the incentive to accept the protection of price supports. The size of acreage allotments also affects the extent of compliance. Producers' decisions between complying or overplanting will have a bearing on the scale of hog production in 1956.

Lamb Slaughter Drops Below 1954;
Lamb Crop About Unchanged; Prices Down

Inspected slaughter of sheep and lambs in the first half of 1955 was 5 percent above last year. The increase partly reflected early movement from some areas. Slaughter in July was about 10 percent less than a year before. Slaughter the rest of the year may not be greatly different from last year.

The 1955 lamb crop is estimated at 20,092,000 head. This is 1 percent less than last year's crop. The number of breeding ewes was down more, but the percentage lamb crop rose 1 point to a record 95 percent. The lamb crop in the West is 3 percent smaller than last year but that in Native States is up 3 percent. The percentage crop in Native States advanced 2 points to a new high of 108 percent.

Inventory numbers of sheep and lambs were reduced for 3 successive years beginning in 1952. Slaughter rates so far in 1955 give little indication that the downtrend is being reversed. Slaughter rates this fall, however, will give a more reliable clue to probable inventory changes.

Prices of lambs declined in late June and July, but less rapidly than at the same time last year. In early June they were lower than a year before, but by early August were about the same as last August.

If the number of lambs slaughtered in remaining months is no greater or a little less than last year, this would be a price stabilizing influence. On the other hand, the larger total meat supply will be a depressing factor. Prices of lambs might decline somewhat further seasonally, but they are likely to stay around last year's prices.

Shorn Wool Production
228 Million Pounds

Production of shorn wool in 1955 is estimated at 228 million pounds. This is 2 percent less than last year. The reduction is accounted for by the 2 percent fewer sheep shorn. Average weight of fleece increased very slightly.

1955 Meat Consumption
to be Second High

Output of beef and veal the rest of 1955 will probably continue roughly equal to a year earlier, with high grade fed beef abundant until at least early fall. The supply of lamb and mutton may be no larger than last year. But as 10 to 12 percent more hogs are expected to be slaughtered, the supply of pork for consumption per person in the second half of 1955 is expected to be about 10 percent above the same half of 1954.

Total 1955 output of all meat may reach 26.7 billion pounds, 5 percent more than last year and a new record (table 4). Consumption per person may be 160 pounds. This would be the highest rate on record except for the 163 pounds in 1908. All the 7-pound increase from last year would be in pork. Beef consumption will remain at about last year's record 79 pounds.

Table 4.- Supply and distribution of beef, pork, and all meat, United States, 1951 to date

Year	Supply			Distribution				Civilian consumption per person
	Production	Beginning stocks	Imports 1/	Exports and shipments	Armed forces	Ending stocks	Civilian consumption	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.
Beef:								
1951	8,843	147	472	18	748	218	8,478	55.3
1952	9,667	218	429	29	458	262	9,565	61.5
1953	12,433	262	271	2/58	520	249	12,139	76.7
1954	12,991	249	225	2/62	450	188	12,765	79.2
1955 3/	13,250							79
Pork:								
1951	11,483	499	51	136	489	549	10,859	70.9
1952	11,547	549	71	154	392	489	11,132	71.6
1953	10,063	489	164	134	298	327	9,957	62.9
1954	9,952	327	184	105	278	449	9,631	59.7
1955 3/	11,000							66.5
All meat:								
1951	21,908	670	542	157	1,306	798	20,859	136.2
1952	23,035	798	506	185	917	797	22,440	144.3
1953	24,780	797	438	2/196	885	609	24,325	153.7
1954	25,333	609	412	2/171	789	668	24,726	153.3
1955 3/	26,700							160

1/ Includes boneless beef estimate 1951-53 not reported separately by Bureau of the Census.

2/ Includes 2 million pounds of beef in 1953 and 6 million pounds in 1954 for CARE.

3/ Partly forecast.

Table 5.- Commercial meat production, United States, by quarter-year, 1951 to second quarter 1955

Year	January-March	April-June	July-September	October-December	Year
	All meats				
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1951	5,181	4,699	4,692	5,647	20,219
1952	5,583	4,821	4,886	6,083	21,373
1953	5,755	5,423	5,574	6,440	23,192
1954	5,817	5,522	5,877	6,589	23,805
1955	6,244	5,912			
	Beef				
1951	2,188	1,965	2,140	2,256	8,549
1952	2,216	2,143	2,420	4,558	9,337
1953	2,706	2,949	3,126	3,274	12,055
1954	3,065	3,061	3,256	3,219	12,601
1955	3,082	3,233			
	Veal				
1951	220	216	271	265	972
1952	211	231	305	333	1,080
1953	265	337	432	417	1,451
1954	331	364	446	410	1,551
1955	333	357			
	Lamb and Mutton				
1951	131	109	127	141	508
1952	157	145	151	182	635
1953	187	160	173	195	715
1954	186	171	181	183	721
1955	193	189			
	Pork excluding lard				
1951	2,642	2,409	2,154	2,985	10,190
1952	2,999	2,302	2,010	3,010	10,321
1953	2,597	1,977	1,843	2,554	8,971
1954	2,235	1,926	1,994	2,777	8,932
1955	2,636	2,133			

Special Livestock Loan
Program Extended

The USDA's special livestock loan program has been extended for two years, through July 14, 1957. These loans are made to established producers and feeders of cattle, sheep and goats who are temporarily unable to get from regular sources the credit needed to continue their normal operations. Loans are made through local Farmers Home Administration offices for purposes of buying or producing feed and hay, or to restore livestock numbers to normal levels. They are not made for commercial feedlot operations, nor to pay existing debts, except current incidental bills.

Special livestock loans were first made available in the summer of 1953. During the past 2 years, 6,382 loans totaling more than 54 million dollars have been made. Most of them were made in the drought-stricken Southwest. Two-thirds of the total was loaned in Colorado, Kansas, New Mexico, Oklahoma and Texas.

Additional Farmers Home Administration loans available to help farmers and ranchers meet their credit needs include the regular FHA loans that can be made to small producers in all areas, and production or economic disaster loans that are made in designated areas. For the 2-year period ending June 30, 1955, 94,212 loans totaling over 126 million dollars have been made in production and economic disaster loans. Most of these loans were to small producers in the South and Southwest, where severe weather or unfavorable economic conditions made emergency credit necessary for continued operation of their farms.

Drought Disaster
Areas Ended

Drought-aid relief measures of the USDA include, in addition to loans, emergency feed-grain and hay purchase programs, and cost-share assistance through the facilities of the Agricultural Conservation Program Service. Improved feed conditions in recent months has led to the suspension of all remaining counties from the drought disaster area designation. Prior to that time, eligible farmers in areas so designated by the Secretary of Agriculture could purchase feed grains at reduced prices. Cooperative hay purchase programs were also in effect in several States. In these States Federal funds were available to pay part of the transportation costs for hay purchased by eligible farmers.

Since counties were designated drought disaster areas as conditions warranted, the number has varied widely during the past 2 years. Over 1,000 counties were considered emergency areas in the 12 months ending this June, and nearly 800 counties in the year before. In each of these periods, over 2 million tons of feed grain were distributed under the emergency feed program.

Federal commitments for advances to States under hay distribution agreements totaled over 16 million dollars during the past 2 years. Federal allocations to States during the same period for emergency wind control measures under the Agricultural Conservation Program were also over 16 million dollars.

World Meat Output
New High

Production of meat during 1954 in the principal countries of the world, excluding the Far East, was a record high, 3 percent greater than the 1953 output, according to reports of the Foreign Agricultural Service. This record output is in line with increases recorded in meat animal numbers during recent years. At the beginning of this year, world cattle, sheep and hog numbers were each greater than ever before. The upturn in meat production since the end of World War II has been much greater than the gain in population. Thus, meat consumption per person is up also, and it probably is slightly above prewar levels.

Meat output is now substantially above the 1946-50 average in Europe, USSR, Australia, New Zealand and North America. But production in South America apparently is below average.

A further increase in meat output during 1955 seems assured by record numbers of meat animals on hand and the likely level of feed production. This increase in meat production will bring increased competition for export markets, and may cause a considerable shift in postwar meat export-import relationships.

A STATISTICAL REVIEW OF BEEF PRODUCTION TRENDS

About 15 billion pounds of beef and veal will be produced in 1955. This is more than twice the average production in 1900-09. Cattle numbers in January this year were 95.4 million, only 50 percent more than the 1900-09 average of 63.7 million. Thus, output of beef and veal has increased twice as fast as inventories of cattle. Much more beef and veal is produced per animal in inventories now than a half-century ago.

The decade ending in 1909 has long been known as an era of plentiful meat. Beef consumption per person averaged 70 pounds, and veal consumption 6.4 pounds. For many years thereafter, the beef supply lagged behind population. (See cover chart.) But since 1953, the 1900-09 supply ratios have been exceeded; the beef output trend is once again above population. The 79 pounds of beef consumed per person last year, and the 89 pounds of beef and veal combined, are record highs.

Cattle Productivity Higher

Cattle on farms are of improved breeding compared with their ancestors of early in the century. They are being fed better, housed more adequately, and generally managed for greater production. These are broad basic trends that will not be explored here.

To be examined instead are the changes in composition of cattle inventories and in the age and weight of slaughter as they affect outturn of beef and veal. These also enter into the increased production.

First of these changes is the greater percentage of cows in cattle inventories. In 1920, 48 percent of all cattle and calves on farms were cows. In 1955, 51 percent were cows (table 6). The increase arises in beef cattle. Because fewer 2 years or older steers are retained on farms January 1, the percentage of cows in total beef cattle is up from 31 percent in 1920 to 41 percent in 1955. Among milk cattle, on the other hand, the percentage of cows has been reduced. Dairymen keep more replacement heifers relative to their cow numbers than they formerly did.

More Beef Cattle

A second fundamental change has been the shift from milk to beef cattle. Only 14 percent more milk cows were on farms in 1955 than in 1920, but the number of beef cows had increased 93 percent. Beef cows were 37 percent of all cows in 1920, approximately 50 percent in 1955 (table 6). The shift to beef breeds underlies several of the other changes in cattle production and slaughter.

Table 6.- Composition of cattle inventories, and live weight production relative to inventories, 1920 to date

Year	Number of cattle and calves on farms January 1						Live weight of production		
		Cows			Cows as a percentage of all cattle	Beef cows as a percentage of all cows			
	Total	Total	For milk	For beef 1/			Total	Per head all cattle	Per cow
	1,000 head	1,000 head	1,000 head	1,000 head	Pct.	Pct.	Mil. lb.	Lb.	Lb.
1920	70,400	33,980	21,455	12,525	48.3	36.9	12,403	176.2	365.0
1921	68,714	33,748	21,456	12,292	49.1	36.4	12,817	186.5	380.0
1922	68,795	34,033	21,851	12,182	49.5	35.8	13,185	191.7	387.4
1923	67,546	34,112	22,138	11,974	50.5	35.1	13,174	195.0	386.2
1924	65,996	34,257	22,331	11,926	51.9	34.8	13,402	203.1	391.2
1925	63,373	33,779	22,575	11,204	53.3	33.2	12,953	204.4	383.5
1926	60,576	32,704	22,410	10,294	54.0	31.5	12,605	208.1	385.4
1927	58,178	31,690	22,251	9,439	54.5	29.8	12,072	207.5	380.9
1928	57,322	31,157	22,231	8,926	54.4	28.6	12,327	215.0	395.6
1929	58,877	31,437	22,440	8,997	53.4	28.6	12,754	216.6	405.7
1930	61,003	32,194	23,032	9,162	52.8	28.5	13,263	217.4	412.0
1931	63,030	33,629	23,820	9,809	53.3	29.2	13,386	212.4	398.0
1932	65,801	35,335	24,896	10,439	53.7	29.5	14,232	216.3	402.8
1933	70,280	37,282	25,936	11,346	53.0	30.4	15,405	219.2	413.2
1934	74,369	39,609	26,931	12,678	53.3	32.0	14,538	195.5	367.0
1935	68,846	37,233	26,082	11,151	54.1	29.9	13,651	198.3	366.6
1936	67,847	36,244	25,196	11,048	53.4	30.5	14,438	212.8	398.4
1937	66,098	35,331	24,649	10,682	53.5	30.2	13,746	208.0	389.1
1938	65,249	34,598	24,466	10,132	53.0	29.3	14,047	215.3	406.0
1939	66,029	34,587	24,600	9,987	52.4	28.9	15,177	229.9	438.8
1940	68,309	35,616	24,940	10,676	52.1	30.0	15,702	229.9	440.9
1941	71,755	36,819	25,453	11,366	51.3	30.9	17,029	237.3	462.5
1942	76,025	38,891	26,313	12,578	51.1	32.3	18,568	244.2	477.4
1943	81,204	41,118	27,138	13,980	50.6	34.0	19,159	235.9	466.0
1944	85,334	43,225	27,704	15,521	50.6	35.9	19,708	231.0	455.9
1945	85,573	44,226	27,770	16,456	51.7	37.2	19,517	228.1	441.3
1946	82,235	42,929	26,521	16,408	52.2	38.2	18,999	231.0	442.6
1947	80,554	42,330	25,842	16,488	52.6	39.0	19,130	237.5	451.9
1948	77,171	40,625	24,615	16,010	52.6	39.4	18,402	238.5	453.0
1949	76,830	39,781	23,862	15,919	51.8	40.0	19,274	250.9	484.5
1950	77,963	40,596	23,853	16,743	52.1	41.2	20,488	262.8	504.7
1951	82,025	42,118	23,722	18,396	51.3	43.7	21,889	266.9	519.7
1952	87,844	43,959	23,369	20,590	50.0	46.8	23,525	267.8	535.2
1953	93,637	46,584	24,094	22,490	49.7	48.3	25,597	273.4	549.5
1954	94,787	48,508	24,675	23,833	51.2	49.1	26,156	275.9	539.2
1955	95,433	48,574	24,408	24,166	50.9	49.8			

1/ Cows other than for milk.

Table 7.- Calf crop relative to cows in inventory, 1924 to date

Year	Cows and heifers 2 years and older on farms January 1	Calves born	
		Number	Percentage of cows and heifers 2 years old and over
	1,000 head	1,000 head	Percent
1924	34,257	25,515	74
1925	33,779	25,035	74
1926	32,704	24,843	76
1927	31,690	23,937	76
1928	31,157	24,091	77
1929	31,437	24,355	77
1930	32,194	25,087	78
1931	33,629	26,056	77
1932	35,335	27,568	78
1933	37,282	28,935	78
1934	39,609	30,240	76
1935	37,233	27,473	74
1936	36,244	28,201	78
1937	35,331	28,033	79
1938	34,598	27,787	80
1939	34,587	28,879	83
1940	35,616	29,886	84
1941	36,819	31,868	87
1942	38,891	34,388	88
1943	41,118	34,797	85
1944	43,225	37,040	86
1945	44,226	35,155	79
1946	42,929	34,643	81
1947	42,330	34,703	82
1948	40,625	33,125	82
1949	39,781	33,748	85
1950	40,596	34,846	86
1951	42,118	35,706	85
1952	43,959	37,992	86
1953	46,584	40,952	88
1954	48,508	42,210	87

Responding to better management, calf crops have increased in relation to number of cows in inventory. The ratio has risen from around 75 percent in the mid-1920's to 85-88 percent in recent years (table 7). This ratio is not strictly a calving rate, but it accurately reflects changes in actual calving percentages.

Moreover, death losses of cattle and calves have become smaller relative to either the cattle inventory or the annual calf crop.

Since more of the cattle inventory consists of cows, and calving rates are higher and death rates lower, more cattle and calves are slaughtered relative to inventories. Table 8 shows this increase from 30 percent three and a half decades ago to 40 percent now.

Slaughter Weights Heavier

Not only are more cattle produced for each animal in the inventory, but they are raised and fed to heavier average weights before going to slaughter. This is true even though fewer steers are now fed to extremely heavy weight. Apparently the range of slaughter weights has been narrowed, with fewer light cattle and fewer very heavy cattle and more of medium weights. Data in table 8 describe these trends. They show that more of cattle-and-calf slaughter consists of cattle, and less of calves. The percentage of cattle has risen the last 30 years from about 60 to 66 percent. And the average dressed weight of cattle carcasses has increased 7 percent and of calf carcasses, 25 percent. The higher proportion of beef animals (compared with dairy) partly accounts for the heavier weights.

Summary

In summary, a larger proportion of cattle inventories consists of cows now than 30 years ago; more of the breeding stock are of beef types; calving percentages are higher; death loss rates are lower; more animals are slaughtered as cattle and fewer as calves; and average carcass weights are heavier. The result is a much higher annual production in relation to inventories. As measured by the live weight of cattle and calves produced on farms, production relative to total inventories has gone up from 176 pounds in 1920 to 276 pounds in 1954. Relative to the number of cows in inventories, it has increased from 365 to 539 pounds (table 6).

As measured by the quantity of beef and veal produced, the output has increased twice as fast as have cattle numbers. It has more than doubled over a half century, so that consumers are being provided more beef and veal per person than in any year on record.

Table 8.- Composition of cattle and calf slaughter, and beef and veal production relative to slaughter, 1920 to date

Year	Slaughter				Cattle as a percentage of total slaughter	Beef and veal produced				
				Per head on farms Jan. 1					Per head slaughtered 1/	
	Cattle	Calves	Total			Beef	Veal	Total	Beef	Veal
	1,000 head	1,000 head	1,000 head	Head	Pct.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Lb.
1920	13,470	8,481	21,951	.31	61.4	6,306	842	7,148	468	99
1921	12,428	8,394	20,822	.30	59.9	6,022	820	6,842	485	98
1922	13,706	8,832	22,538	.33	60.8	6,588	852	7,440	481	96
1923	14,283	9,327	23,610	.35	60.5	6,721	916	7,637	471	98
1924	14,750	9,804	24,554	.37	60.1	6,877	972	7,849	466	99
1925	14,704	9,936	24,640	.39	59.7	6,878	989	7,867	468	100
1926	14,781	9,354	24,135	.40	61.2	7,089	955	8,044	480	102
1927	13,413	8,478	21,891	.38	61.3	6,395	867	7,262	477	102
1928	12,028	7,651	19,679	.34	61.1	5,771	773	6,544	480	101
1929	12,038	7,406	19,444	.33	61.9	5,871	761	6,632	488	103
1930	12,056	7,761	19,817	.32	60.8	5,917	792	6,709	491	102
1931	12,096	8,057	20,153	.32	60.0	6,009	823	6,832	497	102
1932	11,980	7,970	19,950	.30	60.1	5,789	822	6,611	483	103
1933	13,107	8,564	21,671	.31	60.5	6,440	891	7,331	491	104
1934 2/	19,509	11,759	31,268	.42	62.4	8,345	1,246	9,591	428	106
1935 2/	14,805	9,632	24,437	.35	60.6	6,608	1,023	7,631	446	106
1936 2/	15,901	10,008	25,909	.38	61.4	7,358	1,075	8,433	463	107
1937	15,254	10,304	25,558	.39	59.7	6,798	1,108	7,906	446	108
1938	14,822	9,306	24,128	.37	61.4	6,908	994	7,902	466	107
1939	14,621	9,191	23,812	.36	61.4	7,011	991	8,002	480	108
1940	14,958	9,089	24,047	.35	62.2	7,175	981	8,156	482	108
1941	16,419	9,252	25,671	.36	64.0	8,082	1,036	9,118	495	112
1942	18,033	9,718	27,751	.37	65.0	8,843	1,151	9,994	492	119
1943	17,845	9,940	27,785	.34	64.2	8,571	1,167	9,738	482	118
1944	19,844	14,242	34,086	.40	68.2	9,112	1,738	10,850	461	122
1945	21,694	13,657	35,351	.41	61.4	10,276	1,664	11,940	474	122
1946	19,824	12,176	32,000	.39	62.0	9,373	1,443	10,816	473	119
1947	22,404	13,726	36,130	.45	62.0	10,432	1,605	12,037	466	117
1948	19,177	12,378	31,555	.41	60.8	9,075	1,423	10,498	473	115
1949	18,765	11,398	30,163	.39	62.2	9,439	1,334	10,773	503	117
1950	18,624	10,504	29,128	.37	63.9	9,538	1,230	10,768	512	117
1951	17,100	8,913	26,013	.32	65.7	8,843	1,061	9,904	519	119
1952	18,668	9,408	28,076	.32	66.5	9,667	1,173	10,840	519	125
1953	24,529	12,253	36,782	.39	66.7	12,433	1,556	13,989	507	127
1954	25,958	13,320	39,278	.41	66.1	12,991	1,656	14,647	500	124

1/ Computed 1920-39; as reported 1940 to date.
2/ Includes Government purchases.

Selected price statistics for meat animals

Item	Unit	1954 June	1954 July	1955 May	1955 June	1955 July
Cattle and calves						
Beef steers, slaughter	Dollars per					
Chicago, Prime	100 pounds	25.72	25.47	25.65	24.15	23.67
Choice	do.	23.88	23.99	23.09	22.63	22.72
Good	do.	21.57	21.53	20.66	20.44	21.26
Commercial	do.	18.72	17.53	17.65	17.22	17.86
Utility	do.	15.99	14.22	15.10	14.64	15.59
All grades	do.	23.49	23.47	22.18	22.15	22.52
Omaha, all grades	do.	22.34	22.19	20.91	20.75	21.13
Sioux City, all grades	do.	22.31	22.23	20.90	20.88	21.55
Cows, Chicago						
Commercial	do.	14.18	12.63	14.02	14.08	13.23
Utility	do.	12.38	10.63	12.39	12.51	12.11
Canner and Cutter	do.	10.59	8.76	10.73	10.91	10.68
Vealers, Choice and Prime, Chicago	do.	20.50	18.12	25.12	22.67	21.88
Stocker and feeder steers, Kansas City 1/	do.	18.20	16.12	20.01	19.03	18.19
Price received by farmers						
Beef cattle	do.	16.60	15.50	16.30	16.50	16.10
Calves	do.	17.10	15.90	17.20	17.50	16.90
Hogs						
Barrows and gilts						
Chicago						
160-180 pounds	do.	24.29	22.29	17.09	18.76	16.64
180-200 pounds	do.	25.24	23.34	18.13	20.24	17.94
200-220 pounds	do.	25.25	23.47	18.08	20.24	18.10
220-240 pounds	do.	24.80	23.13	17.83	19.97	18.06
240-270 pounds	do.	23.80	22.18	17.14	19.11	17.64
270-300 pounds	do.	22.58	20.79	16.47	18.19	17.07
All weights	do.	24.02	22.56	17.24	19.51	17.83
8 markets 2/	do.	24.22	22.78	17.21	19.60	17.76
Sows, Chicago	do.	18.52	17.21	13.80	15.20	14.71
Price received by farmers	do.	21.50	20.40	16.40	18.40	16.70
Hog-corn price ratio 3/						
Chicago, barrows and gilts	do.	14.9	13.9	11.6	13.2	12.1
Price received by farmers, all hogs	do.	14.4	13.6	11.7	13.1	11.9
Sheep and lambs						
Sheep						
Slaughter ewes, Good and Choice, Chicago	do.	6.03	4.70	5.94	5.26	4.50
Price received by farmers	do.	6.30	5.62	5.95	5.49	5.36
Lambs						
Slaughter, Choice and Prime, Chicago	do.	24.52	22.28	19.08	24.14	22.07
Feeding, Good and Choice, Omaha	do.	---	---	---	---	---
Price received by farmers	do.	20.90	19.50	18.20	20.10	18.80
All meat animals						
Index number price received by farmers (1910-14=100)		296	278	260	276	261
Meat						
Wholesale, Chicago	Dollars per					
Steer beef carcass, Choice, 500-600 pounds	100 pounds	39.46	38.98	38.22	37.63	37.26
Lamb carcass, Choice, 40-50 pounds	do.	43.36	46.50	40.61	49.50	45.31
Composite hog products:						
Including lard						
72.84 pounds fresh	Dollars	26.15	24.85	19.63	21.11	19.44
Average per 100 pounds	do.	35.90	34.56	26.95	28.98	26.69
71.19 pounds fresh and cured	do.	30.01	29.20	22.91	24.69	23.95
Average per 100 pounds	do.	42.15	41.02	32.18	34.68	33.64
Excluding lard						
56.19 pounds fresh and cured	do.	26.91	26.06	20.59	22.44	21.68
Average per 100 pounds	do.	47.89	46.38	36.64	39.94	38.58
Retail, United States average	Cents					
Beef, Choice grade	per pound	68.8	68.3	67.2	67.5	
Pork, excluding lard	do.	57.8	55.6	49.3	51.5	
Index number meat prices (BLS)						
Wholesale (1947-49=100)		92.9	94.4	84.1	90.2	
Retail (1947-49=100) 4/		113.7	111.7	101.4	103.3	

1/ Average all weights and grades.
2/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.
3/ Number bushels of corn equivalent in value to 100 pounds of live hogs.
4/ Includes beef and veal, pork, leg of lamb and other meats. Excludes poultry and fish.

Selected marketing, slaughter and stocks statistics for meat animals and meats

Item	Unit	1954		1955		
		June	July	May	June	July
Meat animal marketings						
Index number (1935-39=100)		145	140	161	139	
Stocker and feeder shipments to						
9 Corn Belt States	1,000 head					
Cattle and calves		130	174	236	149	
Sheep and lambs	do.	90	100	113	96	
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	1,570	1,622	1,560	1,641	
Steers	do.	881	837	810	861	
Heifers	do.	166	198	201	215	
Cows	do.	474	537	509	518	
Calves	do.	622	640	588	610	
Sheep and lambs	do.	1,200	1,209	1,228	1,205	
Hogs	do.	3,453	3,325	4,164	3,713	
Percentage sows	Percent	34	31	15	28	
Average live weight per head						
Cattle	Pounds	944	935	961	960	
Calves	do.	241	244	219	233	
Sheep and lambs	do.	90	91	96	91	
Hogs	do.	274	265	252	264	
Average production						
Beef, per head	do.	526	516	534	535	
Veal, per head	do.	135	136	122	130	
Lamb and mutton, per head	do.	44	44	47	44	
Pork, per head 1/	do.	156	148	141	148	
Pork, per 100 pounds live weight 1/	do.	57	56	56	56	
Lard, per head	do.	40	39	38	39	
Lard, per 100 pounds live weight	do.	15	15	15	15	
Total production	Million					
Beef	pounds	822	834	830	874	
Veal	do.	84	87	71	79	
Lamb and mutton	do.	52	52	58	53	
Pork 1/	do.	538	491	587	550	
Lard	do.	137	129	156	144	
Total commercial slaughter 2/						
Number slaughtered	1,000					
Cattle	head	2,112	2,176	2,104	2,240	
Calves	do.	1,054	1,062	961	1,009	
Sheep and lambs	do.	1,354	1,369	1,369	1,407	
Hogs	do.	4,272	4,123	5,106	4,660	
Total production	Million					
Beef	pounds	1,066	1,078	1,075	1,145	
Veal	do.	138	143	118	130	
Lamb and mutton	do.	59	59	64	62	
Pork 1/	do.	649	596	708	674	
Lard	do.	157	149	181	168	
Cold storage stocks first of month						
Beef	do.	127	115	132	119	104
Veal	do.	11	12	12	11	11
Lamb and mutton	do.	8	9	10	10	9
Pork	do.	385	347	539	477	370
Total meat and meat products 3/	do.	653	605	822	740	608

1/ Excludes lard.

2/ Federally inspected, and other wholesale and retail.

3/ Includes stocks of sausage and sausage room products, canned meats and canned meat products, and edible offals, in addition to the four meats listed.

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