

The LIVESTOCK and MEAT SITUATION

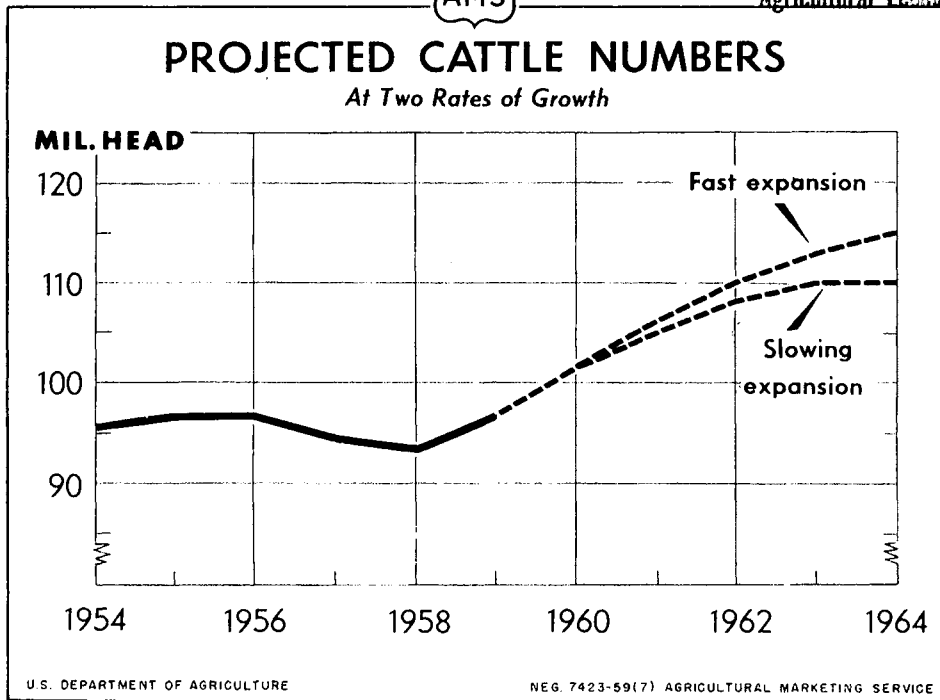
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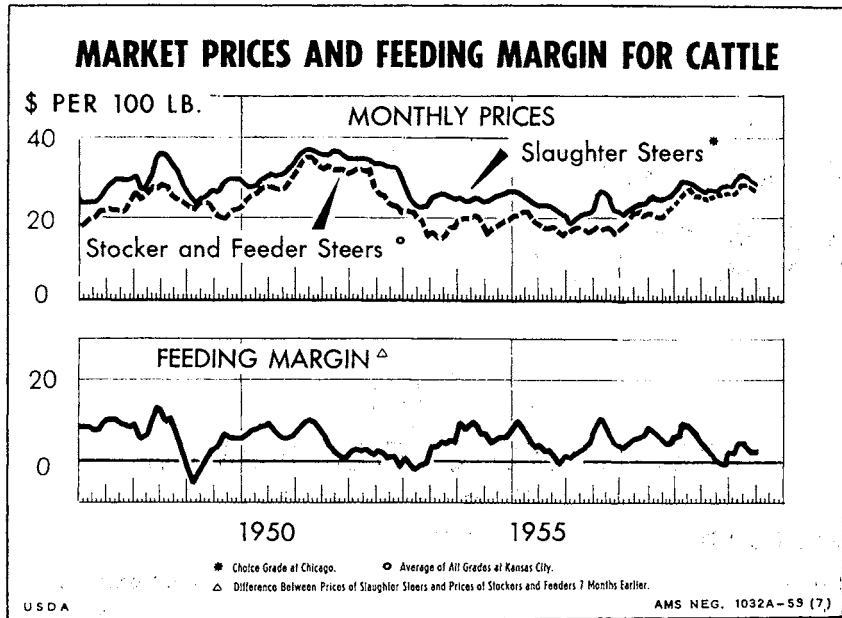
Numbers of cattle on farms are being increased approximately 5 million head this year, to a new high of about 102 million in sight for January 1960. The cyclical upswing will likely last several more years. At continued rapid expansion, numbers would head for a peak of 115 million by 1964. At a more moderate pace, the high

might be 110 million.

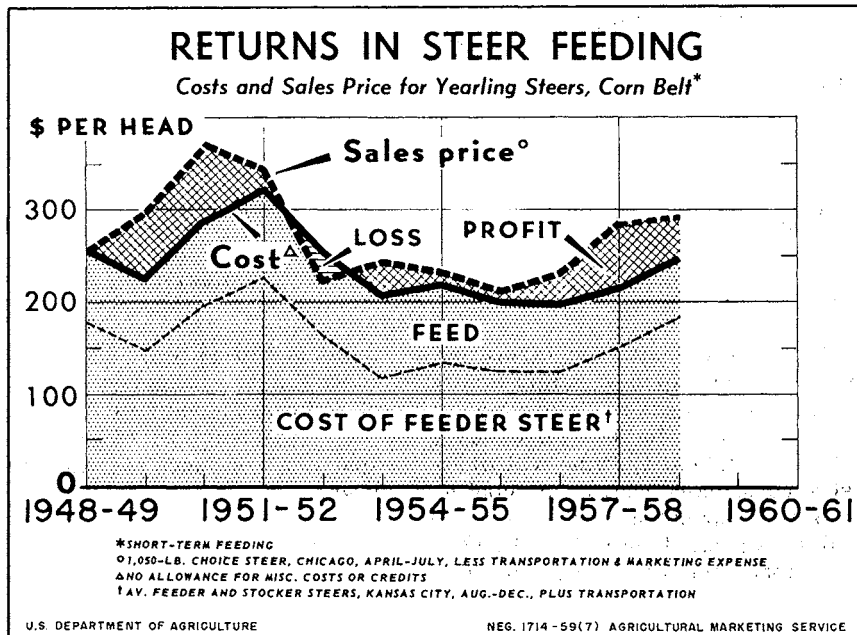
Either rate of increase would result in lower prices for cattle. Danger of a severe drop would be greater if expansion continues fast than if it is slower.

Prices may start their cyclical downswing in 1960.

Published bimonthly by
AGRICULTURAL MARKETING SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE



Price margins in cattle sold this past spring were fairly wide, but margins narrowed on summer sales. Consequently,



profits in a Corn Belt program of feeding for spring sale (shown above) were only a little less than the high profits of the previous feeding year. However, feeding programs for later sale were somewhat less profitable. Prospects are for prices of fed cattle to be a little lower next year, and paying prices for feeder cattle this fall may be slightly lower than last fall.

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, August 17, 1959

SUMMARY

Livestock production continues upward. Hog prices have been declining for a year and the increase in cattle numbers indicates that cattle prices will begin a gradual cyclical downtrend in 1960.

Hog prices will continue lower than a year earlier this fall and winter because production is substantially higher. Extreme price lows are unlikely, but the general level will be the lowest for a number of years. The seasonal low point this fall may occur earlier than it has in most years, and recovery afterward will be slow. The range of price fluctuations throughout the next 8 or 9 months will be much narrower than usual.

Any sizable increase in farrowings next spring would result in prices in the fall of 1960 as low or lower than this fall. The outlook does not justify any material expansion next year.

Prices of cattle have been unusually stable this year. This is in contrast with the almost uninterrupted advance during the previous two years. It suggests that prices may be at or near their cyclical high. Chief factor pointing to the beginning of a price decline in 1960 is the big inventory of slaughter steers and heifers being built up. By the end of 1959, steer and beef heifer numbers on farms may be around 25 percent greater than three years before. Even at a slow rate of marketing, slaughter supplies in 1960 would be appreciably above this year. On the other hand, as the cow herd and annual calf crop have not been expanded a great deal, a really sharp increase in slaughter is not likely. And any reduction from the record heavy carcass weights of 1959 would temper the effect of greater numbers slaughtered.

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Table with 2 columns: Item and Page. Items include Summary, Review and Outlook, Cattle Feeding Prospects, Outlook for Meat at Retail, Outlook for Sausage Meats, and List of tables.

In the coming feeding year, cattle producers and feeders will likely begin to face a slowly declining price level. Prices of feed probably will not change much. Hence, possibilities of earning normal profits in feeding will be linked closely to price trends in feeder cattle this fall. Feeder prices declined seasonally this summer but in early August were still above a year before. Prices are likely to decline somewhat further. By mid-fall they may be below a year ago, thus improving profit prospects in feeding of cattle compared with earlier prices.

Prices of sheep and lambs, after fluctuating erratically last winter, have traced their customary seasonal decline this summer. In early August price of slaughter lambs were not much different from a year before, but prices of feeder lambs were lower. As the 1959 lamb crop was only 2 percent larger than the 1958 crop, slaughter lamb prices until October may remain in the vicinity of last year's prices but not above them. After that month, however, prices could be higher than last year. Feeder lamb prices may continue below last year.

REVIEW AND OUTLOOK

More Cattle to be on Farms January 1, 1960

The outlook for beef cattle in 1960, reviewed at this time in order to assess prospects in cattle feeding, is framed by these two factors:

1. Total cattle numbers on hand next year will be substantially higher than this year, and much of the increase will be in steers and beef heifers for slaughter.
2. The potential slaughter thus will be considerably greater in 1960 than 1959. How much of the potential actually develops constitutes the key element in price prospects. Usually, transition to larger marketings is slow. Hence, the likelihood is for a moderate increase in slaughter and the beginning of a price decline, but for no drastic changes.

Henceforth cattle producers and feeders will operate under the shadow of a possible bulge in cattle marketings and a break in prices. Yet, unless set off by severe drought, the prospect is for gradual rather than precipitate changes.

In the first six months of 1959, 6 percent fewer cattle and 21 percent fewer calves were slaughtered commercially than a year before. Even though second-half slaughter rates will be nearer last year's, the 1959 total will be down enough to indicate a big increase in inventories on January 1, 1960. Previously estimated in this Situation at 4 to 5 million head, the gain over last January now appears likely to be near the 5 million figure.

More Steers, Beef
Heifers in Cattle Herd

Distinguishing features of the current cattle cycle are (1) that the buildup got underway faster than in most previous cycles and (2) that it included more young beef stock and fewer cows.

Based on a forecast of a total herd of 102 million next January and numbers by classes as estimated from current slaughter, the two-year increase in numbers may be compared with similar periods in previous cycles by means of the data in table 1.

Table 1.--Change in cattle numbers on farms by class during first two years following the cyclical low point in total inventory, four cycles

Years <u>1/</u>	All cattle and calves	All cows	Beef heifers	Steers	Beef calves
	Percent	Percent	Percent	Percent	Percent
1928-30	6.4	3.3	9.0	2.8	12.6
1938-40	4.7	2.9	7.0	-4.9	8.8
1949-51	6.8	5.8	10.0	-3.3	19.0
1958-60	9-9.5	3-5	25-28	17-20	15-20

1/ January 1 of years indicated.

Even should the forecasts for January 1, 1960 prove somewhat in error, the nature and approximate magnitude of differences from previous cycles are clearly seen. The 2-year increase in total number is greater in the current cycle than in the last three. For cows, the current increase is not at all exceptional. For beef calves, it is somewhat above previous averages. But for beef heifers and steers the current expansion far surpasses that in the same stage of earlier cycles.

If beef heifer and steer inventories expected next January are compared with their low point in January 1957, the increases are even larger than those from January 1958. Combined, their 3-year gain is around 25 percent.

This big increase in steer and heifer inventory makes it likely that cattle marketings will increase considerably in 1960. On the other hand, in the 1949-58 cycle steer and beef heifer slaughter picked up slowly. The ratio of their slaughter to inventories remained low for several years. Table 2 provides data for steers.

Table 2.--Federally inspected slaughter of steers
relative to steer inventories, 1949-54, 1958-59

Year	Ratio	Year	Ratio
1949	97.5	1953	103.3
1950	102.0	1954	113.0
1951	87.9		
1952	85.4	1958	104.1
		1959	<u>1/96</u>

1/ Partly forecast.

Ratio data in table 2 are themselves of only general significance, inasmuch as steer slaughter by other than federally inspected slaughterers is sizable, and much steer slaughter is of animals classed as calves in the inventory. Nevertheless, the fact is that the slaughter-to-inventory ratio for steers remained large through 1950, then was low for two years before it increased. In the current cycle the ratio declined in 1959. It may stay low for most of another year, but because the current cycle is moving at faster speed than the last it probably will not remain low as long as in the previous cycle.

1959 Calf Crop Up 2 Percent

While prospective inventories point to the probability of a larger slaughter of steers and heifers, and of all cattle, in 1960 than in 1959, the calf crop is not yet large enough to create a great "pressure from below." The supply of calves being produced each year has not yet increased a great deal.

The 1958 calf crop of 41.3 million was only 2 percent greater than the 1958 crop, and remained 3 percent smaller than the record 1954 crop (table 3). Moreover, if cow inventories in January 1960 are up only 3 to 5 percent, the gain in the 1960 calf crop will likely be about the same percentage.

Each year, a larger part of the calf crop is of beef-type calves. This shift in type offsets part of the effect of the slow rate of growth in total calf numbers. Potential for beef production is rising faster than the calf numbers in table 3 indicate.

Table 3.--Annual calf crop, 1953-59

Year	Cows and heifers 2 years and older on farms Jan. 1	Calves born	
		Ratio to number cows and heifers on farms Jan. 1 ^{1/}	Number
	<u>1,000 head</u>		<u>1,000 head</u>
1953	46,840	88	41,261
1954	48,946	87	42,601
1955	49,121	87	42,566
1956	48,729	86	42,010
1957	47,670	86	40,766
1958	46,520	87	40,514
1959	47,190	88	41,328

^{1/} Not strictly a calving rate.

Carcass Weights Heavier this Year;
Could Be a Little Lighter in 1960

Dressed carcass weights of cattle slaughtered in the first half of 1959 were very heavy, averaging 40 pounds above last year (table 4). Live weights at slaughter were rather heavy; however, much of the increase in carcass averages is accounted for by the higher percentage of fed steers and heifers in the slaughter. That proportion is estimated at 50 percent in January-June. These animals dress out at high yield and heavy carcass.

Table 4.--Live and dressed weights of cattle
slaughtered, January-June, 1956-59

Year	Live weight per head		Dressed weight:	Percentage fed cattle in total cattle slaughter ^{1/}
	All cattle slaughtered under Federal inspection	Steers sold out of first hand, Chicago, all grades	per head of all: cattle slaugh- tered under Federal inspection	
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Percent</u>
1956	1,005	1,145	566	41
1957	998	1,146	559	40
1958	1,012	1,126	567	43
1959	1,055	1,171	607	50

^{1/} Estimated on the basis of marketing data reported in quarterly cattle on feed reports.

Compared with 1956-57, fed steers at Chicago in January-June were only $2\frac{1}{2}$ percent heavier, and all cattle slaughtered were 5 percent heavier, but beef carcass weights averaged 8 percent heavier.

In 1960, fed cattle will again make up a large part of all cattle slaughtered. Hence, average carcass weights may again be heavy, although probably a little lighter than in 1959.

Cow Slaughter to Remain Small

Although total beef heifer and steer inventories are significant in the outlook, normally cow slaughter is most variable of all classes. Cow slaughter under Federal inspection during the first half of 1959 was 22 percent below a year before. Slaughter in the second half may about equal the small slaughter of the same time last year, but the total for 1959 will show a sizable reduction.

Slaughter of cows usually starts to increase either when stocking of ranges begins to approach capacity or when prices commence their cyclical decline. Unless severe drought occurs next year only a moderate increase in cow slaughter is to be expected.

Small Decline in Cattle Prices Likely Next Year

All factors taken together make it likely that cattle slaughter will increase enough to initiate a cyclical decline in cattle prices in 1960. One more brief rise in cattle prices is not impossible, but it is not probable. A slow downslide beginning sometime during the year is the more likely expectation.

Strong consumer demand for beef will moderate any decline. On the other hand, large supplies of pork will increase the downward pressure.

Price declines in prospect are not likely to be so great as to have major effect on incomes from cattle. Chief consequence will be a reorientation of viewpoint. Before long, expectations of price decline will replace the confidence in continuous rises that has marked the last three years.

Table 6.--Prices of feeder steers and calves at Kansas City,
per 100 pounds, by months, 1957-59

Month	Good feeder steers, 500-800 lb.			Good and Choice feeder steer calves		
	1957	1958	1959	1957	1958	1959
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
January	17.45	23.81	27.69	19.35	27.55	34.12
February	18.16	25.00	27.13	20.22	28.88	33.50
March	19.38	26.66	28.34	21.25	30.19	34.31
April	20.19	27.05	29.60	22.10	31.15	35.60
May	21.15	27.62	29.69	23.10	32.31	35.50
June	20.93	26.52	28.72	23.12	31.50	34.25
July	21.65	27.00	28.24	23.75	31.87	33.41
August <u>1/</u>	21.76	26.13	27.50	24.38	31.28	33.00
September	21.32	26.72		24.81	33.02	
October	21.01	26.77		25.03	33.49	
November	21.60	27.25		26.50	34.69	
December	22.62	27.45		26.75	34.20	
Year	20.60	26.50		23.36	31.68	

1/ 2-week average.

Feeder Prices on Decline This Summer

Prices of fed cattle have edged slowly downward this summer. In early August they were \$3.00 per 100 pounds below their April high.

Prices of feeder cattle also have trended lower this summer. In early August they were slightly above a year before (table 5). However, last year prices strengthened during the fall. If prices continue to decline seasonally this year, by mid-fall they will be below a year earlier. There is a rather strong possibility that this will take place.

How much feeder prices decline this fall will have a great deal to do with prospects for earning profits in cattle feeding this coming winter. In the last three years, continuous rises in prices of feeder cattle could be accepted because the price of fed cattle also was on an uptrend. Profits from Corn Belt feeding of steers for sale last spring yielded a profit that was above average, although less than the high profit of a year before (table 6). The satisfactory profit was earned even though prices paid for feeder cattle were the highest since 1951-52.

Table 6.--Average prices and costs in feeding steers in the Corn Belt, 1949 to date

Item	Feeding season beginning									
	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Price:										
Choice grade beef steers sold out of first hands, Chicago, April-July, per 100 pounds	29.36	36.15	33.69	22.70	24.24	23.26	21.17	23.72	28.32	29.01
Feeder steers, Kansas City, August-December, per 100 pounds ¹ / _{.....}	20.65	27.73	31.71	22.86	16.36	18.74	17.30	17.27	20.94	25.60
Corn, received by farmers North Central States, September-July, per bushel	1.175	1.511	1.638	1.438	1.401	1.370	1.238	1.205	1.019	1.032
Alfalfa hay, received by farmers North Central States, September-July, per ton	21.48	21.34	20.79	23.23	21.88	20.59	19.27	19.17	15.64	16.32
Soybean meal, 44 percent protein, whole-sale, Chicago, September-July, per ton ² / _{.....}	75.85	75.34	88.66	82.85	88.29	72.84	64.69	57.97	63.49	61.75
Sales value, per head:										
Choice steer, 1,050 pounds	308.28	379.58	353.74	238.35	254.52	244.23	222.28	249.06	297.36	304.60
Cost, per head:										
Feeder steer, 700 pounds	144.55	194.11	211.97	160.02	114.52	131.18	121.10	120.89	146.58	179.20
Transportation from market to feedlot	3.96	3.96	4.21	4.14	4.21	4.21	4.21	4.48	4.89	5.30
Corn, 45 bushels	52.88	68.00	73.71	64.71	63.05	61.65	55.71	54.22	45.86	46.44
Alfalfa hay, 0.75 ton	16.11	16.00	15.59	17.42	16.41	15.44	14.45	14.38	11.73	12.24
Soybean meal, 150 pounds	5.69	5.65	6.65	6.21	6.62	5.46	4.85	4.35	4.76	4.63
Transportation and marketing expense.....	8.97	9.18	10.12	10.29	10.46	10.43	10.82	11.32	11.76	12.53
Total for items shown ³ / _{.....}	232.16	296.90	332.25	262.79	215.27	228.37	211.14	209.64	225.58	260.34
Margin, value over costs shown ³ / _{.....}	76.12	82.68	21.49	-24.44	39.25	15.86	11.14	39.42	71.78	44.26

¹/ Average all weights and grades.

²/ Prior to July 1950, 41 percent protein.

³/ 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.

Prices of fed cattle have drifted lower this summer. As a result, profits in feeding for summer sale were less than those from spring sale.

Data in table 7 show why this is true. They indicate how much the price margin in feeding has narrowed. Gross margins on sales in early August, as measured for a 7-month feeding interval, were the lowest since last December (table 7). No slack remains in feeder-fed cattle price relationships.

If feeder prices drop this fall to a little below last year, the chance of earning average profits in feeding would be greatly improved. A price margin sufficient to cover costs might then be realized next year, even if prices of fed cattle fail to increase, or decrease somewhat.

Feed To Be Abundant

Feed will again be abundant this winter. On August 1, a corn crop of 4,173 million bushels was estimated, 374 million more than last year's record. However, the grain sorghum crop was indicated as 17 percent smaller than last year. With reductions of 26 percent in oats harvest and 14 percent in barley, the total feed grain production was estimated at about the same as last year.

Prices of feed in the coming feeding season are not expected to average much different from those in the past season. The support price on corn is less than last year's support price to producers who complied with allotments, but it averages 6 cents higher than the 1958 support for non-compliance corn and is up somewhat more from last year's rate in the non-commercial area. Supports on other feed grains are lower than for 1958 crops.

As the 1959 hay crop estimate is 10 percent below the record 1958 harvest, hay prices are likely to average a little higher.

Feeder Calf Prices To Decline Most in Coming Years

During a cyclical upswing in prices, prices of feeder calves rise faster than prices of feeder steers. At the beginning of the upswing, before those adjustments take place, feeder calves are a relative bargain, and rewarding profits are earned in feeding them.

When prices are at their peak or have turned downward, the advantage in feeding calves disappears. Although calves continue to make good use of cheap feed, there is more danger of price decline during the 12 to 14 months that calves are fed than in a shorter period for feeding of steers.

Table 7 .--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, January 1958 to date

Year and month	Price per 100 pounds		Margin between slaughter steers and stockers and feeders 7 months previous ^{2/}
	Choice grade slaughter steers, Chicago	Stocker and feeder steers, Kansas City ^{1/}	
	Dollars	Dollars	Dollars
1958			
January	26.82	23.02	6.62
February	27.54	24.35	6.80
March	29.90	25.79	9.57
April	29.37	26.83	9.26
May	28.83	27.16	8.65
June	28.07	25.38	6.66
July	26.99	25.43	4.31
August	26.11	24.46	3.09
September	26.70	25.47	2.35
October	26.67	25.80	.88
November	26.77	26.46	-.06
December	27.19	25.81	.03
1959			
January	28.13	26.10	2.75
February	27.85	25.97	2.42
March	29.11	27.78	4.65
April	30.33	28.63	4.86
May	29.34	28.69	3.54
June	28.48	27.24	2.02
July	27.89	26.47	2.08
August ^{3/}	27.68	22.26	1.58

^{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/} 2-week average.

Market price data compiled from Market News, Livestock Division.

Although these general rules are useful, they cannot be used to indicate a choice of feeding program in any one season. Comparative profits for one program versus another are determined primarily by the month-to-month trend in prices during the season for marketing fed cattle. Not enough data are available in August to attempt to forecast the seasonal price pattern for the next year.

Over the next several years, however, a larger decline can be expected in prices of feeder calves than of feeder steers -- the opposite of the trends during the cyclical upswing.

10 Percent More Cattle on
Feed July 1

Cattle feeding continues at record volume. On July 1, 13 major feeding States had 10 percent more cattle on feed than on the same date last year.

Feeders indicated that of the cattle on feed July 1, they intended to market 25 percent more in July-September than their actual marketings in the same period last year. However, marketings in the July-September quarter seldom equal intentions. Past experience makes it seem likely that the quarter's marketings will exceed last year by around 10 percent.

Receipts of fed steers at 7 markets, and of fed heifers at 5 markets, in July totaled 9 percent less than last year.

Marketings of fed cattle thus are apparently being delayed. They will almost certainly remain large this fall and winter. Prices, however, may be influenced not so much by the supply of fed cattle as by the number of non-fed cattle marketed. Reduced numbers of grass steers and heifers and of cows marketed have underpinned the higher average price of fed cattle to date in 1959. It is possible that enough yearling steers and heifers will be marketed off grass -- including many lower-grade stock that have been retained the last two years -- that slaughter of those classes will increase. If this occurs, not only will prices of cattle off grass decline somewhat more, but fed cattle will be prevented from advancing. Prospects are for fed cattle prices to continue relatively stable, but with little chance remaining for a fall rise. Prices of Choice and Prime grades are likely to hold up better than those of lower grades this fall and winter. The spread between the price of higher and lower grade cattle will probably be wider in the year beginning this fall than in the past year.

Hog Prices Low in July;
Fall Fluctuation to be Narrow

Prices of hogs, in a movement almost without precedent, plummeted in late June and July. The week ended July 25 they were almost \$2.50 below mid-June prices and the lowest they have been since the third week in March 1956.

Prices in July usually are at or near the year's high. This July's prices were the lowest for that month since 1945.

A small advance began in the last week in July. It may continue through most or all of August.

Inspected slaughter of hogs in July was approximately 20 percent above a year before. Most hogs marketed in that month were from the 1958 fall pig crop, which was 17 percent larger than the previous fall crop. July slaughter was not much out of line with the size of the pig crop.

During August, marketings normally complete their shift to hogs from the spring crop. This year's spring crop was up 12 percent. Although the number of hogs slaughtered will increase seasonally the next few months, the percentage gain over last year henceforth will not be as large as it was in June and July.

The trend toward early farrowing of spring pigs and early marketing has continued this year. The marketing rate will be stepped up fast in September, and October promises to be the peak month.

Low prices for hogs in July were partly caused by special circumstances, one of which was the greater quantity of pork than last year remaining in cold storage. Nevertheless, they also are a signal of changed seasonal price patterns, resulting from redistributed farrowings by months, that may be expected in the future. Hereafter, summertime prices will not be as high as before, and fall prices will be relatively not quite so low.

Although a September-October decline in hog prices is likely this fall, price fluctuations throughout the late summer and fall probably will be confined to a narrower range than those of many years past.

The July price break may also be looked upon as an adjustment to a lower level of hog prices that may be expected to continue for 12 to 18 months, at least. As 9 percent more fall pigs are in prospect, prices of hogs next winter and spring will doubtless be lower than in those seasons of 1959. Moreover, should farrowings be expanded further next spring, even lower prices would result in the fall of 1960. The price outlook does not appear to justify any material expansion in hog production next year.

The 1960 prospects for hogs will be reviewed more fully in the September issue of this Situation.

Lamb PricesDecline; LambCrop Up

Prices of lambs improved greatly last spring when new-crop lambs appeared on the market. They have declined since. The reduction is largely seasonal, however, and prices of slaughter lambs in early August were only slightly below a year before.

The 1959 lamb crop was only 2 percent greater than the 1958 crop. Numbers of ewes on farms and ranches were up a little more. The lambing percentage (number of lambs saved per 100 ewes 1 year or older) fell slightly.

In view of the small increase in production, lamb prices will not be under unusual pressure from the supply of lambs. Larger total meat supplies will exert a competitive influence, however, and slaughter lamb prices may at best only about equal last year until October. But repetition of last year's November-December decline is unlikely.

Prices of feeder lambs promise to remain below a year before, reflecting the unsatisfactory feeding season of last year.

Federal Grading Continued
for Lamb and Mutton

The Department has announced that Federal grading of lamb and mutton carcasses will be continued and that attention is being given to revising present grade standards. Suspension of grading these carcasses had been considered but the decision to continue was made after a careful analysis of the views of interested persons, the announcement stated.

Any revisions in USDA grade standards are made after consultation with industry. To this end, interested parties are invited to submit by September 1 proposals for improvements in the grade standards. A meeting with representatives of major organizations interested in lamb and mutton grading is scheduled for August 25.

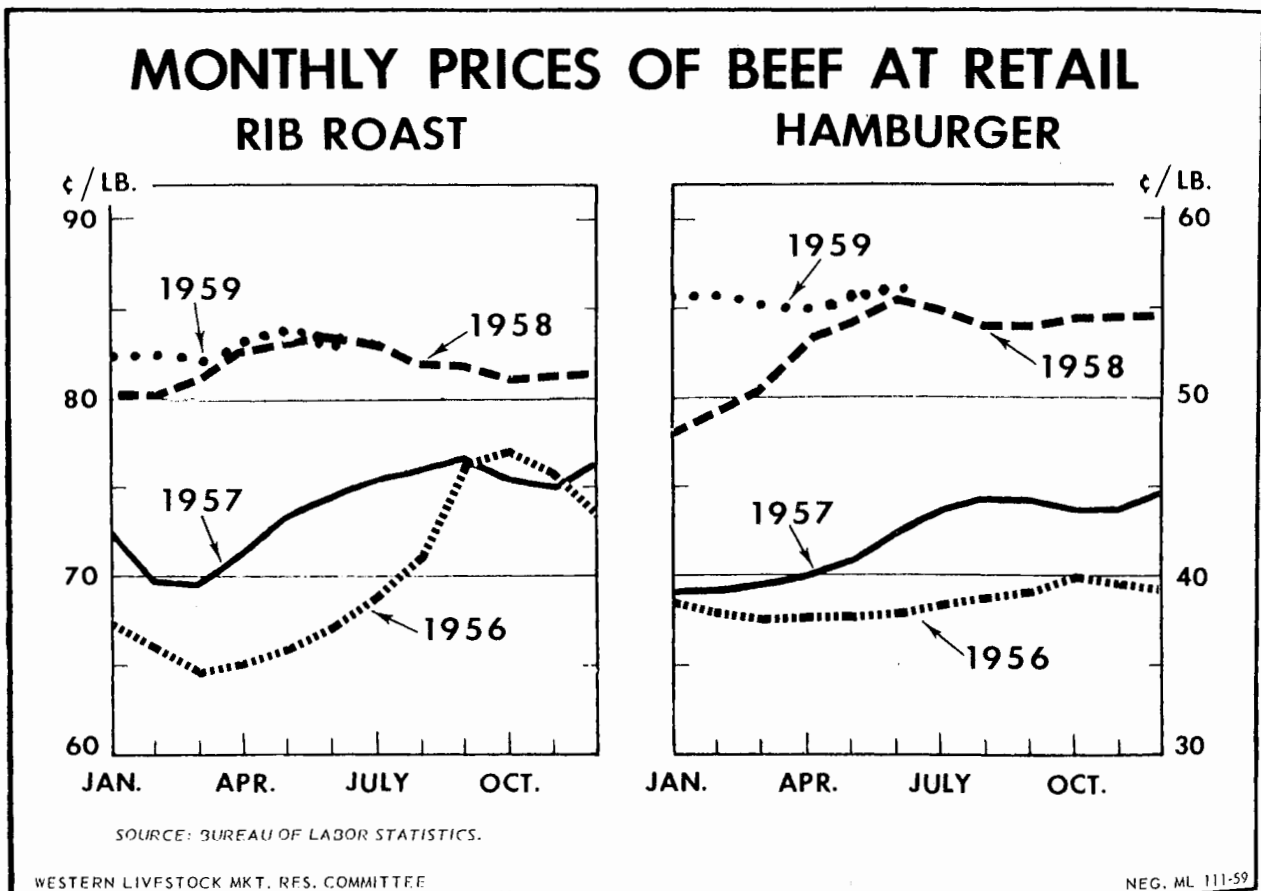
The Department expects to publish by October 1 its recommendations for changes in the grade standards with the expectation that the revised standards would be announced by December 1.

OUTLOOK FOR MEAT AT RETAIL

Lower prices of hogs in July were reflected in somewhat lower prices of pork at retail. Only scattered data were available in early August to show the extent of decline. Retail prices of pork products in New York City as reported by the Market News Service indicated a 5 percent drop from June. The July average was down 14 cents a pound, or 24 percent, from July 1958.

In any event, prices of pork products will be considerably lower this fall than last. On the other hand, a marked further fall decline, as occurs in some years, is not likely. Price fluctuations will be moderate.

Prices of beef cuts of Choice grade have recently been very near year-earlier levels (see chart). Comparatively stable prices are in prospect for a number of months.



Prices of beef could edge lower in 1960, as a result of the greater number of steers and heifers that will be available for slaughter.

Prices of retail cuts of lamb have not differed much from last year. As the 1959 lamb crop was up only 2 percent, prices will likely remain close to last year's level. Competitive pressures from beef and pork may reduce them a little, but no more.

OUTLOOK FOR SAUSAGE MEATS

Some seasonal gain in sausage meat supplies is likely during the next few months of large meat production. Grass cattle slaughter later this summer and fall is expected to be as large as last year, or a little larger. Cow slaughter, a big part of the grass cattle total, so far this year has averaged about a fifth below a year ago. At times this fall it may be a little above last year's unusually low rate. Hog slaughter will continue substantially above corresponding months in 1958, but by a smaller margin than the 20 percent registered in July.

Imports of processing meats rose sharply in June, due mainly to larger beef and veal receipts than in previous months from Australia and New Zealand, as well as from Canada and Argentina. The outlook is for meat imports this summer and fall to continue large, though probably not as large as those of the last half of 1958. Fresh beef from Oceania will make up the bulk of imports of processing beef. Tighter import restrictions on cured beef now exclude imports of salted boneless beef that made up much of the gain in imports during the summer of 1958.

Cold storage stocks of meat on August 1 were 512 million pounds, 42 percent larger than a year earlier. Net stock movements are generally small during the late summer and early fall, and are not expected to affect processing supplies noticeably during those months this year.

Sausage production under Federal inspection is currently near a seasonal high, and only slightly above output a year ago. Some reduction in frankfurters and other smoked or cooked sausage is in prospect during the rest of this year but fresh finished sausage and canned items will likely offset much of this decline.

Supply and distribution of meat, by months, 1959

Period	Commercially produced								Total 2/		
	Supply			Distribution					Production	Civilian consumption	
	Production	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption			Total	Per person
							Total	Per person 1/			
Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Mil. lb.	Lb.	
Beef:											
January	1,127	174	79	4	174	27	1,175	6.8	---	---	---
February	946	174	69	3	173	24	969	5.7	---	---	---
March	1,030	173	61	4	171	34	1,055	6.1	---	---	---
1st quarter	3,103	174	209	11	171	85	3,219	18.6	---	---	3/19
April	1,100	171	90	4	171	33	1,153	6.6	---	---	---
May	1,071	171	84	4	173	32	1,117	6.4	---	---	---
June	1,112	173	109	4	168	26	1,196	6.9	---	---	---
2nd quarter	3,283	171	283	12	168	91	3,466	19.9	---	---	3/20.5
Veal:											
January	77	16	1	4/	16	3	75	.4	---	---	---
February	69	16	1	4/	14	2	70	.4	---	---	---
March	74	14	1	4/	14	3	72	.4	---	---	---
1st quarter	220	16	3	4/	14	8	217	1.3	---	---	3/1.4
April	74	14	2	4/	13	3	74	.4	---	---	---
May	72	13	2	4/	11	5	71	.4	---	---	---
June	78	11	1	4/	10	3	77	.4	---	---	---
2nd quarter	224	14	5	4/	10	11	222	1.3	---	---	3/1.4
Lamb and mutton:											
January	75	9	5	4/	10	4/	79	.5	---	---	---
February	62	10	3	4/	11	1	63	.4	---	---	---
March	65	11	2	1	11	4/	66	.4	---	---	---
1st quarter	202	9	10	1	11	1	208	1.2	---	---	3/ 1.2
April	62	11	10	4/	13	4/	70	.4	---	---	---
May	55	13	6	4/	16	4/	58	.3	---	---	---
June	55	16	7	1	17	1	59	.3	---	---	---
2nd quarter	172	11	23	1	17	1	187	1.1	---	---	3/1.1
Pork:											
January	965	206	19	12	240	14	924	5.3	---	---	---
February	907	240	14	13	316	14	818	4.7	---	---	---
March	918	316	18	10	337	18	887	5.1	---	---	---
1st quarter	2,790	206	51	35	337	46	2,629	15.2	---	---	3/17
April	920	337	20	11	381	19	866	5.0	---	---	---
May	823	381	16	12	365	16	827	4.8	---	---	---
June	826	365	17	11	313	13	871	5.0	---	---	---
2nd quarter	2,569	337	53	34	313	48	2,564	14.7	---	---	3/16
All meat:											
January	2,244	405	104	16	440	44	2,253	13.0	---	---	---
February	1,984	440	87	16	514	41	1,940	11.2	---	---	---
March	2,087	514	82	15	533	55	2,080	12.0	---	---	---
1st quarter	6,315	405	273	47	533	140	6,273	36.2	---	---	3/38.5
April	2,156	533	122	15	578	55	2,163	12.4	---	---	---
May	2,021	578	108	16	565	53	2,073	11.9	---	---	---
June	2,071	565	134	16	508	43	2,203	12.6	---	---	---
2nd quarter	6,248	533	364	47	508	151	6,439	37.0	---	---	3/39

1/ Derived from estimates by months of population eating out of civilian food supplies, unadjusted for underenumeration.
 2/ Includes production and consumption from farm slaughter.
 3/ Estimated.
 4/ Less than 500,000 pounds.

Selected price statistics for meat animals and meat

Item	Unit	1958		1959		
		June	July	May	June	July
Cattle and calves						
Beef steers, slaughter	Dollars per					
Chicago, Prime	100 pounds	30.40	28.34	32.22	30.78	29.11
Choice	do.	28.07	26.99	29.34	28.48	27.89
Good	do.	26.49	25.92	27.87	27.17	26.73
Standard	do.	24.36	24.40	25.66	25.36	24.70
Commercial	do.	---	---	---	---	---
Utility	do.	22.77	22.80	23.77	23.42	22.61
All grades	do.	27.67	26.75	28.82	28.15	27.61
Omaha, all grades	do.	25.95	25.23	27.28	26.54	26.68
Sioux City, all grades	do.	26.25	25.49	27.59	26.80	26.76
Cows, Chicago						
Commercial	do.	21.18	20.23	21.38	21.54	19.02
Utility	do.	19.94	18.89	19.78	20.08	17.67
Canner and Cutter	do.	17.88	16.87	17.90	18.45	16.43
Vealers, Choice, Chicago	do.	31.12	30.72	---	---	---
Stocker and feeder steers, Kansas City ^{1/}	do.	25.38	25.43	28.69	27.24	26.47
Price received by farmers						
Beef cattle	do.	22.40	22.20	24.30	23.60	23.10
Calves	do.	24.70	25.20	29.10	28.50	28.10
Hogs						
Barrows and gilts						
Chicago						
160-180 pounds	do.	22.31	21.87	---	---	---
180-200 pounds	do.	23.44	23.15	16.64	16.60	14.52
200-220 pounds	do.	23.68	23.52	16.94	16.88	14.90
220-240 pounds	do.	23.52	23.50	16.65	16.64	14.82
240-270 pounds	do.	22.91	23.23	16.12	16.13	---
270-300 pounds	do.	22.32	22.73	---	---	---
All weights	do.	23.06	23.22	16.32	16.18	14.38
8 markets ^{2/}	do.	22.97	23.12	16.09	15.91	14.40
Sows, Chicago	do.	19.40	20.01	12.89	11.95	10.67
Price received by farmers	do.	21.60	21.70	15.50	15.00	13.30
Hog-corn price ratio ^{3/}						
Chicago, barrows and gilts		17.1	17.3	12.7	12.6	11.4
Price received by farmers, all hogs		18.2	18.4	13.5	12.9	11.8
Sheep and lambs						
Sheep	Dollars per					
Slaughter ewes, Good and Choice, Chicago	100 pounds	7.37	6.14	7.05	5.85	5.53
Price received by farmers	do.	7.01	6.66	6.56	5.94	5.92
Lambs		25.04	25.00	22.79	26.30	24.00
Slaughter, Choice, Chicago	do.	---	22.92	21.32	20.62	19.46
Feeder, Good and Choice, Omaha	do.	21.20	21.40	20.60	21.20	19.90
Price received by farmers	do.					
All meat animals						
Index number price received by farmers (1910-14=100)		348	348	338	329	314
Meat						
Wholesale, Chicago	Dollars per					
Steer beef carcass, Choice, 500-600 pounds	100 pounds	45.59	44.78	46.66	45.98	45.63
Lamb carcass, Choice, 45-55 pounds	do.	45.92	51.55	46.50	51.65	48.59
Composite hog products:						
Including lard						
71.90 pounds fresh	Dollars	24.89	24.91	18.42	18.37	16.68
Average per 100 pounds	do.	34.62	34.65	25.62	25.55	23.20
71.01 pounds fresh and cured	do.	28.90	29.12	21.95	22.09	20.72
Average per 100 pounds	do.	40.70	41.01	30.91	31.11	29.18
Excluding lard						
55.99 pounds fresh and cured	do.	26.43	26.65	19.96	20.20	18.83
Average per 100 pounds	do.	47.20	47.60	35.65	36.08	33.63
Retail, United States average	Cents					
Beef, Choice grade	per pound	83.0	82.9	83.7	83.3	
Pork, excluding lard	do.	67.9	69.1	58.1	58.5	
Index number meat prices (BLS)						
Wholesale (1947-49=100)		115.8	113.8	102.8	103.1	
Retail (1947-49=100) ^{4/}		124.2	125.4	117.7	118.0	

^{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.

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

Item	Unit	1958		1959		
		June	July	May	June	July
Meat animal marketings						
Index number (1947-49=100)		110	111	113	114	
Stocker and feeder shipments to						
9 Corn Belt States	1,000					
Cattle and calves	head	267	249	349	295	329
Sheep and lambs	do.	138	265	192	168	220
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	1,506	1,561	1,412	1,473	1,557
Steers	do.	857	921	815	851	
Heifers	do.	241	245	287	298	
Cows	do.	382	367	288	301	
Bulls and stags	do.	26	28	23	24	
Calves	do.	430	435	358	366	382
Sheep and lambs	do.	1,042	1,013	1,017	1,056	1,107
Hogs	do.	4,209	4,326	4,970	4,902	5,184
Percentage sows	Percent	17	17	11	15	
Average live weight per head						
Cattle	Pounds	997	1,004	1,047	1,036	
Calves	do.	229	231	219	227	
Sheep and lambs	do.	94	93	98	94	
Hogs	do.	251	244	247	250	
Average production						
Beef, per head	do.	564	572	606	599	
Veal, per head	do.	128	130	126	130	
Lamb and mutton, per head	do.	46	45	48	46	
Pork, per head	do.	144	140	141	143	
Pork, per 100 pounds live weight	do.	57	57	57	57	
Lard, per head	do.	35	34	36	36	
Lard, per 100 pounds live weight	do.	14	14	15	14	
Total production	Million					
Beef	pounds	847	891	853	879	
Veal	do.	55	56	45	47	
Lamb and mutton	do.	47	46	48	48	
Pork	do.	605	604	698	701	
Lard	do.	148	148	179	176	
Commercial slaughter ^{1/}						
Number slaughtered	1,000					
Cattle	head	1,987	2,090	1,841	1,932	
Calves	do.	701	733	556	580	
Sheep and lambs	do.	1,200	1,182	1,167	1,224	
Hogs	do.	5,011	5,161	5,899	5,843	
Total production	Million					
Beef	pounds	1,078	1,148	1,071	1,112	
Veal	do.	91	96	72	78	
Lamb and mutton	do.	55	53	55	55	
Pork	do.	710	714	823	826	
Lard	dc.	167	167	201	198	
Cold storage stocks first of month ^{2/}						
Beef	do.	100	108	171	173	168
Veal	do.	7	8	13	11	10
Lamb and mutton	do.	10	12	13	16	17
Pork	do.	243	210	381	365	313
Total meat and meat products ^{3/}	do.	422	396	660	647	582

^{1/} Federally inspected, and other wholesale and retail.

^{2/} August 1 cold storage stocks are as follows in million pounds: Beef 164, veal 8, lamb and mutton 16, pork 251, total meat and meat products 512.

^{3/} Includes stocks of canned meats in cooler in addition to the four meats listed.

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: The next issue of Livestock and :
: Meat Situation is scheduled for :
: release on October 1, 1959 :
: