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The LIVESTOCK and MEAT SITUATION

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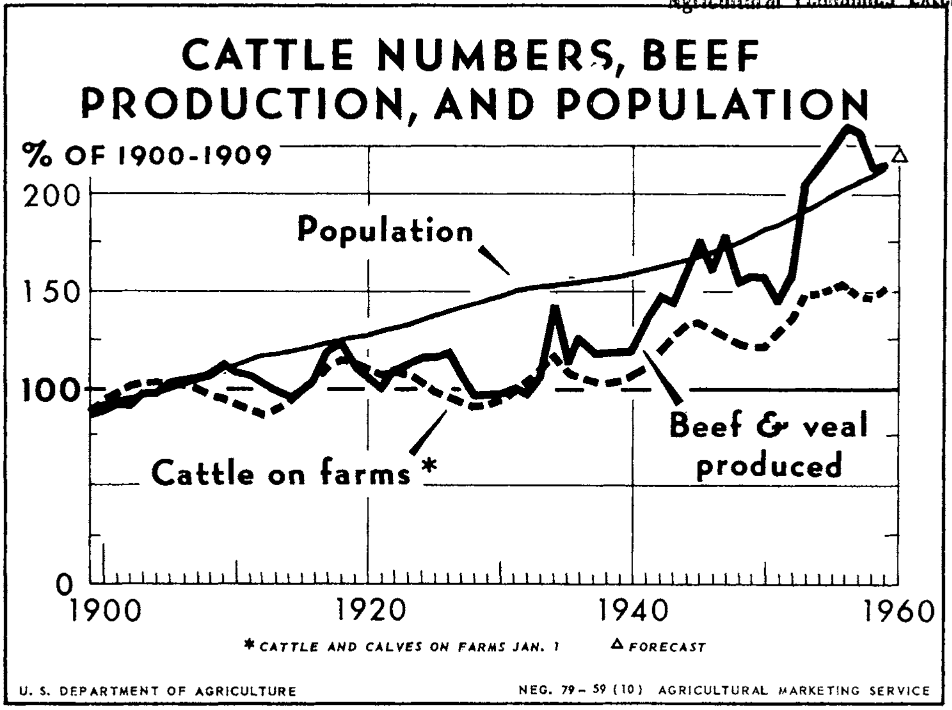

The number of cattle on farms has continued to increase at about the same rate as population during the last 20 years. Production of beef and veal has outrun population growth during this time due to a gain in output per head. Production has been above the population line since 1953.

Beef and veal production turned upward again in 1959 but not as sharply as cattle numbers. Both are expected to increase further in 1960.

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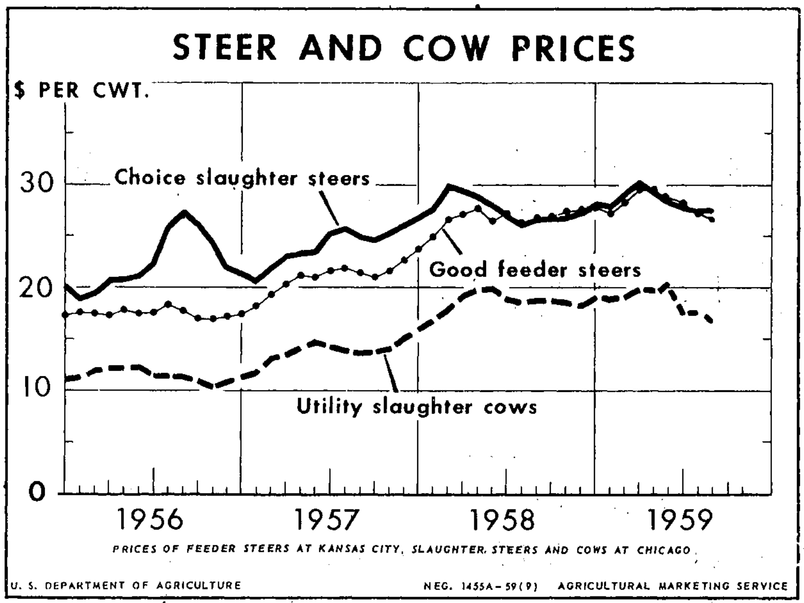
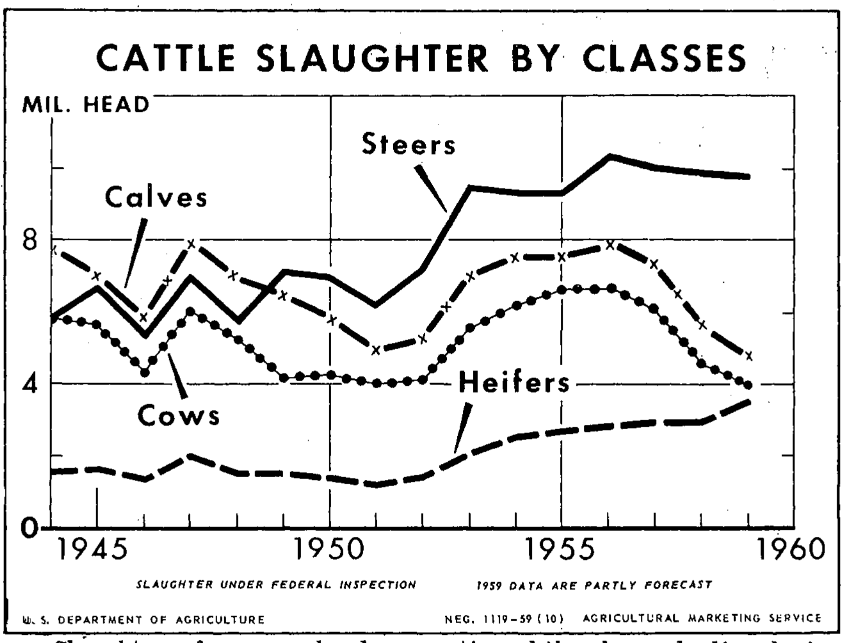


During the uptrend in cattle prices slaughter steer and cow prices advanced less than did feeder steers. Percentagewise, slaughter cows have gained more than slaughter steers.

Some cyclical decline in prices may occur next year but it is expected to be moderate. Price declines for the higher grades of slaughter cattle will likely be less than for other classes.



Slaughter of cows and calves continued the sharp decline during 1959. Combined steer and heifer slaughter showed a gain over last year, boosting beef production above 1958 output. Most of the gain in heifer slaughter was fed heifers.

Steer and heifer slaughter will likely show a gain next year. Cow and calf slaughter are each expected to turn up soon, probably during 1960.

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, November 5, 1959

SUMMARY

Livestock production and slaughter in 1960 will increase over 1959. Hog production may turn down in 1960 but the total number to be slaughtered will probably be a little larger than this year. Cattle herds are being increased rather sharply and some gain is expected in slaughter over this year's low rate. Sheep and lamb slaughter will likely rise next year in line with the modest gain this year in numbers on farms.

Meat output has been increasing for two years and will probably set a new high in 1960. All classes of meats will be up but the largest gain will be in beef. Consumption this year is around 158.5 pounds per person and very likely will reach 161 pounds next year. Such a rate would still be below those of 1955 and 1956 which were 162.8 and 166.7 pounds.

Cattle and calf slaughter this year is down 6 percent, and over 5 million head are being added to farm inventories. Numbers will likely continue to increase for several years. The expanded production will result in a cyclical increase in slaughter and decrease in prices. Based on the experience of previous cycles, these changes during 1960 are expected to be moderate unless extensive drought should trigger heavy marketings.

Slaughter supplies next year will likely continue to be dominated by fed cattle. As liberal supplies for slaughter seem assured at least during the first half of 1960, a price rise next spring equal to that of last spring is not likely. Fed cattle slaughter later next year will come largely from calves and light-weight cattle going on feed this fall and next spring. Grass cattle slaughter, including cows, during the last half of 1960 could show significant gains over these months in 1959 and prices are likely to be somewhat lower.

CONTENTS

	Page
Summary	3
Review and Outlook	4
Retail Meat Outlook	20
List of Livestock Publications	28, 29
Standard Summary Tables	30, 32
List of Tables	33, 34

The outlook for hogs next year is based largely on the increase in supply already in progress and the possibility of a slight reduction in slaughter next fall compared with this fall. Producers' intentions in June were to increase fall farrowings 8 percent. In September producers in 10 of the Corn Belt States indicated they had not increased farrowings as much as they had intended in June. These farrowings will influence slaughter through the first 4-6 months of 1960 when hog slaughter will average somewhat above 1959. As a result, prices of hogs are likely to be near present levels this winter and next spring.

The supply of hogs during the last half of next year will come largely from the 1960 spring pig crop. The 10-State intentions in September were for a 4 percent reduction in the first half of the spring season (December-February) Last year these 3 months accounted for an unusually large percentage of the spring crop. The low hog-corn price ratio this summer and a rather disappointing experience with early pigs in 1959 were the principal factors leading to the reduction. However, the corn crop is a record and if there is some shift to later farrowings next spring the total 1960 spring crop may be down only slightly from this year. Such a spring crop would mean that hog prices in the fall and winter of 1960-61 would be at least as high and perhaps a little higher than this fall and winter.

Sheep and lamb numbers increased during the past 2 years and some further gain is being made this year. This expansion has been encouraged by some improvement in range conditions, the wool incentive program and by higher prices for cattle. Since June, lamb slaughter has been higher and prices have been lower than last year. This winter this situation will probably be reversed. Lamb and mutton output in 1960 is expected to be up enough to provide each consumer with fractionally more than the 4.5 pounds in prospect for this year. Prices next year will probably average close to 1959 prices.

REVIEW AND OUTLOOK

Record Meat Output Expected Next Year

Production of red meat in the United States declined from a record high of 28.1 billion pounds in 1956 to 25.7 billion in 1958 and will rise to about 27.2 billion this year. The uptrend will continue in 1960 when production will probably top 1956 output by a small margin. However, because of population gains consumption per person next year, forecast at about 161 pounds, will be around 6 pounds per person short of the 1956 rate.

A gain in the supply of beef is almost certain to result from the buildup in cattle numbers, even if withholding for herd expansion is near this year's rate. A larger gain in slaughter would result if this rate should slacken. Heavier average slaughter weights accounted for the increase in beef production this year over last. In 1960, the average dressed weight of beef per head slaughtered may not be quite as high as in 1959 but this is expected to be more than offset by a rise in numbers slaughtered. A small gain in pork supplies seems probable from the gain in the 1959 fall crop hogs and the prospect for only a small decline in next spring's pigs. Ample supplies of feed plus some gain in sow slaughter indicate slaughter hog weights next year will likely be as heavy as in 1959. Gains in veal and lamb output are expected to be small and will not add much to the prospective increase in meat production.

Meat supplies have been boosted by record imports of meat. Net imports will probably top the billion pound mark (carcass weight equivalent) for the first time this year--enough meat to provide $5\frac{1}{2}$ pounds more per person in our civilian population. Imports of live animals and meat will account for about 9 percent of our meat supply this year.

Imports of live animals and meats will likely continue high in 1960 although they are not expected to total as large as in 1959. Increased domestic production and lower prices will be the principal restraints, although Mexican export quotas and smaller production in some of the major exporting countries also will be limiting factors.

Average prices of meat at retail at the beginning of this year were above year-earlier levels, but soon dropped below. For the year, retail meat prices, as measured by the Bureau of Labor Statistics index, are expected to average 3 percent below 1958. Lower prices for pork and lamb account for the decline. Beef and veal prices this year will average slightly higher than last year.

Based on the outlook for meat supplies and the likelihood of a continued strong demand for meat, retail meat prices will likely average somewhat lower in 1960 than in 1959. Except for seasonal variations, beef prices will likely trend slowly downward. It is typical during times of increasing supplies for prices of the higher priced cuts to change less in price than the lower priced items.

Retail pork prices will likely follow a more typical pattern during the next year. Prices this winter and next spring may show less variation than usual and will be below a year earlier. During the seasonal price recovery in prospect for next summer, pork prices may average close to last summer. The level of prices next fall will depend largely on the size of the spring pig crop. If the spring crop is down slightly, as now seems probable, pork prices next fall would probably be close to or a little above this fall. However, lower beef prices will tend to limit any rise in pork prices due to smaller supplies.

Cattle Number to Set New High

Cattle numbers have been increasing cyclically for 2 years and will probably continue to expand for a few more. Eventually this increase will result in an increase in slaughter and a decrease in prices. The only questions are: (1) How much and (2) how soon? Based on comparisons with previous cycles and prospects for slaughter the rest of this year some guides as to the probable trends in 1960 are outlined.

Table 1.--Production and consumption per person of red meat and poultry, United States, 1950-59 and forecast for 1960

Production 1/

Year	Red meats: Beef	Red meats: Veal	Red meats: Lamb and mutton	Red meats: Pork excluding lard	Red meats: Total	Poultry meat 2/	Red and poultry meat
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1950	9,534	1,230	597	10,714	22,075	3,789	25,864
1951	8,837	1,059	521	11,481	21,898	4,136	26,034
1952	9,650	1,169	648	11,527	22,994	4,238	27,232
1953	12,407	1,546	729	10,006	24,688	4,325	29,013
1954	12,963	1,647	734	9,870	25,214	4,613	29,827
1955	13,569	1,578	758	10,991	26,896	4,400	31,296
1956	14,462	1,632	741	11,218	28,053	5,197	33,250
1957	14,211	1,528	707	10,478	26,924	5,440	32,364
1958	13,342	1,189	688	10,528	25,747	6,049	31,796
1959 3/	13,700	1,000	725	11,800	27,225	6,425	33,650
1960 forecast	14,450	1,075	750	11,925	28,200	6,450	34,650
	Consumption per person						
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1950	63.4	8.0	4.0	69.2	144.6	24.7	169.3
1951	56.1	6.6	3.4	71.9	138.0	26.1	164.1
1952	62.2	7.2	4.2	72.4	146.0	26.8	172.8
1953	77.6	9.5	4.7	63.5	155.3	26.7	182.0
1954	80.1	10.0	4.6	60.0	154.7	28.1	182.8
1955	82.0	9.4	4.6	66.8	162.8	26.4	189.2
1956	85.4	9.5	4.4	67.4	166.7	29.8	196.5
1957	84.6	8.8	4.2	61.5	159.1	31.4	190.5
1958	80.5	6.7	4.1	60.7	152.0	34.1	186.1
1959 3/	81	5.8	4.5	67	158.5	35.8	194.3
1960 forecast	83	6.0	4.6	67	161	35	196

1/ Production of red meats is carcass weight equivalent of production from total United States slaughter.
2/ Chicken, including commercial broilers, and turkey, ready-to-cook (eviscerated) basis.
3/ Partly forecast.

Table 2.—Number of cattle and calves on farms January 1, calf crop, number slaughtered and imports, United States, 1951 to date

Year	Number on farms January 1: All cattle and calves	Number on farms January 1: Cows	Calf crop	Imports	Number slaughtered: Cattle	Number slaughtered: Calves	Number slaughtered: Total
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1951	82,083	42,094	35,825	239	17,084	8,902	25,986
1952	88,072	43,923	38,273	140	18,625	9,388	28,013
1953	94,241	46,840	41,261	198	24,465	12,200	36,665
1954	95,679	48,946	42,601	86	25,889	13,270	39,159
1955	96,592	49,121	42,566	314	26,587	12,864	39,451
1956	96,804	48,729	42,010	159	27,754	12,997	40,751
1957	94,502	47,670	40,766	728	27,089	12,362	39,451
1958	93,350	46,520	40,514	1,152	24,396	9,752	34,148
1959 1/	96,851	47,190	41,328	2/800	2/24,000	2/8,225	2/32,225

1/ Preliminary. 2/ Partly forecast.

During the preceding cycle, cattle numbers on farms January 1 increased from 1949 to 1956 and then decreased for 2 years, the shortest decline on record. Cattle numbers increased 26 percent during the upswing. The number of beef cattle was up nearly 50 percent as the number of cattle kept for milk declined slightly. The cyclical jump in slaughter and break in prices occurred in 1953, 4 years after the upswing in numbers got under way.

The cattle cycle got under way much faster this time than ever before. Last year about 3.5 million head were added to herd inventories and this year over 5 million more are being added. Part of this spurt is a matter of inventory dates. Withholdings actually started in earnest during the last half of 1957 but not in time to forestall a decline in the January 1958 count.

Another distinguishing feature of the current buildup to date is the accumulation of young slaughter stock and a somewhat smaller gain in breeding livestock. The rise in beef steer and heifer numbers has been almost spectacular compared with earlier cycles. Calf numbers have also increased sharply yet not a great deal faster than before.

Table 3.--Number of cattle and calves slaughtered under Federal inspection, by class, United States, by months, 1959 compared with 1958

Month	Steers		Heifers		Cows		Calves	
	1959	1958	1959	1958	1959	1958	1959	1958
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
Jan.	808	877	261	249	356	477	424	547
Feb.	663	678	250	245	291	365	377	468
Mar.	751	706	286	258	280	373	423	518
Apr.	816	780	305	225	291	353	406	485
May	815	831	287	236	288	374	358	438
June	851	857	298	241	301	382	366	430
July	895	921	304	245	333	367	382	435
Aug.	797	855	319	253	310	346	359	424
Sept.	865	869	351	267	300	398	415	471
Oct.		858		287		456		541
Nov.		725		220		337		441
Dec.		864		224		329		474
Total 1/	9,750	9,840	3,550	2,951	3,900	4,558	4,800	5,672

1/ Computed from unrounded numbers. 1959 totals are partly estimated.

Big increases in steers and heifers reflect to a large extent the increasing dominance of beef cattle in the nation's cattle herds and the increasing proportion taking a turn in feed lots. The 6.8 million heifers on farms this past January were a record but most of the increase was in the number on feed. Steer numbers are also a record but cow numbers are still well below earlier peaks.

Principal conclusions are that (1) the supply of young stock for slaughter (i.e., slaughter steers and heifers) has built up so much more, and so much faster, this time than in previous cycles that slaughter is likely to increase and prices decline earlier than in the past; (2) the cow herd expansion has been slow enough that a sustained high level of cattle marketings is not likely in the near future. However, we are getting so much more beef output per cow -- and per head of all cattle in the inventory -- that beef production is likely to expand more than the number of cows.

The withholding phase of a cattle cycle is marked by a low rate of slaughter of all classes relative to inventory. Even so, steer and heifer inventories are large enough that some increase in slaughter of those classes is certain in 1960.

Cow slaughter has a well defined cyclical pattern relative to inventories. As the cycle progresses and cow numbers are built up, the ratio of slaughter to inventory increases and then drops sharply near the end of the cycle. There is considerable variation in this ratio because of the flexibility in culling out cows. Too, cows are subject to the widest price swings, percentagewise, than any other class. Modest changes in prices of slaughter cattle can induce relatively large changes in the prices of cows, which may markedly affect their rate of slaughter.

Although cow slaughter is expected to pick up in 1960, both in absolute numbers and relative to inventories, the gain will probably still be lower than that for steers and heifers. A modest gain in cow slaughter seems like the most probable course in 1960. The potential for a sharp increase is present since cattlemen have retained a number of cows for "just one more calf" for two years now and the number of young she-stock capable of moving into the "basic productive herd" has expanded sharply.

Calf slaughter relative to supplies has set new lows during the past cycle and the downtrend is being continued in the current one. This is true whether slaughter is compared with calf crops, calves on hand January 1, or the sum of these. This is due largely, as mentioned earlier, to the fact that a larger part of our cattle herd is beef cattle. Beef calves develop into more desirable feeders and stockers than do calves of dairy breeding and during periods of lessened beef supplies a smaller proportion of the calf crop is slaughtered as calves. Hence, the low rate of calf slaughter is directly associated with the striking gain in number of steers and heifers on hand.

Calf slaughter relative to available supplies usually levels out or turns up again in the third or fourth year of the cattle cycle. In view of this experience, and the large number of young stock already added to inventories, it appears likely that slaughter next year will be up about in line with the expected increase in the calf crop.

Adding up all these factors, total cattle and calf slaughter relative to inventories in 1960 will be very close to or only scarcely higher than in 1959. Prospective slaughter under such a projection would be about 6 percent larger than this year. Such a slaughter rate would allow cattle numbers to continue upward at a rather fast clip. The rise in slaughter reflects only the quicker buildup in number of young slaughter stock in this cycle.

Table 4.--Selected prices of livestock, by months, 1958 and 1959

Month	Choice slaughter steers at Chicago 1/ 1959	Choice slaughter steers at Chicago 1/ 1958	Stocker and feeder steers at Kansas City 2/ 1959	Stocker and feeder steers at Kansas City 2/ 1958	Barrows and gilts at 8 markets 3/ 1959	Barrows and gilts at 8 markets 3/ 1958	Choice lambs at Chicago 4/ 1959	Choice lambs at Chicago 4/ 1958
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Jan.	28.13	26.82	26.10	23.02	16.63	19.26	19.35	23.96
Feb.	27.85	27.54	25.97	24.35	15.63	20.16	19.48	24.31
Mar.	29.11	29.90	27.78	25.79	15.89	21.20	20.56	23.40
Apr.	30.33	29.37	28.63	26.83	16.09	20.64	21.59	22.03
May	29.34	28.83	28.69	27.16	16.09	22.03	22.79	21.27
June	28.48	28.07	27.24	25.38	15.91	22.97	26.30	25.04
July	27.89	26.99	26.47	25.43	14.40	23.12	24.00	25.00
Aug.	27.56	26.11	25.96	24.46	14.65	21.33	23.00	23.94
Sept.	27.62	26.70	25.38	25.47	13.81	20.42	21.13	22.80
Oct.	27.19	26.67	24.41	25.80	13.11	18.88	20.52	23.31
Nov.		26.77		26.46		18.13		22.29
Dec.		27.19		25.81		17.86		19.81
Average		27.42		25.56		20.25		23.10

1/ Sold out of first hands. 2/ All weights. 3/ Average for all weights Midwest markets. 4/ Spring lambs May-September, wooled lambs all other months.

Compiled from Market News, Livestock Division.

Slaughter Weights in 1960 May Ease Off

Part of the gain in cattle slaughter in 1960 could well be offset by lower average slaughter weights. The average beef carcass weight this year will be 20-25 pounds heavier than in 1958 and a record high. A continuation of strong demand for beef, relatively cheap feed and a confidence in the prospects for future prices were mainly responsible. The proportion of fed beef production to total beef will continue high in 1960 but may not be as great as this year and would result in lower average weights. Also, faced with the prospect for downtrending prices, cattlemen will be tempted to sell earlier at lighter weights. The decline in average weights, however, will likely be moderate. In that event the gain in total beef output would not be especially large.

The importance of carcass weights may not be apparent at first glance but this factor must be considered in forecasting beef production. Even at last year's slaughter rate the gain in average weight this year produced about 3 pounds more beef per person than would have been the case at 1958 weights.

Cattle Prices at Cyclical High

It seems likely that the small increase in cattle slaughter in prospect for 1960, together with a very large slaughter of hogs, will take the bloom off cattle prices. A sharp break in prices is not likely, but we are entering a period that calls for wariness.

Data in table 4 and chart page 10 compare prices with those earlier. Chief observation is that the recent pattern is a typical one: The higher grades, and the slaughter classes, advanced the least. Chief meaning for the future is that price declines, when they come, will be in reverse order. That is, the classes for which price advances were greatest will be those for which sharpest declines are due.

In October, prices of the higher grades of fed cattle were about equal to a year earlier. Prices of feeder cattle and lower grades of slaughter stock had declined under pressure of seasonally larger marketings and were below year-earlier prices. Calf prices were also down $1.00-$3.00 per 100 pounds from last year, with feeder calves showing less of a premium over slaughter classes.

Prices of fed cattle will likely show little variation from present levels this fall and winter since a large slaughter of this class is likely. On October 1, the number of cattle on feed in 21 States was up 20 percent from a year before. Most of the increase consisted of cattle that had been on feed less than 3 months. However, the number on feed over 3 months and available for fall and winter slaughter also was up significantly. Prices for fed cattle were relatively high during the early months last year and this with the peak price in March or April. Remembering this price pattern, more feeders may aim for late winter or early spring market next year. Hence, marketings will likely be large enough to prevent much price rise during the winter and spring and consequently prices during this period may average below a year earlier.

In past years, prices of fed cattle have often turned upward sometime in the summer or fall. With the expansion in year-round feeding in recent years this seasonal advance has been nearly wiped out. Little price advance before summer is likely in view of large marketings of fed cattle in prospect.

The level of cattle slaughter in prospect for next year indicates slowly downtrending prices generally. Prices of cows and feeder cattle will likely show greater declines than fed cattle. Seasonal price changes would likely be evident in these lower grades and a major part of the year's decline would likely be felt during late summer and fall.

Feeding Returns Decline

Profits in various feeding programs in the 1958-59 feeding year just completed were governed largely by the downtrend in fed cattle prices since April. Cattle fed for early market returned about average profits. Profits on later sales were below average. All programs showed smaller net returns than in 1957-58.

Net returns in 6 standard Corn Belt feeding programs are illustrative. Returns over specified costs ranged from $16.34 to $70.31 per animal fed last season. Smaller returns than last year were due largely to higher prices for feeder cattle. Feed costs changed very little for these programs and marketing charges were up slightly.

Highest profits this year and last were in short-feeding heavy steers for March-May sale. This type of feeding outlined here sold on a favorable market in both years. Other short-term feeding operations selling after fed cattle prices declined showed smaller returns.

Long feeding of steer calves and yearling steers, which have been the most profitable operations in recent years, were the least profitable last year. Relatively high feeder prices had apparently fully offset low feed costs and the decline in slaughter cattle prices last summer cut into long-feeding profits.

If price trends for slaughter cattle should return to a more normal pattern next year, the relative profits among various programs would be almost opposite to this year. At current feeder prices profitable systems during the coming feeding year will be those which take advantage of low feeds costs. On the other hand, prospects for a slowly declining price level indicate that feeders may be hard pressed to make average profits or better in 1959-60.

Cattle and Beef Imports May Be Lower in 1960

Imports of cattle into the United States thus far this year have been down almost one-fifth from last year's rate. Imports from Canada especially have been smaller. Some seasonal pickup is likely in imports this fall but the year's total will be down substantially from the 1.2 million head imported last year.

At the same time imports of beef and veal have been above the 1958 rate in nearly every month this year. Total beef imports for 1959 will likely be about one-fifth larger than last year. Imports of fresh and frozen beef and veal will account for most of the increase. Canned imports will likely be up slightly but pickled or cured items will be down following the tightening of import restrictions on such items in June this year.

Table 5.--Specified costs and net returns in 6 selected Corn Belt cattle feeding programs, 1957-58 and 1958-59 1/

Feeding program	1957-58				1958-59			
	Price per 100 pounds			Net return per head 2/	Price per 100 pounds			Net return per head 2/
	Paid for feeder	Received for fed cattle	Margin		Paid for feeder	Received for fed cattle	Margin	
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Calves								
Heifer calves, short fed-- Bought as Good and Choice, Sept.-Oct. Sold as Choice, June-July	21.40	27.10	5.70	60.84	29.75	27.64	-2.11	29.04
Steer calves, long fed-- Bought as Good and Choice, Sept.-Nov. Sold as Choice, Aug.-Oct.	25.45	26.49	1.04	49.70	33.73	27.46	-6.27	22.62
Yearlings								
Medium yearling steers, short fed-- Bought as Medium, Sept.-Oct. Sold as Good-Standard, Jan.-Feb.	18.14	24.47	6.33	39.20	23.60	26.17	2.57	16.34
Good yearling steers, short fed-- Bought as Good, Sept.-Nov. Sold as Choice, Apr.-June	21.31	28.76	7.45	69.71	26.91	29.38	2.47	37.61
Yearling steers, long fed-- Bought as Good and Choice, Sept.-Nov. Sold as Prime, July-Sept.	22.37	27.95	5.58	62.42	28.33	28.83	.50	31.43
Heavy steers								
Heavy steers, short fed-- Bought as Good, Sept.-Nov. Sold as Choice and Prime, March-May	20.12	31.50	11.38	111.35	24.40	31.32	6.92	70.31

1/ Feeding programs designed to be fairly representative of average feeding programs in the Corn Belt. Feeders are purchased in Kansas City and sold at Chicago.

2/ Net return over cost of corn, hay, protein supplement, pasture, transportation and marketing expenses. Does not include labor, overhead, cost of other feeds and death loss, or credit for manure and for hogs following feeders.

Table 6.--Livestock-feed price ratios, October 1959 compared with October of earlier years

Period	October ratio		
	Hog-corn, basis prices received by farmers	Beef steer-corn, basis Chicago market 1/	Lamb-corn, basis prices received by farmers
Average, 1947-56	13.9	19.3	15.1
By years:			
1953	15.9	17.4	12.4
1954	12.7	16.5	12.1
1955	12.7	18.5	15.4
1956	13.0	20.1	15.0
1957	16.0	20.6	18.3
1958	17.8	23.2	20.0
1959	12.7	24.8	18.0

1/ Bushels of No. 3 yellow corn equivalent in value to 100 pounds of beef steers sold out of first hands (all grades).

With the uptrend in domestic production and lower prices, imports of cattle and beef will likely decline next year although they will continue at relatively high levels. Mexico has announced export quotas for cattle or beef equivalent. Less beef may also be available for export to the United States from some of the other major exporters. At the same time the supply of processing meat from domestic production is not expected to increase greatly next year and sausage makers will probably be looking for additional supplies from foreign countries. Facilities have been developed by exporting countries, especially New Zealand and Australia, for the handling and overseas shipment of these meats during recent years and exporters may try to maintain these outlets.

Hog Slaughter to Be Larger Through First Half of 1960

Production of hogs has increased for two years. From 88 million pigs saved in 1957 the annual pig crop jumped to 94.7 million last year and will probably be around 104 million this year. The 1959 spring pig crop was up 12 percent and on June 1 producers planned a 8 percent gain in the fall crop. A later report from 10 of the Corn Belt States indicates that the gain actually expected in the fall crop will likely be somewhat less than first planned.

Table 7.--Inspected imports of cattle, beef and pork, by months, 1959 compared with 1958 1/

Month	Cattle: From Canada 1959	Cattle: From Canada 1958	Cattle: From Mexico 1959	Cattle: From Mexico 1958	Beef and veal 1959	Beef and veal 1958	Pork 2/ 1959	Pork 2/ 1958
	Number	Number	Number	Number	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Jan.	21,878	58,331	65,349	54,810	55,996	38,886	15,847	15,285
Feb.	14,011	35,534	57,023	52,018	42,730	27,251	16,680	13,927
Mar.	21,090	59,800	39,769	39,712	49,096	32,596	18,169	14,915
Apr.	40,667	28,125	15,739	59,708	66,020	44,354	20,031	14,318
May	40,223	20,848	58,821	53,171	46,242	47,395	15,405	13,821
June	42,579	30,018	19,554	22,694	72,542	46,840	16,559	14,612
July	29,709	46,911	8,741	16,909	65,236	53,828	14,139	15,679
Aug.	17,387	41,469	15,107	12,477	84,418	64,489	17,146	15,783
Sept.	13,887	84,579	4,110	16,149	88,490	61,830	9,654	16,009
Oct.		133,475		26,754		50,835		15,122
Nov.		93,525		58,377		56,709		15,751
Dec.		32,920		69,871		59,098		18,922
Year		665,535		482,650		584,111		184,144

1/ Inspected when offered for importation.
2/ Includes sausage.

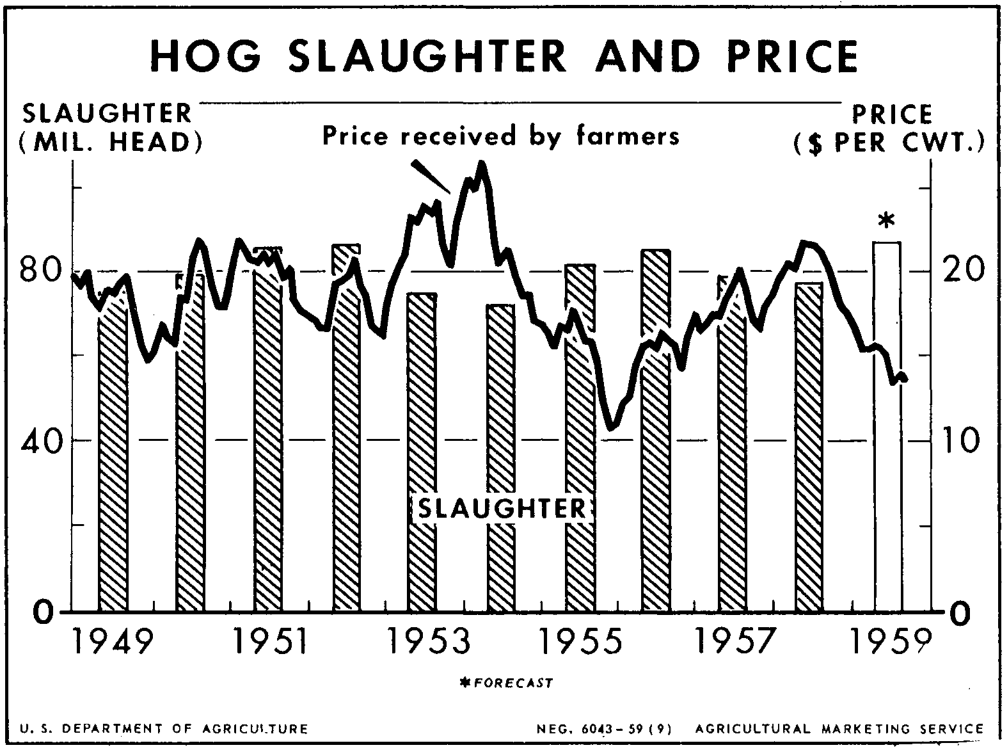
Compiled from reports of the Animal Inspection and Quarantine Division and the Meat Inspection Division of the Agricultural Research Service as published in Market News.

More fall pigs will mean more hogs for slaughter in the first half of 1960. The increase over 1959 slaughter rates may be fairly uniform throughout this period with a possibility of a slightly larger increase during the second quarter of the year. According to the 10-State report on September 1 the percentage increase in farrowing over a year earlier was nearly the same in June-August as in prospect for September-November. A smaller proportion of the previous spring pigs will likely be carried over into 1960 than in 1959. Moreover, should a small reduction occur in the spring crop as now seems probable, sow marketings late next spring would add more to slaughter supplies of hogs than they did last spring and summer.

Table 8.--Pig crops and hog slaughter, United States, 1953 to date, with slaughter forecast for 1960

Year	Pig crop			Total slaughter 1/
	Spring	Fall	Total	
	1,000 head	1,000 head	1,000 head	1,000 head
1953	47,940	29,974	77,914	74,368
1954	52,852	33,978	86,830	71,495
1955	57,690	38,029	95,719	81,058
1956	53,186	36,386	89,572	85,193
1957	51,812	36,148	87,960	79,024
1958	52,336	42,370	94,706	77,339
1959	58,494	2/45,100	2/103,594	3/86,950
1960				4/88,000

1/ Including farm.
2/ Approximation based on farrowing intentions report for U. S. in June and for 10 States in September.
3/ Partly forecast.
4/ Forecast.



1960 Spring Pig Crop May Be Down Slightly

The expectation of a small decline in the 1960 spring pig crop is based on several mixed and offsetting factors. First is the September 1 intentions of producers in 10 States to reduce farrowings in the first half of the 1960 spring season by 4 percent. In each of the three years in which quarterly intentions can be checked, these intentions have correctly indicated the direction but overstated the change in total spring farrowings. The fact that this reduction is from a very high base and was planned during the summer months when hog prices were declining, supports this view. The 1959 corn crop is record large and prices have shown a decline of 10-15 cents per bushel in recent weeks. The hog-corn price ratio is currently above July and for September-December will probably average between 12.5 and 13.0. According to past experience, such a ratio has indicated little change in the number of sows farrowing spring pigs.

The possible effect of the large corn crop and prospective prices on hog production is in itself somewhat inconclusive. Last year price supports for corn was a national average of $1.36 per bushel for producers complying with allotments and $1.06 for non-compliers in the commercial counties. The national support rate was $1.02 for growers outside the commercial area. This year there are no allotments and all corn is eligible for price support at a national average rate of $1.12 per bushel. On a nationwide basis, feed grain prices are expected to average a little lower in the coming feeding year. The effect on hog production of one basic support price available for all corn could vary considerably from State to State.

As mentioned earlier, producers' plans reported in September in 10 States were for a smaller gain in the 1959 fall crop than outlined in June. The hog-corn price ratio was 13.5 in May and 12.4 in August, the months before each report. This decline from May to August may have weakened the confidence of many hog producers regarding possible profits in hogs.

December-February farrowings have been increasing consistently relative to other quarters of the year. This trend toward earlier farrowings may be interrupted in 1960 by a smaller decline in March-May farrowings than in December-February.

Since the 10 States reporting early intentions account for such a large part of the total crop, some decline in early farrowings is clearly indicated. Farrowing intentions for the main farrowing months of March-May in 10 States will be reported in December as well as December-May intentions for all States. Until then the probable size of the entire spring crop will be subject to considerable conjecture, but it currently appears likely that the 1960 spring crop will be down slightly from 1959.

Hog Prices to Average Lower in First Half of 1960

Farmers received $12.60 per 100 pounds for hogs in mid-October 1959. A year before the price was $18.50. Hog prices will probably fluctuate within a very narrow range the rest of the year. The 1959 average will be around $14.50, down over $5.00 from last year.

Any seasonal recovery in hog prices in the early months of next year will likely be small and prices will continue below last winter's prices. The September report indicates that the percentage increase in 1959 fall pigs was nearly the same for June-August as September-November. Hence, prices will likely show their usual seasonal advance late next spring or early summer -- unlike 1959 when stable prices for February to June were followed by a decline in July to $13.30, the lowest July price since the price control days of World War II. The price rise next summer will not be large as sow marketings at that time may be somewhat larger than a year earlier.

Hog Prices in Last Half of 1960

If the 1960 spring pig crop is down slightly, as now seems probable, hog prices in the last half of next year will be close to or a little higher than a year earlier. For the year as a whole hog prices will likely average a little lower than in 1959. Pork production will be larger but only enough larger to maintain consumption per person close to this year's rate of 67 pounds.

Another Rise Likely in Sheep Inventories

The number of sheep and lambs on farms January 1 increased from 30.8 million head in 1957 to 32.6 million last January. Most of the increase -- 1.3 million head -- came in 1958. During 1958 higher prices for lambs and the incentive payment program for wool and good to excellent feed conditions encouraged an expansion in sheep production.

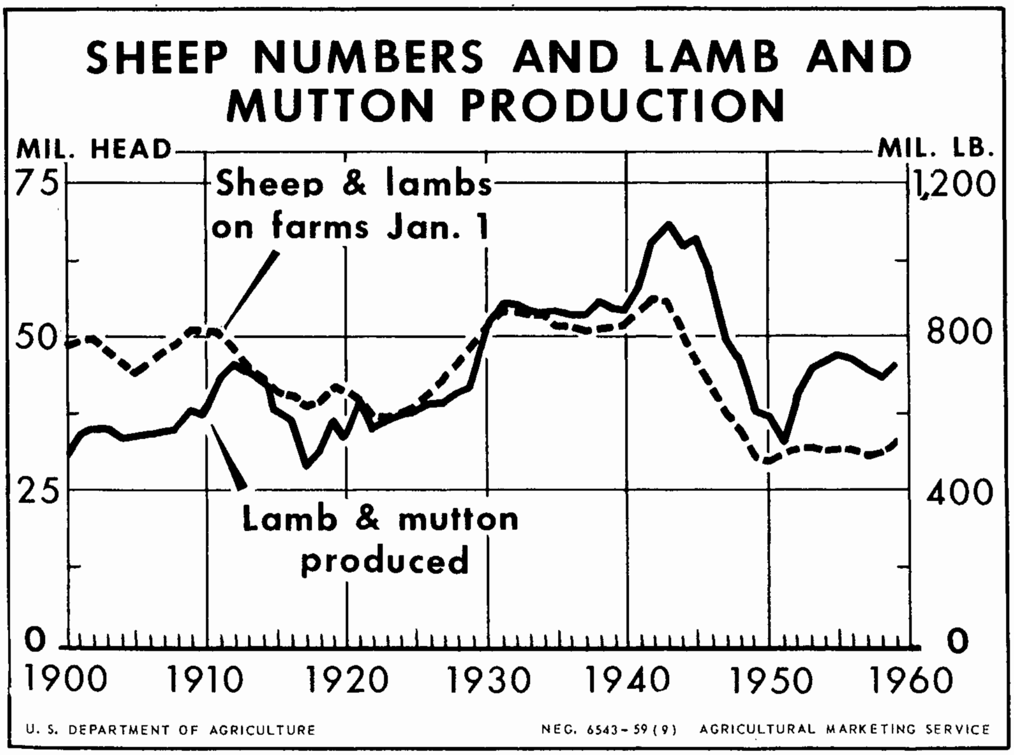
A further modest gain is being made this year. This year's lamb crop was 2 percent larger than last. In the first 9 months of 1959 sheep and lamb slaughter in commercial plants was 8 percent larger than a year earlier. For the year, total slaughter including farm is expected to be about 15.6 million head as compared with 14.5 million in 1958. Consequently, prospects are that the January 1, 1960 estimate will show a gain of about $\frac{3}{4}$ million head during this year. Lower lamb prices and poor range conditions over an area centering in the Northern Plains were not conducive to flock expansion.

The shorn wool incentive price for next year is 62 cents per pound--the same as for the first 5 years of the program. Prospects are that sheep and lamb prices next year may average close to or only slightly below prices this year. Weather conditions will continue to be a factor in the sheep producing areas of the West. It appears likely that sheep numbers will continue their slow uptrend during the year. Annual sheep and lamb slaughter would be up in line with the gain numbers.

Table 9.--Sheep and lambs on farms and ranches January 1, lamb crop, number slaughtered and wool production, United States, 1951 to date

Year	Number on farms January 1			Lamb crop	Total slaughter 1/	Shorn wool production
	Stock sheep	On feed	Total			
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	Mil. lb.
1951	27,251	3,382	30,633	17,978	11,416	228
1952	27,944	4,038	31,982	18,479	14,304	233
1953	27,593	4,307	31,900	19,497	16,321	232
1954	27,079	4,277	31,356	20,340	16,255	236
1955	27,137	4,445	31,582	20,187	16,553	234
1956	27,012	4,261	31,273	20,398	16,328	239
1957	26,538	4,302	30,840	19,925	15,292	236
1958	27,327	4,010	31,337	20,716	14,502	241
1959 2/	28,364	4,280	32,644	21,108	3/15,600	252

1/ Including farm. 2/ Preliminary. 3/ Partly forecast.



Production of lamb and mutton has gained more during the past 10 years than have numbers. (See chart, page 19.) While some gain in average slaughter weights has taken place, notably in the last 2 years, this gain in productivity largely reflects higher lambing rates and lower death losses. The number of lambs saved as a percentage of ewes one year old or older has risen nearly 1 percent per year in the last 10 years. Hence, during this period lamb and mutton production has shown a strong uptrend in contrast to the slow growth in the breeding flock.

Prices of sheep and lambs are influenced over time by the level of cattle prices, although divergent trends are common in the shorter run. Except for May and June, the monthly average price received by farmers for lambs this year has been below a year earlier. In October the price was $3.00 per 100 pounds below October 1958 and for the year will show a decline of nearly $2.00 from the 1958 average. Farm prices of beef cattle this year will average about $1.00 per 100 pounds above last year.

If cattle prices trend downward slowly next year as expected, lamb prices also will probably not change much. The small gain in lamb and mutton production in prospect will not be a strong price depressing force. A smaller reduction in lamb prices than in cattle next year would result in a more normal relationship between prices of these classes.

Prices of feeder lambs this year have consistently shown a wider disparity from a year-earlier price than slaughter lambs. In late October feeder lambs at Omaha were about $4.00 per 100 pounds below a year before; slaughter lambs were about $2.50 under last October. A year ago Good and Choice feeder lamb prices were about $2.00 per 100 pounds above Choice slaughter lamb prices. This year slaughter lambs are about $1.00 below feeders. This difference is due partly to a larger supply of feeder lambs, but also reflects the generally unsatisfactory profits in lamb feeding last winter. If slaughter lamb prices this winter average close to or a little above last winter's prices, as they currently are expected to do, chances are good for at least average returns in lamb feeding this season.

RETAIL MEAT OUTLOOK

Retail Prices Average Lower in 1959

In September the Bureau of Labor Statistics index of retail meat prices was 116.5 (1947-49=100), down 3.7 points from January and 6.0 below last September. The Department's index of prices received by farmers for meat animals in September (1910-14=100) was 307, down 21 points from January and 33 points from September 1958. As measured by these indexes retail meat prices were 5 percent below a year earlier and prices to farmers for meat animals were down 10 percent. Average retail prices computed by the Agricultural Marketing Service from BLS data for selected retail cuts show that in July-September the retail price for beef was 1 percent higher and pork 15 percent lower than in these months in 1958.

Table 10.--Average retail price of pork and Choice beef, per pound, by months, 1955 to date

Pork, excluding lard

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
1955	56.5	55.6	54.0	53.9	55.0	57.6	57.9	56.5	57.3	55.1	50.6	48.1	54.8
1956	46.7	47.9	47.5	49.6	51.0	54.8	54.6	55.1	55.9	55.2	53.1	53.7	52.1
1957	55.7	58.1	56.6	57.4	59.0	61.8	64.2	67.0	65.2	60.4	58.1	59.1	60.2
1958	61.9	63.1	64.2	65.1	65.6	67.9	69.1	68.2	65.3	63.4	61.8	61.4	64.8
1959	61.1	58.7	57.5	58.0	58.2	58.5	58.1	56.5	57.2				
	Beef, Choice grade												
1955	70.1	69.7	68.9	68.6	67.0	67.4	66.8	66.7	67.4	67.0	65.6	64.7	67.5
1956	63.5	62.0	60.8	61.4	62.6	63.7	64.9	68.2	72.4	72.9	71.0	68.6	66.0
1957	66.8	66.6	65.7	68.4	69.9	70.7	72.4	73.4	73.9	72.7	72.4	74.0	70.6
1958	77.3	78.4	80.7	82.8	82.5	83.0	82.9	80.7	80.4	80.7	81.0	81.3	81.0
1959	82.6	83.3	83.2	83.3	83.7	83.3	83.6	82.0	82.1				

Computed from data of the Bureau of Labor Statistics by the Marketing Research Division, AMS.

Retail beef prices were nearly steady through July but have since turned downward. This leveling off earlier this year followed an advance from a low reached during the record meat production in 1956. The average retail price of Choice beef (AMS series) in September was 82.1 cents per pound, down 1.6 cents from the high reached in May but still 1.7 cents higher than last September. (See table 10.)

Retail prices for pork have trended downward since mid-1958. Prices of most pork products held above year-earlier levels through that year but month by month this year have dropped further and further below 1958 prices. The average price of pork in September was 57.2 cents per pound, 8.1 cents below last September's prices. This is the lowest September price since price control days.

The monthly USDA report on agricultural prices shows that except for pork chops average retail prices paid by farmers for fresh meat items in September were above last September. Fresh meats were up slightly from June prices but processed meat items were lower. Round steak averaged 95.7 cents per pound in September, compared with 95.3 cents in June and 92.3 cents in September 1958. Pork chops were 6.4 cents below a year ago. Hamburger, bologna, frankfurters and sliced bacon were all down from June prices.

Table 11.--Average retail price of specified meat cuts, per pound, by months, 1957 to date

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
Beef, Choice 1/												
Round steak												
1957	88.7	88.1	87.1	90.7	92.6	94.0	96.9	98.1	98.0	96.3	95.6	96.9
1958	100.6	101.0	103.1	105.8	105.9	106.2	106.3	104.0	103.7	104.5	104.9	104.9
1959	106.7	107.1	107.2	107.7	107.7	108.1	108.9	107.0	107.8			
Rib roast												
1957	72.3	69.7	69.6	71.3	73.4	74.4	75.4	76.0	76.6	75.5	75.0	76.3
1958	80.3	80.2	81.0	82.6	82.9	83.0	83.0	81.7	81.6	80.9	81.1	81.2
1959	82.5	82.4	82.1	82.9	83.1	82.9	83.5	82.5	83.0			
Chuck roast												
1957	49.0	49.7	48.7	50.9	52.0	52.2	53.0	54.0	55.1	54.3	53.4	56.3
1958	59.1	61.1	64.1	65.7	64.8	65.5	65.1	62.7	62.4	62.5	62.6	63.4
1959	64.3	65.5	65.2	64.8	65.7	64.5	64.2	62.7	62.1			
Hamburger												
1957	39.0	39.1	39.3	40.0	40.8	42.2	43.6	44.3	44.1	43.6	43.8	44.6
1958	47.8	49.0	50.3	53.1	54.0	54.6	54.8	53.7	53.8	54.3	54.4	54.7
1959	55.6	55.7	55.2	55.0	55.3	55.3	55.4	54.7	54.6			
Pork, Chops												
1957	79.7	82.8	81.4	83.1	85.0	92.7	92.7	92.9	90.8	88.0	85.4	85.2
1958	87.9	88.6	89.5	91.2	91.3	96.0	96.9	94.6	93.5	92.3	90.7	89.1
1959	88.8	84.8	81.7	84.0	85.5	87.4	87.9	85.4	89.0			
Bacon, sliced												
1957	64.4	69.4	67.7	68.5	71.4	74.9	80.7	87.5	85.4	75.5	69.8	70.4
1958	75.6	77.2	77.1	79.5	80.4	81.9	85.1	86.4	83.0	78.8	73.9	72.8
1959	72.1	69.4	67.4	68.4	68.8	68.6	68.4	66.6	65.9			
Hams, whole												
1957	62.0	62.7	61.7	61.9	62.7	63.6	64.3	66.6	64.3	61.7	61.5	64.3
1958	66.3	66.5	68.4	68.6	67.9	69.1	69.2	68.9	66.3	65.8	66.4	67.7
1959	67.5	64.9	63.7	63.1	62.7	63.1	62.2	60.1	60.5			
Veal cutlet												
1957	114.7	116.8	116.4	117.3	117.2	118.6	117.8	118.5	119.1	118.5	118.3	120.0
1958	125.1	129.3	131.2	131.8	133.0	133.9	133.8	134.2	135.0	135.1	135.3	137.9
1959	139.1	142.5	140.6	141.5	143.0	143.3	143.9	142.9	143.4			
Leg of lamb												
1957	67.7	68.2	67.2	71.7	72.8	73.9	72.6	72.6	72.7	71.9	71.7	72.3
1958	76.1	78.0	77.5	78.1	77.0	77.6	77.9	76.8	77.1	77.4	77.6	77.3
1959	75.5	73.9	73.7	75.2	76.5	77.4	76.8	74.9	74.8			

1/ Except hamburger, which has no grade designation.

Compiled from data of the Bureau of Labor Statistics.

Veal Cutlets Lead In Price Rise

Among the major meat cuts priced monthly by the Bureau of Labor Statistics, veal cutlets have led the way in price increases. The September price of 143.4 cents per pound, the latest month available, was 8.4 cents above a year earlier and topped only by July's record high. Veal prices have been increasing since late 1957 in line with the reduction in calf slaughter. Veal production in 1959 is expected to total about 16 percent less than 1958 but 35 percent below 1957.

Prices of hamburger and the cheaper cuts showed larger price increases than the more expensive beef cuts last year. The reverse has been true during the past 12 months. In September round steak and rib roast were 4.1 and 1.4 cents per pound above September 1958. Hamburger was up 0.8 cents per pound and chuck roast was 0.3 cents cheaper than a year earlier.

Pork items vary considerably in their comparison with earlier prices. Center cut pork chops in September at 89.0 cents per pound were slightly higher than at any other time this year but 4.5 cents below last September. Ham prices were down 5.8 cents. Bacon prices, which are typically more erratic than other pork items, dropped sharply late in 1958 and early this year resulting in a 6.2 cent decline from January but a 17.1 cent drop from last September.

Some further seasonal declines are likely in retail meat prices this fall. More liberal meat supplies per person are in prospect for the final quarter of this year than last for each class of meat except veal. The gain will be largest in pork although during the remaining weeks in 1959 increases in pork production from current levels are not expected. Stocks of pork in cold storage are above a year ago, with frozen stocks accounting for the increase.

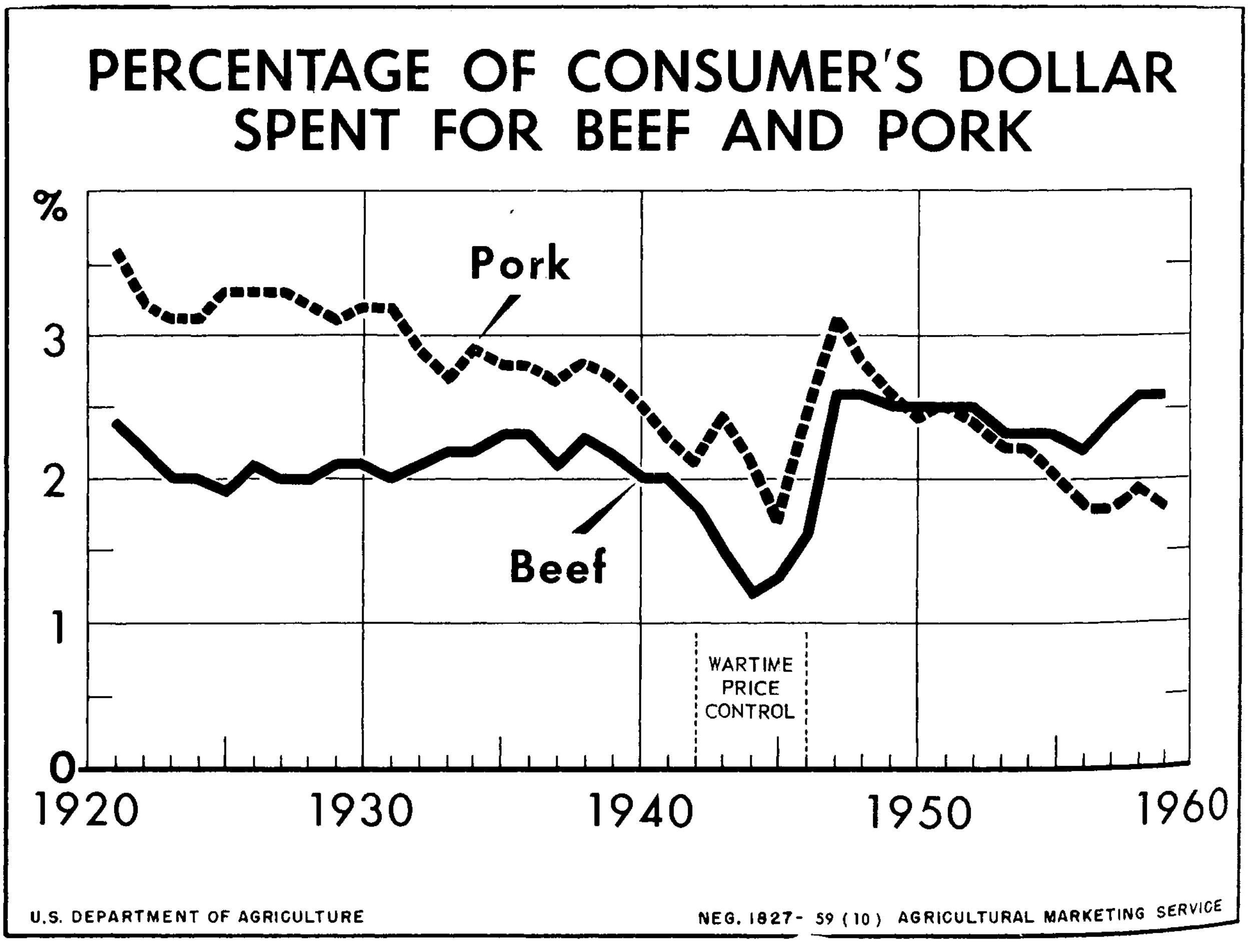
During next year retail meat prices will likely average somewhat lower than in 1959. The supply of beef per person for 1960 is forecast at 83 pounds, up 2 pounds from this year. Prospects for this gain to be largely in fed beef the first half of the year and nonfed beef later could distort the current pattern of beef prices by cut. Supplies in prospect could encourage relatively larger declines in the higher priced cuts next winter and spring and depress lower priced cuts next summer and fall. For the year the lower priced cuts will probably show the greater declines.

Lower prices than in the corresponding months a year earlier are expected pretty much across the board for pork cuts during the first half of 1960. Prospects for prices during the last half of the year to be near this year's prices are based on the probability of only a small decline in pork production at that time. Should pork output decline more than now seems likely, the sensitivity of pork prices in response to supplies would probably mean pork prices next fall somewhat above prices this fall.

Table 12.--Estimated retail value of meat consumed per person compared with disposable personal income per person, by major meats, 1950 to date

Year	Consumption per person 1/			Average retail price per pound			Retail value of meat consumed per person 4/			Disposable personal income per person 5/	Retail value of meat as percentage of disposable income		
	Beef	Pork	All meat 2/	All beef	Pork, retail cuts	All meat 2/ 3/	All beef	All pork	All meat 2/		Beef	Pork	All meat 2/
	Lb.	Lb.	Lb.	Ct.	Ct.	Ct.	Dol.	Dol.	Dol.	Dol.	Pct.	Pct.	Pct.
1950	63.4	69.2	144.6	69.3	55.1	60.1	34.70	33.20	75.40	1,369	2.5	2.4	5.5
1951	56.1	71.9	138.0	81.8	59.2	67.0	36.20	37.20	80.50	1,473	2.5	2.5	5.5
1952	62.2	72.4	146.0	76.5	57.5	64.7	37.60	36.30	82.00	1,520	2.5	2.4	5.4
1953	77.6	63.5	155.3	60.5	63.5	60.7	37.10	35.50	80.80	1,582	2.3	2.2	5.1
1954	80.1	60.0	154.7	58.5	64.8	60.2	37.00	34.20	79.60	1,582	2.3	2.2	5.0
1955	82.0	66.8	162.8	58.9	54.8	56.3	38.20	32.50	78.60	1,660	2.3	2.0	4.7
1956	85.4	67.4	166.7	57.8	52.1	54.7	39.00	31.40	78.10	1,727	2.3	1.8	4.5
1957	84.6	61.5	159.1	63.5	60.2	61.3	42.40	33.10	83.20	1,782	2.4	1.9	4.7
1958	80.5	60.7	152.0	75.0	64.8	69.4	47.70	35.00	90.10	1,790	2.7	2.0	5.0
1959 6/	81	67	158.5				49.30	34.30	90.80	1,893	2.6	1.8	4.8

1/ Carcass weight equivalent of consumption by each civilian consumer.
2/ Beef, veal, lamb and mutton and pork.
3/ Price weighted by consumption of each meat in each year.
4/ Computed from retail weights of consumption and retail prices of all beef, veal, lamb and mutton and all pork (including minor pork products).
5/ Computed from data of U. S. Department of Commerce.
6/ **Partly estimated.**



The retail value of meat consumed per person this year will be nearly the same as last year. Since disposable personal incomes are up, the percentage of the consumer's dollar spent for meat declined in 1959. The retail value of all meat was 5.0 percent of disposable income in 1958; this year it will be around 4.8 percent.

The strong demand for meat is expected to continue in 1960. Personal incomes are expected to be up next year over this year. The inelastic nature of the demand for meat indicates that the increased quantities of meat produced next year will move into consumption at slightly lower prices. Hence, it appears likely that the percentage of the consumer's dollar spent for meat in 1960 will be close to or only a little below this year's ratio.

More Processed Meat Next Year

Meat processing is "big business." In 1956 meat and meat food products processed and prepared under Federal Inspection reached a peak of 18.3 billion pounds. Output declined to 16.8 billion pounds in 1958 but is showing an increase this year and will probably top 18 billion pounds again. Production in the first 39 weeks of 1959 was about 11 percent above the corresponding weeks a year before.

Major meat items processed and prepared are cured and smoked pork, lard, canned products and sausage. Sausage production does not rank as high in total poundage as the other items listed but is still an important part of this phase of the meat packing industry. More than 2 billion pounds of sausage products in their many varieties and forms have been processed annually since 1951 in federally inspected plants. Fresh pork sausage -- the kind made principally from fresh pork that some people associate with the word "sausage" -- has long since been surpassed by other kinds of comminuted spiced meats stuffed in a casing or container such as frankfurters or bologna. January-September sausage production this year totaled 1,790 million pounds about 6 percent greater than in the corresponding period in 1958.

With the principal exception of cured pork, meats used in processing are generally of the lower grades. Sausage makers, for example, can utilize cow and bull carcasses that would find little acceptance as fresh cuts. Carcasses that lack sufficient finish to qualify for the upper grades of beef find a ready outlet in processing. Supplies of such meats have been in relatively short supply this year as cow and other grass fed cattle slaughter has been held down by the buildup in numbers. Pork and lamb production have been up but a smaller part of these meats goes into sausage making. Very little veal is processed.

Table 13.--Cattle and hog slaughter, meat imports and stocks, and sausage production, by quarters 1958 to date and October-December 1959 forecast

Period	Federally inspected slaughter					
	Cattle				Hogs	
	Total		Cows			
	1959	1958	1959	1958	1959	1958
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
Jan.-Mar.	3,994	4,298	928	1,215	17,304	14,801
Apr.-June	4,318	4,357	880	1,110	15,524	13,617
July-Sept.	4,546	4,601	943	1,111	15,928	14,061
Oct.-Dec.	1/4,650	4,386	1/1,150	1,122	1/19,150	16,983
Year	1/17,500	17,642	1/3,900	4,558	1/67,925	59,462

Period	Imports all meat 2/		Meat stocks in cold storage beginning of quarter 3/		Sausage production 4/	
	1959	1958	1959	1958	1959	1958
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Jan.-Mar.	206	143	462	403	546	532
Apr.-June	274	205	602	409	599	575
July-Sept.	5/250	255	582	396	646	576
Oct.-Dec.	1/220	223	406	317	1/575	552
Year	1/950	826			1/2,366	2,235

1/ Forecast.
2/ Total red meat imports, product weight.
3/ Includes beef, veal, pork, lamb, mutton and canned meats in public cold storage.
4/ Federally inspected production of all sausage, including loaf, head cheese, jellied products and the following canned items: Luncheon meat, viennas, franks and weiners in brine, deviled ham, other potted or deviled meat food products, bulk sausage and sausage in oil.
5/ Partly forecast.

Part of the demand by processors was met by increased imports this year. Meat imports this year will probably exceed a billion pounds (carcass weight equivalent) for the first time. Early in the year considerable quantities of boneless salted beef entered the U. S. from South America until tests showed that such meats could carry viable foot-and-mouth virus. Consequently import restrictions were tightened to exclude all pickled or cured meat that required refrigeration for safe handling. Imports of lamb and mutton from Australia and New Zealand also increased sharply this year and 2 loads of live lambs were shipped in from Australia.

Domestic production of the grades of meat used largely in processing will be moderately larger next year. Imports of these meats will likely be down slightly although they will continue at relatively high levels. Hence, total supplies of manufacturing meats next year may be up only slightly.

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Partial List of Those Released in Past Year

Agricultural Marketing Service

Direct Shipments into Selected North Central States by State of Origin, 1941-57, USDA Stat. Bul. No. 242, January 1959

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Hired Truck Transportation in Marketing Livestock, Victor B. Phillips, USDA Mktg. Res. Rept. No. 297, December 1958

Livestock Terminal Markets in the United States, Edward Uvacek and Dalton L. Wilson, Mktg. Res. Rept. No. 299, January 1959

Meat Distribution in the Los Angeles Area, Raymond A. Dietrick and Willard F. Williams, Mktg. Res. Rept. No. 347, July 1959

Promotion of Lamb—Results of a Campaign in Cleveland, Ohio, J. Scott Hunter, Wendell E. Clement, and Nick Havas, Mktg. Res. Rept. No. 292, December 1958

Rendering Inedible Animal Fats, John W. Thompson, Mktg. Res. Rept. No. 283, November 1958

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State Colleges (available from issuing source, not USDA)

Consignment Buying and Selling of Cattle at Auction Markets, John N. Smith and Harold D. Smith, Md. Agr. Expt. Sta. Misc. Pub. No. 345, January 1959, University of Maryland, College Park

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Retail Meat Marketing in Ohio, G. F. Henning, M. B. Evans and J. H. Lewis, Ohio Agr. Expt. Sta. Res. Bul. 812, July 1958, Agricultural Experiment Station, Wooster

Shrinkage Is Important, Clive R. Harston, Montana Agr. Expt. Sta. Circ. 220, April 1959, University of Montana, Bozeman

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Biochemical Problems in Determining the Age of Bruised Animal Tissue, USDA, FCS, Service Report 42, February 1959

Cattle Feeding Industry in Oklahoma, Ronald J. Sharp, USDA, AMS and Okla. State Board of Agr., June 1959, Oklahoma State University, Stillwater

Consumption of Feed by Livestock, 1909-56, USDA, ARS, Prod. Res. Rept. No. 21, November 1958

Contract Farming and Vertical Integration in Agriculture, USDA, Agr. Info. Bul. No. 198, July 1958

Summary of Activities, Meat Inspection Division, 1959, USDA, ARS, September 1959

Supply and distribution of meat, by months, 1959

Period	Commercially produced								Total 2/		
	Supply			Distribution						Civilian consumption	
							Civilian consumption				
	Produc-tion	Begin-ning stocks	Imports	Exports and shipments	Ending stocks	Military	Total	Per person 1/	Produc-tion	Total	Per person
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Mil. lb.	Lb.
Beef:											
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
July	1,168	168	92	4	165	35	1,224	7.0	---	---	---
August	1,083	165	106	4	163	25	1,162	6.6	---	---	---
September	1,177	163		6	169	27			---	---	---
3rd quarter	3,428	168		14	169	87					3/21
Veal:											
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
July	82	10	1	4/	8	4	81	.5	---	---	---
August	78	8	1	4/	8	3	76	.4	---	---	---
September	87	8		1	8	4			---	---	---
3rd quarter	247	10		1	8	11					3/1.5
Lamb and mutton:											
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
July	58	17	7	4/	17	1	64	.4	---	---	---
August	53	17	3	4/	15	4/	58	.3	---	---	---
September	62	15		1	13	4/			---	---	---
3rd quarter	173	17		1	13	1					3/1.1
Pork:											
April	920	337	20	11	381	19	866	5.0	---	---	---
May	823	381	16	11	365	16	828	4.8	---	---	---
June	826	365	17	10	313	13	872	5.0	---	---	---
2nd quarter	2,569	337	53	32	313	48	2,566	14.7			3/16
July	841	313	17	11	248	20	892	5.1	---	---	---
August	792	248	12	12	184	11	845	4.8	---	---	---
September	925	184		13	163	15			---	---	---
3rd quarter	2,558	313		36	163	46					3/16
All meat:											
April	2,156	533	122	15	578	55	2,163	12.4	---	---	---
May	2,021	578	108	15	565	53	2,074	11.9	---	---	---
June	2,071	565	134	15	508	43	2,204	12.6	---	---	---
2nd quarter	6,248	533	364	45	508	151	6,441	37.0			3/39
July	2,149	508	117	15	438	60	2,261	13.0	---	---	---
August	2,006	438	122	16	370	39	2,141	12.2	---	---	---
September	2,251	370		21	353	46			---	---	---
3rd quarter	6,406	508		52	353	145					3/37.5

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 September	1958 October	1959 August	1959 September	1959 October
Cattle and calves						
Beef steers, slaughter	Dollars per					
Chicago, Prime	100 pounds	27.97	27.81	28.60	28.78	28.32
Choice	do.	26.70	26.67	27.56	27.62	27.19
Good	do.	25.56	25.63	26.47	26.50	25.96
Standard	do.	24.16	24.22	24.57	24.57	24.23
Commercial	do.	---	24.25	---	---	23.51
Utility	do.	22.48	22.58	22.78	22.87	21.72
All grades	do.	26.65	26.70	27.36	27.48	27.06
Omaha, all grades	do.	25.41	25.20	26.44	26.32	25.36
Sioux City, all grades	do.	25.47	25.25	26.62	26.44	25.51
Cows, Chicago						
Commercial	do.	20.28	20.01	18.41	18.13	17.30
Utility	do.	18.74	18.66	17.70	16.69	15.53
Canner and Cutter	do.	16.82	16.85	16.43	15.21	13.81
Vealers, Choice, Chicago	do.	32.31	32.42	---	---	---
Stocker and feeder steers, Kansas City 1/	do.	25.47	25.80	25.96	25.38	24.41
Price received by farmers						
Beef cattle	do.	22.30	22.30	22.70	22.50	21.30
Calves	do.	26.00	26.10	27.40	26.80	25.40
Hogs						
Barrows and gilts						
Chicago						
160-180 pounds	do.	19.15	18.35	---	---	---
180-200 pounds	do.	20.28	19.20	14.28	13.57	12.91
200-220 pounds	do.	20.60	19.32	14.67	13.84	13.16
220-240 pounds	do.	20.64	19.26	14.76	13.91	13.14
240-270 pounds	do.	20.54	19.05	---	---	---
270-300 pounds	do.	20.32	18.86	---	---	---
All weights	do.	20.43	19.08	14.58	13.87	13.07
8 markets 2/	do.	20.42	18.88	14.65	13.81	13.11
Sows, Chicago	do.	18.66	17.41	11.85	11.56	11.03
Price received by farmers	do.	19.90	18.50	14.00	13.40	12.60
Hog-corn price ratio 3/						
Chicago, barrows and gilts		16.1	16.6	11.5	11.9	11.9
Price received by farmers, all hogs		17.6	17.8	12.4	12.3	12.7
Sheep and lambs	Dollars per					
Sheep	100 pounds					
Slaughter ewes, Good and Choice, Chicago	do.	7.37	6.97	4.50	4.84	4.05
Price received by farmers	do.	7.05	7.15	5.57	5.55	5.34
Lambs						
Slaughter, Choice, Chicago	do.	22.80	23.31	23.00	21.13	20.52
Feeder, Good and Choice, Omaha	do.	22.78	23.02	19.50	19.08	18.80
Price received by farmers	do.	20.80	20.80	19.50	18.50	17.80
All meat animals						
Index number price received by farmers (1910-14=100)		340	333	314	307	291
Meat						
Wholesale, Chicago	Dollars per					
Steer beef carcass, Choice, 500-600 pounds	100 pounds	43.61	43.89	44.65	45.01	44.04
Lamb carcass, Choice, 45-55 pounds	do.	49.76	49.96	46.50	45.96	43.84
Composite hog products:						
Including lard						
71.90 pounds fresh	Dollars	22.58	21.20	16.45	16.33	15.73
Average per 100 pounds	do.	31.40	29.49	22.88	22.71	21.88
71.01 pounds fresh and cured	do.	26.51	25.44	20.30	20.60	19.54
Average per 100 pounds	do.	37.33	35.83	28.59	29.01	27.52
Excluding lard						
55.99 pounds fresh and cured	do.	23.94	22.88	18.46	18.70	17.63
Average per 100 pounds	do.	42.76	40.86	32.97	33.40	31.49
Retail, United States average	Cents					
Beef, Choice grade	per pound	80.4	80.7	82.0	82.1	
Pork, excluding lard	do.	65.3	63.4	56.5	57.2	
Index number meat prices (BLS)						
Wholesale (1947-49=100)		109.1	104.9	95.0	100.8	
Retail (1947-49=100) 4/		122.5	121.4	115.8	116.5	

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 September	1958 October	1959 August	1959 September	1959 October
Meat animal marketings						
Index number (1947-49=100)		141	161	116	145	
Stocker and feeder shipments to						
9 Corn Belt States	1,000					
Cattle and calves	head	815	1,273	444	862	
Sheep and lambs	do.	565	636	431	560	
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	1,561	1,647	1,450	1,539	
Steers	do.	869	878	797	865	
Heifers	do.	267	287	319	351	
Cows	do.	398	456	310	300	
Bulls and stags	do.	27	26	23	23	
Calves	do.	471	541	359	415	
Sheep and lambs	do.	1,045	1,131	1,010	1,177	
Hogs	do.	5,219	5,911	4,977	5,767	
Percentage sows	Percent	9	7	14	9	
Average live weight per head						
Cattle	Pounds	1,006	1,026	1,026	1,028	
Calves	do.	214	207	222	212	
Sheep and lambs	do.	94	96	94	95	
Hogs	do.	230	233	235	232	
Average production						
Beef, per head	do.	573	583	593	594	
Veal, per head	do.	120	117	128	123	
Lamb and mutton, per head	do.	46	46	46	46	
Pork, per head	do.	134	134	135	134	
Pork, per 100 pounds live weight	do.	58	58	58	58	
Lard, per head	do.	31	32	33	32	
Lard, per 100 pounds live weight	do.	13	14	14	14	
Total production	Million					
Beef	pounds	892	956	857	911	
Veal	do.	57	63	46	51	
Lamb and mutton	do.	48	52	46	54	
Pork	do.	699	793	670	773	
Lard	do.	160	191	162	182	
Commercial slaughter 1/						
Number slaughtered	1,000					
Cattle	head	2,082	2,182	1,897	2,064	
Calves	do.	788	876	604	691	
Sheep and lambs	do.	1,208	1,302	1,182	1,356	
Hogs	do.	6,163	6,978	5,911	6,927	
Total production	Million					
Beef	pounds	1,148	1,220	1,083	1,177	
Veal	do.	94	103	78	87	
Lamb and mutton	do.	55	59	53	62	
Pork	do.	822	932	792	925	
Lard	do.	182	217	184	208	
Cold storage stocks first of month						
Beef	do.	118	123	165	163	169
Veal	do.	7	9	8	8	8
Lamb and mutton	do.	11	10	17	15	13
Pork	do.	149	127	248	184	163
Total meat and meat products 2/	do.	333	317	513	432	406

1/ Federally inspected, and other wholesale and retail.

2/ Includes stocks of canned meats in cooler in addition to the four meats listed.

LIST OF TABLES

Table	Title	Page
1	Production and consumption per person of red meat and poultry, United States, 1950-59 and forecast for 1960	6
2	Number of cattle and calves on farms January 1, calf crop, number slaughtered and imports, United States, 1951 to date .	7
3	Number of cattle and calves slaughtered under Federal inspection, by class, United States, by months, 1959 compared with 1958	8
4	Selected prices of livestock by months, 1958 and 1959	10
5	Specified costs and net returns in 6 selected Corn Belt cattle feeding programs, 1957-58 and 1958-59	13
6	Livestock-feed price ratios, October 1959 compared with October of earlier years	14
7	Inspected imports of cattle, beef and pork, by months 1959 compared with 1958	15
8	Pig crops and hog slaughter, United States, 1953 to date, with slaughter forecast for 1960	16
9	Sheep and lambs on farms and ranches January 1, lamb crop, number slaughtered and wool production, United States, 1951 to date	19
10	Average retail price of pork and Choice beef, per pound, by months, 1955 to date	21
11	Average retail price of specified meat cuts, per pound, by months, 1957 to date	22
12	Estimated retail value of meat consumed per person compared with disposable personal income per person, by major meats, 1950 to date	24
13	Cattle and hog slaughter, meat imports and stocks, and sausage production, by quarters 1958 to date and October-December 1959 forecast	26

LIST OF TABLES -Continued

Title	Page
Supply and distribution of meat, by months, 1959	30
Selected price statistics for meat animals and meat	31
Selected marketing, slaughter and stocks statistics for meat animals and meat	32

LIST OF CHARTS

Cattle numbers, beef production, and population	Cover
Cattle slaughter by classes	2
Steer and cow prices	2
Hog slaughter and price	16
Sheep numbers and lamb and mutton production	19
Percentage of consumer's dollar spent for beef and pork	24

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