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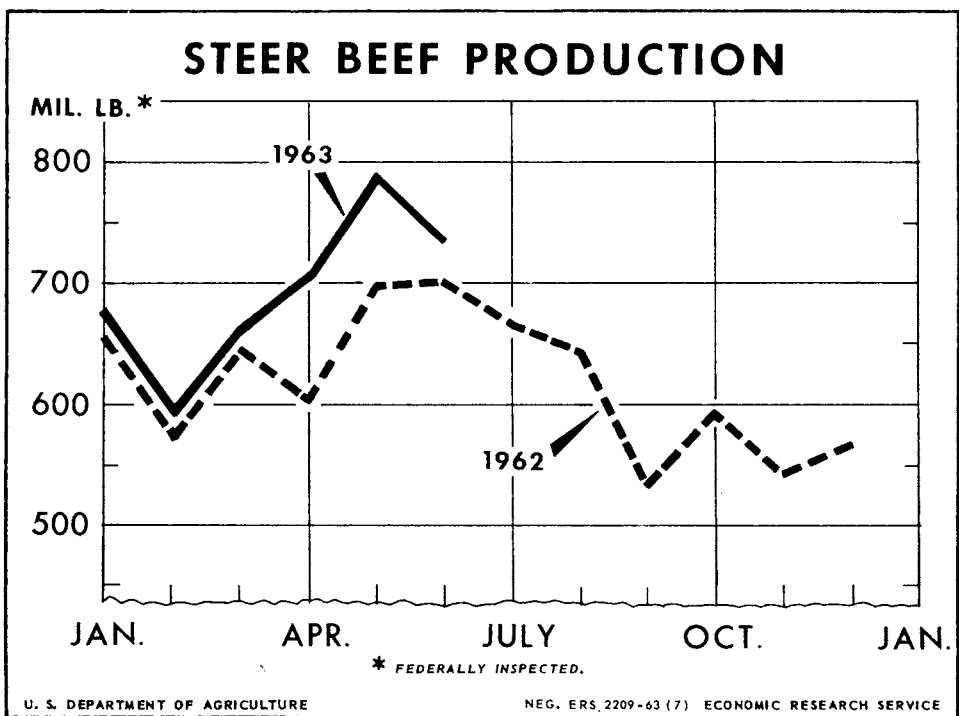
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AUGUST 1963

Steer beef production under Federal inspection the first half of 1963 was 4,155 million pounds, a little over 7 percent above the same months a year earlier and 17 percent above the second half of 1962. Production in January-March was 11 percent larger than in the same months a year earlier while in April-June it was 11 percent larger. Heifer beef production in the first half of 1963 was up 10 percent.

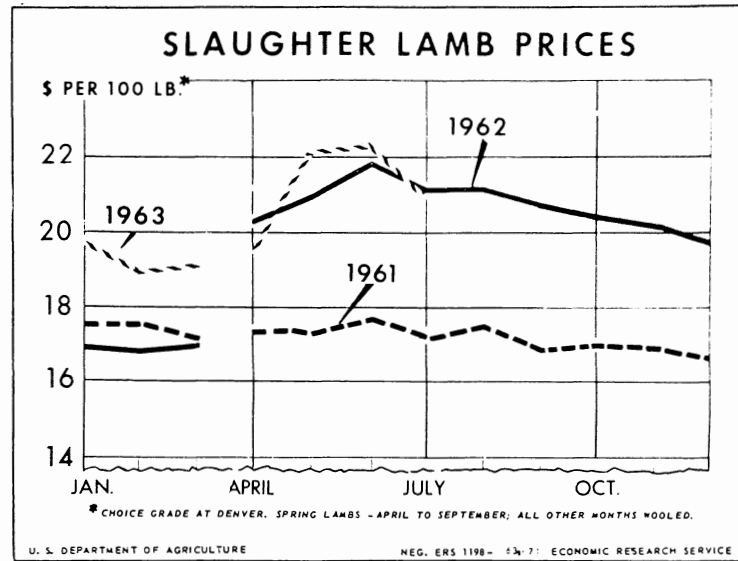
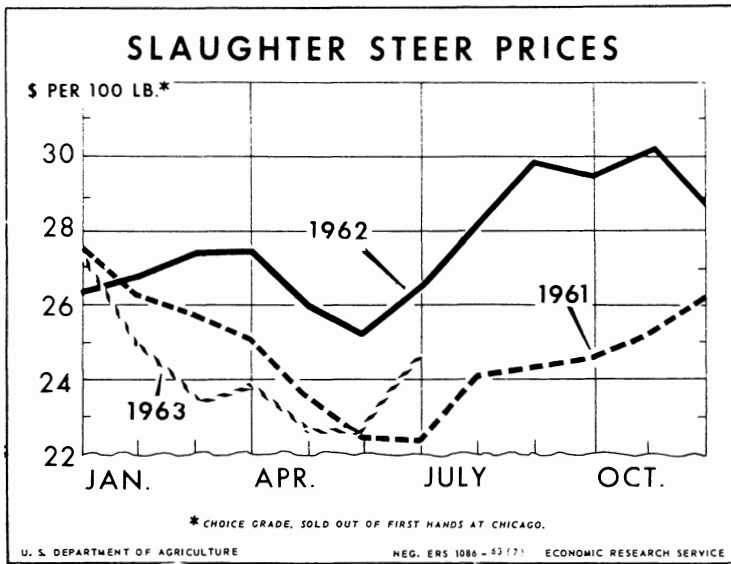
Steer beef production declined in 1962 during the third quarter, but in the fourth quarter leveled off and held relatively steady. This year only a small drop in steer beef production is in prospect into the fall months. The number of fed cattle going to slaughter likely will be much the same as in the second quarter, but the seasonal decline in weights will drop production. Steer and heifer beef production in the second half of 1963 likely will continue above 1962 levels.



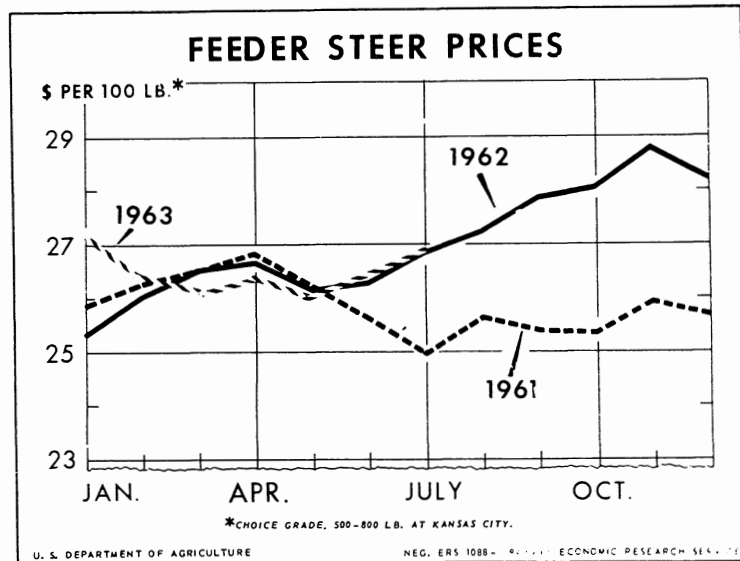
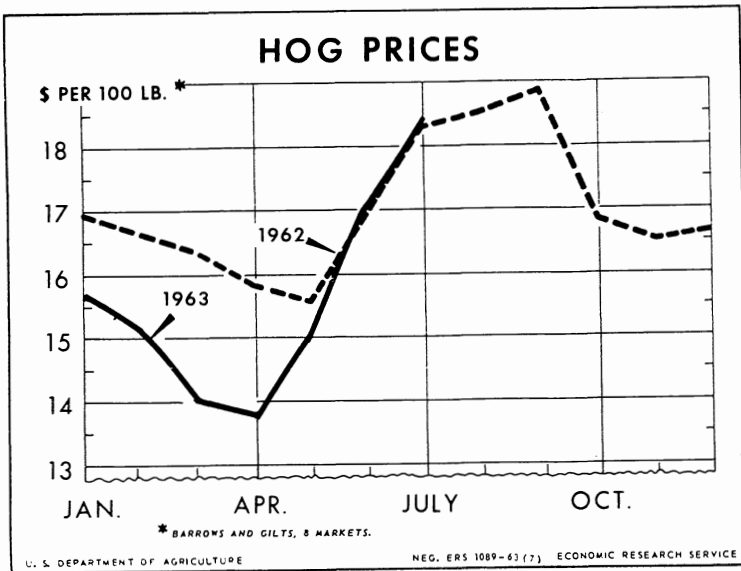
IN THIS ISSUE

- MIDYEAR OUTLOOK
- OUTLOOK FOR SAUSAGE MEAT
- RETAIL MEAT OUTLOOK
- EUROPEAN COMMON MARKET - MEAT

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July is 4-week average



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 T H E L I V E S T O C K A N D M E A T S I T U A T I O N
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Approved by the Outlook and Situation Board, August 8, 1963

CONTENTS

| | <u>Page</u> |
|---|-------------|
| Summary | 3 |
| Review and Outlook | 5 |
| Red Meat Production | 5 |
| Retail Meat Outlook | 6 |
| Cattle | 9 |
| Hogs | 19 |
| Sheep and Lambs | 22 |
| Outlook for Sausage Meats | 26 |
| Common Market Regulations and U.S. Livestock and Meat | |
| Product Exports | 27 |
| List of Tables | 37 |

SUMMARY

Red meat production is continuing at a high rate. Per capita consumption will reach 167 pounds for 1963, a 3-pound increase over 1962. Beef will account for most of the increase. Of particular importance is a sharp increase in fed-beef production.

Commercial production of red meat the first 6 months this year totaled 14.5 billion pounds, up 4.3 percent from the first half of 1962. First half production this year included slightly over 7.8 billion pounds of beef, up 5.6 percent; 5.9 billion pounds of pork, up 4.4 percent; 402 million pounds of veal, down 11.1 percent; and 368 million pounds of lamb and mutton, down 7.8 percent.

Meat production during the third quarter likely will include more beef, veal, lamb and mutton, but less pork than in the second quarter. Retail meat prices probably will increase from the second quarter but average 2 to 3 percent below the third quarter of 1962.

Cattle feeders in the 28 major cattle feeding States on July 1 intended to market 9 percent more fed cattle in July-September than in the same months a year earlier. If carried out, these marketings would total about the same as during April-June this year. Most of the increase in marketings is expected in the North Central States. On July 1, there were 11 percent more cattle and calves on feed than a year earlier.

With an expansion in demand for beef from the increased population, higher incomes, and a continuation in consumers' preference for beef, prices of fed cattle likely will remain above second-quarter levels throughout the last half of the year. However, there is little likelihood of a price rise similar to last summer and fall. Cattle feeders need to market cattle as soon as they reach desirable finish to prevent excessive slaughter weights and too much of a pile-up of cattle in feedlots. Average slaughter weights of fed cattle may be down seasonally this fall from the second quarter of 1963, but likely will continue about 3 percent above a year ago.

The supply of feeder cattle is large enough to permit further increases in cattle feeding. Weather conditions will affect timing of the movement from ranges and to feedlots. Marketings of fed cattle around the first of the year are largely determined by the numbers placed on feed in July, August, and September.

The sharp pickup in fed cattle prices the first 2 weeks in July added strength to the feeder cattle market. Prices this fall probably will be somewhat below a year earlier, but above the last half of 1961. Cow prices held up this spring when fed cattle prices were declining, but probably will decline seasonally this fall and average a little below prices last fall. Cow slaughter likely will exceed year-earlier rates by only a small margin for the rest of 1963.

The upswing in the cattle cycle, which began in 1958, will continue upward this year and probably for the next couple of years. The expansion in cattle and calf numbers this year is expected to be about 3 percent. The January 1, 1964, inventory will contain the basis for further expansion--a larger number of cows. An increase of more than 10 percent in cattle and calf slaughter would be required to stop the cattle-cycle upswing next year.

Commercial hog slaughter the first half of this year averaged 4 percent above the same months in 1962. Slaughter rates in late summer and early fall may average a little under a year earlier, but hog slaughter levels in the final months this year likely will be slightly above a year earlier.

Hog prices may have passed their peak for the year. Prices will probably decline somewhat from current levels as supplies of hogs pick up seasonally and will likely continue to move lower until near the end of the year. Only a modest seasonal price decrease is expected, with prices in the fall holding near the year-end prices of last year. If producers carry out their intentions for a slightly larger June-November pig crop this year, hog prices likely will drop sharply again in early 1964.

The 1963 lamb crop is expected to total 19,695,000 head, 3 percent less than last year, a decrease only about two-thirds as large as the decline during 1962. The 13 Western sheep States (11 Western States, South Dakota, and Texas) are expected to produce 1 percent fewer lambs than in 1962, the 35 Native sheep States 7 percent fewer.

The beginning 1964 inventory of sheep and lambs will be about 1 percent below the 30.2 million this January 1.

Reduced slaughter rates have resulted in higher lamb prices this year. Lamb prices likely will follow the year-earlier pattern during the remaining months of 1963 and average only slightly above year-earlier prices. Production of beef, pork, and chicken has been above year-earlier rates and has somewhat offset the price effect from smaller supplies of lamb.

REVIEW AND OUTLOOK

RED MEAT PRODUCTION

Red Meat Production Up 4.3 Percent in First Half

Red meat production is continuing at a high rate. Per capita consumption will reach 167 pounds for 1963, a 3 pound increase over 1962. Per capita consumption of beef will be about 93 pounds, accounting for most of the increase.

Commercial production of red meat the first 6 months this year totaled 14.5 billion pounds, up 4.3 percent from the 13.9 billion in the first half of 1962. First half production this year included slightly over 7.8 billion pounds of beef, up 5.6 percent; 5.9 billion pounds of pork, up 4.4 percent; 402 million pounds of veal, down 11.1 percent; and 368 million pounds of lamb and mutton, down 7.8 percent.

Population increased about 1.6 percent from the first half of 1962 to the first half this year. Thus, domestic production of red meat represented a larger per capita supply than a year earlier. The civilian per capita production of red meat amounted to 78.0 pounds in the first 6 months this year compared with 76.0 pounds a year earlier. This included 42.1 pounds of beef, 31.7 pounds of pork, 2.2 pounds of veal, and 2.0 pounds of lamb and mutton compared with 40.4, 31.0, 2.5, and 2.2, respectively, a year earlier.

A sharp increase in fed-beef production was of particular importance in the meat supply in the first half of 1963. Production of steer and heifer beef under Federal inspection totaled 5,427 million pounds, 8 percent over the 5,034 million pounds produced a year earlier. Steer and heifer beef production was particularly large during the second quarter, about 12 percent over the April-June period last year. Production of cow beef in federally-inspected plants during the first half was about the same as a year earlier.

Larger Imports of Meat In January-May

Imports of meat during January-May this year totaled 796 million pounds (carcass weight equivalent) compared with 661 million a year earlier. Imports of beef (mostly boneless frozen processing beef) accounted for practically all the increase. Beef imports totaled 609 million pounds the first 5 months compared with 490 million a year earlier. Pork imports amounted to 97 million

compared with 92 million in the January-May period of 1962. However, exports of pork rose to 58 million pounds from 24 million a year earlier. Thus, net imports of pork items were down. Imports of veal decreased to 7 million pounds from 9 million, and lamb and mutton imports (mostly deboned frozen mutton) increased to 83 million pounds from 70 million.

Per Capita Consumption of Meat
Above Year Earlier

Total disappearance of all red meat during the first half likely amounted to slightly over 15.4 billion pounds compared with about 14.8 billion during the first half of 1962--an increase of 4.3 percent. With military use about the same as a year earlier, the increased disappearance was reflected in higher civilian per capita consumption. Since the civilian population was about 1.6 percent larger in the first half of 1963 than a year earlier, per capita consumption of meat probably increased more than 2 percent.

Total disappearance of beef in the first half was approximately 8.5 billion pounds, about 6 percent above the 8.1 billion during the first half of 1962. Thus, per capita consumption of beef probably was up 4.5 percent. The disappearance of pork amounted to about 5.8 billion pounds--up about 4 percent from 5.6 billion a year earlier. Allowing for the population increase, per capita consumption increased about 2.5 percent. The effect of increased per capita consumption of beef and pork was partly offset by a decrease of about 11 percent in veal and lamb and mutton consumption.

RETAIL MEAT OUTLOOK

Meat production during the third quarter likely will include more beef, veal, lamb and mutton, but less pork than in the second quarter. Retail meat prices probably will increase from the second quarter but average 2 to 3 percent below the third quarter of 1962.

Average urban retail meat prices (BLS series) were above year-earlier prices from May 1962 through March 1963. The margin over year-earlier rates was widest during August-December. Since April this year, retail meat prices have averaged below the same months of 1962. The index of retail meat prices in June was 98.6 (1957-59=100), 1.6 percent below June 1962. Retail prices of most major cuts of beef and pork were below last year while lamb and veal cuts were above.

The chart on page 8 shows monthly retail meat prices for pork, beef, and lamb.

Retail beef prices went from about 5 cents above year-earlier prices in January (85.5 cents) to 1 to 2 cents below year-earlier prices by June (78.1 cents). Most of the drop took place from January to April. Beef prices during the remainder of the year likely will be quite stable at or near current

Table 1.--Average retail price of meat per pound,
United States, by months, 1959 to date

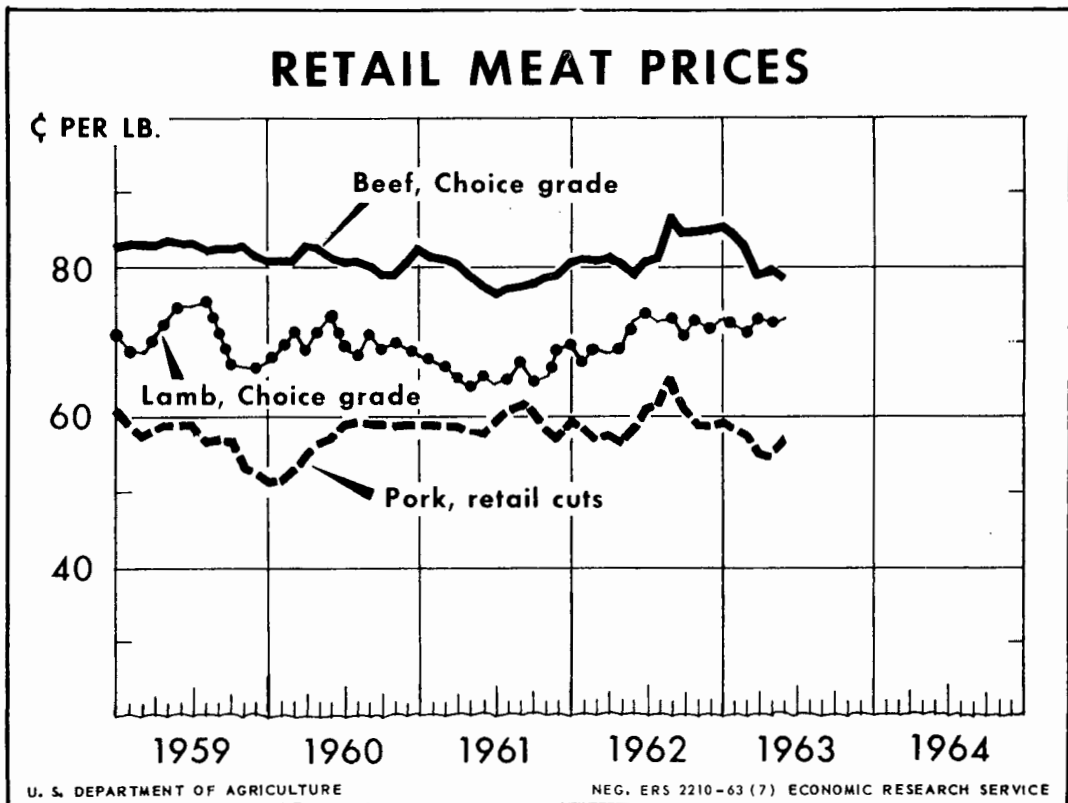
| Pork, retail cuts | | | | | | | | | | | | | |
|--------------------|-------|------|------|------|------|------|------|------|-------|------|------|------|------|
| Year | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Av. |
| | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. |
| 1959 | :61.1 | 58.7 | 57.5 | 58.0 | 58.2 | 58.5 | 58.1 | 56.5 | 57.2 | 55.5 | 53.8 | 52.2 | 57.1 |
| 1960 | :51.9 | 51.9 | 53.0 | 54.8 | 56.1 | 57.6 | 59.1 | 59.8 | 58.7 | 59.1 | 58.7 | 59.2 | 56.7 |
| 1961 | :59.5 | 59.7 | 59.5 | 59.1 | 57.9 | 57.9 | 59.1 | 60.1 | 61.0 | 60.5 | 58.4 | 57.7 | 59.2 |
| 1962 | :58.2 | 58.1 | 57.4 | 57.9 | 57.5 | 58.0 | 60.1 | 61.8 | 64.6 | 61.1 | 59.6 | 59.1 | 59.5 |
| 1963 | :58.7 | 57.8 | 56.7 | 55.1 | 54.9 | 56.6 | | | | | | | |
| | : | | | | | | | | | | | | |
| Beef, Choice grade | | | | | | | | | | | | | |
| 1959 | :82.6 | 83.3 | 83.2 | 83.3 | 83.7 | 83.3 | 83.6 | 82.0 | 82.1 | 82.2 | 82.3 | 81.9 | 82.8 |
| 1960 | :81.5 | 81.0 | 81.2 | 82.6 | 82.1 | 81.5 | 80.9 | 80.8 | 80.0 | 79.6 | 79.7 | 80.5 | 81.0 |
| 1961 | :82.1 | 81.8 | 81.3 | 80.6 | 79.4 | 77.3 | 76.3 | 76.6 | 77.7 | 78.1 | 79.0 | 79.6 | 79.2 |
| 1962 | :80.2 | 80.8 | 80.8 | 81.1 | 80.7 | 79.8 | 80.2 | 81.6 | 87.2 | 85.5 | 85.6 | 85.8 | 82.4 |
| 1963 | :85.5 | 84.9 | 83.1 | 79.5 | 79.6 | 78.1 | | | | | | | |
| | : | | | | | | | | | | | | |
| Lamb, Choice grade | | | | | | | | | | | | | |
| 1959 | :70.4 | 68.3 | 68.3 | 71.5 | 73.3 | 74.5 | 74.1 | 75.0 | 71.7 | 67.4 | 67.1 | 66.6 | 70.7 |
| 1960 | :66.9 | 69.2 | 70.4 | 69.2 | 71.9 | 73.3 | 68.9 | 68.0 | 70.1 | 68.8 | 69.9 | 69.9 | 69.7 |
| 1961 | :68.0 | 67.9 | 67.3 | 64.8 | 64.0 | 65.0 | 64.4 | 65.0 | 66.3 | 64.8 | 65.3 | 68.2 | 65.9 |
| 1962 | :69.3 | 67.7 | 68.7 | 68.3 | 68.6 | 72.5 | 72.9 | 72.2 | 72.8 | 71.6 | 72.1 | 72.0 | 70.7 |
| 1963 | :73.1 | 72.6 | 71.0 | 72.6 | 72.7 | 73.7 | | | | | | | |
| | : | | | | | | | | | | | | |

levels. However, since retail beef prices rose during the last half of 1962, the margin below a year ago will widen in the last few months of 1963.

Composite retail prices of veal cuts so far in 1963 have averaged about 2 percent above the same months last year. Veal production continued below year-earlier levels in 1963 and likely will continue lower the rest of the year. Although veal prices in the second half may be down slightly from the first half, they are expected to remain near year-earlier prices.

Retail pork prices in the first half reflected larger pork supplies and averaged below the first half of 1962. July-December slaughter supplies are only slightly larger this year, but cold storage holdings of pork were somewhat larger at mid-year. Thus, per capita pork supplies the second half of 1962 likely will be a little larger than a year earlier. Only a small additional seasonal rise is expected before retail prices begin their late-summer and fall decline. During this period, retail pork cuts may average a little below a year earlier.

Lamb cuts have been priced above the same months a year earlier since March 1962. Production of lamb during the second half this year is expected to be considerably under 1962, but retail lamb prices likely will remain about the same as during last summer and fall. Lamb has much stiffer competition from larger supplies of beef and broilers this year than in 1962.



CATTLE

Fed Cattle
Supplies Abundant

Cattle feeders in the 28 major cattle feeding States on July 1 intended to market 9 percent more fed cattle in July-September than in the same months a year earlier. If carried out, fed cattle marketings would be the same as during April-June this year. Most of the increase is expected by feeders in the North Central States. Feeders in the major supply area for the West Coast intend to market only slightly more fed cattle in July-September than a year earlier.

There were 6,830,000 cattle and calves on feed July 1 in the 28 States, 11 percent more than a year earlier. Numbers increased 13 percent in the North Central States and 7 percent in the 11 Western States. This is somewhat the reverse of the situation that occurred in mid-1962, when the number of cattle and calves on feed in the North Central States was down 2 percent from a year earlier, but the number in the Western States increased 18 percent.

A breakdown by weight groups of July 1 numbers on feed showed increases over last year in all 5 weight groups reported. Weight groups important to third quarter marketings showed that cattle on feed weighing 700-899 pounds were up 11 percent; the 900-1,099 pound group was up 15 percent; and those over 1,100 pounds were up 25 percent.

The number of cattle on feed for more than 6 months was up 484,000 head; the 3-6 months group was up 47,000; and the number on feed less than 3 months was up 164,000. There were 600,000 more steers and steer calves and 100,000 more heifers and heifer calves on feed than a year earlier.

However, the increased number of cattle and calves on feed do not adequately explain the prospective supply situation. It also is necessary to examine supply figures in the 2 major markets for fed cattle--the Eastern market and the West Coast market--because rather wide price variation can occur in either market without having much effect on the other.

On April 1, Western States had 20 percent more cattle on feed than a year earlier. During the second quarter, these States placed 9 percent fewer animals on feed and marketed 13 percent more than in the same quarter last year. This led to an inventory position of only 7 percent more cattle and calves on feed July 1 than on the same date last year. Except for Colorado, most cattle in feedlots in the Western States are consumed within the region. Western cattlemen's stated intentions are to market 5 percent more cattle during the third quarter than a year earlier, but 3 to 5 percent fewer than in the second quarter.

Fed cattle going to slaughter in Eastern markets come mostly from the North Central States. This region had 7 percent more cattle on feed April 1, 1963, than a year earlier, but on July 1, the margin over a year earlier had increased to 13 percent. The increase was caused by 17 percent larger placements and only 3 percent larger marketings during the second quarter than in

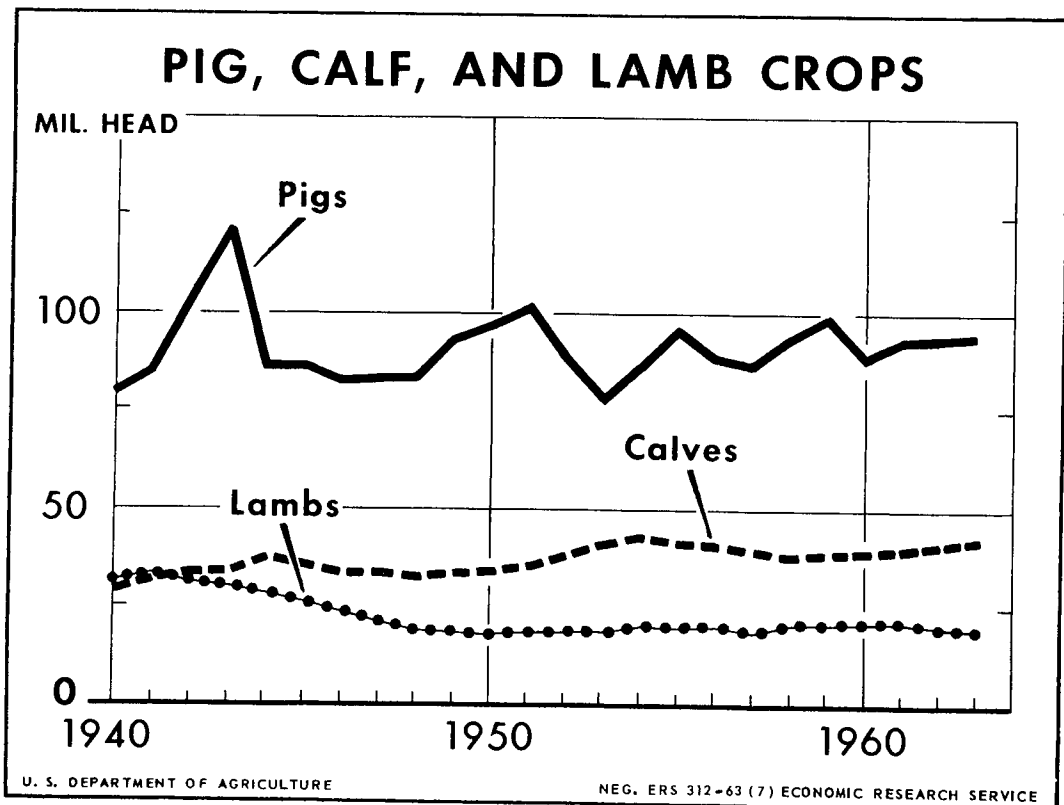
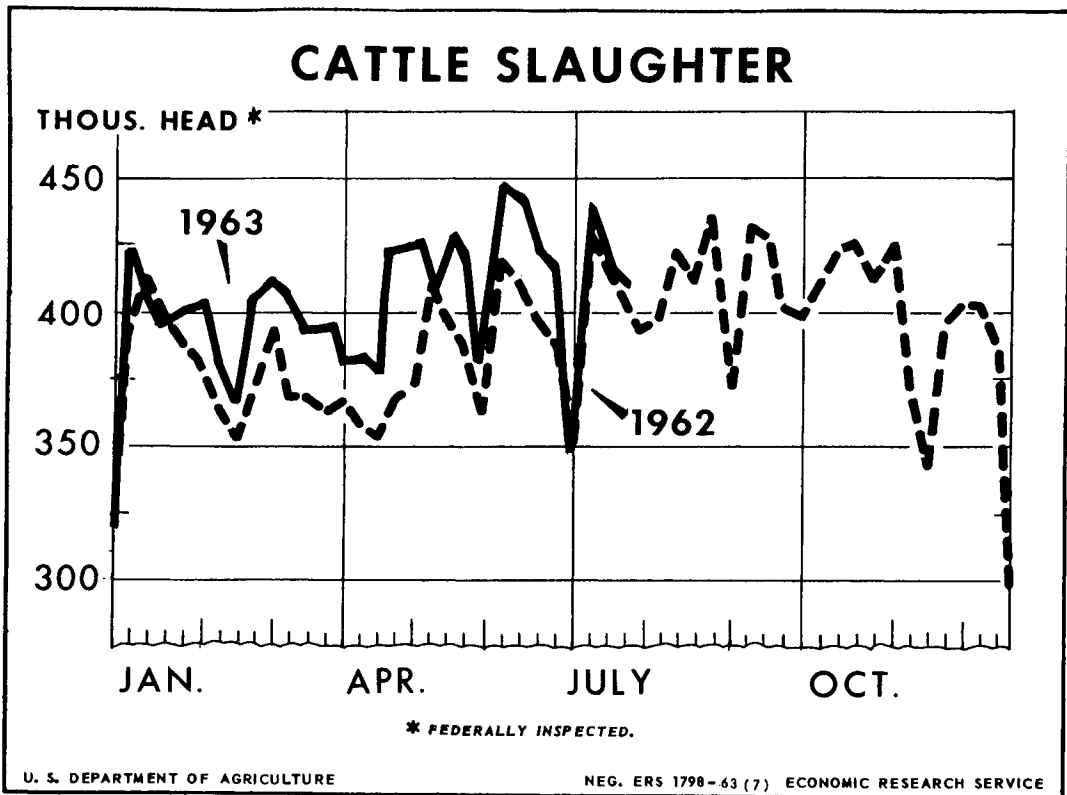


Table 2.--Steer and heifer beef production under Federal inspection, United States and North Central Region, by month, 1962-63

| Month | Steer Beef Production | | | | Heifer Beef Production | | | |
|-----------|-----------------------|----------|----------------------|----------|------------------------|----------|----------------------|----------|
| | United States | | North Central Region | | United States | | North Central Region | |
| | 1962 | 1963 | 1962 | 1963 | 1962 | 1963 | 1962 | 1963 |
| | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. |
| January | 654 | 678 | 386 | 412 | 251 | 214 | 135 | 130 |
| February | 574 | 591 | 355 | 362 | 173 | 196 | 103 | 118 |
| March | 647 | 662 | 385 | 393 | 190 | 222 | 110 | 132 |
| April | 601 | 710 | 349 | 429 | 169 | 214 | 98 | 127 |
| May | 699 | 782 | 414 | 464 | 192 | 227 | 115 | 134 |
| June | 700 | 732 | 421 | 431 | 184 | 199 | 113 | 122 |
| July | 666 | | 395 | | 190 | | 121 | |
| August | 646 | | 379 | | 218 | | 131 | |
| September | 532 | | 314 | | 224 | | 135 | |
| October | 593 | | 348 | | 257 | | 156 | |
| November | 546 | | 320 | | 211 | | 130 | |
| December | 568 | | 357 | | 191 | | 122 | |

the second quarter last year. Cattlemen's stated intentions are to market 12 percent more animals in July-September than a year earlier. Such a supply would be about 5 to 7 percent larger than in the second quarter. Nationally, marketings during July-September are expected to be about the same as in April-June.

Fall Fed Cattle Prices Near Current Levels

Choice steer prices at Chicago declined rather steadily from the end of 1962 until May and reached a low the third week in June when they averaged \$22.60. Only 3 weeks later, prices increased to \$25.09. Since then, prices have dropped some and in early August averaged \$24.40.

With about 12 percent more cattle than a year earlier going to market during the third quarter in the North Central States and about 5 percent more in the Western States, fed cattle prices are not expected to show much strength during the third and fourth quarters. In the third and fourth quarters last year Choice steers at Chicago averaged \$28.18 and \$29.51, respectively.

Last year, the volume of marketings of fed cattle was small enough to provide a strong rise in prices during the summer and sustain this rise through the fall months. Light weights contributed to this price strength. Weights may be heavier this fall and since numbers are up, more beef is in prospect. Nevertheless, with an expansion in demand for beef from the increased population, higher incomes, and a continuation in consumers' preference for beef, prices of fed cattle likely will remain above second-quarter levels throughout the last half of the year. Prices in West coast markets probably will stay above those in Midwest markets the rest of this year. This may encourage some Westward movement of "eastern slope" cattle this fall, but probably not a large volume. Fed cattle were moved East last fall out of Arizona and California due to unusually large Western supplies.

Average Liveweights to
Stay Above 1962

Average slaughter weights will probably not decline as much as they did last year from the second quarter to the fall. The average liveweight of steers sold out of first hands at 12 markets averaged 1,144 pounds during April-June this year, 30 pounds above second quarter 1962. The larger decline from the second quarter to September last year was 44 pounds to an average of 1,070. Last fall, feeders marketed at very light weights to meet the strong demand for finished cattle. Weights will likely average considerably above those of last fall. The number of cattle on feed that weighed over 700 pounds July 1, 1963, was up 13 percent from a year earlier and more of these animals were in the heaviest weight groups.

Cattlemen expect to market about the same number of cattle out of the July 1 inventory in the third quarter as they did out of the April 1 inventory. The number of cattle 1,100 pounds and over on feed is down 7 percent from April 1, and those 900 to 1,099 pounds on feed are down 11 percent; but the number of cattle in the 700-899 pound group is up 32 percent. Thus, if cattle feeders market what they intended July 1, the supply will include a larger proportion of cattle out of the lighter weight groups than in April-June.

It is important for cattle feeders to move cattle to slaughter as they reach market weights because of the large beef supplies in prospect.

Feeder Cattle
Supplies Up

More feeder cattle are available for feedlot finishing the second half of 1963 than a year earlier. The number of beef-type feeder and replacement animals not on feed July 1 likely was about 26,100,000 head, about 1,550,000 more than at this time last year. This represents the potential supply of feeder cattle. Beef steers, heifers, and calves on hand January 1, 1963, totaled 43,086,000 head, or 2,756,000 more than a year earlier. The increase included: 1,066,000 more steers, 555,000 more heifers, and 1,135,000 more calves. January-June imports of feeder cattle--primarily from Mexico and

Table 3.--Annual calf crop, 1953-63

| Year | Cows and heifers 2 years and older on farms January 1 | Calves born | |
|------|---|---|-------------------|
| | | Ratio to number cows and heifers on farms January 1 <u>1/</u> | 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 | 86 | 42,112 |
| 1956 | 48,283 | 86 | 41,376 |
| 1957 | 46,859 | 85 | 39,905 |
| 1958 | 45,430 | 86 | 38,860 |
| 1959 | 45,244 | 86 | 38,938 |
| 1960 | 45,871 | 86 | 39,353 |
| 1961 | 46,370 | 86 | 39,911 |
| 1962 | 47,379 | 86 | 40,960 |
| 1963 | 48,594 | 86 | 41,752 |

1/ Not strictly a calving rate.

Table 4.--Live and dressed weights of cattle
slaughtered, January-June, 1956-63

| Year | Live weight per head | | Dressed weight per head of all cattle slaugh- tered under Federal inspection | Percentage fed cattle in total cattle slaughter <u>1/</u> |
|------|--|---|---|--|
| | All cattle slaughtered under Federal inspection | Steers sold out of first hands, Chicago all grades | | |
| | <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 | 51 |
| 1960 | 1,043 | 1,162 | 600 | 51 |
| 1961 | 1,050 | 1,179 | 609 | 52 |
| 1962 | 1,041 | 1,150 | 603 | 55 |
| 1963 | 1,054 | 1,181 | 614 | 55 |

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

Canada--totaled 513,000 head, 3 percent less than were imported in the year-earlier period. Slaughter of steers and heifers during the first half of 1963 was 6 percent over a year earlier. Also, on July 1 there were 11 percent more cattle and calves on feed than at mid-year in 1962.

Grass conditions and feeders' expectations of fed cattle prices during January-June 1964 will determine to a large extent the timing and volume of placements on feed during the remaining months of 1963. Some areas in the West have suffered severe drought. Livestock were being maintained in good condition throughout the Western Range area, although supplemental feeding was necessary in many areas where forage supplies were short. Cattle that have been forced to move have gone to places where grass was good. States along the Pacific Coast and Northern Plains States have good grass growth so far this year. There are other areas where August and early-September rains are needed to prevent September movement of feeder cattle.

Feeder cattle prices have not showed much response to the lower level of fed cattle prices so far this year. Choice steers at Chicago declined from an average of \$30.13 in November last year to an average of \$22.69 in June this year--a \$7.44 drop. During the same period, 500-800 pound feeder steers at Kansas City declined only \$2.42. Continued strong demand by feedlot operators and favorable grass conditions acted to bolster feeder prices this spring. The sharp pickup in fed cattle prices the first 2 weeks in July added strength to the feeder cattle market. Prices this fall probably will be somewhat below a year earlier, but above the last half of 1961. Factors that may act to limit feeder cattle prices are (1) the larger number of feeder cattle available, (2) higher feed costs, (3) lower fed cattle prices than last fall, and (4) a seasonal increase in the number of feeder cattle marketed. Factors helping to support feeder cattle prices are (1) excess feedlot capacity and (2) prospects for a large corn crop. Wheat pasture prospects later this fall will affect feeder cattle prices.

Cow Slaughter to Remain at Low Level

Cow slaughter has been at a low level for the past 5 years. Cow constituted only 22.4 percent of all cattle slaughtered under Federal inspection during 1958-62, while in the 5 years prior to 1958 they made up 32.9 percent. The number of dairy cows on farms decreased from 21,265,000 in January 1958 to 18,711,000 in January 1963, and beef cows increased 5,718,000 to a total of 29,883,000. Fewer dairy cows and reduced culling of beef cows have caused the smaller percentage of cow slaughter.

A lower culling rate implies an increase in the average age of the cow herd. But the average age probably is not high enough to bring about a sharp increase in the number of cows going to slaughter this fall and winter. In areas of good grass, a cow will be kept for another winter if there is a good chance that she will survive and produce another calf. Using the price of Utility cows in July at Kansas City of \$14.80 (4-week average), an 800-pound

cow has a slaughter value of a little less than \$120. Next year the same cow will still have a slaughter value. As long as ranchers are optimistic about returns from feeder calves next year, they will carry through the winter many aged cows not obviously barren.

There is always the possibility that dry weather will force a large number of cows off ranches. But feed supplies are adequate in many areas and increased supplemental feeding will prevent any large movement. Cow slaughter under Federal inspection in the first 6 months of 1963 was 1,848,000, the same as in these months last year. Cow slaughter likely will exceed year-earlier rates by only a small margin for the rest of 1963.

Cow prices held up this spring when fed cattle prices were declining, but probably will decline seasonally this fall and average a little below prices last fall. Last year, Canner cows at Chicago declined from \$14.35 in June to \$11.60 in December.

Expansion in Cattle Numbers Continued

The upswing in the cattle cycle, which began in 1958, will continue this year and probably for at least the next couple of years. The average rate of expansion in the beginning inventory of cattle and calves on farms from 1958 through January 1, 1962, was 2.5 percent. The beginning inventory of 103,750,000 head last January was 3.8 percent larger than a year earlier.

The expansion in cattle and calf numbers this year is expected to be about 3 percent. For the fourth consecutive year another new record for numbers on farms is in prospect. The slowdown in the rate of increase will be caused primarily by increased cattle slaughter and slightly fewer imports of live animals. The expansion likely will continue, however, because of a 2 percent larger calf crop and a 5 percent smaller calf slaughter in 1963 than in 1962. The January 1, 1964, inventory will contain the basis for further expansion--a larger number of cows. An increase of more than 10 percent in cattle and calf slaughter would be required to stop the cattle-cycle upswing next year. Cattle and calf slaughter this year likely will increase only about 2 percent over last year.

Cow-calf operators are increasing breeding herds because of favorable grass conditions and strong feeder cattle prices. Underlying a further expansion in cattle numbers is the optimistic long run outlook for beef. Demand for beef has been increasing at a faster rate than the growth in population.

1962-63 Corn Belt Feeding Shows Loss

Cattle feeders realized a net loss during the 1962-63 feeding season. Major factors contributing to the loss were: (1) feeder cattle cost more than a year earlier, (2) the feed ration was more expensive, and

Table 5.--Average prices and costs in feeding steers in the Corn Belt, 1953 to date

| Item | Feeding season beginning | | | | | | | | | |
|---|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 |
| | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. |
| Price: | | | | | | | | | | |
| Choice grade beef steers sold out of first hands, Chicago, April-July, per 100 pounds | 24.24 | 23.26 | 21.17 | 23.72 | 28.32 | 29.01 | 26.72 | 23.33 | 26.30 | 23.43 |
| Feeder steers, Kansas City, August-December, per 100 pounds <u>1</u> / | 16.36 | 18.74 | 17.30 | 17.27 | 20.94 | 25.60 | 24.32 | 21.98 | 22.92 | 25.09 |
| Corn, received by farmers North Central States, September-July, per bushel | 1.401 | 1.370 | 1.238 | 1.205 | 1.019 | 1.032 | .995 | .954 | .962 | 1.031 |
| Alfalfa hay, received by farmers North Central States, September-July, per ton | 21.88 | 20.59 | 19.27 | 19.17 | 15.64 | 16.32 | 18.85 | 18.03 | 19.25 | 18.71 |
| Soybean meal, 44 percent protein, whole-sale, Chicago, September-July, per ton ... | 88.29 | 72.84 | 64.69 | 57.97 | 63.49 | 61.75 | 59.37 | 63.17 | 65.30 | 74.94 |
| Sales value, per head: | | | | | | | | | | |
| Choice steers, 1,050 pounds | 254.52 | 244.23 | 222.28 | 249.06 | 297.36 | 304.60 | 280.56 | 244.96 | 276.15 | 246.02 |
| Cost, per head: | | | | | | | | | | |
| Feeder steer, 700 pounds | 114.52 | 131.18 | 121.10 | 120.89 | 146.58 | 179.20 | 170.24 | 153.86 | 160.44 | 175.63 |
| Transportation from market to feedlot | 4.21 | 4.21 | 4.21 | 4.48 | 4.89 | 5.30 | 5.30 | 4.84 | 4.62 | 4.62 |
| Corn, 45 bushels | 63.05 | 61.65 | 55.71 | 54.22 | 45.86 | 46.44 | 44.78 | 42.93 | 43.29 | 46.40 |
| Alfalfa hay, 0.75 ton | 16.41 | 15.44 | 14.45 | 14.38 | 11.73 | 12.24 | 14.14 | 13.52 | 14.44 | 14.03 |
| Soybean meal, 150 pounds | 6.62 | 5.46 | 4.85 | 4.35 | 4.76 | 4.63 | 4.45 | 4.74 | 4.90 | 5.62 |
| Transportation and marketing expense | 10.46 | 10.43 | 10.82 | 11.32 | 11.76 | 12.53 | 12.58 | 11.47 | 11.58 | 11.58 |
| Total for items shown <u>2</u> / | 215.27 | 228.37 | 211.14 | 209.64 | 225.58 | 260.34 | 251.49 | 231.36 | 239.27 | 257.88 |
| Margin, value over costs shown <u>2</u> / | 39.25 | 15.86 | 11.14 | 39.42 | 71.78 | 44.26 | 29.07 | 13.60 | 36.88 | -11.86 |

1/ Average all weights and grades.

2/ 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 experiences in the Corn Belt, but do not necessarily coincide with the experience of individual feeders.

Table 6.--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 1961 to date

| Year and month | Price per 100 pounds | | Margin between slaughter steers and stockers and feeders 7 months previous <u>2/</u> |
|----------------|--|--|--|
| | Choice grade slaughter steers, Chicago | Stocker and feeder steers, Kansas City <u>1/</u> | |
| | Dollars | Dollars | Dollars |
| 1961 | | | |
| January | 27.42 | 24.29 | 3.92 |
| February | 26.17 | 23.70 | 4.36 |
| March | 25.70 | 24.50 | 4.47 |
| April | 25.05 | 24.38 | 4.14 |
| May | 23.43 | 23.06 | 1.84 |
| June | 22.45 | 21.81 | -.09 |
| July | 22.38 | 21.70 | -1.23 |
| August | 24.13 | 22.94 | -.16 |
| September | 24.34 | 22.61 | .64 |
| October | 24.55 | 22.97 | .05 |
| November | 25.58 | 23.03 | 1.20 |
| December | 26.13 | 23.06 | 3.07 |
| 1962 | | | |
| January | 26.39 | 22.80 | 4.58 |
| February | 26.76 | 23.16 | 5.06 |
| March | 27.31 | 24.56 | 4.37 |
| April | 27.45 | 25.11 | 4.84 |
| May | 26.02 | 24.18 | 3.05 |
| June | 25.25 | 23.23 | 2.22 |
| July | 26.50 | 23.75 | 3.44 |
| August | 28.19 | 23.91 | 5.39 |
| September | 29.85 | 25.21 | 6.66 |
| October | 29.50 | 25.38 | 4.94 |
| November | 30.13 | 25.79 | 5.02 |
| December | 28.91 | 25.18 | 4.73 |
| 1963 | | | |
| January | 27.27 | 24.53 | 4.04 |
| February | 24.93 | 23.89 | 1.18 |
| March | 23.63 | 23.45 | -.28 |
| April | 23.77 | 24.12 | -1.44 |
| May | 22.61 | 23.50 | -2.77 |
| June | 22.69 | 22.74 | -3.10 |
| July | 24.72 | 23.19 | -.46 |
| August | | | |

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.

Market price data compiled from Market News, Livestock Division, AMS.

(3) fat cattle were priced lower when the steers were ready for slaughter. Prices and costs of a typical Corn Belt feeding operation are shown in table 5.

Cattle feeders had to work against a negative margin between Choice steers sold April-July 1963 and 700-pound feeder cattle purchased 7 months earlier. (See table 6.) Last year, cattle feeders received from \$2.22 to \$4.84 more per 100 pounds for fattened steers than they paid for yearlings they placed on feed the previous fall. This year the margin varied from -\$0.46 to -\$3.10, because of the drop in fed cattle prices. Cattle feeders who bought feeders before mid-August last year and sold them early this year as soon as they made Choice grade probably did much better than others who filled their lots later or fed to heavier weights.

As noted elsewhere in this publication, the available supply of stocker and feeder cattle in the last half of 1963 is larger than a year earlier. Cattle feeding likely will expand again next year. Feed costs during the coming feeding season probably will average about the same as this year.

With the large volume of fed beef facing much of the country this fall and winter, there is little likelihood of extended price strength in the cattle market. Cattle feeders need to market cattle as soon as they reach desirable finish to prevent excessive slaughter weights and too much of a pile-up of cattle in feedlots.

The supply of feeder cattle is large enough to cause further increases in cattle feeding. Weather conditions will affect timing of the movement from ranges and to feedlots. Marketings of fed cattle around the first of the year are largely determined by the numbers placed on feed in July, August, and September. If placements are delayed, a bulge in marketings may occur next spring.

15 States Receiving Drought Aid

As of July 21, farmers in areas affected by drought in 15 States were receiving emergency assistance from USDA. Drought assistance from USDA consists of 4 major emergency programs: (1) sale of Commodity Credit Corporation-owned feed grains at reduced prices to livestock producers; (2) grazing and haying permission on land retired from crop production under supply-adjustment programs; (3) emergency loans to finance crop production and other farming expenses; and (4) cost-sharing aid under the Agricultural Conservation Program.

Feed grain from CCC stock is being offered at reduced prices to livestock owners in 115 drought-hit counties in Arizona, Louisiana, Mississippi, and Virginia. Haying and grazing privileges on lands retired from crop production are available in 226 counties in Louisiana, Maryland, Michigan, Mississippi, Missouri, New Jersey, Texas, Virginia, and Wisconsin. Both of these programs are administered by the Agricultural Stabilization and Conservation Service.

The Farmers Home Administration is providing emergency loans for drought purposes in 126 counties in Arkansas, Colorado, Mississippi, Montana, New Jersey, New York, and Texas.

Eight Utah counties are receiving cost-sharing aid to conserve irrigation water supplies, under the 1963 Agricultural Conservation Program administered by ASCS.

HOGS

First Half Supplies Up, Prices Down

Commercial hog slaughter the first half of this year averaged 4 percent above the same months in 1962. Supplies of hogs during the first half came primarily from farrowings during June-November 1962, when a near-record 44.5 million pigs were saved. This was 4.6 percent above the 1961 fall pig crop and 8.8 percent above the 1957-61 average. Slaughter exceeded year-earlier rates by the widest margin in March and April. After the seasonal decline in hog slaughter began in April, the margin over a year ago narrowed and slaughter rates by mid-year were about the same as a year earlier.

Changes in the quantity of hogs going to market were reflected in hog prices in the first half. In March and April, hogs were priced at their lowest level since February 1960, but by mid-year were about the same as in 1962. Barrows and gilts at 8 markets combined averaged \$18.44 in July compared with \$18.30 in July last year. Lighter slaughter weights helped bolster hog prices during the first half of the year when supplies were large. Since February, weights of barrows and gilts have been averaging 1 to 3 pounds below a year earlier. This held down the total pork produced during recent months.

Second Half Supplies Same as in 1962

The shift from marketing hogs farrowed in June-November 1962 to hogs farrowed December 1962-May 1963 occurs during the summer months. Pigs farrowed during December-May are the primary source of slaughter hogs going to market the last 6 months of 1963. Pigs born in these months were up 1 percent over the same months a year earlier. The number of sows farrowing was almost the same as a year earlier, but the number of pigs saved per litter rose from 7.08 in 1962 to a near-record 7.14 this spring.

The available supply of hogs for slaughter during the remaining months of 1963 is only slightly larger than last year. There was a change in the distribution of sows farrowing in December-May which will be reflected in monthly slaughter supplies this summer and fall. December-January farrowings were up 7 percent, February-March farrowings were down 7 percent, and April-May farrowings were up 4 percent from the same months in 1962.

Table 7.--Number of cattle and calves slaughtered under Federal inspection by class, United States, by months, 1962 to date

| Month | Steers | | Heifers | | Cows | | Calves | |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1962 | 1963 | 1962 | 1963 | 1962 | 1963 | 1962 | 1963 |
| | 1,000 head | 1,000 head | 1,000 head | 1,000 head | 1,000 head | 1,000 head | 1,000 head | 1,000 head |
| January | 999 | 1,021 | 383 | 382 | 383 | 373 | 454 | 431 |
| February | 870 | 891 | 310 | 351 | 274 | 302 | 362 | 361 |
| March | 991 | 995 | 346 | 393 | 297 | 291 | 461 | 410 |
| April | 924 | 1,049 | 307 | 378 | 274 | 283 | 383 | 373 |
| May | 1,063 | 1,155 | 350 | 401 | 330 | 300 | 398 | 330 |
| June | 1,065 | 1,083 | 337 | 354 | 295 | 298 | 342 | 282 |
| July | 1,031 | | 358 | | 353 | | 367 | |
| August | 1,012 | | 413 | | 421 | | 434 | |
| September | 847 | | 419 | | 371 | | 424 | |
| October | 936 | | 469 | | 473 | | 517 | |
| November | 841 | | 384 | | 443 | | 456 | |
| December | 868 | | 344 | | 336 | | 381 | |
| Total <u>1/</u> | 11,447 | | 4,420 | | 4,250 | | 4,980 | |

1/ Computed from unrounded totals.

Compiled from Market News, Livestock Division, AMS.

Table 8.--Selected prices per 100 pounds of livestock, by months, 1962 and 1963

| Month | Choice slaughter steers at Chicago <u>1/</u> | | Stocker and feeder steers at Kansas City <u>2/</u> | | Barrows and gilts at 8 markets <u>3/</u> | | Choice lambs at Chicago <u>4/</u> | |
|-----------|--|---------|--|---------|--|---------|-----------------------------------|---------|
| | 1962 | 1963 | 1962 | 1963 | 1962 | 1963 | 1962 | 1963 |
| | Dollars | Dollars | Dollars | Dollars | Dollars | Dollars | Dollars | Dollars |
| January | 26.39 | 27.27 | 22.80 | 24.53 | 16.98 | 15.65 | 17.29 | 19.26 |
| February | 26.76 | 24.93 | 23.16 | 23.89 | 16.69 | 15.14 | 17.96 | 18.58 |
| March | 27.31 | 23.63 | 24.56 | 23.45 | 16.31 | 14.07 | 17.92 | 19.13 |
| April | 27.45 | 23.77 | 25.11 | 24.12 | 15.81 | 13.78 | 18.19 | 20.00 |
| May | 26.02 | 22.61 | 24.18 | 23.50 | 15.51 | 15.01 | 17.88 | 20.60 |
| June | 25.25 | 22.69 | 23.23 | 22.74 | 16.87 | 17.10 | 23.30 | 22.78 |
| July | 26.50 | 24.72 | 23.75 | 23.19 | 18.30 | 18.44 | 22.30 | 20.98 |
| August | 28.19 | | 23.91 | | 18.50 | | 22.10 | |
| September | 29.85 | | 25.21 | | 18.82 | | 21.28 | |
| October | 29.50 | | 25.38 | | 16.87 | | 18.88 | |
| November | 30.13 | | 25.79 | | 16.50 | | 18.87 | |
| December | 28.91 | | 25.18 | | 16.16 | | 19.10 | |
| Average | 27.67 | | 24.53 | | 16.82 | | 19.59 | |

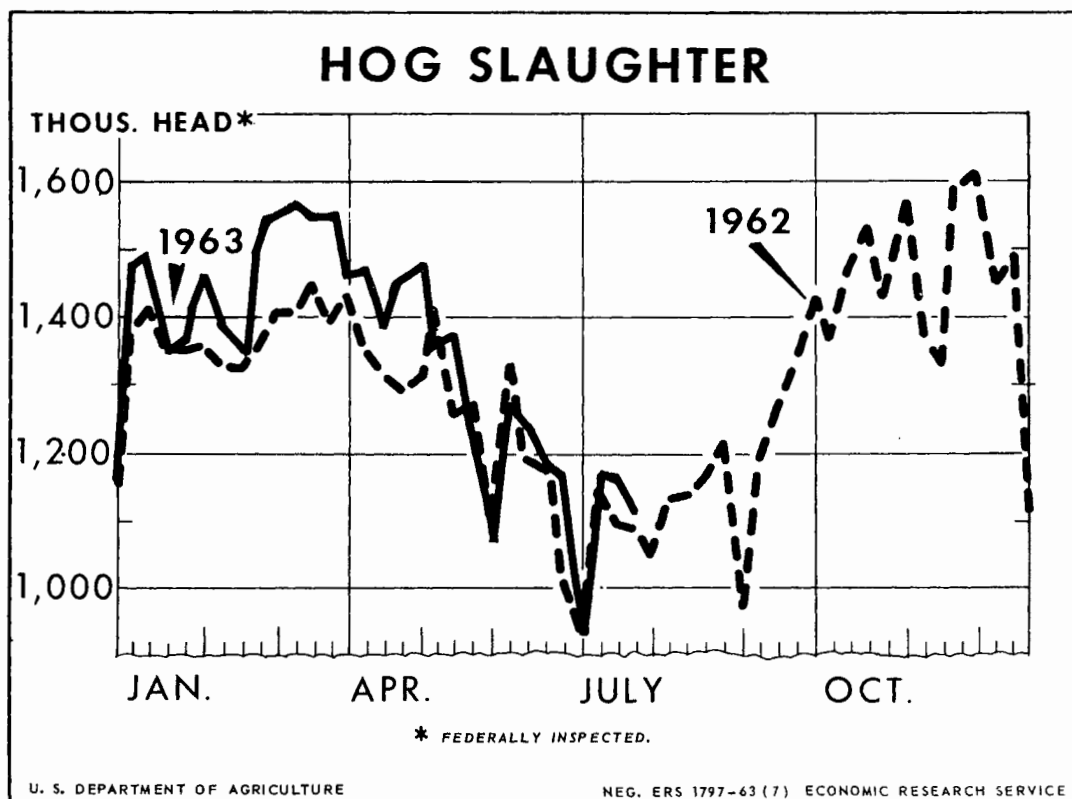
1/ Sold out of first hands. 2/ All weights. 3/ Average for all weights at Midwest markets. 4/ Spring lambs June-September, woolled lambs all other months except May which is shorn.

Compiled from Market News, Livestock Division, AMS.

Therefore, slaughter rates in late summer and early fall may average a little under a year earlier, and hog slaughter levels in the final months this year likely will be slightly larger than last year.

Hog prices probably have passed their peak for the year. Barrows and gilts at 8 major markets were \$18.44 in July, \$0.14 higher than in July 1962. In 1962, prices of barrows and gilts at 8 major markets reached a peak of \$18.94 the first week in August and 4 weeks later dropped to \$18.20 before reaching a second peak of \$19.29 the first week in September. Prices will probably decline somewhat from current levels as supplies of hogs pick up seasonally and will likely continue to move lower until near the end of the year. However, only a modest seasonal price decrease is expected, with prices in the fall holding near the year end prices of last year.

Cold storage stocks increased the available supply of pork this summer. On July 1, there were 320 million pounds of pork either frozen or in coolers, 36 million pounds below June 1, but 9 percent above July 1, 1962.



Fall Intentions
Up Slightly

Producers reported intentions to farrow about 1 percent more sows in June-November this year than in the same months of 1962. Last year a near-record 44.5 million hogs were farrowed June-November. This led to large slaughter supplies and lower prices the first half of 1962. If producers carry out their intentions for slightly larger farrowings in June-November this year, hog prices likely will drop sharply again in early 1964. Prices might not differ greatly from those of last winter and spring because per capita supplies probably will be about the same as they were this year.

SHEEP AND LAMBS

Lamb Crop
Down 3 Percent

The 1963 lamb crop is expected to total 19,695,000 head, 3 percent less than last year, a decrease only about two-thirds as large as the decline during 1962. The 13 Western sheep States (11 Western States, South Dakota, and Texas) are expected to produce 1 percent fewer lambs than in 1962, the 35 Native sheep States 7 percent fewer.

Fewer lambs were produced this year because the number of breeding ewes 1 year old and older on farms and ranches last January 1, and those under 1 year old were both down 3 percent from 1962. The 1963 lamb-crop percentage (number of lambs saved per 100 ewes 1 year old or older on farms January 1) was 95 percent, or 1 percent above a year earlier. The 90 percent crop in the West was the same as in 1962, but the Native-State crop increased 1 percent to 105 percent.

1964 Numbers to
be Down Slightly

There were 30,170,000 head of sheep and lambs on farms January 1, 1963. This was 3,000,000 head lower than the January 1960 inventory and the smallest number since 1950. Nearly all of this decline was in 1961 and 1962.

A balance sheet showing the estimated change in the national sheep flock this year is presented in table 9. The lamb crop is expected to total 19.7 million head. Death losses are estimated at about 14 percent of the beginning inventory. Very little change from 1962 is likely in the balance of exports over imports this year. Commercial slaughter of sheep and lambs the first 6 months of 1963 was 9 percent below the same months last year. Slaughter during the remaining months of the year will probably be off about 6-8 percent. This would result in a beginning 1964 inventory about 1 percent below a year earlier.

Table 9.--Balance sheet for sheep and lambs,
United States, 1956 to date

| Year | Number on farms Jan. 1 | Born during year | Net imports | Slaughter | Deaths | Adjust- ment factor | Number on farms Dec. 31 |
|------|------------------------------|------------------------|----------------------|----------------------|----------------------|---------------------------|-------------------------------|
| | 1,000 <u>head</u> | 1,000 <u>head</u> | 1,000 <u>head</u> | 1,000 <u>head</u> | 1,000 <u>head</u> | 1,000 <u>head</u> | 1,000 <u>head</u> |
| 1956 | 31,157 | 20,336 | -57 | 16,328 | 4,322 | -132 | 30,654 |
| 1957 | 30,654 | 19,810 | -18 | 15,292 | 4,353 | 416 | 31,217 |
| 1958 | 31,217 | 20,686 | 22 | 14,495 | 4,350 | -474 | 32,606 |
| 1959 | 32,606 | 21,120 | 54 | 15,528 | 4,539 | -543 | 33,170 |
| 1960 | 33,170 | 21,283 | 13 | 16,239 | 4,611 | -642 | 32,932 |
| 1961 | <u>1/32,982</u> | 21,271 | -27 | 17,543 | 4,571 | 666 | 31,446 |
| 1962 | 31,320 | 20,315 | -16 | 17,171 | 4,512 | 234 | 30,170 |
| 1963 | 30,170 | 19,697 | <u>2/-15</u> | <u>2/15,800</u> | <u>3/4,250</u> | --- | 29.6-30.0 |

1/ Beginning 1961, 50-State total. 2/ Partly estimated. 3/ Forecast.

The inventory will remain at the 30.2 million head of last January only if slaughter the last 6 months this year drops about 12 percent below year-earlier rates. This is not likely because the stock sheep inventory was down only 3 percent this past January and the lamb crop is down only 3 percent. Also, sheep producers would have to hold back a large number of ewe lambs before slaughter would fall off this much. It is unlikely that sheepmen will begin adding great numbers of ewes to their flocks. Although long-term prospects look brighter now than in several years, a large-scale expansion is not likely. Therefore, some further decline in sheep and lamb numbers is likely this year, but not as much as in 1961 and 1962.

Lamb Prices

Reduced slaughter rates have resulted in higher lamb prices this year. The average price received by farmers for lambs the first 6 months this year averaged \$18.50. This was \$1.47 above a year earlier and \$2.27 above the same months of 1961. In July the price received by farmers was \$19.10, the same as last July. The outlook is for lamb prices to follow the year-earlier pattern during the remaining months of 1963 and average only slightly above year-earlier prices. Production of beef, pork, and chicken has been above year-earlier rates and has somewhat offset the price effect from smaller supplies of lamb. In August 1962, lambs averaged \$19.00 at the farm, by December they dropped to \$17.90. A similar decline is expected this year.

Shorn Wool Production
Down 3 Percent

Shorn wool production in 1963 is estimated at 241,175,000 pounds, grease basis, 3 percent below 1962. Sheep shorn and to be shorn in 1963 are expected to be 4 percent lower than the 29,469,000 head shorn last year. Fleece weight is estimated at an average of 8.50 pounds, up from 8.43 pounds in 1962. Compared with 1962, wool production is smaller in 25 States, larger in 9 States, and unchanged in 1 State.

The 13 Western sheep States (11 Western, South Dakota, and Texas) are expected to produce 2 percent less shorn wool this year than in 1962. The total number of sheep shorn and to be shorn in the West this year is down 2 percent, but the estimated weight per fleece is 8.86 pounds, slightly heavier than the 1962 average of 8.79 pounds.

In the 35 Native or "fleece" wool States (excludes 13 Western States and Alaska), production in 1963 likely will be down about 7 percent from the 1962 clip of 68,352,000 pounds, because of a 7 percent decline in the number shorn this year. The estimated average fleece weight is 7.63 pounds compared with 7.61 pounds last year.

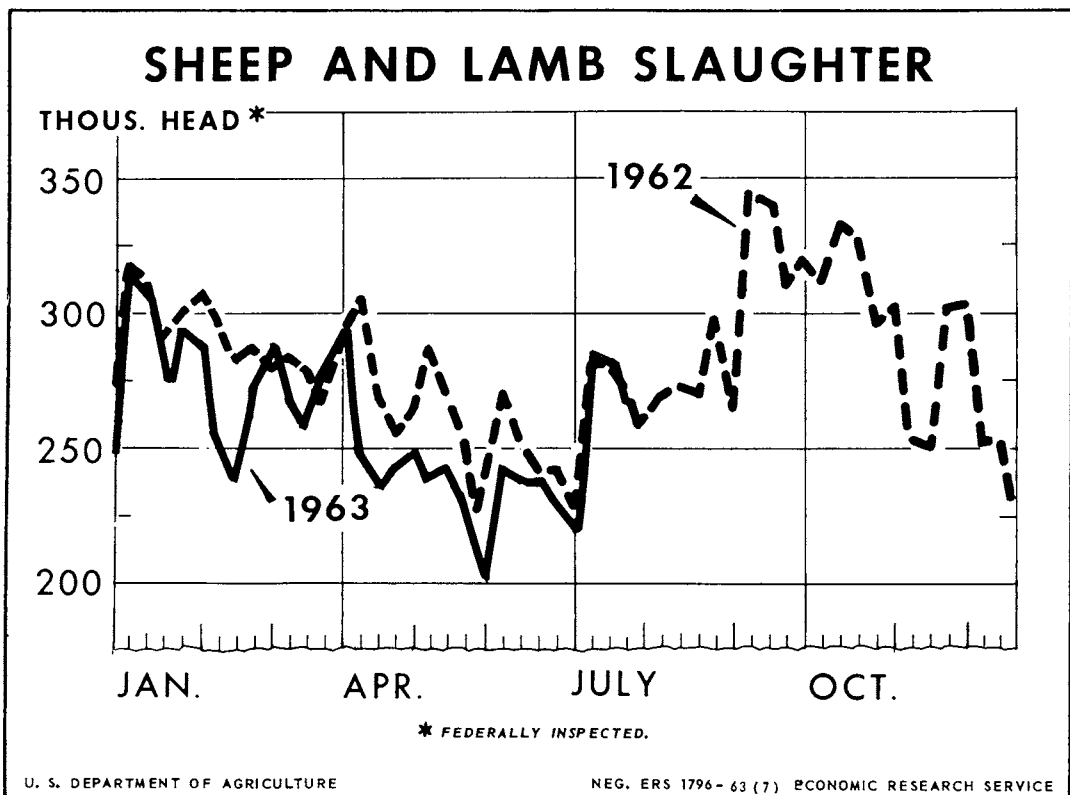


Table 10.--Cattle and hog slaughter, meat imports and stocks, and sausage production, by quarters 1962 to date

| Period | Federally inspected slaughter | | | | | |
|------------|-------------------------------|-----------------|--|-----------------|------------------------------|-----------------|
| | Cattle | | | | Hogs | |
| | Total | | Cows | | 1962 | 1963 |
| | 1962 | 1963 | 1962 | 1963 | | |
| | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| | <u>head</u> | <u>head</u> | <u>head</u> | <u>head</u> | <u>head</u> | <u>head</u> |
| Jan.-Mar. | 4,897 | 5,048 | 954 | 966 | 17,635 | 18,557 |
| Apr.-June | 5,006 | 5,354 | 899 | 881 | 16,513 | 17,133 |
| July-Sept. | 5,289 | <u>1/5,600</u> | 1,145 | <u>1/1,200</u> | 14,651 | <u>1/14,950</u> |
| Oct.-Dec. | 5,145 | | 1,252 | | 18,972 | |
| Year | 20,337 | | 4,250 | | 67,771 | |
| | Imports all meat <u>3/</u> | | Meat stocks in cold storage beginning of quarter <u>4/</u> | | Sausage production <u>5/</u> | |
| | 1962 | 1963 | 1962 | 1963 | 1962 | 1963 |
| | <u>Mil. lb.</u> | <u>Mil. lb.</u> | <u>Mil. lb.</u> | <u>Mil. lb.</u> | <u>Mil. lb.</u> | <u>Mil. lb.</u> |
| Jan.-Mar. | 298 | 343 | 485 | 506 | 599 | 616 |
| Apr.-June | 255 | 306 | 552 | 637 | 644 | 670 |
| July-Sept. | 358 | <u>2/375</u> | 512 | 618 | 626 | <u>2/645</u> |
| Oct.-Dec. | 342 | | 359 | | 619 | |
| Year | 1,253 | | | | 2,488 | |

1/ Partly estimated.

2/ Forecast.

3/ Total red meat imports, product weight.

4/ Includes beef, veal, pork, lamb, mutton, and canned meats in public cold storage.

5/ 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.

OUTLOOK FOR SAUSAGE MEATS

Sausage production under Federal inspection (including loaf and canned items) was 670 million pounds in April-June, 4 percent above the same months last year. Production of semi-dried types increased about 20 percent, but loaf types decreased slightly. Production of all other major sausage items was about 4 to 6 percent above year-earlier rates.

Sausage meat supplies will decline seasonally during the third quarter but will be above those of 1962. Demand for sausage items falls off seasonally with the cooler fall weather. Cold storage holdings, largely of the types used in processed meats, were up 21 percent on July 1 and will be available for sausage production in coming months. Hog slaughter in the late summer is expected to exceed by a small margin slaughter a year earlier. Cow slaughter during the first half was almost the same as a year earlier. It will increase seasonally through the third quarter and reach a peak for the year this fall. Cow slaughter in the second half of 1963 is expected to be larger than in the last 6 months of 1962, but only by a small percentage--providing drought conditions do not become general throughout the West.

Meat imports have increased greatly since 1957 because of the strong demand for processed meats while domestic cow slaughter has fallen off. Imports of meat in the first half averaged considerably over a year earlier and likely will remain above 1962 rates in the next few months.

:
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: November. :
:
: The next issue is scheduled for release on :
: October 5, 1963. :
:

COMMON MARKET REGULATIONS AND U. S. LIVESTOCK AND MEAT PRODUCT EXPORTS

By

Martin V. Gerrity*

Aim of the Common Market eventually is to remove all tariffs and other trade barriers among Belgium, Luxembourg, the Netherlands, Italy, France, and West Germany, and to establish a common tariff applying to all countries outside the Union.

Under this arrangement, goods should flow as readily, between West Germany and Italy, for example, as they do now among the various States in the United States. The most of the people from member countries should benefit since free movement of capital and workers will be encouraged, thereby making possible the economic advantages of mass production and efficient marketing.

These countries developed the following "Common Agricultural Policy" for farm products: (1) to establish common prices and abolish trade barriers within the area; and (2) to control imports from outside countries through variable levies, fees, minimum prices, and quantitative restrictions.

U. S. Trade

The European Common Market (EEC)--Belgium, Luxembourg, France, West Germany, Italy, and Netherlands--is an important outlet for U. S. packinghouse byproducts and mohair. Exports of these products to the EEC in 1962 totaled \$78 million and were 24 percent of U. S. exports of these products to all countries. The Common Market provided an outlet for 36 percent of U. S. mohair exported, 31 percent of the tallow and grease, 25 percent of the meat and livestock, 24 percent of the hides and skins, 22 percent of the casings, and 4 percent of the lard.

Netherlands was the largest market in the EEC for these exports in 1962, taking \$30.4 million. The other markets were West Germany (\$22.8 million), Italy (\$16.2 million), France (\$4.7 million), and Belgium-Luxembourg, (\$3.7 million).

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U. S. exports to Netherlands in 1962 were mostly tallow and grease (\$12.2 million), hides and skins (\$9.0 million), and variety meats (\$6.4 million). Exports to Italy were mostly tallow and grease (\$14.0 million). Shipments to France consisted mostly of variety meats (\$3.4 million), and shipments to Belgium-Luxembourg were mostly tallow and grease (\$1.2 million), mohair (\$1.2 million), casings (\$0.6 million), and variety meats (\$0.6 million).

Common Agricultural Policy

The EEC has encountered considerable difficulty in arriving at a Common Agricultural Policy for beef and pork, and several times has had to postpone the effective dates of relevant regulations. As of August of this year, the only products subject to EEC regulations were live hogs and carcass pork; these regulations have been in effect since July 31, 1962. Currently, the effective date for the establishment of regulations involving pork products, such as pork cuts, lard, and pork variety meats, has been set for September 2, 1963.

The Common Market Council recently established the target date of December 31, 1963, for approval of the Common Agricultural Policy for beef and veal, to become effective in the first quarter of 1964. It is expected that the new CAP for beef will not include tallow, cattle hides, or casings, which are major U. S. export items to the EEC.

U. S. exports of mohair to the 6 countries are not expected to be affected by the Common Market. Mohair will continue to enter the EEC duty-free. Economic progress in the EEC might even enhance the demand for fabrics made from mohair.

Beef Regulations

Target Prices. For live bovine animals (other than for breeding) and fresh and chilled meat of bovine animals, the Common Market Commission has proposed fixing target prices for each Member State on the basis of the arithmetic average of wholesale prices during the 2 years prior to the effective date of the regulations. These target prices would gradually be brought into line by means of annual reviews until they reach a common level throughout the Community, at the latest on April 1, 1967.

The criteria for establishing EEC intervention prices (Government purchase for support purposes) has not been determined. Until a common regulation has been established (at the latest, 3 years after the present regulation goes into effect, i.e., December 31, 1966), individual Member States will be permitted to intervene on their domestic market only when domestic prices differ from the target prices by more than 7 percent.

Gate Prices. For live animals (other than for breeding) and fresh or chilled meat of bovine animals, a minimum or gate price for imports from nonmember countries will be fixed by the Council. If the selling prices without custom duties at the frontier are lower than this minimum price, the difference will be made up by a levy. The gate price will be established at

a level approximating the target price for each country, less the amount of the fixed Common External Tariff (CXT). There will be no minimum import price for intra-Community trade, but Member States will be authorized in the transitional period to apply certain levies.

Import Duties. The chief measure proposed by the Commission for regulating imports from nonmember countries will be custom duties. Table 11 shows the Common External Tariffs (CXT) that have been established for various cattle and beef items by the EEC and also shows whether gate prices or import certificates are applicable to a particular product. The CXT for imports, with the exception of frozen meat, will be approached gradually by each member country and will reach a common level by April 1, 1967. The CXT for frozen beef (and possibly variety meats) will be applied by all member countries when the beef regulations become effective.

Import Certificates and Deposits. Import certificates and prior deposits will be required for all imports of frozen beef, variety meats, canned meats, sausages, and prepared or preserved meats. There will be no gate prices or target prices for these items. Certificates could be suspended whenever the market for the products suffers or is threatened to suffer serious disturbances due to imports from third countries.

Table 11.--Common external tariffs

| Item | Common External Tariffs | Gate price | Import Certificates and Deposits |
|-----------------------|-----------------------------|------------|--|
| | <u>Percent (ad valorem)</u> | | |
| Cattle and calves | 16 | Yes | No |
| Beef and veal | | | |
| Fresh or chilled | 20 | Yes | No |
| Frozen | 20 | Yes | Yes |
| Variety meats (offal) | 20 | No | Yes |
| Tallow (inedible) | 2 | No | No |
| Canned beef | 26 | No | Yes |
| Beef sausages, etc. | 21 | No | Yes |
| Hides and skins | 0 | No | No |
| Casings | 0 | No | No |

Quotas on Frozen Meat. The EEC has established a quota of 22,000 metric tons for frozen beef that can be imported at the bound GATT ^{1/} rate of 20 percent. Additional quantities of frozen beef for processing, also subject to the duty of 20 percent, may be imported under customs supervision, if the situation of the market for cattle used in the processing industry and the market for frozen beef within EEC warrants such imports.

Intra-EEC Meat Trade. Because price levels within the Community are generally uniform, intra-EEC trade in cattle, beef and byproducts, normally will be subject only to tariff duties, which will gradually be reduced and eliminated entirely by April 1, 1967. If an individual country intervenes on its market, that country is authorized according to the proposed regulations to impose on those imports originating within the EEC a variable levy not to exceed the difference between its intervention price and the import price plus duty.

Pork Regulations

EEC regulations for hogs and pork carcasses became effective on July 31, 1962. The effective date for implementation of the regulations for other pork products has been set for September 2, 1963.

In general, the EEC pork policy has the following objectives: (1) Unification of the various pork markets in the Community, and (2) "harmonization" of conditions of competition between EEC countries and third countries. These objectives are to be obtained by regulations that include basic levies based on feed grain prices, additional levies related to gate or minimum import prices, and provisions for market intervention and other safeguards designed to protect the Common Market producer.

Intra-Community Levy. The amount of the intra-Community levy is based on two elements, one variable and the other fixed. The variable element is based on the difference in cost of feeding in the exporting and importing EEC countries for the period July 1, 1961-February 28, 1962. The fixed element takes into account the cost of transportation between exporting and importing EEC countries.

The EEC regulations specify that the sum of the two elements may not exceed the difference in average market prices in the exporting and importing EEC countries. These prices have been determined on the basis of the arithmetic average of wholesale price quotations for hog carcasses during the course of a whole price cycle on representative markets in each of the EEC countries. Due to different methods and varying degrees of fattening of hogs, the full price cycle of Germany, France, and Italy was established as the 3 year period ending December 31, 1961; the cycle of Belgium, Luxembourg, and Netherlands is the 2½ year period ending on the same date.

^{1/} GATT is an association of nations known as the "general agreements on tariffs and trade."

In establishing a common final price for EEC countries, both elements of the levy will be reduced gradually until they are eliminated by the end of the transition period (December 31, 1970). The first element is due to be reduced concurrently with the equalization of feed grain prices in the EEC countries. The second element is to be reduced annually by 2/15 starting July 1, 1963, so it will disappear in the 7½ year transition period.

The amount of the intra-Community levy for hog carcasses based on the two elements for January-March 1963 is shown in table 12.

Table 12.--Intra-Community levy for hog carcasses

| Countries imports: originating from : | Imports: into Belgium : | Imports: into France : | Imports: into Luxembourg : | Imports: into Germany : | Imports: into Italy : | Imports: into Netherlands : |
|--|-------------------------------|------------------------------|----------------------------------|-------------------------------|-----------------------------|-----------------------------------|
| | :Dol. per :100 lbs. | :Dol. per :100 lbs. | :Dol. per :100 lbs. | :Dol. per :100 lbs. | :Dol. per :100 lbs. | :Dol. per :100 lbs. |
| Belgium | : --- | : 2.61 | : 11.47 | : 8.44 | : 4.67 | : 0. |
| France | : 2.90 | : --- | : 8.40 | : 5.60 | : 1.83 | : 0. |
| Luxembourg | : 0. | : 0. | : --- | : .75 | : 0. | : 0. |
| Germany | : 0. | : 0. | : 1.59 | : --- | : 0. | : 0. |
| Italy | : 3.68 | : .78 | : 6.35 | : 4.86 | : --- | : .68 |
| Netherlands | : 3.00 | : 4.28 | : 13.13 | : 10.11 | : 6.32 | : --- |

The levy on hog carcasses is used as the basis for establishing the levy for other pork products. For example, the levy on live pigs is 76.9 percent of the levy for hog carcasses.

Levy for Third Countries. For trade with non-EEC countries, the basic levy on hog carcasses is made up initially of 3 elements: (1) The first element is equal to the intra-Community levy applicable in each EEC country on imports from Netherlands (i.e., the EEC country having the lowest average price of pork). As pork prices within the Community are "harmonized", the first element of the levy for third countries will be gradually reduced and eliminated; (2) the second element equals the difference between feed grain costs for pork production in Netherlands and feed grain costs on the world market; (3) the third element is an amount equal, for the first year of the application of the present regulation, to 2 percent of the average offer prices at which imports into the Community from third countries have taken place during the preceding year. During the following years, the percentage is annually increased to 3, 4, 5, 6, 6½, and 7, and is calculated on the average gate price of the preceding year.

The levy on imports of hog carcasses from third countries for all EEC countries, based on the above 3 elements during January-March 1963, is as follows:

Dollars per 100 pounds

| | |
|-------------|-------|
| Belgium | 5.85 |
| Germany | 12.95 |
| France | 7.12 |
| Italy | 9.18 |
| Luxembourg | 15.98 |
| Netherlands | 2.85 |

In the case of live pigs, the amount of the levy on imports from third countries is calculated at 76.9 percent of the levy for pork carcasses.

Gate Prices. Gate prices have been established to apply to imports from third countries and, during the transitional period, to imports from EEC countries. The purpose of the gate prices is to provide additional protection against the possibility of oversupply if there is a temporary glut in Community markets. The gate price for third-country imports is set by the Council for 3-month periods, and the price is uniform for all members. The gate price was originally set at \$24.62 per 100 pounds for hog carcasses and \$18.93 for live hogs.

If the c.i.f. (cost including freight) price is lower than the gate price, a supplementary levy equal to the difference between the two prices is added to the basic levy.

Intervention Measures. The pork regulation also provides, if the system as established fails to meet all its objectives, that the introduction of common intervention measures will be given consideration. Furthermore, if imports under the CAP policy cause or threaten serious disruption of markets of one or more EEC States, these States are free to take any safeguard measure necessary regarding importation of the product concerned that has the Commission's approval.

EEC Pork Products Regulations. On June 20, 1963, the EEC reached an agreement on Common Market regulations for pork products and set September 2, 1963, as the date for their implementation. Although full details regarding these regulations have not yet been publicly announced, it is expected that in general they will be similar to those currently in effect for pork carcasses and live hogs; i.e., they will consist of basic import levies, additional levies if c.i.f. prices fall below an established gate price, and intervention measures. The new regulations will establish levies and gate prices for fresh, chilled, frozen, and salted pork cuts and lard. These items will be identified as "pilot products". The new regulations specify that gate prices will not be established for items manufactured from the pilot products, such as dried, smoked, and canned meats, which are known as "derived products". If c.i.f. price of the pilot products falls below the established gate price,

an additional levy on derived products will be calculated from the levy on the pilot product by application of percentage-relationship factors, which have not yet been announced.

All imports of derived products will be subject to an import-certificate and prior-deposit requirement. The regulations for pilot and derived pork products will remain in force until June 30, 1964. At that time, the Commission will decide whether the system is effective or whether other regulations will be needed.

Outlook for Exports of U.S.
Pork and Cattle Products
as Related to EEC Regulations

The effect of the levy and gate-price system on U.S. exports of pork variety meats is expected to be limited, since the maximum import duty has been bound in GATT at 20 percent ad valorem. Previous duties of pork variety meats were mostly in the range of 5 to 12 percent ad valorem; thus, the 20 percent CXT on these items will, no doubt, tend to have an adverse effect on trade. However, since the 20 percent CXT on lard has not been bound in GATT, lard exports to the EEC will be subject to the levy and gate price system and trade could be seriously curtailed.

U.S. exports of hides, skins, and beef casings are expected to continue to move freely into the EEC area since they will not be affected by variable levies or import certificate regulations, but will continue to enter the market free of duty. Tallow trade will be affected somewhat, due to an increase in the specific duty from about 0.4 to 2 percent ad valorem. Beef variety meat exports will be subject to a flat duty of 20 percent ad valorem, up from the previous rates generally ranging from 5 to 12 percent ad valorem. Beef variety meats also will be subject to the import certificate requirement. The higher rate of duty will tend to restrict total imports, but the United States will be competitive with other suppliers such as Argentina, Australia, and New Zealand.

Supply and distribution of meat, by months, January 1963 to date

| Meat and 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 1/ | Total |
| Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Lb. | Mil. lb. | Mil. lb. | Lb. |
| Beef: | | | | | | | | | | | |
| January | 1,346 | 189 | 85 | 3 | 166 | 33 | 1,418 | 7.7 | --- | --- | --- |
| February | 1,170 | 166 | 150 | 4 | 177 | 25 | 1,280 | 6.9 | --- | --- | --- |
| March | 1,276 | 177 | 143 | 4 | 190 | 3/28 | 1,374 | 7.4 | --- | --- | --- |
| 1st quarter | 3,792 | 189 | 378 | 11 | 190 | 3/86 | 4,072 | 22.0 | --- | --- | 3/21.3 |
| April | 1,304 | 190 | 97 | 4 | 187 | | | | --- | --- | --- |
| May | 1,405 | 187 | 134 | | 185 | | | | --- | --- | --- |
| June | 1,312 | 185 | 119 | | 186 | | | | --- | --- | --- |
| 2nd quarter | 4,021 | 190 | 350 | | 186 | | | | --- | --- | --- |
| Veal: | | | | | | | | | | | |
| January | 78 | 12 | 2 | 4/ | 11 | 3 | 78 | .4 | --- | --- | --- |
| February | 66 | 11 | 1 | 4/ | 12 | 2 | 64 | .3 | --- | --- | --- |
| March | 68 | 12 | 1 | 4/ | 11 | 3/2 | 68 | .4 | --- | --- | --- |
| 1st quarter | 212 | 12 | 4 | 4/ | 11 | 3/7 | 210 | 1.1 | --- | --- | 3/1.3 |
| April | 65 | 11 | 1 | 4/ | 11 | | | | --- | --- | --- |
| May | 65 | 11 | 2 | | 9 | | | | --- | --- | --- |
| June | 61 | 9 | 2 | | 8 | | | | --- | --- | --- |
| 2nd quarter | 191 | 11 | 5 | | 8 | | | | --- | --- | --- |
| Lamb and mutton: | | | | | | | | | | | |
| January | 73 | 15 | 9 | 4/ | 13 | 4/ | 84 | .5 | --- | --- | --- |
| February | 59 | 13 | 34 | 4/ | 21 | 1 | 84 | .5 | --- | --- | --- |
| March | 63 | 21 | 17 | 4/ | 23 | 3/1 | 77 | .4 | --- | --- | --- |
| 1st quarter | 195 | 15 | 60 | 4/ | 23 | 3/2 | 245 | 1.3 | --- | --- | 3/1.1 |
| April | 62 | 23 | 13 | 4/ | 24 | | | | --- | --- | --- |
| May | 59 | 24 | 10 | | 21 | | | | --- | --- | --- |
| June | 52 | 21 | 11 | | 20 | | | | --- | --- | --- |
| 2nd quarter | 173 | 23 | 34 | | 20 | | | | --- | --- | --- |
| Pork: | | | | | | | | | | | |
| January | 1,063 | 230 | 14 | 10 | 249 | 15 | 1,033 | 5.6 | --- | --- | --- |
| February | 923 | 249 | 22 | 20 | 275 | 17 | 882 | 4.8 | --- | --- | --- |
| March | 1,056 | 275 | 22 | 22 | 333 | 3/18 | 980 | 5.3 | --- | --- | --- |
| 1st quarter | 3,042 | 230 | 58 | 52 | 333 | 3/50 | 2,895 | 15.7 | --- | --- | 3/17.9 |
| April | 1,037 | 333 | 18 | 16 | 374 | | | | --- | --- | --- |
| May | 986 | 374 | 21 | | 356 | | | | --- | --- | --- |
| June | 824 | 356 | 15 | | 320 | | | | --- | --- | --- |
| 2nd quarter | 2,847 | 333 | 54 | | 320 | | | | --- | --- | --- |
| All meat: | | | | | | | | | | | |
| January | 2,560 | 446 | 110 | 13 | 439 | 51 | 2,613 | 14.2 | --- | --- | --- |
| February | 2,218 | 439 | 207 | 24 | 485 | 45 | 2,310 | 12.5 | --- | --- | --- |
| March | 2,463 | 485 | 183 | 26 | 557 | 3/49 | 2,499 | 13.5 | --- | --- | --- |
| 1st quarter | 7,241 | 446 | 500 | 63 | 557 | 3/145 | 7,422 | 40.2 | --- | --- | 3/41.6 |
| April | 2,468 | 557 | 129 | 20 | 596 | | | | --- | --- | --- |
| May | 2,515 | 596 | 167 | | 571 | | | | --- | --- | --- |
| June | 2,249 | 571 | 147 | | 534 | | | | --- | --- | --- |
| 2nd quarter | 7,232 | 557 | 443 | | 534 | | | | --- | --- | --- |

1/ Derived from estimates by months of population eating out of civilian food supplies.

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 | 1962 | | 1963 | | |
|---|-------------|-------|-------|-------|-------|-------|
| | | June | July | May | June | July |
| Cattle and calves | | | | | | |
| Beef steers, slaughter | Dollars per | | | | | |
| Chicago, Prime | 100 pounds | 27.14 | 27.90 | 23.68 | 23.67 | 25.60 |
| Choice | do. | 25.25 | 26.50 | 22.61 | 22.69 | 24.72 |
| Good | do. | 23.90 | 24.95 | 21.67 | 21.90 | 23.56 |
| Standard | do. | 21.23 | 22.31 | 19.36 | 20.02 | 20.80 |
| Utility | do. | 19.71 | 20.90 | 17.67 | 18.56 | 19.27 |
| All grades | do. | 24.91 | 26.12 | 22.43 | 22.54 | 24.56 |
| Omaha, all grades | do. | 23.86 | 24.89 | 21.38 | 22.54 | 23.82 |
| Sioux City, all grades | do. | 23.77 | 24.89 | 21.44 | 21.78 | 23.94 |
| Cows, Chicago | | | | | | |
| Commercial | do. | 16.90 | 15.94 | 16.44 | 16.17 | 15.21 |
| Utility | do. | 16.42 | 15.31 | 16.31 | 16.26 | 15.33 |
| Cutter | do. | 15.94 | 14.95 | 15.35 | 15.30 | 14.52 |
| Canner | do. | 14.35 | 13.62 | 14.18 | 14.20 | 13.50 |
| Vealers, Choice, S. St. Paul | do. | 30.00 | 29.35 | 30.24 | 27.70 | 26.84 |
| Stocker and feeder steers, Kansas City ^{1/} | do. | 23.23 | 23.75 | 23.50 | 22.74 | 23.19 |
| Price received by farmers | | | | | | |
| Beef cattle | do. | 20.90 | 21.00 | 19.70 | 19.70 | 20.80 |
| Cows | do. | 14.80 | 14.60 | 14.30 | 13.90 | 14.20 |
| Steers and heifers | do. | 23.10 | 23.40 | 21.50 | 21.80 | 23.20 |
| Calves | do. | 24.70 | 24.80 | 24.80 | 24.40 | 24.50 |
| Hogs | | | | | | |
| Barrows and gilts, U. S. No. 1, 2 & 3, Chicago | | | | | | |
| 200-220 pounds | do. | 17.76 | 18.85 | 15.70 | 17.83 | 18.91 |
| 220-240 pounds | do. | 17.49 | 18.68 | 15.62 | 17.70 | 18.88 |
| 240-270 pounds | do. | 16.92 | 18.16 | 15.16 | 17.16 | 18.57 |
| All weights | do. | 16.93 | 18.34 | 15.20 | 17.32 | 18.70 |
| Barrows and gilts, 8 markets ^{2/} | do. | 16.87 | 18.30 | 15.01 | 17.10 | 18.44 |
| Sows, Chicago | do. | 13.84 | 14.62 | 12.81 | 13.91 | 14.92 |
| Price received by farmers | do. | 15.90 | 16.90 | 14.30 | 16.00 | 17.10 |
| Hog-corn price ratio ^{3/} | | | | | | |
| Chicago, barrows and gilts | | 14.9 | 16.4 | 12.6 | 13.7 | 14.5 |
| Price received by farmers, all hogs | | 15.4 | 16.3 | 13.0 | 13.8 | 14.4 |
| Sheep and lambs | | | | | | |
| Sheep | Dollars per | | | | | |
| Slaughter ewes, Good, Chicago | 100 pounds | 4.50 | 4.59 | 5.54 | 5.32 | 5.04 |
| Price received by farmers | do. | 5.31 | 5.56 | 5.75 | 5.87 | 5.68 |
| Lamb | | | | | | |
| Slaughter, Choice, Chicago | do. | 23.30 | 22.30 | 20.60 | 22.78 | 20.98 |
| Feeder, Choice, Omaha | do. | 16.00 | 16.00 | --- | 20.31 | 18.58 |
| Price received by farmers | do. | 19.40 | 19.10 | 19.50 | 19.80 | 19.10 |
| All meat animals | | | | | | |
| Index number price received by farmers (1910-14=100) | | 305 | 310 | 286 | 294 | 309 |
| Meat | | | | | | |
| Wholesale, Chicago | Dollars per | | | | | |
| Steer beef carcass, Choice, 500-600 pounds | 100 pounds | 41.84 | 42.64 | 40.00 | 40.31 | 42.55 |
| Lamb carcass, Choice, 45-55 pounds | do. | 50.31 | 47.89 | 46.17 | 49.66 | 45.92 |
| Composite hog products: | | | | | | |
| Including lard | | | | | | |
| 71.90 pounds fresh | Dollars | 18.34 | 19.50 | 16.11 | 18.03 | 18.77 |
| Average per 100 pounds | do. | 25.51 | 27.12 | 22.41 | 25.08 | 26.10 |
| 71.01 pounds fresh and cured | do. | 22.42 | 23.60 | 20.17 | 22.37 | 23.36 |
| Average per 100 pounds | do. | 31.57 | 33.23 | 28.40 | 31.50 | 32.90 |
| Excluding lard | | | | | | |
| 55.99 pounds fresh and cured | do. | 20.26 | 21.44 | 18.15 | 20.27 | 21.24 |
| Average per 100 pounds | do. | 36.18 | 38.22 | 32.42 | 36.20 | 37.94 |
| Retail, United States average | | | | | | |
| Beef, Choice grade | per pound | 79.8 | 80.2 | 79.6 | 78.1 | |
| Pork, retail cuts | do. | 58.0 | 60.1 | 54.9 | 56.6 | |
| Lamb, Choice grade | do. | 72.5 | 72.9 | 72.7 | 73.7 | |
| Index number meat prices (BLS) | | | | | | |
| Wholesale (1957-59=100) | | 94.4 | 97.9 | 89.2 | 92.1 | |
| Retail (1957-59=100) ^{4/} | | 100.2 | 101.8 | 98.1 | 98.6 | |

^{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 | 1962 | | 1963 | | |
|--|---------|-------|-------|-------|-------|------|
| | | June | July | May | June | July |
| Meat animal marketings | | | | | | |
| Index number (1947-49=100) | | 123 | 120 | 141 | 118 | |
| Stocker and feeder shipments to | | | | | | |
| 8 Corn Belt States | 1,000 | 270 | 259 | 390 | 294 | |
| Cattle and calves | head | 184 | 151 | 211 | 115 | |
| Sheep and lambs | do. | | | | | |
| Slaughter under Federal inspection | | | | | | |
| Number slaughtered | | | | | | |
| Cattle | do. | 1,718 | 1,765 | 1,875 | 1,752 | |
| Steers | do. | 1,065 | 1,031 | 1,155 | 1,083 | |
| Heifers | do. | 337 | 358 | 401 | 354 | |
| Cows | do. | 295 | 353 | 300 | 298 | |
| Bulls and stags | do. | 21 | 23 | 19 | 18 | |
| Calves | do. | 342 | 367 | 330 | 282 | |
| Sheep and lambs | do. | 1,062 | 1,170 | 1,062 | 972 | |
| Hogs | do. | 5,041 | 4,699 | 5,910 | 4,880 | |
| Percentage sows | Percent | 12 | 14 | 8 | 12 | |
| Average live weight per head | | | | | | |
| Cattle | Pounds | 1,034 | 1,016 | 1,051 | 1,052 | |
| Calves | do. | 229 | 224 | 210 | 217 | |
| Sheep and lambs | do. | 93 | 94 | 97 | 93 | |
| Hogs | do. | 249 | 247 | 243 | 246 | |
| Average production | | | | | | |
| Beef, per head | do. | 602 | 588 | 618 | 617 | |
| Veal, per head | do. | 130 | 127 | 118 | 125 | |
| Lamb and mutton, per head | do. | 46 | 46 | 48 | 46 | |
| Pork, per head | do. | 145 | 145 | 144 | 145 | |
| Pork, per 100 pounds live weight | do. | 58 | 59 | 60 | 59 | |
| Lard, per head | do. | 34 | 33 | 31 | 32 | |
| Lard, per 100 pounds live weight | do. | 14 | 13 | 13 | 13 | |
| Total production | Million | | | | | |
| Beef | pounds | 1,031 | 1,035 | 1,156 | 1,078 | |
| Veal | do. | 45 | 47 | 39 | 35 | |
| Lamb and mutton | do. | 48 | 53 | 51 | 45 | |
| Pork | do. | 731 | 680 | 853 | 708 | |
| Lard | do. | 169 | 153 | 184 | 155 | |
| Commercial slaughter ^{1/} | | | | | | |
| Number slaughtered | 1,000 | | | | | |
| Cattle | head | 2,189 | 2,249 | 2,349 | 2,200 | |
| Calves | do. | 522 | 566 | 502 | 447 | |
| Sheep and lambs | do. | 1,248 | 1,357 | 1,230 | 1,135 | |
| Hogs | do. | 5,951 | 5,570 | 6,895 | 5,740 | |
| Total production | Million | | | | | |
| Beef | pounds | 1,275 | 1,284 | 1,405 | 1,312 | |
| Veal | do. | 73 | 76 | 65 | 61 | |
| Lamb and mutton | do. | 56 | 62 | 59 | 52 | |
| Pork | do. | 853 | 798 | 986 | 824 | |
| Lard | do. | 190 | 174 | 206 | 174 | |
| Cold storage stocks first of month | | | | | | |
| Beef | do. | 141 | 123 | 187 | 185 | 186 |
| Veal | do. | 7 | 7 | 11 | 9 | 8 |
| Lamb and mutton | do. | 18 | 15 | 24 | 21 | 20 |
| Pork | do. | 338 | 295 | 374 | 356 | 320 |
| Total meat and meat products ^{2/} | do. | 585 | 512 | 686 | 661 | 618 |

^{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

| <u>Table</u> | <u>Title</u> | <u>Page</u> |
|--------------|--|-------------|
| 1 | Average retail price of meat per pound, United States, by months, 1959 to date | 7 |
| 2 | Steer and heifer beef production under Federal inspection, United States and North Central Region, by month, 1962-63 | 11 |
| 3 | Annual calf crop, 1953-63 | 13 |
| 4 | Live and dressed weights of cattle slaughtered, January-June 1956-63 | 13 |
| 5 | Average prices and costs in feeding steers in the Corn Belt, 1953 to date | 16 |
| 6 | 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 1961 to date | 17 |
| 7 | Number of cattle and calves slaughtered under Federal inspection by class, United States, by months, 1962 to date | 20 |
| 8 | Selected prices per 100 pounds of livestock, by months, 1962 and 1963 | 20 |
| 9 | Balance sheet for sheep and lambs, United States, 1956 to date | 23 |
| 10 | Cattle and hog slaughter, meat imports and stocks, and sausage production, by quarters 1962 to date | 25 |
| 11 | Common External Tariffs | 29 |
| 12 | Intra-community levy for hog carcasses | 31 |

Standard Summary Tables

| | |
|---|----|
| Supply and distribution of meat, by months, January 1963 to date | 34 |
| Selected price statistics for meat animals and meat | 35 |
| Selected marketing, slaughter and stocks statistics for meat animals and meat | 36 |

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