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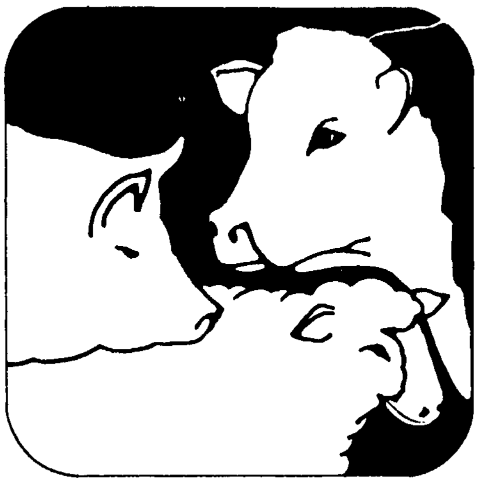
AUGUST 1972

LIVESTOCK AND MEAT Situation



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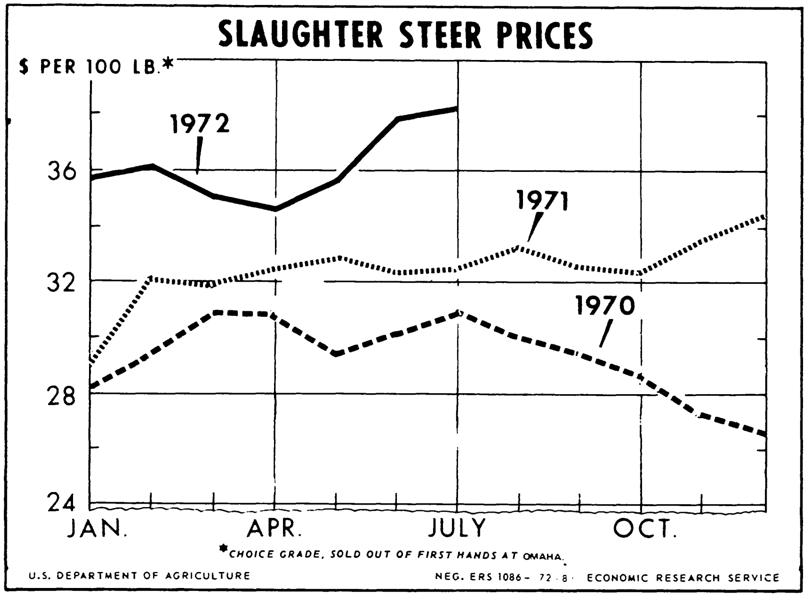
SLAUGHTER STEER PRICES
$ PER 100 LB.*
36
32
28
24
1972
1971
1970
JAN.
APR.
JULY
OCT.
*CHOICE GRADE, SOLD OUT OF FIRST HANDS AT OMAHA.
U.S. DEPARTMENT OF AGRICULTURE
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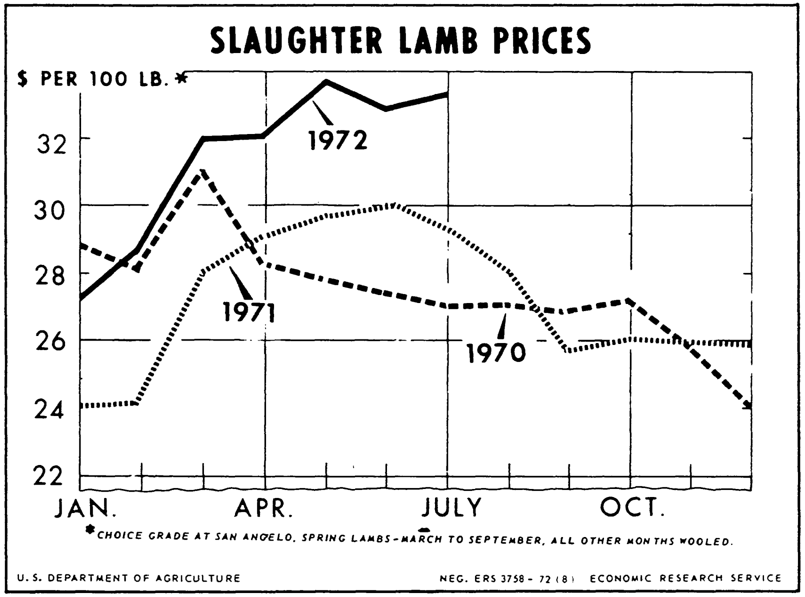
SLAUGHTER LAMB PRICES
$ PER 100 LB.*
32
30
28
26
24
22
1972
1971
1970
JAN.
APR.
JULY
OCT.
*CHOICE GRADE AT SAN ANGELO, SPRING LAMBS-MARCH TO SEPTEMBER, ALL OTHER MONTHS WOOLED.
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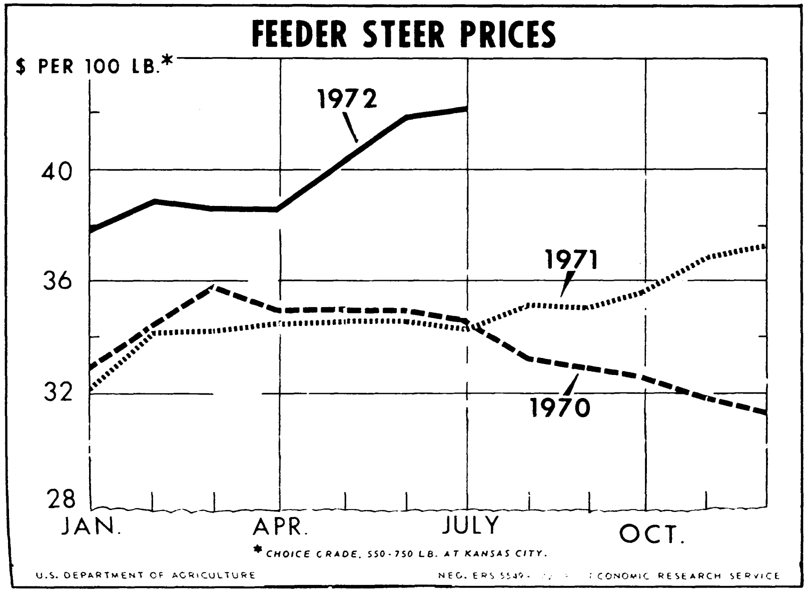
FEEDER STEER PRICES
$ PER 100 LB.*
40
36
32
28
1972
1971
1970
JAN.
APR.
JULY
OCT.
*CHOICE GRADE, 550-750 LB. AT KANSAS CITY.
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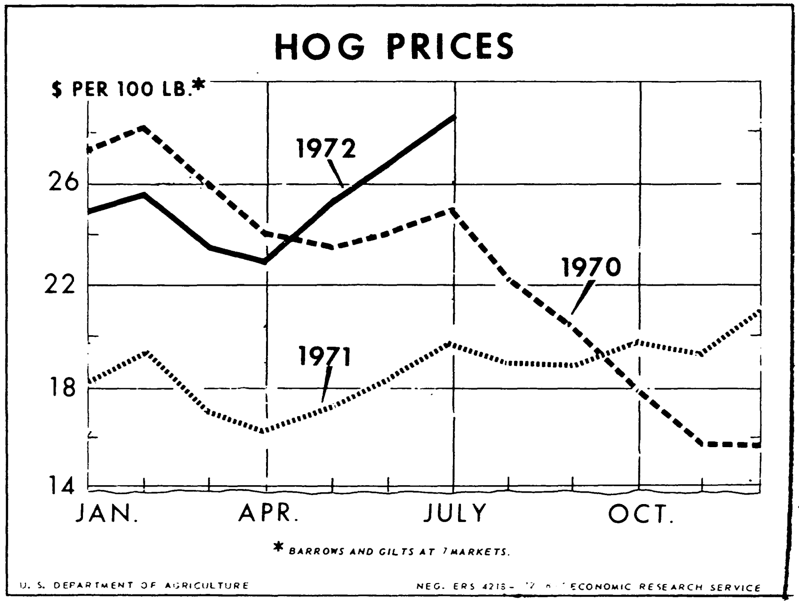
HOG PRICES
$ PER 100 LB.*
26
22
18
14
1972
1970
1971
JAN.
APR.
JULY
OCT.
* BARROWS AND GILTS AT 7 MARKETS.
U.S. DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE

LIVESTOCK AND MEAT SITUATION

CONTENTS

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Approved by
The Outlook and Situation Board
and Summary released
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SUMMARY

Red meat production in second half 1972 will about equal a year earlier with more beef offsetting less pork, veal, and lamb and mutton. Expanding beef output and seasonally increasing pork production will dampen livestock prices later in the year, but very strong consumer demand will hold meat prices above a year earlier.

Fed cattle marketings will be record large in the second half. Cattle feeders shipped 5 percent more cattle to market than a year earlier in the first half, and larger increases are in prospect this July-December. On July 1 there were 14 percent more cattle on feed than a year earlier. Cattle feeders plan to ship 9 percent more cattle in the third quarter, and on July 1 there were 9 percent more cattle on feed in 23 major feeding States in weight groups that typically provide the bulk of fourth quarter marketings.

Choice steers at Omaha rose sharply to $36.50 per 100 pounds in early winter, declined to $34.25 in early spring, then resumed the climb almost to $39 in early July. Choice steers are currently about $37.25, about $4.50 above a year earlier. Further price weakness is expected this summer as marketings rise well above year-ago and spring levels. However, prices of fed cattle will likely run well above last July-December's $33.10 average because of strong demand and smaller pork output.

With the 10-percent increase in feeder cattle placements in the first half, the feeder cattle supply at midyear was about the same as a year earlier, but big enough to support continued large placements in the second half. And this year's beef calf crop is estimated to be up about 4 percent, pointing to an increase in the 1973 feeder cattle supply.

Cow slaughter was down slightly in the first half, with lower spring slaughter more than offsetting a small increase last winter. Although there are more cows on farms and ranches this year, higher feeder cattle prices and prospects for reasonably good feed conditions this summer and fall will hold culling rates down, so cow slaughter probably will be about the same or only slightly larger than the relatively low volume of July-December 1971.

Cow prices advanced through the first half. In late July, Utility grade cows at Omaha were selling for $26, about $4.75 higher than in late July 1971. Prices will weaken seasonally this summer and fall but still run

$2-$3 above last year's July-December average of $21.75. Beef imports were 8 percent larger than a year ago during the first 6 months of 1972 and will continue large in the second half. However, strong demand for red meats is expected to hold cow prices above a year earlier.

The second half hog situation will be much the same as in the first half—lower production and higher prices. Slaughter was down 9 percent in the first half and prices were up 40 percent. Slaughter likely will remain down this much during July-December and prices will continue well above a year ago. There were 7 percent fewer market hogs on farms on June 1.

Pork producers plan to have 5 percent fewer sows farrow in the second half, but the margin below a year earlier will narrow in the fall. Thus, hog slaughter will stay below a year earlier through mid-1973 and prices will continue strong. Farrowings next winter may rise above a year earlier.

Barrow and gilt prices at 7 markets in late July were about $28.50 per 100 pounds. This was about $8.50 above the 1971 summer peak. Hog prices will slip as slaughter picks up seasonally later this summer and fall, but October-December prices likely will average $2-$3 above last fall's $20 average. Prices may show a late fall-early winter rise as slaughter rates reflect the seasonal downturn in summer farrowings.

The 1972 lamb crop is 4 percent smaller than the 1971 crop. Lamb slaughter was down 4 percent in the first half of 1972 and will continue below a year earlier this summer and fall.

Lamb prices rose steadily through the first half with spring lamb prices moving $3.25 above the 1971 April-June average of $29.60 at San Angelo. Prices are declining seasonally this summer and the July-December average likely will be $2-$4 above last year's $26.80 second half average.

SITUATION AND OUTLOOK

CATTLE

Cattle prices during the first half of this year averaged substantially higher than during January-June 1971. Beef production was up 2 percent and beef imports were 8 percent larger. However, pork supplies were much smaller than in 1971. This reduction plus strong consumer demand for meat more than offset increases in the beef supply, so cattle prices strengthened.

Choice steers at Omaha in the first half ranged from a weekly low of $34.25 per 100 pounds to a high of $38.50, but averaged more than $4 above January-June 1971 prices. Utility cows at Omaha averaged $22.70 in early January but surged higher and by midyear were about $26.50 per 100 pounds. Feeder cattle prices increased more than seasonally in the winter and spring with Choice grade yearling steers at Kansas City reaching $42 per 100 pounds at midyear.

Livestock prices in the second half of this year are expected to continue above 1971 summer and fall prices, but some declines from mid-1972 highs are expected as output rises and the seasonal increase in pork output begins toward fall.

Larger Summer Marketings

At mid-1972, cattle feeders in the 23 major feeding States had 14 percent more cattle and calves on feed than a year before. Corn Belt feeders upped numbers 12 percent while Western feeders had 18 percent more on feed. Cattle feeders plan to ship 9 percent more cattle to market this summer than last. Increases are anticipated in all sections of the Country.

This year's July 1 inventory of cattle and calves on feed included 18 percent more animals in weight groups that typically supply the bulk of summer marketings. Thus, cattle feeders can easily market their stated intentions. A year ago, there were fewer cattle on feed in these weight groups, partly due to reduced 1970/71 corn supplies. Dry weather in the Western Corn Belt and Southern corn leaf blight during the 1970 growing season curtailed corn output.

If cattle feeders market 9 percent more cattle this summer, July-September fed cattle marketings would exceed spring marketings by 7 percent and last winter's marketings by about 12 percent.

Total cattle slaughter this summer is not expected to be up nearly as much as percentage gains in fed cattle marketings would suggest, even though fed cattle marketings now account for roughly three-quarters of all cattle slaughtered. Fed cattle marketings in the first half of 1972 were up about 5 percent but cow slaughter was down a little and the number of nonfed steers and heifers slaughtered was down about 35 percent. (In 1971, nonfed steers and heifers accounted for about 6 percent of total cattle slaughter.) Thus, total cattle slaughter in the first half was only about 1 percent larger than in January-June 1971. In the coming months, cow slaughter likely will run near year-earlier levels, but considerably fewer nonfed steers and heifers are expected to be slaughtered than last year.

Last summer and fall feeders marketed cattle at lighter weights because of higher feed costs. With lower priced feed this year and favorable feeding ratios, cattle feeders are finishing a higher percentage of available steers and heifers than last year.

Prices of Choice steers at Omaha rose in January and peaked at $36.40 per 100 pounds in mid-February, then

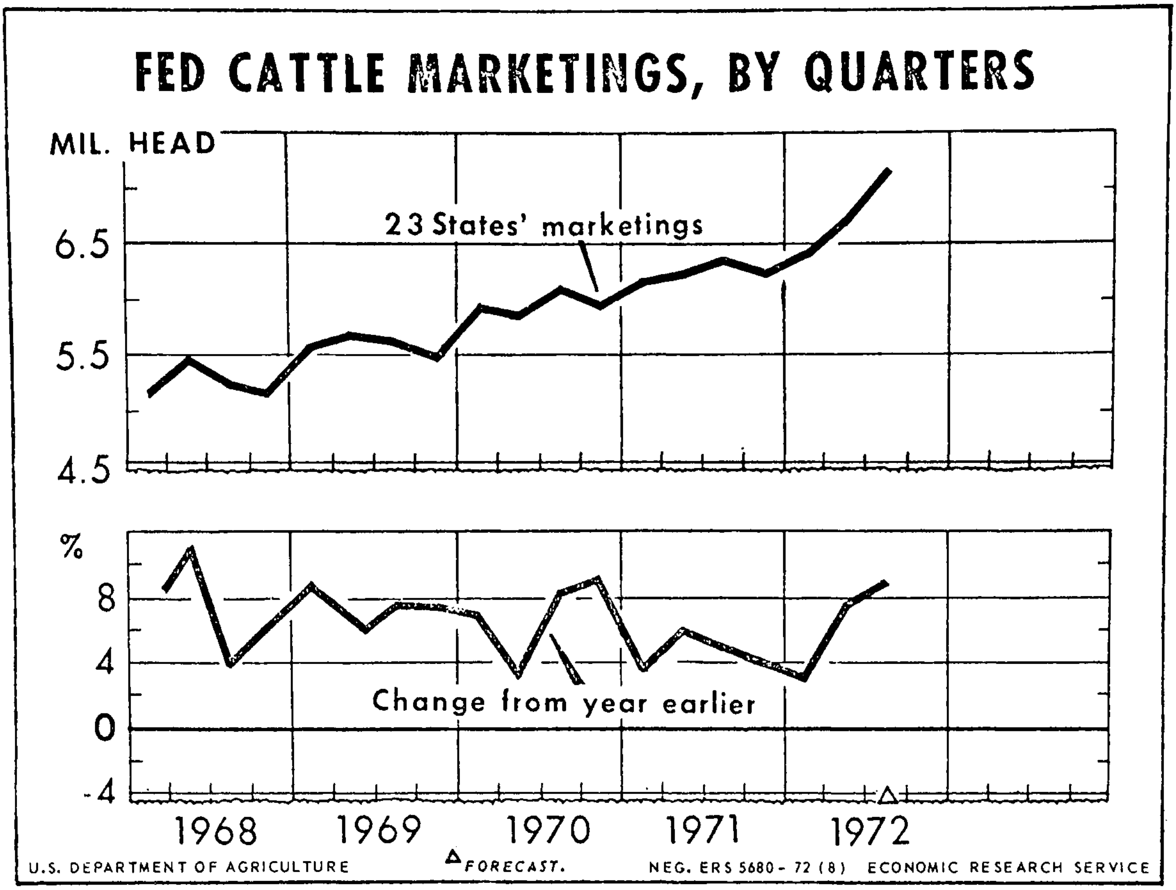


Table 1.—Cattle and calves on feed in 23 States, July 1, by regions

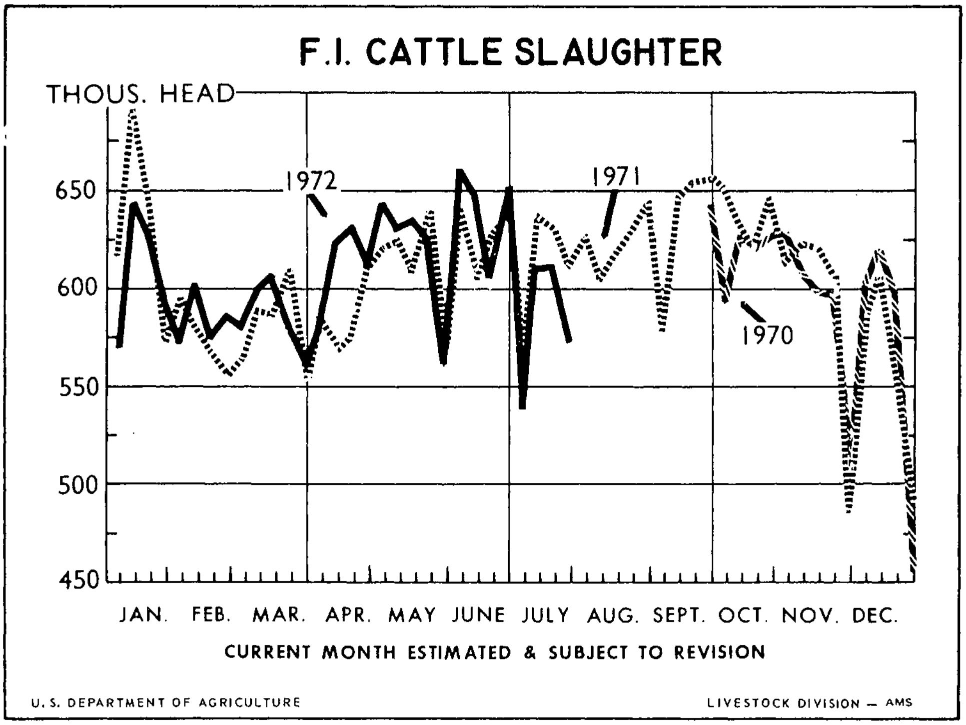
Item	1970	Change from 1969	1971	Change from 1970	1972	Change from 1971
	Thousand head	*Percent*	*Thousand head*	*Percent*	*Thousand head*	*Percent*
North Central States						
East	1,252	-7.4	1,198	-4.3	1,302	+8.7
West	5,002	+4.4	4,681	-6.4	5,266	+12.5
Total	6,254	+1.8	5,879	-6.0	6,568	+11.7
Texas and Oklahoma	1,570	+12.6	1,953	+24.4	2,417	+23.8
Other Western States	2,814	-1.5	3,057	+8.6	3,470	+13.5
Total	10,638	+2.3	10,889	+2.4	12,455	+14.4

dropped in March and April to a low of about $34.25. Renewed price strength appeared in the spring and by early July prices hit $39. Prices in recent weeks have been steady to lower.

Fed cattle prices are expected to weaken somewhat during the summer as marketings increase. However, with fewer hogs coming to market and strong consumer demand for meat, only moderate weakness is likely, and Choice steers at Omaha are expected to average $2-$4 above the July-September 1971 average of $32.80.

Big Fall Slaughter

Fed cattle marketings this fall likely will run moderately larger than in October-December 1971, but under record summer levels. At midyear there were 9 percent more medium weight steers and heifers on feed, normally the source of the bulk of fourth quarter fed cattle marketings. Also, some cattle in the heavier weight groups on feed at midyear probably will be kept on feed through the summer and marketed in the fall because the number of heavy weight cattle is up more than the



indicated increase in summer marketings.

Market weights of Choice steers at Omaha were fairly light in 1971. Because feed costs were up, feedlot operators tended to move cattle to market a little earlier. Fed cattle weights continued lighter than a year earlier in the opening months of 1972, but recently have gone above 1971 levels. The shift to heavier market weights reflects higher feeder cattle prices and relatively low-cost gains in the feedlot. Some cattle feeders would rather hold cattle on feed a little longer because the cost per pound of gain in the feedlot is generally less than the price per pound of Choice slaughter cattle. This situation is expected to continue in the second half and fed cattle weights may run 1 to 2 percent heavier than a year ago, adding to total beef tonnage available for consumption and putting a bit more pressure on prices.

Choice steer prices per 100 pounds, Omaha

Month	1969	1970	1971	1972
	Dollars	*Dollars*	*Dollars*	*Dollars*
January	27.82	28.23	29.11	35.74
February ...	27.63	29.30	32.23	36.19
March	29.00	30.97	31.81	35.13
April	30.41	30.64	32.44	34.53
May	33.18	29.52	32.88	35.66
June	33.99	30.29	32.39	37.88
July	31.56	31.12	32.44	
August	30.40	30.14	33.24	
September ..	28.77	29.32	32.62	
October	27.72	28.67	32.34	
November ..	27.67	27.21	33.58	
December ..	27.98	26.71	34.40	
Average ..	29.66	29.34	32.42	

Choice steers at Omaha this fall are expected to sell a little under summer prices but for more than the $33.40 per 100 pounds in fourth quarter 1971. Fed cattle marketings will be large in the fall and pork output will be seasonally large. However, consumer demand for meat will remain strong.

Feeder Cattle Supply About The Same As A Year Ago

The feeder cattle supply at midyear was probably about the same as or only a little larger than on July 1, 1971, but larger than in other recent years. Looking back to the inventory of young cattle on hand January 1, 1972, there were 2 percent more steers and 5 percent more heifers weighing over 500 pounds, while calf numbers were up over 4 percent. In addition to these cattle, January-June imports of feeder cattle were up about a fifth.

Commercial steer and heifer slaughter in the first half of 1972 was about 2 percent larger than a year before, but calf slaughter was down sharply. On balance, the number of young animals carried through the first half was up about 2 million head. However, since there were 14 percent more cattle on feed at midyear, an increase of about 1.6 million head, the available supply of feeder cattle at the beginning of the second half likely was only a little larger than a year ago. However, the 1972 calf crop of 48.4 million head was up 3 percent and will come into the feeder cattle supply picture next year. Of particular importance to cattle feeders, this year's beef calf crop is estimated to be almost 4 percent larger than the 1971 crop.

Current fed cattle prices per 100 pounds, compared with feeder cattle prices 5 months earlier

Year	Fed cattle[1]	Feeder cattle[2]	Margin
	Dollars	*Dollars*	*Dollars*
1970			
January	28.38	31.76	-3.38
February	29.30	31.29	-1.99
March	30.99	31.15	-.16
April	30.79	31.12	-.33
May	29.57	32.38	-2.81
June	30.36	32.83	-2.47
July	31.12	34.44	-3.32
August	30.09	35.85	-5.76
September	29.21	35.01	-5.80
October	28.47	35.00	-6.53
November	27.22	34.92	-7.70
December	26.82	34.54	-7.72
1971			
January	29.10	33.28	-4.18
February	32.18	32.86	-.68
March	31.89	32.66	-.77
April	32.41	31.79	+.62
May	32.86	31.28	+1.58
June	32.35	32.20	+.15
July	32.44	34.24	-1.80
August	33.10	34.26	-1.16
September	32.58	34.46	-1.88
October	32.22	34.52	-2.30
November	33.30	34.52	-1.22
December	34.28	34.36	-.08
1972			
January	35.63	35.18	+.45
February	36.32	34.97	+1.35
March	35.17	35.64	-.47
April	34.52	36.88	-2.36
May	35.70	37.20	-1.50
June	37.91	37.92	-.01
July	38.38	38.86	-.48

[1] Choice steers at Omaha, 900-1,100 pounds. [2] Choice steers at Kansas City, 600-700 pounds, prior to 1972 550-750 lb.

Feeder Cattle Prices Strong

Feeder cattle prices have been on the upswing since last fall, reflecting exceptionally strong demand by cattle feeders for replacement cattle. Placements were up 10 percent in first half 1972 even though feeders had to pay progressively higher prices. Demand for feeder cattle was stimulated as fed cattle prices rose toward $39 per 100 pounds and feed costs continued relatively low.

Market News Reports since May indicate that a number of cattle marketed for slaughter have gone back to the country for further feeding. Since the extent of this situation is not known, the impact on summer slaughter can not be assessed. However, it shows efforts which cattle feeders are making to obtain feeder cattle and to take advantage of recent rises in the prices of fed cattle. They are lengthening feeding programs and buying heavy-weight feeder cattle that are selling near slaughter cattle prices.

Choice yearling steers at Kansas City in late July were about $42.25 per 100 pounds, nearly $8 above a year ago and about $7 above early fall levels. Feeder calf prices at many river and western markets were running between $51 and $55, substantially above year-earlier

Feeder cattle prices per 100 pounds, Kansas City

Month	Choice feeder steers 600-700 lbs.[1]			Choice feeder steer calves[2]		
	1970	1971	1972	1970	1971	1972
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Jan.	32.83	32.20	37.92	36.82	36.18	41.50
Feb.	34.44	34.24	38.86	38.55	38.48	43.94
March	35.85	34.26	38.64	39.74	38.17	44.69
April	35.01	34.46	38.54	39.40	38.62	45.16
May	35.00	34.52	40.43	40.61	39.19	46.67
June	34.92	34.52	41.94	41.48	39.15	47.32
July	34.54	34.36	42.02	41.24	39.10	47.10
Aug.	33.28	35.18		39.50	39.36	
Sept.	32.86	34.97		38.66	39.33	
Oct.	32.66	35.64		37.60	39.95	
Nov.	31.79	36.88		36.08	41.70	
Dec.	31.28	37.20		35.49	41.81	
Average	33.70	34.87		38.76	39.25	

[1] Prior to 1972 550-750 lbs.
[2] 400-500 lbs., prior to 1972 300-550 lb.

and fall levels. With large beef supplies this summer and fall, feeder cattle prices likely will exhibit a seasonal decline this fall as the volume of marketings increases. Also, feeder catle prices are expected to be rather sensitive to changes in fed cattle prices. However, fall prices are expected to average near or above a year ago, when they were the highest in several years.

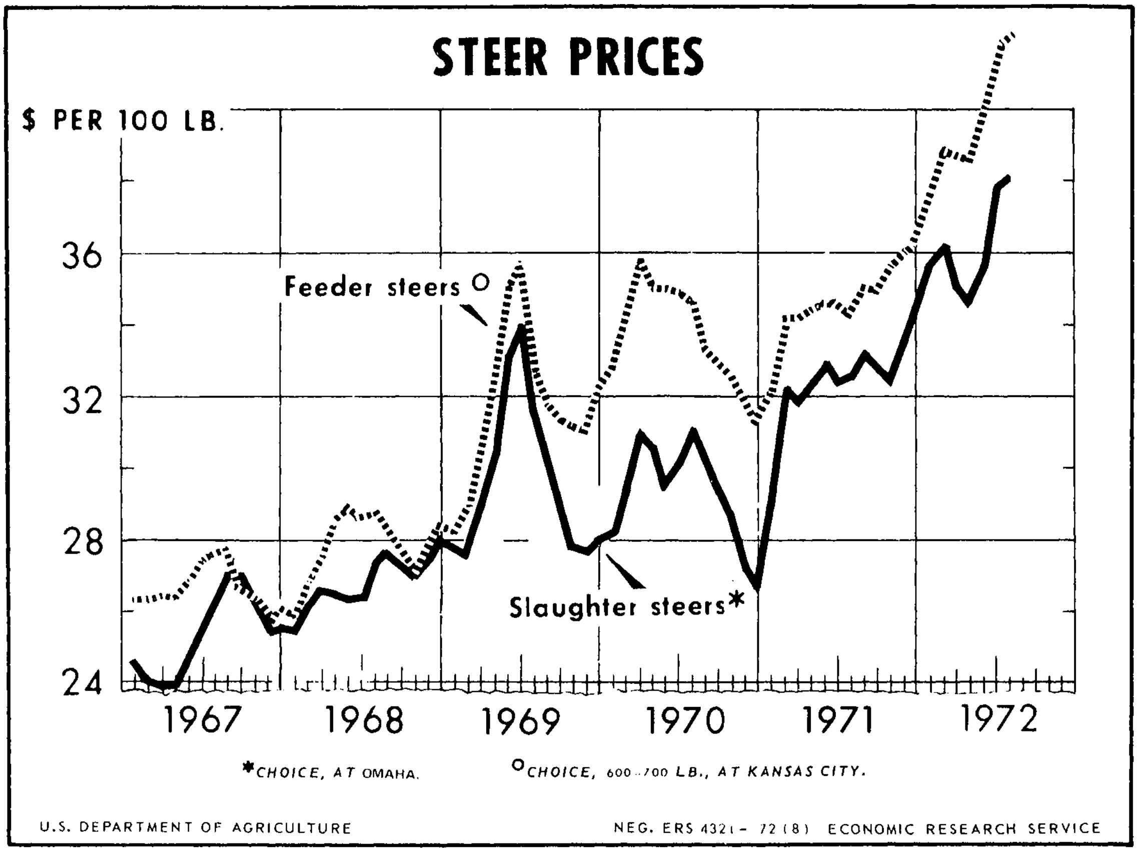
Cow Slaughter Down A Little

First half cow slaughter was about 3 percent smaller than in January-June 1971. Slaughter was up a little early in the year but spring slaughter dipped below the high levels of spring 1971 when drought forced extra cows to slaughter. With strong feeder cattle prices and generally adequate grazing conditions, second half cow slaughter is expected to run near year-earlier levels even though the cow herd is record large. In culling this year, cattlemen with feed available likely will hold onto some marginal cows that they think have a fair chance of delivering a calf next spring.

Cow prices rose seasonally in the first half, averaging about $3 per 100 pounds over a year earlier. At midyear Utility cows at Omaha were about $26.50. Cow beef

Utility cow prices per 100 pounds, Omaha

Month	1969	1970	1971	1972
	Dollars	*Dollars*	*Dollars*	*Dollars*
January	17.22	20.93	19.98	22.61
February	18.53	22.18	20.98	23.80
March	20.12	23.24	22.03	24.73
April	20.64	23.23	21.48	24.70
May	21.92	22.64	22.30	25.51
June	21.90	22.58	22.03	26.00
July	21.32	20.85	21.68	26.22
August	21.26	20.48	21.72	
September	20.96	21.13	21.84	
October	20.21	20.84	22.30	
November	19.31	19.04	21.45	
December	20.10	18.77	21.64	
Average	20.29	21.32	21.62	


STEER PRICES
$ PER 100 LB.
36
32
28
24
Feeder steers O
Slaughter steers*
1967
1968
1969
1970
1971
1972
*CHOICE, AT OMAHA.
OCHOICE, 600-700 LB., AT KANSAS CITY.
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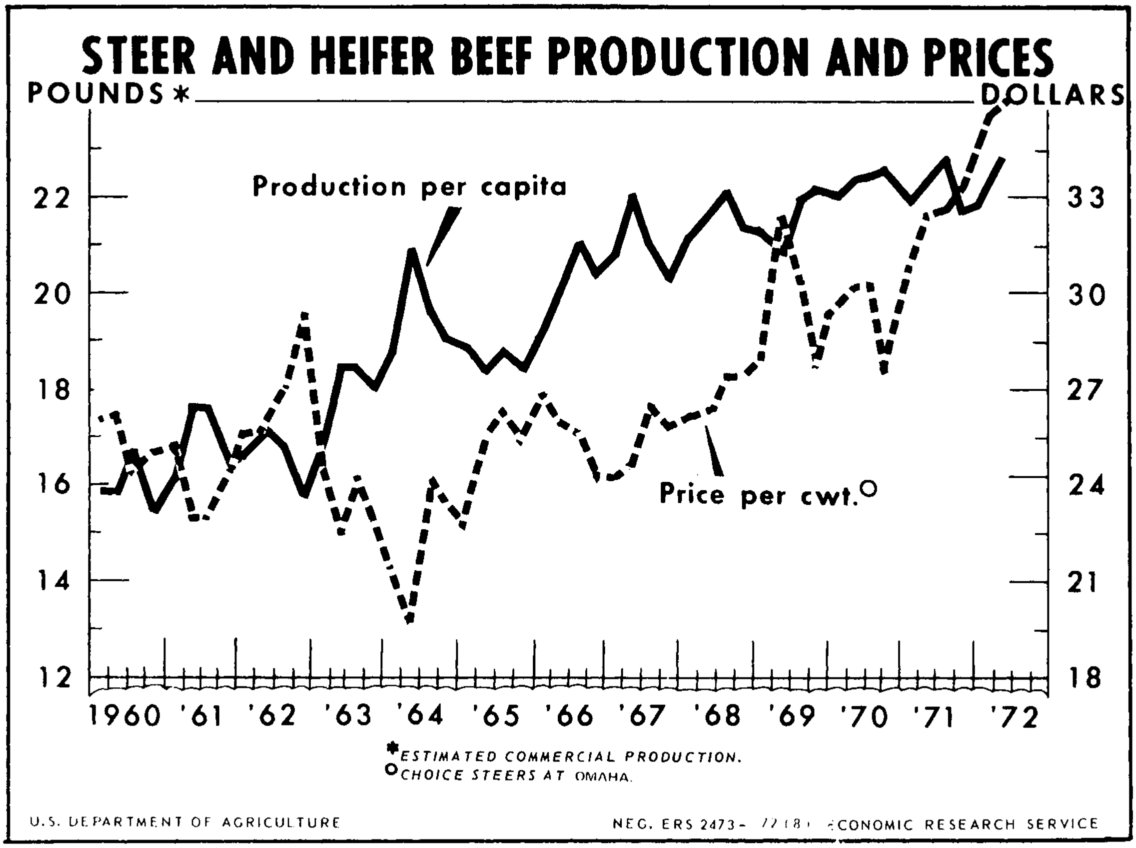
STEER AND HEIFER BEEF PRODUCTION AND PRICES
POUNDS*
DOLLARS
22
20
18
16
14
12
33
30
27
24
21
18
Production per capita
Price per cwt.O
1960
'61
'62
'63
'64
'65
'66
'67
'68
'69
'70
'71
'72
*ESTIMATED COMMERCIAL PRODUCTION.
OCHOICE STEERS AT OMAHA.
U.S. DEPARTMENT OF AGRICULTURE
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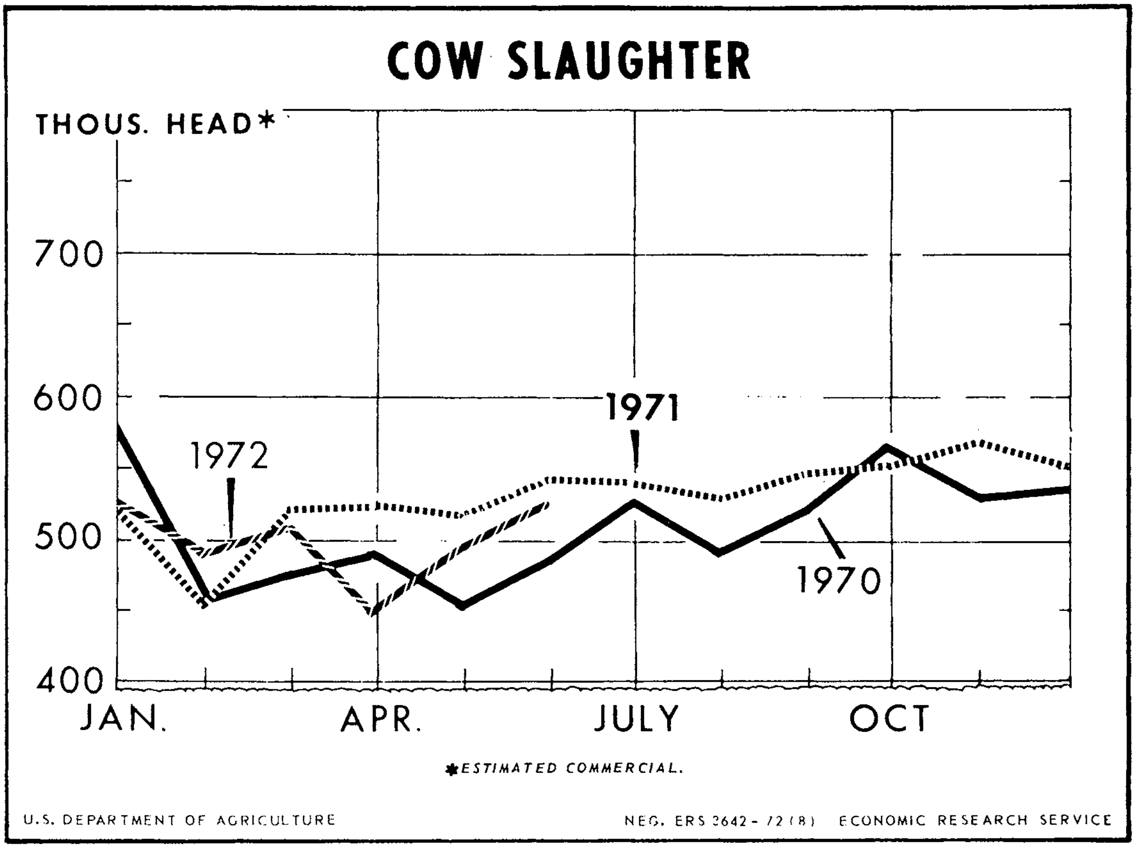


production was down a little in the first half but beef imports were up 8 percent during January-June. The supply of pork was down. Cow slaughter likely will run near year-earlier levels in the second half and imports will be large. Pork supplies will continue to run below year-earlier levels although a seasonally larger supply will develop in the fall. Thus, cow prices are expected to decline to a fall low as cow slaughter rises seasonally. Utility cows at Omaha averaged $21.80 per 100 pounds during October-December 1971. Prices this fall are expected to average somewhat above this level.

Calf Slaughter Down

Calf slaughter is declining again this year. The 1972 total calf crop is up about 3 percent but the dairy calf crop likely is down a little. Also, with high feeder cattle prices, more calves are being held for feedlot finishing. In the second half, calf slaughter is expected to decline further, running a tenth or more below July-December 1971 slaughter. Strong demand for feeder cattle as well as a slightly smaller supply of dairy calves will contribute to the downtrend in calf slaughter.

Vealer calves at South St. Paul averaged $53.30 per 100 pounds during the first half of 1972. At midyear they were $56.50. In the second half, vealer calf prices are expected to continue well above prices a year ago but follow the usual seasonal pattern.

Cattle Inventory Up Again

The total number of cattle and calves on farms likely is rising again this year. On January 1, 1972, there were nearly 118 million cattle and calves on farms, up 3.4 million head over the previous year and close to 9 million head more than on January 1, 1968, when the current inventory expansion began.

The inventory is continuing to increase because this year's calf crop and imports of live cattle likely will total about 4 million head more than the combined disappearance of cattle and calf slaughter, death loss, and exports.

Most of the increase in cattle numbers will be in beef cows and beef calves. Higher feeder cattle prices in recent years are encouraging stockmen to expand breeding herds which in turn will increase future output. Thus, the calf crop likely will continue to rise in each of the next several years and beef output will expand because of larger production of fed beef.

HOGS

Hog prices have been sharply higher in 1972, but pork producers have not yet indicated that they plan to increase their production. The June-November pig crop is an estimated 4 percent smaller than the 1971 fall crop. However, the margin of farrowings below a year earlier is

Table 2.—Hog-Corn price ratio during fall breeding season, United States and North Central Region, arrayed according to United States ratio, and number of sows farrowing following fall, 1958-72

Year	Hog-corn price ratio March-June[1]		Number of sows farrowing following fall	Increase or decrease from preceding fall in sows farrowing	
	United States	North Central States		Number	Percentage
			1,000 head	*1,000 head*	*Percent*
1972	21.3	21.6	[2]6,005	-293	-4.7
1970	20.5	20.9	6,898	1,171	20.4
1966	19.2	19.4	5,811	805	16.1
1969	18.7	19.2	5,727	-402	-6.6
1958	18.7	19.4	5,887	775	15.2
1968	17.5	17.8	6,129	230	3.9
1961	16.4	16.7	5,918	79	1.4
1967	15.4	15.6	5,899	88	1.5
1965	15.2	15.4	5,006	-519	-9.4
1962	15.2	15.6	5,098	-820	-13.9
1960	14.6	15.1	5,839	-289	-4.7
1959	13.6	13.9	6,128	241	4.1
1963	12.9	13.2	5,987	889	17.4
1964	12.4	12.6	5,525	-462	-7.7
1971	11.9	12.1	6,298	-600	-8.7

[1] Based on prices received by farmers. [2] Forecast.

becoming smaller. This year, for example, December 1971-February 1972 farrowings were down 11 percent from a year earlier, March-May farrowings were down 8 percent, and June-November farrowings are expected to be down 5 percent. In the Corn Belt, quarterly estimates of the June-November period indicate a 4 percent drop in June-August farrowings but only a 2 percent drop during September-November. If this trend continues, and the relationship of hog prices to corn costs suggests that it will, December 1972-February 1973 farrowings will likely show some increase.

Commercial hog slaughter dropped below a year earlier in December 1971 and was sharply below in January 1972. Slaughter has continued moderately below since. Hog slaughter was down 8 percent in the first quarter and 9 percent in the second.

Hog prices trended gradually upward in the last half of 1971, contrary to normal seasonal price movement. Prices advanced further to a weekly peak of $27.70 per 100 pounds at 7 markets in late January. The sharp drop in slaughter rates in early 1972 and strong consumer demand for meat brought on the rapid rise in hog prices. Prices declined through February and March to $23 in April before supplies declined seasonally. The spring advance took hog prices near $29 in early July, $9 above a year earlier.

Hog prices per 100 pounds, 7 markets

Month	Barrows and gilts			Sows		
	1970	1971	1972	1970	1971	1972
	Dols.	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*
Jan.	27.40	16.25	24.84	23.25	12.74	20.41
Feb.	28.23	19.43	25.61	24.96	16.68	22.90
March	25.94	17.13	23.56	23.75	15.28	21.43
April	24.02	16.19	22.89	21.60	14.47	20.89
May	23.53	17.43	25.32	19.20	14.84	22.12
June	24.04	18.38	26.74	18.31	15.07	22.42
July	25.13	19.84	28.57	18.90	15.86	23.59
Aug.	22.12	19.05		17.85	15.77	
Sept.	20.35	18.91		17.24	16.08	
Oct.	17.91	19.80		14.99	16.95	
Nov.	15.69	19.39		12.31	16.32	
Dec.	15.67	20.98		11.28	16.26	
Average	21.95	18.45		17.83	15.54	

[1] Average for all weights at Midwest markets.

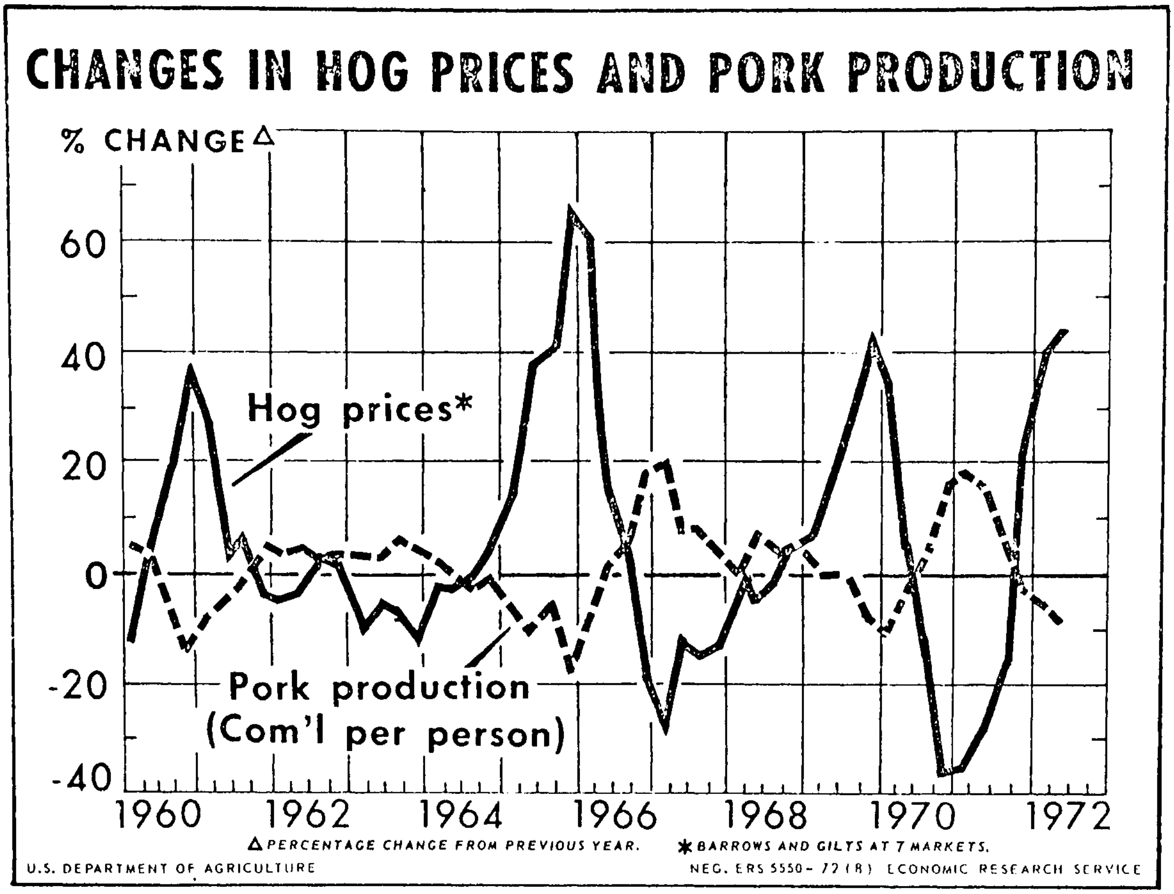
Smaller Slaughter Lifts Summer Market

Hog slaughter this summer is running moderately smaller than last summer. On June 1 there were 7 percent fewer market hogs on farms than a year earlier. The number of hogs weighing over 60 pounds was down 8 percent. These hogs provide the bulk of summer slaughter supplies. Hogs weighing under 60 pounds, which will be marketed mostly in the fall, were down 6 percent. Thus, hog slaughter will continue moderately below a year earlier through the balance of 1972.

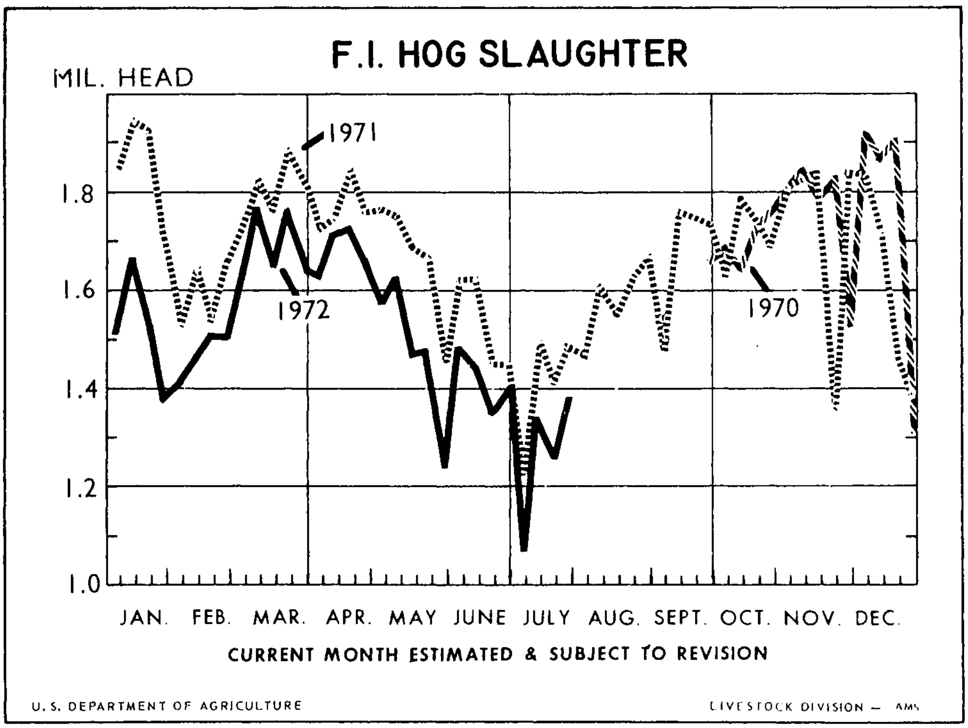
In late July, barrows and gilts at 7 markets averaged $28.40 per 100 pounds, down 50 cents from the

Market hogs and pigs by weight groups, as of June 1

Weight group	1971	1972	Change
	1,000 head	*1,000 head*	*Percent*
Under 60 lbs.	26,526	24,961	-6
60-119 lbs.	13,869	12,881	-7
120-179 lbs.	8,775	8,175	-7
180-219 lbs.	5,280	4,837	-8
220 lbs. + over	1,640	1,450	-12
Total market hogs and pigs	56,090	52,304	-7



CHANGES IN HOG PRICES AND PORK PRODUCTION
% CHANGE Δ
60
40
20
0
-20
-40
Hog prices*
Pork production
(Com'l per person)
1960
1962
1964
1966
1968
1970
1972
Δ PERCENTAGE CHANGE FROM PREVIOUS YEAR.
* BARROWS AND GILTS AT 7 MARKETS.
U.S. DEPARTMENT OF AGRICULTURE
NEG. ERS 5550- 72 (8) ECONOMIC RESEARCH SERVICE



F.I. HOG SLAUGHTER
MIL. HEAD
1.8
1.6
1.4
1.2
1.0
1971
1972
1970
JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.
CURRENT MONTH ESTIMATED & SUBJECT TO REVISION
U. S. DEPARTMENT OF AGRICULTURE
LIVESTOCK DIVISION — AMS

summer peak in early July but $8.50 above a year ago. Prices will drift seasonally lower into the fall in contrast to the generally steady uptrend during July-September 1971. However, prices probably will average $6-$8 above the $19.25 third quarter 1971 average.

Market weights of hogs changed little in the first half of 1972. This was unusual in view of the sharp change in circumstances this year compared with last. Ordinarily, with slaughter supplies declining, high hog prices, and feed prices down, farmers tend to hold hogs longer and market weights increase. This year, weights of barrows and gilts at 7 markets have been declining seasonally since late May, dropping from about 243 pounds to 232 pounds in late July compared with 233 a year ago. The seasonal drop will continue into September to 225-227 pounds before rising in the late fall. Market weights in the second half will probably continue near or a little above last year, but the increase probably would not be enough to significantly affect pork output or hog prices.

Average liveweight of barrows and gilts, 7 markets

Month	1969	1970	1971	1972
	Pounds	*Pounds*	*Pounds*	*Pounds*
January ..	233	242	235	238
February .	229	236	231	234
March	230	238	231	236
April	234	243	236	240
May	237	246	241	242
June	238	243	239	241
July	232	234	234	234
August ...	226	227	230	
September	229	230	229	
October ..	234	234	234	
November .	239	238	239	
December .	241	237	238	
Year ...	234	237	235	

Movement of pork into cold storage during the first half was about in line with the level of production, down from last year but above other recent years. With 319 million pounds in cold storage at midyear, movement out of warehouses this summer probably won't be greater than usual relative to production. Consequently, there will be little pressure on hog prices from this source.

Fall Slaughter To Continue Below 1971

Hog slaughter this fall is expected to continue smaller than last fall, but the marketing pattern will be about the same. The summer-fall increase will be comparable to last year and will show a fairly typical rate of seasonal change. The third to fourth quarter increase will be a little greater than last year's 11 percent seasonal rise, but smaller than the 25 percent gain in 1970, and the 17 percent average increase during 1965-69.

The 6 percent fewer market hogs on farms under 60 pounds on June 1 will supply the bulk of slaughter hogs during October-December. If pork producers take steps to significantly increase the 1973 spring pig crop, fall hog slaughter would be somewhat smaller because of the extra number of gilts needed for the breeding herd.

Prices of barrows and gilts will decline into the fall but this fall's average will be $3-$5 above October-December 1971's $20 at 7 markets. Strong consumer demand for red meat and the smaller pork supply will maintain the relatively high hog price level.

Reduced Slaughter Into 1973

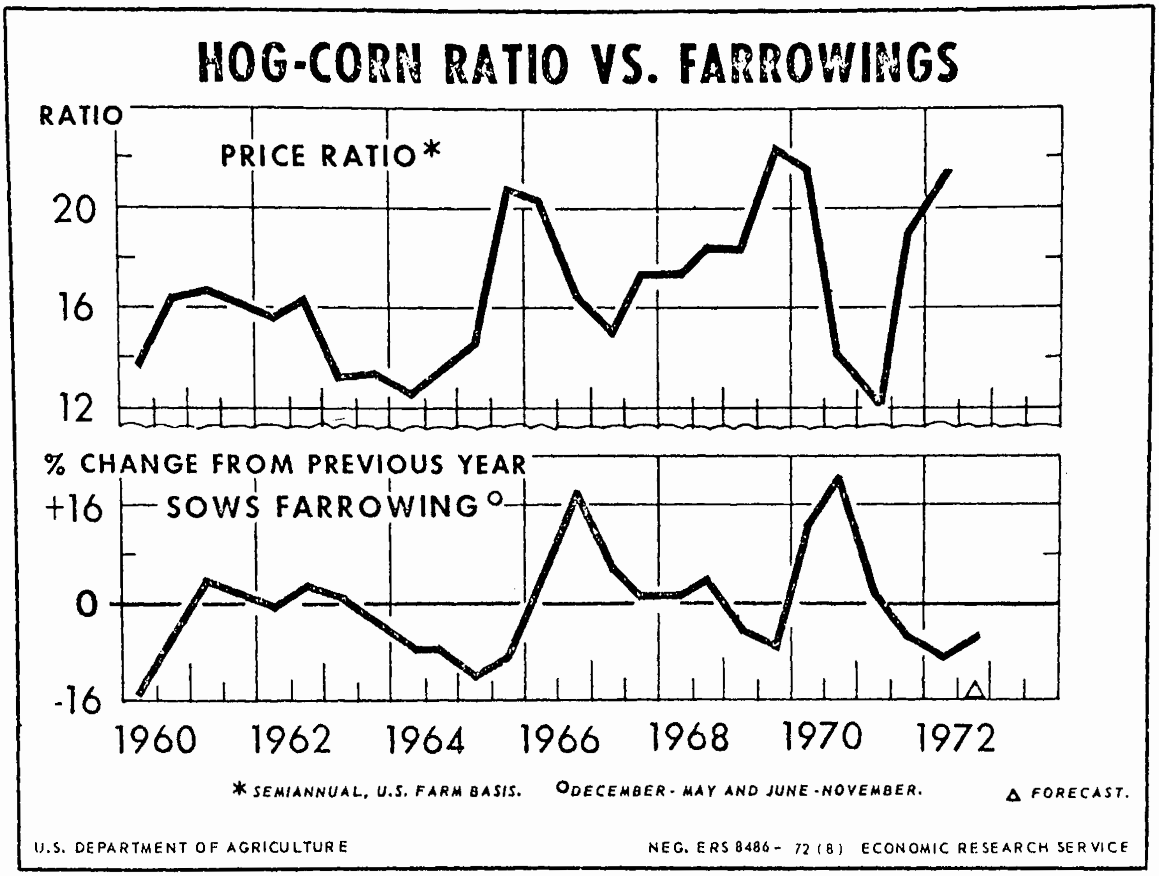
This year's June-November pig crop, expected to be 4 percent smaller than last year, would reduce January-June 1973 marketings for slaughter a similar amount. This smaller rate of slaughter would likely sustain a buoyant hog market. Prices of barrows and gilts at 7 markets, which averaged about $24.80 during January-June this year, would likely exceed this level next year.

The combination of higher hog prices and lower corn prices has made 1972 a particularly good year for raising hogs. In the first half of last year No. 2 yellow corn averaged $1.45 at Omaha and hog prices were $17.25. This made a hog-corn price ratio of about 11.8. This year, January-June's corn price was about $1.24 and barrows and gilts averaged $24.60 for a ratio of 19.8. At midyear Omaha corn was quoted at $1.23 and hogs at $26.42 for a ratio of 21.5. Thus, lower corn prices, together with higher hog prices, have considerably altered the profit picture for pork producers even though there has been a continued rise in nonfeed costs this year.

Continued favorable price ratios in the second half will likely encourage an increase in the number of sows bred later this year, some expansion in farrowings next winter, and larger slaughter next summer than the current rate.

Feeder pig prices generally reflect the price and supply outlook for slaughter hogs. However, price changes for feeder pigs are often much sharper than changes in slaughter hog prices. For example, so far this year slaughter hog prices have averaged 42 percent above a year ago, but feeder pig prices have been nearly double those of 1971.

Feeder pig prices rose seasonally this winter and spring, reaching $30 per head for 50-60 pound feeders in Southern Missouri in late March. In late July prices were down a little to $29 per head but double a year earlier. Feeder pigs will stay in good demand this summer and fall and prices will continue substantially higher than the 1971 summer-fall average of $17 in Southern Missouri auctions.



SHEEP AND LAMBS

Commercial sheep and lamb slaughter during first half 1972 was 4 percent below a year earlier. A sharp decline in the early lamb crop more than offset some increase in the number of lambs fed early this year. With slaughter rates down during most of the period, there was little bunching of slaughter supplies that often occurs in late winter and early spring because of excessive overlapping of feedlot and pasture lambs.

Lamb prices showed steady and substantial improvement over a year earlier during the first half of 1972. The unexpected strength of the cattle market, particularly in the spring, and smaller pork supplies and higher hog prices, contributed significantly to the favorable lamb market.

Prices of Choice grade spring lambs at San Angelo jumped $2.75 above old crop lambs in February to $31.50 per 100 pounds. Prices continued to advance and by mid-May reached $33.50, the highest since early 1951 when slaughter lambs topped $40 at Chicago. As in last year, the winter-spring rise this year was an unusually long period of sustained strength in lamb markets. Normally, and in other recent years, top prices are paid for spring lambs sold early in the season. Then a downward drift begins in April or May.

In July Choice lambs at San Angelo averaged $33.30, $4.25 above a year earlier and $6 above January 1972.

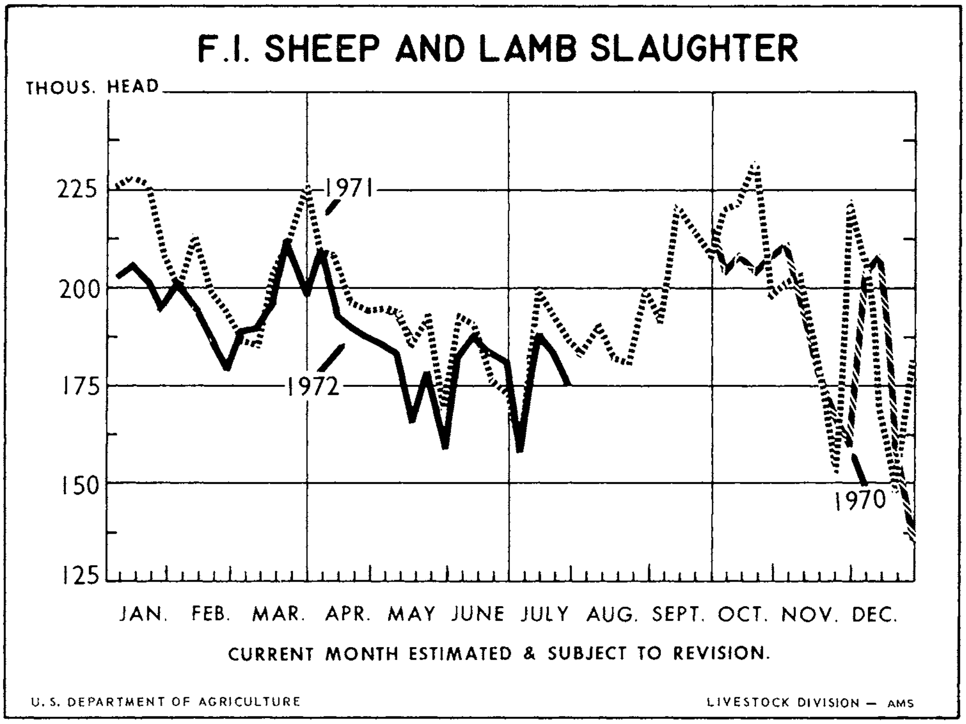
1972 Lamb Crop Down

The 1972 lamb crop totaled 12.4 million, 4 percent smaller than a year earlier. The lambing rate (number of lambs saved per 100 ewes 1 year and older on hand January 1) at 97 was 2 points above last year and 1 point above the previous record high in 1970. Lambing rates increased sharply in the Southwest with Texas jumping from a low 84 percent in 1971 to 91 percent this year. Improved feed and pasture conditions in the Southwest since fall largely accounted for the shift back to near-normal birth rates in 1972.

Smaller Slaughter in Prospect

During the balance of 1972, lamb slaughter will continue below year-earlier levels. The smaller 1972 lamb crop will probably cause a further drop in second half slaughter, perhaps equal to the 4-percent decline in the first half. Slaughter will probably move about like last year's second half pattern, with a rise through the summer followed by a general fall decline.

Range conditions are reported generally good in most areas with spotty poor conditions in some Western States, but substantial improvements over a year ago in



Texas and Oklahoma. Consequently, there should be a seasonally increasing movement of lambs off grass this summer but the flow of slaughter lambs to market for the balance of the year should be generally well distributed.

Second half prices are expected to decline seasonally from recent high levels but average well above July-December 1971 when Choice lambs were $26.80. Some weakening beef cattle market in the summer will contribute to the seasonal decline in the lamb market.

Feeder lamb prices at San Angelo averaged $1.40 per 100 pounds below slaughter lamb prices during January-June, the same difference between the classes as a year earlier. In late July, Choice grade feeder lambs in San Angelo were bringing $28.75, $4 more than a year earlier but $2.50 less than slaughter lambs. However, in

Choice lamb prices per 100 pounds, San Angelo

Month	Slaughter lambs			Feeder lambs		
	1970	1971	1972	1970	1971	1972
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Jan. . . .	28.81	24.06	27.19	29.81	24.00	27.69
Feb. . . .	28.06	24.12	28.69	29.50	24.75	28.38
March . .	31.06	28.05	32.00	30.88	28.05	32.25
April . . .	28.35	29.06	32.12	28.50	27.44	32.00
May . . .	27.75	29.69	33.75	27.12	26.76	32.55
June . . .	27.41	30.05	32.88	26.25	25.65	29.81
July . . .	27.00	29.06	33.31	25.25	24.69	29.88
Aug. . . .	27.06	28.12		25.44	25.75	
Sept. . . .	26.85	25.70		26.60	24.95	
Oct. . . .	27.19	26.06		26.19	25.19	
Nov. . . .	25.81	26.00		24.56	26.44	
Dec. . . .	24.00	25.94		23.50	26.69	
Average	27.45	27.16		26.97	25.86	

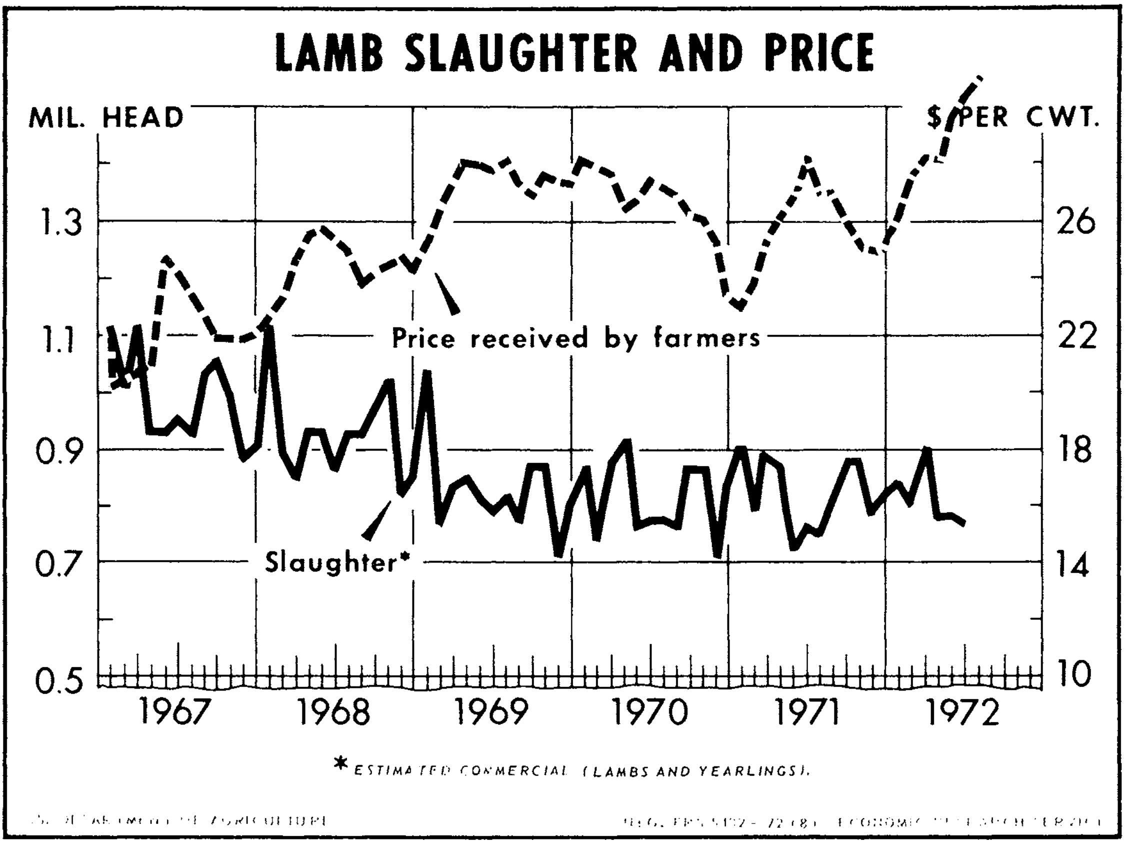
Dixon, California, feeders were bringing $27.50 per 100 pounds, 25 cents less than a year earlier and $5 less than slaughter lambs. The severe drought in that area has limited demand for this class of animal and sellers have a less favorable market situation than lamb producers in other areas.

Feeder lamb supplies this summer and fall likely will be down about the same as the supply of slaughter lambs because the cut of feeders coming off grass is expected to be little different from last year. Also, favorable slaughter lamb prices and lower feed costs will likely encourage lamb feeders, boosting demand for feedlot animals. Consequently, feeder lamb prices may strengthen this summer in contrast to the generally steady market last year.

Slaughter weights of commercially slaughtered sheep and lambs during January-June averaged 106 pounds, up only a pound from a year ago. There has been a steady upward trend in the average weight of slaughter lambs during the last several years, up from a 97-pound annual average in 1962 to 104 pounds last year. A gradual improvement in quality of breeding stock and probably a continuing shift to a larger proportion of cross-bred animals largely accounts for the rising slaughter weights.

Inventory Still Declining

The number of sheep and lambs on farms and ranches is declining again this year despite reduced slaughter levels. The decrease may be a little smaller, relative to production, than last year because slaughter and death loss are expected to be smaller than a year ago. Last year slaughter and death loss exceeded production enough to



drop the inventory sharply. In 1971, the sheep and lamb inventory dropped 6 percent with a 7-percent decline in stock sheep. A good share of the 1971 reduction, however, occurred in drought stricken Texas. With improved feed conditions this year, Texas lamb producers may increase their inventories somewhat which would tend to offset further declines in other areas. On the other hand, California is experiencing dry conditions and its sheep inventory may drop rather sharply this year. On balance, some further reduction in sheep numbers appears likely but the decline may be less than half 1971's 1.1 million head drop.

Wool Production Down

Shorn wool production in the United States this year is estimated at 152.5 million pounds grease basis. This is 4 percent below a year earlier and 43 percent below 1960, the last peak in sheep and lamb numbers.

FOREIGN TRADE

Meat imports totaled 202 million pounds (carcass weight equivalent) in June, a tenth less than in June 1971. Imports of all major types of meat except mutton and goat were smaller. Pork imports were 31 million pounds, down a fourth. Imports of beef and veal were 157 million pounds, down 5 percent; imports of mutton and goat were 11 million pounds, up 6 percent; lamb imports were 3 million pounds, down 3 percent.

Meat exports, always small in relation to U.S. production of meat imports, totaled 19 million pounds (carcass weight equivalent) in June, 2 times as large as in June 1971. Pork exports, 14 million pounds, were largest of the meats, nearly 3 times as much as in June 1971.

In the first 6 months of this year, meat imports totaled 1,197 million pounds (carcass weight equivalent), 11 percent more than a year earlier. Lamb imports of 22 million pounds were 19 percent smaller but imports of all other major types of meat were larger. Imports of beef and veal were 846 million pounds, nearly three-fourths of the total and 8 percent larger than a year earlier. Pork imports were 269 million pounds, about a fourth of the total and 12 percent more than in January-June 1971.

Feeder cattle imports in January-June were about a fifth larger than a year earlier. Cattle imports (except cattle for breeding and dairy cows) totaled 550,310 head in January-June, compared with 457,123 head in these months of 1971.

President Removes Quantity Restraints on Beef Imports for Remainder of 1972

The President on June 26 directed removal of all quantitative restrictions on meat imported into the

Table 3.— Meat subject to U.S. import quota restriction: Product weight of imports by months, average 1959-63, 1964-72

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
1959-63 average ..	47.3	49.6	57.5	54.3	48.5	58.6	67.1	84.1	76.1	61.6	56.1	61.4	722.2
1964	87.2	44.9	68.9	61.4	51.1	98.1	43.7	79.5	49.6	46.4	55.7	53.4	739.9
1965	28.2	34.5	68.7	32.4	52.3	41.9	58.5	59.9	62.2	64.4	57.2	53.7	613.9
1966	51.4	60.3	49.4	63.3	52.0	100.2	61.4	87.1	91.5	79.7	61.1	66.0	823.4
1967	77.4	58.5	61.9	58.8	51.5	69.6	88.7	92.2	89.8	91.8	82.3	72.4	894.9
1968	80.7	72.6	64.1	78.4	56.1	105.1	86.4	108.6	115.5	102.1	95.8	35.6	1,001.0
1969[1]	41.9	50.4	136.1	90.0	80.5	85.7	107.1	141.8	121.4	108.4	51.4	69.4	1,084.1
1970[1]	124.5	100.7	112.0	88.7	62.1	93.4	110.0	113.0	107.6	89.3	79.3	89.8	1,170.4
1971[1]	83.4	65.1	88.4	86.2	76.8	101.0	94.4	104.9	158.6	80.4	63.2	130.3	1,132.6
1972	86.9	80.8	75.4	105.4	107.9	106.4							

[1] Rejections for calendar year 1969 equaled 13.5 million pounds, 17.4 million pounds for 1970, and 21.0 million pounds for 1971.

Table 4.—U.S. meat imports and exports and percentage comparisons (carcass weight), 1971 and 1972

Months	Beef and veal			Lamb and mutton[1]			Pork			Total meat		
	1971	1972	Change	1971	1972	Change	1971	1972	Change	1971	1972	Change
	Mil. lb.	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*
IMPORTS												
January ..	128	143	+12	9	3	-68	35	63	+81	172	209	+21
February .	100	130	+30	6	5	-18	38	45	+18	144	179	+25
March	137	120	-12	10	6	-40	47	50	+7	194	176	-9
April	134	144	+8	9	27	+220	38	44	+13	181	215	+19
May	119	152	+28	12	27	+125	40	36	-10	171	213	+24
June	165	157	-5	13	14	+4	41	31	-24	219	202	-8
July	150			9			42			201		
August ...	175			3			38			216		
September	237			20			41			298		
October ..	121			6			18			145		
November .	97			3			32			132		
December .	193			3			49			245		
Total ...	1,756			103			459			2,318		
EXPORTS												
January ..	3.45	4.03	+17	0.17	0.22	+30	4.55	3.28	-28	8.17	7.53	-8
February .	4.22	3.89	-8	.17	.11	-34	3.68	3.53	-4	8.07	7.53	-7
March	5.61	4.93	-12	.24	.16	-36	3.36	4.29	+28	9.22	9.38	+2
April	5.27	5.45	+3	.17	.10	-47	3.78	10.43	+176	9.22	15.98	+73
May	4.43	5.70	+29	.18	.23	+22	4.88	19.40	+298	9.49	25.33	+167
June	4.63	5.04	+9	.13	.12	-13	4.65	13.73	+196	9.41	18.89	+101
July	3.63			.11			3.46			7.20		
August ...	3.54			.21			7.12			10.86		
September	4.10			.18			7.52			11.80		
October ..	3.25			.13			6.62			10.00		
November .	5.82			.21			12.41			18.44		
December .	4.92			.20			10.35			15.47		
Total ...	52.87			2.10			72.38			127.35		

[1] Includes goat meat.

United States for the balance of 1972 in an effort to moderate recent rises in meat prices.

The Meat Import Law (P.L. 88-482) was enacted in August 1964. It applies to imports of fresh, chilled, and frozen beef, veal, mutton, and goat. It provides for establishing an annual quota for these meats related to changes in domestic production, in order to limit imports to about the same share of the U.S. market as in 1959-63. The Secretary of Agriculture is required to estimate the annual total of imports of these meats before the beginning of each quarter of the year. If the estimate is 110 percent or more of the quota, the President is required to proclaim quotas.

The law provides, however, that the President may increase or suspend quotas if he finds that this is required by overriding economic or national security interests of the United States, or that the supply of these meats will be inadequate to meet domestic demand at reasonable prices, or that trade agreements entered into after the enactment of the law ensure that the purpose of the law to limit imports will be carried out.

1971 CASH RECEIPTS FROM MEAT ANIMALS

Cash receipts from farm marketings of meat animals totaled $19.4 billion in 1971, up 5 percent from 1970. Cattle and calves accounted for all of the increase. Cash receipts from the sale of cattle and calves were $15 billion, 9 percent more than in 1970. Receipts from hogs, $4.1 billion, and receipts from sheep and lambs, $313 million, were lower than in 1970.

Table 5.—Cash receipts from farm marketings and Government payments, with percentages distribution, 48 States, averages 1925-64, 50 States, annual 1965-71

Year	Total cash receipts and Govern-ment payments	Livestock and Livestock Products							All crops	Govern-ment pay-ments
		Total	Meat animals				Dairy products	Poultry and egg[2]		
			Total	Cattle and calves	Hogs	Sheep and lambs				
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
Average:										
1925-29 ...	10,923	5,797	2,889	1,382	1,296	211	1,672	1,092	5,126	0
1930-34 ...	6,490	3,593	1,615	811	680	124	1,204	687	2,782	115
1935-39 ...	8,473	4,577	2,197	1,174	856	167	1,409	811	3,417	479
1940-44 ...	15,711	8,658	4,386	2,102	2,013	271	2,290	1,748	6,385	668
1945-49 ...	27,282	14,971	7,983	4,436	3,178	369	3,776	2,954	11,857	454
1950-54 ...	31,299	17,441	9,649	5,771	3,501	377	4,216	3,278	13,595	263
1955-59 ...	32,029	17,559	9,582	6,339	2,909	334	4,498	3,178	13,756	714
1960-64 ...	37,427	19,614	11,158	7,797	3,043	318	4,869	3,275	16,260	1,554
1965	41,813	21,958	12,964	8,942	3,693	329	5,037	3,581	17,392	2,463
1966	46,571	24,921	14,859	10,432	4,093	334	5,532	4,148	18,373	3,277
1967	45,772	24,259	14,533	10,478	3,755	300	5,742	3,640	18,434	3,079
1968	47,579	25,497	15,375	11,241	3,819	315	5,955	3,828	18,620	3,462
1969	51,937	28,602	17,644	12,567	4,744	333	6,206	4,436	19,541	3,794
1970	54,239	29,615	18,497	13,694	4,475	328	6,533	4,305	20,907	3,717
1971	56,208	30,454	19,390	14,972	4,105	313	6,815	4,000	22,609	3,145
	Percentage of total									
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Average:										
1925-29 ...	100.0	53.1	26.5	12.7	11.9	1.9	15.3	10.0	46.9	0
1930-34 ...	100.0	55.3	24.9	12.5	10.5	1.9	18.5	10.6	42.9	1.8
1935-39 ...	100.0	54.0	25.9	13.8	10.1	2.0	16.6	9.6	40.3	5.7
1940-44 ...	100.0	55.1	27.9	13.4	12.8	1.7	14.6	11.1	40.6	4.3
1945-49 ...	100.0	54.9	29.3	16.3	11.6	1.4	13.8	10.8	43.4	1.7
1950-54 ...	100.0	55.7	30.8	18.4	11.2	1.2	13.5	10.5	43.4	.8
1955-59 ...	100.0	54.8	29.9	19.8	9.1	1.0	14.0	9.9	42.9	2.2
1960-64 ...	100.0	52.4	29.8	20.8	8.1	.8	13.0	8.8	43.4	4.2
1965	100.0	52.5	31.0	21.4	8.8	.8	12.0	8.6	41.6	5.9
1966	100.0	53.5	31.9	22.4	8.8	.7	11.9	8.9	39.5	7.0
1967	100.0	53.0	31.8	22.9	8.2	.7	12.5	8.0	40.3	6.7
1968	100.0	53.6	32.3	23.6	8.0	.7	12.5	8.0	39.1	7.3
1969	100.0	55.1	34.0	24.2	9.1	.6	11.9	8.5	37.6	7.3
1970	100.0	54.6	34.1	25.2	8.2	.6	12.0	7.9	38.5	6.9
1971	100.0	54.2	34.5	26.6	7.3	.6	12.1	7.1	40.2	5.6

[1] Includes wool, horses, mules, mohair, honey, beeswax, bees, goats, rabbits, and fur animals. [2] Includes ducks, geese, guineas, pigeons, quail, pheasants and turkey hatching eggs.

Receipts from farm marketings of meat animals were almost 35 percent of total cash receipts from all farm commodities and Government payments in 1971. This was a record share of the total. Last year was the fourth consecutive year in which receipts from meat animals were larger than the year before and accounted for a record share of total cash receipts and Government payments. Cattle and calves accounted for 26.6 percent of the total, hogs for 7.3 percent, and sheep and lambs for 0.6 percent.

Cash receipts from farm marketings and Government payments totaled $56 billion in 1971, almost 4 percent more than in 1970, and a record. Government payments totaled $3.1 billion, down from $3.7 billion in 1970. The increase in cash receipts reflects an average increase of about 2 percent in prices of farm products and a larger volume of marketings.

MEAT CONSUMPTION

Consumption Off in 1972, Prices Up

Consumption of red meat per person in the first half of 1972 averaged about a pound less than the 1971 January-June average of 94.8 pounds.

Beef consumption was up, but declines in the other red meats were more than offsetting. In the second half, red meat consumption will continue to trail the year-earlier level of 97 pounds per person. Beef consumption may be up moderately, but pork consumption will stay at a sharply reduced level. Also, further declines in veal and lamb and mutton consumption are underway.

Per capita beef consumption during January-June was a pound above the 55.8 pounds consumed per person in these months last year. Beef production was up about 1½ percent and beef imports were 8 percent larger. All of the increase in beef output came from larger marketings of fed cattle.

Meat Consumption

Year	January-June	July-December	Total
	Pounds per person		
Beef			
1968	53.9	55.8	109.7
1969	53.9	56.9	110.8
1970	56.2	57.5	113.7
1971	55.8	57.2	113.0
1972[1]	56.8		
Veal			
1968	1.8	1.8	3.6
1969	1.7	1.6	3.3
1970	1.5	1.4	2.9
1971	1.3	1.4	2.7
1972[1]			
Pork			
1968	32.4	33.8	66.2
1969	33.0	32.0	65.0
1970	31.0	35.4	66.4
1971	36.1	36.9	73.0
1972[1]	34.3		
Lamb & Mutton			
1968	1.9	1.8	3.7
1969	1.7	1.7	3.4
1970	1.8	1.5	3.3
1971	1.6	1.5	3.1
1972[1]	1.7		
Red Meat			
1968	90.0	93.2	183.2
1969	90.3	92.2	182.5
1970	90.5	95.8	186.3
1971	94.8	97.0	191.8
1972[1]	93.9		

[1] Preliminary

Beef consumption in the second half likely will remain above 1971 levels and gains over a year earlier may widen. Also, July-December consumption probably will be up 2 pounds or more from the first half. Consumption averaged just over 57 pounds per person in the second half last year. All of the increase in beef production this summer and fall will come from stepped up marketings of fed cattle.

Veal consumption has been declining in recent years and in 1971 was only 2.7 pounds per person. This year, veal consumption is declining again and for the year may be off another half pound per person. Veal production is dropping because of the shift toward sending more and more beef calves to feedlots before slaughter and because of the downtrend in the dairy herd.

Pork consumption will be down this year with substantial declines throughout the year. First half consumption averaged about 34.3 pounds per person, down from 36.1 pounds in January-June 1971. Second half consumption is expected to be off about 3 pounds per person from the 37 pounds consumed in the summer and fall of 1971. This year's drop in pork consumption reflects the cyclical downswing in production because of the discouraging profit situation in late 1970 and early 1971.

Lamb and mutton consumption this year is expected to drop below 3 pounds per person for the first time since records have been kept. In 1971, consumption averaged 3.1 pounds per person. A declining inventory of sheep on farms is pulling the lamb crop down and leading to a general decline in production.

Retail meat prices rose rapidly in the winter, but edged lower in the spring. Beef prices rose to nearly 116 cents per pound in February and March, but declined to 111.4 cents per pound in May then rose in June to 113.5. Larger beef output is likely in the second half, but pork output will be smaller than in 1971 and consumer demand for meat will remain strong. Thus, some price rises are likely in the summer, but retail beef prices likely will change little in the fall. Pork prices also rose sharply last fall and winter and then weakened slightly in early spring. Second half pork prices likely will average higher than first half prices. However, some price weakness is anticipated in the fall as pork supplies increase seasonally.

Retail veal and lamb prices in June were 14 percent and 8 percent above prices a year ago, respectively. Lamb prices rose only slightly during January-June, but veal prices rose steadily. Prices of both veal and lamb probably will stay strong in the second half because of reduced output and a strong demand situation.

Table 6.—Canned Meat: Supply and distribution, 1960 to date

Year	Federally inspected production[1]	Imports		Beginning stocks[4]	Commercial exports and shipments[5]	Ending stocks[4]	Domestic disappearance		
		Canned beef[2]	Canned pork[3]				Military[6]	Civilian[7 9]	Per[8 9] capita
	Million pound	*Million pound*	*Million pound*	*Million pound*	*Million pound*	*Million pound*	*Million pound*	*Million pound*	*Pound*
1960	1,754	77	127	53	23	57	11	1,920	10.8
1961	1,896	95	125	57	21	56	21	2,075	11.5
1962	1,980	84	158	56	17	59	27	2,175	11.8
1963	2,058	112	151	59	18	70	92	2,200	11.8
1964	2,217	79	146	70	20	76	89	2,327	12.3
1965	2,104	91	178	76	44	51	159	2,195	11.5
1966	2,254	90	233	51	44	53	136	2,395	12.4
1967	2,299	98	252	53	45	57	135	2,395	12.6
1968	2,420	118	268	57	51	51	185	2,465	13.1
1969	2,605	117	264	51	45	47	115	2,830	14.3
1970	2,577	119	285	47	27	57	92	2,852	14.1
1971	2,752	91	288	57	24	72	123	2,969	14.5

[1] Beef, pork sausage, all other, excluding soup. Data from Meat Inspection Division, C&MS. [2] Data from Bureau of the Census. [3] Federally inspected for entry. Data from meat Inspection Division, C&MS. Beginning in 1967 data from Bureau of the Census. [4] Refrigerated stocks only. [5] Includes shipments to territories. Data from Bureau of the Census. [6] From Statistical Yearbook of the Quartermaster Corps and other military records. [7] Calculated from federally inspected supplies and distribution as shown. Federally inspected production is the largest part of total U.S. production of canned meat. [8] Civilian per capita. [9] Includes canned meat bought by the Department of Agriculture for school lunches and eligible insititutions.

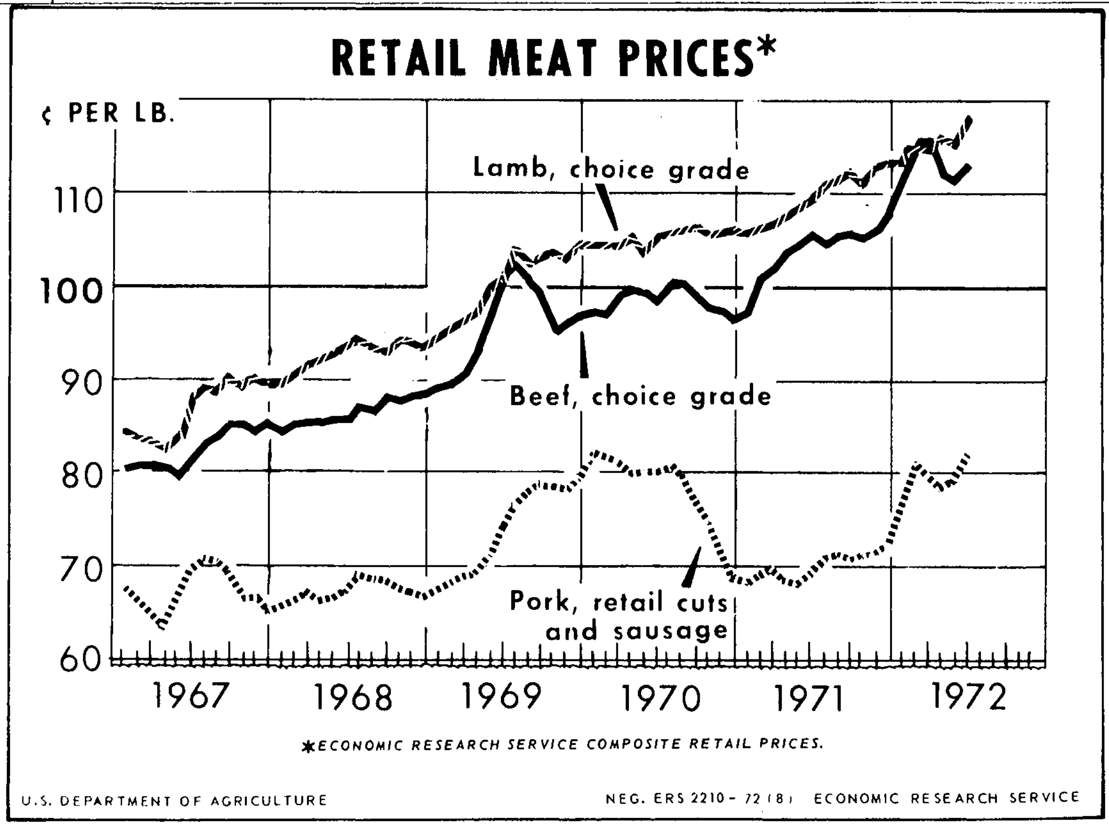
Table 7.—Edible offals: Supply and distribution, 1960 to date

Year	Supply				Distribution				
	Total production[1]	Beginning commercial stocks[2]	Imports	Total	Ending commercial stocks[2]	Commercial exports[3]	Domestic disappearance		
							Military	Civilian	Per capita[4]
	Million pound	*Million pound*	*Million pound*	*Million pound*	*Million pound*	*Million pound*	*Million pound*	*Million pound*	*Pound*
1960	1,924	---	2	1,926	---	118	([5])	1,808	10.1
1961	1,945	---	2	1,947	---	123	([5])	1,824	10.1
1962	1,969	---	3	1,972	---	124	([5])	1,848	10.1
1963	2,074	---	3	2,077	---	158	([5])	1,919	10.3
1964	2,219	---	1	2,220	---	229	([5])	1,991	10.5
1965	2,143	---	2	2,145	---	226	([5])	1,919	10.0
1966	2,212	---	3	2,215	---	219	([5])	1,996	10.3
1967	2,315	---	4	2,319	---	226	([5])	2,093	10.7
1968	2,383	---	4	2,387	---	232	([5])	2,155	10.9
1969	2,385	---	6	2,391	---	247	([5])	2,144	10.8
1970	2,444	---	10	2,454	---	250	([5])	2,204	10.9
1971	2,545	---	7	2,552	---	289	([5])	2,263	11.1

[1] Production of offals based on percentage of carcass-weight meat production, including farm: beef 6.7, veal 10.7 lamb and mutton 5.1, pork excluding lard 6.7 percent. [2] Not reported. Assumed no change in stocks during the year. [3] Beginning 1965 includes shipments to territories. [4] Civilian per capita. [5] Less than 500,000 pounds.

Table 8.—Average retail price of meat per pound, United States, by months, 1966 to date

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
						Beef, Choice grade							
1966	81.0	83.1	84.1	84.6	83.8	81.7	81.5	81.7	82.2	81.3	80.3	83.6	82.4
1967	80.4	80.9	80.8	80.4	79.6	81.9	83.3	84.0	85.5	85.3	84.4	85.3	82.6
1968	84.3	85.1	85.6	85.6	85.8	85.8	87.1	87.0	88.4	87.7	88.1	88.5	86.6
1969	89.5	89.6	90.9	93.3	97.8	101.9	102.4	101.1	99.1	95.2	96.5	96.9	96.2
1970	97.5	97.3	99.4	99.9	99.4	98.5	100.7	100.4	98.7	97.9	97.6	96.5	98.6
1971	97.2	101.3	102.2	104.0	104.8	105.7	104.7	105.7	105.9	105.1	106.3	108.5	104.3
1972	111.5	115.8	115.8	112.0	111.4	113.5							
						Veal, retail cuts							
1966	85.1	89.2	89.4	90.3	88.5	90.7	91.1	90.6	91.3	91.3	90.5	91.4	90.0
1967	92.0	90.1	91.4	92.8	93.3	93.7	93.9	96.1	96.3	96.7	97.4	97.2	94.2
1968	99.8	99.2	100.0	102.0	100.0	102.5	101.7	101.4	101.9	101.1	101.9	100.9	101.0
1969	102.5	103.7	104.6	107.5	108.6	112.5	114.0	115.0	115.1	115.2	114.6	116.3	110.8
1970	117.2	119.3	120.8	123.3	123.9	124.9	125.7	126.6	127.0	127.4	127.6	127.9	124.3
1971	128.9	129.5	130.8	133.2	134.2	135.4	139.3	140.2	140.6	141.4	141.9	142.4	136.5
1972	144.3	148.6	149.7	151.0	151.8	154.3							
						Pork							
1966	80.0	80.2	77.5	72.6	71.1	73.5	74.1	75.8	74.4	71.8	69.4	68.1	74.0
1967	67.5	66.2	64.5	63.2	66.0	70.0	71.0	70.2	69.3	66.6	66.6	64.9	67.2
1968	65.4	66.7	67.1	66.3	66.7	67.8	69.4	69.0	68.8	67.8	67.1	67.0	67.4
1969	67.9	68.6	69.0	69.1	71.6	75.0	76.9	78.3	78.9	78.7	78.1	79.7	74.3
1970	82.1	81.8	81.4	79.9	80.0	80.0	80.6	79.7	76.7	74.6	70.8	68.4	78.0
1971	68.4	69.4	69.9	68.7	68.2	69.6	71.4	71.6	71.0	71.3	71.4	72.9	70.3
1972	76.3	81.3	79.4	78.2	79.4	82.0							
						Lamb, Choice grade							
1966	81.8	85.8	87.6	86.4	85.6	86.6	86.8	86.3	85.2	84.9	86.1	84.5	85.6
1967	84.6	83.4	83.3	82.9	84.6	88.8	89.5	89.3	90.3	89.6	90.2	89.9	87.2
1968	89.8	90.4	92.0	92.5	93.3	93.7	94.5	93.6	93.1	94.5	94.2	93.5	92.9
1969	94.5	95.9	96.4	97.1	100.1	101.8	104.4	102.9	103.4	103.9	103.7	104.8	100.7
1970	104.8	104.8	104.7	105.6	103.9	105.7	106.0	106.3	106.3	105.9	105.9	106.4	105.5
1971	105.9	106.5	107.0	107.5	108.2	109.7	111.7	111.8	112.9	111.2	113.1	113.4	109.9
1972	113.4	115.1	115.2	115.6	115.2	118.4							



Supply and distribution of commercially produced meat, by months, carcass weight, January 1972 to date

Meat and period	Supply			Distribution				
	Production[1]	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption: Total	Civilian consumption: Per person[2]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
Beef:								
January	1,792	365	141	10	354	26	1,908	9.3
February	1,715	354	129	9	308	29	1,852	9.1
March	1,866	308	118	12	287	29	1,964	9.6
1st quarter	5,373	365	388	31	287	84	5,724	28.0
April	1,709	287	142	9	282	30	1,817	8.9
May	1,936	282	150	9	276	30	2,053	10.0
June	1,914	276	154	10	253	30	2,051	10.0
2nd quarter	5,559	287	446	28	253	90	5,921	28.9
Veal:								
January	40	9	2	1	9	2	39	.2
February	37	9	1	([3])	8	1	38	.2
March	41	8	2	1	10	1	39	.2
1st quarter	118	9	5	2	10	4	116	.6
April	33	10	2	1	9	2	33	.1
May	35	9	2	1	8	2	35	.2
June	35	8	3	([3])	8	2	36	.2
2nd quarter	103	10	7	2	8	6	104	.5
Lamb and mutton:								
January	47	19	3	1	17	([3])	51	.2
February	44	17	5	1	13	1	51	.2
March	51	13	6	1	12	([3])	57	.3
1st quarter	142	19	14	3	12	1	159	.7
April	43	12	28	([3]))	16	1	66	.3
May	44	16	26	1	20	1	64	.3
June	42	20	14	1	18	([3])	57	.3
2nd quarter	129	12	68	2	18	2	187	.9
Pork:								
January	1,103	330	63	15	308	10	1,163	5.7
February	1,078	308	45	12	287	15	1,117	5.5
March	1,319	287	50	16	331	9	1,300	6.3
1st quarter	3,500	330	158	43	331	34	3,580	17.5
April	1,138	331	44	20	395	15	1,083	5.3
May	1,159	395	336	27	381	15	1,167	5.7
June	1,087	381	31	24	319	20	1,136	5.5
2nd quarter	3,384	331	111	71	319	50	3,386	16.5
Total meat:								
January	2,982	723	209	27	688	38	3,161	15.4
February	2,874	688	180	22	616	46	3,058	15.0
March	3,277	616	176	30	640	39	3,360	16.4
1st quarter	9,133	723	565	79	640	123	9,579	46.8
April	2,923	640	216	30	702	48	2,999	14.6
May	3,174	702	214	38	685	48	3,319	16.2
June	3,078	685	202	35	598	52	3,280	16.0
2nd quarter	9,175	640	632	103	598	148	9,598	46.8

[1] Excludes production from farm slaughter. [2] Derived from estimates by months of population eating out of civilian food supplies. [3] Less than 500,000 pounds.

Selected price statistics for meat animals and meat

Item	1971 May	1971 June	1972 April	1972 May	1972 June
	Dollars per 100 pounds				
CATTLE AND CALVES					
Beef steers, slaughter, Omaha					
Prime	33.64	33.30	35.26	36.32	38.73
Choice	32.88	32.39	34.53	35.66	37.88
Good	31.30	30.80	33.42	34.13	36.06
Standard	27.34	27.11	30.78	31.34	32.06
Utility	26.08	25.59	29.68	30.30	30.48
All grades	32.35	31.91	34.20	35.30	37.48
Choice 900-1100 pounds, California	33.62	33.18	34.66	36.50	37.53
Choice 900-1100 pounds, Colorado	33.13	32.56	34.44	36.17	37.86
Cows, Omaha					
Commercial	22.05	21.68	24.40	25.24	25.54
Utility	22.30	22.03	24.70	25.51	26.00
Cutter	21.04	20.86	23.28	24.16	24.50
Canner	19.56	19.37	21.70	22.85	23.16
Vealers, Choice, S. St. Paul	45.38	48.42	54.00	56.10	56.62
Stocker and feeder steers, Kansas City[1]	31.78	30.60	36.93	37.72	38.37
Price received by farmers					
Beef cattle	29.50	28.90	31.90	33.10	34.20
Cows	21.20	21.20	23.30	24.60	25.00
Steers and heifers	31.40	30.90	34.00	35.00	36.50
Calves	36.00	35.60	41.40	42.80	43.90
Beef steer-corn price ratio[2]	22.3	21.6	27.4	27.8	30.5
HOGS					
Barrows and gilts, U.S. No. 1 and 2, Omaha					
180-200 pounds	---	---	---	26.94	---
200-220 pounds	18.41	19.62	23.72	26.46	28.05
220-240 pounds	18.30	19.49	23.53	26.24	27.86
Barrows and gilts, 7 markets[3]	17.43	14.84	22.89	25.32	26.74
Sows, 7 markets[3]	14.84	15.07	20.89	22.12	22.42
Price received by farmers	17.00	17.50	22.50	24.90	25.40
Hog-corn price ratio[4]					
Omaha, barrows and gilts	11.8	12.2	18.2	19.7	21.5
Price received by farmers, all hogs	12.3	12.2	19.9	21.7	22.5
SHEEP AND LAMBS					
Sheep					
Slaughter ewes, Good, San Angelo	8.31	6.06	10.06	8.15	8.88
Price received by farmers	6.87	6.50	6.56	7.22	7.05
Lambs					
Slaughter, Choice, San Angelo	29.69	30.05	32.12	33.75	32.88
Feeder, Choice, San Angelo	26,76	25.65	32.00	32.55	29.81
Price received by farmers	27.10	28.10	28.10	29.90	30.40
ALL MEAT ANIMALS					
Index number price received by farmers (1967=100)	120	119	137	144	148
	Dollars per 100 pounds				
MEAT					
Wholesale, Chicago, Carlot					
Steer beef carcass, Choice, 600-700 pounds	53.96	52.62	53.72	56.45	59.36
Heifer beef, Choice, 500-600 pounds	53.46	51.79	53.19	55.38	57.76
Cow beef, Canner and Cutter	46.65	46.89	50.58	52.55	52.69
Lamb carcass, Choice, 45-55 pounds	63.10	66.30	61.72	68.79	68.72
Fresh pork loins, 8-14 pounds	43.32	45.64	50.32	56.69	65.20
	Cents per pound				
Retail, United States average					
Beef, Choice grade	104.8	105.7	112.0	111.4	113.5
Pork, retail cuts and sausage	68.2	69.6	78.2	79.4	82.0
Lamb, Choice grade	108.2	109.7	115.6	115.2	118.4
Index number all meats (BLS)					
Wholesale (1967=100)	115.1	114.1	121.3	125.9	131.1
Retail (1967=100)	115.6	117.0	126.9	125.6	127.5
Beef and veal	124.6	126.1	135.9	134.1	135.8
Pork	102.2	103.6	116.7	115.4	118.0

[1] Average all weights and grades.
[2] Bushels of No. 2 Yellow Corn equivalent in value to 100 pounds of slaughter steers all grades sold out of first hand, Omaha.
[3] St. Louis N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.
[4] Number bushels of corn equivalent in value to 100 pounds of live hogs.

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

Item	Unit	1971		1972		
		May	June	April	May	June
Meat animal marketings						
Index number (1967=100)		104	107	98	107	103
6-State Cattle on Feed Report						
Number on feed	1,000 head	7,036	7,075	7,884	7,800	7,925
Placed on feed	1,000 head	1,378	1,255	1,283	1,610	1,572
Marketings	1,000 head	1,339	1,416	1,367	1,557	1,510
Slaughter under Federal inspection						
Number slaughtered						
Cattle	1,000 head	2,536	2,797	2,471	2,807	2,833
Steers	1,000 head	1,407	1,549	1,421	1,614	1,561
Heifers	1,000 head	629	707	602	696	742
Cows	1,000 head	453	485	406	446	474
Bulls and stags	1,000 head	47	56	42	51	56
Calves	1,000 head	203	207	185	179	166
Sheep and lambs	1,000 head	772	827	786	803	808
Hogs	1,000 head	6,933	6,983	6,733	6,788	6,312
Percentage sows	Percent	6	8	4	5	7
Average live weight per head						
Cattle	Pounds	1,043	1,032	1,052	1,043	1,029
Calves	Pounds	217	229	205	223	234
Sheep and lambs	Pounds	105	100	107	107	102
Hogs	Pounds	243	246	238	242	245
Average production						
Beef, per head	Pounds	623	614	627	629	616
Veal, per head	Pounds	122	130	116	126	131
Lamb and mutton, per head	Pounds	52	49	53	53	50
Pork, per head	Pounds	159	158	158	159	161
Pork, per 100 pounds live weight	Pounds	65	64	66	66	66
Lard, per head	Pounds	21	23	20	20	21
Lard per 100 pounds live weight	Pounds	9	9	8	8	8
Total production						
Beef	Mil. lbs.	1,574	1,713	1,545	1,760	1,741
Veal	Mil. lbs.	25	27	21	22	22
Lamb and mutton	Mil. lbs.	40	40	42	42	40
Pork	Mil. lbs.	1,098	1,105	1,060	1,079	1,012
Lard	Mil. lbs.	146	158	132	139	131
Commercial slaughter[1]						
Number slaughtered						
Cattle	1,000 head	2,873	3,150	2,763	3,119	3,144
Calves	1,000 head	281	280	239	236	224
Sheep and lambs	1,000 head	808	871	822	836	844
Hogs	1,000 head	7,549	7,603	7,256	7,319	6,808
Total production						
Beef	Mil. lb.	1,761	1,914	1,709	1,936	1,914
Veal	Mil. lb.	42	43	33	35	35
Lamb and mutton	Mil. lb.	41	42	43	44	42
Pork	Mil. lb.	1,188	1,197	1,138	1,159	1,087
Lard	Mil. lbs.	154	166	139	146	137
Cold storage stocks first of month						
Beef	Mil. lbs.	290	285	287	282	276
Veal	Mil. lbs.	9	10	10	9	8
Lamb and mutton	Mil. lbs.	20	23	12	16	20
Pork	Mil. lbs.	464	495	331	395	381
Total meat and meat products[2]	Mil. lbs.	866	897	742	818	799

[1] Federally inspected and other commercial. [2] Includes stocks of canned meats in cooler in addition to the 4 meats listed.

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