Livestock and Meat Situation

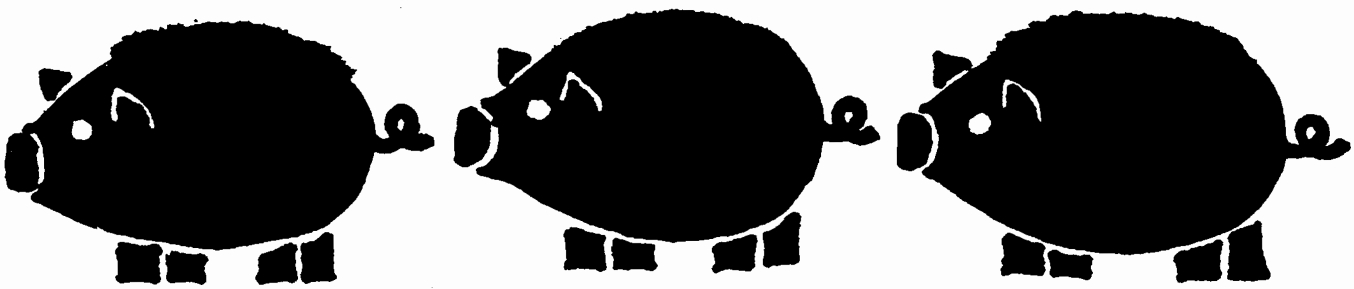
Economics, Statistics, and Cooperatives Service

U.S. Department of Agriculture

LMS-231

JANUARY 1980

Approved by the World Food and Agricultural Outlook and Situation Board



HOGS ON FARMS DECEMBER 1, FARROWINGS, AND PIG CROPS

Item	1977	1978	1979	1980[1]	1979/78	1980/79
	1,000 head	*1,000 head*	*1,000 head*		*% change*	*% change*
Inventory	56,539	60,100	66,950		+11	
Breeding	8,604	9,584	9,551		0	
Market	47,936	50,516	57,399		+14	
-60 lb.	19,424	21,154	22,633		+7	
60-119 lb.	12,399	13,036	15,391		+18	
120-179 lb.	9,110	9,378	11,238		+20	
180 + lb.	7,002	6,948	8,137		+17	
Sows farrowing						
Dec.-May	6,050	6,030	7,192	7,176	+19	0
June-Nov.	6,009	6,395	7,304		+14	
Pig crops						
Dec.-May	42,960	42,452	50,669	50,950	+19	+1
June-Nov.	43,202	45,990	52,084		+13	
Pigs per litter						
Dec.-May	7.10	7.04	7.05	7.10	0	+1
June-Nov.	7.19	7.19	7.13			

[1] Intentions.

LIVESTOCK AND MEAT SITUATION

CONTENTS

• • •

Approved by
The World Food and Agricultural
Outlook and Situation Board
and Summary released
January 11, 1980

Written by
Ronald Gustafson
Robert Remmele
202-447-5327

National Economics Division
Economics, Statistics, and Cooperatives Service
U.S. Department of Agriculture
Washington, D.C. 20250

• • •

Quarterly issues of the *Livestock and Meat Situation* will be published in February, May, August, and November. Additional issues containing summary tables will be published in January, April, July, and October.

SUMMARY

Total production of red meat and poultry during the first half of 1980, is expected to be up 3 to 5 percent from the first half of 1979, led by a large increase in pork production. These large supplies of meat likely will keep first half 1980 retail pork and poultry prices well below year-earlier levels but beef prices may be slightly higher than a year ago.

The December 1, 1979 inventory of hogs and pigs on farms was estimated at 67 million head, up 11 percent from a year earlier and the largest December 1 inventory since 1970. The inventory of heavy hogs that will reach market weight during the first quarter of 1980 was up 19 percent and the inventory of hogs that will reach market weight in the second quarter was up 7 percent. Commercial hog slaughter is therefore likely to be near record levels through the first half of 1980.

Hog slaughter during the second half of 1980 will be drawn largely from the December-May pig crop. Producers indicated on December 1, 1979 that farrowings for this period would be unchanged from a year ago. If these intentions are realized, hog slaughter during the second half of 1980 would be near 1979 levels. But hog producers will be reevaluating their production plans in response to changes in feed costs and hog prices. Developments in the grain market will be a big factor in hog production plans.

Although beef production may be down 2 to 4 percent during the first half of 1980, poultry production will likely continue above year-earlier levels. Broiler production may be up 2 to 4 percent from the first half of 1979 and large increases in turkey production are expected, perhaps 20 to 25 percent. The large supplies of pork and other meats will keep downward pressure on hog prices during the first half of the year. Prices are expected to average in the upper \$30's during the first quarter and the mid-\$30's during the second quarter. This would be well below year-earlier prices of \$52 and \$43 in the first and second quarter of 1979, respectively. Cattle price gains in the first half will be moderated by large meat supplies. Prices for steers at Omaha may average in the upper \$60's or low \$70's during the first half.

On January 4, 1980 the United States announced a suspension of grain shipments to the Soviet Union in excess of the 8 million tons per year that we are committed to sell under the five-year agreement that expires in 1981. However, actions have been taken to ensure that America's farmers will face essentially the same set of supply-demand conditions for grains as if the sales to the Soviet Union had gone foreward.

Information available at press time did not indicate any basic changes in the supply and price forecasts for meats. Any impact on the livestock and meat industry, resulting from these actions, will be incorporated into future analyses.

COMMERCIAL MEAT PRODUCTION AND PRICES
(All percent changes shown are from a year earlier)

	1979				1980	
	I	II	III	IV	I[1]	II[1]
Production						
Beef	5,546	5,076	5,219	5,400	5,175	5,150
% change	-9	-15	-12	-11	-7	+1
Pork	3,399	3,760	3,779	4,325	4,100	4,075
% change	+5	+15	+20	+22	+21	+8
Lamb and Mutton	72	71	68	70	75	75
% change	-4	-7	-7	-8	+4	+6
Veal	115	98	99	100	90	75
% change	-35	-34	-29	-25	-22	-23
Total red meat	9,132	9,005	9,165	9,895	9,440	9,375
% change	-5	-4	-1	+1	+3	+4
Broilers[2]	2,551	2,844	2,855	2,660	2,625	2,900
% change	+10	+12	+11	+9	+3	+2
Turkeys[2]	271	465	720	725	350	560
% change	+19	+16	+6	+7	+29	+20
Total red meat & poultry	11,954	12,314	12,740	13,280	12,415	12,835
% change	-2	0	+2	+3	+4	+4
Prices				$/cwt.		
Choice steers, Omaha, 900-1100 lb.	65.42	72.51	65.88	66.86	67-71	68-72
Barrows & Gilts, 7 markets	51.98	43.04	38.52	36.39	37-39	35-37
Slaughter lambs, Choice San Angelo	68.97	73.55	64.30	66.50	65-67	68-70
				Cts./lb.		
Broilers, 9-city average[3]	47.5	47.7	40.8	41.7	43-45	42-44
Turkeys, New York[4]	70.2	66.2	63.1	73.1	65-69	60-64

[1] Forecast. [2] Federally inspected. [3] Wholesale weighted average. [4] Wholesale, 8-16 lb. young hens.

HOGS

Expansion of hog production has apparently ended. USDA's survey of hog producers on December 1, 1979 indicated the inventory of hogs kept for breeding was virtually the same as a year ago, but 852,000 head less than on June 1, 1979. The survey also indicated producers plan no increase over a year earlier in the number of sows that will farrow during December-May.

June-November Pig Crop Record Large

The June-November 1979 pig crop was estimated at 52.1 million head, 13 percent larger than in 1978 and the largest June-November pig crop on record. The previous record was set in June-November of 1970 when 49.6 million pigs were born. The number of sows farrowing was up 19 percent during June-August and 9 percent during September-November from last year's levels. Farrowings during September-November in the 14 major hog-producing States were reported less than producers indicated on September 1 when intentions pointed to a 13-percent increase for September-November farrowings.

At 7.14, pigs saved per litter during the June-August period were below the year-earlier level of 7.22. During September-November, 7.12 pigs were saved per litter, down from 7.16 of a year earlier.

December Hog Inventory Largest Since 1970; Large Increases In Hog Slaughter Expected

The December 1, 1979 inventory of all hogs and pigs on farms was estimated at 67 million head, up 11 percent from a year ago and the largest December 1 inventory since 1970. However, the inventory of pigs being readied for market, which reflects the size of the June-November pig crop, numbered 57.4 million head, 14 percent above last year. Hog slaughter through the first half of 1980 will be drawn from the December 1 market inventory and is expected to be near record levels through the first half of the year.

Most of the inventory of market hogs weighing more than 180 pounds were marketed in December. December hog slaughter was about 7.6 million head, 18 percent larger than a year earlier. This corresponds to the market inventory of heavy hogs that was up 17 percent from last December.

Hogs that will be slaughtered during January-March will be drawn largely from the 60-179 pound market hog inventory on December 1. Commercial hog slaughter is expected to be about 24 million head for this period, up 20 percent from a year earlier but down about 1 million head from the fourth quarter of 1979.

Hog slaughter during April-June is expected to decline slightly from the first quarter. Commercial hog slaughter may be 23.5 to 24 million head, 8-10 percent above a year earlier and 23-26 percent more than two years ago. This could be the largest second-quarter hog slaughter on record, surpassing the previous record of 23.6 million set in the second quarter of 1971.

Winter weather through December was much warmer than a year ago in much of the Midwest, so daily gains by hogs may be better than they were last winter. This could lead to barrows and gilts being marketed at heavier weights this year

Hogs and Pigs Balance Sheet

Year	Dec.1 inventory[1]	Dec.-May pig crop[1]	Total supply	Commercial slaughter Dec.-May	Other disappearance[2]	June 1 inventory	June-Nov. pig crop	Total supply	Commercial slaughter June-Nov.	Other disappearance[2]
	1,000 head									
1964	62,060	47,682	109,742	43,776	6,189	59,777	39,862	99,639	39,285	4,248
1965	56,106	42,526	98,632	40,579	5,085	52,968	36,415	89,383	35,081	3,783
1966	50,519	45,471	95,990	35,331	4,462	56,197	42,132	98,329	37,238	3,966
1967	57,125	48,117	105,242	41,803	4,073	59,366	43,551	102,917	40,381	3,718
1968	58,818	49,077	107,895	43,093	4,271	60,531	45,078	105,609	41,652	3,128
1969	60,829	46,521	107,350	44,015	4,608	58,727	42,155	100,882	40,287	3,549
1970	57,046	52,126	109,172	40,749	3,784	64,639	49,588	114,227	43,326	3,616
1971	67,285	51,918	119,203	49,087	4,398	65,718	46,006	111,724	45,908	3,404
1972	62,412	47,523	109,935	45,108	4,201	60,626	43,051	103,677	41,203	3,457
1973	59,017	46,125	105,142	40,292	5,279	59,571	41,998	101,569	36,878	4,077
1974	60,614	44,792	105,406	41,183	5,345	58,878	38,952	97,830	40,194	2,943
1975	54,693	35,530	90,223	37,854	4,509	47,860	35,656	83,516	31,666	2,583
1976	49,267	42,177	91,444	34,691	2,823	53,930	42,218	96,148	38,051	3,163
1977	54,934	42,960	97,894	39,435	3,999	54,460	43,202	97,662	38,219	2,904
1978	56,539	42,452	98,991	38,947	4,824	55,220	45,990	101,210	38,462	2,648
1979	60,100	50,669	110,769	41,276	4,383	65,100	52,084	117,194	46,610	3,634
1980	66,950	[3]50,950	117,900							

[1] December previous year. [2] Includes imports, exports, death loss, farm slaughter, etc. [3] Intentions.

Sow Slaughter Balance Sheet, 14 States

	1975	1976	1977	1978	1979	1980
	Million head					
December 1 breeding[1]	6.3	6.4	6.8	7.3	8.1	8.0
December-February						
Comm. sow slaughter[2]	.9	.7	.9	.9	.8	
Gilts added	.7	1.0	1.1	.5	1.0	
March 1 breeding	6.1	6.7	7.0	6.9	8.3	
March-May						
Comm. sow slaughter[2]	.7	.6	.8	.8	.8	
Gilts added	.8	1.0	1.2	1.3	1.2	
June 1 breeding	6.2	7.1	7.4	7.4	8.7	
June-August						
Comm. sow slaughter[2]	.7	.7	.9	.9	1.2	
Gilts added	.5	.4	.7	1.0	.7	
September 1 breeding	6.0	6.8	7.2	7.5	8.2	
September-November						
Comm. sow slaughter	.8	1.0	1.0	.9	1.3	
Gilts added	1.2	1.0	1.1	1.5	1.1	

[1] December previous year. [2] 85% of estimated U.S. commercial sow slaughter.

even though the hog-feed price relationship is not as favorable as a year ago. The hog-corn price ratio at Omaha was about 16 to 1 in early January of 1980 compared with 23 to 1 a year earlier. Since hog production is not as profitable this year as a year ago, sow slaughter will likely comprise a larger proportion of total hog slaughter. This would also boost the average weight of hogs slaughtered.

Hog slaughter in the second half of 1980 will be drawn from the December-May pig crop. Intentions of hog producers in the 14 major hog-producing States were to have about the same number of sows farrow during December-February of this year and to decrease the number of sows that farrow during March-May by 1 percent from year-earlier levels. Producers changed their production plans significantly from September 1, 1979 when they planned a 10-percent increase in the number of sows that would farrow from December through February. They reevaluated their production plans as hog prices remained in the low- to mid-$30's from September through November. For many producers, returns did not cover total costs, leaving little return to non-cash expenses such as family labor.

If farrowing intentions are realized, hog slaughter during the last half of 1980 should be near 1979 levels. Hog slaughter in the third quarter may be near 22 million head, down 6-8 percent from the second quarter. Fourth-quarter hog slaughter may range from 24 to 24.5 million head. For all 1980, hog slaughter would be near 93 to 95 million head, 4 to 7 percent above 1979.

Pork Cold Storage Stocks Up

Cold storage stocks of pork on November 30, 1979 were up 5 percent from a year earlier. Stocks of pork bellies more than doubled during November and were 3 percent more than the previous year and the largest November holdings since 1971.

Hog slaughter is expected to remain well above year-earlier levels through the first half of 1980, so more pork is expected to be added to cold storage through the spring. As hog slaughter decreases seasonally in the third quarter, stocks of pork may decline sharply, so the decline in consumption from spring to summer would not be as great as the decline in pork production.

Meat Consumption To Be Near Record

Given the large increases in pork production during the first half of 1980, pork consumption may be near 37 pounds per capita during the first half of 1980. This would be 12 percent more than a year ago and the largest since the first half of 1971.

Per capita consumption of other meats is also likely to be near the year-earlier level. Beef consumption is likely to be down about 2 pounds from a year earlier during the first quarter, but near year-ago levels during the second quarter. Consumption of broilers is expected to be near year-ago levels, while turkey consumption may increase by one-half pound per person during the first half of 1980. Per capita consumption of red meats and poultry during the first half of 1980 is expected to be near 119-121 pounds, up from 118.7 pounds in the first half of 1979.

Demand and Price Outlook

Consumers will have a large supply of meat available to them in the first half of 1980. This is likely to prevent any substantial increase in retail pork prices in the first half of 1980 from the second half of 1979.

Meat price increases in the first half will be tempered by the sluggish economy. The outlook indicates a moderate economic recession. High interest rates, falling real income, increased unemployment, and low savings rate make the economy vulnerable to external shocks over the winter. Rising heating costs will account for a greater share of consumer expenditures during the winter, leaving less money for other purchases. The second quarter of the year is also a time of seasonally weak consumer demand for pork, which could result in continued downward pressure on retail pork prices.

Retail prices for pork are expected to be well below year-earlier levels through the first half of the year. Retail prices may average $1.40-$1.42 per pound during the first quarter of 1980, up from $1.34 in the fourth quarter of 1979, but below the $1.56 during the first quarter of 1979. Prices may then decline seasonally during the second quarter, possibly falling to $1.36-$1.40, down about 10 cents per pound from a year earlier. Retail pork prices during the first half of 1980 would then average 7-9 percent below a year earlier.

The year-to-year decline in hog prices is expected to be much greater than retail pork prices. Barrow and gilt prices at 7 markets are expected to average $37-$39 per hundredweight during the first quarter, about 5 percent higher than the fourth quarter, but 25 percent below the high first-quarter prices of 1979. Second-quarter barrow and gilt prices are expected to average $35-$37, down from $43 during the second quarter of 1979.

Per capita consumption of pork is expected to be near year-earlier levels in the second half of 1980, but the economy is expected to be recovering from the sluggish first half. With other meat supplies near year-ago levels and renewed economic growth, prices for all meats could rise substantially during the second half of the year. Barrow and gilt prices may average in the low $40's during the last half of the year.

Greatest Expansion Occurred Outside of Iowa and Illinois

The December 1 inventory of hogs in the United States increased 18 percent since 1977. Iowa and Illinois continue to be the largest hog-producing States, but hog production in these States did not expand as much as the national average; the inventory in these States was up 12 percent over 1977. States bordering Iowa and Illinois (Minnesota, South Dakota, Nebraska, Kansas, Indiana, Wisconsin, and Missouri) increased their hog inventories by 23 percent and three Southeastern States (Georgia, North Carolina, and South Carolina) increased inventories 23 percent.

Size of Hog Operations Increases

There were 639,050 hog operations in the United States on December 1, 1979, up 1 percent from 1978. These operations had an average inventory of 105 hogs, up from 95 a year ago.

Operations with an inventory of 1-99 head accounted for 76.8 percent of all operations, but only 16.6 percent of the inventory. Nineteen percent of the operations had an inventory of 100-499 head; these operations accounted for 43 percent of the inventory. Operations with an inventory of 500 or more hogs comprised only 4.2 percent of all operations, but accounted for 40.4 percent of the hog inventory. Last year, the largest operations accounted for 3.7 percent of the operations and 37.3 percent of the inventory.

CATTLE

Beef production in the fourth quarter continued to be supported by somewhat heavier marketing weights and an increase in nonfed steer and heifer slaughter, compared to the first half of the year. Fourth-quarter slaughter weights averaged about 2 pounds heavier than the 634 pounds recorded in the third quarter. Fourth-quarter commercial cattle slaughter was nearly 13 percent below year-earler levels, while commercial beef production was about 11 percent lower.

Seven State Cattle on Feed Report

Placement and marketings in the seven major cattle-feeding States remained well under year-earlier levels in October and November. Cattle feeders continued the slow third-quarter marketing pace this past fall. Marketings in October and November were 12 and 16 percent below 1978 levels, respectively. As indicated in the net margins table, cattle marketed in October and November failed to

Hogs and pigs, breeding inventory and sow slaughter, United States[1]

	1972	1973	1974	1975	1976	1977	1978	1979	1980
					Million head				
December 1 breeding[2]	8,475	8,650	8,605	7,389	7,574	8,011	8,604	9,584	9,551
December-May sow slaughter	2,303	2,239	2,257	1,977	1,505	2,023	2,008	1,965	
Gilts added-December-May	2,975	2,577	2,475	1,946	2,319	2,700	2,268	2,784	
June 1 breeding	9,147	8,988	8,823	7,358	8,388	8,688	8,864	10,403	
June-November sow slaughter	2,765	2,304	3,316	1,946	2,017	2,212	2,072	2,882	
Gilts added-June-November	2,268	1,921	1,882	2,162	1,640	2,128	2,792	2,030	

[1] Estimated commercial. [2] December previous year.

7 States Cattle on Feed, Placements, and Marketings

Year	On feed	Change, previous year	Net placements	Change, previous year	Marketings	Change, previous year
	1,000 head	*Percent*	*1,000 head*	*Percent*	*1,000 head*	*Percent*
1977						
Jan. . .	8,213	-3.8	1,262	-1.6	1,602	+9.6
Feb. . .	7,873	-5.8	1,250	-3.3	1,567	+2.5
Mar. . .	7,556	-7.0	1,435	+15.0	1,710	-7.1
Apr. . .	7,281	-3.3	1,470	-1.8	1,554	+2.8
May . .	7,197	-4.2	1,335	+8.9	1,479	+0.6
June . .	7,053	-3.0	1,367	+7.0	1,546	+5.3
July . .	6,874	-2.9	1,439	+29.3	1,442	-5.2
Aug. . .	6,871	+3.0	1,453	+7.2	1,598	+0.6
Sept. .	6,726	+4.5	1,762	+8.9	1,530	+3.5
Oct. . .	6,958	+5.7	2,771	+25.1	1,589	+6.6
Nov. . .	8,140	+11.5	1,915	-5.7	1,488	+11.6
Dec. . .	8,567	+7.1	1,965	+16.5	1,605	+9.0
1978						
Jan. . .	8,927	+8.7	1,437	+13.9	1,750	+9.2
Feb. . .	8,614	+9.4	1,338	+7.0	1,676	+7.0
Mar. . .	8,276	+9.5	1,668	+16.0	1,678	-1.9
Apr. . .	8,262	+13.5	1,300	-11.6	1,701	+9.5
May . .	7,861	+9.2	1,829	+37.0	1,673	+13.1
June . .	8,013	+13.6	1,616	+18.2	1,657	+7.2
July . .	7,982	+16.1	1,509	+4.9	1,604	+11.2
Aug. . .	7,867	+14.5	1,621	+11.6	1,674	+4.8
Sept. .	7,835	+16.5	2,366	+34.3	1,646	+7.6
Oct. . .	8,541	+22.8	2,626	-5.2	1,865	+17.4
Nov. . .	9,302	+14.3	1,730	-9.7	1,717	+15.4
Dec. . .	9,315	+8.7	1,571	-20.1	1,660	+3.4
1979						
Jan. . .	9,226	+3.3	1,391	-3.2	1,888	+7.9
Feb. . .	8,729	+1.3	1,135	-15.2	1,650	-1.6
Mar. . .	8,214	-0.7	1,429	-4.1	1,695	+1.0
Apr. . .	7,948	-3.8	1,255	-3.5	1,535	-9.8
May . .	7,668	-2.5	1,633	-10.5	1,603	-4.2
June . .	7,698	-3.9	1,385	-14.8	1,521	-8.2
July . .	7,562	-3.6	1,116	-25.1	1,475	-8.0
Aug. . .	7,203	-8.4	1,260	-23.3	1,626	-2.9
Sept. .	6,837	-12.7	1,962	-16.6	1,384	-15.9
Oct. . .	7,415	-13.2	2,241	-14.7	1,639	-12.1
Nov. . .	8,017	-13.8	1,690	-2.3	1,438	-16.2
Dec. . .	8,269	-8.9	1,600	+1.8		

cover all costs by nearly $11 and $9 per hundredweight sold, respectively. They also failed to cover feed and feeder cattle costs by $2.21 and $0.39. Marketings in December failed to cover all costs by about $5 per hundredweight, but feed and feeder cattle costs were covered for the first time since September by $3.08 per hundredweight, the widest margin since July. The primary reason for an improvement in the feeding margin is the reduced price of these cattle when placed on feed in June.

The number of cattle placed on feed monthly in the seven major cattle-feeding States in May through October 1979 ranged from 10 to 25 percent below year-earlier levels. However, placements in November were down only 2 percent. Improved feeding margins, seasonally lower grain prices, and an ample supply of yearling feeder cattle may result in year-to-year increases in feedlot placements through the first half of 1980.

Beef production in the first quarter is expected to be about 6-8 percent below winter 1979 levels. Production in the second quarter is expected to average 1 to 2 percent above the year-earlier. Heavier fed cattle marketing weights are expected to continue in the first half of 1980.

Prices

Choice steer prices at Omaha increased gradually throughout the fall. Prices averaged $65.81 in October and increased to $67.78 in December. Price gains were held down by the heavier marketing weights, and increased pork supplies. Medium No. 1 600-700 pound feeder steers at Kansas City ranged from $81 to $83 during the quarter. Utility cows at Omaha also traded in a narrow range of $46 to $48. Retail beef prices in the fourth quarter averaged $2.28, a slight increase from the $2.27 average this past summer.

Choice 900-1,100 pound steers in the first two quarters of 1980 are expected to range between $67

Steer prices, costs, and net margins[1]

Year	Steers Omaha	Feed & Feeder	Break-even	Net margin
	$ per cwt.			
1977				
January . . .	38.38	41.81	47.82	-9.44
Februaryd	37.98	40.46	46.35	-8.37
March	37.28	39.25	45.06	-7.78
April	40.08	37.86	43.66	-3.58
May	41.98	36.24	42.07	-0.09
June	40.24	37.73	43.58	-3.34
July	40.94	38.50	44.41	-3.47
August . . .	40.11	39.28	45.31	-5.20
September .	40.35	40.01	46.10	-5.75
October . .	42.29	41.46	47.65	-5.36
November .	41.83	40.77	47.04	-5.21
December .	43.13	38.88	45.09	-1.96
1978				
January . . .	43.62	38.04	44.27	-0.65
February . .	45.02	36.92	43.12	+1.90
March	48.66	35.76	41.92	+6.74
April	52.52	35.80	41.95	+10.57
May	57.28	37.34	43.54	+13.74
June	55.38	38.57	44.82	+10.56
July	54.59	40.01	46.42	+8.17
August . . .	52.40	42.03	48.70	+3.70
September .	54.26	45.20	52.04	+2.22
October . .	54.93	47.74	54.71	+0.22
November .	53.82	50.83	57.91	-4.09
December .	55.54	49.63	56.66	-1.12
1979				
January . . .	60.35	49.92	57.02	+3.33
February . .	64.88	50.59	57.81	+7.07
March	71.04	50.97	58.26	+12.78
April	75.00	51.72	59.04	+15.96
May	73.99	52.43	59.80	+14.19
June	68.53	55.33	62.88	+5.65
July	67.06	58.73	66.53	+0.53
August . . .	62.74	61.90	70.12	-7.38
September .	67.84	66.14	74.65	-6.81
October . .	65.81	68.02	76.65	-10.84
November .	67.00	68.31	75.93	-8.93
December .	67.78	64.70	73.06	-5.28
1980				
January . . .		66.00	74.39	
February . .		62.70	70.90	
March		66.40	74.83	
April		63.89	72.22	
May		63.95	72.33	

[1] Selling price required to cover costs of feeding 600 lb. feeder steer to 1,050 lb. slaughter in Corn Belt.

and $72. Prices may strengthen toward the end of the second quarter, particularly if marketing weights begin to improve. Retail prices will likely average about $2.40 in the first half, compared to $2.26 in the first half of 1979. First-half 1980 increases will be more moderate than the rapid increases in the first half of 1979.

Countercyclical Beef Import Law Signed

The Meat Import Act of 1979 was signed into law on December 31. The new law amends the 1964 Act and changes the method for computing the adjusted base quantity of beef and other meat imports. Adjusted base quantity levels for each calendar year will now be computed by a countercyclical formula which allows more beef imports to enter the United States when domestic production is low, and less when U.S. meat supplies are more plentiful.

The new law limits imports of meat subject to the law on the basis of imports during 1968 to 1977, adjusted by changes in domestic commercial production of quota meats and by changes in per capita cow beef production.[1] [2] The base quota, determined by the average annual imports subject to the law in 1968-77, is 1,204.6 million pounds. The base quantity is adjusted in two steps: 1) a growth factor which is the 3 most recent years of domestic quota meat production (1978-80) divided by the average production in 1968 to 1977, and 2) a countercyclical factor which is the 5-year moving average of U.S. per capita cow beef production (1976-80) divided by a 2-year moving average of U.S. per capita cow beef production (1979-80). As long as the countercyclical factor is not less than 1.0, Presidental authority to increase import levels remains the same as under the 1964 law. However, under the revised law, when the factor is below 1.0, the President can suspend quotas and raise the level of imports only in the event of a declared national emergency, or because of an inadequate supply of meat articles resulting from a national disaster, disease or major national market disruption. The countercyclical factor for 1980 is about 1.3.

A minimum import level of 1.25 billion pounds is established in the new law. Estimates of domestic production yield an adjusted base quantity level for 1980 imports of 1,516 million pounds (product weight), and an import trigger level of 1,668 million pounds. Estimates of available foreign supplies of beef and certain other meats indicate that imports likely will not total more than 1,650 million pounds in 1980—18 million pounds below the trigger level of 1,668 million pounds. The new law calls for imposition of quotas if the estimates indicate that the import levels would exceed the trigger point.

Additional Information Available In Late January

Additional information on the beginning 1980 cattle inventories will be available in late January. The Cattle Inventory report will be released on January 30 and the January 1 Quarterly Cattle on Feed report will be available on January 18.

---

[1] Quota meats, as listed in the Tarriff Schedules, include: fresh, chilled, and frozen cattle meat; meat of goats and sheep (except lamb); and prepared but not preserved beef and veal.

[2] $$\text{Annual Quota} = \text{Average annual imports (1968-1977)} \times \frac{\text{3-yr. moving average of domestic prod.}}{\text{10-yr. average of domestic production (1968-77)}} \times \frac{\text{5-yr. moving average of per capita domestic cow beef production}}{\text{2-yr. moving average of per capita domestic cow beef production}}$$

Trigger Level = Annual Quota X 110 percent

Supply and distribution of commercially produced meat, by months, carcass weight

Meat and period	Supply: Production[6]	Supply: Beginning stocks[4]	Supply: Imports	Distribution: Exports and shipments	Distribution: Ending stocks[4]	Distribution: Military	Civilian consumption: Total	Civilian consumption: Per person[2]
	Million pounds							Pounds
Beef:								
1978								
October	2,103	332	197	16	348	16	2,252	10.4
November	2,038	348	225	16	388	20	2,187	10.1
December	1,902	388	198	19	405	17	2,047	9.4
1979								
January	2,069	405	226	15	431	23	2,231	10.3
February	1,700	431	213	21	405	14	1,904	8.8
March	1,777	405	239	20	427	11	1,963	9.0
April	1,586	427	222	18	413	15	1,789	8.2
May	1,766	413	216	14	404	30	1,947	8.9
June	1,724	404	239	18	388	(20)	1,941	8.9
July	1,682	388	186	17	370	(15)	1,854	8.5
August	1,919	370	152	19	321	(15)	2,086	8.5
September	1,618	321	154	20	298	(15)	1,760	8.0
October	1,940	298	149		308			
November	1,778	308	201					
Veal:								
1978								
October	48	10	2	(3)	8	(3)	52	.2
November	45	8	4	1	8	1	47	.2
December	41	8	4	1	9	(3)	43	.2
1979								
January	41	9	2	1	10	1	40	.2
February	35	10	2	1	8	(3)	38	.2
March	39	8	3	1	9	1	39	.2
April	33	9	2	1	9	(3)	34	.2
May	33	9	2	1	9	1	33	.2
June	32	9	1	(3)	8	1	33	.1
July	34	8	1	(3)	8	(3)	35	.2
August	34	8	1	(3)	7	(3)	36	.2
September	31	7	1	1	7	1	32	.1
October	37	7	2		8			
November	34	8	4					
Lamb and Mutton:								
1978								
October	27	11	2	1	12	(3)	27	.1
November	25	12	2	(3)	12	(3)	27	.1
December	24	12	3	1	12	(3)	26	.1
1979								
January	23	12	4	(3)	11	(3)	28	.1
February	22	11	3	(3)	11	(3)	25	.1
March	27	11	6	(3)	12	(3)	32	.2
April	25	12	5	(3)	12	(3)	30	.2
May	25	12	3	(3)	13	(3)	27	.1
June	21	13	6	1	11	(3)	28	.1
July	23	11	3	(3)	12	(3)	25	.1
August	23	12	3	(3)	12	(3)	26	.2
September	23	12	3	1	11	1	25	.1
October	26	11	3		12			
November	23	12	2					
Pork:[5]								
1978								
October	1,176	178	51	40	207	10	1,148	5.3
November	1,236	207	40	48	245	9	1,181	5.4
December	1,129	245	40	40	242	10	1,122	5.2
1979								
January	1,147	242	43	36	225	13	1,158	5.3
February	1,001	225	36	27	220	8	1,007	4.6
March	1,251	220	44	33	247	8	1,227	5.6
April	1,238	247	47	38	278	7	1,209	5.5
May	1,309	278	40	42	292	13	1,280	5.9
June	1,213	292	51	38	270	(10)	1,235	5.7
July	1,221	270	39	36	227	(10)	1,257	5.8
August	1,352	227	37	34	182	(10)	1,390	6.3
September	1,206	182	35	40	179	(10)	1,194	5.5
October	1,553	179	39		220			
November	1,471	220	44					
Total Meat:								
1978								
October	3,354	531	252	57	575	26	3,479	16.0
November	3,344	575	271	65	653	30	3,442	15.8
December	3,096	653	245	61	668	27	3,238	14.9
1979								
January	3,280	668	275	52	677	37	3,457	15.9
February	2,758	677	254	49	644	22	2,974	13.7
March	3,094	644	292	54	695	20	3,261	15.0
April	2,882	695	276	57	712	23	3,062	14.0
May	3,133	712	261	57	718	44	3,287	15.1
June	2,990	718	297	57	677	(31)	3,237	14.8
July	2,960	677	229	53	617	(25)	3,169	14.6
August	3,328	617	193	53	526	(25)	3,538	16.2
September	2,879	522	193	62	495	(27)	3,011	13.7
October	3,556	495	193		548			
November	3,306	548	251					

[1] Excludes production from farm slaughter. [2] Derived from estimates by months of population eating out o civilian food supplies. [3] Less than 500,000 lb. [4] Beginning 1977, excludes beef and pork stocks in cooler [5] Change in carcass weight. See article by L.A. Duewer. [6] Totals based on unrounded data.

Selected price statistics for meat animals and meat

Item	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	1979									
	Dollars per 100 pounds									
SLAUGHTER STEERS:										
Omaha:										
Choice, 900-1100 lb.	71.04	75.00	73.99	68.53	67.06	62.74	67.84	65.81	67.00	67.78
Good, 900-1100 lb.	66.46	70.15	69.86	64.55	61.31	57.48	60.49	61.27	62.35	63.66
California, Choice 900-1100 lb.	75.12	77.69	76.10	69.19	68.38	63.70	68.88	64.90	70.44	69.94
Colorado, Choice 900-1100 lb.	72.05	75.13	74.61	69.68	68.49	63.25	68.43	65.04	67.51	
Texas, Choice 900-1100 lb.	72.15	75.72	75.73	70.48	69.25	63.50	68.80	65.49	68.15	69.66
SLAUGHTER HEIFERS:										
Omaha:										
Choice, 900-1100 lb.	68.66	73.06	72.48	67.80	64.79	60.94	65.90	63.87	65.02	66.50
Good, 700-900 lb.	68.24	67.54	67.08	63.48	60.55	55.13	59.58	58.42	59.38	61.41
COWS:										
Omaha:										
Commercial	54.11	58.08	56.07	51.16	47.50	46.70	48.64	46.90	45.66	46.15
Utility	52.94	57.00	55.51	50.60	47.80	48.33	49.65	47.71	46.49	46.98
Cutter	51.50	54.86	53.42	48.18	45.80	46.59	48.32	46.06	44.12	44.55
Canner	49.15	52.47	50.84	45.79	43.32	44.13	46.24	44.37	42.21	41.81
VEALERS:										
Choice, S. St. Paul	97.50	104.56	110.35	94.25	92.29	88.74	96.68	96.48	73.88	70.00
FEEDER STEERS:[1]										
Kansas City:										
Medium No. 1, 400-500 lb.	101.04	105.62	106.68	96.38	98.72	98.39	104.29	94.04	92.99	93.84
Medium No. 1, 600-700 lb.	87.25	89.98	88.32	82.19	82.48	79.31	85.34	81.29	82.44	82.80
Medium No. 2, 600-700 lb.	77.45	79.32	78.53	75.28	74.94	71.59	75.14	71.80	72.48	72.25
All weights and grades	82.55	86.83	82.20	75.00	72.07	72.37	77.81	73.34	78.92	77.55
Amarillo:										
Medium No. 1, 600-700 lb.	88.11	90.26	85.90	75.74	79.00	76.13	80.88	78.43	80.78	80.85
Georgia Auctions:										
Medium No. 1, 600-700 lb.	80.88	84.88	79.90	75.38	73.83	70.10	74.88	70.20	71.12	68.50
Medium No. 2, 400-500 lb.	92.62	93.62	88.20	82.25	83.50	78.70	80.75	75.20	78.12	74.33
FEEDER HEIFERS:										
Kansas City:										
Medium No. 1, 400-500 lb.	87.51	90.69	89.18	83.15	83.52	79.39	86.53	79.02	77.36	78.66
Medium No. 1, 600-700 lb.	75.49	78.86	76.80	74.32	73.88	69.18	75.07	71.40	71.49	72.35
SLAUGHTER HOGS:										
Barrows and Gilts:										
Omaha:										
Nos. 1 & 2, 200-230 lb.	49.82	45.99	44.78	41.61	40.46	38.92	39.28	35.21	37.33	39.86
All weights	49.10	44.91	43.43	39.46	38.17	37.71	38.42	34.62	35.47	37.75
Sioux City	49.66	45.29	43.80	39.94	38.58	38.41	38.80	34.92	36.13	38.30
7 markets[2]	49.38	45.04	43.79	40.29	38.73	38.21	38.62	34.70	36.01	38.45
Sows:										
7 markets[2]	45.47	42.09	39.59	33.62	30.70	30.38	32.63	30.07	29.39	30.80
FEEDER PIGS:										
Nos. 1 & 2, So. Mo., 40-50 lb. (per hd.)	53.14	50.84	40.89	30.11	24.14	24.58	29.30	23.10	26.35	25.82
SLAUGHTER LAMBS:										
Lambs, Choice, San Angelo	64.00	78.62	73.20	68.83	65.83	62.65	67.75	66.50		
Lambs, Choice, So. St. Paul	64.22	71.40	66.18	60.90	62.29	59.75	65.92	62.76	62.08	66.00
Ewes, Good, San Angelo	45.75	42.12	32.85	28.88	31.83	29.60	28.56	25.55	27.00	
Ewes, Good, So. St. Paul	28.15	28.50	24.14	21.28	22.34	22.68	22.48	17.68	17.00	20.70
FEEDER LAMBS:										
Choice, San Angelo	84.25	89.75	76.15	71.12	70.25	71.00	74.25	70.00	73.00	
Choice, So. St. Paul	67.15	67.50	67.50	67.50	68.12	66.50	68.42	70.04	67.82	69.70
FARM PRICES:										
Beef cattle:	70.20	72.40	71.50	66.90	65.60	61.30	66.90	65.10	64.20	64.70
Calves	93.80	96.40	96.70	90.20	90.00	84.60	91.60	86.70	85.10	84.40
Hogs	49.40	44.30	43.60	39.70	37.90	35.50	37.50	34.00	34.40	37.50
Sheep	31.00	29.90	26.60	24.80	25.80	26.20	26.10	25.10	25.50	24.70
Lambs	64.20	69.80	70.10	67.00	65.00	61.10	67.00	65.40	64.70	66.30
MEAT PRICES:										
Wholesale:										
Central U.S. markets										
Steer beef, Choice, 600-700 lb.	104.59	108.61	108.64	103.56	99.85	94.13	101.91	98.32	103.22	105.53
Heifer beef, Choice, 500-600 lb.	102.75	107.14	107.34	102.28	98.07	92.63	99.00	96.91	100.94	104.07
Cow beef, Canner and Cutter	105.20	109.26	105.22	97.12	95.08	103.50	94.62	97.59	96.17	96.72
Pork loins, 8-14 lb.	94.98	95.11	92.06	96.43	87.62	83.98	88.41	80.07	74.12	83.97
Pork bellies, 12-14 lb.	54.46	51.88	46.57	44.09	38.95	36.51	38.63	33.51	43.72	40.88
Hams, skinned, 14-17 lb.	89.82	76.47	72.29	70.17	64.48	66.84	70.64	75.84	87.91	80.15
East Coast:										
Lamb, Choice and Prime, 35-45 lb.	142.16	150.92	140.15	132.86	126.38	119.78	128.40	125.35	125.85	131.72
Lamb, Choice and Prime, 55-65 lb.	127.97	134.88	131.35	128.81	123.33	117.55	128.05	123.85	123.19	127.03
West Coast:										
Steer Beef, Choice, 600-700 lb.	108.76	113.11	112.96	105.40	104.42	100.01	108.14	103.53	111.15	110.57
Retail:										
Beef, Choice	225.9	232.8	240.2	233.6	232.2	220.9	226.6	224.3	226.2	
Veal	252.2	273.1	289.1	294.4	294.1	293.2	298.2	296.6	298.5	
Pork	156.9	150.7	149.3	144.5	142.4	135.9	135.6	134.3	132.2	
Lamb	244.4	248.6	250.7	251.1	248.0	244.8	244.8	242.9	247.3	
Price indexes (BLS, 1967=100)										
Retail meat	244.2	248.2	252.1	249.6	248.0	237.8	238.1	238.6	237.4	
Beef and veal	252.1	262.5	270.3	266.9	266.4	251.9	254.2	256.2	255.5	
Pork	233.4	225.9	222.2	217.2	215.1	207.4	206.5	204.3	201.0	
Other meats	233.9	239.4	244.0	248.9	245.1	243.5	240.2	240.7	242.0	
Poultry	189.9	189.9	188.0	187.2	186.2	177.1	174.8	170.3	171.6	
LIVESTOCK-FEED RATIOS, OMAHA[3]										
Beef steer-corn	32.7	33.2	30.8	26.4	24.7	25.7	26.5	28.1	28.9	28.7
Hog-corn	22.6	19.9	18.1	15.2	14.1	15.4	16.2	14.6	15.3	16.0

[1] Reflects new feeder cattle grades. [2] St. Louis, N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. [3] Bushels of No. 2 yellow corn equivalent in value of 100 pounds liveweight.

Selected marketings, slaughter and stock statistics for meat animals and meat

Item	Unit	1978	1979										
		Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
FEDERALLY INSPECTED:													
Slaughter:													
Cattle	1,000 head	2,833	3,090	2,559	2,670	2,366	2,622	2,554	2,492	2,860	2,390	2,837	2,593
Steers	1,000 head	1,394	1,605	1,352	1,402	1,247	1,393	1,380	1,289	1,469	1,205	1,396	1,254
Heifers	1,000 head	826	886	724	748	653	727	719	750	886	733	867	755
Cows	1,000 head	562	549	440	475	424	452	408	404	451	402	514	533
Bulls and stags	1,000 head	51	50	43	46	42	49	47	49	54	51	59	51
Calves	1,000 head	267	265	212	245	200	188	162	190	216	193	225	210
Sheep and lambs	1,000 head	396	391	354	431	425	421	371	384	415	410	455	386
Hogs	1,000 head	6,101	6,393	5,693	7,113	6,962	7,284	6,678	6,734	7,662	6,840	8,736	8,097
Percentage sows	Percent	6	5	5	4	4	4	5	7	7	6	6	7
Average liveweight per head:													
Cattle	Pounds	1,073	1,070	1,058	1,063	1,064	1,065	1,063	1,061	1,060	1,064	1,075	1,080
Calves	Pounds	197	201	206	200	215	227	237	224	204	203	210	198
Sheep and lambs	Pounds	116	115	118	120	115	115	112	112	110	112	113	114
Hogs	Pounds	247	241	237	238	240	243	246	246	240	240	242	245
Average dressed weight:													
Beef	Pounds	632	635	629	630	634	639	642	640	640	642	648	646
Veal	Pounds	116	122	127	123	130	140	146	137	126	124	130	121
Lamb and mutton	Pounds	58	58	59	61	58	57	56	56	55	55	56	57
Pork	Pounds	176	172	169	170	172	174	175	175	171	170	171	174
Production:													
Beef	Mil. lb.	1,786	1,952	1,603	1,678	1,494	1,671	1,634	1,589	1,824	1,529	1,831	1,667
Veal	Mil. lb.	31	32	27	30	26	26	23	26	27	24	29	25
Lamb and mutton	Mil. lb.	23	23	21	26	25	24	20	21	22	22	25	22
Pork	Mil. lb.	1,072	1,096	959	1,205	1,192	1,263	1,170	1,178	1,304	1,161	1,494	1,405
COMMERCIAL:													
Slaughter:[1]													
Cattle	1,000 head	3,047	3,304	2,736	2,852	2,533	2,792	2,715	2,659	3,030	2,549	3,034	2,795
Calves	1,000 head	300	296	240	272	223	214	193	218	241	217	254	240
Sheep and lambs	1,000 head	411	402	364	444	444	434	385	400	435	427	474	403
Hogs	1,000 head	6,434	6,696	5,947	7,397	7,237	7,564	6,940	7,002	7,956	7,118	9,098	8,496
Production:													
Beef	Mil. lb.	1,902	2,069	1,700	1,778	1,586	1,765	1,724	1,682	1,919	1,618	1,940	1,778
Veal	Mil. lb.	41	41	35	38	33	33	32	34	34	31	37	34
Lamb and mutton	Mil. lb.	24	23	22	27	25	25	21	22	23	23	26	23
Pork	Mil. lb.	1,129	1,147	1,001	1,251	1,238	1,309	1,213	1,221	1,352	1,206	1,553	1,471
COLD STORAGE STOCKS FIRST OF MONTH:[2]													
Beef	Mil. lb.	388	405	431	405	427	413	404	388	370	321	298	308
Veal	Mil. lb.	8	9	10	8	9	9	9	8	8	7	7	8
Lamb and mutton	Mil. lb.	12	12	11	11	12	12	13	11	12	12	11	12
Pork	Mil. lb.	245	242	225	220	247	278	292	270	227	182	179	220
Total meat and meat products[3]	Mil. lb.	715	724	736	711	763	785	791	747	688	579	551	606
FOREIGN TRADE:													
Imports: (carcass weight)													
Beef and veal	Mil. lb.	202	228	215	242	224	218	240	187	153	154	150	205
Pork	Mil. lb.	40	43	36	44	47	40	51	39	37	35	40	44
Lamb and mutton	Mil. lb.	3	4	3	6	5	3	6	3	3	3	3	2
Exports: (carcass weight)													
Beef and veal	Mil. lb.	15.52	11.26	17.08	15.78	15.77	10.51	14.05	13.73	14.69	16.32	12.16	13.45
Pork	Mil. lb.	25.19	24.32	17.45	20.40	23.48	28.82	15.54	24.38	19.90	27.39	28.83	19.66
Lamb and mutton	Mil. lb.	.91	.18	.14	.05	.06	.08	.12	.08	.08	.11	.19	.16
Live animal imports:													
Cattle	Number	250,827	97,289	46,654	42,037	40,527	48,876	27,594	19,550	18,329	20,261	38,689	132,370
Hogs	Number	6,277	33,206	17,189	14,698	3,982	13,281	7,201	5,781	4,960	6,459	5,870	7,419
Sheep and lambs	Number	864	751	461	4	8	79	28	36	345	609	3,728	2,787
Live animal exports:													
Cattle	Number	9,767	4,517	7,169	5,213	4,694	4,352	7,539	6,903	7,987	3,847	4,860	3,034
Hogs	Number	652	1,020	390	624	985	1,394	809	2,201	959	806	1,846	1,229
Sheep and lambs	Number	12,572	3,783	4,541	8,597	23,962	9,562	11,986	18,732	14,830	9,772	8,710	4,867

[1] Federally inspected and other commercial. [2] Beginning Jan. 1977 excludes beef and pork stocks in cooler.
[3] Includes stocks of canned meats in cooler in addition to the meats listed.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE
AGR 101
FIRST CLASS

U.S. MAIL

To stop mailing ☐ or to change your address ☐ send this sheet with label intact, showing new address, to Information, Staff, ESCS, U.S. Dept. of Agriculture, Rm. 0054 South Building, 14th & Independence Ave. S.W., Wash., D.C. 20250.

0503 ESRECE#14A422 18004 0001
ESCS REFERENCE CENTER
#147 GHI BLDG
WASHINGTON DC 20041

LMS-231 JANUARY 1980