Livestock and Meat Situation

Economics, Statistics, and Cooperatives Service

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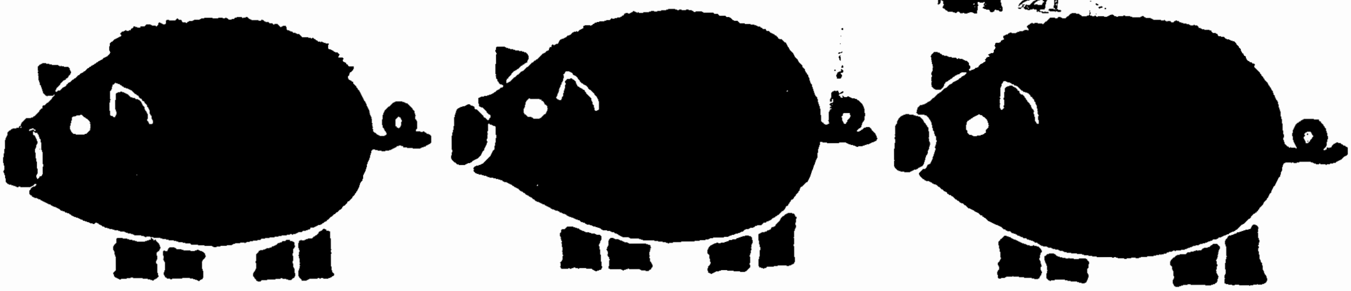

HOGS ON FARMS MARCH 1, FARROWINGS AND PIG CROPS, 14 SELECTED STATES

Item	1978	1979	1980	1980/79
	1,000 head	*1,000 head*	*1,000 head*	*% change*
Inventory	44,680	50,935	54,730	+7
Breeding	6,946	8,333	8,094	-3
Market	37,734	42,602	46,636	+9
60 lb.	14,590	17,002	18,056	+6
60-119 lb.	8,987	10,117	11,049	+9
120-179 lb.	8,309	9,166	10,308	+12
180 + lb.	5,848	6,317	7,223	+14
Sows farrowing				
December-February	2,285	2,660	2,737	+3
March-May	2,870	3,486	[1] 3,473	0
June-August	2,658	3,159	[1] 3,070	-3
September-November	2,796	3,015		
Pig crops				
December-February	15,626	18,266	19,627	+7
March-May	20,716	24,994		
June-August	19,195	22,606		
September-November	20,027	21,546		
Pigs per litter				
December-February	6.84	6.87	7.17	+4
March-May	7.22	7.17		
June-August	7.22	7.16		
September-November	7.16	7.15		

[1] Intentions.

LIVESTOCK AND MEAT SITUATION

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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

The financial condition of cattle feeders and hog producers has deteriorated this year. Choice steer prices in late March were down about $5 from a year earlier and hog prices were down almost $15. But production costs have been sharply higher than a year ago because of rising interest rates and energy costs.

Livestock prices have decreased because of a large total red meat and poultry production and a weakening general economy. Total red meat production was up 4 percent in the first quarter of 1980 and poultry output was up nearly 9 percent.

Pork production was 21 percent above year ago levels in the first quarter of 1980 and is expected to be near record levels for much of the year. The March 1 inventory of hogs and pigs on farms in the 14 States surveyed was up 7 percent from a year earlier and was the largest March inventory since 14-state records began in 1970. Hog slaughter during the next two quarters will be drawn primarily from this inventory, so slaughter may be up 8-10 percent in the second quarter and 4-6 percent in the third.

Low fed cattle prices and uncertain future price expectations have made cattle feeders reluctant to sell cattle they have in feedlots and purchase replacement feeder cattle. This slow marketing pace has continued to result in high average dressed weights. These heavy weights contributed to a larger meat supply and lower wholesale beef prices. Even though weights were up, beef production in the first quarter was about 5 percent below the same period in 1979. Production in the second and third quarters is expected to be near year-earlier levels.

The large meat supplies have resulted in relatively stable meat prices. The Consumer Price Index (CPI) for meats in February was only 2.3 percent above year-ago levels before seasonal adjustment. This contrasts with increases of 7.3

percent for food and 15.7 percent for all items less food during the last 12 months. The CPI for pork was down 12.7 percent from February 1979 and the CPI for beef and veal was up 9.4 percent. Retail meat prices this spring may increase moderately from the first quarter, but remain below year-earlier levels.

Hog prices averaged $36 in the first quarter of 1980, down from $52 last year. Prices in the second quarter may range from near $30 at the beginning of the quarter to the upper $30's at the end and average near $35. Hog prices may increase to the upper $30's during the second half of the year.

Choice 900-1,100 pound steers averaged about $67 in the first quarter and are expected to average in the high $60's to low $70's in the second and third quarters. Higher interest rates and increased costs for most inputs continue to discourage cattle feeders from placing cattle on feed, putting additional downward pressure on feeder cattle prices. Yearling feeder cattle are expected to average below year-earlier levels for the next two quarters.

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

	1979				1980		
	I	II	III	IV	I	II[1]	III[1]
Production							
Beef	5,547	5,076	5,222	5,416	5,250	5,025	5,175
% change	-9	-15	-12	-10	-5	-1	-1
Pork	3,395	3,754	3,775	4,346	4,100	4,075	3,975
% change	+5	+15	+19	+23	+21	+9	+5
Lamb and Mutton	71	71	69	73	75	70	70
% change	-5	-7	-5	-4	+6	-1	+1
Veal	113	98	99	100	90	75	75
% change	-36	-34	-29	-26	-20	-23	-24
Total red meat	9,126	8,999	9,165	9,935	9,515	9,245	9,295
% change	-5	-5	-1	+1	+4	+3	+1
Broilers[2]	2,551	2,844	2,855	2,665	2,700	2,850	2,950
% change	+10	+12	+11	+9	+6	+4	+3
Turkeys[2]	271	465	720	725	365	560	755
% change	+19	+16	+6	+7	+35	+20	+5
Total red meat & poultry	11,948	12,278	12,740	13,325	12,580	12,655	13,000
% change	-3	-1	+2	+3	+5	+3	+2
Prices				$/cwt.			
Choice steers, Omaha, 900-1100 lb.	65.42	72.51	65.88	66.86	66.90	68-72	69-73
Barrows & Gilts, 7 markets	51.98	43.04	38.52	36.39	36.35	34-37	37-40
Slaughter lambs, Chloce San Angelo	68.97	73.55	65.41	67.08	68.00	70-72	67-69
				Cts/lb.			
Broilers, 9-city average[3]	47.5	47.7	40.8	41.7	43.0	40-43	42-45
Turkeys, New York[4]	70.2	66.2	63.1	73.1	59.0	55-58	57-60

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

LIVESTOCK AND MEAT OUTLOOK

The financial condition of cattle feeders and hog producers has deteriorated this year. Abundant red meat and poultry supplies and a weakening economy have forced livestock prices below a year earlier while production costs have continued to increase. Choice slaughter steer prices at Omaha fell to the mid-$60's in late March, down $5 from a year earlier and barrow and gilt prices at Omaha declined to the low-$30's, down almost $15.

Total red meat production in the first quarter of 1980 was up 4 percent from a year earlier. A 21-percent increase in pork production more than offset a 5-percent decline in beef production. A 9-percent increase in poultry production further boosted meat output.

Consumer demand for meats also appears to have weakened. Incomes of many consumers have not increased as rapidly as the general price level, so consumers may have to reduce purchases of some goods. Restrictions on the use of consumer credit also are likely to affect buying habits. The minimum monthly payments on credit cards are likely to be increased for many consumers and additional charges may be added for credit card use. However, it is uncertain how consumers will react to these changes.

These changing econimic conditions, particularly the higher interest rates are causing adjustments in the meat production and processing industry. Because of the higher interest charged and uncertainty on future prices and costs, producers may trim their level of output, as cattle feeders have already done. In addition, the level of beef stocks are apparently being reduced to lower levels because of the higher interest rates. These adjustments are having an inpact on livestock and meat prices, particularly in the short run. At this time, however, it is difficult to fully access the near or long term impact on the livestock and meat industry.

Because of the large supplies of red meat and poultry and the weakening economy, retail meat prices were relatively stable during the first two months of 1980. The February Consumer Price Index (CPI) for meats was unchanged from January and only 0.7 percent above December. It was only 2.3 percent above year-ago levels. This contrasts with an increase of 7.3 percent for all food and 15.7 percent for all items less food during the last 12 months.

Lower pork prices have to a large degree accounted for the stability in meat prices. The CPI for pork declined 1.7 percent before seasonal adjustment in February and was down 12.7 percent from February 1979. Bacon prices declined 2.3 percent in February and were down 16.3 percent from a year earlier.

The CPI for beef and veal increased 0.6 percent in February and were 9.4 percent above last February. The CPI for poultry was down 1.7 percent from a year earlier and other meats (frankfurters, bologna, etc.) were up 6.6 percent.

Retail meat prices this spring may increase moderately from the first quarter, but remain below year-earlier levels. Pork prices are expected to decline as pork production continues at near record rates. However, beef prices may increase moderately as beef production declines from the first-quarter level.

HOGS

Expectations of substantially higher hog prices in the second half of 1980 were dashed when the March Hogs and Pigs report showed the inventory of hogs to be marketed during the next 6 months up 9 percent from a year earlier. These marketings along with a weakening general economy will temper price increases for the rest of the year.

Hog Production Continues To Expand

The March 1, 1980, inventory was larger than many analysts expected because producers indicated in the previous Hogs and Pigs report they did not plan further expansion. The breeding inventory had been reduced by 852,000 head from June to December 1979. Producers also indicated December-February farrowings would be unchanged from a year earlier and March-May farrowings would be down 1 percent.

Furthermore, returns to farrow-to-finish producers have been below production costs since last summer. This spurred a slaughter of 36 percent more sows from December 1979 to February 1980 than a year earlier. The high sow slaughter rate led many analysts to expect the March 1 breeding inventory would be substantially below year-earlier levels and farrowings would be below December intentions.

But the March 1 breeding inventory was down only 3 percent and December-February farrowings exceeded year-earlier levels by 3 percent. A large increase in the number of pigs saved per litter—7.17, compared with 6.87 a year earlier—boosted the December-February pig crop 7 percent above last year. The mild winter weather this year likely contributed to the increase in the number of pigs saved per litter. Transmissible gastroenteritis (TGE), a disease causing high death losses of baby pigs, was prevalent a year ago but was not a major factor this year.

Farrowings during December to February exceeded intentions the most in the northwest Corn Belt. Intentions as of last December indicated farrowings would be down 9 percent in Iowa, up 8 percent in Minnesota, up 6 percent in South Dakota, and down 11 percent in Wisconsin. But actual farrowings were up 3 percent in Iowa, 18 percent in Minnesota, 12 percent in South Dakota, and 11 percent in Wisconsin.

These States are areas where corn prices have been well below the national average. Abundant corn supplies, transportation difficulties, and storage problems kept corn prices low, so producers in these States probably increased farrowings so they could market their corn through hogs rather than sell it at low prices.

Hog Slaughter At Record Levels

Hog slaughter was at record levels for January and February and, with the large December-February pig crop, slaughter is expected to continue near record levels for most of the year. Hog slaughter in the first quarter was about 24 million head, up 20 percent from a year earlier and 24 percent from 2 years ago. Federally inspected hog slaughter averaged 1.8 million a week during the first quarter.

Second quarter slaughter will be drawn predominantly from the inventory of market hogs weighing 60 to 179 pounds on March 1. There were 11 percent more hogs in this weight category than a year ago, so hog slaughter may be up by a similar percentage and could total 23.5 to 24.0 million head, compared to 21.7 million last year.

Hog slaughter in the third quarter will be drawn mainly from the market inventory that weighed less than 60 pounds on March 1. With hogs in this category up 6 percent from a year earlier, hog slaughter could total 23.0 to 23.5 million head in the third quarter.

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	1.1
Gilts added	.7	1.0	1.1	.5	1.0	1.2
March 1 breeding	6.1	6.7	7.0	6.9	8.3	8.1
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.

Hog Prices To Remain Under Pressure

The large slaughter of hogs is only one of the factors depressing hog prices. Stocks of pork are much larger than a year ago, supplies of red meat and poultry are large, and the demand for meat appears to have slackened because of a weakening economy.

Stocks of pork at the end of February were 24 percent above the previous year. Pork belly stocks were 83 percent above 1979 and the largest February holdings since 1972. With the current record high interest rates for borrowed capital, the cost of holding stocks may exceed any prospective increase in the value of stocks resulting from higher pork prices. This may limit the amount of pork being added to stocks from what would have otherwise occurred and increase the amount moving into market channels for immediate consumption.

Because of large supplies of pork and other competing meats, retail pork prices have been well below year-earlier levels. The February average price was $1.33 per pound, down from $1.57 last February. With large supplies of pork, retail pork

Hog prices, costs, and net margins[1]

Year	Barrows & gilts 7 markets	Feed and Feeder	Break-even	Net margins
	$ per cwt.			
1977				
March	37.53	27.23	34.14	+3.39
April	36.97	30.41	37.42	-.45
May	41.79	30.75	37.83	+3.96
June	43.86	34.91	42.43	+1.43
July	45.76	37.99	45.70	+.06
August	44.38	39.89	47.71	-3.33
September	41.40	39.25	47.21	-5.81
October	40.83	35.71	43.48	-2.65
November	39.33	34.15	41.96	-2.63
December	43.99	33.45	41.22	+2.77
1978				
January	45.99	31.89	39.58	+6.41
February	48.83	30.64	38.25	+10.58
March	47.50	31.63	39.31	+8.19
April	46.04	31.00	38.62	+7.42
May	49.17	33.44	41.33	+7.85
June	48.31	36.97	45.40	+2.91
July	46.78	41.37	50.09	-3.31
August	48.77	43.88	52.71	-3.94
September	50.00	43.58	52.26	-2.26
October	52.23	39.60	48.01	+4.22
November	48.36	38.71	47.12	+1.24
December	49.57	40.35	49.02	+.55
1979				
January	52.13	40.85	49.63	+2.50
Febuary	54.42	41.04	49.79	+4.63
March	49.38	39.56	48.27	+1.11
April	45.04	38.58	47.23	-2.19
May	43.79	37.67	46.43	-2.64
June	40.29	42.60	52.18	-11.89
July	38.73	43.17	52.85	-14.12
August	38.21	42.73	52.39	-14.18
September	38.62	38.58	47.83	-9.21
October	34.70	34.49	43.38	-8.68
November	36.01	33.58	42.32	-6.31
December	38.45	32.30	40.90	-2.45
1980				
January	37.49	33.96	42.73	-5.24
February	37.51	30.83	39.45	-1.94
March		31.98	41.04	
April		32.04	41.12	
May		33.71	42.93	
June		35.87	45.29	

[1] Selling price required to cover costs of feeding 40-50 lb. feeder pig to 220 lb. slaughter hog in Corn Belt.

prices may stay below year-ago levels until the summer.

Hog prices also have been well below the previous year. Barrow and gilt prices ranged in the upper-$30's during January and February, but dropped to the low-$30's in late March and averaged $36 for the first quarter, down from $52 a year ago. Second-quarter hog prices may average $34-$37, ranging from the low-$30's at the beginning of the quarter to the upper $30's at the end. Third-quarter prices are expected to average in the upper-$30's, but there may be short periods when they increase to the low-$40's.

June-November Farrowings Hold Key To 1981 Prices

Producers in the 14 States surveyed on or about March 1 indicated March-May farrowings would be about the same as a year earlier and June-August farrowings would be down 3 percent. If intentions are realized, hog prices are expected to be in the mid- to upper-$30's during the fourth quarter.

However, the sharp decline in hog prices since the March survey and a less favorable price outlook for the next 6 months may induce producers to re-evaluate their production plans. Since sows that will farrow during March-May were bred before the latest survey was taken, pregnant sows and gilts would have to be slaughtered to reduce March-May farrowings from intentions. But producers still could change the number of sows and gilts that are being bred this spring and expected to farrow during June to August.

The number of sows that farrow from June to November this year will determine hog slaughter levels during the first half of 1981 and will have a major impact on hog prices in that period. Supplies of competing meats, economic conditions, and other factors will also impact on hog prices. But if one assumes that beef and poultry supplies in the first half of 1981 will be near first-half 1980 levels and nominal income grows by 8 to 10 percent, it is possible to estimate hog prices for the first half of 1981 given different levels of farrowings from June to November this year.

Under these assumptions, if June-November 1980 farrowings are about 5 percent above 1979 levels, historical relationships would suggest hog prices may average $33 to $38 during the first half of 1981. Farrowings at year-ago levels could result in prices averaging $37 to $42. A 5-percent decrease in farrowings could result in prices averaging $41 to $46, and a 10-percent decrease could result in hog prices averaging $45 to $50.

It must be emphasized, though, that supplies of competing meats in the first half of 1981 could vary significantly from the above assumptions. This year's feed grain crop, which is uncertain at this time, will affect livestock production levels in 1981. Furthermore, the rate of income growth is very uncertain. Deviations from the assumptions would result in prices other than those indicated.

CATTLE

Despite lower beef supplies, further slowing in real income growth and continued large pork and poultry supplies have held down cattle and retail beef prices. The recent measures to slow the rate of inflation and the bearish March Hogs and Pigs report helped to set the stage for beef cattle outlook during the remainder of 1980.

Slow Marketing Pace, Heavy Marketing Weights Continue

Low fed cattle prices and uncertain future price expectations have made cattle feeders reluctent to sell cattle they have in feedlots and purchase replacement feeder cattle. This slow marketing pace has continued to result in high average dressed weights. First-quarter 1980 federally inspected dressed slaughter weights averaged over 650 pounds, compared to 630 pounds a year ago and 647 pounds in the fourth quarter of 1979. However, slaughter weights have declined throughout the first quarter as a result of lighter steer and heifer dressed slaughter weights. However, dressed steer weights still averaged about 715 pounds, the same as in fourth-quarter 1979 and about 25 pounds above a year ago.

Cattle marketings slowed again in the latter half of March as the beef industry adjusted to changing economic conditions. Federally inspected slaughter declined from a weekly rate of 590,000 to 600,000 head in the first half of March to only 530,000 in the week ending March 22 and about 567,000 head in the last week of March. The industry is adjusting to higher interest rates by reducing meat storage stocks.

Seven State Cattle On Feed Report

Cattle placed on feed and the number of cattle on feed continue well below year-earlier levels. Placements in January and February were 13 and 8 percent below year-earlier levels, respectively, while the number on feed at the beginning of February and March was down 9 percent. Fed cattle marketings were down 9 percent in January but only 5 percent in February. The smaller year-to-year decline in marketings during February and the decline in steer and heifer slaughter weights suggested that feedlots were getting more current with their inventories and that some of the downward pressure of heavyweight cattle on fed cattle prices was easing. However, recent reductions in cattle slaughter levels have slowed the marketing pace which will shift additional production into the second quarter.

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	1,664	+16.0	1,678	-1.9
Apr.	8,262	+13.5	1,300	-11.6	1,701	+9.5
May.	7,861	+9.2	1,825	+37.0	1,673	+13.1
June	8,013	+13.6	1,626	+18.9	1,657	+7.2
July.	7,982	+16.1	1,489	+3.5	1,604	+11.2
Aug.	7,867	+14.5	1,642	+13.0	1,674	+4.8
Sept.	7,835	+16.5	2,352	+34.5	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	1,743	-11.3	1,656	+3.2
1979						
Jan..	9,226	+3.3	1,578	+9.8	1,875	+7.1
Feb.	8,729	+1.3	1,135	-15.7	1,650	-1.6
Mar.	8,214	-0.7	1,419	-14.7	1,685	+1.4
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	1,421	-12.6	1,557	-6.0
July.	7,562	-5.3	1,103	-25.9	1,462	-8.8
Aug.	7,203	-8.4	1,268	-22.8	1,634	-2.4
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	-11.2	1,516	+13.0	1,331	-19.6
1980						
Jan..	8,454	-8.4	1,200	-24.0	1,697	-9.5
Feb.	7,957	-8.8	1,051	-7.4	1,565	-5.1
Mar.	7,443	-9.4				

Negative Feeding Margins Continue

Negative net margins continue for cattle feeders. The net margin table indicates that cattle feeders have failed to cover all costs since last August. Feeders have covered feed and feeder cattle costs since December. With only modest increases in fed cattle prices expected this spring and summer, cattle feeders probably will continue to fail to cover all costs on cattle now on feed.

Feed costs are expected to increase slightly in most areas in 1980. However, uncertainty concerning future corn prices and record large feed grain supplies may be encouraging some feeders in the western Corn Belt to place more cattle on feed. Corn prices in this area are below the national average. Placements in both Nebraska and Iowa exceeded year-earlier levels in February.

Higher interest rates are further increasing cattle feeding costs. A year ago, interest rates on commercial cattle feeding loans averaged about 10.5 percent, these rates now exceed 16.5 percent in many areas. The increase to 16.5 percent alone has added nearly $17 per head to cattle feeding costs during the typical feeding period. Costs for most other inputs have also increased.

Reduced feeder cattle movement is likely this spring as feeder cattle producers with adequate pasture resist lower price bids by retaining their cattle for additional weight gain. Higher interest rates alone could force feeder cattle prices lower. Increased uncertainty about the demand for meat and negative returns to cattle feeding make the highly competitive bidding pace for feeder cattle of last spring unlikely to be repeated this year.

Beef production in the first quarter was about 5 percent below the same period in 1979. A very slow marketing pace in the second half of March will result in more cattle being carried over into the second quarter and marketed at heavier weights. Second and third quarter production may be near the 1979 levels with fed cattle prices beginning to rise near the end of the second quarter. Declining fed

Steer prices, costs, and net margins[1]

Year	Steers Omaha	Feed & Feeder	Break-even	Net margin
	$ per cwt.			
1977				
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	66.79	+0.27
August	62.74	61.90	70.39	-7.65
September	67.84	66.14	74.93	-7.09
October	65.81	68.02	77.02	-11.21
November	67.00	68.31	76.30	-9.30
December	67.78	64.70	73.40	-5.62
1980				
January	66.32	66.00	74.82	-8.50
February	67.44	62.70	71.32	-3.88
March		66.40	75.27	
April		63.89	72.84	
May		63.95	72.96	
June		64.37	73.42	
July		63.91	73.39	
Aug.		64.92	74.57	

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

cattle marketing in the third quarter are expected to be offset by seasonally increased nonfed slaughter.

Prices

For much of the last six months Choice 900-1,100 pound steer prices at Omaha have ranged in the mid- to high-$60's. Prices averaged about $67 during the first quarter of this year.

Feeder cattle prices were also fairly stable through early March. However, by late March 600-700 pound yearlings and 400-500 pound steer calves' prices at Kansas City had declined about $5-$10 to the mid-$70's and $80's, respectively. The movement of cattle off wheat pasture in late March added to the downward price movement. Net margins for cattle feeders continue unfavorable and increased feeding costs will continue to put additional downward pressure on feeder cattle prices.

Choice 900-1,100 pound steer prices are expected to average $68-$72 in the second quarter with much of the increase coming near the end of the quarter. Third quarter prices may average only slightly above the second quarter average. Heavy marketing weights, large supplies of competing meats, and a slowing economy afford little opportunity for price strength.

The composite retail price for Choice beef averaged about $2.36 per pound in the first quarter of this year, up 10 percent from a year ago. Second quarter prices are expected to average $2.40 to $2.44 compared to an April-June 1979 average of $2.36. This represents a sharply reduced rate of increase in retail beef prices when compared to the 10-percent increase between the first and second quarters of 1979. Increased marketing costs will continue to be reflected in higher retail prices even though live cattle prices are expected to remain below year-earlier levels through most of the spring.

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:								
1979								
January	2,070	405	226	15	424	23	2,239	10.3
February	1,700	424	213	21	403	14	1,899	8.7
March	1,777	403	239	20	427	11	1,961	9.0
April	1,585	427	222	18	410	15	1,791	8.2
May	1,765	410	216	14	412	11	1,954	9.0
June	1,726	412	239	18	396	18	1,945	8.9
July	1,683	396	186	17	370	14	1,864	8.5
August	1,921	370	152	19	324	14	2,086	9.5
September	1,618	324	154	20	297	13	1,766	8.1
October	1,941	297	148	15	308	8	2,055	9.4
November	1,780	308	201	18	322	12	1,937	8.8
December	1,695	322	209	20	350	17	1,839	8.4
1980								
January	1,884	350	211	19	369			
February	1,707	369			361			
Veal:								
1979								
January	40	9	2	1	10	1	39	.2
February	35	10	2	1	9	(3)	37	.1
March	38	9	3	1	9	1	40	.2
April	33	9	2	1	9	(3)	34	.2
May	33	9	2	1	9	1	33	.1
June	32	9	1	(3)	8	(3)	34	.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	30	.1
October	37	7	2	(3)	8	(3)	38	.2
November	33	8	3	(3)	9	(3)	35	.2
December	30	9	6	1	10	1	33	.1
1980								
January	33	10	2	(3)	11			
February	28	11			10			
Lamb and Mutton:								
1979								
January	23	12	5	(3)	11	(3)	29	.1
February	21	11	3	(3)	11	(3)	24	.1
March	27	11	5	(3)	12	(3)	31	.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	.1
September	23	12	3	1	11	(3)	26	.1
October	26	11	3	(3)	12	(3)	28	.2
November	24	12	3	(3)	11	(3)	28	.1
December	23	11	2	1	11	1	23	.1
1980								
January	27	11	2	(3)	10			
February	25	10			10			
Pork:[5]								
1979								
January	1,146	242	43	36	224	13	1,158	5.3
February	1,000	224	36	27	219	8	1,006	4.6
March	1,249	219	44	33	246	8	1,225	5.7
April	1,236	246	47	38	278	7	1,206	5.5
May	1,307	278	39	42	290	13	1,279	5.9
June	1,211	290	51	38	270	10	1,234	5.6
July	1,220	270	40	36	225	8	1,261	5.8
August	1,351	225	37	34	180	8	1,391	6.4
September	1,204	180	35	40	178	11	1,190	5.4
October	1,550	178	39	43	219	7	1,498	6.8
November	1,470	219	44	37	257	8	1,431	6.5
December	1,326	257	44	44	281	8	1,294	5.9
1980								
January	1,449	281	42	32	285			
February	1,287	285			272			
Total Meat:								
1979								
January	3,279	668	275	52	669	37	3,456	15.9
February	2,756	661	254	49	642	22	2,973	13.8
March	3,091	641	291	54	694	20	3,259	15.0
April	2,879	694	276	57	709	22	3,060	14.0
May	3,130	709	261	57	724	25	3,304	15.1
June	2,990	724	297	57	685	28	3,241	14.9
July	2,949	685	229	53	615	22	3,173	14.6
August	3,329	615	193	53	523	22	3,549	16.2
September	2,876	523	193	62	493	25	3,009	13.6
October	3,556	493	193	58	547	15	3,621	16.5
November	3,306	547	251	55	599	20	3,429	15.6
December	3,076	623	260	65	652	27	3,193	14.3
1980								
January	3,393	652	257	51	675			
February	3,047	675			653			

[1] Excludes production for farm slaughter. [2] Derived from estimates by months of population eating out of civilian food supplies. [3] Less than 500,000 lb. [4] Beginning 1977, excludes beef and pork stocks in cooler. [5] Includes stocks of canned meats in cooler in addition to the meats listed.

Selected price statistics for meat animals and meat

Item	1979								1980	
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	Dollars per 100 pounds									
SLAUGHTER STEERS:										
Omaha:										
Choice, 900-1100 lb.	73.99	68.53	67.06	62.74	67.84	65.81	67.00	67.78	66.32	67.44
Good, 900-1100 lb.	69.86	64.55	61.31	57.48	60.49	61.27	62.35	63.06	61.89	62.54
California, Choice 900-1100 lb.	76.10	69.19	68.38	63.70	68.88	64.90	70.44	69.94	67.15	69.94
Colorado, Choice 900-1100 lb.	74.61	69.68	68.49	63.25	68.43	65.04	67.51	67.52	64.59	66.57
Texas, Choice 900-1100 lb.	75.73	70.48	69.25	63.50	68.80	65.49	68.15	69.66	67.17	68.80
SLAUGHTER HEIFERS:										
Omaha:										
Choice, 900-1100 lb.	72.48	67.80	64.79	60.94	65.90	63.87	65.02	66.50	61.30	66.21
Good, 700-900 lb.	67.08	63.48	60.55	55.13	59.58	58.42	59.38	61.41	60.77	61.44
COWS:										
Omaha:										
Commercial	56.07	51.16	47.50	46.70	48.64	46.90	45.66	46.15	46.99	50.41
Utility	55.51	50.60	47.80	48.33	49.65	47.71	46.49	46.98	47.94	51.22
Cutter	53.42	48.18	45.80	46.59	48.32	46.06	44.12	44.55	45.49	48.78
Canner	50.84	45.79	43.32	44.13	46.24	44.37	42.21	41.81	42.54	46.19
VEALERS:										
Choice, S. St. Paul	110.35	94.25	92.29	88.74	96.68	96.48	73.88	70.00	70.00	70.88
FEEDER STEERS:[1]										
Kansas City:										
Medium No. 1, 400-500 lb.	106.68	96.38	98.72	98.39	104.29	94.04	92.99	93.84	91.64	98.08
Medium No. 1, 600-700 lb.	88.32	82.19	82.48	79.31	85.34	81.29	82.44	82.80	80.52	83.18
Medium No. 2, 600-700 lb.	78.53	75.28	74.94	71.59	75.14	71.80	72.48	72.25		
All weights and grades	82.20	75.00	72.07	72.37	77.81	73.34	78.92	77.55	76.52	78.35
Amarillo:										
Medium No.1, 600-700 lb.	85.90	75.74	79.00	76.13	80.88	78.43	80.78	80.85	79.63	82.62
Georgia Auctions:										
Medium No. 1, 600-700 lb.	79.90	75.38	73.83	70.10	74.88	70.20	71.12	68.50	73.00	79.88
Medium No. 2, 400-500 lb.	88.20	82.25	83.50	78.70	80.75	75.20	78.12	74.33	79.88	87.12
FEEDER HEIFERS:										
Kansas City:										
Medium No. 1, 400-500 lb.	89.18	83.15	83.52	79.39	86.53	79.02	77.36	78.66	77.54	83.00
Medium No. 1, 600-700 lb.	76.80	74.32	73.88	69.18	75.07	71.40	71.49	72.35	71.66	74.45
SLAUGHTER HOGS:										
Barrows and Gilts:										
Omaha:										
Nos. 1 & 2, 200-230 lb.	44.78	41.61	40.46	38.92	39.28	35.21	37.33	39.86	38.41	38.26
All weights	43.43	39.46	38.17	37.71	38.42	34.62	35.47	37.75	37.29	37.54
Sioux City	43.80	39.94	38.58	38.41	38.80	34.92	36.13	38.30	37.58	38.02
7 markets[2]	43.79	40.29	38.73	38.21	38.62	34.70	36.01	38.45	37.49	37.51
Sows:										
7 markets[2]	39.59	33.62	30.70	30.38	32.63	30.07	29.39	30.80	33.52	35.49
FEEDER PIGS:										
Nos. 1 & 2, So. Mo., 40-50 lb. (per hd.)	40.89	30.11	24.14	24.58	29.30	23.10	26.35	25.82	29.52	34.84
SLAUGHTER LAMBS:										
Lambs, Choice, San Angelo	73.20	68.83	65.83	62.65	67.75	66.50	66.63	68.12	67.40	66.31
Lambs, Choice, So. St. Paul	66.18	60.90	62.29	59.75	65.92	62.76	62.08	66.10	63.62	64.28
Ewes, Good, San Angelo	32.85	28.88	31.83	29.60	28.56	25.55	27.00	27.17	26.50	30.52
Ewes, Good, So. St. Paul	24.14	21.28	22.34	22.68	22.48	17.68	17.00	20.70	21.00	21.00
FEEDER LAMBS:										
Choice, San Angelo	76.15	71.12	70.25	71.00	74.25	70.00	73.00	79.83	77.88	79.00
Choice, So. St. Paul	67.50	67.50	68.12	66.50	68.42	70.04	67.82	69.70	71.10	68.50
FARM PRICES:										
Beef cattle	71.50	66.90	65.60	61.30	66.90	65.10	64.20	64.70	63.90	66.80
Calves	96.70	90.20	90.00	84.60	91.60	86.70	85.10	84.40	85.60	91.80
Hogs	43.60	39.70	37.90	35.50	37.50	34.00	34.40	37.50	36.30	37.20
Sheep	26.60	24.80	25.80	26.20	26.10	25.10	25.50	24.70	25.30	25.30
Lambs	70.10	67.00	65.00	61.10	67.00	65.40	64.70	66.30	66.50	63.10
MEAT PRICES:										
Wholesale:										
Central U.S. markets										
Steer beef, Choice, 600-700 lb.	108.64	103.56	99.85	94.13	101.91	98.32	103.22	105.53	102.26	103.70
Heifer beef, Choice, 500-600 lb.	107.34	102.28	98.07	92.63	99.00	96.91	100.94	104.07	101.02	102.51
Cow beef, Canner and Cutter	105.22	97.12	95.08	103.50	94.62	97.59	96.17	96.72	98.98	101.00
Pork loins, 8-14 lb.	92.06	96.43	87.62	83.98	88.41	80.07	74.12	83.97	80.76	81.28
Pork bellies, 12-14 lb.	46.57	44.09	38.95	36.51	38.63	33.51	43.72	40.88	38.75	34.64
Hams, skinned, 14-17 lb.	72.29	70.17	64.48	66.84	70.64	75.84	87.91	80.15	64.94	66.81
East Coast:										
Lamb, Choice and Prime, 35-45 lb.	140.15	132.86	126.38	119.78	128.40	125.35	125.85	131.72	136.98	135.40
Lamb, Choice and Prime, 55-65 lb.	131.35	128.81	123.33	117.55	128.05	123.85	123.19	127.03	125.30	135.40
West Coast:										
Steer Beef, Choice, 600-700 lb.	112.96	105.40	104.42	100.01	108.14	103.53	111.15	110.57	106.75	109.71
Retail:										
Beef, Choice	240.2	233.6	232.2	220.9	226.6	224.3	226.2	232.6	234.5	234.8
Veal	289.1	294.4	294.1	293.2	298.2	296.6	298.5	299.8	301.6	303.8
Pork	149.3	144.5	142.4	135.9	135.6	134.3	132.2	136.3	135.3	133.2
Lamb	250.7	251.1	248.0	244.8	244.8	242.9	247.3	245.4	249.0	249.1
Price Indexes (BLS, 1967=100)										
Retail meat	252.1	249.6	248.0	237.8	238.1	238.6	237.4	242.3	244.1	244.1
Beef and veal	270.3	266.9	266.4	251.9	254.2	256.2	255.5	262.2	264.6	266.2
Pork	222.2	217.2	215.1	207.4	206.5	204.3	201.0	205.0	206.4	202.8
Other meats	244.0	248.9	245.1	243.5	240.2	240.7	242.0	243.0	243.2	244.7
Poultry	188.0	187.2	186.2	177.1	174.8	170.3	171.6	176.2	187.8	182.6
LIVESTOCK-FEED RATIOS, OMAHA[3]										
Beef steer-corn	30.8	26.4	24.7	25.7	26.5	28.1	28.9	28.7	29.3	29.1
Hog-corn	18.1	15.2	14.1	15.4	16.2	14.6	15.3	16.0	16.5	16.2

[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	1979 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1980 Jan.	Feb.
FEDERALLY INSPECTED:													
Slaughter:													
Cattle	1,000 head	2,670	2,366	2,622	2,553	2,492	2,862	2,390	2,837	2,593	2,470	2,739	2,486
Steers	1,000 head	1,402	1,247	1,393	1,380	1,289	1,470	1,205	1,395	1,254	1,265	1,444	1,333
Heifers	1,000 head	748	653	727	719	750	886	733	867	755	665	720	672
Cows	1,000 head	474	424	452	408	404	452	402	514	533	494	520	432
Bulls and stags	1,000 head	46	42	49	47	49	54	51	59	51	47	54	49
Calves	1,000 head	245	201	188	162	190	216	193	225	210	192	212	187
Sheep and lambs	1,000 head	431	425	421	371	384	415	410	455	386	389	449	419
Hogs	1,000 head	7,113	6,962	7,284	6,678	6,734	7,662	6,840	8,736	8,097	7,234	8,036	7,276
Percentage sows	Percent	4	4	5	5	7	7	6	6	7	7	6	5
Average liveweight per head:													
Cattle	Pounds	1,063	1,064	1,065	1,064	1,061	1,060	1,064	1,075	1,080	1,087	1,097	1,097
Calves	Pounds	200	215	227	237	224	204	203	210	198	201	206	205
Sheep and lambs	Pounds	120	115	115	112	112	110	112	113	114	116	116	117
Hogs	Pounds	238	240	243	246	246	240	240	242	245	246	243	239
Average dressed weight:													
Beef	Pounds	630	634	639	642	640	640	642	648	646	648	653	654
Veal	Pounds	123	130	140	146	137	126	124	130	121	121	127	127
Lamb and mutton	Pounds	61	58	57	56	56	55	55	56	57	59	59	59
Pork	Pounds	170	172	174	175	175	171	170	171	174	175	173	170
Production:													
Beef	Mil. lb.	1,677	1,494	1,670	1,634	1,588	1,824	1,528	1,830	1,666	1,594	1,782	1,618
Veal	Mil. lb.	29	26	26	23	26	27	24	28	25	23	26	23
Lamb and mutton	Mil. lb.	26	25	24	20	21	22	22	25	22	23	26	25
Pork	Mil. lb.	1,203	1,191	1,262	1,168	1,176	1,302	1,159	1,492	1,403	1,260	1,386	1,234
COMMERCIAL:													
Slaughter:[1]													
Cattle	1,000 head	2,853	2,533	2,793	2,719	2,663	3,034	2,551	3,038	2,798	2,653	2,923	2,645
Calves	1,000 head	272	223	214	193	218	241	217	254	240	216	235	205
Sheep and lambs	1,000 head	444	444	435	386	400	433	428	474	403	403	462	431
Hogs	1,000 head	7,398	7,236	7,560	6,944	7,003	7,963	7,117	9,101	8,499	7,636	8,416	7,603
Production:													
Beef	Mil. lb.	1,777	1,585	1,765	1,726	1,683	1,921	1,618	1,941	1,780	1,695	1,884	1,707
Veal	Mil. lb.	38	33	33	32	34	34	31	37	33	30	33	28
Lamb and mutton	Mil. lb.	27	25	25	21	22	23	23	26	23	23	27	25
Pork	Mil. lb.	1,249	1,236	1,307	1,211	1,220	1,351	1,204	1,550	1,470	1,326	1,449	1,287
COLD STORAGE STOCKS FIRST OF MONTH:[2]													
Beef	Mil. lb.	405	427	410	412	396	370	324	297	308	322	350	369
Veal	Mil. lb.	8	9	9	9	8	8	7	7	8	9	10	11
Lamb and mutton	Mil. lb.	11	12	12	13	11	12	12	11	12	11	11	10
Pork	Mil. lb.	220	246	278	290	270	225	180	178	219	257	283	284
Total meat and meat products[3]	Mil. lb.	711	763	785	791	747	688	579	551	606	658	709	735
FOREIGN TRADE:													
Imports: (carcass weight)													
Beef and veal	Mil. lb.	242	224	218	240	187	153	155	150	204	215	213	
Pork	Mil. lb.	44	47	39	51	40	37	35	39	44	44	42	
Lamb and mutton	Mil. lb.	6	5	3	6	3	3	3	3	3	2	3	
Exports: (carcass weight)													
Beef and veal	Mil. lb.	15.78	15.77	10.51	14.05	13.73	14.69	16.32	12.16	13.45	15.46	14.90	
Pork	Mil. lb.	20.40	23.48	28.82	25.54	24.38	19.90	27.39	28.83	19.66	30.49	18.01	
Lamb and mutton	Mil. lb.	.05	.06	.08	.12	.08	.08	.11	.19	.16	.11	.05	
Live animal imports:													
Cattle	Number	42,037	40,527	48,876	27,594	19,550	18,329	20,261	38,689	132,370	200,136	165,717	
Hogs	Number	14,698	3,982	13,281	7,201	5,781	4,960	6,459	5,870	7,419	16,510	31,549	
Sheep and lambs	Number	4	8	79	28	36	345	609	3,728	2,787	642	0	
Live animal exports:													
Cattle	Number	5,213	4,694	4,352	7,539	6,903	7,987	3,847	4,860	3,034	6,058	7,450	
Hogs	Number	624	985	1,394	809	2,201	959	806	1,846	1,229	1,186	1,036	
Sheep and lambs	Number	8,597	23,962	9,562	11,986	18,732	14,830	9,772	8,710	4,867	6,053	3,435	

[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

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