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Livestock, Dairy, and Poultry Outlook

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Milk Production To Increase; Prices To Decline

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Milk production in 2003 is expected to increase about 1 percent, compared with 2.6 percent in 2002. However, demand for dairy products weakened substantially in 2002 and now large commercial stocks overhang the market, pressuring prices. Farm milk prices have fallen from an average of nearly $15 per hundredweight (cwt) in 2001 to just more than $12 in 2002. In 2003, prices are to fall further and average $11.10 to $11.70 per cwt.

Total red meat and poultry production is expected to be down over 1 percent in 2003, compared with a more than 3-percent increase in 2002. Cattle and hog producers continued to reduce their breeding herds, and hatchery data indicate a continuing pull back by poultry producers. Livestock and poultry prices are projected to be higher across the board in 2003.

In early 2003, beef and pork production have been larger than expected. The increased beef production is largely due to the highest cow slaughter since 1997. Dairy cow slaughter through February is up about 10 percent compared with last winter. Beef cow slaughter is up about 3 percent. Dairy cow slaughter is up because of poor returns and a large number of replacement dairy heifers available. Producers are culling their poorer cows, and replacing them with heifers. The higher beef cow slaughter reflects continued deterioration in forage conditions and a colder winter. The larger than expected hog slaughter may reflect more gilts coming to slaughter as producers reduce the sow and gilt inventory.

Broiler production in 2003 is expected to be about 32.3 billion pounds, just barely above 2002. Broiler production has increased each year since 1975. Weekly chick placements continue to run below a year ago in response to low prices last fall and continuing trade uncertainties. Turkey production is expected to total about 5.7 billion pounds, down less than 1 percent from last year. In 9 of the last 11 months, the number of poults placed for growout has been below the level of the same month the previous year.

Dairy

Dairy Doldrums To Continue

The dairy industry in early 2003 was in much the same shape as during 2002. Milk production was still growing briskly, mostly on unusually strong milk cow numbers. Meanwhile, commercial use's struggle to post significant gains continued. Commercial stocks of butter are huge, and other commercial stocks are quite ample. Signs of adjustment to much lower prices are beginning to emerge. But, these signs are quite faint, and no real momentum has developed to slow growth in milk production or to boost dairy demand. Significant recovery in milk prices does not seem likely in 2003.

Milk prices collapsed in 2002 as surging production shot past sagging dairy demand. Generally high returns during 1996-2001 generated strong pressures for expansion in milk production. However, these pressures were largely stymied in 2001 by a shortage of replacement heifers and tight supplies of western alfalfa. Expansion was not to be denied in 2002 as the problems of the previous year began to be resolved.

Demand for dairy products weakened substantially in 2002. Commercial use grew just barely, even though prices were substantially lower. Weak demand in 2002 was in sharp contrast to the very robust demand of the preceding 4 years.

Farm milk prices fell from an average of almost $15 per cwt in 2001 to just more than $12 in 2002, ending the year even weaker than at the start. Recent milk prices were the lowest since the late 1970s and have rather dim prospects for recovery in the short term.

Milk Production Surge Continues

Milk cow numbers in the 20 major States edged higher during most months of 2002, going from slightly below a year earlier in early 2002 to almost 1 percent above by yearend. For all States, milk cow numbers were not quite as strong, growing during the first half and then staying about flat during the rest of the year. Sizable numbers of new or greatly expanded facilities came into production, and earlier expansions were brought up to capacity. The lack of replacement heifers made increases in cow numbers more gradual than normal. In addition, relatively few farms quit dairying. Most of the weaker dairy operations have fairly low debt, giving them considerable flexibility as to when they leave. The relatively strong returns of recent years and the direct payments from Milk Income Loss Contracts (MILC) gave them extra resiliency to very low milk prices.

Last autumn's sharp drop in prices of replacements indicated that heifer supplies are no longer a substantial restraint on milk cow numbers. It also meant that upward pressure on cow numbers may have started to ease, as the surge in expansions probably has crested. However, dairy farm exits have yet to pick up much, although some acceleration is expected as the year progresses. Fewer expansions and more exits would start milk cow numbers declining in coming months. However, declines probably will be gradual and are not likely to be dramatic by even yearend. For the year, the decrease in average milk cows is projected to be less than 1 percent.

The 2002 forage situation was highly mixed. Alfalfa hay production was down slightly and stocks of all hay (and probably alfalfa) were substantially lower on December 1, 2002. Alfalfa quality in most areas varied greatly from cutting to cutting. Silage quality and yields also were erratic because of dry weather. However, the situation for dairy farmers probably is not as bad as it might appear. The West likely has the best alfalfa situation in several years, the result of larger output and weaker export demand. Also, the greatest pressure on forage supplies has been from beef producers looking for grass or low quality alfalfa hay. Since autumn, alfalfa hay prices have run below a year earlier.

Forage developments may be critical in 2003. In some years with similar conditions, dairy farmers simply ran out of adequate forage in late spring, and milk per cow was harmed significantly. Whether such a situation emerges will hinge on the largely unknown amounts and quality of forage stocks on dairy farms and on forage crop development early in the new season. Dairy farmers will be vulnerable throughout the season to

any shortfalls in 2003 production of dairy quality forage.

Smaller crops of feed grains and soybeans boosted concentrate prices during 2002. The price impacts were somewhat muted by the effects of large stocks at the end of the previous crop year. Even so, higher feed prices and much lower milk prices dropped milk-feed price ratios sharply from 2001's very high levels to levels normally associated with below-trend increases in concentrate feeding and milk per cow.

The expected low milk prices probably will leave milk-feed price ratios quite low again in 2003, even if crops are normal. Concentrate feed prices are projected to be above a year earlier (and milk prices below) through at least summer. Additionally, feed prices will be more vulnerable to weather problems this year because of the reduced carryin stocks.

Milk per cow rose 2.3 percent in 2002, much less impressive than it seems following stagnation in 2001. Milk per cow made only slight recovery against the long-run trend. Compared with the 5-year average, 2002 milk per cow grew at an annual average rate of only 1.7 percent, much below the trend of 2 percent or a bit more. Low milk-feed price ratios and erratic forage quality share much of the blame. Disrupted culling patterns because of the lack of heifer availability probably also contributed. Gains in milk per cow weakened considerably as the year progressed.

Very weak growth going into 2003, little economic incentive to boost concentrate feeding, and erratic forage quality do not bode well for increases in milk per cow, even if this year's weather is normal. In addition, there likely is an unusually large share of first-calf heifers in the milking herd this year, further limiting potential gains. Milk per cow is projected to rise considerably less than 2 percent in 2003.

Milk production jumped 2.6 percent in 2002. Increases from a year earlier were very large through summer, first because of recovery in milk per cow and later because of growth in milk cow numbers. Although the autumn increase slackened, milk production expansion stayed sizable.

Changes in 2002 milk production varied greatly by region. Output rose rapidly in the West as the Mountain and Pacific regions boosted cow numbers and managed a mediocre increase in milk per cow. Production also rose in the Northern Plains, Corn Belt, Southern Plains, and Northeast. The Midwestern grain regions increased milk production because of increases in milk per cow large enough to offset modest declines in milk cow numbers. The increasing number of large "new style" dairy farms in those regions has lifted average milk per cow considerably. The Northeast had a sizable increase in milk per cow, following sluggish growth in 2001 that easily outweighed a fractional decrease in cow numbers. Meanwhile, brisk recovery in milk per cow in the Southern Plains dwarfed a sizable drop in milk cows.

Milk production slipped in the Lake States. A sizable decline in cow numbers was accompanied by only a small gain in milk per cow. Meanwhile, milk output continued to drop in the South. The Appalachian, Southeast, and Delta regions continue to lose cows relatively rapidly as many of their farmers have not been competitive at recent prices. Milk per cow was fairly stagnant in southern regions, in part because of a less favorable summer.

Milk per cow in 2002 was more than 10 percent larger than the 1996-98 average, an annual growth rate of 2.0 percent. About a fifth of the increase in average milk per cow during that period was due to shifts in the distribution of cows among States. If States' shares of the U.S. milk cow herd had remained unchanged during the last 5 years, milk per cow would have increased at only a 1.6-percent annual rate. Milk production is projected to increase about 1 percent in 2003.

Dairy Demand Recovery Delayed

After 3 years of extraordinary strength, demand weakened considerably in late 2001 and further in 2002. Commercial use of milkfat rose less than 1 percent from a year earlier, while sales of skim solids slipped. Sales sluggishness came in the face of sharply lower prices for wholesale users and retail prices below a year earlier during the second half. Restaurant sales and sales of premium products apparently were particularly affected.

Economic weakness undoubtedly was a major factor in the slowdown in dairy demand. However, the economic weakness was relatively quite mild in most ways. The recession just barely qualified as one, consumer incomes stayed fairly strong, and the increase in unemployment was relatively small. Consumers continued to spend at a fairly brisk pace, in part fueled by savings from mortgage refinancing. However, consumers made major shifts in how they spent. Spending on home-related items was strong, but the somewhat indulgent spending on food "treats" was reduced. In addition, economic recovery has been sluggish and erratic.

Unlike most recent periods of economic weakness, inexpensive restaurants did not seem to benefit from less spending in pricier restaurants. There were even some indications that more meals were being served at home, although many of them may have involved pre-prepared foods. These changes in away-from-home eating hurt demand for cheese, butter, and fluid cream, the strongest products in earlier years. Of particular importance to dairy was the lack of growth in pizza sales. The industry had counted on increases in pizza use, through thick and thin, for many decades.

Sales of butter rose only 1 percent in 2002, matching the anemic performance of American cheese. Both of these products exhibited strength during part of the year but neither could sustain growth for very long. Sales of other cheeses posted a much stronger, but not dramatic, rise of almost 4 percent. Faced with increased competition from imported milk proteins and reluctance from food processors to change formulations, commercial use of nonfat dry milk fell more than a fifth. Sales of fluid milk and ice cream rose just barely, even though demand for these products might have been expected to be relatively less affected.

Growth in dairy demand is expected to resume in 2003. Slow economic improvement is projected, and the recent retrenchment in dairy demand may have run its course. However, this modest demand growth probably will not be able to absorb the increase in milk production and to pull down the heavy beginning stocks except at continued weak prices. In addition, events in the Middle East may disrupt both the economy and dairy demand.

Cheese demand likely will expand in 2003, but growth is not expected to be robust because restaurant use may stay unsettled. Sales of butter are expected to grow, but demand probably will be somewhat sluggish. In addition to restaurant weakness, sales of premium products that use butter as an ingredient may not recover much, and processors probably will be reluctant to change formulations in light of the 1998-2001 history of generally high and volatile butter prices. Although retail sales account for considerably less than half of all butter use, much of 2003's increase in butter sales is likely to be at retail. Butter can be a very effective product for price specials, and sales often increase considerably. However, specials during the autumn holidays were not widespread, and early indications are that specialling during the spring holidays will be modest.

Commercial use of nonfat dry milk likely will grow in 2003. International market prices are projected to be near domestic prices during at least most of the year. Even if commercial exports are modest, the price parity should soften demand for imported milk proteins, similar to the experience in 2001. In addition, the very large drops in prices of nonfat dry milk since early 2001 may encourage food processors to incorporate more skim solids in processed foods, once demand for these products recovers from economic weakness. On the other hand, demand for fluid milk and soft products probably will continue to stagnate. Sales of these products in recent years seem to be relatively unaffected by their prices or the state of the economy.

Production and Stocks of Manufactured Products Heavy

Production of cheese rose modestly during the last quarter of 2002 and early 2003, with a sizable rise from a year earlier for other-than-American varieties and a slight increase for American types. However, cheese demand was insufficient to draw enough milk away from butter-powder to make any real difference in the over-burdened markets for butter and nonfat dry milk. Butter output stayed near the large levels of a year earlier. Production of nonfat dry milk was a bit more erratic, down moderately last autumn but up in January.

Manufactured product output probably will stay large during 2003. Recovering cheese demand is expected to pull larger shares of the milk supply into cheese production, relieving some of the pressure on butter and nonfat dry milk markets. However, improvements are likely to be gradual and subject to any stumbles in the economy.

Production of almost all storable manufactured dairy products rose in 2002. Most manufacturing regions posted increases in milk production, and no product needed to pull in large additional amounts of milk. Production of total cheese, American cheese, and Italian cheese all rose about 4 percent from a year earlier. Meanwhile, butter output jumped 10 percent, while nonfat dry milk production rose only slightly less at 7 percent. Even production of dry whole milk and canned milk increased significantly last year.

Commercial butter stocks continue to stagger milkfat markets. On February 1, commercial inventories exceeded 200 million pounds, more than twice the previous record for the date and larger than on any date prior to spring 2002. These winter stocks were already equivalent to about 2 months of sales. Normally, butter stocks rise steadily during the first half of the year to a midyear peak. The heavy butter holdings brought February 1 commercial stocks of all products above 11 billion pounds, milk equivalent, milkfat basis, another dramatic record.

Butter stocks became extremely large in 2002 because of heavy production and weak demand for milkfat. Unlike the situation for skim solids, this surplus could not be drained off by price support sales to the Government (at least not until very late 2002) and accumulated in commercial stocks.

February 1 commercial cheese stocks were moderately larger than the 2 preceding years on that date. Meanwhile, manufacturers' stocks of nonfat dry milk were down somewhat. Total commercial stocks on a milk equivalent, skim solids basis were about 9 billion pounds, up 6 percent from a year earlier. February 1 cheese and nonfat dry milk stocks might be considered comfortable in a tighter market situation, but probably were somewhat large in light of the heavy butter stocks and the continuing surplus prospects for skim solids.

Such very large (and costly) stocks are not likely to persist. The modest excess of cheese holdings could be dealt with in a number of ways. But, butter stocks will be a larger problem. Unless sales were to surge in response to spring retail price specials, price support sales of butter seem inevitable, as Dairy Export Incentive Program (DEIP) exports cannot accommodate such large amounts. Even then, heavy price discounts may be needed to move the accumulated stocks of old butter commercially.

Skim Solids Surplus Stubborn

The surplus of skim solids jumped in 2002 as milk output rose briskly, sales of all skim solids were about unchanged, and sales of separated skim solids fell. Net removals totaled almost 10 billion pounds, milk equivalent, skim solids basis, up substantially from any recent year. About 6 percent of the skim solids in farm milk marketings were not used commercially. On the other hand, the surplus of milkfat was negligible. Removals came to only 0.3 billion pounds, milk equivalent, milkfat basis.

Price support purchases of nonfat dry milk almost doubled in 2002, even though shipments under the DEIP rose slightly. Weak demand for separated skim solids in other products boosted production of powder, while use tumbled. Second-half sales to the government increased net removals of cheese to a modest 16 million pounds, up from 2001 but below 2000. There were no removals of butter.

Sales of skim solids in 2003 are expected to rise more than milk production, lowering net removals. The surplus would drop even more if commercial exports prove more vigorous than anticipated. Even so, the skim solids surplus is likely to remain large enough to forestall any significant increases in prices of nonfat dry milk and other related products.

Significant removals of butter are possible in 2003, even though only tiny purchases have occurred so far. Huge butter stocks continue to depress milkfat prices. If the commercial market is unable to clear

these holdings (as seems likely), significant sales to USDA seem probable. Additional DEIP exports beyond the initial 11 million pounds also are possible.

International Powder Markets Tighten

International dairy markets have tightened because of smaller supplies from Oceania at the tail of their production season. Both New Zealand and Australia have had dry conditions and weak milk production during the first calendar quarter, leaving them with below-normal supplies of products to ship in coming months. In addition, some of their winter forage reserves reportedly were fed during the past season to help maintain milk production levels, possibly affecting the number of cows carried through their winter season.

International prices of nonfat dry milk have been fairly steady recently, after rising to near the U.S. domestic price during the last quarter of 2002. Despite the tightness in Oceania, import buyers know that large quantities are readily available from the United States if needed. In addition, the European Union (EU) recently boosted their subsidy rate to offset the strength of the euro. International powder prices probably will run near current levels in coming months. Some U.S. nonfat dry milk may be needed in international markets, but sizable exports are not expected.

International butter markets have been fairly weak and probably will stay so. Increased import demand from Russia produced minor seasonal increases last autumn that have since largely dissipated. Middle Eastern uncertainties have hurt demand in that region. The supply tightening probably has eliminated most butter sold under heavy discount but generally has not had much impact on prices of standard product.

Somewhat less milkfat was imported into the United States in 2002. Domestic prices weakened considerably more than did international prices, trimming high-tariff imports of fat. On the other hand, imports of skim solids products rose slightly as a price gap re-emerged when international prices fell. The weaker international markets also increased imports of cheese, with imports of varieties subject to quotas, and of nonquota varieties, both up about 8 percent. Imports of American cheese rose considerably in 2002, probably reflecting ample supplies of dairy products from Oceania.

DEIP exports were up somewhat for nonfat dry milk in 2002, but a bit smaller for cheese. Most of the year-to-year variation in DEIP exports is caused by changes in the pattern of actual shipments associated with the July-June commitment years. Non-subsidized exports of nonfat dry milk fell along with international powder prices, but commercial cheese exports managed to hold about steady.

The third set of DEIP allocations for the 2002/03 year, announced in late February, has been quickly exhausted. Contracts now cover all of the nonfat dry milk and cheese allowed during the current commitment year. Although contracting may resume in July, there might be a relative lull in export shipments this summer as old-year contracts wane and new-year contracts have yet to pick up. Recent contract activity included 5,000 tons of butter, part of last fall's allocation. This was the first butter activity since early 2000. Actions to allow additional butter contracts could be taken because most of the autumn allocation remains and that allocation was substantially below the limit under World Trade Organization (WTO) commitments.

At current prices, substantial commercial exports of nonfat dry milk are possible—but not yet expected. Supplies from other exporters are projected to come close to filling the somewhat lackluster import demand. However, the situation could easily shift enough to generate substantial exports. Even so, exports large enough to significantly affect domestic powder prices are quite unlikely.

Imports of skim solids are likely to decrease somewhat this year because a significant price gap between domestic and international prices is not expected. Milkfat imports may be similar to, or slightly less than, 2002. However, changes probably will be modest. U.S. imports are dominated by cheese, and cheese imports do not respond much to short-run changes in price gaps. Most cheese exporters are driven by considerations

related to long-run market position and may pay little heed to transitory price conditions.

Price Weakness To Persist

Butter and cheese prices have slipped a little since the start of 2003, but mostly varied within the same general ranges. The supply-demand picture has not changed much: rising milk production; use struggling to grow; and burdensome stocks. No more than modest seasonal strength is expected through at least summer. Although the adjustment processes may have begun, no market-tightening momentum has developed in either supply or demand. Considerable time probably will be needed to erode the current surplus enough to generate significant price recovery, although butter sales to the government would have an accelerating effect. Autumn seasonal price increases are projected to be only modest.

Farm milk prices are projected to run below a year earlier during the first three-quarters of 2003, with the largest declines during the first half. Although prices might post increases during autumn, such rises probably would be fairly small. For all of 2003, the average price of all milk is expected to decline 50 cents to $1 from 2002's $12.12 per cwt. Milk prices last year were the lowest since 1979.

Retail prices of dairy products averaged only fractionally higher in 2002 and were below a year earlier during the second half of the year. The farm-to-retail price spread grew considerably, after it declined significantly in 2001 because of farm and wholesale price jumps. Retail dairy prices in 2003 are projected to be about unchanged.

Largest Cow Slaughter Since 1997

First-quarter cattle slaughter and beef production are expected to average about 1 percent below a year earlier. Both steer and heifer slaughter are averaging below year-earlier levels, with slaughter weights fluctuating, but averaging near to below last year's records. Fed cattle prices are likely to average $77 to $78 per cwt this winter, up about $7 from a year earlier. However, both Utility cow and feeder cattle prices are under pressure from deteriorating forage conditions. Both Utility cow and yearling feeder cattle prices are likely going to average about $2 a cwt under last winter. Fed cattle prices have been very strong this winter, but much uncertainty exists over the next couple of quarters, particularly with an uncertain macroeconomic climate. Typically, yearling feeder cattle prices trade at an $8 to $15 premium over fed cattle prices, however the unusually strong fed cattle prices and future economic uncertainty combined with large cattle feeding losses over the past couple of years is resulting in a $7- to $8-discount. Higher grain prices and forage uncertainties, which could push more cattle into feedlots, are also forcing prices lower.

While steer and heifer slaughter is down, cow slaughter is at the highest levels since 1997. Dairy cow slaughter is up because of poorer returns and large numbers of dairy replacement heifers available. Producers are culling their poorer cows, and replacing them with more productive heifers. Dairy cow slaughter through February is up about 10 percent compared with last winter. Beef cow slaughter is up about 3 percent. However, this increase reflects continued deterioration in forage conditions and a much colder winter than the industry has experienced over the past couple of years. Typically with a larger proportion of the much heavier dairy cows in the slaughter mix, average cow slaughter weights would rise. However, this winter cow weights have been averaging near to below year-earlier levels, reflecting much lower beef cow conditions and consequently lighter slaughter weights. This reflects the amount of pressure on the forage supply and the importance of spring pasture growth. The industry needs additional forage as soon as possible, and many areas remain very dry. In fact, the drought area has expanded since last fall. Other areas that have had the drought cycle broken still need early growth so spring grazing gets off to a good start.

Beef and Cattle Trade: Perspective on 2002 and Expectations for 2003

Beef Exports

While bouncing back from a poor showing in 2001, U.S. beef exports of 2.45 billion pounds in 2002 fell short of the record level achieved in 2000. Weighing on the market in 2002 was a 23-percent decline in exports to Japan, the largest U.S. market, because of consumer concerns about Bovine Spongiform Encephalopathy (BSE). Exports to Mexico continued the strong upward trend of recent years, increasing by 18 percent, while exports to Canada increased a little over 3 percent. Exports to South Korea surged by 73 percent in 2002, albeit from a relatively weak level the previous year, to put exports to that country back on their strong upward trend of recent years. Exports to the category of "other" countries increased by over one-third, helped by expanding markets in the rest of Asia, but particularly China. Exports to Russia more than doubled, as that country continued recovery from its economic downturn of recent years. Only the Caribbean market showed no significant growth.

The decline in Japan's beef imports began in late 2001 as a result of the discovery that three Japanese dairy cows were infected with BSE. By the month following confirmation of the first case on September 10, 2001, Japan's beef consumption had plummeted nearly 60 percent compared with levels earlier in the year. U.S. beef exports to Japan, which had averaged nearly 90 million pounds a month (carcass weight) the first 10 months of 2001, dropped to 62 million pounds in November. Exports then ranged from 56 million to 68 million pounds per month until they began to increase sometime in the summer of 2002. Later-year exports were encouraged by a sustained increase in Japanese consumption and the decline in stocks that began late in the winter of 2002. By the end of 2002, stocks had returned to pre-BSE levels while consumption had returned to 85 percent of pre-BSE levels.

U.S. exports of beef to Japan are expected to increase in 2003 as Japanese consumption slowly increases towards its pre-BSE levels. However, due to the sharp drop in imports in 2001/02 because of BSE, any substantial recovery in imports is likely to exceed the trigger level on Japan's safeguard system for beef in the second calendar quarter of 2003. If beef imports surpass the trigger, Japan may invoke its right under the safeguard system to temporarily raise beef import tariffs from its currently applied 38.5 percent to a maximum 50 percent bound rate agreed to under the 1994 Uruguay Round (UR) trade agreement. The United States and Australia are attempting to convince the Japanese government not to impose the safeguard. While the effect of such higher tariffs on Japanese imports of U.S. beef are difficult to quantify, they are likely to combine with other factors to limit the increase in U.S. beef exports in 2003.

Total U.S. beef exports are expected to be up 4-5 percent in 2003 as demand shifts outward in most major U.S. markets--most importantly, Japan--continue. However, this increased demand is expected to combine with a 4-percent decline in U.S. beef production to substantially increase U.S. beef prices this year. These higher prices are expected to be the major factor limiting demand growth. For example, the Nebraska Choice steer price is expected to average nearly $76 per cwt, compared with slightly over $67 last year, an increase of over 13 percent. These higher prices may be exacerbated in Japan by the higher safeguard tariffs and in Mexico by a weak peso. Shifts in demand are expected to be much weaker in Korea this year as that country continues to experience an economic slowdown that began late last year.

Beef Imports

Beef imports were 3.2 billion pounds in 2002, up 1.7 percent over the previous year and the smallest percentage increase since 1996. U.S. beef imports have exhibited an upward trend for the last several years, largely to compensate for lower amounts of lean processing beef available from cyclically decreased cow slaughter. Between 1996 and 2002, cow slaughter declined from 7.27 million to 5.76 million, or by 21 percent, with the larger declines occurring earlier in the cycle. Consequently, imports have increased by smaller increments in the last several years of this cattle cycle than in the earlier years. Over the past two years, the increase in beef imports was limited because more cows were slaughtered than otherwise would have been the case as a result of drought conditions in parts of the United States.

Of the three major suppliers of beef to the United States, only Canada supplied more beef in 2002 than in the previous year. Imports from Canada increased by nearly 11 percent last year because Canada also suffered from drought, which forced both the slaughter of cows and earlier-than-normal slaughter of animals from feedlots because of drought-limited forage and feed grain supplies. Large amounts of both middle cuts, as well as processing beef were imported from Canada.

Imports from Australia and New Zealand in 2002 were down 1 percent and 5 percent, respectively, from the previous year. It is not possible to verify that Australia filled its tariff-rate import quota (TRQ) last year, since the last posting of within-quota imports by the Customs Service for 2002 was December 23rd. Complicating this calculation is that in both years, some Australian product was declared in the "over-quota" tariff codes before yearend. Australia did fill its TRQ in 2001, however, suggesting that a slight shortfall may have occurred last year. New Zealand clearly fell about 5 percent short of its TRQ in 2003, however. Exports from both countries were adversely effected by appreciation in their currencies against the U.S. dollar, as well as lower-than-expected demand in the United States, both as a result of drought-related cow slaughter and a weaker-than-expected fast food industry in the United States.

Beef imports are expected to increase nearly 3 percent in 2003, to 3.3 million pounds, largely as a result of a 4-percent decline in cow slaughter. Most of the additional imports will flow from New Zealand, which has larger supplies available following herd rebuilding. Beef supplied to Canada from New Zealand last year will be freed up for export to the United States by New Zealand this year, as a result of Canada again allowing imports of fresh/chilled and frozen product from Uruguay and possibly Argentina. Product from Argentina and Uruguay had been barred from North America since late-2001 because of

outbreaks of foot-and-mouth disease (FMD) in those countries. While the United States is not expected to allow imports of fresh/chilled or frozen product from Argentina this year a review is under way that may open the market for these products from Uruguay by yearend.

The absence of South American processing beef from the U.S. market until at least late this year is likely to add to upward pressure on the prices of lean processing beef, as grazing conditions improve and cow slaughter declines in the second half of 2003. The price of domestic 90-percent lean trimmings is likely to exceed the levels reached last year by amounts sufficient to draw in needed supplies. In spite of Australia having less beef available as a result of last year's drought-induced slaughter, higher U.S. prices may draw Australian product away from other markets. Higher prices may also draw in additional supplies of Canadian-processing beef, freed up by the renewed availability of South American supplies to Canada.

Live Cattle Trade

The United States increased its net imports of live cattle in 2002 by 270,000 head, or by 14 percent, to 2.26 million over the level in 2001. This was the third straight year of increased net imports of live cattle and the largest level since the record 2.69 million recorded in 1995. Contributing to increased net imports was a 56 percent drop in live cattle exports to Canada and a 41-percent increase in imports of live cattle from Canada. The increase in net imports of live cattle would have been even greater last year had it not been for a 28-percent decline in imports of cattle from Mexico.

Drought in western Canada was the major driving force behind live cattle trade in 2002, as the year began with drier-than-normal conditions in western Canada and limited feed grain carry-over from a 2001 drought. Consequently, 2002 began with lower feeder cattle exports from the northern United States than in the previous year, and higher imports of feeder cattle from Canada. By late last summer it had become evident that drought in western Canada would significantly reduce feed grain supplies. The decline in U.S. feeder cattle exports accelerated from being down 38 percent in the first half of the year to down 68 percent during the second half of 2002 compared with the same period a year earlier. Imports of cattle from Canada were up 18 percent in the first half of 2002 and 39 percent during the last half. Imports from Canada also included large numbers of slaughter animals.

The decline in cattle imports from Mexico occurred because of declining cattle inventories in Mexico, lower feeder cattle prices in the United States, better pasture conditions in Mexico and higher health standards imposed on imported Mexican feeder cattle to protect U.S. herds from tuberculosis (TB). The Mexican cattle inventory dropped from 22.5 million to 21.3 million animals between the beginning of 2001 and the beginning of 2003, suggesting that fewer young animals were available for export in 2002. Meanwhile, U.S. feeder cattle prices that had exceeded $90 per cwt in the third quarter of 2001 averaged only $80 in 2002. Furthermore, rain in Mexico last year provided enough forage to encourage Mexican ranchers to graze more of their reduced numbers of animals rather than send them north. Finally, new rules from USDA's veterinary services required a higher level of proof that imported cattle originate from herds that had recently been tested for TB.

Much of what happens to live cattle trade in 2003 will again be weather-driven. Assuming normal weather in North America this year, net cattle imports are expected to be marginally above last year. Net imports from Canada are expected to decrease later this year if it becomes apparent that country will have near-average feed grain crops and grazing conditions. Imports from Mexico are expected to increase in response to substantially higher U.S. feeder cattle prices, particularly in the second half of the year, in spite of limited inventories. Mexican ranchers are expected to satisfy the new rule on TB testing.

Hogs

First-Quarter Hog Slaughter Larger Than Anticipated

U.S. processors continued to slaughter hogs, through February, at rates that exceeded earlier expectations. First-quarter 2003 slaughter is now expected to exceed year-earlier levels by more than 2 percent. Part of the reason for the higher-than-anticipated slaughter may be that producers are sending more gilts to slaughter than is seasonally typical. In fact, the ***Monthly Hogs and Pigs*** report (released February 28, 2003 by USDA/NASS) shows year-over-year reductions of 3 percent in monthly inventories of sows and gilts for December-February.

The higher slaughter is expected to push pork production almost 3 percent above first-quarter 2002 levels. First-quarter hog prices (barrow and gilt: national base live equivalent) are expected to range between $35 and $36 per cwt. USDA will release the ***Quarterly Hogs and Pigs*** report on March 28, 2003.

Estimated Packers' Margins Running Ahead of Last Year

Estimated packers' margin (equal to Estimated Pork Carcass Cutout minus National Base Cost) for January-February averaged 59-percent above the same period of 2002. Despite lower pork product prices, packer margins are higher this year, largely because costs of major inputs-- hogs-- are lower than in the same period last year. The average January-February Composite Cutout was 9-percent lower than in the first 2 months 2002. In fact, of the 6 primal pork cuts (loins, butts, picnics, ribs, hams, bellies) that comprise the Composite Cutout, only belly prices traded at prices above those of January-February 2002. On the other hand, packers paid almost 14-percent less for 51-52 percent lean hogs, as measured by the National Base Lean Slaughter Cost. Thus, U.S. packers began 2003 with higher margins largely because they are paying lower prices for hogs

Exports and Imports Increase in 2002

The United States exported 1.6 billion pounds of pork in 2002, an increase of 3.5 percent over the previous year. Exports last year thus accounted for 8 percent of 2002 U.S. pork production, and represented the 11th consecutive year-over-year export quantity increase. The top three major foreign markets for U.S. pork products in 2002 were Japan (48 percent), Mexico (19 percent), and Canada (12 percent). Taken together, these three markets comprised 79 percent of U.S. exports last year. The United States is expected to increase exports of pork products in 2003 by 2 percent.

Japan imported 5-percent more U.S. pork products last year than in 2001. Japanese demand for U.S. pork products increased despite lackluster economic growth and higher minimum import prices imposed by Japan's Safeguard. Domestic pork production was lower, however, suggesting that imported products contributed to maintaining established consumption levels. U.S. exports to Japan in 2003 are expected to be slightly higher than in 2002.

Small increases in Mexican pork production may also explain the small decline in pork imports from the United States, but weaker economic growth and a weaker peso are likely factors as well. U.S. exports to Mexico in 2003 remain uncertain with the ongoing antidumping investigation by the Mexican Government against imported U.S. pork products.

The small increase in Canadian demand for U.S. pork products last year likely reflects ongoing integration of U.S. and Canadian pork industries. The United States is expected to increase pork exports to Canada in 2003, along the same order of magnitude as last year.

Two smaller Asian markets--South Korea and Taiwan--accounted for a larger share of U.S. exports last year, than in 2001. The South Korean market represented almost 5 percent of U.S. exports last year (versus 2.5 percent in 2001). The U.S. agricultural attaché in South Korea, attributes increased Korean demand for imported meat products to several factors, the most important of which include the changing "…dietary pattern from grain/vegetable based, to a more meat-based diet. The appreciation of the Korean won against the

U.S. dollar is also playing a favorable role in enhancing meat imports."

Taiwan accounted for 3-percent of U.S. exports in 2002, as compared with 1.6 percent in 2001. Taiwan's imports of pork products increased as its hog inventory continued to contract, following the 1997 FMD outbreak, and WTO accession last year. Taiwan's current system of TRQs for pork bellies and variety meats will be liberalized and subject to tariffs only, in 2005. Increases in U.S. exports to both South Korea and Taiwan in 2003 are likely, but are contingent on the ability of U.S. products to compete favorably in South Korea against Canadian and European products; in Taiwan, imported U.S. pork products compete mainly with those of Canadian origin. USDA will release Livestock and Poultry: World Markets and Trade, on March 20, 2003.

Russia's share of total U.S. pork exports declined to 2.6 percent in 2002, from a 5.3-percent share of U.S. exports in 2001. The largest foreign suppliers of pork products to Russia in 2002 were Brazil (with a 60-percent share of total Russian pork imports), the EU (18 percent), and China (11 percent). Canada accounted for 4 percent of Russian pork imports last year.

It is likely that Russian demand for U.S. pork products will continue to lag in 2003, due to a new set of meat import policies currently being implemented by the Russian Government. On January 23, 2003, the Russian Commission on Protective Measures in External Trade and Customs and Tariff Policy published three decrees announcing the implementation of an import quota for poultry and TRQs for beef and pork. The Commission introduced a 450,000 metric tons (MT) TRQ for pork under HS 0203 (fresh and frozen pork). The in-quota duty for pork will be 15 percent, but not less than 1.06 euros/kg. The over-quota duty for pork will rise to 80 percent. The beef and pork TRQs will be implemented on April 1, 2003, with 90 percent of the TRQ volume allocated on a pro-rated basis to importers based on historical imports during the period 2000-2002. There is no country allocation for either commodity. The remaining 10 percent of the quotas for beef and pork will be allocated by auction. For pork, 33,750 tons will be divided into 33 lots of 1,000 tons and one lot of 750 tons. The auction will be conducted in May 2003, one month after implementation of the TRQs. For 2003, the 9-month pro-rated TRQs are 337,500 MT for pork. Former Soviet Union countries (i.e. Ukraine) are exempted from the TRQ. Officially, the TRQ system could remain in place until 2010.

In 2002, the United States imported 1.1 billion pounds of pork products, an increase of almost 13 percent over 2001. Most of the increase came from Canada, whose exports to the United States increased 15 percent. Denmark's exports to the United States in 2002 increased 2 percent over 2001. U.S. pork imports in 2003 are expected to increase, but at a slower rate than in 2002 given expectations for a lower exchange rate for the U.S. dollar. Increased U.S. imports from Canada represent the growing irrelevance of the U.S.-Canada (geographic) border, with respect to pork trade. Large U.S. imports are an ongoing indication that purchasing agents in the United States, whose objective is to secure pork products for sale and distribution in North American retail and foodservice outlets, are willing to source products wherever in North America pork product costs are minimized.

The United States imported 5.7 million hogs last year, most of which were of Canadian origin, and 65 percent of which were feeder pigs. Live hog imports in 2003 are expected to be about the same as last year, given slower hog sector expansion in Canada (i.e., Canadian hog producers reported 14.7 million head on farms, as of January 1, 2003, 2.5 percent higher than last year, but hog inventory growth has averaged 5 percent over the past 5 years). Also, Canadian producers have concerns about the implementation of the U.S. Country of Origin Labeling law in 2004.

Poultry

Broiler Production Down in January, Lower Production Expected in 2003

Broiler production for January 2003 was estimated at 2.748 billion pounds, down 1.1 percent from the previous year. With weekly chick placements continuing to be lower than the previous year, the forecast for broiler production in the first quarter of 2003 is now 7.725 billion pounds, 1.2 percent down from the previous year. The estimates for the second and third quarters have also been lowered to 8.200 billion pounds, making the overall estimate for 2003, 32.325 billion pounds, just barely above 2002. This is the smallest increase in broiler production since 1973.

Revisions in broiler production contained in the Poultry Slaughter Annual Summary for 2002 lowered total broiler production for 2002, to 32.240 billion pounds, up 3.1 percent from 2001. The increase is the result of a 1.7-percent increase in the number of broilers slaughtered and a 1.6-percent increase in the average weight at slaughter.

One of the results of falling broiler production has been gradually increasing prices for some broiler products at both the wholesale and retail levels. Over the first 2 months of 2003, the 12–city whole broiler price has averaged 60.5 cents a pound, 7.2 percent higher than during the same time in 2002. Prices have also risen for breast meat products. Prices for boneless-skinless breasts in the Northeast market averaged 135.8 cents a pound during January and February, about 13 percent higher than the previous year. Prices for rib-on breasts averaged 83.5 cents a pound, up 37 percent from the same time in 2002. These prices have risen the most because these products are sold primarily in the domestic market. Prices for other broiler products that are more dependent on the export market, while moving higher during January and February are still below their year-earlier levels. Leg quarter prices averaged 20 cents a pound, up significantly from their average price over the second-half of 2002, but still below where they were at the start of 2002. The same pattern can be seen for wings, thighs and drumsticks, which have increased since the end of 2002, but still remain below a year earlier. With a forecast of lower production through the first three-quarters of 2003, domestic broiler prices are expected to strengthen further, given no additional disease outbreaks or disruptions to broiler exports.

Disease Issues Continue To Affect Poultry Industry

Disease outbreaks continue to cloud the outlook for the domestic industry both in terms of lower production and lost export opportunities. The outbreak of Exotic Newcastle Disease (END) in the West has continued to spread with smaller outbreaks in Arizona. However, no new END cases have been reported in California, the State that has been most severely affected by the outbreak. The latest disease problem has been in Connecticut where officials have placed some egg laying operations under quarantine as they test to see if the birds have been infected with Avian Influenza (AI). The AI outbreak in Connecticut is expected to be of the low-pathogenic variety. In response to the reports of the outbreak in Connecticut, importing countries such as Japan and Korea have placed a temporary ban on the importation of poultry and egg products from the United States. The ban placed on imports of U.S. poultry and egg products will likely remain in place until the Japanese and Korean Governments are given information by APHIS on the extent and severity of the outbreak. As of March 12, Japan has lifted its ban on all U.S. poultry products, but the ban on products from Connecticut remain in effect.

The United States is not alone in dealing with poultry disease outbreaks. Presently the Netherlands is dealing with an outbreak of high-pathogenic AI in broiler flocks. The Netherlands is one of the largest broiler producers in the EU. Some countries normally importing from the Netherlands are likely to restrict imports until the extent of the outbreak is known.

Turkey Production Seen Down in 2003

Turkey production in 2003 is forecast at 5.675 billion pounds, down less than 50 million pounds or 0.7 percent lower than the previous year. With beginning stocks up considerably from the previous year and limited growth expected in exports, turkey prices are expected to be relatively flat in 2003,

especially for turkey parts. In 9 of the last 11 months, the number of poults placed for growout has been below the level of the same month the previous year.

The lower poult placements during most of 2002 are expected to result in lower turkey production in the first two quarters of 2003. While beginning stocks in 2003 for turkey parts were 68 percent higher than in the previous year, stocks of whole birds at the start of 2003 were down 10 percent. The smaller stocks for whole birds and the lower production has pushed the 3-region average price for whole birds higher in January and February, after being lower on a year-over-year basis for the previous 20 months.

Revisions in turkey production lowered 2002 production to 5.713 billion, down slightly from the earlier estimate and 2.7 percent higher than the previous year. Like broilers, the increase in turkey production was a result of both higher numbers of birds going to slaughter (up 0.7 percent) and an increase in their average weight (up 2.5 percent).

Previous issues in the *Livestock, Dairy, and Poultry Outlook* series included an annual summary of the forces shaping the industry and how those forces were expected to affect the current year's outlook. Because timeliness was an issue, in 2003, instead of providing a separate report covering all the commodities later in the year, we are including summaries for the various commodities in the LDP monthly newsletter as information becomes available. In the March issue, we provided summaries for dairy, beef trade, and pork trade. The April issue contains summaries for the domestic beef, domestic pork, sheep, and poultry. Access these annual summaries on the *Livestock, Dairy, and Poultry Outlook* page, http://www.ers.usda.gov/publications/ldp/.

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Related Article

The following are links to recent articles (in Adobe Acrobat format).

Economic and Structural Relationships in U.S. Hog Production
http://www.ers.usda.gov/publications/aer818/ The hog industry is becoming increasingly concentrated among fewer and larger farms, and becoming more economically efficient. Of paramount concern are increasing market control and power concentrated among packers and large hog operations, and the manure management problem posed by an increasing concentration of hog manure on fewer operations. Addressing these concerns through regulations would likely increase costs to consumers, and could result in significant changes in the location of hog production facilities, with ripple effects in local economies. William D. McBride, (202) 694-5577 and Nigel Key, (202) 694-5567).

Data

Retail Price Reporting for Meat
http://www.ers.usda.gov/Data/Meatscanner/ A new ERS database contains monthly average retail prices for selected cuts of red meat and poultry, based on electronic supermarket scanner data. While not based on a random sample, the raw data underlying the database are from supermarkets across the United States that account for approximately 20 percent of U.S. supermarket sales. Leland Southard, (202) 694-5187.

Web Sites

Cattle, http://www.ers.usda.gov/briefing/cattle/
Hogs, http://www.ers.usda.gov/briefing/hogs/
Poultry and Eggs, http://www.ers.usda.gov/briefing/poultry/
Dairy, http://www.ers.usda.gov/briefing/dairy
WASDE, http://www.usda.gov/oce/waob/wasde/latest.pdf

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Red meat and poultry forecasts

	2001		2002					2003				
	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Production, million lb												
Beef	6,700	26,107	6,377	6,833	7,097	6,783	27,090	6,310	6,900	6,750	6,175	26,135
Pork	5,239	19,138	4,780	4,797	4,832	5,255	19,664	4,900	4,670	4,750	5,210	19,530
Lamb and mutton	59	223	58	54	51	56	219	51	52	50	52	205
Broilers	7,863	31,266	7,819	8,234	8,251	7,936	32,240	7,725	8,200	8,200	8,200	32,325
Turkeys	1,454	5,562	1,378	1,441	1,412	1,482	5,713	1,350	1,425	1,425	1,475	5,675
Total red meat & poultry	21,492	83,006	20,589	21,543	21,837	21,700	85,669	20,517	21,428	21,350	21,284	84,579
Table eggs, mil. doz.	1,563	6,074	1,506	1,518	1,551	1,573	6,148	1,520	1,515	1,555	1,580	6,170
Per capita consumption, retail lb 1/												
Beef	16.3	66.2	16.2	17.6	17.4	16.7	67.9	15.8	17.7	17.1	15.2	65.8
Pork	13.5	50.2	12.4	12.7	12.8	13.8	51.7	12.6	12.2	12.5	13.5	50.7
Lamb and mutton	0.3	1.1	0.3	0.3	0.3	0.3	1.2	0.3	0.3	0.3	0.3	1.1
Broilers	18.8	76.6	19.3	20.9	20.7	20.0	80.8	19.0	20.6	20.1	19.9	79.7
Turkeys	5.6	17.5	3.5	3.9	4.4	5.9	17.8	3.7	3.9	4.3	5.8	17.6
Total red meat & poultry	54.9	213.3	52.3	55.8	56.1	57.2	221.4	51.9	55.2	54.7	55.2	216.9
Eggs, number	64.5	252.6	62.6	62.9	64.3	64.8	254.6	62.5	62.3	63.8	64.7	253.3
Market prices												
Choice steers, Neb., $/cwt	65.13	72.71	70.19	65.58	63.29	69.10	67.04	77-78	72-76	72-78	74-80	74-78
Feeder steers, Ok City, $/cwt	85.37	88.20	81.24	76.96	78.87	83.08	80.04	79-80	82-86	85-91	88-94	84-88
Boning utility cows, S. Falls, $/cwt	39.23	44.39	41.56	42.28	37.69	35.69	39.23	39-40	44-46	44-48	44-46	43-45
Choice slaughter lambs, San Angelo, $/cwt	62.76	72.04	66.62	66.00	74.60	83.00	72.56	90-91	83-87	80-86	79-85	83-87
Barrows & gilts, N. base, l.e. $/cwt	37.30	45.81	39.43	35.03	33.86	31.34	34.92	35-36	39-41	38-42	36-38	37-39
Broilers, 12 City, cents/lb	58.50	59.10	56.00	56.10	56.40	53.70	55.60	60-61	60-64	60-66	60-64	60-64
Turkeys, Eastern, cents/lb	71.40	66.30	60.00	62.90	66.70	68.20	64.50	61-62	62-66	65-71	71-77	65-69
Eggs, New York, cents/doz.	68.20	67.20	69.10	58.40	65.30	75.40	67.10	77-78	63-67	67-73	77-83	71-75
U.S. trade, million lb												
Beef & veal exports	610	2,269	572	601	662	612	2,447	640	650	650	625	2,565
Beef & veal imports	689	3,164	737	934	839	708	3,218	790	910	840	725	3,265
Lamb and mutton imports	36	146	48	44	32	38	162	44	43	35	42	164
Pork exports	403	1,560	382	416	401	415	1,614	405	425	400	415	1,645
Pork imports	263	951	235	262	275	299	1,071	250	270	275	285	1,080
Broiler exports	1,402	5,555	1,204	1,119	1,257	1,219	4,800	1,250	1,250	1,300	1,325	5,125
Turkey exports	123	487	129	107	100	103	439	115	110	115	130	470

1/ Per capita meat and egg consumption data are revised, incorporating a new population series from the Commerce Department's Bureau of Economic Analysis based on the 2000 Census.

ECONOMIC INDICATOR FORECASTS 1/

	2001		2002					2003				
	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
GDP, chain wtd (bil. 1996 dol.)	9,248	9,215	9,363	9,388	9,465	9,503	9,436	9,554	9,619	9,701	9,786	9,672
CPI-U, annual rate (pct.)	-0.4	1.9	1.4	3.4	1.9	2.4	2.3	2.5	2.1	2.0	2.2	2.2
Unemployment (pct.)	5.6	4.8	5.6	5.9	5.7	5.9	5.8	6.0	6.0	5.9	5.7	5.9
Interest (pct.)												
3-month Treasury bill	1.9	3.4	1.7	1.7	1.6	1.3	1.6	1.2	1.3	1.5	1.8	1.4
10-year Treasury bond yield	4.8	5.0	5.1	5.1	4.3	4.0	4.6	4.0	4.2	4.4	4.6	4.3

1/ Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, February 2003.

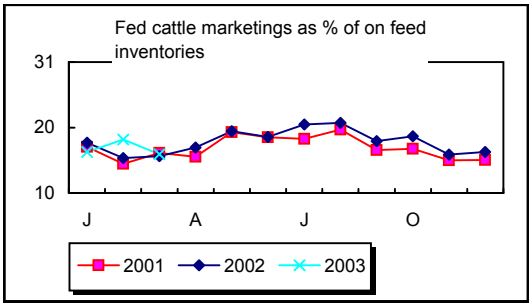
DAIRY FORECASTS

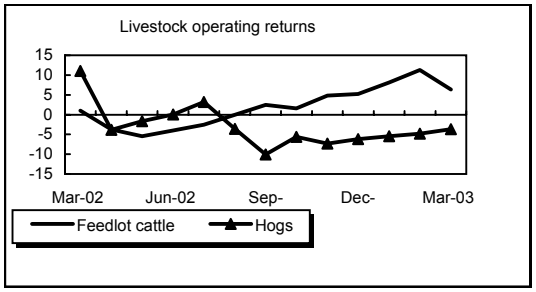
	2001		2002					2003				
	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thous,)	9,106	9,114	9,112	9,149	9,153	9,148	9,141	9,140	9,110	9,070	9,030	9,090
Milk per cow (pounds)	4,497	18,158	4,653	4,811	4,566	4,543	18,573	4,705	4,875	4,635	4,665	18,880
Milk production (bil. pounds)	40.9	165.5	42.4	44.0	41.8	41.6	169.8	43.0	44.4	42.0	42.1	171.6
Commercial use (bil. pounds)												
milkfat basis	43.8	169.6	40.7	42.1	43.8	43.8	170.5	41.6	43.5	44.4	45.0	174.5
skim solids basis	41.1	163.8	39.3	40.6	42.3	41.2	163.4	40.0	42.0	43.0	42.7	167.7
Net removals (bil. pounds)												
milkfat basis	0.0	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.9	0.2	0.3	1.7
skim solids basis	1.3	5.8	2.7	3.5	2.1	1.5	9.8	2.9	2.6	1.1	0.8	7.5
Prices (dol./cwt)												
All milk 1/	14.50	14.97	13.07	12.10	11.37	11.93	12.12	11.35-11.55	10.50-11.00	10.70-11.50	11.70-12.70	11.10-11.70
Class III	12.57	13.10	11.38	10.59	9.59	10.10	10.42	9.50-9.70	9.35-9.85	9.55-10.35	10.15-11.15	9.65-10.25
Class IV	12.18	13.76	11.48	10.73	10.36	10.52	10.81	9.75-10.05	9.45-10.05	9.65-10.55	9.90-11.00	9.70-10.40

1/ Simple averages of monthly prices. May not match reported annual averages.

PRODUCTION INDICATORS

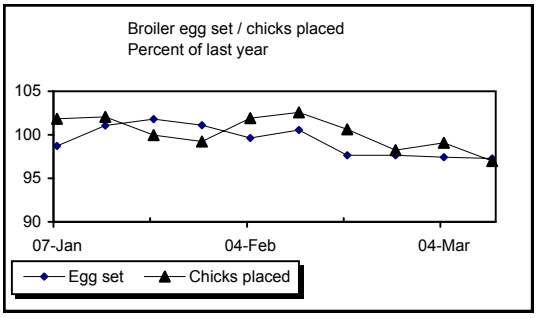
	Feb. '2002	2003 Dec.	Jan.	Feb. /*
			1,000 Head	
Cattle:				
On feed - US, 1,000+ Hd.	11,572	10,898	10,593	10,660
Net placements	1,747	1,496	1,884	1,586
Marketings	1,801	1,801	1,959	1,725
Broilers:				
Eggs in incubators (000) /1	637,582	646,990	623,171	629,525
Chicks hatched (000) /2	702,576	753,633	759,773	694,590
Hatching egg layers /1	57,178	53,976	55,922	56,314
Pullets placed (000)	7,275	6,475	6,269	6,659
Hvy-type hen slaughter /2	5,204	5,980	6,138	5,520
Turkeys:				
Eggs in incubators (000) /1	31,890	30,089	30,804	30,695
Poults placed (000)	24,266	23,977	25,389	23,833
Eggs:				
Table egg prod. (mil. doz.) /2	466.0	527.1	520.5	469.3
Table egg layers, (000) /1	278,640	280,659	279,115	279,044
Table eggs/100 layers /1	70.4	73.7	72.0	72.3
Chicks hatched (000) /2	34,326	32,153	33,499	29,988
Lt.-type hen slaughter /2	8,188	7,150	8,184	7,425

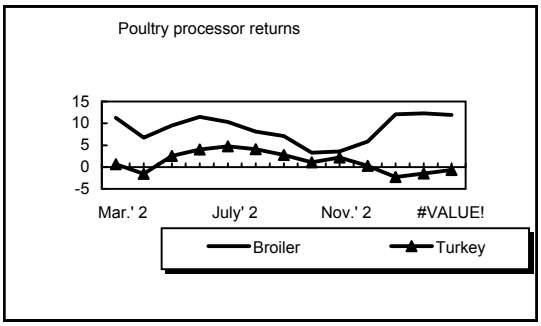




ESTIMATED RETURNS

	Mar. '2002	2003 Jan.	Feb.	Mar. /*
			Cents/lb	
Great Plains cattle feedlot				
Breakeven price /3	71.58	70.15	69.12	71.07
Selling price	71.97	78.24	80.39	77.40
Net margin	0.39	8.09	11.27	6.33
N. Central hog farrow to finish				
Breakeven price /3	36.87	39.84	40.46	39.44
Selling price	37.47	34.39	35.64	35.75
Net margin	0.60	-5.45	-4.82	-3.69
Broiler				
Wholesale cost	46.85	48.38	48.21	48.34
Wholesale price	55.17	60.46	60.49	60.25
Net margin	8.32	12.08	12.28	11.91
Turkey				
Wholesale cost	58.05	61.53	60.68	60.41
Wholesale price	56.89	59.23	59.21	59.75
Net margin	-1.16	-2.30	-1.47	-0.66
Egg				
Wholesale cost	63.07	65.64	65.80	66.30
Wholesale price	79.57	79.50	74.25	80.00
Net margin	16.50	13.86	8.45	13.70





/1 First of month.
/2 Last month estimated.
/3 Does not include capital replacement cost.
/* estimate.

MEAT STATISTICS

	Jan. - Mar. 2002	Jan. - Mar. 2003	2002 Nov.	2002 Dec.	2003 Jan.	Feb.	Mar. /*
Commercial production				*Million pounds*			
Beef	6,377	6,321	2,164	2,107	2,292	1,944	2,085
Veal	46	51	17	18	18	16	17
Pork	4,780	4,885	1,709	1,715	1,749	1,521	1,615
Lamb	58	50	18	19	16	15	19
Total red meat	11,261	11,307	3,908	3,859	4,075	3,496	3,736
Broilers	7,819	7,718	2,456	2,527	2,748	2,420	2,550
Other chicken	132	126	41	42	45	40	41
Turkeys	1,378	1,374	492	463	475	433	465
Total poultry	9,328	9,218	2,989	3,033	3,269	2,894	3,056
Total meat & poultry	20,589	20,525	6,896	6,891	7,343	6,390	6,792

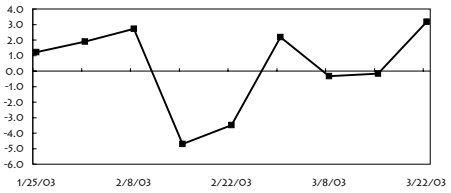
	Jan. - Mar. 2002	Jan. - Mar. 2003	2002 Nov.	2002 Dec.	2003 Jan.	Feb.	Mar. /*
Commercial slaughter/**				*Thousand head*			
Cattle	8,410	8,358	2,861	2,772	3,007	2,570	2,781
Steers	4,037	3,968	1,335	1,317	1,411	1,219	1,338
Heifers	2,837	2,731	962	906	987	849	895
Beef cows	728	758	282	267	284	229	245
Dairy cows	662	757	235	239	273	228	256
Bulls and stags	147	144	47	43	52	45	47
Calves	238	264	91	98	94	83	87
Sheep	840	734	271	279	239	224	271
Hogs	24,148	24,618	8,654	8,657	8,788	7,680	8,150
Barrows & gilts	23,335	23,798	8,371	8,372	8,498	7,431	7,869
Sows	744	753	261	264	268	230	255
Broilers	2,082,048	2,019,766	647,424	662,504	718,216	632,650	668,900
Turkeys	63,316	62,879	24,028	21,556	21,454	19,925	21,500

	Mar. 2002	2002 Nov.	2002 Dec.	2003 Jan.	Feb.	Mar. /*
F.I. dressed weight			*Pounds*			
Cattle	759	763	768	769	764	759
Calves	197	188	188	191	195	195
Sheep	70	67	68	68	68	68
Hogs	199	199	199	200	199	199
Beginning cold storage stocks			*Million pounds*			
Beef	439.0	525.2	512.6	524.6	482.7	443.0
Pork	510.9	489.8	463.9	468.5	512.9	519.5
Bellies	57.6	10.4	18.1	28.3	35.4	38.1
Hams	74.5	147.8	87.7	59.6	79.5	90.2
Total chicken	736.3	861.3	800.4	768.1	723.2	674.7
Turkey	413.2	624.9	334.3	333.0	423.1	478.9
Frozen eggs	13.9	13.1	11.2	13.5	15.3	17.1

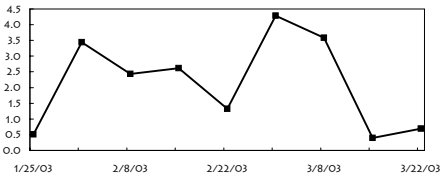
/* Estimates with exception of Cold Storage.

/** Slaughter classes are estimated.

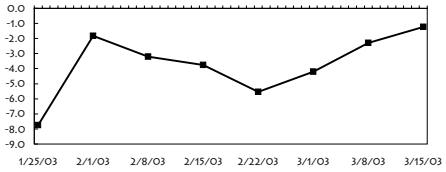
WEEKLY CATTLE SLAUGHTER
PERCENT CHANGE FROM LAST YEAR



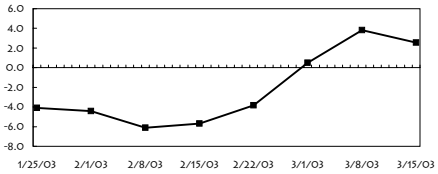
WEEKLY HOG SLAUGHTER
PERCENT CHANGE FROM LAST YEAR



WEEKLY BROILER SLAUGHTER
PERCENT CHANGE FROM LAST YEAR



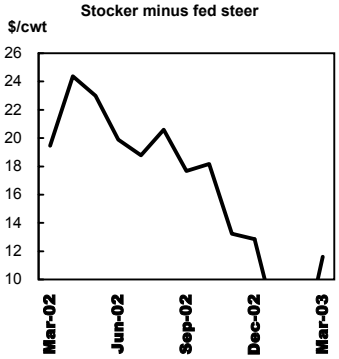
WEEKLY TURKEY SLAUGHTER
PERCENT CHANGE FROM LAST YEAR



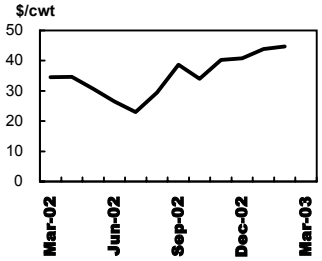
LIVESTOCK PRICES

	2002		2003			
	Mar.	Nov.	Dec.	Jan.	Feb.	Mar. /*
Cattle prices			*$/cwt*			
Steers, Choice, 11-13 cwt						
Texas Panhandle	71.97	70.21	73.11	78.24	80.39	77.40
Nebraska Direct	72.59	70.12	72.24	77.18	78.77	77.40
Cows - Sioux Falls						
Utility breaking	46.06	37.50	37.17	40.45	42.56	42.20
Utility boning	44.06	34.50	35.83	39.20	40.25	41.50
Feeder Cattle - Oklahoma City						
Steers: Med. #1						
500-550 lb	102.98	93.27	96.09	97.26	97.83	97.50
600-650 lb	91.43	83.44	85.97	84.70	84.74	89.00
750-800 lb	80.03	83.55	85.22	80.97	78.16	76.00
Heifers: Med. #1						
450-500 lb	95.23	83.99	85.93	86.47	89.77	93.00
700-750 lb	75.43	79.72	81.91	78.92	75.18	73.40
Hog prices						
Barrows and gilts						
National base 51-52% lean	37.47	29.99	32.35	34.39	35.64	35.75
(live equivalent = carcass x .74)						
Sows						
Iowa-S. Minn. #1-2, 300-400 lb	29.50	20.96	22.28	21.80	23.27	22.00
Sheep & lamb prices						
San Angelo, TX						
Slaughter lambs, Choice	64.00	83.00	86.88	89.25	90.25	96.75
Ewes, Good	36.00	42.00	45.31	47.38	48.50	49.35
Feeder lambs, Choice	78.00	93.67	97.00	104.00	103.81	105.75

Cattle price spread
Stocker minus fed steer



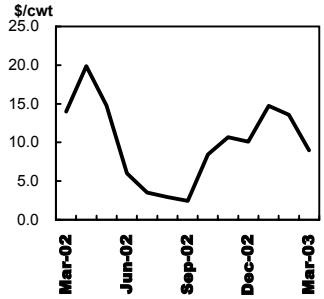
Steer - hog price spread
Fed steer minus live hog



GRAIN AND FEED PRICES

	2002		2003			
	Mar.	Nov.	Dec.	Jan.	Feb.	Mar. /*
			$/bu			
Corn, #2 Yellow, Cen. Ill	1.92	2.36	2.32	2.29	2.33	2.31
Wheat, HRW Ord., K.C.	3.14	4.71	4.36	4.01	4.03	3.73
			$/ton			
SBM, 48% Solvent, Decatur	160.49	163.24	163.59	167.40	176.76	175.00
Alfalfa Hay, U.S. Avg.	96.60	101.00	100.00	97.60	96.40	N/A
Grass Hay, U.S. Avg.	72.70	75.40	74.70	79.60	79.40	N/A

Lamb spread
Feeder minus slaughter lamb



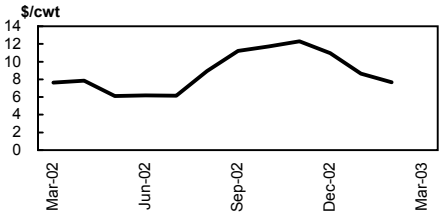
/* Estimates

Livestock, Dairy, and Poultry Situation and Outlook

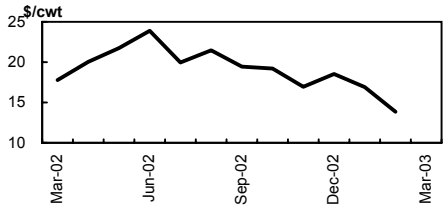
WHOLESALE PRICES

	2002	2003				
	Mar.	Nov.	Dec.	Jan.	Feb.	Mar. /*
Beef, Central U.S.						
Boxed beef cutout			$/cwt			
Choice 1-3 550-700 lb	120.54	116.41	122.45	128.59	128.77	126.35
Choice 1-3 700-850 lb	120.02	115.36	121.36	127.94	127.69	126.00
Select 1-3 700-850 lb	117.13	109.10	116.04	122.92	121.41	119.85
Canner-Cutter Cows	N/A	N/A	N/A	N/A	N/A	N/A
Bnls. beef, 90% fresh	127.52	96.45	101.50	112.54	110.89	109.60
Importd bnls. beef 90% frz.	117.00	98.13	101.79	100.93	98.43	97.30
Hide & offal value	7.45	7.73	7.81	7.86	8.01	8.06
Veal carcass, 220-280 lb	N/A	N/A	N/A	N/A	N/A	N/A
Pork, Central U.S.						
Pork cutout composite	56.12	50.80	52.51	52.89	53.50	55.00
Loins, 14-19 lb BI 1/4" trim	100.08	82.60	93.03	91.83	95.75	93.00
Bellies, 12-14 lb skin on trmd.	72.55	75.50	78.92	78.02	79.54	84.50
Hams, 20-23 lb BI trmd. TS1	41.38	47.64	45.38	40.82	40.70	47.00
Trimmings, 72% fresh	42.54	24.69	25.21	32.78	32.11	31.50
Lamb, East Coast						
55 lb Down, Choice	151.92	N/A	N/A	N/A	N/A	N/A
55-65 lb, Choice	144.37	162.44	164.62	164.62	174.05	192.75
			cents/lb			
Broilers						
12 City Avg.	55.17	53.42	54.74	60.46	60.49	59.90
Georgia dock	60.86	60.86	60.60	61.26	61.91	62.95
Northeast						
Breast, boneless	128.26	124.40	127.08	131.64	139.98	148.50
Breast, Ribs on	68.95	65.33	66.77	78.16	88.80	87.10
Legs, whole	38.55	32.29	29.94	30.83	30.54	32.75
Leg quarters	20.89	17.99	17.99	18.90	21.09	21.10
Turkeys						
Eastern region						
Toms, 16-24 lb	55.52	60.87	60.69	58.36	58.63	58.45
Hens, 8-16 lb	59.00	69.79	66.96	61.04	61.13	61.25
Breast, 4-8 lb	95.33	95.50	97.00	95.15	94.90	95.00
Drumsticks	27.93	19.90	19.49	17.99	19.10	23.10
Wings, full cut	26.00	21.90	21.03	18.57	16.25	16.75
Eggs, grd A, lg, doz						
12 City Metro	79.57	85.75	80.06	67.85	65.92	70.58
New York	76.90	84.00	77.14	77.43	74.50	80.00

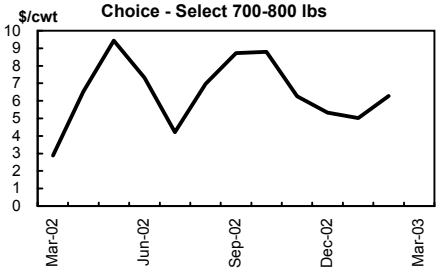
Hog to cutout price spread
Pork + Offal - Live hog



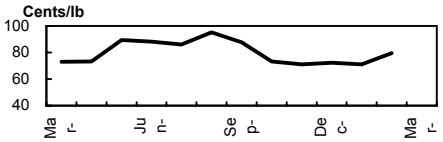
Steer to cutout price spread
Beef + Offal - Fed Steer



Boxed beef cutout spread
Choice - Select 700-800 lbs



Broiler price spread
Boneless breast - Whole bird



/* Estimates.

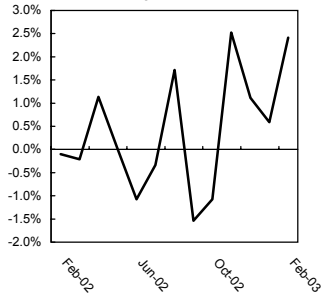
Source: Agricultural Marketing Service.

Livestock, Dairy and Poultry Situation and Outlook

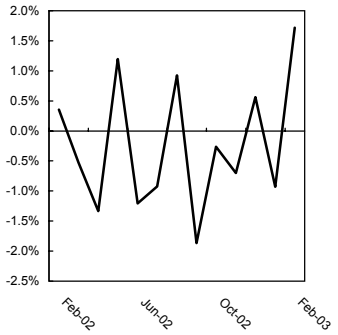
RETAIL PRICES & SPREADS

	Sep-2002	Oct-2002	Nov-2002	Dec-2002	Jan-2003	Feb-2003
Retail prices				*Cents/lb*		
Beef - Choice	329.4	325.8	334.0	337.8	339.7	348.0
Beef - All fresh	299.9	306.5	305.6	307.4	308.6	314.8
Ground beef	167.6	172.1	172.1	169.3	172.2	177.8
Round roast	320.2	304.7	317.1	319.8	336.2	325.9
T-bone steak	NA	NA	NA	NA	NA	NA
Pork	261.6	261.0	259.1	260.6	258.2	262.6
Bacon	315.5	324.0	321.1	324.2	319.5	328.1
Chops	325.9	327.2	317.6	332.3	322.8	330.2
Sausage	260.8	0.0	0.0	NA	NA	NA
Broilers - Composite	164.5	163.2	165.9	164.2	159.3	158.0
Whole, fresh	107.4	102.7	104.4	104.8	100.4	103.1
Breast - bone in	224.3	225.9	235.9	232.7	226.0	223.6
Leg - bone in	133.9	131.3	128.5	127.5	123.8	122.3
Turkey; whole frozen	106.6	111.7	103.8	98.8	106.6	105.8
Eggs, Gr A, Lg, Doz	105.5	103.9	108.0	117.6	117.5	118.9
Price indexes				*1982-84=100*		
CPI - All	181.0	181.3	181.3	180.9	181.7	183.1
All food	176.4	176.5	176.8	177.3	177.5	178.3
All meat	159.9	159.5	159.7	160.3	159.5	162.3
Beef & veal	159.6	159.7	160.3	161.1	161.3	166.6
Pork	161.0	159.9	159.1	159.2	159.8	161.8
Poultry	167.8	166.6	168.1	166.6	165.4	167.2
Price Spreads				*Cents / retail lb*		
Beef						
Farm to wholesale	36.1	35.7	31.8	34.5	32.1	30.9
Wholesale to retail	154.0	150.6	151.9	146.7	139.4	147.1
Farmers share (%)	42	43	45	46	50	49
Pork						
Farm to wholesale	43.5	42.1	43.6	41.8	41.1	38.3
Wholesale to retail	170.4	162.8	162.6	161.6	156.2	161.2
Farmers share (%)	18	21	20	22	24	24
Poultry and eggs						
Wholesale to retail						
Broilers	107.6	112.6	113.5	113.5	103.7	97.3
Retail to consumer						
Turkey	35.4	40.2	29.8	24.6	38.4	37.6
Eggs Cents/doz	41.4	38.7	23.3	38.5	39.0	45.7

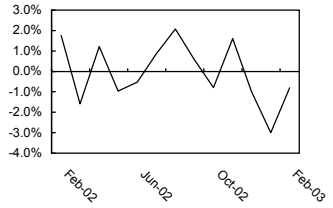
Retail beef price
Percent change from previous month



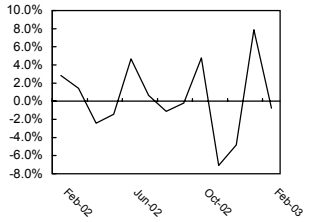
Retail pork price
Percent change from previous month



Composite broiler price
Percent change from previous month



Retail Turkey Price
Percent change from previous month



Sources: Economic Research Service, USDA and Bureau of Labor Statistics, U.S. Department of Labor.

Cumulative U.S. livestock & meat trade

	2001	2002	Jan. - Jan-2002	Jan. - Jan-2003
Beef & veal imports		*Carcass wt., 1,000 lb*		
Australia	1,151,858	1,136,804	143,645	151,202
New Zealand	637,372	604,046	40,965	42,350
Canada	987,073	1,090,909	84,411	91,888
Brazil	163,556	200,785	11,714	14,443
Argentina	99,708	85,349	6,608	8,737
Central America	70,103	68,208	5,288	5,835
Uruguay	41,109	14,095	391	2,249
Mexico	12,166	16,707	1,439	1,318
Other	411	756	9	3
Total	3,163,356	3,217,658	294,470	318,024
Beef & veal exports				
Japan	1,004,062	770,919	60,457	71,018
Canada	233,291	240,543	23,891	21,495
Mexico	531,972	629,041	53,783	45,621
South Korea	345,518	597,259	56,701	42,420
Caribbean	22,337	22,980	1,598	1,662
Russia	7,400	17,388	49	1,101
Other	124,703	169,190	11,814	12,919
Total	2,269,283	2,447,320	208,293	196,235
Cattle imports			*Head*	
Mexico	1,130,168	816,460	107,371	97,772
Canada	1,306,185	1,686,508	114,045	118,113
Over 700 lb	1,143,181	1,259,534	90,573	99,543
440-700 lb	45,679	221,782	13,557	4,597
Total	2,436,715	2,502,973	221,416	215,885
Cattle exports				
Mexico	143,769	104,573	9,049	5,728
Canada	297,622	134,215	14,991	8,534
Total	448,443	242,943	24,050	14,325
Lamb imports		*Carcass wt., 1,000 lb*		
Australia	67,785	68,098	6,022	5,697
New Zealand	39,576	48,508	3,078	3,748
Total	108,215	117,014	9,100	9,445
Mutton imports				
Total	37,511	43,442	4,556	3,532
Lamb and mutton exports				
Total	6,511	7,101	269	674

Customs Service (beef/veal)	*Product wt., metric tons*		
YTD imports under WTO:	03/12/02	03/10/03	% of quota
Canada	68,504	69,830	NA
Mexico	769	568	NA
TRQ countries	84,302	92,172	13
Australia	57,191	59,568	16
New Zealand	22,034	26,519	12
Argentina	-	-	-
Uruguay	-	-	-
Japan	-	-	-
Other	5,078	6,086	9
Total	153,575	162,569	NA

	2001	2002	Jan. - Jan-2002	Jan. - Jan-2003
Pork imports		*Carcass wt., 1,000 lb*		
Canada	766,043	880,205	63,764	76,896
Denmark	120,106	123,013	7,382	9,226
Poland	23,976	24,420	1,329	2,012
Netherlands	8,433	6,730	656	415
Hungary	6,814	4,806	340	533
Other	25,372	31,809	1,822	2,685
Total	950,745	1,070,983	75,293	91,766
Pork exports				
Japan	742,222	776,168	67,018	67,422
Canada	186,234	189,601	15,224	12,882
Mexico	318,480	313,832	34,339	24,395
Russia	82,327	41,397	3,857	2,043
South Korea	38,685	70,836	2,817	8,793
Hong Kong	27,612	28,467	1,552	1,910
Caribbean	23,503	20,343	873	1,425
Other	140,397	173,426	7,836	15,409
Total	1,559,459	1,614,069	133,515	134,279
Hog imports			*Head*	
Canada	5,337,688	5,740,673	562,009	545,267
Under 110 lb	3,163,962	3,758,482	348,728	377,133
Total	5,337,688	5,741,275	562,009	545,267
Hog exports				
Total	64,049	206,196	21,060	15,663
Broiler exports		*Ready to cook, 1,000 lb*		
Japan	234,974	120,682	9,686	8,219
Mexico	380,727	324,523	36,046	24,329
Hong Kong	744,961	607,500	33,227	44,266
Singapore	49,165	37,475	2,707	2,975
Canada	177,057	191,310	12,553	15,004
Russia	2,303,921	1,521,102	224,839	112,468
Latvia	97,703	78,437	9,178	3,880
Other	1,566,777	1,918,510	102,019	207,200
Total	5,555,285	4,799,540	430,255	418,340
Turkey exports				
Mexico	219,941	186,286	17,025	13,361
Canada	11,311	14,445	897	895
South Korea	16,852	12,990	1,130	844
Russia	80,719	29,026	3,474	161
Hong Kong	36,034	70,199	4,543	3,505
Other	122,142	125,756	6,148	10,773
Total	486,999	438,702	33,217	29,538
Shell egg exports		*1,000 doz.*		
Canada	32,279	30,506	1,166	1,205
Japan	3,026	2,256	118	104
Other	55,750	55,937	4,481	5,168
Total	91,055	88,699	5,765	6,477

Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

Monthly U.S. livestock and meat trade **

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03
Beef & veal imports						***Carcass wt., 1,000 lb***							
Australia	143,645	37,333	83,663	122,773	122,777	97,827	128,045	92,338	82,637	69,385	96,785	59,596	151,202
New Zealand	40,965	38,780	49,112	69,641	73,965	82,766	70,219	39,799	26,943	24,537	26,136	61,182	42,350
Canada	84,411	78,721	90,095	85,314	92,671	108,664	96,857	100,784	89,745	95,414	87,608	80,625	91,888
Brazil	11,714	11,756	18,146	17,060	13,041	13,521	23,312	19,340	21,233	12,581	22,494	16,587	14,443
Argentina	6,608	5,723	7,234	4,059	4,340	4,613	7,757	8,663	8,110	10,107	7,443	10,694	8,737
Central America	5,288	7,835	7,565	4,862	6,030	2,301	2,043	5,933	6,547	6,038	6,381	7,386	5,835
Uruguay	391	929	2,243	645	808	1,274	2,031	1,434	1,272	611	857	1,600	2,249
Mexico	1,439	1,249	1,650	1,717	1,844	1,649	1,351	1,086	1,143	1,131	1,197	1,251	1,318
Other	9	10	393	73	10	4	4	7	5	228	8	6	3
Total	294,470	182,337	260,100	306,144	315,485	312,619	331,619	269,384	237,634	220,030	248,909	238,927	318,024
Beef & veal exports													
Japan	60,457	59,087	61,878	56,235	68,128	62,766	72,093	76,571	63,411	42,168	80,441	67,684	71,018
Canada	23,891	18,424	18,602	16,073	22,489	18,272	18,490	17,721	18,614	22,533	22,307	23,127	21,495
Mexico	53,783	36,337	41,963	51,641	59,019	55,152	61,058	52,934	61,149	56,393	39,496	60,117	45,621
Korea, Rep.	56,701	47,237	47,895	40,342	48,543	49,983	53,354	55,020	55,756	29,276	59,929	53,222	42,420
Caribbean	1,598	1,740	1,874	2,091	1,777	1,522	1,947	2,372	1,877	2,040	1,463	2,679	1,662
Russia	49	824	505	3,405	2,488	2,071	1,778	635	3,590	626	525	893	1,101
Other	11,814	14,835	12,604	13,203	12,040	14,214	13,605	12,509	17,296	9,636	19,416	18,018	12,919
Total	208,293	178,484	185,321	182,991	214,483	203,981	222,325	217,763	221,693	162,671	223,577	225,741	196,235
Cattle imports						***Head***							
Mexico	107,371	136,294	149,366	27,618	20,163	7,405	8,114	6,353	8,203	57,455	146,806	141,312	97,772
Canada	114,045	143,186	135,292	134,719	105,738	102,429	113,327	153,735	184,396	196,656	183,783	119,202	118,113
Over 700 lb	90,573	113,232	108,380	113,526	85,140	85,342	97,921	121,580	120,620	111,893	120,059	91,268	99,543
440-700 lb	13,557	19,114	15,097	6,688	4,215	2,709	2,796	8,961	32,754	57,140	45,459	13,292	4,597
Total	221,416	279,480	284,663	162,337	125,901	109,834	121,441	160,088	192,599	254,111	330,589	260,514	215,885
Cattle exports													
Mexico	9,049	14,081	8,315	9,818	9,710	6,538	10,354	8,199	6,728	7,889	7,120	6,772	5,728
Canada	14,991	13,173	13,549	9,281	16,327	9,975	9,716	8,242	6,304	7,867	11,368	13,422	8,534
Total	24,050	27,417	21,934	19,404	26,119	16,617	20,209	16,585	13,136	16,135	18,672	22,665	14,325
Lamb imports						***Carcass wt., 1,000 lb***							
Australia	6,022	4,789	9,598	5,914	5,681	5,959	5,768	5,536	3,941	3,948	4,996	5,946	5,697
New Zealand	3,078	3,491	5,011	4,315	4,827	4,443	4,298	3,980	3,082	3,240	4,433	4,310	3,748
Total	9,100	8,294	14,668	10,252	10,568	10,440	10,110	9,534	7,065	7,225	9,441	10,317	9,445
Mutton imports													
Total	4,556	4,463	7,379	6,192	4,142	2,143	1,213	1,713	2,034	2,575	3,010	4,021	3,532
Lamb and mutton exports													
Total	269	608	432	572	506	911	310	774	543	613	565	998	674

Monthly U.S. livestock and meat trade, continued

	Jan-2002	Feb-2002	Mar-2002	Apr-2002	May-2002	Jun-2002	Jul-2002	Aug-2002	Sep-2002	Oct-2002	Nov-2002	Dec-2002	Jan-2003
Pork imports						***Carcass wt., 1,000 lb***							
Canada	63,764	65,470	64,144	70,019	68,812	70,598	78,051	79,245	74,185	83,764	82,838	79,316	76,896
Denmark	7,382	9,705	10,723	13,924	12,284	9,622	10,517	8,272	7,202	8,472	11,493	13,416	9,226
Poland	1,329	1,586	1,883	2,226	1,338	1,774	2,236	1,326	2,889	2,673	2,224	2,935	2,012
Netherlands	656	491	625	354	698	644	668	268	803	488	436	599	415
Hungary	340	343	204	191	302	159	863	464	272	471	468	729	533
Other	1,822	2,089	2,517	2,540	3,270	2,769	3,026	2,627	2,388	3,193	2,707	2,861	2,685
Total	75,293	79,685	80,096	89,253	86,704	85,567	95,361	92,201	87,738	99,062	100,167	99,855	91,766
Pork exports													
Japan	67,018	61,671	64,154	66,542	78,288	76,324	68,575	58,418	58,486	45,910	64,570	66,213	67,422
Canada	15,224	17,558	19,069	15,576	18,296	15,128	14,237	13,884	15,676	13,733	16,480	14,740	12,882
Mexico	34,339	23,403	23,232	27,300	23,542	25,210	28,561	27,863	19,759	26,280	25,392	28,951	24,395
Russia	3,857	3,571	1,276	2,623	4,725	4,721	5,419	1,815	2,112	4,354	4,348	2,576	2,043
Korea, Rep.	2,817	3,882	4,470	4,442	6,379	3,862	5,416	7,081	6,630	7,003	11,380	7,475	8,793
Hong Kong	1,552	3,331	1,535	878	2,131	3,064	1,467	1,247	2,371	2,350	4,350	4,193	1,910
Caribbean	873	1,653	1,420	1,052	1,402	1,482	1,087	3,985	1,733	2,204	1,709	1,743	1,425
Other	7,836	8,870	9,055	9,889	11,133	11,733	16,103	22,204	17,257	19,249	21,280	18,818	15,409
Total	133,515	123,938	124,211	128,303	145,897	141,522	140,866	136,497	124,022	121,082	149,508	144,708	134,279
Hog imports						***Head***							
Canada	562,009	434,424	455,427	480,017	528,892	436,534	456,561	436,777	426,769	557,096	471,523	494,644	545,267
Under 110 lb	348,728	276,429	276,971	307,923	353,273	283,639	301,093	294,458	269,923	392,866	322,166	331,013	377,133
Total	562,009	434,424	455,427	480,017	528,892	436,534	456,561	436,777	426,769	557,096	472,125	494,644	545,267
Hog exports													
Total	21,060	12,657	8,095	21,392	15,339	19,241	16,509	20,285	19,654	12,040	16,549	23,375	15,663
Broiler exports	***Has been revised to exclude paws				***Ready to cook, 1,000 lb***								
Japan	9,686	3,322	8,659	8,958	7,527	10,616	13,607	12,842	9,625	11,216	15,811	8,814	8,219
Mexico	36,046	36,991	35,429	34,395	26,903	20,404	19,888	18,923	23,508	24,844	24,613	22,579	24,329
Hong Kong	33,227	67,727	65,421	70,552	75,442	39,518	46,658	58,351	49,213	30,044	37,706	33,642	44,266
Singapore	2,707	3,847	3,486	2,957	1,908	1,791	1,188	4,513	2,597	3,988	4,172	4,322	2,975
Canada	12,553	12,818	12,562	13,869	15,182	17,289	18,465	19,593	20,151	17,889	17,805	13,134	15,004
Russia	224,839	193,556	104,602	14,399	59,810	168,493	140,948	215,864	27,754	196,192	118,290	56,356	112,468
Latvia	9,178	1,134	475	1,310	16,199	571	9,145	156	-	17,552	21,933	782	3,880
Other	102,019	112,548	110,975	128,808	224,678	157,645	166,347	205,151	172,641	166,307	197,123	174,267	207,200
Total	430,255	431,942	341,608	275,248	427,648	416,325	416,248	535,393	305,489	468,033	437,454	313,896	418,340
Turkey exports													
Mexico	17,025	20,854	27,987	17,240	17,656	8,317	8,766	9,769	15,181	16,288	13,783	13,421	13,361
Canada	897	816	680	813	1,034	1,187	947	1,241	1,252	1,507	1,576	2,496	895
S. Korea	1,130	1,175	714	1,215	1,471	1,694	746	1,556	792	897	910	690	844
Russia	3,474	8,275	5,888	-	515	3,189	1,024	4,115	609	1,113	517	308	161
Hong Kong	4,543	6,337	6,907	6,464	8,566	4,850	4,015	6,337	6,682	4,808	4,561	6,129	3,505
Other	6,148	8,266	7,605	9,326	12,812	10,713	10,729	14,013	12,035	11,668	14,274	8,166	10,773
Total	33,217	45,723	49,781	35,058	42,054	29,950	26,226	37,032	36,551	36,280	35,621	31,210	29,538
Shell egg exports						***1,000 doz.***							
Canada	1,166	1,176	1,648	2,903	2,863	2,838	2,075	2,492	3,286	3,346	2,826	3,886	1,205
Japan	118	64	1	-	2	14	320	373	358	354	567	84	104
Other	4,481	5,539	4,165	4,643	4,675	3,949	5,274	5,248	4,378	3,883	4,732	4,970	5,168
Total	5,765	6,779	5,815	7,546	7,540	6,801	7,669	8,114	8,023	7,583	8,125	8,940	6,477

Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

For further information: Dale Leuck (202) 694-5186 or Mildred Haley (202) 694-5176.

U.S. dairy situation at a glance 1/

	Unit	2000	2001	2002	Dec-01	Jan-02	Feb-02	Mar-02
Milk production:								
Production (20 States)	Mil. lb.	144,535	142,979	146,590	12,100	12,327	11,401	12,810
Milk cows (20 States)	Thou.	7,799	7,745	7,773	7,752	7,749	7,744	7,745
Milk per cow (20 States)	Lb.	18,534	18,459	18,858	1,561	1,591	1,472	1,654
Production (U.S. est.)	Mil. lb.	167,559	165,497	169,758	14,002	14,309	13,229	14,859
Milk prices:								
All milk	Dol./cwt	12.40	15.05	12.12	13.50	13.40	13.10	12.70
Milk eligible for fluid use	Dol./cwt	12.44	15.09	12.15	13.50	13.40	13.10	12.70
Manufacturing grade milk	Dol./cwt	10.52	13.44	10.87	12.50	12.40	12.00	11.30
Class III (cheese milk) 3.5% fat	Dol./cwt	9.74	13.10	10.42	11.80	11.87	11.63	10.65
Class IV (butter-powder milk) 3.5% fat	Dol./cwt	11.83	13.76	10.81	11.79	11.93	11.54	11.42
Slaughter cow price, South St. Paul	Dol./cwt	40.08	44.78	40.09	39.08	39.34	41.75	44.63
Chicago Mercantile Exchange prices:								
Butter	Dol./lb.	1.1768	1.6630	1.1059	1.2793	1.3454	1.2427	1.2473
American cheese, 40-pound blocks	Dol./lb.	1.1316	1.4387	1.1822	1.2567	1.3242	1.2076	1.2130
American cheese, barrels	Dol./lb.	1.1084	1.4052	1.1438	1.2500	1.2970	1.1797	1.1809
Wholesale price:								
Nonfat dry milk, Central States	Dol./lb.	1.0160	1.0083	0.9308	0.9576	0.9396	0.9357	0.9218
Retail prices:								
Consumer Price Index	1982-84=100	172.1	177.1	179.9	176.7	177.1	177.8	178.8
All food	1982-84=100	167.8	173.1	176.2	174.7	175.8	175.9	176.1
Dairy products	1982-84=100	160.7	167.1	168.1	170.8	169.9	170.1	169.4
Fluid milk	Dec 1997=100	107.8	112.7	110.6	114.1	112.2	112.2	111.6
Other dairy products	Dec 1997=100	109.4	112.5	114.5	112.6	114.8	115.5	114.3
Dairy product output:								
Butter	Mil. lb.	1,256.0	1,236.8	1,359.4	123.0	140.7	125.4	129.0
American cheese	Mil. lb.	3,641.6	3,519.2	3,670.1	312.2	315.2	287.4	318.2
Other-than-American cheese	Mil. lb.	4,616.4	4,609.9	4,775.7	390.9	390.1	367.6	409.3
Frozen products 2/	Mil. gal.	1,304.9	1,325.4	1,304.4	83.1	95.9	100.1	113.1
All products (m.e.-fat)	Mil. lb.	104,844	103,357	108,065	8,723	9,310	8,650	9,436
Nonfat dry milk	Mil. lb.	1,451.8	1,413.8	1,511.9	130.8	118.9	125.8	147.8
Beginning stocks:								
Commercial butter	Mil. lb.	24.9	24.0	55.5	57.6	55.5	98.9	128.9
Commercial American cheese	Mil. lb.	458.0	521.1	448.3	437.9	448.3	458.9	490.4
Other cheese	Mil. lb.	163.3	185.2	210.9	193.2	210.9	233.9	229.2
Manufacturers' nonfat dry milk	Mil. lb.	150.9	146.3	124.5	102.8	124.5	120.0	142.5
All commercial (m.e.-fat)	Mil. lb.	6,143	6,839	7,041	6,870	7,041	8,262	9,183
All commercial (m.e.-skim)	Mil. lb.	8,047	8,801	8,085	7,570	8,085	8,377	8,915
All Government (m.e.-fat)	Mil. lb.	44	139	218	206	218	216	245
All Government (m.e.-skim)	Mil. lb.	1,566	6,028	9,070	8,869	9,070	9,122	9,623
Commercial disappearance:								
Butter	Mil. lb.	1,280.4	1,280.4	1,292.5	127.1	99.5	99.5	118.0
American cheese	Mil. lb.	3,595.3	3,656.6	3,693.1	304.5	308.3	257.5	314.8
Other-than-American cheese	Mil. lb.	4,959.7	4,952.3	5,138.0	412.5	387.7	400.9	437.9
Nonfat dry milk	Mil. lb.	771.0	946.4	721.0	68.6	56.7	22.8	47.0
All products:								
m.e.-fat	Mil. lb.	169,133	169,604	170,458	14,104	13,372	12,551	14,735
Milkfat	Mil. lb.	6,224	6,223	6,275	534	505	472	550
Skim solids	Mil. lb.	13,959	14,179	14,140	1,155	1,178	1,038	1,206
USDA net removals:								
Butter	Mil. lb.	8.9	0.0	0.0	0.0	0.0	0.0	0.0
Cheese	Mil. lb.	28.0	3.9	16.1	0.7	0.7	0.7	0.0
Nonfat dry milk	Mil. lb.	692.6	495.9	828.0	44.4	66.7	81.6	85.7
All products (m.e.-fat)	Mil. lb.	841	145	330	16	21	24	19
All products (m.e.-skim)	Mil. lb.	8,613	5,810	9,797	524	784	957	997
Imports:								
All products (m.e.-fat)	Mil. lb.	4,445	5,716	5,103	396	409	361	421
All products (m.e.-skim)	Mil. lb.	4,389	4,686	5,103	473	282	339	397
International market prices:								
Butter	$/metric ton	1,367	1,391	1,159	1,175	1,175	1,163	1,138
Nonfat dry milk	$/metric ton	1,896	2,019	1,303	1,668	1,564	1,500	1,200

1/ Some data series different than formerly published due to changes in availability.

2/ Hard ice cream, ice milk, and sherbet.

m.e.-fat (skim) = Milk equivalent, fat (skim solids)basis

NA=Not available

U.S. dairy situation at a glance (continued)

Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03
12,575	13,039	12,348	12,281	12,223	11,648	11,991	11,657	12,290	12,548	11,596
7,758	7,769	7,782	7,781	7,785	7,781	7,789	7,792	7,801	7,807	7,810
1,621	1,678	1,587	1,578	1,570	1,497	1,539	1,496	1,575	1,607	1,485
14,585	15,118	14,312	14,202	14,130	13,459	13,870	13,479	14,206	14,505	13,395
12.50	12.20	11.60	11.20	11.30	11.60	12.10	11.80	11.90	11.70	11.50
12.60	12.20	11.70	11.20	11.40	11.60	12.10	11.90	11.90	11.80	11.50
11.30	11.10	10.30	9.50	9.80	10.30	11.20	10.60	10.60	10.50	10.30
10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74	9.78	9.66
11.09	10.57	10.52	10.45	10.41	10.22	10.50	10.58	10.49	10.07	9.81
42.56	43.05	41.13	39.55	39.06	38.59	37.68	36.63	37.16	38.63	40.22
1.1712	1.0590	1.0427	1.0302	0.9752	0.9635	1.0315	1.0425	1.1198	1.0815	1.0405
1.2448	1.2009	1.1299	1.0889	1.1575	1.2041	1.1950	1.0891	1.1311	1.0929	1.0920
1.2177	1.1688	1.1051	1.0680	1.1252	1.1100	1.0970	1.0705	1.1055	1.1507	1.0430
0.9061	0.9174	0.9213	0.9275	0.9323	0.9468	0.9563	0.9578	0.9075	0.8562	0.8347
179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	181.7	183.1
176.2	175.8	175.8	176.0	176.0	176.4	176.5	176.8	177.3	177.5	178.3
168.7	169.0	168.0	167.6	167.2	166.3	166.5	167.1	167.3	166.4	167.2
111.6	111.1	110.9	110.1	109.6	109.1	109.4	109.6	109.9	109.9	109.0
113.3	114.2	115.5	115.8	114.9	114.4	113.1	113.7	114.9	112.9	114.0
132.4	126.5	96.9	94.0	88.5	92.3	102.1	104.2	127.5	142.4	NA
316.8	326.2	310.3	301.2	305.8	285.7	295.4	291.8	316.0	319.2	NA
390.2	407.0	387.2	379.6	394.3	386.2	422.2	421.1	420.9	405.1	NA
121.4	121.3	126.4	127.4	119.9	105.8	103.6	84.1	85.4	95.5	NA
9,562	9,780	9,023	8,966	8,837	8,427	8,700	8,350	9,024	9,487	NA
158.3	158.1	147.6	123.7	114.4	93.8	99.7	96.1	127.7	133.9	NA
143.8	194.6	224.6	241.0	243.3	227.0	207.2	162.8	134.6	157.3	202.3
497.6	513.0	535.4	547.9	572.8	565.0	512.0	500.5	473.6	493.1	511.9
233.4	252.1	252.9	248.9	260.2	236.1	241.0	219.0	223.0	236.8	247.3
157.8	160.8	165.8	173.7	137.8	109.5	84.7	79.4	87.1	101.1	109.8
9,605	11,004	11,888	12,360	12,742	12,150	11,243	9,958	9,113	9,891	11,117
9,203	9,594	9,900	10,106	10,072	9,444	8,660	8,216	8,062	8,556	8,944
257	287	304	319	308	335	333	343	314	268	299
10,174	10,895	11,572	12,402	13,011	14,187	14,259	14,010	13,439	12,212	12,124
84.2	98.5	83.6	94.7	107.5	113.9	148.5	134.9	109.7	99.5	NA
303.9	309.9	314.1	289.6	318.7	345.5	313.9	321.9	295.0	303.8	NA
406.0	439.8	418.1	402.9	448.7	413.7	478.4	457.1	446.8	406.6	NA
57.6	41.1	54.4	78.4	96.6	80.1	85.7	51.5	49.1	48.5	NA
13,449	14,518	14,177	14,195	14,973	14,651	15,457	14,639	13,741	13,396	NA
495	526	506	501	533	530	575	555	527	506	NA
1,159	1,201	1,160	1,168	1,234	1,209	1,253	1,184	1,149	1,170	NA
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	2.2
0.0	0.0	0.0	0.7	5.9	1.1	0.8	1.6	4.6	1.8	2.5
98.2	114.7	86.9	84.7	47.8	39.8	20.2	37.2	64.6	77.9	88.5
22	25	19	25	65	19	11	23	56	46	91
1,143	1,335	1,012	992	615	474	242	449	797	924	1,056
386	412	457	504	420	405	417	439	473	263	NA
397	456	460	547	439	440	441	461	442	221	NA
1,088	1,050	1,050	1,090	1,113	1,225	1,275	1,263	1,281	1,280	1,206
1,200	1,250	1,200	1,200	1,150	1,200	1,220	1,350	1,606	1,705	1,688

Milk production and factors affecting supply, 1980-2002

Year	January 1 inventory: Milk cows and heifers that have calved	January 1 inventory: Replacement heifers 500 lbs. and over	January 1 inventory: Replacements per 100 cows	Average milk cows on farms	Milk production: Per cow	Milk production: Total	Average milk prices received: All	Average milk prices received: Eligible for fluid market	Average milk prices received: Manufacturing grade
	----------Thousand----------			Thousand	Pounds	Million pounds	----------Dollars per cwt----------		
1980	10,758	4,159	38.6	10,799	11,891	128,406	13.05	13.23	12.01
1981	10,849	4,342	40.0	10,898	12,183	132,770	13.77	13.95	12.72
1982	10,986	4,547	41.4	11,011	12,306	135,505	13.61	13.80	12.60
1983	11,047	4,545	41.1	11,059	12,622	139,588	13.58	13.75	12.61
1984	11,059	4,533	41.0	10,793	12,541	135,351	13.46	13.61	12.49
1985	10,777	4,770	44.3	10,981	13,024	143,012	12.76	12.90	11.72
1986	11,116	4,709	42.4	10,773	13,285	143,124	12.51	12.62	11.46
1987	10,466	4,305	41.1	10,327	13,819	142,709	12.54	12.66	11.37
1988	10,311	4,122	40.0	10,224	14,185	145,034	12.26	12.36	11.15
1989	10,137	4,117	40.6	10,046	14,323	143,893	13.56	13.66	12.38
1990	10,015	4,171	41.6	9,993	14,782	147,721	13.74	13.89	12.34
1991	9,965	4,093	41.1	9,826	15,031	147,697	12.27	12.30	11.05
1992	9,728	4,131	42.5	9,688	15,570	150,847	13.15	13.19	11.91
1993	9,658	4,176	43.2	9,581	15,722	150,636	12.84	12.88	11.80
1994	9,507	4,125	43.4	9,494	16,179	153,602	13.01	13.02	11.85
1995	9,482	4,121	43.5	9,466	16,405	155,292	12.78	12.80	11.79
1996	9,420	4,090	43.4	9,372	16,433	154,006	14.75	14.79	13.43
1997	9,318	4,058	43.6	9,252	16,871	156,091	13.36	13.40	12.17
1998	9,199	3,986	43.3	9,154	17,189	157,348	15.46	15.50	14.24
1999	9,133	4,069	44.6	9,156	17,772	162,716	14.38	14.42	12.84
2000	9,190	4,000	43.5	9,206	18,201	167,559	12.40	12.44	10.52
2001	9,183	4,057	44.2	9,114	18,159	165,497	15.05	15.09	13.44
2002 1/	9,112	4,060	44.6	9,141	18,571	169,758	12.12	12.13	10.86

Year	Dairy ration value	Milk/feed price ratio 2/	Milk cow cost: Price received per head	Milk cow cost: Milk required to buy a cow	Grain and other concentrates fed to milk cows: Total	Grain and other concentrates fed to milk cows: Per cow	Grain and other concentrates fed to milk cows: Per cwt of milk	Alfalfa hay prices received by farmers	Slaughter cow prices 3/
	Dollars per cwt	Pounds	Dollars	Cwt	Thousand tons	----------Pounds----------		Dollars per ton	Dollars per cwt
1980	7.42	1.76	1,190	91	28,433	5,260	44.2	72.00	45.73
1981	8.02	1.72	1,200	87	28,513	5,220	42.9	70.90	41.93
1982	7.45	1.83	1,110	82	29,661	5,380	43.7	72.73	39.96
1983	7.88	1.72	1,030	76	30,162	5,438	43.2	78.70	39.35
1984	8.16	1.65	895	66	28,449	5,253	42.0	79.48	39.81
1985	7.35	1.73	860	67	28,891	5,427	41.8	73.67	38.31
1986	7.00	1.79	820	66	29,913	5,534	41.8	64.85	37.18
1987	6.81	1.84	920	73	29,607	5,736	41.6	65.97	44.80
1988	7.74	1.58	990	81	29,853	5,820	41.2	82.51	47.91
1989	8.20	1.65	1,030	76	29,602	5,845	41.0	95.98	50.11
1990	7.98	1.71	1,160	84	32,402	6,397	43.7	92.56	53.32
1991	7.73	1.58	1,100	90	30,934	6,192	41.7	78.96	51.50
1992	7.68	1.69	1,130	86	31,572	6,417	41.6	75.45	49.69
1993	7.73	1.64	1,160	90	31,952	6,664	42.4	86.67	50.14
1994	7.98	1.62	1,170	90	32,469	6,840	42.3	93.97	45.03
1995	7.88	1.62	1,130	88	31,997	6,771	41.2	88.09	38.12
1996	9.30	1.59	1,087	74	31,665	6,777	41.1	93.76	33.00
1997	8.67	1.54	1,095	82	NA	NA	NA	110.69	36.93
1998	7.81	1.98	1,143	74	NA	NA	NA	94.29	35.54
1999	7.08	2.03	1,298	90	NA	NA	NA	81.97	37.28
2000	7.06	1.76	1,341	108	NA	NA	NA	85.03	39.60
2001	NA	NA	1,535	102	NA	NA	NA	102.27	42.43
2002 1/	NA	NA	1,575	130	NA	NA	NA	101.86	39.24

1/ Preliminary. 2/ Pounds of average concentrate ration equal in value to 1 pound of milk. 3/ Utility grade, Omaha 1965-87, Wisconsin auctions 1988 and after. NA = Not Available.

Milk cows and production by State and region, 1997-2002

State and region	Milk cows						Milk per cow					
	1997	1998	1999	2000	2001	2002 1/	1997	1998	1999	2000	2001	2002 1/
	Thousands						Pounds					
Northeast	**1,724**	**1,720**	**1,706**	**1,677**	**1,632**	**1,622**	**16,549**	**16,891**	**17,304**	**17,514**	**17,635**	**18,022**
Maine	41	41	41	39	38	37	16,146	16,585	16,805	17,128	17,211	17,730
New Hampshire	20	20	19	18	18	18	16,400	16,650	16,895	17,333	17,889	18,222
Vermont	160	161	160	156	153	154	16,250	16,460	16,938	17,199	17,444	17,552
Massachusetts	26	26	25	22	21	21	16,692	16,846	16,800	17,091	17,000	17,190
Rhode Island	2.0	2.1	2.0	1.8	1.4	1.4	15,950	15,714	15,500	15,667	16,571	16,357
Connecticut	30	30	29	27	25	24	16,967	17,633	17,931	17,778	18,240	18,625
New York	699	701	701	686	672	678	16,495	16,762	17,235	17,378	17,530	18,019
New Jersey	21	19	17	16	14	13	14,238	15,368	16,471	15,250	16,643	18,154
Pennsylvania	629	623	616	617	599	585	16,951	17,411	17,745	18,081	18,112	18,419
Delaware	10.0	11.0	11.0	10.0	9.0	9.3	14,800	14,818	15,545	15,000	16,667	16,559
Maryland	86	86	85	84	82	81	15,419	15,581	16,059	16,083	15,780	16,383
Lake States	**2,268**	**2,219**	**2,209**	**2,178**	**2,105**	**2,057**	**16,309**	**16,891**	**17,204**	**17,657**	**17,521**	**17,733**
Michigan	306	299	299	300	303	299	17,680	17,943	18,244	19,017	19,373	19,883
Wisconsin	1,393	1,369	1,365	1,344	1,292	1,271	16,057	16,685	16,902	17,306	17,182	17,367
Minnesota	569	551	545	534	510	487	16,186	16,833	17,391	17,777	17,278	17,368
Corn Belt	**947**	**920**	**895**	**897**	**884**	**873**	**15,694**	**16,195**	**16,417**	**16,907**	**16,534**	**17,041**
Ohio	270	264	260	262	260	262	16,352	16,705	17,077	17,027	16,519	17,080
Indiana	137	136	136	146	153	150	15,978	16,103	16,066	16,568	16,778	17,340
Illinois	133	128	123	120	116	115	16,564	16,570	16,496	17,450	17,414	17,835
Iowa	230	222	217	215	210	209	16,057	17,167	17,521	18,298	18,024	18,201
Missouri	177	170	159	154	145	137	13,345	13,924	14,069	14,662	13,441	14,204
Northern Plains	**311**	**305**	**311**	**317**	**310**	**306**	**14,219**	**14,774**	**15,241**	**16,136**	**16,129**	**16,892**
North Dakota	56	51	49	48	46	40	12,732	13,843	14,061	14,292	14,000	14,625
South Dakota	105	102	102	102	99	96	13,181	14,069	14,775	16,020	15,960	14,625
Nebraska	69	70	74	76	72	67	15,072	15,000	15,392	16,513	16,194	17,463
Kansas	81	82	86	91	93	103	15,864	16,037	16,337	16,923	17,312	19,515
Appalachian	**483**	**462**	**442**	**435**	**421**	**410**	**14,186**	**14,245**	**14,552**	**14,837**	**14,924**	**15,122**
Virginia	125	124	121	120	118	120	14,864	14,847	15,479	15,833	15,975	15,758
West Virginia	18	18	18	17	16	16	14,778	15,444	15,278	15,588	15,563	15,188
North Carolina	79	75	73	71	67	64	16,506	16,680	16,658	16,746	17,224	17,766
Kentucky	148	140	133	132	128	122	12,264	12,214	12,414	12,841	12,969	13,230
Tennessee	113	105	97	95	92	88	14,239	14,295	14,608	14,789	14,511	14,943
Southeast	**314**	**306**	**298**	**292**	**281**	**275**	**15,220**	**14,817**	**15,409**	**15,801**	**16,053**	**16,156**
South Carolina	26	25	24	23	21	20	15,269	14,960	15,375	16,087	17,476	18,200
Georgia	97	93	89	87	86	85	15,340	15,452	16,281	16,471	16,663	17,294
Florida	160	160	158	157	153	150	15,475	14,606	15,177	15,688	15,758	15,547
Alabama	31	28	27	25	21	20	13,484	13,786	13,926	13,920	14,286	13,850
Delta States	**166**	**150**	**141**	**133**	**124**	**116**	**12,428**	**12,467**	**12,645**	**12,962**	**12,589**	**12,517**
Mississippi	47	42	38	36	35	34	13,489	13,786	14,526	15,028	14,200	14,059
Arkansas	53	45	42	39	35	32	11,981	12,000	12,381	12,436	12,343	12,281
Louisiana	66	63	61	58	54	50	12,030	11,921	11,656	12,034	11,704	11,620
Southern Plains	**470**	**444**	**437**	**439**	**414**	**397**	**14,930**	**15,408**	**15,714**	**16,016**	**15,457**	**16,610**
Oklahoma	92	92	92	91	89	88	13,576	13,435	13,576	14,231	14,528	14,705
Texas	378	352	345	348	325	309	15,259	15,923	16,284	16,483	15,711	17,152
Mountain	**828**	**863**	**908**	**971**	**1,008**	**1,073**	**19,264**	**19,550**	**20,146**	**20,599**	**20,734**	**21,061**
Montana	19	18	18	19	19	18	15,526	16,167	16,833	17,789	18,211	18,944
Idaho	272	292	318	347	366	388	19,092	19,743	20,292	20,816	21,194	21,018
Wyoming	6.6	6.1	6.0	5.6	4.5	4.4	12,697	13,082	13,300	13,571	14,000	14,409
Colorado	84	83	83	89	92	100	19,988	20,349	20,819	21,618	21,413	21,590
New Mexico	202	217	232	250	268	299	19,856	20,065	20,362	20,944	20,750	21,124
Arizona	127	131	134	139	140	146	20,976	20,458	21,873	21,820	21,950	23,486
Utah	91	90	92	96	93	93	16,923	16,811	17,587	17,573	17,581	17,839
Nevada	26	26	25	25	25	25	18,346	19,308	18,240	19,040	19,400	19,400
Pacific	**1,744**	**1,767**	**1,812**	**1,872**	**1,940**	**2,016**	**19,860**	**19,644**	**20,862**	**21,173**	**20,916**	**21,188**
Washington	253	248	247	247	247	247	20,968	21,476	22,409	22,644	22,324	22,753
Oregon	90	89	89	90	95	114	17,889	17,787	18,708	18,222	18,074	18,360
California	1,391	1,420	1,466	1,526	1,589	1,647	19,829	19,475	20,777	21,149	20,904	21,180
Alaska	0.9	0.9	1.0	0.9	1.1	1.3	16,667	15,922	13,580	14,500	13,055	13,600
Hawaii	9.1	8.9	8.6	8.1	7.5	6.6	13,516	14,494	13,919	14,358	14,107	14,667
United States	**9,252**	**9,154**	**9,156**	**9,206**	**9,114**	**9,141**	**16,871**	**17,189**	**17,772**	**18,201**	**18,159**	**18,571**

1/ Preliminary

Milk cows and production by State and region, 1997-2002 (cont.)

State and region	Milk production											
	1997		1998		1999		2000		2001		2002 1/	
	mil. pounds	% US	mil. pounds	% US	mil. pounds	% US	mil. pounds	% US	mil. pounds	% US	mil. pounds	% US
Northeast	**28,530**	**18.28**	**29,055**	**18.47**	**29,520**	**18.14**	**29,368**	**17.53**	**28,787**	**17.39**	**29,227**	**17.22**
Maine	662	0.42	680	0.43	689	0.42	668	0.40	654	0.40	656	0.39
New Hampshire	328	0.21	333	0.21	321	0.20	312	0.19	322	0.19	328	0.19
Vermont	2,600	1.67	2,650	1.68	2,710	1.67	2,683	1.60	2,669	1.61	2,703	1.59
Massachusetts	434	0.28	438	0.28	420	0.26	376	0.22	357	0.22	361	0.21
Rhode Island	32	0.02	33	0.02	31	0.02	28	0.02	23	0.01	23	0.01
Connecticut	509	0.33	529	0.34	520	0.32	480	0.29	456	0.28	447	0.26
New York	11,530	7.39	11,750	7.47	12,082	7.43	11,921	7.11	11,780	7.12	12,217	7.20
New Jersey	299	0.19	292	0.19	280	0.17	244	0.15	233	0.14	236	0.14
Pennsylvania	10,662	6.83	10,847	6.89	10,931	6.72	11,156	6.66	10,849	6.56	10,775	6.35
Delaware	148	0.09	163	0.10	171	0.11	149	0.09	150	0.09	154	0.09
Maryland	1,326	0.85	1,340	0.85	1,365	0.84	1,351	0.81	1,294	0.78	1,327	0.78
Lake States	**36,988**	**23.70**	**37,482**	**23.82**	**38,004**	**23.36**	**38,457**	**22.95**	**36,881**	**22.28**	**36,477**	**21.49**
Michigan	5,410	3.47	5,365	3.41	5,455	3.35	5,705	3.40	5,870	3.55	5,945	3.50
Wisconsin	22,368	14.33	22,842	14.52	23,071	14.18	23,259	13.88	22,199	13.41	22,074	13.00
Minnesota	9,210	5.90	9,275	5.89	9,478	5.82	9,493	5.67	8,812	5.32	8,458	4.98
Corn Belt	**14,862**	**9.52**	**14,899**	**9.47**	**14,693**	**9.03**	**15,166**	**9.05**	**14,616**	**8.83**	**14,877**	**8.76**
Ohio	4,415	2.83	4,410	2.80	4,440	2.73	4,461	2.66	4,295	2.60	4,475	2.64
Indiana	2,189	1.40	2,190	1.39	2,185	1.34	2,419	1.44	2,567	1.55	2,601	1.53
Illinois	2,203	1.41	2,121	1.35	2,029	1.25	2,094	1.25	2,020	1.22	2,051	1.21
Iowa	3,693	2.37	3,811	2.42	3,802	2.34	3,934	2.35	3,785	2.29	3,804	2.24
Missouri	2,362	1.51	2,367	1.50	2,237	1.37	2,258	1.35	1,949	1.18	1,946	1.15
Northern Plains	**4,422**	**2.83**	**4,506**	**2.86**	**4,740**	**2.91**	**5,115**	**3.05**	**5,000**	**3.02**	**5,169**	**3.04**
North Dakota	713	0.46	706	0.45	689	0.42	686	0.41	644	0.39	585	0.34
South Dakota	1,384	0.89	1,435	0.91	1,507	0.93	1,634	0.98	1,580	0.95	1,404	0.83
Nebraska	1,040	0.67	1,050	0.67	1,139	0.70	1,255	0.75	1,166	0.70	1,170	0.69
Kansas	1,285	0.82	1,315	0.84	1,405	0.86	1,540	0.92	1,610	0.97	2,010	1.18
Appalachian	**6,852**	**4.39**	**6,581**	**4.18**	**6,432**	**3.95**	**6,454**	**3.85**	**6,283**	**3.80**	**6,200**	**3.65**
Virginia	1,858	1.19	1,841	1.17	1,873	1.15	1,900	1.13	1,885	1.14	1,891	1.11
West Virginia	266	0.17	278	0.18	275	0.17	265	0.16	249	0.15	243	0.14
North Carolina	1,304	0.84	1,251	0.80	1,216	0.75	1,189	0.71	1,154	0.70	1,137	0.67
Kentucky	1,815	1.16	1,710	1.09	1,651	1.01	1,695	1.01	1,660	1.00	1,614	0.95
Tennessee	1,609	1.03	1,501	0.95	1,417	0.87	1,405	0.84	1,335	0.81	1,315	0.77
Southeast	**4,779**	**3.06**	**4,534**	**2.88**	**4,592**	**2.82**	**4,614**	**2.75**	**4,511**	**2.73**	**4,443**	**2.62**
South Carolina	397	0.25	374	0.24	369	0.23	370	0.22	367	0.22	364	0.21
Georgia	1,488	0.95	1,437	0.91	1,449	0.89	1,433	0.86	1,433	0.87	1,470	0.87
Florida	2,476	1.59	2,337	1.49	2,398	1.47	2,463	1.47	2,411	1.46	2,332	1.37
Alabama	418	0.27	386	0.25	376	0.23	348	0.21	300	0.18	277	0.16
Delta States	**2,063**	**1.32**	**1,870**	**1.19**	**1,783**	**1.10**	**1,724**	**1.03**	**1,561**	**0.94**	**1,452**	**0.86**
Mississippi	634	0.41	579	0.37	552	0.34	541	0.32	497	0.30	478	0.28
Arkansas	635	0.41	540	0.34	520	0.32	485	0.29	432	0.26	393	0.23
Louisiana	794	0.51	751	0.48	711	0.44	698	0.42	632	0.38	581	0.34
Southern Plains	**7,017**	**4.50**	**6,841**	**4.35**	**6,867**	**4.22**	**7,031**	**4.20**	**6,399**	**3.87**	**6,594**	**3.88**
Oklahoma	1,249	0.80	1,236	0.79	1,249	0.77	1,295	0.77	1,293	0.78	1,294	0.76
Texas	5,768	3.70	5,605	3.56	5,618	3.45	5,736	3.42	5,106	3.09	5,300	3.12
Mountain	**15,943**	**10.21**	**16,874**	**10.72**	**18,293**	**11.24**	**19,993**	**11.93**	**20,890**	**12.62**	**22,607**	**13.32**
Montana	295	0.19	291	0.18	303	0.19	338	0.20	346	0.21	341	0.20
Idaho	5,193	3.33	5,765	3.66	6,453	3.97	7,223	4.31	7,757	4.69	8,155	4.80
Wyoming	84	0.05	80	0.05	80	0.05	76	0.05	63	0.04	63	0.04
Colorado	1,679	1.08	1,689	1.07	1,728	1.06	1,924	1.15	1,970	1.19	2,159	1.27
New Mexico	4,011	2.57	4,354	2.77	4,724	2.90	5,236	3.12	5,561	3.36	6,316	3.72
Arizona	2,664	1.71	2,680	1.70	2,931	1.80	3,033	1.81	3,073	1.86	3,429	2.02
Utah	1,540	0.99	1,513	0.96	1,618	0.99	1,687	1.01	1,635	0.99	1,659	0.98
Nevada	477	0.31	502	0.32	456	0.28	476	0.28	485	0.29	485	0.29
Pacific	**34,635**	**22.19**	**34,706**	**22.06**	**37,793**	**23.23**	**39,635**	**23.65**	**40,568**	**24.51**	**42,712**	**25.16**
Washington	5,305	3.40	5,326	3.38	5,535	3.40	5,593	3.34	5,514	3.33	5,620	3.31
Oregon	1,610	1.03	1,583	1.01	1,665	1.02	1,640	0.98	1,717	1.04	2,093	1.23
California	27,582	17.67	27,654	17.58	30,459	18.72	32,273	19.26	33,217	20.07	34,884	20.55
Alaska	15	0.01	14	0.01	14	0.01	13	0.01	14	0.01	18	0.01
Hawaii	123	0.08	129	0.08	120	0.07	116	0.07	106	0.06	97	0.06
United States	**156,091**		**157,348**		**162,716**		**167,559**		**165,497**		**169,758**	

1/ Preliminary

Commercial disappearance: Milk in all products, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	14,309	13,229	14,859	14,585	15,118	14,312	14,202	14,130	13,459	13,870	13,479	14,206	169,758
Farm use	104	94	104	101	103	101	104	104	101	104	101	104	1,225
Marketings	14,205	13,135	14,755	14,484	15,015	14,211	14,098	14,026	13,358	13,766	13,378	14,102	168,533
Beginning commercial stocks	7,041	8,262	9,183	9,605	11,004	11,888	12,360	12,742	12,150	11,243	9,958	9,113	7,041
Imports	409	361	421	386	412	457	504	420	405	417	439	473	5,103
Total supply	21,655	21,758	24,359	24,475	26,431	26,556	26,962	27,188	25,913	25,426	23,775	23,688	180,677
Utilization:													
Ending commercial stocks	8,262	9,183	9,605	11,004	11,888	12,360	12,742	12,150	11,243	9,958	9,113	9,891	9,891
USDA net removals	21	24	19	22	25	19	25	65	19	11	23	56	330
Commercial disappearance	13,372	12,551	14,735	13,449	14,518	14,177	14,195	14,973	14,651	15,457	14,639	13,741	170,456
Percent change from a year ago	-0.1	-0.2	1.7	-4.6	0.9	1.5	-0.7	-0.5	7.8	5.6	-2.5	-2.6	0.5
Cumulative disappearance	13,372	25,923	40,658	54,107	68,625	82,802	96,997	111,970	126,621	142,078	156,717	170,458	

	First quarter	Second quarter	Third quarter	Fourth quarter
	40,658	42,144	43,819	43,837
Percent change from a year ago	0.5	-0.8	2.1	0.2

Commercial disappearance: Milk in all products, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	14,505	13,395											
Farm use	100	89											
Marketings	14,405	13,306											
Beginning commercial stocks	9,891	11,117											
Imports	263												
Total supply	24,559												
Utilization:													
Ending commercial stocks	11,117												
USDA net removals	86												
Commercial disappearance	13,356												
Percent change from a year ago	-0.1												
Cumulative disappearance	13,356												

	First quarter	Second quarter	Third quarter	Fourth quarter
Percent change from a year ago				

Commercial disappearance: Milkfat, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	539	497	556	538	549	514	503	503	487	519	514	543	6,261
Farm use	4	4	4	4	4	4	4	4	4	4	4	4	45
Marketings	536	494	552	534	545	510	499	499	484	515	510	539	6,216
Beginning commercial stocks	259	303	337	353	404	436	454	468	446	413	366	335	259
Imports	14	13	15	13	14	15	17	14	14	14	15	17	175
Total supply	809	810	904	900	963	961	970	981	944	942	891	891	6,650
Utilization:													
Ending commercial stocks	303	337	353	404	436	454	468	446	413	366	335	363	363
USDA net removals	1	1	1	1	1	1	1	2	1	1	1	1	12
Commercial disappearance	505	472	550	495	526	506	501	533	530	575	555	527	6,275
Percent change from a year ago	-0.3	0.2	2.2	-4.1	1.6	1.5	-1.0	-0.4	7.4	5.8	-1.5	-1.3	0.8
Cumulative disappearance	505	976	1,526	2,022	2,548	3,054	3,555	4,088	4,618	5,193	5,747	6,274	

	First quarter	Second quarter	Third quarter	Fourth quarter
	1,526	1,528	1,564	1,656
Percent change from a year ago	0.7	-0.4	1.9	1.0

Commercial disappearance: Milkfat, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	547												
Farm use	4												
Marketings	543												
Beginning commercial stocks	363												
Imports	9												
Total supply	915												
Utilization:													
Ending commercial stocks	408												
USDA net removals	1												
Commercial disappearance	506												
Percent change from a year ago	0.3												
Cumulative disappearance	506												
	First quarter			Second quarter			Third quarter			Fourth quarter			
Percent change from a year ago													

Commercial disappearance: Skim solids, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	1,254	1,146	1,290	1,266	1,311	1,234	1,211	1,204	1,153	1,207	1,178	1,230	14,684
Farm use	9	8	9	9	9	9	9	9	9	9	9	9	106
Marketings	1,245	1,137	1,281	1,257	1,302	1,225	1,203	1,195	1,145	1,198	1,169	1,221	14,578
Beginning commercial stocks	696	720	766	790	824	850	868	865	811	744	706	693	696
Imports	24	29	34	34	39	40	47	38	38	38	40	38	439
Total supply	1,965	1,886	2,081	2,081	2,165	2,115	2,118	2,098	1,994	1,980	1,915	1,952	15,713
Utilization:													
Ending commercial stocks	720	766	790	824	850	868	865	811	744	706	693	735	735
USDA net removals	67	82	85	98	114	87	85	53	41	21	38	68	838
Commercial disappearance	1,178	1,038	1,206	1,159	1,201	1,160	1,168	1,234	1,209	1,253	1,184	1,149	14,140
Percent change from a year ago	0.8	-3.5	-1.4	-3.1	-2.8	1.4	-0.7	0.4	5.0	1.1	0.0	-0.5	-0.3
Cumulative disappearance	1,178	2,217	3,422	4,581	5,783	6,943	8,110	9,344	10,553	11,806	12,990	14,139	

	First quarter	Second quarter	Third quarter	Fourth quarter
	3,422	3,520	3,610	3,586
Percent change from a year ago	-1.3	-1.5	1.5	0.2

Commercial disappearance: Skim solids, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	1,272												
Farm use	9												
Marketings	1,263												
Beginning commercial stocks	735												
Imports	19												
Total supply	2,017												
Utilization:													
Ending commercial stocks	768												
USDA net removals	80												
Commercial disappearance	1,169												
Percent change from a year ago	-0.8												
Cumulative disappearance	1,169												
	First quarter			Second quarter			Third quarter			Fourth quarter			
Percent change from a year ago													

Commercial disappearance: Butter, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	140.7	125.4	129.0	132.4	126.5	96.9	94.0	88.5	92.3	102.1	104.2	127.5	1,359.4
Beginning commercial stocks	55.5	98.9	128.9	143.8	194.6	224.6	241.0	243.3	227.0	207.2	162.8	134.6	55.5
Imports	2.2	4.1	3.9	2.6	2.0	3.1	3.0	2.7	1.8	2.0	2.5	4.9	34.9
Total supply	198.4	228.4	261.8	278.8	323.1	324.6	338.0	334.5	321.1	311.3	269.5	267.0	1,449.8
Utilization:													
Ending commercial stocks	98.9	128.9	143.8	194.6	224.6	241.0	243.3	227.0	207.2	162.8	134.6	157.3	157.3
USDA net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial disappearance	99.5	99.5	118.0	84.2	98.5	83.6	94.7	107.5	113.9	148.5	134.9	109.7	1,292.5
Percent change from a year ago	16.6	2.3	11.0	-15.8	8.1	-4.2	-4.4	-11.4	19.0	19.9	-7.6	-13.7	0.9
Cumulative disappearance	99.5	199.0	317.0	401.2	499.7	583.3	678.0	785.5	899.4	1,047.9	1,182.8	1,292.5	

	First quarter	Second quarter	Third quarter	Fourth quarter
	317.0	266.3	316.1	393.1
Percent change from a year ago	9.7	-4.3	0.0	-1.0

Commercial disappearance: Butter, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	142.4												
Beginning commercial stocks	157.3												
Imports	2.6												
Total supply	302.3												
Utilization:													
Ending commercial stocks	202.3												
USDA net removals	0.0												
Commercial disappearance	100.0												
Percent change from a year ago	0.5												
Cumulative disappearance	100.0												
	First quarter			Second quarter			Third quarter			Fourth quarter			
Percent change from a year ago													

Commercial disappearance: Nonfat dry milk, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	118.9	125.8	147.8	158.3	158.1	147.6	123.7	114.4	93.8	99.7	96.1	127.7	1,511.9
Beginning commercial stocks	124.5	120.0	142.5	157.8	160.8	165.8	173.7	137.8	109.5	84.7	79.4	87.1	124.5
Imports	0.0	1.1	0.2	0.5	2.7	1.6	3.4	1.7	1.3	0.9	0.3	0.0	13.8
Total supply	243.4	246.9	290.5	316.6	321.6	315.0	300.8	253.9	204.6	185.3	175.8	214.8	1,650.2
Utilization:													
Ending commercial stocks	120.0	142.5	157.8	160.8	165.8	173.7	137.8	109.5	84.7	79.4	87.1	101.1	101.1
USDA net removals	66.7	81.6	85.7	98.2	114.7	86.9	84.6	47.8	39.8	20.2	37.2	64.6	828.0
Commercial disappearance	56.7	22.8	47.0	57.6	41.1	54.4	78.4	96.6	80.1	85.7	51.5	49.1	721.1
Percent change from a year ago	18.9	-70.3	-31.4	-27.8	-50.4	-16.0	-20.2	-19.3	-14.8	-4.1	-8.2	-28.4	-23.8
Cumulative disappearance	56.7	79.5	126.5	184.1	225.2	279.6	358.0	454.6	534.7	620.4	671.9	721.0	

	First quarter	Second quarter	Third quarter	Fourth quarter
	126.5	153.1	255.1	186.3
Percent change from a year ago	-34.4	-32.7	-18.2	-13.0

Commercial disappearance: Nonfat dry milk, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	133.9												
Beginning commercial stocks	101.1												
Imports	1.2												
Total supply	236.2												
Utilization:													
Ending commercial stocks	109.8												
USDA net removals	78.6												
Commercial disappearance	47.8												
Percent change from a year ago	-15.7												
Cumulative disappearance	47.8												
	First quarter			Second quarter			Third quarter			Fourth quarter			
Percent change from a year ago													

Commercial disappearance: American cheese, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	315.2	287.4	318.2	316.8	326.2	310.3	301.2	305.8	285.7	295.4	291.8	316.0	3,670.1
Beginning commercial stocks	448.3	458.9	490.4	497.6	513.0	535.4	547.9	572.8	565.0	512.0	500.5	473.6	448.3
Imports	4.4	2.3	3.8	2.5	6.1	16.3	14.0	11.0	7.9	7.8	4.8	3.1	83.9
Total supply	767.9	748.6	812.4	816.9	845.3	862.0	863.1	889.6	858.6	815.2	797.1	792.7	4,202.3
Utilization:													
Ending commercial stocks	458.9	490.4	497.6	513.0	535.4	547.9	572.8	565.0	512.0	500.5	473.6	493.1	493.1
USDA net removals	0.7	0.7	0.0	0.0	0.0	0.0	0.7	5.9	1.1	0.8	1.6	4.6	16.1
Commercial disappearance	308.3	257.5	314.8	303.9	309.9	314.1	289.6	318.7	345.5	313.9	321.9	295.0	3,693.1
Percent change from a year ago	-4.8	-5.8	2.9	2.9	-2.4	8.7	-0.2	0.9	18.5	-5.9	1.7	-3.1	1.0
Cumulative disappearance	308.3	565.8	880.6	1,184.5	1,494.4	1,808.5	2,098.1	2,416.8	2,762.3	3,076.2	3,398.1	3,693.1	

	First quarter	Second quarter	Third quarter	Fourth quarter
	880.6	927.9	953.8	930.8
Percent change from a year ago	-2.5	2.9	6.3	-2.5

Commercial disappearance: American cheese, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	319.2												
Beginning commercial stocks	493.1												
Imports	5.2												
Total supply	817.5												
Utilization:													
Ending commercial stocks	511.9												
USDA net removals	1.8												
Commercial disappearance	303.8												
Percent change from a year ago	-1.5												
Cumulative disappearance	303.8												
	First quarter			Second quarter			Third quarter			Fourth quarter			
Percent change from a year ago													

Commercial disappearance: Other-than-American cheese, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	390.1	367.6	409.3	390.2	407.0	387.2	379.6	394.3	386.2	422.2	421.1	420.9	4,775.7
Beginning commercial stocks	210.9	233.9	229.2	233.4	252.1	252.9	248.9	260.2	236.1	241.0	219.0	223.0	210.9
Imports	20.6	28.6	32.8	34.5	33.6	26.9	34.6	30.3	32.4	34.2	40.0	39.7	388.2
Total supply	621.6	630.1	671.3	658.1	692.7	667.0	663.1	684.8	654.7	697.4	680.1	683.6	5,374.8
Utilization:													
Ending commercial stocks	233.9	229.2	233.4	252.1	252.9	248.9	260.2	236.1	241.0	219.0	223.0	236.8	236.8
USDA net removals													
Commercial disappearance	387.7	400.9	437.9	406.0	439.8	418.1	402.9	448.7	413.7	478.4	457.1	446.8	5138.0
Percent change from a year ago	2.1	11.1	-2.6	-1.2	4.9	3.3	-2.0	9.0	5.5	9.9	-1.6	8.3	3.7
Cumulative disappearance	387.70	788.60	1,226.50	1,632.50	2,072.30	2,490.40	2,893.30	3,342.00	3,755.70	4,234.10	4,691.20	5,138.00	

	First quarter	Second quarter	Third quarter	Fourth quarter
	1,226.50	1,263.90	1,265.30	1,382.30
Percent change from a year ago	3.0	2.4	4.1	5.4

Commercial disappearance: Other-than-American cheese, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	405.1												
Beginning commercial stocks	236.8												
Imports	12.0												
Total supply	653.9												
Utilization:													
Ending commercial stocks	247.3												
USDA net removals													
Commercial disappearance	406.6												
Percent change from a year ago	4.9												
Cumulative disappearance	406.6												
	First quarter			Second quarter			Third quarter			Fourth quarter			
Percent change from a year ago													

Poultry and egg costs and returns

Date	DECATUR SOYBEAN MEAL	CHICAGO No. 2 CORN	COST PER POUND LIVEWEIGHT BASIS Feed	COST PER POUND LIVEWEIGHT BASIS Total	COST PER POUND R.T.C. BASIS Production	COST PER POUND R.T.C. BASIS Total	12-CITY PRICE	NET RETURNS BEFORE INTEREST & OVERHEAD
	$ / ton	$ / bushel	----------	----------	cents/lb	----------	----------	----------
BROILERS								
Jan-2002	156.60	2.06	14.64	24.99	32.88	46.98	56.86	9.88
Feb-2002	153.10	2.06	14.45	24.80	32.63	46.73	55.91	9.18
Mar-2002	160.50	2.05	14.54	24.89	32.75	46.85	55.17	8.32
Apr-2002	161.60	2.03	14.45	24.80	32.63	46.73	53.47	6.74
May-2002	164.30	2.08	14.62	24.97	32.85	46.95	56.42	9.47
June-2002	170.30	2.15	14.60	24.95	32.82	46.92	58.44	11.52
July-2002	187.50	2.33	14.79	25.14	33.08	47.18	57.47	10.29
Aug-2002	186.25	2.63	15.11	25.46	33.51	47.61	55.72	8.11
Sept-2002	185.50	2.70	16.00	26.35	34.67	48.77	55.88	7.11
Oct-2002	168.20	2.58	16.69	27.04	35.58	49.68	52.97	3.29
Nov-2002	163.20	2.47	16.84	27.19	35.78	49.88	53.42	3.54
Dec-2002	163.60	2.41	16.10	26.45	34.81	48.91	54.74	5.83
Jan-2003	167.40	2.41	15.71	26.06	34.28	48.38	60.46	12.08
Feb-2003	176.80	2.43	15.57	25.92	34.11	48.21	60.49	12.28
TURKEYS							3-REGION WHOLESALE PRICE	
Jan-2002	156.60	2.06	19.96	33.66	42.08	58.38	59.00	0.63
Feb-2002	153.10	2.06	20.07	33.77	42.21	58.51	58.20	-0.32
Mar-2002	160.50	2.05	19.70	33.40	41.75	58.05	56.89	-1.17
Apr-2002	161.60	2.03	19.86	33.56	41.94	58.24	56.70	-1.54
May-2002	164.30	2.08	19.69	33.39	41.74	58.04	60.61	2.57
June-2002	170.30	2.15	20.00	33.70	42.13	58.43	62.43	4.00
July-2002	187.50	2.33	19.98	33.68	42.09	58.39	63.13	4.74
Aug-2002	186.25	2.63	20.30	34.00	42.50	58.80	62.88	4.08
Sept-2002	185.50	2.70	20.87	34.57	43.21	59.51	62.24	2.73
Oct-2002	168.20	2.58	22.41	36.11	45.13	61.43	62.51	1.08
Nov-2002	163.20	2.47	23.54	37.24	46.55	62.85	65.03	2.18
Dec-2002	163.60	2.41	23.79	37.49	46.86	63.16	63.40	0.24
Jan-2003	167.40	2.41	22.48	36.18	45.23	61.53	59.23	-2.30
Feb-2003	176.80	2.43	21.80	35.50	44.38	60.68	59.21	-1.47
EGGS			FEED COST	TOTAL Production		WHOLESALE TOTAL COST	WHOLESALE 12-METRO PRICE	
Jan-2002	156.60	2.06	24.35	42.55		63.05	72.31	9.26
Feb-2002	153.10	2.06	24.51	42.71		63.21	63.17	-0.03
Mar-2002	160.50	2.05	24.37	42.57		63.07	79.57	16.50
Apr-2002	161.60	2.03	24.60	42.80		63.30	60.38	-2.93
May-2002	164.30	2.08	24.52	42.72		63.22	55.79	-7.44
June-2002	170.30	2.15	24.94	43.14		63.64	68.79	5.15
July-2002	187.50	2.33	25.61	43.81		64.31	63.80	-0.52
Aug-2002	186.25	2.63	27.42	45.62		66.12	70.05	3.93
Sept-2002	185.50	2.70	29.21	47.41		67.91	65.11	-2.81
Oct-2002	168.20	2.58	29.61	47.81		68.31	66.18	-2.13
Nov-2002	163.20	2.47	28.17	46.37		66.87	85.75	18.87
Dec-2002	163.60	2.41	27.30	45.50		66.00	80.06	14.06
Jan-2003	167.40	2.41	26.94	45.14		65.64	79.50	13.86
Feb-2003	176.80	2.43	27.10	45.30		65.80	74.25	8.45

NOTE - These statistical series were developed to estimate the net returns for a specific basic product (whole broilers and turkeys, and large cartoned eggs). They are not intended as estimates of the net returns for all products produced by the broiler, turkey, or egg industries or by individual firms.