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Livestock, Dairy, and Poultry Outlook

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Record Per Capita Meat Consumption Expected in 2005

NOTE: Due to uncertainties as to the length of bans regarding the imports of ruminant products due to the discovery of a BSE-infected cow in December 2003, forecasts for 2004 and 2005 assume a continuation of policies currently in place. Subsequent forecasts will reflect any announced changes. An agreement between the United States and Japan was reached on October 23, 2004, to resume beef trade between the two countries once conditions have been worked out. The process of developing regulatory rulemaking procedures in both countries has started. Expected trade depends upon the timing and outcome of these procedures. The beef trade forecasts in this report do not assume a resumption of beef trade with Japan at this time.

Larger supplies of red meat and poultry are expected to result in record-high per capita meat consumption in 2005. Beef production in 2005 is expected to be about 1 percent above this year, despite continuing declines in numbers of animals slaughtered. Average dressed weights in 2005 are expected to exceed the 2002 record of 758 pounds. Poultry meat production is expected increase to around 3 percent while pork production will likely increase about 1 percent.

Prices of 51-52 percent lean hogs (live equivalent) are expected to range between \$50 and \$52 per hundredweight (cwt) in the fourth quarter, 38 percent more than the price during the same period last year. Expected fourth-quarter production of 5,500 million pounds is about the same as the fourth quarter last year. Strong demands by domestic and foreign consumers and higher domestic beef prices are three likely factors supporting hog prices.

Hog trade with Canada will likely be affected as the U.S. Department of Commerce (DOC) returned a positive preliminary decision with respect to the National Pork Producer Council's (NPPC) petition against imported Canadian slaughter hogs and feeder pigs. Antidumping penalties of about 14 percent are now being collected as Canadian swine come across the border. The DOC will make final decisions about dumping penalties and countervailing duties in early March. A final finding of "injury"

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 The next release is
 Nov. 23, 2004

Approved by the
 World Agricultural
 Outlook Board.

by the International Trade Commission (ITC) in late April 2005 would give any final determination of countervailing duties and/or dumping penalties by DOC, the force of law.

Broiler production in fourth-quarter 2004 is forecast at 8.6 billion pounds, 4.4 percent higher than a year ago. Higher production is expected to come from an increase in the number of birds slaughtered and higher average weights. U.S. broiler exports for the third quarter of 2004 were 1.25 billion pounds, up 6 percent from a year ago. The export estimate for fourth-quarter 2004 was increased to 1.23 billion pounds, due to lower prices for most broiler parts, growing exports to major markets, and the reopening of shipments to China. For the same reasons, the export estimate for 2005 was raised to 4.96 billion pounds, an increase of over 300 million pounds from the previous estimate.

Wholesale table egg prices (NY grade A large) are expected to average 63-67 cents per dozen in 2005, the lowest price since 1999. The rapid fall of egg prices is due mainly to the quick rise of the U.S. layer flocks and consequently, to increased egg production. As a result, the supply of table eggs rose to a record high, causing prices to tumble. The quick rise in layer numbers was due to the repopulation of laying flocks after a breakout of Exotic Newcastle Disease in the first half of 2003 and favorable producer returns in the second half of 2003 as egg prices rose.

Watch for changes in early 2005 in the formatting of the Livestock, Dairy, and Poultry newsletter that we hope will make our information more useful and timely. We plan to use the charts (previously included with our tables in the back of the newsletter) to illustrate specific points in our analysis. Since we know that most of our users use our data in spreadsheet format, the tables that we publish in what is now known as the “full report” will be available as Excel spreadsheets only. Subscribers to our newsletter will receive notices when the newsletter and the spreadsheets are posted to the web. These changes will help us streamline our operations, and provide you with updated analysis and data in formats that you can easily use in your own reviews of the markets.

Beef Production Pushed Up By Weights

Sharply reduced fed cattle slaughter from a year earlier and prospects for the best wheat grazing in years have resulted in a gain in stocker/feeder cattle supplies outside feedlots. Through the first three-quarters of this year net feedlot placements were nearly 9 percent below a year earlier. Cattle marketings this year are at a slow pace, due to poor feedlot conditions in the first-half, but since then due to intense price negotiations between packers and cattle feeders, with each attempting to keep losses in check. Feedlot breakevens moved up to the low \$90s per cwt and are expected to remain in this range through the winter quarter. Yearling feeder cattle prices for marketings in October through February are ranging from \$113 to \$117 per cwt, even with lower feed costs, breakevens have continued to rise since mid summer. Packer spreads also remain lower, with the third quarter spread averaging 31.2 cents a pound, down from 43.4 cents a year earlier. Retail prices for Choice beef peaked at midyear at \$4.17 a pound, and have been declining through early fall. The wholesale-retail spread remains wide, averaging \$2 a pound in the third quarter, up from \$1.50 a year earlier when beef supplies were very tight. The slow fed cattle marketing pace is resulting in heavier steer/heifer slaughter weights adding to already large total meat supplies. Beef production this fall through the first half of 2005 is expected to average above a year earlier, even with sharply reduced cow slaughter. Larger supplies of beef and competing meats are expected to result in per capita meat consumption near to above year-earlier levels through 2005.

On-Feed Inventories Remain Large

Cattle on feed inventories in feedlots with over 1,000 head of capacity on October 1 were 2.6 percent larger than a year earlier. Third-quarter net placements declined nearly 10 percent from a year earlier, while marketings declined over 11 percent. Fourth-quarter placements are expected to remain well below fall 2003 levels when cattle prices were at record levels with strong competition for an uncertain supply of fed beef. This fall, and at least through winter, the industry must face the problem of marketing weights approaching the record levels of 2002. With the sharply reduced cow slaughter, commercial carcass weights will break the fall 2002 record fairly easily, and are expected to remain near to above record levels in 2005.

Favorable Wheat Grazing Prospects Add to Late Winter Placements

Stocker cattle are just being placed on winter wheat pasture, having been purchased over the past couple of months. Grazing prospects continue to improve. In mid-November, winter wheat crop conditions in Kansas, Oklahoma, and Texas were 78, 81, and 85 percent good to excellent, respectively, and likely leading toward the largest number of cattle on small grain pasture in these States since the series began in 2001. However, cool/wet weather may be slowing the movement onto pasture in November to avoid damaging the crop. The inventory of cattle grazing on small grain pasture in these States on January 1, 2005, is likely to match or exceed the previous high of 3.7 million head in 2003.

Stocker/feeder cattle supplies outside feedlots on October 1 were up from a year ago, with most weight groups remaining at or near record prices. Many of these

cattle will be grazed this winter and begin to come off pasture in early February through March, bolstering feedlot placements and 2005 beef production.

Retail Beef Prices Continue Decline

Prices for Choice retail beef averaged \$4.02 a pound in October, declining 4 percent from the midyear peak, but still 2 percent above a year earlier. The wholesale-retail spread narrowed, but remained well above year-earlier levels when fed beef supplies were very tight and prices were approaching record levels. The farm-wholesale spread continued to tighten. Although demand remains strong, supplies of beef grading Choice or better appear more than adequate for the market, particularly with weights continuing to rise. Feeding conditions this fall and winter will remain a major factor in feedlot performance and availability of higher grading beef and thus negotiating strength in the market.

Beef exports Through September Only 15 Percent of a Year Ago

Beef exports during January-September totaled 293 million pounds, 15 percent of exports for the same period a year ago. Mexico and Canada were the only two major markets to permit U.S. beef shipments the first three quarters of 2004. Exports to Mexico gradually increased as 2004 progressed, reaching 64 percent of last year's level in the third quarter 2004. Upward revisions in exports throughout 2005 reflect the promise of exports to Mexico continuing to increase. Other minor markets should also increase imports of U.S. beef in 2005. Exports to Canada appear stymied by the large amount of domestic beef and low prices in Canada against strong U.S. demand and high prices. Beef exports to Canada in 2005 may reach 40-50 percent of historical U.S. beef exports to that country. Total U.S. beef exports of 620 million pounds are forecast in 2005, 40 percent above the expected 2004 total of 443 million pounds.

An agreement to resume beef trade between the United States and Japan was reached on October 23, 2004. The process of developing regulatory rulemaking procedures in both countries has started. Expected trade depends upon the timing and outcome of these procedures.

Fourth-Quarter Hog Prices Continue Well Above a Year Ago

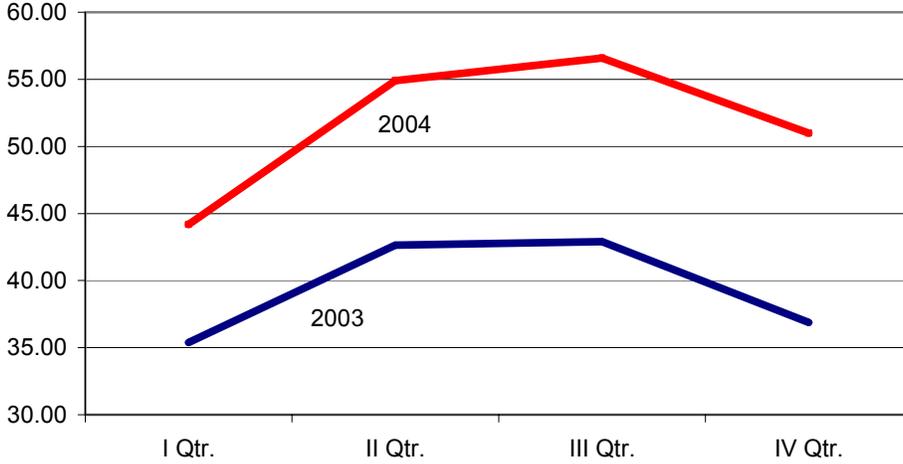
Prices for 51-52 percent (live equivalent) hogs averaged \$53.68 per cwt in October, 39 percent above a year ago, and fourth-quarter prices are expected to range between \$50 and \$52 per cwt 38 percent higher than fourth-quarter 2003. Hog prices continue to be supported by strong domestic and foreign demand for pork products in combination with higher retail beef prices. Demand appears to be particularly strong for picnics, butts, and hams. Picnics and butts are cuts typically favored by Asian consumers. Although large quantities of hams appear to be headed to Mexico, it is likely that a Christmas ham market is also underway in the United States that is lending additional strength to ham prices. U.S. consumers are paying higher prices for pork products. Fourth-quarter retail pork prices are expected to continue to average in the high \$2.80s per pound, about 7 percent above a year ago.

Imported Canadian Hogs Now Subject to Dumping Penalties

As reported last month (<http://www.ers.usda.gov/Publications/LDP/>), the DOC returned a positive preliminary finding with respect to the petition of the NPPC et al, charging that Canadian swine had been dumped in the United States in 2003 (http://www.ita.doc.gov/media/FactSheet/1004/swine_101504.html). As a consequence of the dumping penalties, which range from 13.25 percent to 15.01 percent, U.S. imports of Canadian hogs will likely be reduced in the second half of 2005. From now until the DOC makes its final determinations concerning countervailing duties and dumping in March and the ITC returns its final injury decision in April 2005, import numbers are expected to change very little. Buyers and sellers on both sides of the border are expected to wait for a final disposition of the investigative process before making further production decisions. It is expected however, that the flow of Canadian slaughter hog numbers will begin to slow after settlement of the currently ongoing strike at Quality Meats in Ontario. Also, because the dumping penalties are assessed on a value basis, it is expected that imports of Canadian swine in 2005 will be comprised of a greater proportion of lower valued feeder pigs. Another consequence of the dumping penalties and slowing imports of Canadian swine is a likely increase in the quantity of Canadian pork products imported by U.S. companies in 2005. U.S. pork imports next year are expected to increase about 7 percent, to 1.2 billion pounds.

**51-52 percent lean hogs (live equiv.), 2003 and 2004
quarterly prices**

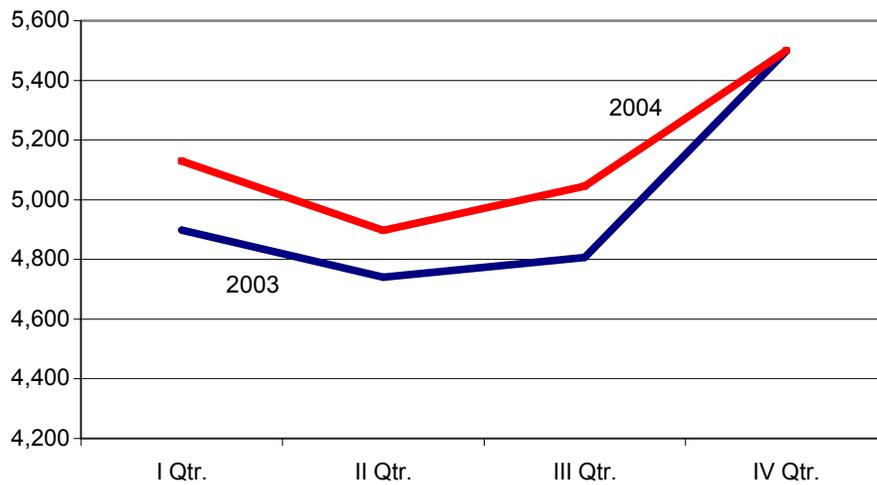
\$/cwt.



Source: Livestock, Meat, & Wool AMS, USDA.

Quarterly U.S. commercial pork production, 2003 and 2004

Million lb.



Source: Livestock Slaughter, NASS USDA.

Broiler Production Forecast Higher in Fourth Quarter

U.S. broiler production in the third quarter of 2004 was 8.83 billion pounds, 4.6 percent above a year earlier. The higher meat production was due to a 2.3-percent increase in the number of birds slaughtered and a 2.4-percent increase in average weights to 5.27 pounds. Federally inspected slaughter in fourth-quarter 2004 is forecast at 8.6 billion pounds, an increase of 4.4 percent from a year earlier. The fourth quarter production gain is again expected to come from increases in the number of birds slaughtered and higher average weights. The weekly broiler hatchery report shows that over the last 5 weeks (Oct. 9 through Nov. 6), the number of broiler chicks placed for grow out has averaged 3.7 percent higher than the same period in 2003. The data for eggs placed in incubators over the last 5 weeks point toward continued growth in chick placements. The number of eggs placed in incubators over the last 5 weeks has averaged 2.4 percent higher than the same period a year earlier. Broiler production for 2005 is forecast at 35.2 billion pounds.

Broiler Exports Raised

Due to a combination of lower parts prices, larger shipments to major markets, and the reopening of the Chinese market, the export forecast for 2005 was increased to 4.96 billion pounds, up 355 million pounds from the previous forecast. China has recently announced that U.S. poultry products produced on or after November 9 will be allowed into China. In February of this year, China had restricted imports of U.S. poultry products due to Avian Influenza outbreaks in the United States. U.S. broiler exports in third-quarter 2004 were 1.25 billion pounds, up 6 percent from a year earlier. The increase in the third quarter was chiefly the result of larger shipments to Russia, Mexico, and the CIS countries. Expected growth in these markets has caused the export forecast for fourth-quarter 2004 to be increased to nearly 1.23 billion pounds. The quantity of broiler exports over the last several months has expanded in response to falling prices for most broiler parts.

Third-Quarter Broiler Ending Stocks Higher

Higher broiler production has pushed stocks of broiler products higher during the third quarter. Broiler stocks held in cold storage at the end of September were 763 million pounds, 27 percent higher than a year earlier. Most of the broiler stocks are parts and were up 30 percent from the same period in 2003. However, cold storage holdings of whole broilers were down by 22 percent, which has allowed whole broiler prices to remain above their year-earlier levels.

The combination of higher production and growing stocks pushed October 2004 prices for most broiler parts below a year earlier. Northeast boneless/skinless breast meat prices were down 17 percent from a year earlier. Since June, prices for breast meat products have declined by around 50 percent. However, while their prices have also declined since June, prices for leg quarters and wings were still 4 and 23 percent higher than a year earlier. With lower stocks available, prices for whole broilers have been above a year earlier and are expected to remain that way for the remainder of 2004.

Turkey Production Declines Again

U.S. turkey production in the third quarter of 2004 was 1.39 billion pounds, down 1.6 percent from the same period in 2003. Production decreased as a result of a lower number of birds being slaughtered (down 3.3 percent) offsetting an increase in average bird weight to 26.5 pounds. Federally inspected slaughter in the fourth quarter of 2004 is forecast at 1.4 billion pounds, again lower than during the same period in 2003. Turkey production is expected to increase slightly in 2005 in response to higher prices throughout most of 2004.

Turkey Exports for 2005 Increased

The forecast for 2005 turkey exports is now 510 million pounds, up 55 million from the previous estimate. Expected higher shipments to Mexico and Canada and the reopening of the Chinese market are the main reasons for the increase. U.S. turkey exports for third-quarter 2004 were 134 million pounds, up slightly from the previous year, as larger exports to Mexico offset smaller Asian shipments. This places the estimate for annual 2004 exports at 450 million pounds, an increase from earlier estimates but still below the 484 million pounds exported in 2003. The larger shipments to Mexico and some other countries have been the chief reasons for an increase in the export estimate for the fourth quarter to 140 million pounds.

Third-Quarter Ending Stocks Lower

Lower third-quarter production together with a modest gain in exports pulled third-quarter ending stocks down. Cold storage holdings of whole turkeys at the end of September were estimated at 293 million pounds, down 23 percent from the same period last year. Holdings of turkey parts were also down. Stocks of turkey parts at the end of September were estimated at 237 million pounds, down 12 percent from a year earlier. Total third-quarter ending stocks for turkey were 530 million pounds, a decrease of 118 million pounds (18 percent) from a year earlier.

Turkey Prices Expected to Remain Higher

Lower domestic production and falling stock levels have combined to push whole turkey prices higher over the last 6 months. The price for whole hens in the Eastern region was 76.9 cents per pound in October, up 16 percent (about a dime) from a year earlier. Prices for whole birds and turkey parts are expected to remain strong through the Thanksgiving holiday period and then decline seasonally, but remain above their year-earlier levels. With continued slow production growth and higher exports forecast, turkey prices are expected to remain strong through the first half of 2005.

Egg Prices Continue To Decline

Wholesale table egg prices (NY grade A large) are expected to average 63-67 cents per dozen in 2005, likely the lowest since 1999. In 2003 egg prices averaged 88 cents per dozen. Monthly egg prices in 2003 rose to a high of 123 cents per dozen in November 2003 and again in March 2004. However, since March prices have steadily declined to 58 cents a dozen in October 2004. Prices in November and December are expected to move upwards due to seasonal holiday demand. For all 2004, prices are expected to average around 81 cents a dozen or about 7 percent lower than in 2003.

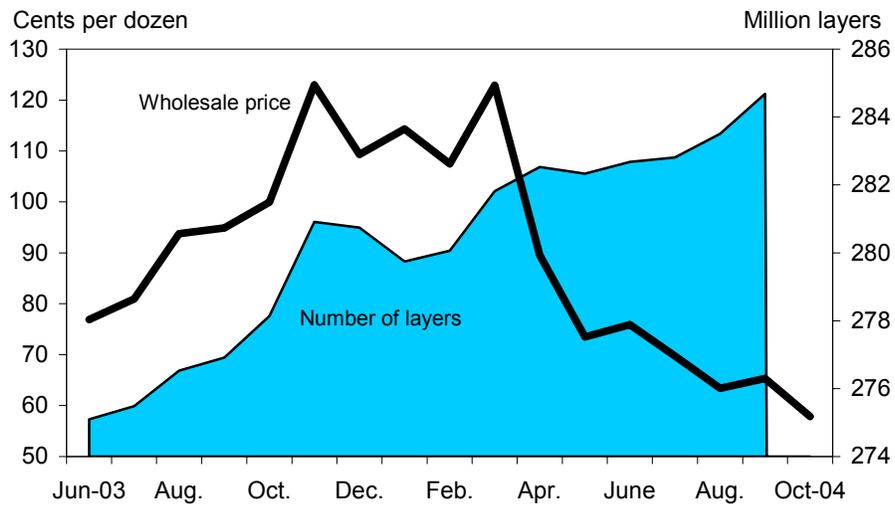
The rapid fall of egg prices was due mainly to the quick rise of U.S. layer flocks and consequently, increased egg production. As a result, table egg production rose to a record high, causing prices to tumble, due to the relatively inelastic price demand for eggs. The quick rise in layer numbers was due to the repopulation of laying flocks after a breakout of Exotic Newcastle Disease in the first half of 2003 and economic incentives from rapidly rising producer returns in the second half of 2003 driven by rapidly rising egg prices. From June 2003 to September 2004, U.S. egg-type layers rose by 9.6 million birds, from 275.1 to 284.7 million egg-type layers. The rapid buildup of the laying flocks brought the U.S. egg-type layers to the largest inventory since 1980 when reporting of separate table egg and hatching flock data began. Table egg production in 2004 is expected to be up nearly 2 percent from 2003. In 2005, table egg production is expected to increase to about 6,400 million dozen, up over 1 percent from 2004.

Total U.S. egg production in 2004, table and hatching, is expected to rise to nearly 7.4 billion dozen, or 1.8 percent, over 2003. Table eggs are expected to account for about 85 percent of total production in 2004. Hatching egg production in 2004 is expected to rise fractionally, reflecting higher broiler production. Eggs broken in 2004 are expected to increase about 6 percent over a year ago as lower wholesale egg prices encourage higher breaking than in 2003.

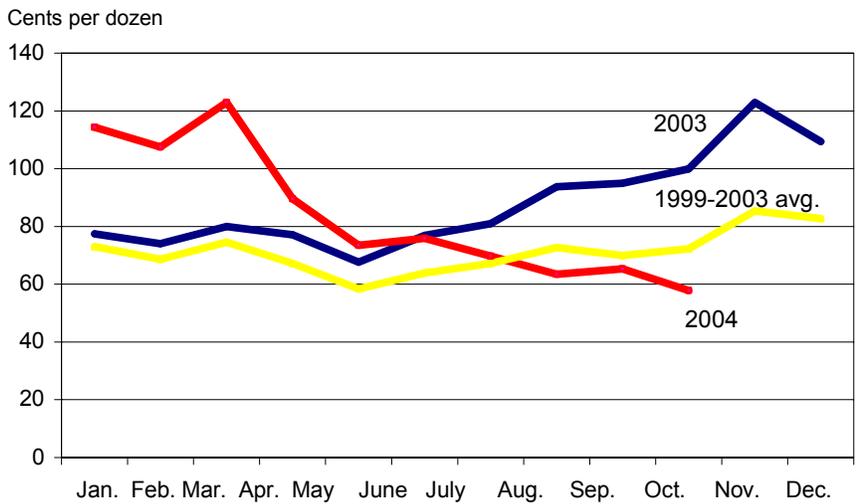
Retail egg prices dropped to \$1.23 in the third quarter of 2004 from \$1.42 per dozen in the previous quarter. For all of 2004, retail egg prices are expected to average around \$1.35 to 1.37 per dozen, which would be a record high.

In the third quarter of 2004, U.S. egg exports are expected to reach 48 million dozen, up substantially from the first quarter's 23.2 million. The increase is mainly due to recovery of most U.S. flocks from outbreaks of Avian Influenza in early 2004 and many countries lifting restrictions on U.S. eggs and egg products. For example, U.S. exports of eggs and egg products (in-shell egg equivalents) to the United Kingdom rose from 224,000 dozen to 3.3 million dozen between January and August 2004. Likewise, U.S. exports to Hong Kong rose from 464,000 dozen to 1.9 million dozen and those to China from 27,000 dozen to 927,000 dozen. The U.S. export market for shell eggs and egg products looks promising in the future, due to competitive U.S. prices, high quality, and several restrictive measures imposed on layer flocks in the European Union due to contaminated feed. Egg exports in 2005 are expected to be about 10 percent higher than in 2004.

**Wholesale monthly prices (NY grade A large)
and egg-type layers during the month**



**Wholesale egg prices (NY grade A large) 2003, 2004, and
1999-2003 average**



Commercial Dairy Stocks Mixed

October 1 commercial stocks of dairy products were 1 billion pounds smaller than either of the 2 preceding years on a milk equivalent, milkfat basis but 1 billion pounds larger on a milk equivalent, skim solids basis. The price implications of these changes are not straightforward because commercial stocks of various individual products have taken widely divergent paths, reflecting pronounced differences in recent market conditions.

Commercial stocks of American cheese dropped at a faster-than-average rate from the August 1 seasonal peak but were still significantly larger than a year earlier on October 1. Sluggish cheese movement kept stocks from being trimmed enough, even though summer production was rather restrained. More successful reduction of stocks would have boosted the likelihood of sustained autumn price recovery. Stocks of other cheeses were in a more comfortable position, slightly below the levels of the 2 preceding years.

Butter stocks also dropped relatively quickly from the August 1 peak and were about a third smaller than the heavy October 1 stocks of 1 and 2 years earlier. Large disappearance pulled down inventories despite large jumps in butter production. Weekly stocks reported by the Chicago Mercantile Exchange (CME) indicated that commercial holdings continued to decline at a brisk rate in October and early November. If so, relatively tight stocks may have contributed to the November increases in CME butter prices.

Manufacturers' stocks of nonfat dry milk on October 1 were about double those of a year earlier. Even so, stocks may have been reasonably comfortable. Sales of nonfat dry milk have been sharply higher this year, requiring larger stocks. Also, a sizable share of the increase in movement has been into the export market. Export sales generally need a larger stocks cushion than do domestic sales.

The October 1 data imply that commercial stocks probably have played no more than a minor role in recent and prospective markets. Extra cheese undoubtedly dampened cheese prices but probably was not a substantial fundamental influence. The large stocks were more a symptom of the lack of basic recovery in the cheese markets, and true recovery could quickly eliminate any excess. The boost in cheese holdings had far milder effects than did the very large butter stocks during most of 2002 and 2003.

Contacts and Links

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Data

Colorado State University's Livestock Marketing Information Center (<http://www.lmic.info>) now houses the retail scanner prices for meat database (<http://www.lmic.info/meatsscanner/meatsscanner.shtml>), including standard tables, the searchable database, and documentation. The raw data underlying the database are from supermarkets across the United States that account for about 20 percent of supermarket sales. Erica Rosa, 720-544-2941.

Recent Report

"U.S. 2003 and 2004 Livestock and Poultry Trade Influenced by Animal Disease and Trade Restrictions" discusses how animal diseases have influenced trade in animal products in the past few years, and is available at <http://www.ers.usda.gov/publications/LDP/JUL04/LDPM12001/>

Related Websites

Animal Production and Marketing Issues, <http://www.ers.usda.gov/briefing/AnimalProducts/>
Cattle, <http://www.ers.usda.gov/briefing/cattle/>
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Red meat and poultry forecasts

	2001	2002	2003	2004				2005								
	Annual	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Production, million lb																
Beef	26,107	27,090	6,282	6,902	7,081	5,973	26,238	5,834	6,254	6,360	6,050	24,498	5,950	6,375	6,500	24,775
Pork	19,138	19,664	4,898	4,741	4,807	5,499	19,945	5,130	4,897	5,046	5,500	20,573	5,175	4,975	5,065	20,800
Lamb and mutton	223	219	49	50	48	199	52	52	46	46	50	194	51	49	47	197
Broilers	31,266	32,240	7,786	8,275	8,448	8,240	32,749	8,208	8,491	8,835	8,600	34,134	8,500	8,825	9,075	35,225
Turkeys	5,562	5,713	1,380	1,439	1,409	1,423	5,650	1,302	1,365	1,387	1,400	5,455	1,315	1,410	1,400	5,575
Total red meat & poultry	83,006	85,669	20,570	21,586	21,965	21,355	85,476	20,687	21,220	21,850	21,771	85,528	21,154	21,803	22,260	87,241
Table eggs, mil. doz.	6,078	6,190	1,524	1,528	1,559	1,596	6,207	1,554	1,572	1,594	1,610	6,330	1,580	1,590	1,605	6,400
Per capita consumption, retail lb 1/																
Beef	66.2	67.6	16.2	16.9	16.9	15.0	64.9	15.9	16.9	16.9	16.0	65.7	15.9	17.1	17.2	65.9
Pork	50.2	51.5	12.6	12.5	12.6	14.1	51.8	13.0	12.4	12.7	13.8	51.9	12.8	12.5	12.8	52.0
Lamb and mutton	1.1	1.2	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.2	0.3	1.2	0.3	0.3	0.3	1.2
Broilers	76.6	80.5	19.7	20.7	21.3	19.9	81.6	20.8	21.2	21.8	21.4	85.3	21.2	21.7	22.4	86.7
Turkeys	17.5	17.7	3.6	3.9	4.6	5.3	17.4	3.6	4.0	4.4	5.1	17.1	3.2	3.9	4.0	16.7
Total red meat & poultry	213.6	220.5	52.9	54.9	56.1	55.0	218.9	54.1	55.1	56.5	56.9	222.5	53.8	55.8	57.1	224.0
Eggs, number	252.7	255.5	62.6	63.0	63.8	65.3	254.7	63.5	63.7	63.9	64.6	255.7	63.1	63.3	63.8	254.7
Market prices																
Choice steers, Neb., \$/cwt	72.71	67.04	77.82	78.49	83.07	99.38	84.69	82.16	88.15	83.58	82-84	84.22	81-85	84-90	80-86	82-88
Feeder steers, Ok City, \$/cwt	88.20	80.04	78.48	82.49	94.90	103.51	89.85	87.98	104.58	116.27	108-110	104.46	93-97	93-99	94-100	94-100
Boning utility cows, S. Falls, \$/cwt	44.39	39.23	40.53	46.52	49.84	49.60	46.62	47.50	54.86	56.25	54-56	53.40	51-55	53-57	51-55	52-56
Choice slaughter lambs, San Angelo, \$/cwt	72.04	72.31	91.92	93.71	89.48	92.82	91.98	100.62	97.06	93.62	94-96	96.58	95-99	92-98	91-97	92-98
Barrows & gilts, N. base, l.e. \$/cwt	45.81	34.92	35.38	42.64	42.90	36.89	39.45	44.18	54.91	56.58	50-52	51.67	49-53	50-54	47-51	47-51
Broilers, 12 City, cents/lb	59.10	55.60	60.30	59.60	63.40	64.60	62.00	73.20	79.30	75.70	69-71	74.60	69-73	69-75	70-76	70-75
Turkeys, Eastern, cents/lb	66.30	64.50	61.10	60.60	59.10	67.40	62.10	62.10	66.60	73.10	75-77	69.50	61-65	63-69	67-73	66-71
Eggs, New York, cents/doz.	67.20	67.10	77.20	73.90	89.90	110.70	87.90	114.90	79.70	66.20	64-66	81.40	63-67	58-62	62-68	63-67
U.S. trade, million lb																
Beef & veal exports	2,269	2,447	582	678	680	578	2,518	36	120	137	150	443	140	170	170	620
Beef & veal imports	3,164	3,218	810	741	619	836	3,006	873	929	939	810	3,551	890	940	940	3,660
Lamb and mutton imports	146	162	40	44	35	48	168	62	47	34	46	189	57	50	47	199
Pork exports	1,560	1,611	412	440	404	461	1,717	523	546	486	525	2,080	510	545	495	2,115
Pork imports	951	1,070	289	301	298	297	1,185	275	265	291	300	1,131	275	290	310	1,215
Broiler exports	5,555	4,807	1,191	1,166	1,181	1,382	4,920	1,024	1,008	1,250	1,225	4,507	1,180	1,260	1,245	4,955
Turkey exports	487	439	103	114	129	137	484	83	93	134	140	450	120	120	130	510

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.

Source: World Agricultural Supply and Demand Estimates and Supporting Materials.

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Economic Indicator Forecasts

	2003			2004					2005			
	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
GDP, chain wtd (bil. 2000 dol.)	10,493	10,599	10,381	10,709	10,778	10,871	10,978	10,830	11,080	11,181	11,273	11,233
CPI-U, annual rate (pct.)	2.3	0.9	1.9	3.6	4.7	3.0	2.3	3.4	2.3	2.3	2.3	2.1
Unemployment (pct.)	6.1	5.9	6.0	5.6	5.6	5.5	5.5	5.5	5.4	5.3	5.2	5.3
Interest (pct.)												
3-month Treasury bill	1.0	0.9	1.0	0.9	1.1	1.5	1.8	1.3	2.2	2.5	2.9	2.7
10-year Treasury bond yield	4.2	4.3	4.0	4.0	4.6	4.6	4.8	4.5	5.2	5.4	5.5	5.4

Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, August 2004.

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Dairy Forecasts

	2003			2004					2005			
	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Milk cows (thous.)	9,073	9,011	9,084	8,990	8,998	9,033	9,020	9,010	8,990	8,955	8,930	8,945
Milk per cow (pounds)	4,601	4,609	18,748	4,750	4,858	4,671	4,695	18,975	4,850	5,015	4,790	19,455
Milk production (bil. pounds)	41.7	41.5	170.3	42.7	43.7	42.2	42.3	171.0	43.6	44.9	42.8	174.0
Commercial use (bil. pounds)												
milkfat basis	44.9	45.3	174.6	42.1	43.7	44.5	46.0	176.2	43.0	44.2	45.2	178.2
skim solids basis	42.4	41.9	166.0	42.6	43.1	43.4	43.2	172.3	43.1	43.9	44.2	174.8
Net removals (bil. pounds)												
milkfat basis	0.2	0.0	1.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
skim solids basis	1.4	0.9	8.3	0.6	0.2	0.4	1.0	2.2	1.2	0.7	1.2	3.9
Prices (dol./cwt)												
All milk 1/	13.30	14.40	12.52	14.07	18.60	15.47	15.70	15.95	13.85	12.55	12.90	13.35
							-16.00	-16.05	-14.45	-13.45	-13.90	-14.25
Class III	13.29	13.24	11.42	12.66	19.31	14.54	14.00	15.10	11.95	11.45	11.90	11.95
							-14.30	-15.20	-12.95	-12.45	-12.90	-12.95
Class IV	10.05	10.33	10.00	12.43	14.26	12.92	12.75	13.05	11.40	11.20	11.65	11.55
							-13.15	-13.25	-12.10	-12.20	-12.75	-12.55

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

Source: World Agricultural Supply and Demand Estimates and supporting materials.

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Feeder cattle supply outside feedlots1/

Item	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Change from previous year Percent
On farms Jan. 1:												
Calves < 500 lb	17,873	18,341	18,384	17,826	17,401	17,290	16,816	16,216	15,753	15,545	15,204	-2.19
Steers over 500 lb	17,086	17,513	17,815	17,392	17,189	16,891	16,682	16,461	16,804	16,554	16,280	-1.66
Heifers over 500 lb 2/	9,104	9,302	9,948	10,212	10,051	10,170	10,147	10,131	10,057	9,891	9,804	-0.88
Total	44,063	45,156	46,147	45,430	44,641	44,351	43,645	42,808	42,614	41,990	41,288	-1.67
On feed Jan. 1 3/:	12,922	12,363	12,853	13,067	13,536	13,218	13,998	14,174	13,944	13,122	13,715	4.52
Feeder cattle outside feedlots on Jan 1 4/:												
Slaughter Jan.-Mar.:												
Calves	312	351	432	403	368	322	291	254	238	262	227	-13.26
Steers & heifers	6,495	6,661	7,085	7,030	7,039	7,151	7,458	6,852	6,874	6,683	6,435	-3.71
Total	6,807	7,012	7,517	7,433	7,407	7,473	7,749	7,106	7,112	6,945	6,662	-4.07
On feed Apr. 1 3/:	12,432	12,585	12,235	12,890	12,281	12,884	13,668	13,846	14,024	13,201	13,109	
Feeder cattle outside feedlots on April 1 4/:												
24,824	25,560	26,395	25,107	24,953	23,994	22,228	21,855	21,477	21,844	21,844	21,517	-1.50
On farms July 1:												
Calves < 500 lb	31,300	32,000	31,700	30,900	30,600	30,500	30,200	29,700	29,400	29,000	28,900	-0.34
Steers over 500 lb	15,200	15,400	15,100	14,800	14,600	14,400	14,300	14,600	14,500	14,200	14,200	0.00
Heifers over 500 lb 2/	7,500	8,000	8,100	8,200	8,100	8,100	8,100	8,200	7,900	7,700	7,550	-1.95
Total	54,000	55,400	54,900	53,900	53,300	53,000	52,600	52,500	51,800	50,900	50,650	-0.49
On feed July 1 3/:	10,456	11,140	9,741	10,839	10,956	11,447	12,350	13,016	12,425	11,737	11,739	0.02
Feeder cattle outside feedlots on July 1 4/:												
43,544	44,260	45,159	43,061	42,344	41,553	40,250	39,484	39,375	39,163	39,163	38,911	-0.64
Slaughter Jul.-Sep.:												
Calves	312	361	469	396	394	349	292	256	281	247	209	-15.28
Steers & heifers	7,269	7,657	7,169	7,524	7,438	7,785	7,797	7,465	7,678	7,870	6,935	-11.88
Total	7,581	8,018	7,638	7,920	7,832	8,134	8,089	7,721	7,959	8,117	7,144	-11.98
On feed Oct. 1 3/:	10,606	10,947	11,001	12,083	11,706	12,310	13,073	13,175	12,347	12,085	12,160	0.62
Feeder cattle outside feedlots on Oct. 1 4/:												
35,813	36,435	36,261	33,897	33,762	32,556	31,438	31,604	31,495	31,495	30,698	31,345	2.11

1/ 1995-1997 data revised to incorporate July 1 U.S., and 12 States on feed data.

2/ Not including heifers for cow herd replacement. 3/ Estimated U.S. steers and heifers.

4/ Numbers may not add due to rounding.

High Plains Cattle Feeding Simulator

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04
Purchased During	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04
Marketed During	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05
Expenses: (\$/head)													
750 lb feeder steer	793.95	793.73	772.73	665.70	660.08	685.28	728.10	796.05	860.33	888.75	885.98	872.93	870.08
Total feed, handling, and management charge	147.29	157.18	164.15	173.30	177.60	186.07	190.69	183.14	176.49	152.22	144.00	139.91	134.29
Interest on feeder and 1/2 feed	32.14	32.32	31.67	27.27	27.15	28.21	30.34	32.71	34.95	34.59	34.34	33.80	33.60
Death loss (1% of purchase)	7.94	7.94	7.73	6.66	6.60	6.85	7.28	7.96	8.60	8.89	8.86	8.73	8.70
Marketing 1/	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.							
Total expenses	981.33	991.16	976.27	872.93	871.42	906.41	956.42	1,019.86	1,080.37	1,084.45	1,073.17	1,055.37	1,046.67
Selling price required to cover: (\$/cwt)													
Feed and feeder cost	84.01	84.87	83.22	73.87	72.62	75.10	78.84	84.02	89.28	88.76	88.69	88.09	88.44
All costs	87.59	88.47	86.72	76.86	75.55	78.12	82.07	87.51	93.03	92.47	92.42	91.79	92.16
Selling price 2/	78.57	85.41	85.60	87.34	89.16	84.91	84.28	82.74	85.01				
Net margin	-9.02	-3.06	-1.12	10.48	13.61	6.79	2.21	-4.77	-8.02				
Cost per 100 lb gain:													
Variable cost													
less interest \$/cwt	37.06	39.42	41.03	43.85	44.89	47.01	46.46	44.85	43.44	35.18	33.38	32.46	32.79
Feed costs \$/cwt	35.16	37.52	39.19	42.23	43.28	45.34	44.76	42.98	41.42	33.24	31.45	30.55	30.79
Total costs \$/cwt	44.73	47.13	48.59	50.50	51.50	53.89	53.59	52.53	51.64	42.74	40.88	39.84	40.49
Prices: (\$/cwt)													
Choice feeder steer													
750-800 lb Ok City	104.46	104.43	101.63	87.36	86.61	89.97	95.68	104.74	113.31	117.10	116.73	114.99	114.61
Feed, Prices, High Plains													
Milo \$/cwt	3.72	4.08	4.37	4.71	4.88	5.16	5.30	5.05	4.83	3.90	3.66	3.53	3.32
Corn \$/cwt	4.30	4.54	4.79	5.10	5.32	5.61	5.78	5.59	5.44	4.55	4.32	4.20	3.94
Wheat \$/cwt	5.44	5.90	6.18	6.23	6.04	6.06	6.16	6.19	5.90	5.55	5.03	5.31	5.20
Cottonseed Meal (41%) \$/cwt	9.28	9.83	9.47	9.88	9.84	10.84	11.56	10.72	9.97	9.44	7.94	7.31	7.13
Alfalfa hay \$/ton	160.00	152.00	150.00	143.00	150.00	142.00	140.00	135.00	140.00	135.00	135.00	130.00	129.00
Interest, annual rate 3/	7.41	7.41	7.41	7.25	7.25	7.25	7.37	7.37	7.37	7.17	7.17	7.17	7.17

1/ Cattle sold f.o.b., 4% shrink.

2/ Steers, 1100-1300 lb, Texas-Oklahoma direct.

3/ Agricultural Marketing Service (AMS).