Livestock, Dairy and Poultry Situation and Outlook

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In response to requests for increased frequency of market analysis information, the Livestock, Dairy, and Poultry Situation and Outlook Report will be electronically released monthly. The report will be available on the World Wide Web (http://www.econ.ag.gov/Prodsrvs/rept-ldp.htm and click on Livestock, Dairy and Poultry Situation and Outlook Report)in Adobe Acrobat format (PDF files) or from the ERS autofax (202-694-5700) document #11515 for text and tables, #11511 for tables only). The content of each issue may vary. Six issues will contain analytical content. They will be released on January 26, February 24, May 25, July 27, August 24, and November 23. The remaining six issues will contain tables only, and will be issued on March 23, April 27, June 29, September 28, October 26, and December 28. The reports should be available by 4:00 p.m. Eastern Time on day of release.

Note: New livestock and poultry supply and demand estimates incorporating data from the July *Cattle* report will be released in *World Agricultural Supply and Demand Estimates* on August 12 at 8:30 ET. In addition, the August issue of the *Livestock, Dairy and Poultry Situation and Outlook* will contain an analysis of the *Cattle* report.

The June *Hogs and Pigs* report indicates that producers continue to reduce their herds as relatively low hog prices pressure returns. However, the reduction is lower than previously expected as low feed costs have mitigated the impact of low hog prices. Prior to the release of the report expectations were for higher prices over the coming months. Lean hog futures prices declined for several days after the report's release. Corn and soybean meal prices are expected to be the lowest in several years over the next 18 months. In March, producers reported intentions to have 7 percent fewer sows farrow during March-May than a year earlier. However, actual farrowings during the period were only 3 percent lower.

Net returns for processors in the poultry meat sectors continue at attractive levels, encouraging production increases. Continuing low feed prices will partially offset the impact of lower broiler and egg prices and allow positive returns for turkeys as prices rise slightly. In the cattle sector, feedyard inventories remain large as the delay in rebuilding the breeding herd means continued large placements of heifers.

After growing at double digit rates since 1986, red meat and poultry exports rose only 1 percent in 1998 to 8.95 billion pounds. Exports in 1999 are expected to rise 1-2 percent from 1998, due

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in part to food aid to Russia. In 2000 exports will likely decline 2-3 percent. If realized, the decline will be the first since 1985.

Hog Inventory Declines

Although they generally remain unfavorable, the producers' returns in first half 1999 improved drastically over fourth-quarter 1998 when hog prices were the lowest in half a century. Because of the improvement, the cutback in the June 1 inventory of all hogs and pigs was less than previously expected. The June 1 inventory totaled 60.5 million head, 3 percent below a year ago, but 1 percent above March 1, 1999. Breeding hog numbers totaled 6.53 million head, down 6 percent from a year ago, but virtually unchanged from March 1. On March 1 producers indicated intentions to have 4 percent fewer sows farrow in June-November than actual farrowings a year earlier. During March-May actual farrowings were down 3 percent from a year earlier although producers reported earlier intentions to reduce them by 7 percent. The June 1 market hog inventory suggests about a 3-percent decline in second-half 1999 hog slaughter. However, with expected heavier average dressed weights, pork production will likely only decline about 1 percent. The farrowing intentions and the continuing rise in pigs per litter suggest that first-half 2000 pork production will decline about 3 percent from a year earlier as average dressed weights are virtually unchanged.

Pork Production Rises with Liquidation, Will Decline Later

Projected pork production for third-quarter 1999 is up 3 percent from last year. The boost is from the expected increase in the average dressed weight which reflects the absence of the usual seasonal decline in weights starting in the spring months. Due to a steady weight pattern in first-half 1999 and the absence of any excessive heat periods, little if any decline is expected. Hog slaughter is expected to be slightly under last year's 25 million head, as the December-February pig crop was down less than 1 percent from a year earlier.

Pork production in fourth-quarter 1999 is expected to register the first quarterly year-over-year decline since second-quarter 1997. Hog slaughter is expected to decline about 6 percent from a year ago reflecting the 5-percent drop in the June 1 market hog inventory weighing under 60 pounds and the smaller March-May pig crop. The percentage of the March-May pig crop slaughtered in the fourth quarter is expected to drop to about 99 percent, compared with 102 last year. In 1998 the percentage slaughtered was extremely high, reflecting low gilt retention during a period of extremely depressed producers' returns.

Producers reported intentions as of June 1 to have 4 percent fewer sows farrow in June-August and September-November than a year ago. If the intentions are realized, the June-August and September-November pig crops would be down 3-4 percent. These pig crops imply a continued increase in pigs per litter. Part of the rise in pigs per litter is related to the changing structure of the industry to larger, specialized operations. The gap in pigs per litter between the small operations (1-99 head) and the large operations (5,000+ head) during March-May was 1.2 pigs. The June-August pig crop implies a January-March 2000 slaughter of about 24.75 million head, while the expected September-November pig crop implies a second-quarter 2000 slaughter of about 23.65 million head.

Given the lackluster returns scenario for hog producers in the coming months, the December 1999-May 2000 pig crop is expected to be about 3 percent below a year earlier. Expected low feed prices and continuing expansion of the larger, vertically coordinated operations will likely moderate the decline in production due to the exit of the smaller and higher cost operations. In addition, many producers are using pricing arrangements to reduce vulnerability to spot market volatility. The expected pig crop suggests pork production will decline about 4 percent in the second-half of 2000.

Based on first-half 1999 slaughter and the June 1 market inventory of all hogs and pigs weighing under 180 pounds, pork production in 1999 is expected to set another record. The record production is expected to pressure prices down from the relatively low prices in 1998. However, the low prices will likely encourage producers to reduce their herds, leading to a modest pork production decline in 2000. With a decline in pork production and expected tighter competing beef supplies in 2000, hog prices should register a moderate gain.

Hog Prices To Remain Low

Hog prices have dropped from the high-$30's per cwt in May to near $30 as hog slaughter has been quite high in June and July. Other factors contributing to the steep price slide include abundant competing meat supplies, burdensome pork cold storage stocks, and the release of a *Hogs and Pigs* report indicating less cutback in hog production than was indicated in March. Futures prices were down the limit for several days following the report's release on June 25. Prices appear to have bottomed out and are rising as slaughter rates are expected to return to near year ago levels. However, slaughter in the fourth quarter hog could exceed 2 million head for several weeks, straining slaughter capacity and driving hog prices below $30 per cwt.

Although pork supplies are expected to decline in the coming months, burdensome pork stocks (highest since 1952) and large poultry supplies will keep hog prices generally in the mid-$30's per cwt range over the next 18 months. In the fourth quarter, prices are expected to slip into the $20's per cwt at times due to heavy weekly slaughter. However, with a 6-percent decline in slaughter from fourth quarter 1998 and a significant drop in beef supplies during the quarter, prices are unlikely to drop to the extreme lows reached last year. Hog prices for this year are expected to average $30-$32 per cwt, the lowest since 1972 and about $4 lower than in 1998.

Declining per capita pork supplies and less competition from beef in 2000 may boost the average hog prices into the mid-$30's per cwt. Pork stocks should become less burdensome and commercial pork exports are expected to be about the same as this year.

Composite retail pork prices are expected to average 1-2 percent lower this year than in 1998 due to record supplies of pork and competing meats. As pork and other competing meat supplies moderate, retail pork prices are expected to return to 1997-98 levels. Despite the volatility of hog prices, retail pork prices have remained relatively steady.

Retailers have found that they can move pork off the shelf without large price discounts. Consumer incomes are strong, increasing the demand for meat. Over time pork demand appears to have increased due to higher quality, more consistency, and larger cut size. Pork supplies have simply not outstripped rising retail demand at this price range.

Hog Imports To Decline

The number of hogs imported from Canada is expected to decline over the next 18 months. Hog imports are expected to be about 3.5 million head in 2000, compared with 4.1 million in 1998. Canadian hog producers are raising more hogs than their domestic slaughter industry can kill with its present capacity. Canada is adding slaughter capacity and in the absence of labor problems, fewer slaughter hogs will likely be sold in the U.S. this year.

The mix of hogs coming into the U.S. earlier this year was much different than last year. Just over half (52 percent) were slaughter hogs, compared with more than two-thirds (69 percent) in 1998. Increased feeder pig shipments to the U.S. account for the difference. Thus, U.S. hog producers are feeding more imported Canadian feeder pigs and capturing a larger share of the value added than when slaughter hogs are shipped to the U.S. Canadian hog producers capture more of the value-added when Canadian pigs are fed Canadian feed products and then exported to the U.S. for slaughter.

Pork Imports To Rise

U.S. pork imports are expected to increase to around 775 million pounds in 1999 and 2000 from 708 million in 1998. Most of the increase is from Canada. In recent years, the Canadian pork industry has expanded. Canada produces uniform, high quality, competitively priced pork products. Most imported Canadian pork products appear to originate from the eastern provinces, and are sold into eastern U.S. markets. Geography may thus be a cost factor, as eastern Canadian processing facilities are closer to these consumer markets than most U.S. slaughter facilities. In the first 4 months of 1999, the U.S. imported 190 million pounds of pork from Canada, up from 139 million pounds a year earlier. In both years, imports from Canada have constituted about 70 percent of total U.S. pork imports. However, Canada is also a major market for U.S. pork exports.

Pork Exports Plateau

After rising sharply in the 1990's to 1.23 billion pounds, pork exports appear to be plateauing. This year exports are expected to rise about 1-2 percent, largely due to food aid to Russia. In 2000, with Russia out of the market and slightly higher prices, exports may fall 4 percent.

Near-Record Heifer Slaughter Fosters Inventory Decline

First-half 1999 slaughter statistics provide a powerful view of the pathway to the midyear cattle inventory. The *Cattle* report, released July 16, 1999, provides a base for projecting cattle inventory declines and the minimal time before the cattle inventory and then beef production will begin to increase. The increases will follow one of the heaviest reductions in female replacement stock in history. Forecasts based on the midyear report will be updated in the August 12 *World Agricultural Supply and Demand Estimates* and the August *Livestock, Dairy and Poultry Situation and Outlook.*

In general, cow slaughter above 15 percent of the January cow inventory suggests breeding herd liquidation, while slaughter below 15 percent suggests that cow herd liquidation has largely ended. However, it does not necessarily imply that the breeding inventory is stabilizing, much less expanding. Breeding cow liquidation essentially ended following slaughter of 16.3 percent of the cow herd in 1996 and 15 percent in 1997. Even with 13.9 percent and likely near 13 percent of the cow herd slaughtered in 1998 and 1999, respectively, breeding herd expansion cannot take place until more heifers are retained for herd replacement.

First-half 1999 heifer slaughter and heifers on feed remain large. Heifer slaughter in the first quarter was the third largest on record and second quarter slaughter was record large. At 98.5 million head, the January 1 cattle inventory was down dramatically from the 132 million head ranging down to 116.4 million head in 1975 to 1978, when the previous record heifer slaughter was recorded. These figures strongly suggest continued herd reductions through at least January 1, 2001, and declining beef production until at least 2002. The stronger the female retention during the early turn of the cycle, the more beef production will decline relative to a year earlier.

Favorable grazing prospects in most areas, and sharply reduced grain prices together with declining feeder cattle supplies are strengthening stocker-feeder cattle prices and should lead to the initial stages of heifer retention. However, this stage of the cycle will not begin until 2000 at the earliest. Increasing numbers of heifers on feed are bolstering beef supplies through early fall 1999, but supplies will begin to decline in 2000 in line with the falling cattle inventories. The industry simply can not place more heifers than a year earlier beyond this summer. These additional cattle on feed inventories are generating record commercial and total beef production, but declines in feeders available for placement are expected to limit production in 2000. Production in 2000 is likely to decline 6 to 8 percent. Cattle prices will rise, but record supplies of competing poultry at even lower relative prices will hold down beef price gains. A larger proportion of the reduced supply of beef will be priced into the hotel-restaurant and export markets, giving up a larger share of the retail market to pork and poultry.

Poultry Production Increases Continue

Net returns for broiler, turkey, and egg processors were relatively attractive in 1998 and are expected to remain attractive during 1999, encouraging increased production. Sustained feed costs at below year-earlier levels for 1999 will offset some of the impact of lower prices for broilers and eggs, and will allow positive returns for turkeys as prices increase slightly.

Broiler Production Increases To Continue

Broiler production is expected to rise 6 percent in 1999 as increased producer profitability in 1998 made production increases more attainable and attractive. Producer net returns continued quite strong as lower feed costs offset lower whole bird prices in the second quarter. In response, pullet hatch for potential placement in the hatchery supply flock was 10 percent higher than a year ago in May and has been 7 percent larger for the period 7-15 months earlier, which is the approximate time when the birds that are in the hatchery supply flock now would have been hatched. The broiler-type hatching egg production flock was 3 percent larger than a year ago on June 1.

Prices for whole birds are expected to continue weaker than a year ago for the rest of the year as production increases remain strong and early summer weather was milder than a year ago. Stronger export sales in April and increased retail featuring in May and June allowed some price strength for leg quarters as prices increased from 13 cents per pound on the Northeast wholesale market in April to 25 cents in early July (prices have ranged 250 percent below a year ago in 1999). Recent weakness in leg-quarter prices (20 cents per pound in mid July) may indicate a lessening of retail featuring or a weakening of exports.

Turkey Net Returns Stay Positive

Reductions in feed costs (23 percent below a year ago for the first half of 1999) and slightly stronger turkey prices kept producers above break-even, compared with losses of over 8 cents per pound in the first half of 1998. Returns are expected to continue stronger than a year ago through the rest of 1999 as turkey prices strengthen .

Production is expected to be nearly unchanged in 1999. Total domestic turkey supplies will be about unchanged from last year as lower exports and smaller ending stocks offset the lower carryin stocks. Per capita supplies are expected to be slightly lower. Prices for whole birds are expected to be about 6 cents higher than a year ago at wholesale and nearly unchanged at retail for 1999. In 2000 prices are expected to weaken slightly with increased production. Breast meat prices are slightly higher than a year ago while drumstick and wing prices have been 20-40 percent lower than a year ago in recent months. Weakness in the export markets has kept pressure on drumstick and wing prices.

Egg Prices Volatile

Hot weather in early July has reduced production of large eggs and brought a sudden increase in large egg prices. New York large wholesale egg prices had fallen to 46 cents per dozen in late June but have recovered to above 80 cents per dozen in mid-July. Prices for medium size egg have changed very little as the hot weather causes hens to produce fewer and smaller eggs, leading to an increase in medium egg supplies at the expense of large eggs. Average egg prices for July are expected to be below a year ago even though they are peaking at higher levels.

Egg production is expected to increase about 3 percent in 1999. Increasing production is expected to continue pressuring egg prices with 1999 wholesale prices forecast about 7 cents per dozen lower and prices in 2000 about 3 cents lower than the previous year. Declining feed costs are expected to offset some of the price decline and keep egg production profitable for most producers in 1999 and 2000.

Broiler Trade To Remain Lackluster
U.S. broiler exports for 1999 are now estimated at 4.6 billion pounds, up 100 million from the previous estimate and just slightly lower than 1997 and 1998 exports. The estimate was raised after exports over the first four months of 1999 were stronger than earlier expected. In April, shipments totaled 453 million pounds, the third largest month on record. However, while export volume has strengthened, prices for most export products have remained depressed.

The strength in exports has been chiefly due to large shipments to Asia, the Baltics (Latvia and Estonia), and the NIS countries. Over the last several years Hong Kong has been the second largest market for U.S. broiler products, after Russia. Through May exports to Hong Kong totaled 530 million pounds, up 55 percent from the same period in 1998, while direct shipments to Russia were much lower (170 million pounds, down 80 percent), and exports to Latvia and Estonia rose rapidly. Exports to Latvia and Estonia have totaled 379 million pounds, nearly double the previous year. Broiler exports to the NIS countries are also up strongly. While the combined exports to Russia, Latvia, and Estonia are still below those of previous years, the forecast for broiler exports has risen considerably since initial adjustments were made for the collapse of the Russian economy in the third quarter of 1998.

Large Supplies, Brisk Demand Roil Dairy Markets
Dairy prices remain caught between the upward pressure of brisk sales and the downward pressure of heavy supplies. Recently, prices of major dairy products have shown big differences, with cheese prices reaching the highest levels since early January, butter prices dropping back from their June highs, and nonfat dry milk prices resting heavily on the support purchase price. Dairy prices probably will continue to lack clear direction in coming months.

April-June milk production rose 3 percent from a year earlier on the strength of large gains in milk per cow and only a tiny decline in milk cow numbers. Spring weather conditions were generally favorable and milk-feed price relationships were strong. The first cuttings of alfalfa varied greatly in quality, doing little to ease supply tightness for top quality alfalfa. However, large carryout supplies and low prices for somewhat lower quality alfalfa hay mitigated the lack of prime quality.

Strong summer milk prices, low feed prices, and at least a modestly favorable forage situation should keep expansion in milk production strong through the rest of 1999. However, the very large growth feared by some does not appear to be materializing, mostly because herd expansions in the North remain somewhat conservative. Summer milk production is projected to rise about 3 percent, followed with a slightly smaller autumn increase from the recovering production of 1998.

Dairy Stocks Large
June 1 commercial stocks of dairy products were large--about 9 billion pounds, milk equivalent, on either a milkfat or skim solids basis. However, traders seemed generally comfortable with these large holdings, except possibly for nonfat dry milk. Strong sales and uncertainty about second-half markets probably have raised the desired level of commercial stocks. In addition, comparisons with earlier published data are misleading because some warehouses are now reporting that did not report earlier.

Dairy product demand continues to benefit from brisk economic growth and consumer spending.

Cheese sales remain brisk, even though the improvements in the stocks data will make the second-quarter commercial disappearance data seem weaker than it was. April-May butter sales matched the fairly strong levels of a year earlier, somewhat remarkable in light of generally high and volatile prices since early 1998. Meanwhile, fluid milk sales continued to run fractionally above a year earlier. On the other hand, use of nonfat dry milk was rather weak, in part because bulk condensed skim milk was readily available and attractively priced. In addition, high cream prices sharply limited use of nonfat dry milk in cheese production.

International Demand Soft

International dairy demand remains weak, with most purchases for quick use. Demand for dry milks has not yet recovered in Asia, while Russian butter demand has been substantially affected by economic woes. More recent problems in Brazil have reduced demand for dry milk and cheese imports. None of these demand weaknesses is expected to dissipate quickly. Demand weakness has led to soft international market prices, even though export supplies are only moderate.

Despite the generally unaggressive behavior of international buyers, Dairy Export Incentive Program (DEIP) sales of nonfat dry milk have been fairly brisk. The May-June reallocations of unused allocations from previous years were completely used, and contract activity under the recently available allocations for the new July-June year has been sizable. These allocations enable countries preferring the United States as at least a partial supplier to re-enter the U. S. market. Also, domestic suppliers were anxious for new DEIP business because of the continuing surplus of nonfat dry milk. Even with the DEIP sales, price support purchases totaled 101 million pounds during April-June.

Prices To Stay Unsettled

The path of cheese prices during the next few months is particularly uncertain. Since mid-June, prices have risen substantially in the face of heavy current and expected production and large stocks. Cheese plants now have a large advantage over butter-powder plants in competing for milk--an edge likely to persist. Butter prices are projected to stay within their range of late spring-early summer, while nonfat dry milk prices are unlikely to move much until at least mid-autumn. Under these conditions, the recent strength in cheese prices may be eroded by rising cheese supplies. However, underestimating cheese demand has been a common mistake in 1998 and thus far in 1999.

Summer milk prices will be below those of 1998 but will be strong by the standards of most years. If cheese prices slip in late summer as expected, October-December average prices may not be much above the July-September average, and second-half prices may be about $3 per cwt below the extraordinary 1998 levels. On the other hand, second-half prices could easily average more than $1 higher than currently projected if cheese sales continue to absorb growth in production.

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Outlook and Perspectives for the Mexican Pork Industry
by Leland Southard

Introduction

As part of a technical assistance project funded by the Emerging Markets Program[1], ERS cooperated with Mexico's SAGAR (equivalent of the U.S. Department of Agriculture), to develop a basebook on the Mexican pork industry. The basebook describes historical developments in technology adoption, farm structure, and slaughter infrastructure. The report also examines critical factors for the future of the industry. Some the findings contained in the final report, "Situacion Actual y Perspectiva de la Produccion de Carne de Porcino en Mexico 1990-1998." are presented here for our readers. English and Spanish versions of this report are available in PDF format at http://www.sagar.gob.mx/cea.htm. Select C.E.A. and then Porcino.

The project entailed working with SAGAR to strengthen Mexico's system for developing and disseminating agricultural market information to improve public and private decision making in the United States and in Mexico. Technical assistance is focusing on data collection methodologies, economic analysis of market information and policies, and consistent dissemination of official statistics and information.

Industry Has Undergone Rapid Change

Rapidly changing swine production technology, economic and policy shocks, intensified disease control measures, and increased foreign trade activity over the past quarter of a century have changed the Mexican pork industry. As in the United States, swine production began to change drastically in the 1970's with the development of farms using state-of-the-art technology that significantly boosted productivity. The high productivity and growing Mexican demand for pork made pork the top Mexican meat product, accounting for nearly half of the meat produced in 1983 and 1984.

The growth in the early 1980's had been supported by the government, which underwrote the cost of sorghum for feed use. However, in 1984 this support was withdrawn, leading to a sharp rise in production costs. Meantime, consumer purchasing power contracted as the peso was devalued due to declining oil prices and subsequent debt problems. The increased production costs and reduced demand for pork sent the industry into a depression that lasted until the 1990's.

During the depressed period, swine production underwent a radical structural readjustment that consolidated part of the industry. This consolidation led to increased productivity through technological change and more efficient use of the infrastructure built up in the 1980's . Although the industry has made substantial progress in simplifying its market structure, it continues to be hampered by the different marketing intermediaries and other commercial interests that give rise to inefficiencies.

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[1]The program uses various forms of technical assistance to promote market development, improve market access, or assist in the development of emerging market economies.

In the 1990's, markets were opened up for imported hogs, pork products, and poultry products. The imports increased the competition for domestic pork producers, but allowed the packing/processing industry to grow more than 6 percent per year due to the availability of imported raw materials. Also, during the period world pork markets were disrupted with foot and mouth disease in Taiwan and the financial crises in Asia. These events helped lead to low prices in the United States, where pork production had increased substantially. U.S. pork producers looked for alternative markets to increase their exports. The United States greatly increased exports of live hogs and pork products to Mexico. Currently, Mexico is the largest foreign market for U.S. live hogs and the second largest for pork products. Despite growth in the 1990's, Mexican pork now accounts for only about a fourth of Mexico's meat production due to growing poultry production.

Pork Consumption

Pork consumption in Mexico can be divided into two categories: fresh meat and processed products. The decline in pork demand brought about by decreased purchasing power in the 1980's was not only for fresh pork, but also cold cuts and sausages. Cheaper poultry meat was substituted in processed meat to reduce prices.

Fresh pork is sold through butcher shops, public markets, itinerant stands (tianguis), and supermarkets. Although meat sales through supermarkets have increased significantly in recent years, butcher shops remain the leading supplier. Many consumers purchase meat on a daily basis because of limited incomes. The butcher shops are a fundamental element in the commercial chain as they perform the industrial process of cutting up the carcasses and selling the various products. In the backyard production system (see below), the abattoirs play no role, as the farmer or butcher does the entire job of slaughtering and cutting into pieces. Fresh meat consumption accounts for about three-fourths of Mexico's pork production.

The Mexican Pork Production System

In the early 1990's there were about 1.96 million swine production units in Mexico, of which 99 percent had fewer than 20 head. The farms with fewer than 20 head accounted for about 52 percent of the country's swine inventory. The 1 percent of farmers that had over 20 head held the remainder.

The Mexican pork industry has three basic production systems associated with technological level, geographical location, and integration level. These systems are technified, semitechnified, and backyard. The first two systems have a well-defined geographical location, while the last is found throughout the country.

Technified Production

This production system is state of the art with a great deal of the vertical coordination that is found in most advanced hog producing systems in the world today. The coordination of production from breeding stock through slaughter hog finishing ensures consistent quality of animals for growing and standardization for slaughter. Also, these operations have their own feed manufacturing plants that can customize rations for each stage of production and the genetic quality of animals. Sanitation and biosecurity are carefully addressed in these operations to control and eradicate diseases. There is a high correlation between the states where these operations predominate and those states that are being declared free of classical swine fever and other diseases.

As in the United States, this system of production is becoming more coordinated, both horizontally and vertically. Large operations, even megaprojects, are beginning to grow swine in areas that are not traditional production areas. The large swine producing companies or organizations of swine farmers have their own slaughterhouses. Further vertical integration is taking place beyond slaughter with cutting rooms and lard rendering operations that bring processing operations under company or association control.

Thus, technified producers are able to supply the consistency and quality of products desired by consumers and absorb the value added by the additional processing steps. The markets served by this type of operation are the large urban centers, either through a supermarket or butcher shop. Technified production has increased in recent years as semitechnified operations have declined. Technified production operations now account for about one-half of Mexico's pork production. These operations are concentrated in Sonora and Sinaloa, but are also found in Mexico, Nuevo Leon, Queretaro, Puebla,Tamaulipas, Veracruz, and Yucatan. Also some are in the Laguna Region in Durango and Coahuila.

Semitechnified Production

In semitechnified production systems, different degrees of technology are used, the production units are smaller than with technified operations, and productivity is low. Although many of the semitechnifed producers have breeding stock similar to that of the technified system, their infrastructure and zoosanitary measures are not adequate to compete. In addition, they use commercial feed that is not always appropriate for the nutritional requirements of the hogs in the various production phases, thereby increasing feed costs.

Swine produced by this type of system are slaughtered in municipal and or private slaughterhouses. The pork is sold in regional and local markets, and small urban centers. Thus, these producers normally do not have access to large city or export markets limiting their potential to expand. With the limited markets, semitechnifeid producers receive prices below those of producers using the technified systems. Higher production costs and lower prices have squeezed these producers and they have been most affected by the economic changes. The market share of semitechnified producers has declined relative to the technified sector and is currently around 20 percent.

With the increase of modern distribution channels and greater territorial coverage, including the export market, semitechnified production will continue to decline. The alternative for these producers is to contract with technified companies, or modernize and form groups with other producers. Producer groups can achieve the economies of size to lower their costs and gain more market access needed to make their operations viable. The semitechnified system covers the whole country, but accounts for a larger share of production in central and southern Mexico.

Rural, Backyard Production

Backyard production is characterized by breeding stock of low genetic quality, prolonged fattening periods, minimal nutrient feeding or foraging, and virtually nonexistent zoosanitary management. The system is practiced throughout the country and provides a supply of meat in places where formal commercial channels do not operate.

Backyard producers look on pigs as an extra source of income. This system accounts for about 30 percent of Mexican pork production. The hogs are slaughtered on site or in local abattoirs. The pork is for home use or for sale in micro regional markets. However, swine raised under this system is considered a human health risk because the swine are a link in the teniasis (tapeworm) transmission chain. This situation has motivated campaigns to control this and other diseases.

Although pork is produced throughout the country, production is highly concentrated in a few states. In these states, technified production dominates. Operations of large producer groups and companies allow them access to large internal and export markets. Nearly three-fourths of Mexican domestic production comes from six states: Jalisco, Sonora, Guanajuato, Puebla, Yucatan, and Michoacan.

There is a close relationship between states with the largest production volume and the highest swine inventory except in Chiapas and Veracruz. In these states, semitechnified and backyard systems predominate with a much lower productivity rate. The five states with the highest inventories are Jalisco, Sonora, Chiapas, Veracruz, and Yucatan. These states account for nearly one-half of Mexico's swine inventory. As in the United States, swine production is becoming established in some nontraditional areas. The most important factor in moving to the new areas is sanitary conditions.   Recently, production has been established in Tamaulipas, Nuevo Leon, Quintana Roo, and Hidalgo.

Because hog production is generally located far from slaughter facilities near population centers about 54 percent of finished hogs must be shipped from one state to another. The biggest markets are the municipalities in the State of Mexico in the Mexico City area, which have slaughter facilities but few swine. In 1996 some 2.3 million head were slaughtered in that area, which represents 53 percent of the swine that were shipped from one state to another to be slaughtered. Jalisco shipped the most swine at 1.6 million, followed by Sonora, Guanajunta, and Michoacan with just under 600,000 head each. These five states accounted for 78 percent of interstate swine movements in 1996.

Slaughter Infrastructure

In Mexico, swine are slaughtered in a variety of establishments, from those with the latest technology and hygiene control to those in rural areas where hogs are slaughtered on the farm. The most advanced and rigorously inspected slaughter plants in Mexico are known as Federal Inspection Model (Tipo Inspeccion Federal), or "TIF" plants. TIF slaughter plants were first established in 1947 after an outbreak of foot and mouth disease in Mexico threatened to curtail pork exports to the United States. At the present time only a TIF plant can export pork after being duly certified by the importing country. Slaughter in the nation's 33 TIF plants totaled 3.7 million head in 1997, 31 percent of total swine slaughter in Mexico. In the past the government has set up temporary assistance programs, channeling resources to producers who take their hogs to TIF plants.

There are also municipal slaughterhouses, managed by local authorities, that are located throughout the country. The exact number of these facilities and slaughter capacity is not known. As a rule these establishments lack the proper slaughter equipment and their hygiene conditions are often deficient. In 1997, an estimated 4 million head, about 33 percent of total slaughter, were slaughtered in municipal abattoirs.

In Mexico, slaughter in local abattoirs or on the farm is very extensive because of the lack of infrastructure. Little information is available to quantify the number of animals slaughtered under these conditions. However, it is estimated that in 1997 4.3 million head, about 36 percent of all swine slaughtered, were slaughtered on farms or in local abattoirs or.

Production Costs

Mexican pork production costs and returns are affected in different ways by the country's economy and the production system. Costs and returns are available for only the technified and semitechnified systems. Data are not available for the backyard system because of the many variations and difficulty in defining parameters for feed supply, labor utilization, money costs, and the returns received in the informal commercial channels.

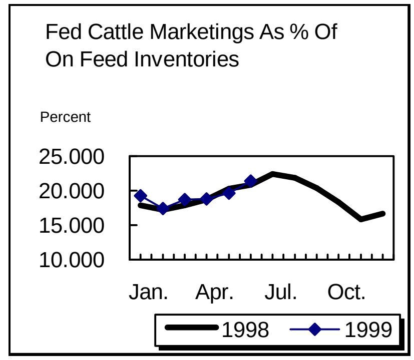
Feed is the largest expense item, approximately 62 percent and 75 percent, respectively, for the technified and semitechnified production systems. Semtechnified producers incur higher costs mainly because they purchase commercial feed at a higher price than technified producers, who benefit from economies of size and integration in terms of feed manufacturing. Although expenses for veterinary medicine and supplies account for nearly the same proportion of total expenses, technified producers have lower losses from disease and mortality because they follow strict sanitary and biosecurity measures.

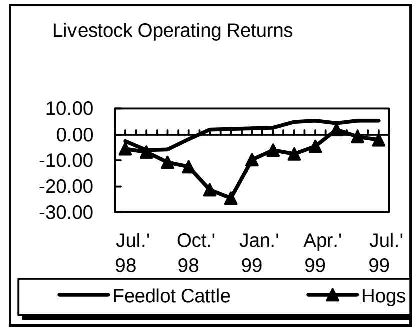
Financial expenses show the largest differences between the two systems. Financial expenditures make up about 19 percent of total production costs of technified producers, compared with only 4 percent for semitechnified producers. In the technified system the expenses refer to principal and interest payments on loans, while in the semitechnifed system producers have little access to credit and do not maintain feed stocks that incur financial costs.

An analysis of pork production profitability data from 1994 to 1997 indicates that technified producers earn the highest returns. During the study period, technified operations had negative returns from April 1995 to July 1996, while the semitechnified operations had them from October 1994 to January 1997. As a result, technified production has increased and semitechnified production has declined. In the future semitechnified production will either exit the industry or modernize facilities and add technology by joining the ranks of technified producers.

PRODUCTION INDICATORS

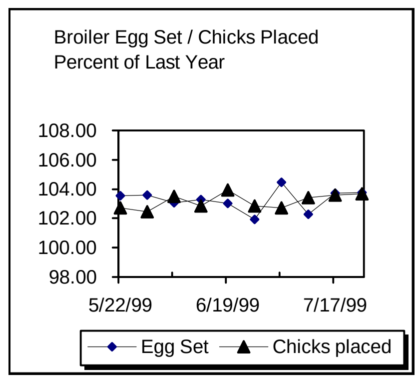
	Jun. '98	1999 Apr.	1999 May	1999 Jun. /*
			1000 Head	
Cattle:				
On feed - 7 States, 1,000+ Hd.	8,289	8,889	8,573	8,537
Net placements	1,263	1,355	1,650	1,461
Marketings	1,727	1,671	1,686	1,825
Broilers:				
Eggs in incubators (000) /1	614,472	626,019	634,573	636,321
Chicks hatched (000) /2	717,967	734,340	766,161	744,447
Hatching egg layers /1	54,947	57,342	56,766	56,708
Pullets placed (000)	6,932	7,038	7,736	7,041
Hvy-type hen slaughter /2	5,838	5,649	5,733	6,500
Turkeys:				
Eggs in incubators (000) /1	33,779	33,652	33,396	32,701
Poults placed (000)	26,957	26,856	26,097	25,636
Eggs:				
Table egg prod. (mil. doz.) /2	5,433	5,693	5,808	5,634
Table egg layers, (000) /1	251,656	261,353	260,612	259,933
Table eggs/100 layers /1	71.2	73.7	71.7	72.2
Chicks hatched (000) /2	39,302	42,043	40,590	40,569
Lt.-type hen slaughter /2	9,129	10,017	9,565	9,500

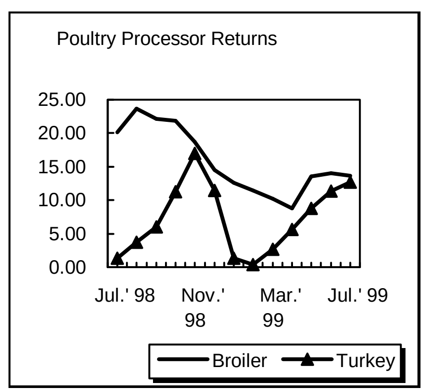




ESTIMATED RETURNS

	Jul. '98	1999 May	1999 Jun.	1999 Jul. /*
			Cents/lb.	
Great Plains cattle feedlot				
Breakeven price /3	62.87	60.80	60.75	59.06
Selling price	60.28	65.00	66.15	64.25
Net margin	-2.59	4.20	5.40	5.19
N. Central hog farrow to finish				
Breakeven price /3	41.55	36.52	36.24	34.97
Selling price	35.91	38.45	35.39	32.75
Net margin	-5.64	1.93	-0.85	-2.22
Broiler				
Wholesale cost	48.37	46.49	46.32	46.37
Wholesale price	68.53	60.02	60.33	60.00
Net margin	20.16	13.53	14.01	13.63
Turkey				
Wholesale cost	60.94	57.24	57.53	57.27
Wholesale price	62.24	66.04	68.92	70.00
Net margin	1.30	8.80	11.39	12.73
Egg				
Wholesale cost	66.03	62.75	62.88	62.81
Wholesale price	72.46	60.89	58.59	69.00
Net margin	6.43	-1.86	-4.29	6.19





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

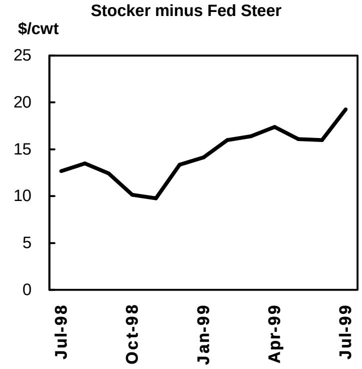
LIVESTOCK PRICES

	1998 July	1999 Mar.	Apr.	May	June	July /*
Cattle prices			*$/cwt.*			
Steers, Choice, 11-13 cwt.						
Texas Panhandle	60.28	64.75	65.34	65.00	66.15	64.25
Nebraska Direct	59.97	64.63	65.19	64.41	65.51	63.75
Cows - Sioux Falls						
Utility breaking	40.69	38.21	39.40	41.25	41.80	43.00
Utility boning	36.11	37.36	36.80	39.50	40.00	41.50
Feeder Cattle - Oklahoma City						
Steers: Med. #1						
500-550 lb.	75.64	90.11	90.97	87.66	88.72	90.25
600-650 lb.	72.96	81.14	82.73	81.08	82.15	83.50
750-800 lb.	69.13	70.98	70.50	70.01	76.01	41.50
Heifers: Med. #1						
450-500 lb.	71.30	79.78	79.74	80.09	81.63	83.00
700-750 lb.	66.20	67.58	66.53	65.56	71.70	74.00
Hog prices						
Barrows and gilts						
National base 51-52% lean	39.85	28.25	31.69	38.45	35.39	32.75
(live equivalent = carcass x .74)						
Sows						
Iowa-S. Minn. #1-2, 300-40(	24.45	18.41	19.49	25.28	24.29	15.50
Sheep & lamb prices						
San Angelo TX						
Slaughter lambs, Choice	82.21	68.54	70.50	82.70	81.06	77.75
Ewes, Good	36.21	45.17	46.63	41.36	41.70	46.75
Feeder lambs, Choice	76.43	81.75	81.81	84.71	80.60	76.25

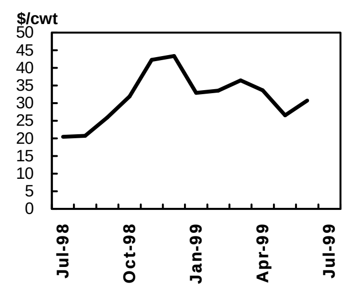
GRAIN AND FEED PRICES

	1998 July	1999 Mar.	Apr.	May	June	July /*
			$/bu			
Corn, #2 Yellow, Cen. Ill	2.16	2.09	2.05	2.03	1.99	1.65
Wheat, HRW Ord., K.C.	2.87	2.90	2.82	2.75	2.74	2.43
			$/ton			
SBM, 48% Solvent, Decatur	183.45	133.00	134.50	133.20	139.07	132.00
Alfalfa Hay, U.S. Avg	93.40	82.40	85.60	95.70	85.00	90.00
Grass Hay, U.S. Avg	72.70	67.40	65.80	69.40	139.07	70.00

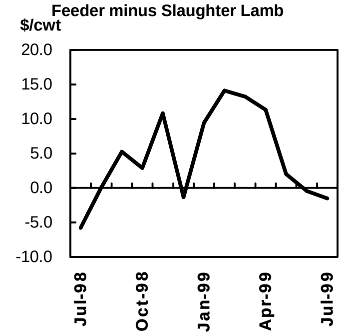
Cattle Price Spread
Stocker minus Fed Steer



Steer - Hog Price Spread
Fed Steer minus Live Hog



Lamb Spread
Feeder minus Slaughter Lamb

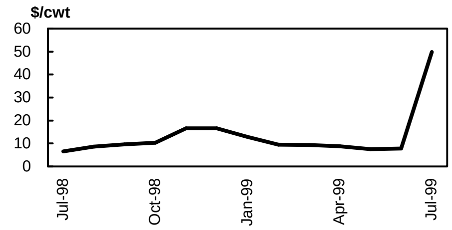


/* Estimates

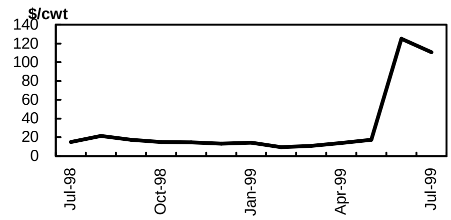
WHOLESALE PRICES

	1998 July	1999 Mar.	Apr.	May	June	July /*
Beef, Central U.S.						
Boxed beef cutout			$/cwt			
Choice 1-3 550-700 lb.	99.96	103.62	107.55	110.89	115.39	110.75
Choice 1-3 700-850 lb.	98.46	103.88	107.42	111.07	116.01	111.00
Select 1-3 700-850 lb.	90.41	102.01	102.11	101.95	104.76	101.25
Canner-Cutter Cows	62.83	66.18	63.51	67.52	69.49	70.75
Bnls beef, 90% fresh	89.75	94.48	92.46	104.29	101.16	103.00
Importd bnls. beef 90% frz.	83.98	87.53	86.13	88.44	88.60	92.50
Hide & offal value	6.79	6.31	6.42	6.46	6.62	6.96
Veal carcass, 220-280 lb.	157.15	197.60	190.63	186.08	188.40	188.50
Pork, Central U.S.						
Pork cutout composite	57.62	45.85	49.83	57.38	53.69	49.75
Loins, 14-19 lb. Bl 1/4" trim	106.51	83.47	99.35	107.44	97.62	104.00
Bellies, 12-14 lb. skin on trmd	68.46	46.51	49.23	53.76	53.41	44.50
Hams, 20-27 lb. Bl trmd. TS1	47.06	38.79	40.06	44.03	42.58	40.25
Trimmings, 72% fresh	32.85	25.39	32.65	47.59	42.36	32.00
Lamb, East Coast						
55 lb. Down, Choice	161.68	163.00	166.25	189.88	184.98	178.75
55-65 lb., Choice	166.68	156.50	158.75	189.88	184.98	178.75
			cents/lb.			
Broilers						
12 City Avg.	68.53	56.79	55.08	60.02	60.33	60.00
Georgia dock	65.96	57.91	56.41	58.31	59.87	58.00
Northeast						
Breast, boneless	212.62	156.13	166.90	173.39	165.82	157.00
Breast, Ribs on	104.70	86.41	84.52	93.43	89.10	77.00
Legs, whole	47.91	28.47	25.72	27.15	32.61	34.00
Leg quarters	33.82	16.03	15.65	18.58	21.78	21.00
Turkeys						
Eastern Region						
Toms, 16-24 lb.	64.19	60.89	63.73	66.81	69.89	71.00
Hens, 8-16 lb.	61.40	61.69	63.02	65.55	68.89	71.00
Breast, 4-8 lb.	89.88	95.41	94.95	97.54	97.52	99.00
Drumsticks	29.05	19.42	16.39	15.84	17.04	18.00
Wings, full cut	29.43	24.13	24.25	22.55	21.92	20.00
Eggs, grd A, lg, doz						
!2 City Metro	72.46	78.64	63.37	60.89	58.59	69.00
New York	73.30	75.46	60.20	59.25	54.91	69.00

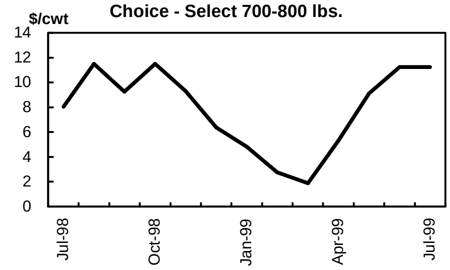
Hog to Cutout Price Spread
Pork + Offal - Live Hog



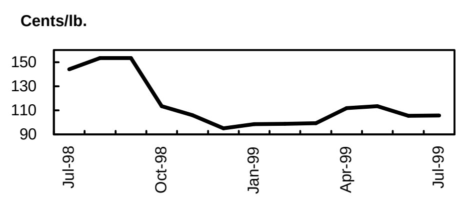
Steer to Cutout Price Spread
Beef + Offal - Fed Steer



Boxed Beef Cutout Spread
Choice - Select 700-800 lbs.



Broiler Price Spread
Boneless Breast - Whole Bird



/* Estimates

MEAT STATISTICS

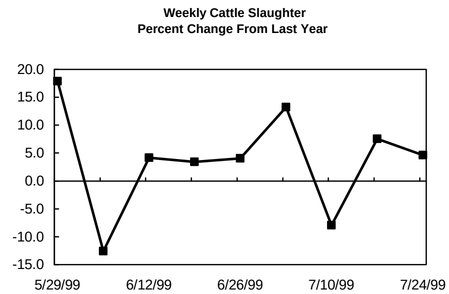
	Jan. - July 1998	Jan. - July 1999	1999 Mar.	Apr.	May	June	July
Commercial production				*Million pounds*			
Beef	14,889	15,292	2,230	2,155	2,151	2,321	2,268
Veal	148	128	20	18	17	19	19
Pork	10,645	10,991	1,737	1,630	1,418	1,583	1,495
Lamb	150	140	29	21	18	17	17
Total red meat	25,832	26,551	4,016	3,824	3,604	3,940	3,799
Broilers	16,190	17,150	2,607	2,520	2,460	2,325	2,550
Other chicken	310	328	49	47	47	47	50
Turkeys	3,071	2,970	432	439	439	425	460
Total poultry	19,571	20,448	3,088	3,007	2,946	2,797	3,060
Total meat & poultr	45,403	46,999	7,104	6,831	6,550	6,737	6,859

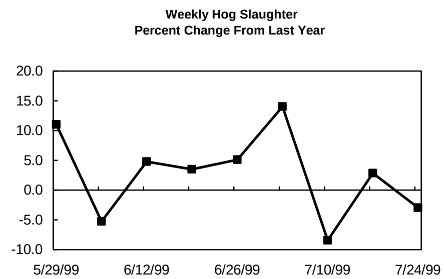
	Jan. - July 1998	Jan. - July 1999	1999 Mar.	Apr.	May	June	July
Commercial slaughter/**				*Thousand head*			
Cattle	20,712	21,018	3,049	2,972	2,997	3,207	3,109
Steers	10,247	10,540	1,464	1,480	1,576	1,656	1,644
Heifers	6,694	6,899	1,031	977	922	1,047	986
Beef Cows	1,844	1,743	263	248	259	249	230
Dairy Cows	1,576	1,475	236	213	187	199	196
Bulls and stags	351	361	55	54	53	56	53
Calves	830	719	117	97	89	105	106
Sheep	2,245	2,111	423	310	270	270	271
Hogs	56,674	57,763	9,117	8,535	7,438	8,319	7,900
Barrows & gilts	54,401	55,543	8,769	8,216	7,154	7,998	7,580
Sows	1,966	1,961	308	280	252	283	280
Broilers	4,580,581	4,676,923	704,388	684,939	668,120	650,000	690,000
Turkeys	156,356	147,144	21,645	21,950	21,748	21,000	23,000

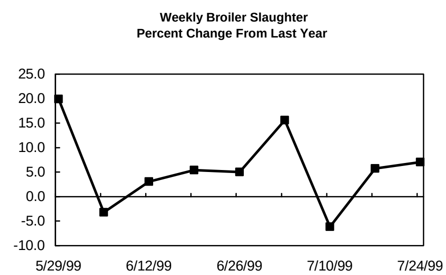
	July 1998	1999 Mar.	Apr.	May	June	July
F.I. dressed weight			*Pounds*			
Cattle	735	738	732	724	730	737
Calves	158	175	183	190	181	175
Sheep	64	69	68	68	65	65
Hogs	186	192	192	192	192	190
Beginning cold storage stocks			*Million pounds*			
Beef	316.5	300.3	309.4	306.7	306.7	292.7
Pork	426.8	545.4	559.9	595.2	585.6	536.2
Bellies	52.0	92.5	106.2	109.5	108.3	93.4
Hams	90.4	90.5	76.2	100.9	116.6	126.4
Total chicken	611.1	722.7	787.9	810.6	813.7	842.1
Turkey	656.5	375.9	370.7	455.5	494.3	555.0
Frozen eggs	10.2	10.8	9.2	9.4	9.7	11.3

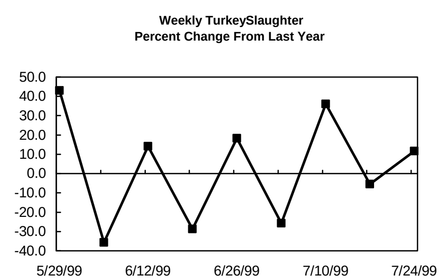
/* Estimates with exception of Cold Storage

/** Slaughter classes are estimated





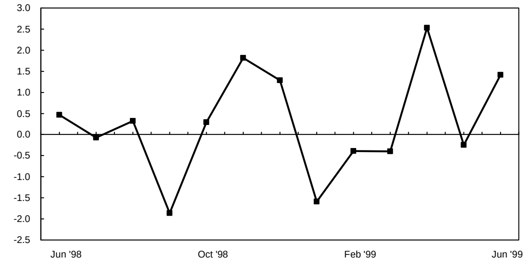




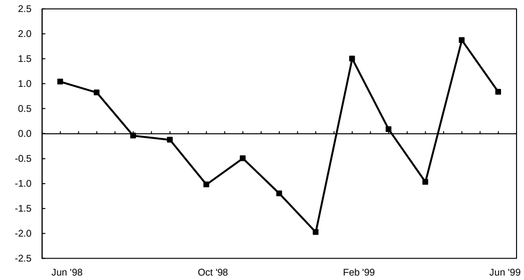
RETAIL PRICES & SPREADS

	Jun-1998	Feb-1999	Mar-1999	Apr-1999	May-1999	Jun-1999
Retail prices			*Cents/lb.*			
Beef - Choice	278.7	278.0	276.9	283.9	283.2	287.2
Beef - All Fresh	251.7	256.2	256.2	257.0	257.8	261.8
Ground Beef	138.8	143.1	140.4	142.9	144.4	144.8
Round Roast	265.2	275.7	278.2	277.2	269.4	273.3
T-bone steak	626.1	603.2	600.8	638.0	648.7	658.2
Pork	243.1	236.9	237.1	234.8	239.2	241.2
Bacon	245.7	252.0	250.7	244.5	247.4	250.4
Chops	329.4	314.9	310.5	312.2	317.4	321.4
Sausage	236.4	231.1	236.6	238.7	245.0	244.1
Broilers - Composite1/	154.7	153.7	155.5	155.1	151.2	155.1
Whole, fresh	101.6	106.4	105.7	105.7	102.6	104.1
Breast - bone in	208.1	203.6	208.4	211.1	203.9	207.7
Leg - bone in	127.9	128.0	128.1	125.3	123.7	128.3
Turkey; whole frozen	99.1	100.1	98.4	93.6	97.5	100.5
Eggs, Gr A, Lg, Doz	93.2	107.8	100.5	94.2	90.0	94.9
Price indexes			*1982-84=100*			
CPI - All	163.0	164.5	165.0	166.2	166.2	166.2
All food	160.1	163.3	163.3	163.4	163.7	163.6
All meat	141.5	140.6	140.3	140.5	141.4	141.8
Beef & veal	136.3	137.3	137.0	137.9	137.9	139.4
Pork	148.7	143.5	143.1	141.8	144.7	145.4
Poultry	155.5	157.4	158.3	157.6	155.7	156.8
Price Spreads			*Cents / retail lb.*			
Beef						
Farm to wholesale	19.7	20.9	20.4	25.0	31.7	36.0
Wholesale to retail	124.2	124.3	116.6	117.8	111.9	109.1
Farmers share (%)	48	48	51	50	49	49
Pork						
Farm to wholesale	28.2	38.4	39.0	38.6	36.8	37.5
Wholesale to retail	135.0	145.9	147.9	139.8	133.9	140.7
Farmers share (%)	33	22	21	24	29	26
Poultry and eggs						
Wholesale to retail						
Broilers 1/	89.5	98.1	103.1	102.6	95.6	98.7
Retail to consumer						
Turkey	30.7	32.7	28.6	21.3	22.5	22.6
Eggs Cents/doz	21.9	35.2	22.9	31.8	30.1	37.3

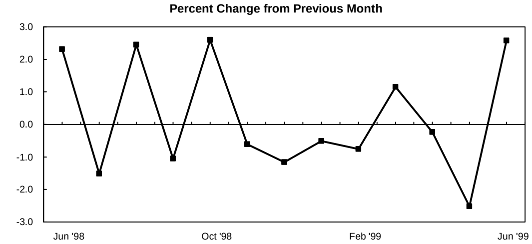
Retail Beef Price
Percent Change From Previous Month



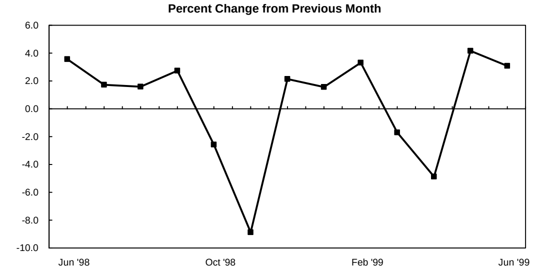
Retail Pork Price
Percent Change from Previous Month



Composite Broiler Price
Percent Change from Previous Month



Retail Turkey Price
Percent Change from Previous Month



1/ Composite chicken prices and spreads have been updated and are reflected here.

MONTHLY U.S. LIVESTOCK & MEAT IMPORTS & EXPORTS

	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Jan-99	Feb-99	Mar-99	Apr-99	May-99
Beef & Veal Imports						***Carcass wt.,thousand lb.***							
Australia	42,643	93,003	88,913	88,208	88,072	75,669	77,013	70,370	66,939	37,308	63,844	98,072	65,543
New Zealand	63,443	81,090	68,645	35,610	23,544	18,198	18,431	36,202	34,488	49,823	53,813	71,980	58,278
Canada	67,461	72,077	66,568	70,617	68,603	75,161	75,416	68,909	70,787	62,621	74,640	69,715	83,641
Brazil	10,230	11,589	11,732	14,685	11,771	12,411	11,634	11,936	14,300	10,686	15,502	16,211	18,269
Argentina	6,612	9,670	8,037	7,798	9,236	11,836	15,465	18,377	14,064	12,087	14,800	11,975	15,402
Central America	2,668	2,640	2,497	3,983	3,818	3,114	3,656	7,016	3,017	5,113	5,301	4,050	5,519
Other	4,906	5,692	5,667	3,976	3,563	5,015	6,439	8,164	5,800	5,500	7,287	6,271	8,383
Total	197,962	275,762	252,058	224,877	208,606	201,404	208,054	220,975	209,395	183,137	235,187	278,273	255,036
Beef & Veal Exports													
Japan	95,319	98,857	110,607	96,221	87,079	99,838	82,243	78,902	85,953	88,053	97,352	98,628	91,526
Canada	21,095	23,098	20,080	21,349	21,827	20,789	24,538	25,266	19,209	20,612	20,221	19,870	20,688
Mexico	31,582	33,203	38,820	40,662	38,086	35,984	41,008	43,385	31,315	35,050	35,345	35,734	29,711
Korea, Rep.	11,237	6,607	6,151	11,447	15,937	22,776	24,096	18,936	22,033	22,366	27,875	21,895	15,671
Caribbean	1,550	1,360	2,365	1,103	1,444	1,974	1,592	2,684	2,960	3,374	3,347	3,112	1,872
Russia	10,574	1,583	8,676	3,822	859	106	5,318	152	2,043	459	231	165	85
Other	13,067	11,407	14,334	10,709	11,083	12,587	12,268	16,533	16,056	14,907	14,895	11,290	14,114
Total	184,424	176,114	201,034	185,313	176,315	194,054	191,062	185,858	179,569	184,821	199,265	190,694	173,667
Cattle Imports						***Head***							
Mexico	59,814	22,877	9,933	3,655	10,359	70,112	161,965	102,683	76,414	96,563	116,296	71,257	45,109
Canada	114,013	100,818	84,515	129,789	135,189	127,443	92,912	63,869	60,631	80,822	119,121	109,218	76,419
Over 700 lbs.	96,810	92,910	77,102	120,482	125,023	117,830	84,804	55,104	53,699	71,782	107,008	95,854	65,265
440-700 lbs.	9,825	1,150	577	1,398	2,295	3,063	2,194	1,048	835	2,524	4,192	3,985	2,761
Total	173,827	123,695	94,459	133,444	145,548	197,555	254,877	166,561	137,045	177,385	235,417	180,475	121,528
Cattle Exports													
Mexico	11,248	13,424	13,445	15,250	12,671	11,700	9,005	10,268	8,445	5,826	5,809	7,068	7,186
Canada	8,831	6,882	4,450	3,326	3,206	12,752	26,304	26,270	10,550	10,521	9,489	10,167	14,039
Total	21,601	20,633	18,150	18,828	16,167	25,918	36,325	36,538	19,161	16,812	15,857	20,044	21,839
Lamb Imports						***Carcass wt., thousand lb.***							
Australia	2,556	2,285	3,745	3,155	3,439	3,963	3,924	5,635	3,381	3,652	5,553	3,689	4,171
New Zealand	2,705	3,367	2,478	2,105	1,847	2,818	2,790	3,454	2,276	2,920	4,636	3,593	3,098
Total	5,349	5,682	6,223	5,314	5,381	6,835	6,764	9,128	5,725	6,634	10,194	7,301	7,269
Mutton Imports													
Total	3,088	3,354	1,978	1,256	1,527	1,333	2,433	3,656	3,316	2,927	2,611	1,935	1,493
Lamb and mutton exports													
Total	327	258	399	334	221	612	778	723	658	434	476	508	456

	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Jan-99	Feb-99	Mar-99	Apr-99	May-99
Pork Imports						***Carcass wt., thousand lb.***							
Canada	32,382	38,526	39,807	43,764	44,041	51,410	52,890	48,883	44,824	43,454	56,164	46,045	46,909
Denmark	6,677	11,889	13,357	12,062	11,986	12,529	12,644	13,137	9,922	13,527	14,144	11,444	11,338
Poland	1,673	1,580	1,587	1,442	1,728	2,602	1,954	1,536	929	1,488	2,079	2,189	1,872
Hungary	820	1,014	1,152	405	916	1,010	982	1,002	868	521	739	133	2,103
Netherlands	769	476	776	1,405	422	1,000	918	1,347	624	990	954	795	871
Other	3,589	2,508	2,504	2,097	3,121	3,730	3,453	3,449	2,211	3,958	3,376	4,071	4,247
Total	45,910	55,993	59,183	61,174	62,213	72,281	72,841	69,354	59,378	63,938	77,457	64,676	67,340
Pork Exports													
Japan	43,568	40,552	40,683	41,144	37,560	47,325	40,961	37,526	38,055	41,633	48,679	53,198	44,647
Canada	13,869	11,977	9,036	8,217	10,791	7,213	8,959	10,251	8,123	8,932	10,832	10,173	11,220
Mexico	10,962	12,426	12,299	10,937	10,677	13,381	16,676	15,895	11,800	10,239	10,297	9,926	8,536
Russia	21,697	15,999	20,200	11,763	1,569	584	11,171	412	1,399	699	293	171	145
Korea, Rep	5,016	4,206	1,648	5,016	1,710	1,451	1,211	4,075	3,845	3,786	2,810	5,464	5,464
Hong Kong	4,362	5,176	4,102	5,539	6,218	6,915	3,010	5,278	5,093	6,614	2,855	3,733	3,417
Caribbean	1,635	1,421	2,047	2,503	2,567	2,350	3,132	2,043	1,772	2,071	1,987	1,996	1,150
Other	14,645	16,867	11,067	13,033	17,904	23,082	20,020	14,544	15,614	14,114	14,968	20,289	23,193
Total	115,753	108,623	101,081	98,153	88,998	102,300	105,138	90,024	85,702	88,088	92,721	104,949	97,772
Hog Imports						***Head***							
Canada	333,389	361,780	373,552	342,422	339,352	345,122	297,009	371,694	383,298	288,747	326,528	314,745	314,657
Under 110 lb	99,067	124,344	127,141	134,383	138,287	139,242	128,238	152,006	145,113	138,227	169,132	175,627	176,432
Total	333,389	361,792	373,570	342,422	339,611	345,122	297,066	371,694	383,298	288,747	326,577	314,786	314,657
Hog Exports													
Total	9,129	11,388	14,052	18,697	16,736	24,560	41,610	53,020	34,880	21,552	18,894	18,476	16,062
Broiler Exports						***RTC, thousand lb.***							
Japan	18,542	19,583	14,945	14,857	23,208	24,816	19,231	14,208	23,564	16,335	20,619	20,645	13,871
Mexico	24,148	20,705	22,610	23,720	20,603	22,149	22,006	29,634	19,468	24,170	22,720	19,999	22,697
Hong Kong	84,836	82,472	88,718	86,709	84,827	80,808	91,099	129,051	77,585	118,758	127,585	108,605	97,423
Singapore	792	975	1,360	1,009	1,581	1,578	1,340	1,658	973	1,113	2,131	3,557	2,496
Canada	10,488	9,987	10,457	11,955	11,888	11,433	13,808	12,302	8,449	8,135	9,511	10,403	12,847
Russia	186,887	180,613	122,502	147,152	2,150	48,397	20,580	112,684	70,354	42,288	21,846	24,167	11,283
Other	148,946	156,421	164,350	129,621	99,042	114,338	114,471	120,523	139,324	151,627	130,257	265,903	165,370
Total	474,640	470,756	424,943	415,025	243,299	303,519	282,534	420,060	339,717	362,426	334,669	453,280	325,987
Turkey Exports													
Mexico	19,389	25,884	19,881	20,089	25,453	30,342	22,112	29,736	11,201	16,794	14,220	13,824	12,471
S. Korea	132	48	380	503	432	924	860	1,494	1,231	700	804	1,165	880
Russia	13,095	9,688	8,108	5,501	553	131	536	1,101	1,437	1,069	1,644	285	391
Hong Kong	2,460	2,862	2,611	3,964	4,378	2,039	2,528	1,327	2,695	3,190	1,533	1,272	1,630
Other	6,563	7,802	6,855	5,209	5,655	6,244	5,280	6,792	8,255	6,617	5,333	7,778	11,087
Total	41,637	46,284	37,835	35,266	36,471	39,680	31,317	40,450	24,819	28,370	23,533	24,323	26,459
Shell						***thousand doz.***							
Egg Exports	7,757	8,247	8,412	7,927	9,715	11,639	7,994	8,672	7,793	6,417	6,787	6,816	6,988

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

Cumulative U.S. Livestock & Meat Imports and Exports

	1997	1998	Jan. - May-98	Jan. - May-99
Beef & Veal Imports		*Carcass wt., thousand lbs.*		
Australia	639,420	855,259	274,011	331,706
New Zealand	576,044	593,092	311,372	268,382
Canada	711,454	822,661	325,310	361,404
Brazil	94,766	135,054	49,296	74,967
Argentina	146,657	124,191	43,772	68,328
Central America	93,254	51,792	25,069	23,000
Other	81,344	60,632	22,115	33,241
Total	2,342,939	2,642,682	1,050,946	1,161,028
Beef & Veal Exports				
Japan	1,053,553	1,118,488	464,742	461,512
Canada	282,725	261,210	104,263	100,600
Mexico	312,583	418,855	147,708	167,155
Korea, Rep.	261,673	153,808	47,857	109,841
Caribbean	12,979	21,205	8,683	14,664
Russia	77,150	52,464	31,948	2,983
Other	135,015	144,609	55,687	71,262
Total	2,135,677	2,170,639	860,889	928,016
Cattle Imports			*Head*	
Mexico	669,409	720,439	338,855	405,639
Canada	1,376,814	1,313,476	578,941	446,211
Over 700 lbs.	1,200,642	1,183,457	510,202	393,608
440-700 lbs.	107,650	47,558	35,833	14,297
Total	2,046,352	2,034,009	917,870	851,850
Cattle Exports				
Mexico	235,121	160,474	74,711	34,334
Canada	41,189	116,762	33,572	54,766
Total	282,344	285,209	112,650	93,713
Lamb Imports		*Carcass wt.,*	*thousand*	*lbs.*
Australia	32,968	42,437	16,292	20,445
New Zealand	26,417	34,799	15,940	16,523
Total	60,428	77,813	32,487	37,123
Mutton Imports				
Total	22,607	34,510	18,972	12,281

Customs Service	*Product wt.*	*metric tons*	
YTD imports under WT	7/27/98	7/26/99	% of quota
Canada	165,624	173,944	NA
Mexico	1,377	1,505	NA
TRQ Countries	296,095	297,759	43
Australia	131,984	144,982	38
New Zealand	142,953	116,907	55
Argentina	3,931	14,153	71
Uruguay	7,096	10,720	54
Other	10,131	10,998	17
Total	463,096	473,208	NA

	1997	1998	Jan. - May-98	Jan. - May-99
Pork Imports		*Carcass wt.,*	*thousand lbs.*	
Canada	434,228	490,597	171,277	237,396
Denmark	123,839	135,513	47,909	60,375
Poland	15,002	19,801	7,371	8,558
Hungary	8,702	9,607	3,126	4,364
Netherlands	8,118	10,972	4,628	4,234
Other	42,206	38,258	17,396	17,863
Total	632,095	704,748	251,708	332,789
Pork Exports				
Japan	461,946	496,470	210,718	226,213
Canada	125,325	126,375	59,931	49,280
Mexico	86,988	145,362	53,071	50,797
Russia	173,598	175,399	113,702	2,708
Korea, Rep	34,886	27,755	8,439	21,746
Hong Kong	55,067	62,116	25,878	21,712
Caribbean	12,200	21,786	5,721	8,976
Other	93,604	174,858	58,343	87,801
Total	1,043,613	1,230,121	535,803	469,232
Hog Imports			*Head*	
Canada	3,178,260	4,122,364	1,691,433	1,627,975
Under 110 lb	987,359	1,466,202	522,561	804,531
Total	3,179,578	4,122,914	1,691,637	1,628,065
Hog Exports				
Total	54,647	229,454	49,391	109,864
Broiler Exports		*RTC, thousand lbs.*		
Japan	202,925	227,441	96,593	95,034
Mexico	248,332	275,685	114,257	109,055
Hong Kong	874,883	984,611	340,927	529,956
Singapore	34,845	17,115	7,614	10,271
Canada	119,397	133,221	51,391	49,345
Russia	2,056,367	1,496,098	862,020	169,938
Other	1,127,455	1,136,084	639,897	852,481
Total	4,664,204	4,672,833	2,112,699	1,816,079
Turkey Exports				
Mexico	196,678	248,813	75,316	68,509
S. Korea	24,722	5,424	783	4,779
Russia	80,308	66,532	40,914	4,826
Hong Kong	125,625	34,386	14,676	10,320
Other	171,094	8,360	36,701	39,070
Total	598,427	435,693	168,390	127,504
Shell		*thousand*	*doz.*	
Egg Exports	99,544	102,388	39,782	34,801

RED MEAT AND POULTRY FORECASTS

	1997	1998					1999					2000	
	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Production, million lb.													
Beef	25,384	6,215	6,461	6,638	6,339	25,653	6,397	6,625	6,675	6,175	25,872	5,975	24,100
Pork	17,244	4,688	4,429	4,625	5,239	18,981	4,865	4,635	4,750	5,000	19,250	4,725	18,625
Broilers	27,271	6,846	6,990	6,942	7,085	27,863	7,295	7,500	7,400	7,400	29,595	7,750	31,000
Turkeys	5,478	1,286	1,326	1,302	1,367	5,281	1,205	1,325	1,375	1,375	5,280	1,275	5,400
Total Red Meat & Poultry	76,467	19,294	19,470	19,755	20,282	78,801	20,013	20,341	20,439	20,191	80,992	19,777	80,112
Table eggs, mil doz.	5,465	1,389	1,381	1,401	1,450	5,621	1,427	1,415	1,440	1,490	5,782	1,460	5,900
Per capita consumption, Retail lb.													
Beef	66.9	16.7	17.2	17.5	16.7	68.1	16.7	17.7	17.2	15.8	67.4	15.8	62.8
Pork	48.7	12.7	12.3	13.1	14.4	52.6	13.6	12.9	13.2	13.8	53.5	13	51.5
Broilers	71.9	17.4	18.1	18.4	18.9	72.6	19.3	19.6	19.4	19.2	77.5	20.7	81.6
Turkeys	17.6	3.9	3.9	4.2	6.0	18.1	3.8	3.9	4.2	5.9	17.9	3.7	17.7
Total Red Meat & Poultry	207.7	51.4	52.1	53.8	56.4	213.7	54.1	54.7	54.5	55.3	218.7	53.9	216.0
Eggs, number	240.0	60.5	60.4	61.1	63.2	245.2	62.7	62.0	62.6	64.6	251.9	253.9	252.0
Market Prices													
Choice steers, Neb., $/cwt.	66.32	61.73	64.16	58.97	61.06	61.48	62.43	65.00	62-64	64-68	63-65	67-73	70-76
Feeder steers, Ok City, $/cwt.	76.19	75.49	74.00	67.89	69.80	71.80	71.93	72.10	74-75	74-78	73-75	75-81	78-83
Bng Ut Cows, S. Falls, $/cwt.	34.27	38.28	39.15	35.21	32.15	36.20	36.1	38.75	41-43	40-44	39-41	41-45	43-47
Barrows & gilts, Ia/Mn., $/cwt.	54.30	37.34	42.87	36.61	22.06	34.72	28.83	35.20	31-33	28-30	30-32	31-33	34-37
Broilers, 12 City, cents/lb.	58.8	56.4	61.0	70.4	64.50	63.10	58.1	58.60	58-60	55-59	57-59	52-56	54-58
Turkeys, Eastern, cents/lb.	64.9	55.1	59.1	63.4	71.20	62.20	59.4	65.80	69-71	73-79	67-69	58-62	61-67
Eggs, New York, cents/doz.	81.2	79.0	66.5	76.0	81.70	75.80	75.0	58.10	66-68	72-78	68-70	67-73	63-68
U.S. Trade, million lb.													
Beef & veal exports	2,136	500	537	563	571	2,171	564	570	665	650	2,449	515	2,300
Beef & veal imports	2,343	644	683	685	630	2,642	628	750	725	605	2,708	710	2,800
Pork exports	1,044	296	348	288	297	1,229	267	290	380	310	1,247	300	1,200
Pork imports	633	154	153	183	214	704	201	180	185	214	780	190	775
Broiler exports	4,664	1,241	1,342	1,083	1,006	4,673	1037	1,200	1,200	1,175	4,612	1050	4,575
Turkey exports	606	100	121	113	112	446	80	85	110	120	395	85	400

ECONOMIC INDICATOR FORECASTS 1/

	1998 I	1998 II	1998 III	1998 IV	1998 Annual	1999 I	1999 II	1999 III	1999 IV	1999 Annual	2000 I	2000 II	2000 Annual
GDP, chain wtd (bil. 1992 dol.)	7,465	7,499	7,567	7,678	7,552	7,763	7,824	7,878	7,930	7,848	7,966	8,025	8,027
CPI-U, annual rate (pct.)	1.0	1.7	1.7	1.7	1.5	1.5	2.7	2.2	2.2	2.1	2.2	2.2	2.3
Unemployment (pct.)	4.6	4.4	4.5	4.4	4.5	4.3	4.3	4.3	4.3	4.3	4.4	4.5	4.5
Interest (pct.)													
3-month Treasury bill	5.1	5.0	4.8	4.3	4.8	4.4	4.5	4.5	4.5	4.5	4.6	4.6	4.6
10-year Treasury bond yield	5.6	5.6	5.2	4.7	5.3	5.0	5.4	5.3	5.4	5.3	5.4	5.4	5.4

1/ Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, May 1999

DAIRY FORECASTS

	1998 I	1998 II	1998 III	1998 IV	1998 Annual	1999 I	1999 II	1999 III	1999 IV	1999 Annual	2000 I	2000 II	2000 Annual
Milk cows (thous,)	9,176	9,171	9,149	9,137	9,158	9,136	9,151	9,130	9,140	9,135	9,145	9,150	9,125
Milk per cow (pounds)	4,268	4,451	4,210	4,261	17,191	4,437	4,593	4,350	4,360	17,735	4,555	4,690	18,155
Milk production (bil. pounds)	39.2	40.8	38.5	38.9	157.4	40.5	42.0	39.7	39.9	162.0	41.7	42.9	165.7
Commercial use (bil. pounds)													
milkfat basis	38.1	40.8	40.5	40.5	159.9	39.1	41.0	42.4	41.7	164.1	40.5	42.4	167.5
skim solids basis	37.9	39.3	39.1	39.7	156.0	38.9	39.0	40.4	40.5	158.6	40.1	41.9	165.9
Net removals (bil. pounds)													
milkfat basis	0.2	0.1	0.0	0.0	0.4	0.1	0.1	0.0	0.1	0.3	0.4	0.3	1.0
skim solids basis	1.2	1.1	1.1	0.6	4.0	1.2	1.9	2.1	1.3	6.5	0.6	0.5	2.1
Prices (dol./cwt)													
All milk	14.6	13.8	15.47	17.83	15.43	15.97	12.87	13.80 -14.20	13.85 -14.55	14.1 -14.40	12.8 -13.80	11.7 -12.70	12.75 -13.75
Basic Formula Price	13.13	12.00	14.95	16.74	14.20	12.72	11.50	12.90 -13.30	12.10 -12.80	12.30 -12.60	10.80 -11.80	10.45 -11.45	11.35 -12.35

U.S. dairy situation at a glance

	Unit	1996	1997	1998	Apr-98	May-98	Jun-98	Jul-98
Milk production:								
Production (20 States)	Mil. lb.	131,084	133,314	134,930	11,579	12,011	11,396	11,314
Milk cow (20 States)	Thou.	7,837	7,760	7,710	7,713	7,719	7,718	7,709
Milk per cow (20 States)	Lb.	16,726	17,180	17,501	1,501	1,556	1,477	1,468
Production (U.S. est.)	Mil. lb.	154,006	156,091	157,441	13,515	14,014	13,292	13,167
Milk prices:								
All milk	Dol./cwt	14.88	13.34	15.43	14.00	13.30	14.10	14.20
Milk eligible for fluid use	Dol./cwt	14.95	13.38	15.47	14.00	13.30	14.10	14.20
Manufacturing grade milk	Dol./cwt	13.38	12.18	14.33	12.10	11.30	13.10	14.10
Basic Formula Price (3.5% fat)	Dol./cwt	13.39	12.05	14.20	12.01	10.88	13.10	14.77
Slaughter cow price, WI	Dol./cwt	33.00	36.93	35.54	37.70	38.38	37.44	37.25
Wholesale prices:								
Butter, Central States 1/	Ct/lb	108.2	116.2	177.6	136.4	153.2	186.7	203.1
American cheese, WI assembly pt.								
40-pound blocks	Ct/lb	149.1	132.4	158.1	129.7	123.0	151.3	162.6
Barrels	Ct/lb	141.7	125.2	151.7	125.1	120.8	146.3	153.4
Nonfat dry milk, Central States	Ct/lb	122.2	110.0	106.9	104.3	103.5	102.9	103.0
Retail prices:								
Consumer Price Index	1982-84=100	156.9	160.5	163.0	162.5	162.8	163.0	163.2
All food	1982-84=100	153.3	157.3	160.7	159.8	160.3	160.1	160.5
Dairy products	1982-84=100	142.1	145.5	150.8	148.5	148.1	148.1	148.2
Fluid milk	Dec 1997=100	NA	NA	101.3	100.3	100.3	99.3	98.4
Other dairy products	Dec 1997=100	NA	NA	101.9	99.9	99.9	101.1	101.3
Dairy product output:								
Butter	Mil. lb	1,174.5	1,151.3	1,081.9	107.1	92.6	69.9	63.8
American cheese	Mil. lb	3,280.8	3,285.6	3,325.8	288.0	298.5	287.8	277.7
Other-than-American cheese	Mil. lb	3,936.7	4,044.9	4,176.1	351.1	354.0	354.2	332.3
Frozen products 2/	Mil. gal.	1,240.9	1,290.0	1,325.9	123.6	126.4	139.6	136.4
All products (m.e.-fat)	Mil. lb	95,013	96,323	96,523	8,664	8,656	8,285	7,901
Nonfat dry milk	Mil. lb	1,061.8	1,217.6	1,135.4	119.7	119.7	99.4	85.7
Beginning stocks:								
Commercial butter	Mil. lb	15.8	13.4	20.5	55.7	67.0	72.4	60.3
Commercial American cheese	Mil. lb	306.6	379.6	410.3	421.8	439.6	443.6	450.1
Other cheese	Mil. lb	105.3	107.3	70.0	111.1	117.8	124.8	133.5
Manufacturers' nonfat dry milk	Mil. lb	70.6	71.1	103.3	95.3	113.1	132.7	122.7
All commercial (m.e.-fat)	Mil. lb	4,099	4,704	4,889	6,094	6,554	6,792	6,641
All commercial (m.e.-skim)	Mil. lb	5,037	5,753	6,080	6,512	6,989	7,347	7,452
All Government (m.e.-fat)	Mil. lb	69	10	18	20	28	26	27
All Government (m.e.-skim)	Mil. lb	172	7	258	427	568	646	808
Commercial disappearance:								
Butter	Mil. lb	1,180	1,109	1,124	96.5	87.7	86.5	83.5
American cheese	Mil. lb	3,230	3,269	3,350	273.2	297.7	283.4	268.9
Other-than-American cheese	Mil. lb	4,243	4,367	4,450	365.8	370.6	369.2	359.6
Nonfat dry milk	Mil. lb	1,009	894	867	75.0	64.2	83.4	54.0
All products:								
m.e.-fat	Mil. lb	154,750	156,118	159,920	13,192	13,938	13,680	13,650
Milkfat	Mil. lb	5,700	5,722	5,835	479	498	485	479
Skim solids	Mil. lb	13,382	13,327	13,507	1,122	1,167	1,134	1,097
USDA net removals:								
Butter	Mil. lb	0.1	38.4	6.3	0.4	0.3	0.0	0.0
Cheese	Mil. lb	4.6	11.3	8.2	0.7	0.6	0.6	0.7
Nonfat dry milk	Mil. lb	57.2	298.0	326.4	28.1	36.8	29.1	40.2
All products (m.e.-fat)	Mil. lb	87	1,090	366	26	24	13	16
All products (m.e.-skim)	Mil. lb	747	3,681	3,974	339	438	346	475
Imports (m.e.-fat)	Mil. lb	2,911	2,698	4,591	279	298	369	533
International market prices:								
Butter	$/metric ton	1,837	1,861	1,908	1,835	1,838	1,933	1,988
Nonfat dry milk	$/metric ton	1,979	1,738	1,440	1,491	1,493	1,523	1,437

1/ Grade AA Chicago before June 1998. 2/ Hard ice cream, ice milk, and sherbert. NA = Not Available.

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

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

Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99
11,124	10,672	11,125	10,829	11,481	11,720	10,809	12,212	11,989	12,430	11,785
7,708	7,701	7,695	7,697	7,708	7,704	7,702	7,708	7,714	7,725	7,729
1,443	1,386	1,446	1,407	1,489	1,521	1,403	1,584	1,554	1,609	1,525
12,941	12,411	12,961	12,611	13,365	13,681	12,613	14,246	13,925	14,432	13,677
15.50	16.70	17.70	17.80	18.00	17.40	15.50	15.00	12.60	12.80	13.20
15.50	16.80	17.80	17.80	18.10	17.50	15.60	15.10	12.60	12.80	13.20
14.60	15.40	16.80	17.30	17.40	15.30	12.30	12.30	11.90	11.50	12.00
14.99	15.10	16.04	16.84	17.34	16.27	10.27	11.62	11.81	11.26	11.42
35.69	34.20	31.44	31.34	32.10	35.56	35.81	36.28	36.25	38.31	38.80
216.6	273.1	242.3	187.9	140.8	144.4	133.1	130.3	103.9	111.0	147.7
166.9	171.0	183.5	188.7	192.5	162.4	131.5	134.0	133.6	124.8	138.1
149.9	164.6	178.5	183.5	185.3	155.2	126.4	129.5	129.1	120.8	133.9
104.6	110.1	111.8	112.5	114.9	108.9	104.4	102.4	102.3	102.3	101.4
163.4	163.6	164.0	164.0	163.9	164.3	164.5	165.0	166.2	166.2	166.2
161.0	161.1	162.0	162.1	162.3	163.6	163.3	163.3	163.4	163.7	163.6
150.5	152.9	155.0	155.9	157.6	161.2	162.3	161.5	156.1	156.2	156.1
100.7	102.8	103.6	103.5	106.1	109.8	112.4	111.8	102.8	103.3	103.3
101.9	103.6	103.9	105.2	106.0	107.7	105.7	107.0	106.9	106.9	106.4
64.3	68.2	88.5	91.1	106.3	123.3	111.5	113.7	106.4	104.7	NA
261.3	244.9	266.8	270.6	300.1	289.7	277.3	316.1	318.6	319.2	NA
337.3	339.2	365.3	366.0	368.4	349.0	323.0	375.6	354.4	355.6	NA
121.8	111.5	97.5	79.3	84.7	80.9	90.6	111.0	117.6	119.8	NA
7,629	7,367	7,833	7,572	8,204	8,301	7,961	8,940	8,865	8,993	NA
78.8	62.3	75.0	73.9	110.9	120.0	115.8	128.5	133.7	135.1	NA
50.7	40.9	33.9	31.2	28.7	25.9	60.6	94.7	108.7	126.3	136.3
460.8	441.4	417.3	394.5	388.5	407.6	390.8	403.9	406.0	450.5	495.7
134.7	135.2	135.5	128.0	105.9	109.5	108.9	139.8	146.1	172.9	181.0
115.3	94.8	64.4	47.2	43.7	56.3	82.4	107.6	122.7	136.5	161.4
6,565	6,173	5,793	5,433	5,126	5,274	5,893	7,001	7,371	8,362	9,091
7,400	6,817	6,417	5,870	5,508	5,905	6,059	6,803	7,057	7,921	8,770
38	40	40	34	28	28	32	28	25	27	26
1,072	1,264	1,321	1,278	1,138	1,115	1,084	962	977	1,004	1,032
87.4	81.7	101.0	97.0	109.7	89.3	78.3	101.0	89.5	95.5	NA
281.1	270.5	289.4	276.9	287.8	308.5	265.4	315.4	277.4	276.6	NA
363.7	366.9	409.5	419.4	402.6	372.5	316.2	400.0	354.7	374.5	NA
70.4	73.8	77.1	68.7	75.3	72.1	55.1	76.7	71.6	57.2	NA
13,753	13,097	13,741	13,157	13,576	13,293	11,660	14,082	13,123	13,877	NA
486	467	509	496	509	503	435	523	479	498	NA
1,124	1,113	1,181	1,139	1,133	1,175	1,008	1,197	1,106	1,145	NA
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.0	0.0
0.8	0.7	0.6	0.7	0.9	0.7	0.5	0.4	0.3	0.3	0.1
29.4	19.5	15.8	9.2	24.4	23.4	35.9	37.3	48.9	53.9	62.5
14	15	14	14	21	21	23	32	31	21	21
350	239	195	120	301	290	435	451	581	637	735
559	422	548	381	481	362	278	348	327	305	NA
1,991	2,020	1,940	1,775	1,760	1,749	1,624	1,468	1,425	1,438	1,478
1,424	1,408	1,313	1,320	1,325	1,388	1,299	1,259	1,255	1,263	1,274

U. S. milk production and related data

Year and quarter	Milk cows	Milk per cow	Milk production	Concentrate ration value	Milk-feed price ratio
	thousands	pounds	mil. pounds	dol. per cwt	
1995					
JAN-MAR	9,474	4,108	38,918	7.62	1.65
APR-JUN	9,481	4,268	40,465	7.62	1.60
JUL-SEP	9,472	4,034	38,208	7.82	1.59
OCT-DEC	9,435	3,996	37,701	8.24	1.67
Avg. or total	9,466	16,405	155,292	7.82	1.63
1996					
JAN-MAR	9,404	4,146	38,988	8.83	1.58
APR-JUN	9,388	4,217	39,587	9.51	1.51
JUL-SEP	9,363	4,012	37,564	9.70	1.64
OCT-DEC	9,331	4,058	37,867	9.16	1.67
Avg. or total	9,372	16,433	154,006	9.30	1.60
1997					
JAN-MAR	9,299	4,179	38,859	8.79	1.54
APR-JUN	9,273	4,375	40,574	8.76	1.45
JUL-SEP	9,236	4,182	38,627	8.62	1.47
OCT-DEC	9,200	4,134	38,031	8.49	1.71
Avg. or total	9,252	16,871	156,091	8.67	1.54
1998					
JAN-MAR	9,176	4,268	39,164	8.42	1.73
APR-JUN	9,171	4,451	40,821	8.05	1.71
JUL-SEP	9,149	4,210	38,519	7.50	2.06
OCT-DEC	9,137	4,261	38,937	7.25	2.46
Avg. or total	9,158	17,191	157,441	7.81	1.98
1999					
JAN-MAR	9,136	4,437	40,540	7.25	2.20
APR-JUN	9,151	4,593	42,034	7.10	1.81
JUL-SEP					
OCT-DEC					
Avg. or total					

Commercial disappearance: American cheese,1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	289.7	277.3	316.1	318.6	319.2								
Beginning commercial stocks	407.6	390.8	403.9	406.0	450.5	495.7							
Imports	2.7	1.7	1.8	3.6	2.9								
Total supply	700.0	669.8	721.8	728.2	772.6								
Utilization:													
Ending commercial stocks	390.8	403.9	406.0	450.5	495.7	473.7							
USDA net removals	0.7	0.5	0.4	0.3	0.3	0.1							
Commercial disappearance	308.5	265.4	315.4	277.4	276.6								
Percent change from a year ago	7.3	2.5	15.1	1.5	-7.1								
Cumulative disappearance	308.5	573.9	889.3	1,166.7	1,443.3								

Item	First quarter	Second quarter	Third quarter	Fourth quarter
	889.3			
Percent change from a year ago	8.4			

* Less than 50,000 pounds.

Commercial disappearance: Butter,1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	123.3	111.5	113.7	106.4	104.7								
Beginning commercial stocks	25.9	60.6	94.7	108.7	126.3	136.3							
Imports	0.7	0.9	1.7	1.1	0.8								
Total supply	149.9	173.0	210.1	216.2	231.8								
Utilization:													
Ending commercial stocks	60.6	94.7	108.7	126.3	136.3	121.3							
USDA net removals	0.0	0.0	0.4	0.4	0.0	0.0							
Commercial disappearance	89.3	78.3	101.0	89.5	95.5								
Percent change from a year ago	-13.0	-17.7	5.6	-7.3	8.9								
Cumulative disappearance	89.3	167.6	268.6	358.1	453.6								

	First quarter	Second quarter	Third quarter	Fourth quarter
	268.6			
Percent change from a year ago	-8.4			

1/ Includes butter equivalent of butteroil.
* Less than 50,000 pounds.

Commercial disappearance: Milkfat,1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	519	472	530	510	521								
Farm use	4	4	4	4	4								
Marketings	514	468	526	506	517								
Beginning commercial stocks	194	216	257	271	307								
Imports	12	9	12	10	9								
Total supply	720	693	795	787	833								
Utilization:													
Ending commercial stocks	216	257	271	307	334								
USDA net removals	1	1	1	1	1								
Commercial disappearance	503	435	523	479	498								
Percent change from a year ago	4.5	-2.2	4.6	-0.1	0.1								
Cumulative disappearance	503	938	1,461	1,940	2,438								

	First quarter	Second quarter	Third quarter	Fourth quarter
	1,461			
Percent change from a year ago	2.4			

Commercial disappearance: Milk in all products,1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	13,681	12,613	14,246	13,925	14,432	13,677							
Farm use	110	100	110	107	110	107							
Marketings	13,571	12,513	14,136	13,818	14,322	13,570							
Beginning commercial stocks	5,274	5,893	7,001	7,371	8,362	9,091							
Imports	362	278	348	327	305								
Total supply	19,207	18,684	21,485	21,516	22,989								
Utilization:													
Ending commercial stocks	5,893	7,001	7,371	8,362	9,091								
USDA net removals	21	23	32	31	21	21							
Commercial disappearance	13,293	11,660	14,082	13,123	13,877								
Percent change from a year ago	4.4	-2.2	4.4	-0.5	-0.4								
Cumulative disappearance	13,293	24,953	39,035	52,158	66,035								

	First quarter	Second quarter	Third quarter	Fourth quarter
	39,035			
Percent change from a year ago	2.4			

Commercial disappearance: Nonfat dry milk,1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	120.0	115.8	128.5	133.7	135.1								
Beginning commercial stocks	56.3	82.4	107.6	122.7	136.5	161.4							
Imports	1.6	0.4	0.6	0.6	0.9								
Total supply	177.9	198.6	236.7	257.0	272.5								
Utilization:													
Ending commercial stocks	82.4	107.6	122.7	136.5	161.4								
USDA net removals	23.4	35.9	37.3	48.9	53.9	62.5							
Commercial disappearance	72.1	55.1	76.7	71.6	57.2								
Percent change from a year ago	8.4	-15.9	-18.0	-4.5	-10.9								
Cumulative disappearance	72.1	127.2	203.9	275.5	332.7								

Item	First quarter	Second quarter	Third quarter	Fourth quarter
	203.9			
Percent change from a year ago	-9.6			

* Less than 50,000 pounds.

Commercial disappearance: Other-than-American cheese,1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	349.0	323.0	375.6	354.4	355.6								
Beginning commercial stocks	109.5	108.9	139.8	146.1	172.9	181.0							
Imports	22.9	24.1	30.7	27.1	27.0								
					0.0								
Total supply	481.4	456.0	546.1	527.6	555.5								
Utilization:													
Ending commercial stocks	108.9	139.8	146.1	172.9	181.0	201.2							
USDA net removals													
Commercial disappearance	372.5	316.2	400.0	354.7	374.5								
Percent change from a year ago	17.4	-1.4	3.8	-3.0	1.1								
Cumulative disappearance	372.5	688.7	1088.7	1443.4	1817.9								

	First quarter	Second quarter	Third quarter	Fourth quarter	
	1088.7				
Percent change from a year ago	6.4				

* Less than 50,000 pounds.

Commercial disappearance: Skim solids,1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
						Million pounds							
Supply:													
Production	1,198	1,094	1,238	1,211	1,253								
Farm use	10	9	10	9	10								
Marketings	1,188	1,085	1,228	1,202	1,244								
Beginning commercial stocks	507	520	584	606	680								
Imports	25	24	30	28	28								
Total supply	1,720	1,629	1,842	1,836	1,952								
Utilization:													
Ending commercial stocks	520	584	606	680	753								
USDA net removals	25	37	39	50	54								
Commercial disappearance	1,175	1,008	1,197	1,106	1,145								
Percent change from a year ago	6.8	-1.1	1.7	-1.5	-1.9								
Cumulative disappearance	1,175	2,183	3,381	4,486	5,631								

	First quarter	Second quarter	Third quarter	Fourth quarter
	3,381			
Percent change from a year ago	2.5			

Hogs on farms, farrowings, and pig crops, United States

Inventory	1992	1993	1994	1995	1996	1997	1998	1999	Change from previous year
				1,000 head					Percent
Dec. 1 inventory	57,649	58,202	57,940	59,738	58,201	56,124	61,158	62,206	2
Breeding	7,229	7,109	7,166	6,998	6,770	6,578	6,957	6,682	-4
Market	50,420	51,093	50,774	52,739	51,431	49,546	54,200	55,523	2
Under 60 lb	18,671	19,122	19,171	19,477	18,916	18,503	20,237	20,140	0
60-119 lb	12,966	12,846	12,627	13,007	12,755	12,193	13,319	13,631	2
120-179 lb	10,367	10,420	10,268	10,927	10,704	10,209	11,188	11,585	4
180 + lb	8,416	8,705	8,709	9,329	9,057	8,641	9,457	10,168	8
March 1 inventory	56,180	56,661	57,435	58,283	55,741	55,049	60,163	59,891	0
Breeding	7,155	7,053	7,189	6,945	6,701	6,637	6,942	6,527	-6
Market	49,025	49,608	50,246	51,337	49,040	48,412	53,220	53,363	0
Under 60 lb	19,040	18,502	18,750	19,144	18,534	18,490	20,192	19,868	-2
60-119 lb	11,865	12,060	12,144	12,395	11,732	11,627	12,791	12,769	0
120-179 lb	9,780	10,480	10,575	10,640	10,021	9,858	10,774	10,935	1
180 + lb	8,340	8,566	8,778	9,159	8,754	8,437	9,464	9,762	3
June 1 inventory	59,175	58,795	60,847	59,329	56,038	57,366	62,213	60,536	-3
Breeding	7,520	7,260	7,532	7,117	6,682	6,789	6,958	6,515	-6
Market	51,655	51,536	53,315	52,211	49,356	50,577	55,254	54,020	-2
Under 60 lb	21,540	20,739	22,024	21,042	19,645	19,988	21,482	20,502	-5
60-119 lb	13,005	12,898	13,092	12,841	12,196	12,574	13,711	13,331	-3
120-179 lb	9,615	9,877	10,007	9,780	9,757	10,002	11,084	11,021	-1
180 + lb	7,495	8,022	8,193	8,549	7,759	8,013	8,978	9,167	2
Sept. 1 inventory	60,655	59,169	62,208	60,137	56,961	60,456	63,488		5
Breeding	7,290	7,208	7,468	6,907	6,577	6,858	6,875		0
Market	53,365	51,961	54,740	53,229	50,384	53,598	56,612		6
Under 60 lb	20,090	19,632	20,633	19,822	18,782	20,662	21,210		3
60-119 lb	13,575	13,089	13,883	13,347	12,498	13,388	14,032		5
120-179 lb	10,905	10,689	11,223	11,044	10,418	10,673	11,511		8
180 + lb	8,795	8,551	9,002	9,017	8,687	8,875	9,837		11
Sows farrowing									
Dec.-Feb. 1/	2,892	2,808	2,880	2,881	2,718	2,684	2,929	2,897	-1
March-May	3,368	3,226	3,377	3,165	2,930	2,911	3,086	2,990	-3
Dec.-May 1/	6,260	6,034	6,257	6,046	5,648	5,595	6,015	5,887	-2
June-August	3,020	2,978	3,108	2,974	2,718	2,946	3,054	2,936 /2	-4
Sept.-Nov.	2,992	2,998	3,031	2,869	2,731	2,939	2,990	2,870 /2	-4
June-Nov.	6,012	5,976	6,139	5,843	5,449	5,885	6,044	5,806	-4
Pig crop									
Dec.-Feb. 1/	23,258	22,871	23,319	23,742	23,054	23,164	25,480	25,293	-1
March-May	27,208	26,213	27,898	26,335	24,833	25,229	26,989	26,301	-3
Dec.-May 1/	50,466	49,084	51,217	50,077	47,887	48,394	52,469	51,594	-2
June-August	24,590	24,088	25,530	24,794	23,244	25,696	26,634		4
Sept.-Nov.	24,086	24,128	24,732	23,945	23,327	25,494	25,902		2
June-Nov.	48,676	48,216	50,262	48,739	46,571	51,190	52,535		3
				Number					
Pigs per litter									
Dec.-Feb. 1/	8.04	8.15	8.10	8.24	8.43	8.63	8.70	8.73	0
March-May	8.08	8.13	8.26	8.32	8.48	8.67	8.75	8.80	1
Dec.-May 1/	8.06	8.14	8.18	8.28	8.46	8.65	8.72	8.76	0
June-August	8.14	8.09	8.21	8.34	8.55	8.72	8.72		0
Sept.-Nov.	8.05	8.05	8.16	8.35	8.54	8.67	8.65		0
June-Nov.	8.10	8.07	8.19	8.35	8.55	8.70	8.69		0

1/ December preceding year. 2/ Intentions

Poultry and egg costs and returns

Date	DECATUR SOYBEAN MEAL	CHICAGO No. 2 CORN	COST PER POUND LIVEWEIGHT BASIS Feed	Total	COST PER POUND R.T.C. BASIS Production	Total	12-CITY PRICE	NET RETURNS BEFORE INTEREST & OVERHEAD
	$ / ton	$ / bushel	--------------		cents / pound	-------------------------		-------------------
BROILERS								
Apr-98	162.50	2.53	17.08	27.43	36.09	50.19	58.82	8.63
May-98	160.00	2.50	16.58	26.93	35.43	49.53	60.08	10.55
Jun-98	168.60	2.44	15.83	26.18	34.45	48.55	64.26	15.71
Jul-98	183.40	2.27	15.70	26.05	34.27	48.37	68.53	20.16
Aug-98	146.25	1.97	15.77	26.12	34.37	48.47	72.13	23.66
Sep-98	135.80	1.84	15.75	26.10	34.34	48.44	70.53	22.09
Oct-98	135.70	2.00	14.05	24.40	32.11	46.21	68.04	21.83
Nov-98	144.50	2.16	13.46	23.81	31.33	45.43	64.13	18.70
Dec-98	146.40	2.16	13.85	24.20	31.84	45.94	60.45	14.51
Jan-99	138.80	2.16	14.47	24.82	32.65	46.75	59.33	12.58
Feb-99	132.30	2.15	14.52	24.87	32.72	46.82	58.23	11.41
Mar-99	133.00	2.20	14.32	24.67	32.46	46.56	56.79	10.23
Apr-99	134.50	2.13	14.13	24.48	32.21	46.31	55.08	8.77
May-99	133.20	2.16	14.27	24.62	32.39	46.49	60.02	13.53
Jun-99	139.10	2.11	14.13	24.48	32.22	46.32	60.33	14.01
TURKEYS							3-REGION WHOLESALE PRICE	
Apr-98	162.50	2.53	24.73	38.43	48.04	64.34	57.02	-7.32
May-98	160.00	2.50	24.21	37.91	47.39	63.69	57.31	-6.38
Jun-98	168.60	2.44	23.29	36.99	46.23	62.53	59.38	-3.15
Jul-98	183.40	2.27	22.01	35.71	44.64	60.94	62.24	1.30
Aug-98	146.25	1.97	21.77	35.47	44.34	60.64	64.39	3.75
Sep-98	135.80	1.84	21.94	35.64	44.55	60.85	66.89	6.04
Oct-98	135.70	2.00	21.97	35.67	44.59	60.89	72.16	11.27
Nov-98	144.50	2.16	19.00	32.70	40.88	57.18	74.15	16.97
Dec-98	146.40	2.16	17.99	31.69	39.61	55.91	67.39	11.48
Jan-99	138.80	2.16	18.62	32.32	40.40	56.70	58.02	1.32
Feb-99	132.30	2.15	19.68	33.38	41.72	58.02	58.40	0.38
Mar-99	133.00	2.20	19.77	33.47	41.83	58.13	60.84	2.71
Apr-99	134.50	2.13	19.40	33.10	41.38	57.68	63.33	5.65
May-99	133.20	2.16	19.05	32.75	40.94	57.24	66.04	8.80
Jun-99	139.10	2.11	19.29	32.99	41.23	57.53	68.92	11.39
EGGS			FEED COST	TOTAL Production		WHOLESALE TOTAL COST	12-METRO PRICE	
Apr-98	162.50	2.53	29.22	47.42		67.92	76.85	8.93
May-98	160.00	2.50	27.64	45.84		66.34	62.12	-4.22
Jun-98	168.60	2.44	27.35	45.55		66.05	72.27	6.22
Jul-98	183.40	2.27	27.33	45.53		66.03	72.46	6.43
Aug-98	146.25	1.97	26.88	45.08		65.58	80.26	14.68
Sep-98	135.80	1.84	23.54	41.74		62.24	79.17	16.93
Oct-98	135.70	2.00	22.31	40.51		61.01	81.67	20.66
Nov-98	144.50	2.16	23.29	41.49		61.99	86.39	24.40
Dec-98	146.40	2.16	24.63	42.83		63.33	87.01	23.68
Jan-99	138.80	2.16	24.71	42.91		63.41	84.03	20.62
Feb-99	132.30	2.15	24.40	42.60		63.10	73.61	10.51
Mar-99	133.00	2.20	24.08	42.28		62.78	78.64	15.86
Apr-99	134.50	2.13	24.42	42.62		63.12	63.37	0.25
May-99	133.20	2.16	24.05	42.25		62.75	60.89	-1.86
Jun-99	139.10	2.11	24.18	42.38		62.88	58.59	-4.29