



# Livestock, Dairy and Poultry Situation and Outlook

Economic Research Service  
U.S. Department of Agriculture

LDP-M-65  
November 23, 1999

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.

Surging milk production finally began to overtake strong demand and dropped most wholesale dairy product prices sharply. Mid-November cheese prices were near support purchase prices after plunging almost 45 percent from the August record. Similarly, butter prices had fallen about 25 percent from their August peak. Late 1999 and early 2000 milk prices will be down sharply from a year earlier and the lowest in 5 years.

Milk cow numbers have drifted higher since the autumn of 1998, moving above a year earlier during the summer. By October, milk cow numbers in the 20 States were almost 1 percent higher than a year earlier. Relatively strong returns during most of 1996-99 have spurred construction of new or greatly expanded operations, as well as reduced pressures on weaker producers to exit. Expansion was most pronounced in the West, where easing of the very tight forage situation of 1997-98 removed a constraint on dairy herd expansion.

Lower milk prices are expected to lead to resumption of the long downtrend in milk cow numbers, but cow numbers might stay above a year earlier through much of 2000. The

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Approved by the World Agricultural Outlook Board

number of exiting farmers probably will pick up, as recent returns have done little to alter the long-run position of weaker producers. On the other hand, significant numbers of individual herds are likely to expand. Normally, a well-established expansion process is not halted quickly by lower returns, particularly by returns within the range experienced relatively recently. Some newly expanded facilities reportedly were not filled completely because of not enough available replacements. These herds will undoubtedly expand in 2000.

Milk per cow grew briskly in summer and early autumn as most key factors were positive. Milk-feed price ratios have strongly supported increased feeding of grain and other concentrates and above-trend rises in milk per cow. Although the milk-feed price ratio will soon slip to less lofty readings, it will remain generally favorable. The forage situation is mixed but somewhat positive. Supplies of top quality alfalfa stay tight, but mediocre alfalfa hay is ample and much lower priced. This year's corn silage was not as uniformly good across the North as in the last 2 years, but quantities appear adequate and any deficiencies in grain content can be inexpensively overcome. Substantial growth in milk per cow should continue in 2000 unless major weather problems develop.

Gains in milk per cow and about unchanged cow numbers are expected to lift milk production about 2 percent in 2000, following this year's 3-percent rise. Increases from a year earlier probably will be significant throughout 2000 but may diminish slowly as the year progresses. Total milk output in 2000 will be almost three times as much as in 1900, trailing the century's population growth.

Commercial use of dairy products posted large gains during August-September, not the conditions normally associated with the beginning of a major price decline. Spurred by brisk economic growth and consumer spending, sales of most major products rose sharply. The surge in use pulled down warehouse stocks rapidly, although holdings remained relatively large. Sales increases were very large for cheese and butter and modest for fluid milk, while soft product sales were the only weak spot.

The strength of late summer sales probably was misleading. Early autumn pipeline holdings probably were very swollen, as final sales did not absorb the surge in product production and pull down warehouse stocks as sharply as feared earlier in the summer. Working down these pipeline stocks probably will provide some fourth-quarter weakness in commercial disappearance.

In general, demand for dairy products is expected to stay strong through 2000. Economic prospects remain bright. Even if demand has now fully caught up with the economic expansion (something that appeared not to be the case until at least this year), demand should grow significantly in 2000, maybe particularly for skim solids.

Although prices have not changed much, international buyers of nonfat dry milk have become much more aggressive. Since becoming available at the start of July, new allocations under the Dairy Export Incentive Program (DEIP) have been used at a rapid pace, bonus levels have been relatively modest, and most DEIP sales have been for fairly quick delivery. As allocations dwindled, countries preferring to buy at least some of their powder from the United States scrambled to line up DEIP deals. By mid-November, two-thirds of the allocations available through mid-2000 (including unfilled allocations from earlier years) had been used. New DEIP sales will be quite limited during the first half of 2000.

Small, steady purchases of nonfat dry milk have been made under the price support program this autumn, despite the DEIP exports. After the recent extension of the price support purchase program through the end of 2000, purchases of nonfat dry milk probably will again be substantial next year. Government net removals of powder during the marketing year just ended were 450 million pounds. Removals of other products consisted of small quantities exported under the DEIP.

Increases in milk production and dairy product demand have actually been relatively steady in 1999, with rises in output tending to surpass demand growth. The sharp swings in dairy product prices resulted from uncertainty about the relative sizes of the production and use increases and some abrupt reactions by traders to even minor variations in market conditions.

First-half prices are expected to be relatively low, even if they recover somewhat after the current product backlog clears. Large production increases probably will outweigh demand growth, and buyers may be more relaxed about ensuring second-half supplies early. Seasonal price increases during the second half of 2000 may be substantial, particularly if output rises ease. The annual average milk price is projected to be around \$13 per cwt, down from about \$14.40 in 1999.

### **Beef Prices Surge**

Rising beef supplies and sharply higher prices are a welcome end to a decade of frustration for the U.S. beef industry. But more importantly what does this situation suggest for the next couple of years as beef supplies decline following unprecedented heifer slaughter over the past couple of years. The return of dry conditions and poor winter grazing prospects throughout the south has reduced incentives to hold back heifers for the 2000 breeding season. In spite of sharply higher cattle prices the industry is not comfortable with expansion ideas. Grain prices remain low and hay production was record large in 1999, although supplies will be very tight this winter throughout the south particularly with the prospect of poor small grain pasture.

### **Strong Beef Demand, or Aberrant Millennial Effect**

Beef prices have been very strong in second half 1999 in spite of record beef production and large supplies of competing meats. Prices have also been favorable for relatively large supplies of pork and poultry. Strongest prices have been for beef grading Choice and higher, the type of beef sold in the hotel-restaurant and export markets. The Choice-Select box beef price spread is typically wide in the fall and narrow during the late winter-early spring, but the spread this fall has been unprecedented. The spread has widened from \$1.50 a cwt in March when the proportion of beef grading Choice is the highest to \$14-16 in late summer-early fall when the proportion grading Choice is typically low. Although total beef supplies have been large, supplies of Choice and higher beef have been unusually tight. In addition, demand for higher quality beef has been unusually strong as U.S. and world economies continue to strengthen. Demand for Select grade beef, the type increasingly sold in retail stores has been less impressive. Both the HRI and export markets likely with wider margins can pull in whatever quantities they need albeit possibly at higher prices. The cost of the higher quality cut of beef, although not incidental, is of less importance to the upper end HRI market in the overall cost of the meal and service provided.

Beef prices into the consumer market are only collected by the Bureau of Labor Statistics for a limited number of cuts of beef at retail. The ERS Choice and All Fresh prices based on the BLS beef cut prices provide some direction as to where the price strength is coming from. During the summer quarter prices for Choice beef at retail averaged \$2.89 a pound, up 12 cents from a year earlier. Only relatively small quantities of Choice are available and sold in the retail market, but this series does provide some view as to prices of high quality beef sold in the HRI and export markets. Prices for the All Fresh beef series, closer to the mix sold at retail- largely Select and lower quality beef, averaged \$2.58 during the summer, up 5 cents from a year earlier.

Total U.S. beef consumption is expected to rise nearly 2 percent this year, while beef exports are likely to rise 7 percent. Economic growth continues strong in the U.S. and world growth has returned, particularly in Asia. While beef prices are clearly higher, the reasons with larger supplies aside from the income effect is less clear. Supplies of higher quality beef have below market needs, but seasonally supplies of higher quality beef should be increasing, prices alone are encouraging feeding to Choice. Many hotels and restaurants have booked quality beef ahead to insure supplies, and the Millennium effect in concert with expectations for a more festive holiday season have also bolstered demand for higher quality beef to insure adequate supplies. Tastes and preferences change relatively slowly and clearly supplies of competing meats remain large at very competitive prices.

Retail beef prices continued to surge in October with the Choice price averaging \$2.95 a pound, the highest since the weather impacted market in the winter-spring of 1993.

Prices were 20 cents above a year earlier. Prices for the "All Fresh" beef averaged \$2.60 a pound, up 8 cents from a year earlier. These strong prices have occurred with per capita retail beef supplies near 18 pounds in the second and third quarters. Similar highs in 1991 and 1993 occurred with per capita supplies below 16 pounds per capita, with quarterly lows near 15 pounds in both instances.

Cattle on feed inventories remain large and supplies of quality beef will be rising seasonally through early spring. Historically wide spreads favoring Choice over Select beef favor longer feeding periods and marginally more Choice beef. First quarter beef supplies will remain large and the Millennial effect will be over shortly as even fill in orders in January will be at least partially filled. Prices are likely to remain strong over the next couple of years as beef supplies decline cyclically, but the present premium will be difficult to maintain against large supplies of competing meats at even more favorable prices relative to beef.

### **Slaughter Mix Shift Continues**

The slaughter mix will begin to shift toward an even larger proportion of steers in the mix over the next couple of years. Cow slaughter continues to decline, a trend unlikely to change until more heifers are added to the breeding herd. Heifer slaughter is near record large this year, with at least one quarter being record large. Cattle are already being placed on feed at lighter weights, a function of tightening feeder cattle supplies, poor fall and winter grazing prospects and low feed costs. While steer and heifer slaughter weights will decline over the next couple of years due to lighter placement weights, a larger proportion of steers in the slaughter mix and a likely continued though moderating premium on Choice beef will hold average slaughter weights near this years expected 729 pound commercial dressed weight average.

### **Feeder Cattle Supplies**

Supplies of feeder cattle outside feedlots on October 1 were down over 3 percent from a year earlier and the lowest supply since the early 1990's. Poor fall grazing conditions, good feedlot returns, and low feeding costs have resulted in a much larger proportion of the remaining feeder cattle supplies being placed on feed this fall, but will result in an even quicker draw down of supplies for 2000. Calf slaughter is down about 12 percent for the year and if not this year almost certainly next year will decline below the 1.2 million head low set in 1993. With a reduced cow herd and fewer heifers being retained for herd replacement the 2000 calf crop will mark the fifth consecutive decline. If more heifers begin to be retained for herd replacement in 2000 the feeder cattle supply will drop even more sharply. Although new record lows in veal slaughter may be set as more calves are priced into feedlots, feeder cattle supplies will not increase until at least 2001, and the prospect for larger calf crops even then remains very circumspect.

### **Fed Cattle Inventories Large**

Cattle on feed inventories are large and will remain well above a year earlier until spring, even though placements will begin to fall below year-earlier levels later this fall. However, a larger proportion of cattle on feed are lighter weight and will be on feed longer. Many of the heavier yearling placements are on feed for 110 to 130 days, while lighter weight calves are on feed well beyond 200 days. A premium on higher grading cattle and low feed costs are likely to add to days on feed. Fed cattle marketings this fall are likely to be near 2 percent above a year earlier, but marketings will move below the unusually high 1999 levels throughout 2000.

Weights by slaughter class will decline in 2000 as lighter weight cattle are placed on feed, but a heavier steer weighting in the slaughter mix will result in average dressed cattle slaughter weights remaining heavy. A continued strong or stronger premium on Choice beef prices could result in average weights setting another record, helping to hold up beef production as slaughter inventories decline.

### **New Decade, More Questions For Beef Sector**

Both the cow-calf and feedlot sectors are expected to be profitable this year, with profits in the cow-calf sector likely to continue at least through 2002. Low feed costs will help feedlot operators, but fierce competition for a declining supply of feeder cattle will result in much of the potential fed cattle price gains being bid into feeder cattle prices. In the cattle feeding budget for October cattle feeders returns were \$6.09 per cwt. However, a year ago 750-800 pound feeder steers were averaging \$70.26 per cwt, this year they averaged \$80.53 in October and are expected to go higher.

### **Beef exports To Increase**

Beef exports are on target with expectations of a significant increase this year, in spite of lower-than-expected food aid to Russia. Exports to Asia and Mexico have been stronger than expected, however, because these economies have rebounded from last year's low growth.

The strongest market, by far, has been Korea, which imported 3 times more beef from the United States during the first 9 months of this year than the same period in 1998. The Korean economy has surged far above expectations, growing at 7.3 percent during the first half of this year, compared to a 5.5 percent contraction for the same period last year, according to the Bank of Korea. In addition, the Korean currency appreciated 20 percent over the same period of time, making imported beef that much cheaper. Beef consumption increased 16 percent in the first 9 months, and imports provided a disproportionate amount of this increase because the slaughter of Korean cattle declined significantly. Imports of U.S. beef by Korea this year will not only draw last year's low level of 154 million pounds, but are now expected to significantly surpass 1997's level of 262 million. When imports from Australia and New Zealand are included, Korea could approach its WTO minimum import requirement of 454 million pounds (retail weight).

Exports of U.S. beef to Mexico for the first 3 quarters were 12 percent above the same period last year. While exports to Mexico have been growing for some time, they began to accelerate toward the end of 1998 as economic growth returned to Mexico. Consequently, the large year-over-year percentage increases characteristic of the first two quarters of 1999 have moderated, and U.S exports to Mexico are expected to finish the year about 10-12 percent above last year. The anti-dumping duties that Mexico has levied on beef imports from the U.S. that meet certain

criteria do not appear to have materially limited beef exports to Mexico.

The only disappointing commercial market this year has been Japan, which normally accounts for about one-half of U.S. beef exports. Exports to Japan for the first 3 quarters of 1999 were 4.7 percent below the same period last year, in spite of a 10 percent increase in the value of the Yen, because lackluster economic growth has increased uncertainty and limited consumer spending. The value of exports was down slightly more, suggesting weakness in both household buying of lower-priced cuts and the hotel and restaurant market for higher priced loins. The export unit value of beef exports to Japan averaged \$1.22 for the first nine months of 1999, only 1 cent below the same period last year.

After considerable negotiations over prices, terms, and cuts, beef food aid for Russia appears ready. However, less than one-half of the 180 million pounds that were anticipated under the food-aid agreement are now expected to eventually flow to Russia. With higher beef prices materializing the rest of this year and next, pork and poultry are likely to be the products of choice, if food aid occurs next year.

### **Declining production and higher prices to reduce beef exports 2-3 percent in 2000.**

Limited supplies and stronger markets next year will reduce beef exports, but by less than earlier expected. Korean demand is expected to increase next year, as economic growth remains strong. The Bank of Korea forecasts economic growth of 6.4 percent in 2000, on top of an 8.8 percent growth rate it expects for this year. In addition, domestic beef production in Korea is expected to be down by 121 million pounds tons and the minimum import quota is scheduled to increase to 496 million pounds (retail weight). Korean industry does continue to be plagued by significant debt, and the Daewoo Group--Korea's second largest conglomerate--requested emergency financial assistance from its creditors in July. Besides returning financial difficulties possibly limiting imports, rules announced October 1 that continue restrictions on retail distribution and pricing, and expand restrictions on market-driven trading could also limit beef imports.

Mexico is the only other major market where U.S. exports are expected to increase next year. Exports to Mexico are expected to increase about 2-4 percent next year, in contrast to the 10-12 percent expected for this year. Slower growth in exports to Mexico is expected because consumption there is now much closer to normal levels, and beef production in Mexico is anticipated to increase next year. Consumption is expected to remain stable in Japan, but market share is likely to be picked up by Australia and New Zealand, which are both expected to have greater amounts of lower-priced beef available. Consumption is expected to fall in Canada, for which the U.S. supplies nearly all beef exports, as consumers substitute more lower-priced poultry and pork. The Caribbean markets are likely to remain stable next year after a 50 percent increase in imports in 1999 in preparation for millennium celebrations.

### **Beef Imports To Hit Record**

Imports are forecast to increase 7 percent this year, led by cow and stag slaughter expected to be more than 4 percent below the 1994 cyclical low in cow/stag slaughter. The dearth of cow and stag beef has led to strong demand for low-priced grass-fed beef for processing, and has resulted in substantial imports from Australia, Argentina, Uruguay, and Canada. Imports from Australia have slowed from the high weather-induced slaughter levels during the first half of the year, but were still about 3 percent ahead of last year through September. Imports from Australasia have benefited from the lowest west-to-east ocean freight rates in over 20 years since May. However, imports from New Zealand are expected to be down 11-12 percent this year because of herd rebuilding in that country. The marketing of Canadian loin cuts in the northeastern U.S. will also contribute to imports from Canada ending the year up about 15

percent.

Loin cuts have now been added to cooked beef as a South American export. Long a supplier of cooked beef, Argentina has been supplying fresh product since being classified FMD-free in 1998. Not only has Argentina increased its exports of fresh processing beef again this year, but it has also begun to export higher-valued loin cuts. Imports from both Argentina and Uruguay are 50 percent ahead of last year, and both countries are expected to meet their 20,000 ton tariff rate quotas (TRQ) before year end. Brazil continues to increase its share of the cooked-product market, in large part because currency devaluation has made its exports more competitive, especially relative to exports from Argentina, whose dollar-linked currency is stable. Imports from Brazil are expected to end the year 50 percent above last year.

### **Imports To Increase**

Imports are expected to increase significantly again next year, as cow/stag slaughter declines by 6 percent on an annual basis and nearly 10 percent in the 2nd quarter of 2000 over the 2nd quarter this year. While animals available for slaughter are expected to decline in Canada and Australia next year, high prices for all fresh beef are expected to pull 3-4 percent more (mainly fresh) product from both Canada and Australia, at the expense of consumption and exports to other markets. New Zealand is expected to be far enough along in herd rebuilding next year that more animals will be available for slaughter, so imports from New Zealand are expected to increase 7-9 percent next year, but below its TRQ.

South American is expected to continue expanding in its traditional cooked market and to make further inroads in markets for fresh processing beef and higher-valued loin cuts. Both Argentina and Uruguay are expected to have more animals available for slaughter next year, and to meet their import quotas before the end of the year. Imports from these countries are expected to increase 10-20 percent next year, including cooked product. While limited to cooked product because of its FMD status, Brazil is expected to increase its beef exports to the U.S. by 4-8 percent.

### **Value of Exports Exceeds the Value of Imports**

The value of beef exports for the first 3 quarters of 1999 exceeded the value of imports by 26 percent, despite the quantity of imports being 28 percent greater than exports. This is because, in general, the U.S. exports higher quality fresh and frozen loin cuts from grain-fed beef to high value markets, and imports lower quality grass-fed beef for manufacturing into hamburger and other lower value end uses. During the last decade, the unit value of imported product has ranged between \$ .65 and \$ .81 per pound, and the unit value of exports has ranged between \$1.15 and \$ 1.63 per pound, depending upon the phase of the cattle cycle. For the first 9 months of 1999, the import value was \$ .72 per pound and the export unit value was \$1.16 per pound.

In the year 2000, the unit value for imports is expected to increase for the fourth consecutive year in response to a fourth year of progressively lower cow/stag slaughter. The unit value is unlikely to increase more than 3-5 cents per pound, however, because ample supplies and weak currencies of the major supplying countries are likely to moderate upward pressure put on prices by lower cow/stag slaughter. Australia and New Zealand supply about one-half of U.S. imports, and their



product arrived in the U.S. at \$ .55-.58 per pound in 1998 and 1999. A weak Brazilian currency is expected to allow larger supplies of Brazilian cooked product to enter at less than \$.70 per pound. This year, imports from Brazil were priced at \$ .64 per pound.

Next year, export unit values are expected to manifest the first year of a cyclical increase, to \$1.18-1.20 per pound. The last cyclical peak for export unit values was \$ 1.63 in 1993 when the Nebraska price for choice steers was \$76.36 per cwt. The Nebraska price next year is expected to increase to \$69.50 from \$65.15 this year. This nearly 7 percent increase in the steer price is not expected to be translated into a proportionately equivalent export unit value because the high priced Japanese market is fundamentally more mature than in 1993, and is expected to be weak compared to 1998 and 1999.

### **Despite Large Slaughter Rates; Prices Steady**

Since weekly hog slaughter rates rose seasonally to over 2 million head in mid-September hog prices have remained generally steady in the mid-\$30's per cwt. Prices hit a yearly high in August at \$39. Burdensome stocks in cold storage dropped as food aid to Russia began to move. In addition, pork price featuring in October and rising retail beef prices put pork in a better competitive situation in the retail store. Weekly slaughter rates are expected to exceed 2 million head in non-holiday weeks and continue into at least early next year. The December **Hogs and Pigs** report to be released on December 28 will provide additional insights into production expectations for 2000. With abundant pork and predominance of turkey during the holiday season, hog prices could slip into the high \$20's late this year. Last year hog prices dropped sharply; averaging \$20 per cwt in November and \$17 in December.

After dropping into the teens in late 1998, hog prices began to rise reaching an average of \$39 per cwt in August, the dropped as pork production rose seasonally. For the year, hog prices are expected to average \$32-\$33 per cwt. The break-even cost of production has generally been in the mid \$30's throughout the year. Expectation are that with little change in feed costs and a relative low rate of inflation, improvements in productivity could reduce costs next year. Currently, hog prices are expected to rise about \$3 per cwt next year as production declines reflecting this year's breeding herd reductions.

Deteriorating hog prices in late summer and fall of 1998 devastated producers returns. As a result producers have reported reduced numbers of hogs kept for breeding in each quarterly survey since December 1998. The lower breeding herd has led to a reduced number of sows farrowing, but the decline in the pig crops has been moderated by increases in the pigs per litter. Although the total pig crop this year is below last year, heavier dressed weights have kept second half 1999 pork production about unchanged from a year earlier.

Pork production this year is expected to increase about 2 percent due to increased first-half production. This increased production was the result larger pig crops in the

second half of 1998 and heavier dressed weights. Given the breeding herd reductions and September farrowing intentions, pork production is expected to drop about 4 percent in 2000.

Declining pork and beef supplies next year will boost hog prices near \$40 per cwt by the middle of 2000, then prices are expected to drop seasonally into the mid \$30's. For the year, prices are expected to averaged about \$3 per cwt higher than in 1999. Large poultry supplies and lower exports are expected to moderate pork and hog price increases.

The Bureau of Labor Statistics' retail pork price index is expected to decline 1-2 percent this year, but rise 2-3 in 2000. The retail pork index is expected to register a year-over-year in fourth-quarter 1999, after eight consecutive quarters of decline. The plateauing of pork production and rising beef prices are providing strength for pork prices. The relatively abundant supplies of higher valued pork cuts are providing consumers a more attractive alternative as beef prices rise. In 2000 beef supplies are expected to decline boosting the rising beef prices even higher.

### **Poultry Production Stays Strong**

Poultry producers are having a relatively good year in 1999. Broiler and egg operations will not be quite as profitable as in 1998, but producers are still in a favorable enough position to continue expanding production in 2000. Weaker than expected third-quarter 1999 broiler and egg prices and slightly increased production costs due to stronger prices for some feed ingredients should help temper expansion plans. Broiler and egg production is expected to increase more slowly in 2000 than it has in 1999.

Turkey producers are having the most profitable year since 1986. Production decreased in 1998 due to negative profits during 1996 and 1997. The production decline allowed stocks of turkey meat to be drawn down leading to higher wholesale turkey prices in 1999. With annual feed costs nearly 20 percent below a year ago, higher prices have generated attractive profits. The increased profits have encouraged turkey producers to expand production. Production is expected to be about unchanged from a year ago in 1999 as increased production in the second half of the year offsets lower production in the first half of the year. However output should increase by about 2 percent in 2000.

## **Broiler Consumption Increasing Rapidly**

Broiler use in 1999 is expected to increase by about 5 pounds per person from 1998 on a retail weight basis. This would be the largest annual increase since consumption rose more than 5 pounds between 1943 and 1944. The large increase during WWII was influenced by the fact that chicken was not a rationed commodity, while most other meats were being rationed so supplies could be diverted from the domestic market for military use. This year's large increase and an expected large increase for 2000 are being driven by two factors. Record profitability during 1998 encouraged stronger than usual production increases. Also, since 1993 much of the production increase has been absorbed by the export market. However economic weakness in Russia since 1998 and continued weakness in many Asian countries has limited expected exports in 1999 and 2000, keeping them nearly the same as in 1997 and 1998. Thus, much of what would have been exported is being consumed domestically. Retail prices for broilers are expected to average above a year ago even with this substantial increase in consumption, indicating strong demand for broilers.

Pullet hatch, for potential placement in the hatchery supply flock, was 6 percent lower than a year ago in September but has been 8 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 September 1. This indicates that the potential is available for production increases in 2000 even though egg sets have been reported below a year ago for most of October and the first 2 weeks of November in the 15-state NASS survey of hatcheries. However, weekly slaughter of heavy hens from the broiler hatchery supply flock has been above a year ago by 12-33 percent since August 1, indicating some efforts to keep production increases under control.

Whole broiler prices have shown less weakness than parts prices as these larger supplies of chicken are being sold on the domestic market. Compared with a year ago, parts prices have declined about an additional 10 percentage points more than whole bird prices. This has been due to the increasing segmentation of the chicken market. Lighter weight birds make up the whole bird quote while primarily heavier weight birds are cut up for the wholesale parts market. The changing supplies of these classes of birds have affected the price changes.

Since 1993 market segmentation has been important for chicken parts markets since much of the dark meat of the chicken has been exported while nearly all of the white meat has been marketed domestically. The increasing popularity of deboned breast meat in the domestic market led companies to further segment the market through bird weights in order to limit labor costs per pound of product on their processing lines. Companies started growing heavier birds for deboning since the amount of labor to process a small breast was nearly the same as for a large breast and the labor cost per pound was less for the larger breast.

The Agricultural Marketing Service began publishing shares of broiler slaughter by three weight categories in 1997. They classify the lightest birds as targeted to be cut-

up and used in fast food restaurants as bone-in parts or sold whole for rotisserie preparation, the middle category as targeted for the retail market, and the heaviest birds for deboning. During January-October 1999 the share of birds in the heaviest weight category has been about 40 percent, compared to 30 percent a year earlier. The share of the two lighter categories has been about 5 percentage points less than last year at about 30 percent of production each. The relatively tighter market for light birds and the relatively larger supply of heavy birds have led to the difference in price declines for whole birds versus parts on the wholesale market.

Whole bird prices are expected average about 58 cents per pound in 1999, about 5 cents below a year ago. Prices for 2000 are expected to decrease an additional 2 cents to 56 cents per pound. Lower red meat supplies in 2000 should lessen the price impact of increased broiler production.

### **Egg Consumption Increasing**

Total egg consumption per person has been increasing since 1995, from about 236 eggs to an expected 255 eggs in 1999. For many years consumption of eggs in processed form has been increasing while shell egg consumption decreased. From 1995 to 1997 declines in shell egg consumption were small enough that increases in processed egg consumption brought an increase in total egg consumption. In 1998 shell egg consumption increased and another increase is expected in 1999. Lower egg prices are probably a major factor in increased use. Changes in consumer attitudes toward the effects of cholesterol in eggs and increased promotion activities are also being credited with reversing the consumption decline.

Table egg production is expected to increased more than 3 percent in 1999 and to bring wholesale large egg prices down 8-9 cents per dozen. Egg production is expected to continue increasing but at a slightly slower rate in 2000. Increasing production is expected to continue pressuring egg prices with wholesale prices forecast about 4 cents lower in 2000.

### **Turkey Consumption Stable**

Turkey supplies for the fall holidays should be about the same as last year with nearly 6 pounds per capita expected to be used in the fourth quarter. Despite virtually unchanged production, lower exports in 1999 allowed domestic supplies to increase nearly enough to offset the increase in population and allow nearly the same level of consumption as last year. Retail turkey prices are expected to be about 1 cent per pound higher than a year ago during the fourth quarter. Retailers will absorb much of the increase in wholesale prices for turkeys, which were nearly 9 cents per pound above a year ago in early November for Eastern Region hens.

A return to profitability in July 1998 and continued profitability for turkey producers in 1999 should encourage the strongest turkey production increase since 1996 next year. Turkey production is expected to increase about 2 percent in 2000. The number of turkeys raised is expected to be nearly unchanged from 1999 while heavier weights will provide the additional meat production.

## **Poultry Exports Dominated by Asia and Russia**

U.S. poultry exports in 2000 are expected to be dominated by offsetting import demands in their two largest markets. Overall Russian poultry imports in 2000 are expected to remain relatively weak, although shipping patterns may change dramatically if new regulations barring transshipment through ports in Latvia and Estonia are put into place. Strong export growth to the Hong Kong/China and other Asian markets has been a major reason why 1999 exports have not declined as much as earlier estimated. Increases in import demand in Hong Kong/China and other Asian countries stem from generally improving economic conditions. Larger exports to Asia in 2000 are expected to offset the overall weakness in Russian demand. While exports to Asia are expected to rise, the rate of increase is expected to be lower than in 1999. Little increase in overall export demand, strong competition from foreign poultry producers, and large supplies of pork are expected to again put downward pressure on poultry prices in the domestic and world markets in 2000.

Broiler exports for 2000 are expected to total 4.68 billion pounds, up slightly over 1 percent from the previous year. The outlook is for little or no growth in exports to the Russian market, although direct shipments to Russia are expected to grow at the expense of exports that had been moving through Baltic countries. Broiler shipments are expected to rise to a number of Asian markets, but the rate of growth is expected to be less than the large increases seen in 1999.

Even with the events that have buffeted economies around the world over the last several years, U.S. broiler exports have remained relatively stable in terms of volume. The export totals for 1997 and 1998 and the forecast totals for 1999 and 2000 are all between 4.6 and 4.7 billion pounds. In the first 8 months of 1999 broiler shipments totaled 3.02 billion pounds, down 12 percent from the previous year. This gap is expected to narrow over the last third of 1999 as demand remains strong in most Asian countries and exports to Russia (in this case Russia plus Estonia and Latvia) are expected to be above those in the fall of 1998, when the ruble's devaluation caused shipments to Russia to drop dramatically. The total value of exports in 1999 is expected to decline again as weak demand in Russia, rising world poultry production, and competition from large pork supplies have depressed prices.

Turkey exports in 2000 are forecast to be approximately 390 million pounds, up from 1999, but well below the record of over 600 million pounds in 1997. Higher growth in exports to several Asian countries such as Taiwan, Korea, and Japan are expected to offset lower shipments to places such as Mexico and Hong Kong. Also in 2000 there is not expected to be any large drop in exports to Russia and Poland, as shipments to these countries fell so sharply in 1999. Again a chief determinant of exports will be the demand from the Mexican processed product sector, as a large percentage of U.S. turkey exports to Mexico are used with other meats in the sausage market. Mexico is the largest market for U.S. turkey products, and changes in its economy have a large influence on overall U.S. export levels.

Total egg shipments (shell eggs and the shell egg equivalent of egg products) in 2000

are expected to total 170 million dozen, up 8 percent from 1999. Exports are expected to rebound in 2000 following the steep declines in 1999 that resulted chiefly from lower exports of shell eggs to Hong Kong and egg products to Mexico. Exports of hatching eggs may continue to expand, especially to markets in Central America.

Through the first 8 months of 1999, egg shipments totaled 102 million dozen, down more than 30 percent from a year earlier. Decreases in Mexico and Hong Kong were the most dramatic with exports to these markets falling 72 and 29 percent, respectively. Higher egg production in both Mexico and China have depressed prices and lessened the demand for imported eggs and egg products.

In 2000 exports of other chicken are expected to total 415 million pounds, a small increase from 1999. Larger shipments to Hong Kong/China, Japan, and other Asian markets are expected to more than offset weak exports to Canada. Exports to Russia and Poland are also expected to show some growth, although these increases will be in relation to very small shipments in 1999.

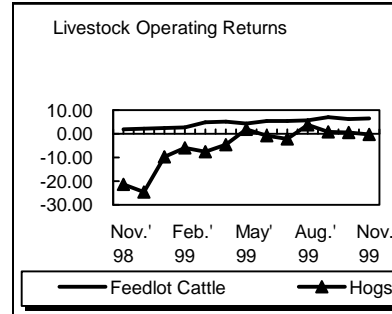
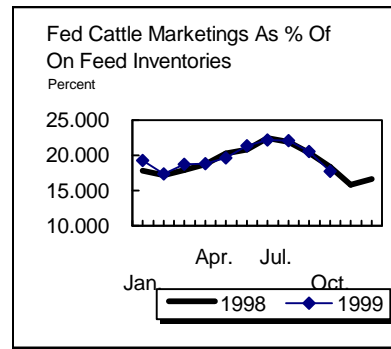
Through August, U.S. exports of other chicken totaled 270 million pounds, down 4 percent from the previous year. The export market has been divided between countries recording rapid growth and countries showing sharp declines. Shipments to Hong Kong, Japan, Taiwan, and Korea have all recorded steep increases. On the other hand, exports to Canada have fallen considerably and exports to Russia and Poland are both down more than 95 percent. The devaluation of the ruble has affected all poultry shipments to Russia, but turkey and other chicken, which were chiefly used in processed products and sausages, have been affected the most.

**Principal Contributors - (202) 694-5180**

Leland Southard, (Coordinator), Milton Madison (Poultry), David Harvey (Poultry Trade), Ron Gustafson, (Cattle), Dale Leuck (Beef Trade), Mildred Haley (Pork Trade), Jim Miller (Dairy), LaVerne Williams (Statistics)

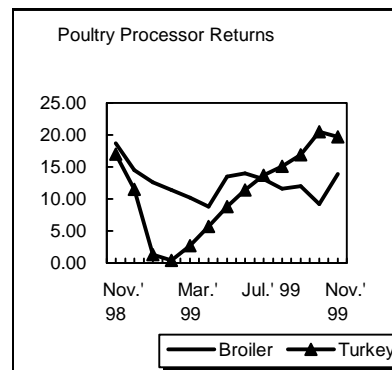
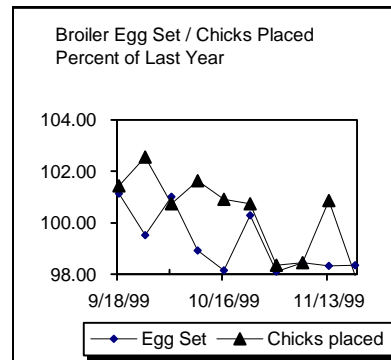
## PRODUCTION INDICATORS

	Oct. '98	1999		Oct. /*
		Aug.	Sep. 1000 Head	
<b>Cattle:</b>				
On feed - 7 States, 1,000+ Hd.	8,376	7,879	8,175	8,783
Net placements	2,351	2,038	2,290	2,546
Marketings	1,537	1,742	1,682	1,560
<b>Broilers:</b>				
Eggs in incubators (000) /1	583,859	625,636	619,581	586,818
Chicks hatched (000) /2	693,189	741,253	699,664	695,000
Hatching egg layers /1	54,027	56,149	55,813	55,310
Pullets placed (000)	6,883	7,665	6,870	6,500
Hvy-type hen slaughter /2	6,206	6,385	6,231	6,225
<b>Turkeys:</b>				
Eggs in incubators (000) /1	28,047	31,947	28,363	28,259
Poults placed (000)	22,749	24,767	21,794	22,312
<b>Eggs:</b>				
Table egg prod. (mil. doz.) /2	478.8	489.6	482.3	495.0
Table egg layers, (000) /1	256,295	259,952	262,879	265,040
Table eggs/100 layers /1	71.6	71.4	73.5	72.3
Chicks hatched (000) /2	34,649	35,453	38,841	36,000
Lt.-type hen slaughter /2	7,628	7,826	7,449	7,775



## ESTIMATED RETURNS

	Nov. '98	1999		Nov. /*
		Sep.	Oct. Cents/lb.	
<b>Great Plains cattle feedlot</b>				
Breakeven price /3	60.35	59.15	63.54	63.59
Selling price	62.23	66.05	69.63	70.00
Net margin	1.88	6.90	6.09	6.41
<b>N. Central hog farrow to finish</b>				
Breakeven price /3	38.85	35.00	35.04	35.14
Selling price	17.55	35.71	35.50	35.00
Net margin	-21.30	0.71	0.46	-0.14
<b>Broiler</b>				
Wholesale cost	45.43	45.14	45.64	46.07
Wholesale price	64.13	57.15	54.87	60.00
Net margin	18.70	12.01	9.23	13.93
<b>Turkey</b>				
Wholesale cost	57.18	57.45	55.43	56.26
Wholesale price	74.15	74.35	75.92	76.00
Net margin	16.97	16.90	20.49	19.74
<b>Egg</b>				
Wholesale cost	61.99	61.25	61.86	62.10
Wholesale price	86.39	63.80	56.80	72.00
Net margin	24.40	2.55	-5.06	9.90



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

# MEAT STATISTICS

	Jan. -	Jan. -	1999					/*
	Nov. 1998	Nov. 1999	July	Aug.	Sept.	Oct.	Nov.	
<b>Commercial production</b>	<i>Million pounds</i>							
Beef	23,553	24,258	2,256	2,309	2,276	2,265	2,128	
Veal	230	207	19	20	20	19	20	
Pork	17,181	17,586	1,489	1,565	1,618	1,698	1,720	
Lamb	225	217	17	19	19	20	19	
Total red meat	41,189	42,268	3,781	3,913	3,933	4,002	3,887	
Broilers	25,467	27,209	2,471	2,516	2,497	2,485	2,350	
Other chicken	478	508	47	47	45	47	43	
Turkeys	4,850	4,879	438	469	455	475	500	
Total poultry	30,794	32,596	2,956	3,032	2,998	3,007	2,893	
Total meat & poultry	71,983	74,864	6,737	6,945	6,931	7,009	6,780	

	Jan. -	Jan. -	1999					/*
	Nov. 1998	Nov. 1999	July	Aug.	Sept.	Oct.	Nov.	
<b>Commercial slaughter/**</b>	<i>Thousand head</i>							
Cattle	32,570	33,259	3,084	3,152	3,101	3,095	2,918	
Steers	16,008	16,511	1,622	1,601	1,542	1,474	1,376	
Heifers	10,560	10,952	976	1,021	1,028	1,051	963	
Beef Cows	3,005	2,823	231	247	252	285	295	
Dairy Cows	2,439	2,383	202	222	222	227	231	
Bulls and stags	558	589	53	61	57	57	53	
Calves	1,328	1,176	111	119	121	105	109	
Sheep	3,449	3,320	265	296	307	305	307	
Hogs	91,603	92,715	7,910	8,406	8,644	8,947	8,945	
Barrows & gilts	87,956	89,205	7,592	8,062	8,315	8,643	8,630	
Sows	3,176	3,126	282	308	294	276	285	
Broilers	7,176,573	7,429,265	686,713	708,119	682,349	675,000	635,000	
Turkeys	250,955	243,898	22,139	24,077	23,133	24,000	25,000	

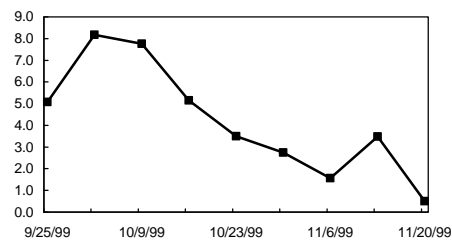
	1999						/*
	Nov. 1998	July	Aug.	Sept.	Oct.	Nov.	
<b>F.I. dressed weight</b>	<i>Pounds</i>						
Cattle	729	737	739	741	739	738	
Calves	172	170	167	169	181	182	
Sheep	65	66	63	64	65	66	
Hogs	192	189	187	188	191	193	

	1999					/*
	Nov. 1998	July	Aug.	Sept.	Oct.	
<b>Beginning cold storage stocks</b>	<i>Million pounds</i>					
Beef	358.2	292.8	292.3	377.9	294.4	318.2
Pork	411.9	532.1	500.0	438.1	430.6	424.8
Bellies	16.4	93.4	69.7	34.8	19.3	22.5
Hams	99.1	126.6	135.0	137.9	135.5	115.7
Total chicken	618.9	842.0	939.8	846.3	894.6	828.7
Turkey	658.7	556.1	599.0	580.3	596.4	492.8
Frozen eggs	9.0	11.3	11.1	8.8	9.5	9.8

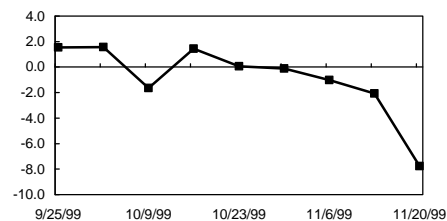
/\* Estimates with exception of Cold Storage

/\*\* Slaughter classes are estimated

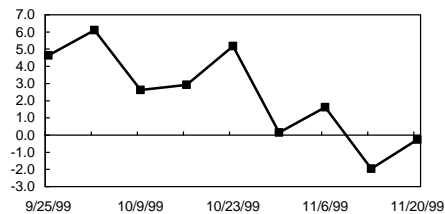
Weekly Cattle Slaughter  
Percent Change From Last Year



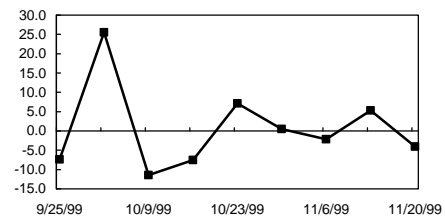
Weekly Hog Slaughter  
Percent Change From Last Year



Weekly Broiler Slaughter  
Percent Change From Last Year



Weekly Turkey Slaughter  
Percent Change From Last Year





## LIVESTOCK PRICES

	1998	1999				
	Nov.	July	Aug.	Sept.	Oct.	Nov. /*
<b>Cattle prices</b>						
Steers, Choice, 11-13 cwt.						
Texas Panhandle	62.23	64.51	65.29	66.05	69.63	70.00
Nebraska Direct	61.81	64.05	65.26	66.06	69.58	70.00
Cows - Sioux Falls						
Utility breaking	33.91	43.33	42.60	42.50	42.13	39.75
Utility boning	30.82	41.67	39.60	38.80	39.44	38.00
Feeder Cattle - Oklahoma City						
Steers: Med. #1						
500-550 lb.	80.00	86.24	87.14	87.97	86.01	93.25
600-650 lb.	71.99	84.24	81.85	83.20	82.03	87.25
750-800 lb.	69.08	76.94	77.04	78.73	80.53	82.25
Heifers: Med. #1						
450-500 lb.	72.11	84.30	80.41	82.36	80.51	84.75
700-750 lb.	63.81	74.11	74.13	74.88	74.92	75.75

### Hog prices

<b>Barrows and gilts</b>						
National base 51-52% lean	19.95	32.84	38.56	35.71	35.84	35.00
( live equivalent = carcass x .74)						
<b>Sows</b>						
Iowa-S. Minn. #1-2, 300-400	11.13	16.22	18.65	19.90	19.73	19.25

### Sheep & lamb prices

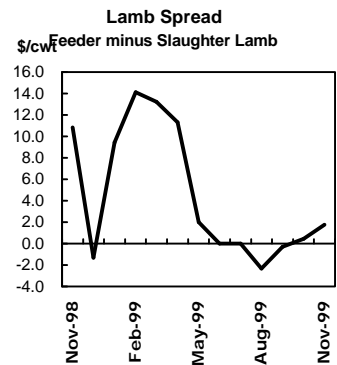
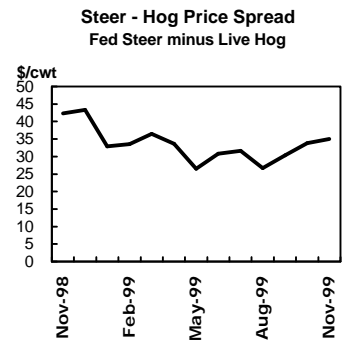
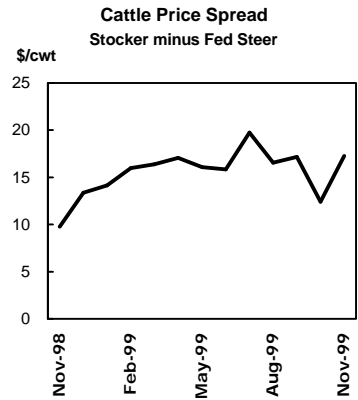
<b>San Angelo TX</b>						
Slaughter lambs, Choice	63.33	77.29	81.17	77.00	74.81	80.00
Ewes, Good	36.04	48.18	43.50	42.79	36.44	40.75
Feeder lambs, Choice	74.17	77.29	78.83	76.71	75.25	81.75

## GRAIN AND FEED PRICES

	1998	1999				
	Nov.	July	Aug.	Sept.	Oct.	Nov. /*
<b>\$/bu</b>						
Corn, #2 Yellow, Cen. Ill	2.09	1.67	1.84	1.81	1.72	1.82
Wheat, HRW Ord., K.C.	3.30	2.46	2.65	2.75	2.62	2.65
<b>\$/ton</b>						
SBM, 48% Solvent, Decatur	144.45	132.73	141.69	150.64	153.57	155.00
Alfalfa Hay, U.S. Avg	84.40	82.00	81.50	77.30	76.00	NA
Grass Hay, U.S. Avg	69.30	65.30	62.80	63.70	64.70	NA

/\* Estimates

Livestock, Dairy and Poultry Situation and Outlook

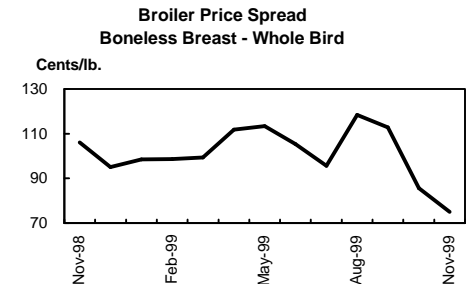
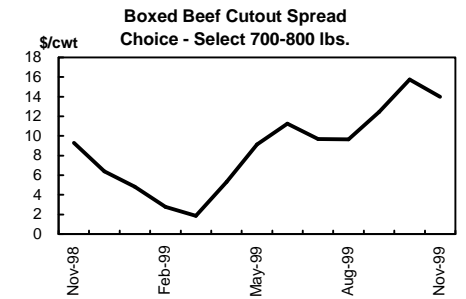
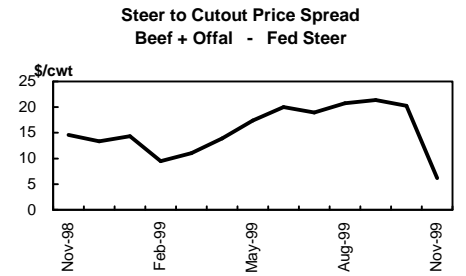
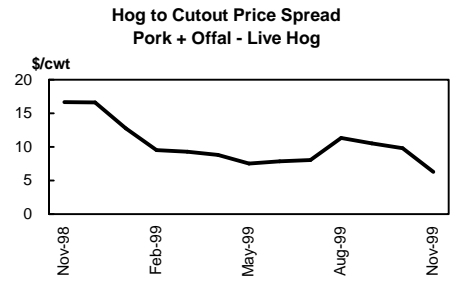


## WHOLESALE PRICES

	1998			1999			/*	
	Nov.	July	Aug.	Sept.	Oct.	Nov.		
<b>Beef, Central U.S.</b>								
Boxed beef cutout			\$/cwt					
Choice 1-3 550-700 lb.	102.61	111.14	114.00	115.13	119.21	117.25		
Choice 1-3 700-850 lb.	101.44	111.14	114.26	115.16	120.24	117.00		
Select 1-3 700-850 lb.	92.14	101.45	104.62	102.69	104.49	103.00		
Canner-Cutter Cows	55.58	71.00	70.15	67.63	66.00	65.25		
Bnls beef, 90% fresh	80.75	104.69	101.72	90.57	90.99	91.00		
Importd bnls. beef 90% frz.	81.53	93.06	99.75	95.83	93.16	95.00		
Hide & offal value	6.78	6.93	7.12	7.59	7.64	7.75		
Veal carcass, 220-280 lb.	158.75	188.10	184.88	190.35	197.63	198.00		
<b>Pork, Central U.S.</b>								
Pork cutout composite	42.09	50.55	61.27	56.56	55.75	54.25		
Loins, 14-19 lb. BI 1/4" trim	79.90	105.72	111.55	104.99	98.98	95.00		
Bellies, 12-14 lb. skin on trmd.	39.13	47.78	67.29	57.87	70.83	67.25		
Hams, 20-27 lb. BI trmd. TS1	41.84	40.98	52.33	51.78	49.53	59.00		
Trimnings, 72% fresh	18.68	31.17	45.25	41.03	34.53	30.00		
<b>Lamb, East Coast</b>								
55 lb. Down, Choice	141.75	179.50	186.00	170.93	161.28	164.50		
55-65 lb., Choice	141.75	180.00	NA	175.53	161.66	163.75		
			cents/lb.					
<b>Broilers</b>								
12 City Avg.	64.13	59.46	57.65	57.15	54.87	60.00		
Georgia dock	66.06	59.79	59.05	59.40	57.35	57.57		
<i>Northeast</i>								
Breast, boneless	170.16	155.11	176.03	170.01	140.54	135.00		
Breast, Ribs on	89.26	75.54	85.54	85.20	68.60	75.00		
Legs, whole	36.82	33.85	32.32	33.69	30.01	30.00		
Leg quarters	20.18	21.28	20.10	20.78	17.66	19.00		
<b>Turkeys</b>								
<i>Eastern Region</i>								
Toms, 16-24 lb.	76.21	71.95	72.67	72.76	73.30	73.00		
Hens, 8-16 lb.	72.95	71.62	73.57	76.28	79.30	79.00		
Breast, 4-8 lb.	100.75	99.00	100.07	103.75	108.00	109.00		
Drumsticks	27.43	17.58	16.67	17.64	22.74	28.00		
Wings, full cut	28.90	19.47	18.66	19.60	27.27	30.00		
<b>Eggs, grd A, lg, doz</b>								
!2 City Metro	86.39	68.13	72.30	63.80	56.80	72.00		
New York	83.60	68.70	67.40	62.40	56.50	68.00		

/\* Estimates

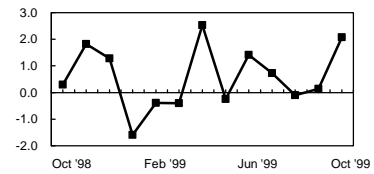
Livestock, Dairy and Poultry Situation and Outlook



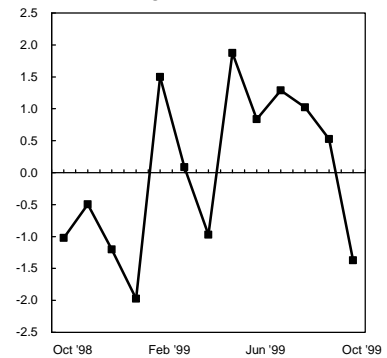
# RETAIL PRICES & SPREADS

	Oct-1998	Jun-1999	Jul-1999	Aug-1999	Sep-1999	Oct-1999
<b>Retail prices</b>						
	<i>Cents/lb.</i>					
Beef - Choice	275.0	287.2	289.3	289.0	289.4	295.4
Beef - All Fresh	251.9	256.8	258.0	256.9	258.6	260.3
Ground Beef	139.3	144.8	143.5	144.2	148.4	149.6
Round Roast	269.9	273.3	270.2	266.2	280.1	285.1
T-bone steak	604.1	658.2	674.6	640.6	636.9	663.5
Pork	242.2	241.2	244.3	246.8	248.1	244.7
Bacon	256.7	250.4	250.3	254.3	258.0	257.0
Chops	317.7	321.4	318.7	321.4	330.9	319.9
Sausage	245.3	244.1	248.5	249.8	245.7	243.9
Broilers - Composite <sup>1</sup>	158.4	155.1	156.2	154.6	155.9	155.2
Whole, fresh	107.6	104.1	104.5	104.3	108.0	105.5
Breast - bone in	213.2	207.7	206.2	206.3	210.3	208.8
Leg - bone in	130.0	128.3	131.6	128.4	126.9	127.4
Turkey; whole frozen	102.5	100.5	103.1	103.4	101.8	102.5
Eggs, Gr A, Lg, Doz	104.8	94.9	88.0	102.0	95.6	88.8
<b>Price indexes</b>						
	<i>1982-84=100</i>					
CPI - All	164.0	166.2	166.7	167.1	167.9	168.2
All food	162.0	163.6	163.8	164.2	164.6	165.1
All meat	141.3	141.8	142.2	142.8	143.9	144.4
Beef & veal	136.1	139.4	138.9	138.8	140.3	141.6
Pork	147.5	145.4	146.9	147.6	149.7	148.1
Poultry	161.1	156.8	157.3	158.5	159.8	158.1
<b>Price Spreads</b>						
	<i>Cents / retail lb.</i>					
<b>Beef</b>						
Farm to wholesale	25.5	36.0	32.9	35.4	36.4	34.7
Wholesale to retail	118.6	109.1	117.8	113.2	112.1	112.3
Farmers share (%)	48	49	48	49	49	50
<b>Pork</b>						
Farm to wholesale	41.2	37.5	38.6	39.1	41.8	36.3
Wholesale to retail	148.9	140.7	147.3	139.1	143.0	145.2
Farmers share (%)	22	26	24	28	26	26
<b>Poultry and eggs</b>						
Wholesale to retail						
Broilers 1/	94.8	99.0	102.1	100.4	99.2	105.5
Retail to consumer						
Turkey	21.3	22.6	23.2	21.9	18.5	17.6
Eggs Cents/doz	24.1	37.3	20.9	30.7	32.8	33.0

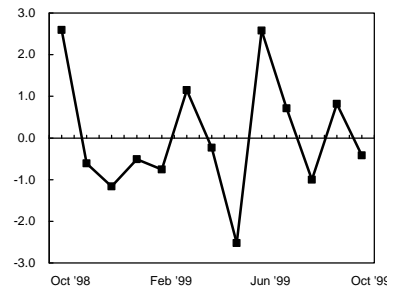
**Retail Beef Price**  
Percent Change From Previous Month



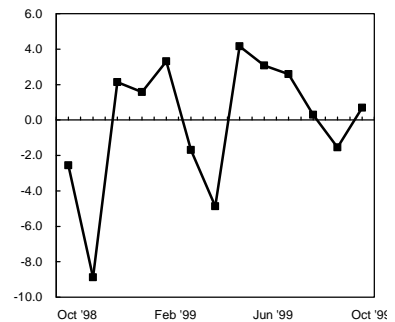
**Retail Pork Price**  
Percent Change from Previous Month



**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**

	Sep-98	Oct-98	Nov-98	Dec-98	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99
<b>Beef &amp; Veal Imports</b>	<i>Carcass wt., thousand lb.</i>												
Australia	88,072	75,669	77,013	70,370	66,939	37,308	63,844	98,072	65,543	70,632	77,704	83,686	74,000
New Zealand	23,544	18,205	18,431	36,202	34,488	49,823	53,813	71,980	58,278	76,815	57,335	36,590	36,454
Canada	68,647	75,184	75,461	68,943	70,787	62,621	74,640	69,715	83,641	82,020	82,147	88,995	87,357
Brazil	11,771	12,411	11,635	11,936	14,300	10,686	15,502	16,211	18,269	23,301	18,645	16,227	17,799
Argentina	9,236	11,836	15,465	18,377	14,064	12,087	14,800	11,975	15,402	14,218	8,696	12,398	12,766
Central America	3,818	3,114	3,656	7,016	3,017	5,113	5,301	4,050	5,519	3,986	3,830	5,721	6,674
Uruguay	2,571	3,884	5,570	6,982	4,909	4,623	6,413	5,200	7,404	6,367	5,035	2,954	4,074
Mexico	921	923	764	907	809	816	707	902	816	985	786	1,009	901
Other	71	208	106	275	82	60	167	169	163	83	158	296	135
Total	208,650	201,435	208,100	221,008	209,395	183,137	235,187	278,273	255,036	278,406	254,335	247,875	240,159
<b>Beef &amp; Veal Exports</b>													
Japan	87,079	99,838	82,243	78,902	85,953	88,053	97,352	98,628	91,526	92,357	84,197	95,969	96,781
Canada	21,827	20,789	24,538	25,267	19,209	20,612	20,221	19,870	20,688	18,649	20,359	18,438	20,425
Mexico	38,086	35,984	41,008	43,385	31,315	35,050	35,345	35,734	29,711	37,394	44,566	41,297	41,133
Korea, Rep.	15,937	22,776	24,096	18,936	22,033	22,366	27,875	21,895	15,671	25,691	40,548	30,610	17,884
Caribbean	1,444	1,974	1,573	2,672	2,915	3,374	3,347	3,112	1,872	2,011	1,811	2,200	1,579
Russia	859	106	5,318	152	2,043	459	231	165	85	56	252	178	157
Other	11,083	12,587	12,287	16,545	16,101	14,907	14,895	11,290	14,114	16,939	13,857	10,697	9,671
Total	176,315	194,054	191,062	185,858	179,569	184,821	199,265	190,694	173,667	193,097	205,590	199,389	187,630
<b>Cattle Imports</b>	<i>Head</i>												
Mexico	10,359	70,112	161,965	102,683	76,414	96,563	116,296	71,257	45,109	39,213	20,571	15,589	30,310
Canada	135,189	127,443	92,912	63,869	60,631	80,822	119,121	109,218	76,419	82,966	59,419	91,666	95,656
Over 700 lbs.	125,023	117,830	84,804	55,104	53,699	71,782	107,008	95,854	65,265	72,646	49,724	80,849	86,024
440-700 lbs.	2,295	3,063	2,194	1,048	835	2,524	4,192	3,985	2,761	972	825	803	680
Total	145,548	197,555	254,877	166,561	137,045	177,385	235,417	180,475	121,528	122,179	79,990	107,255	125,966
<b>Cattle Exports</b>													
Mexico	12,671	11,700	9,005	10,268	8,445	5,826	5,809	7,068	7,186	7,441	6,808	9,296	14,655
Canada	3,206	12,752	26,304	26,270	10,550	10,521	9,489	10,167	14,039	9,730	5,664	5,939	4,086
Total	16,167	25,918	36,325	36,538	19,161	16,812	15,857	20,044	21,839	17,312	12,642	15,462	18,945
<b>Lamb Imports</b>	<i>Carcass wt., thousand lb.</i>												
Australia	3,439	3,963	3,924	5,635	3,381	3,652	5,553	3,689	4,171	5,034	4,901	3,283	3,130
New Zealand	1,847	2,818	2,790	3,454	2,276	2,920	4,636	3,593	3,098	2,800	3,582	1,702	1,815
Total	5,381	6,835	6,764	9,128	5,725	6,634	10,194	7,301	7,269	7,840	8,558	5,011	4,956
<b>Mutton Imports</b>													
Total	1,527	1,333	2,433	3,656	3,316	2,927	2,611	1,935	1,493	844	1,442	1,606	1,959
<b>Lamb and mutton exports</b>													
Total	221	612	778	723	658	434	476	508	456	593	318	435	180

	Sep-1998	Oct-1998	Nov-1998	Dec-1998	Jan-1999	Feb-1999	Mar-1999	Apr-1999	May-1999	Jun-1999	Jul-1999	Aug-1999	Sep-1999
<b>Pork Imports</b>	<b>Carcass wt., thousand lb.</b>												
Canada	44,109	51,445	52,958	48,933	44,824	43,454	56,164	46,045	46,909	50,472	43,622	53,554	53,928
Denmark	11,986	12,529	12,644	13,137	9,922	13,527	14,144	11,444	11,338	10,361	11,067	9,969	10,309
Poland	1,728	2,602	1,954	1,536	929	1,488	2,079	2,189	1,872	1,864	1,986	1,594	2,594
Netherlands	422	1,000	918	1,347	624	990	954	795	2,103	132	311	210	653
Hungary	916	1,010	982	1,002	868	521	739	133	871	472	536	72	278
Other	3,121	3,741	3,454	3,449	2,211	3,958	3,376	4,071	4,247	4,707	1,982	1,697	1,490
Total	62,281	72,328	72,910	69,405	59,378	63,938	77,457	64,676	67,340	68,010	59,503	67,095	69,252
<b>Pork Exports</b>													
Japan	37,560	47,325	40,961	37,526	38,055	41,633	48,679	53,198	44,647	44,365	40,965	48,526	46,328
Canada	10,792	7,213	8,959	10,251	8,123	8,932	10,832	10,173	11,220	10,326	11,861	9,045	12,607
Mexico	10,677	13,381	16,676	15,895	11,800	10,239	10,297	9,926	8,536	15,889	14,467	15,292	13,883
Russia	1,569	584	11,171	412	1,399	699	293	171	145	377	140	251	228
Korea, Rep	1,710	1,451	1,211	4,075	3,845	3,786	2,810	5,464	5,840	5,894	6,098	3,440	2,724
Hong Kong	6,218	6,915	3,010	5,278	5,093	6,614	2,855	3,733	3,417	3,477	3,621	2,813	4,489
Caribbean	2,567	2,350	3,132	2,043	1,798	2,071	1,987	1,996	1,150	1,312	1,124	1,808	2,329
Other	17,904	23,082	20,020	14,544	15,588	14,114	14,968	20,289	22,817	19,242	12,496	19,182	12,373
Total	88,999	102,301	105,138	90,024	85,702	88,088	92,721	104,949	97,772	100,884	90,771	100,357	94,961
<b>Hog Imports</b>	<b>Head</b>												
Canada	339,352	345,122	297,009	371,694	383,298	288,747	326,528	314,745	314,657	364,347	311,888	365,563	379,352
Under 110 lb	138,248	139,242	128,238	152,006	145,113	138,227	169,132	175,627	176,432	196,246	163,094	179,048	199,227
Total	339,352	345,122	297,009	371,694	383,298	288,747	326,528	314,745	314,657	364,347	311,888	365,563	379,352
<b>Hog Exports</b>													
Total	16,736	24,560	41,610	53,020	34,880	21,552	18,894	18,476	16,062	26,637	4,060	8,967	10,363
<b>Broiler Exports</b>	<b>RTC, thousand lb.</b>												
Japan	23,208	24,816	19,231	14,208	23,564	16,335	20,619	20,645	13,871	17,853	13,423	23,875	20,086
Mexico	20,603	22,149	22,006	29,635	19,468	24,170	22,720	19,999	22,697	28,962	22,475	27,527	26,916
Hong Kong	84,827	80,808	91,099	129,052	77,585	118,758	127,585	108,605	97,423	91,355	96,171	83,520	78,312
Singapore	1,581	1,578	1,340	1,658	973	1,113	2,131	3,557	2,496	2,448	1,479	2,150	1,849
Canada	11,888	11,433	13,808	12,302	8,449	8,135	9,511	10,403	12,847	13,285	17,405	14,650	15,205
Russia	2,150	48,397	20,580	112,684	70,354	42,288	21,846	24,167	11,283	26,359	11,600	34,629	59,174
Latvia	0	0	17,038	37,199	46,406	42,367	41,488	93,822	56,125	58,252	76,910	98,008	70,742
Other	99,042	114,338	97,433	83,323	92,918	109,260	88,769	172,081	109,245	151,783	177,738	116,943	109,232
Total	243,299	303,519	282,534	420,060	339,717	362,426	334,669	453,280	325,987	390,298	417,202	401,302	381,514
<b>Turkey Exports</b>													
Mexico	25,587	30,366	22,171	29,736	11,216	16,816	14,300	13,860	12,536	20,731	15,317	18,266	18,331
Canada	716	612	556	973	891	869	506	611	664	959	1,413	1,135	1,041
S. Korea	534	1,027	894	1,494	1,327	847	877	1,201	917	968	900	682	1,203
Russia	767	216	707	1,101	1,437	1,069	4,087	285	391	104	1,055	890	2,863
Hong Kong	4,378	2,041	2,528	1,327	2,696	3,191	1,533	1,275	1,630	3,235	2,837	3,028	3,014
Other	5,139	5,825	4,932	5,870	7,480	5,817	4,938	7,359	10,630	10,453	6,193	6,829	8,317
Total	37,121	40,086	31,788	40,500	25,047	28,609	26,242	24,591	26,767	36,449	27,716	30,829	34,768
<b>Shell</b>													
<b>Egg Exports</b>	<b>thousand doz.</b>												
Canada	4,180	4,444	3,148	3,524	2,534	2,327	2,427	2,906	2,942	2,043	2,186	3,295	3,391
Japan	33	130	72	18	78	38	72	50	51	15	104	216	349
Total	9,715	11,639	7,994	8,672	7,793	6,417	6,787	6,816	6,988	6,275	5,728	7,318	7,513

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. - Sep-1998	Jan. - Sep-1999		1997	1998	Jan. - Sep-1998	Jan. - Sep-1999
<b>Beef &amp; Veal Imports</b>					<b>Pork Imports</b>				
	<i>Carcass wt., thousand lbs.</i>					<i>Carcass wt., thousand lbs.</i>			
Australia	639,426	855,260	632,208	637,727	Canada	435,180	491,226	337,890	438,972
New Zealand	576,697	593,101	520,263	475,576	Denmark	123,839	135,513	97,203	102,080
Canada	712,077	823,073	603,486	701,923	Poland	15,002	19,801	13,708	16,595
Brazil	94,766	135,055	99,073	150,940	Netherlands	8,118	9,972	6,707	6,773
Argentina	146,658	124,191	78,513	116,405	Hungary	8,702	10,607	7,613	4,489
Central America	92,163	51,753	37,967	43,211	Other	43,217	38,274	27,629	27,739
Uruguay	68,178	50,237	33,801	46,978	Total	634,059	705,392	490,750	596,649
Mexico	8,989	9,142	6,548	7,731					
Other	5,271	1,294	704	1,312					
Total	2,344,225	2,643,105	2,012,562	2,181,803					
<b>Beef &amp; Veal Exports</b>					<b>Pork Exports</b>				
Japan	1,053,553	1,118,488	857,505	830,814	Japan	461,947	496,470	370,658	406,396
Canada	282,725	261,211	190,618	178,471	Canada	125,325	126,375	99,952	93,119
Mexico	312,583	418,855	298,479	331,547	Mexico	86,988	145,363	99,411	110,329
Korea, Rep.	261,673	153,808	88,000	224,574	Russia	173,598	175,399	163,233	3,704
Caribbean	12,842	21,089	14,869	22,221	Korea, Rep	34,886	27,755	21,018	39,901
Russia	77,150	52,464	46,888	3,626	Hong Kong	55,067	62,116	46,913	36,112
Other	135,154	144,727	103,308	122,471	Caribbean	12,200	21,784	14,259	15,575
Total	2,135,680	2,170,642	1,599,667	1,713,723	Other	93,605	174,862	117,216	151,069
					Total	1,043,615	1,230,124	932,661	856,204
<b>Cattle Imports</b>					<b>Hog Imports</b>				
	<i>Head</i>					<i>Head</i>			
Mexico	669,409	720,439	385,679	511,322	Canada	3,178,260	4,122,364	3,108,539	3,049,125
Canada	1,376,814	1,313,476	1,029,252	775,918	Under 110 lb	987,287	1,466,077	1,046,591	1,542,146
Over 700 lbs.	1,200,642	1,183,457	925,719	682,851	Total	3,178,260	4,122,364	3,108,539	3,049,125
440-700 lbs.	107,650	47,558	41,253	17,577					
Total	2,046,352	2,034,009	1,415,016	1,287,240					
<b>Cattle Exports</b>					<b>Hog Exports</b>				
Mexico	235,121	160,474	129,501	72,534	Total	54,647	229,454	110,264	159,891
Canada	41,189	116,762	51,436	80,185					
Total	282,344	285,209	186,428	158,074					
<b>Lamb Imports</b>					<b>Broiler Exports</b>				
	<i>Carcass wt., thousand lbs.</i>					<i>RTC, thousand lbs.</i>			
Australia	32,969	42,438	28,916	36,794	Japan	202,925	227,441	169,186	170,271
New Zealand	26,417	34,799	25,738	26,422	Mexico	248,332	275,685	201,896	214,935
Total	60,428	77,813	55,087	63,489	Hong Kong	874,883	984,612	683,654	879,314
					Singapore	34,845	17,114	12,539	18,197
					Canada	119,397	133,222	95,678	109,890
					Russia	2,056,367	1,496,098	1,314,437	301,700
					Latvia	247,934	291,487	237,250	584,119
					Other	879,523	1,247,176	952,083	1,127,969
					Total	4,664,207	4,672,836	3,666,723	3,406,395
<b>Mutton Imports</b>					<b>Turkey Exports</b>				
Total	22,607	34,510	27,088	18,133	Mexico	197,351	249,702	167,429	141,373
					S. Korea	24,844	5,663	2,249	8,923
					Russia	84,647	73,950	71,926	12,180
					Hong Kong	125,625	34,387	28,491	22,440
					Canada	6,712	8,480	6,340	8,090
					Other	166,662	73,961	57,334	68,014
					Total	605,842	446,144	333,769	261,020
<b>Customs Service</b>					<b>Shell Egg Exports</b>				
	<i>Product wt., metric tons</i>					<i>thousand doz.</i>			
YTD imports under WTC	10/26/98	11/1/99	% of quota		Canada	25,434	35,575	24,459	25,434
Canada	240,320	278,173	NA		Japan	734	349	129	974
Mexico	2,039	2,320	NA		Other	73,376	66,465	49,495	35,228
TRQ Countries	428,205	440,294	63		Total	99,544	102,388	74,083	61,635
Australia	223,592	227,580	60						
New Zealand	178,476	163,189	76						
Argentina	4,909	17,898	89						
Uruguay	9,537	15,481	77						
Other	11,690	16,145	25						
Total	670,564	720,786	NA						

**RED MEAT AND POULTRY FORECASTS**

	1997	1998			1999					2000			
	Annual	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
<b>Production, million lb.</b>													
Beef	25,384	6,638	6,339	25,653	6,397	6,627	6,841	6,375	26,240	6,200	6,200	6,550	24,875
Pork	17,244	4,625	5,239	18,981	4,865	4,631	4,672	5,200	19,368	4,750	4,500	4,525	18,625
Broilers	27,271	6,942	7,085	27,863	7,295	7,594	7,485	7,400	29,774	7,750	7,900	7,800	31,250
Turkeys	5,478	1,302	1,367	5,281	1,206	1,336	1,362	1,400	5,304	1,275	1,350	1,375	5,400
Total Red Meat & Poultry	76,467	19,755	20,282	78,801	20,022	20,440	20,613	20,623	81,698	20,229	20,203	20,492	81,139
Table eggs, mil doz.	5,465	1,401	1,450	5,621	1,427	1,429	1,455	1,490	5,800	1,460	1,450	1,470	5,900
<b>Per capita consumption, Retail lb.</b>													
Beef	66.9	17.5	16.7	68.1	16.7	17.8	17.9	16.4	68.8	16.3	16.6	65.3	65.4
Pork	48.7	13.1	14.4	52.6	13.6	13.0	13.3	14.1	53.9	13.2	12.6	12.6	51.6
Broilers	71.9	18.4	18.9	72.6	19.3	19.8	19.1	19.3	77.6	20.6	20.8	20.3	81.9
Turkeys	17.6	4.2	6.0	18.1	3.8	3.8	4.4	5.9	18.0	3.7	4	4.2	17.8
Total Red Meat & Poultry	207.7	53.8	56.4	213.7	54.1	55.0	55.3	56.3	220.7	54.5	54.5	54.7	218.9
Eggs, number	240.0	61.1	63.2	245.2	62.7	62.7	64.0	65.3	254.7	63.5	62.9	63.4	255.4
<b>Market Prices</b>													
Choice steers, Neb., \$/cwt.	66.32	58.97	61.06	61.48	62.43	65.04	65.12	67-69	65.15	67-71	67-73	66-72	66-72
Feeder steers, Ok City, \$/cwt.	76.19	67.89	69.80	71.80	71.93	72.17	77.57	78-82	75.42	78-82	77-83	79-85	78-84
Bng Ut Cows, S. Falls, \$/cwt.	34.27	35.21	32.15	36.20	36.1	38.77	40.02	38-42	38.72	41-45	43-49	44-48	43-47
Barrows & gilts, l:N. base, l.e. \$/cwt.	54.30	36.61	22.06	34.72	28.83	35.18	35.70	29-31	32.43	31-33	34-36	38-42	34-37
Broilers, 12 City, cents/lb.	58.8	70.4	64.50	63.10	58.1	58.60	58.10	56-58	58.00	52-56	54-58	58-60	54-58
Turkeys, Eastern, cents/lb.	64.9	63.4	71.20	62.20	59.4	65.80	73.80	77-79	69.30	63-67	64-70	66-72	66-72
Eggs, New York, cents/doz.	81.2	76.0	81.70	75.80	75.0	58.10	66.20	69-71	67.30	63-67	53-57	62-68	61-66
<b>U.S. Trade, million lb.</b>													
Beef & veal exports	2,136	563	571	2,171	564	557	610	645	2,376	530	555	615	2,310
Beef & veal imports	2,343	685	630	2,642	628	812	730	650	2,820	720	820	775	3,015
Pork exports	1,044	288	297	1,229	267	304	305	415	1,291	270	300	290	1,200
Pork imports	633	183	214	704	201	200	200	225	826	200	200	800	800
Broiler exports	4,664	1,083	1,006	4,673	1037	1,170	1,200	1,200	4,606	1,100	1,175	1,200	4,675
Turkey exports	606	113	112	446	80	88	100	110	378	90	90	100	390

## ECONOMIC INDICATOR FORECASTS <sup>1/</sup>

	1998			1999					2000			
	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
<b>GDP, chain wtd (bil. 1996 dol.)</b>	8,536	8,659	8,516	8,738	8,779	8,883	8,965	8,840	9,015	9,083	9,149	9,113
<b>CPI-U, annual rate (pct.)</b>	1.7	1.7	1.5	1.5	3.5	2.6	2.5	2.5	2.5	2.5	2.5	2.5
<b>Unemployment (pct.)</b>	4.5	4.4	4.5	4.3	4.3	4.2	4.1	4.2	4.2	4.2	4.2	4.3
<b>Interest (pct.)</b>												
3-month Treasury bill	4.8	4.3	4.8	4.4	4.5	4.7	4.9	4.6	5.1	5.1	5.1	5.1
10-year Treasury bond yield	5.2	4.7	5.3	5.0	5.5	5.9	6.0	5.6	6.0	6.1	6.2	6.1

<sup>1/</sup> Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, November 1999

## DAIRY FORECASTS

	1998			1999					2000			
	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Milk cows (thous.)	9,149	9,137	9,158	9,136	9,151	9,165	9,175	9,155	9,170	9,160	9,150	9,145
Milk per cow (pounds)	4,210	4,261	17,191	4,437	4,587	4,339	4,345	17,710	4,540	4,665	4,430	18,070
<b>Milk production (bil. pounds)</b>	38.5	38.9	157.4	40.5	42.0	39.8	39.9	162.1	41.6	42.7	40.5	165.3
<b>Commercial use (bil. pounds)</b>												
milkfat basis	40.5	40.4	159.9	39.1	40.7	42.6	41.7	164.1	41.0	42.2	42.7	167.7
skim solids basis	39.1	39.7	156.0	38.9	38.4	40.8	40.7	158.7	40.2	40.2	41.8	163.9
<b>Net removals (bil. pounds)</b>												
milkfat basis	0.0	0.0	0.4	0.1	0.1	0.1	0.1	0.3	0.2	0.2	0.1	0.6
skim solids basis	1.1	0.6	4.0	1.2	2.0	1.6	1.2	6.0	1.1	0.5	1.0	3.7
<b>Prices (dol./cwt)</b>												
All milk	15.47	17.83	15.43	15.97	12.42	14.83	13.70 -14.00	14.35 -14.45	11.80 -12.40	11.70 -12.60	12.40 -13.40	12.50 -13.40
Basic Formula Price	14.95	16.74	14.20	12.72	11.05	15.21	10.65 -10.95	12.50 -12.60	10.35 -10.95	10.50 -11.40	11.45 -12.45	11.25 -12.15



**U.S. dairy situation at a glance**

	Unit	1996	1997	1998	Aug-98	Sep-98	Oct-98	Nov-98
<b>Milk production:</b>								
Production (20 States)	Mil. lb.	131,084	133,314	134,930	11,124	10,672	11,125	10,829
Milk cow (20 States)	Thou.	7,837	7,760	7,710	7,708	7,701	7,695	7,697
Milk per cow (20 States)	Lb.	16,726	17,180	17,501	1,443	1,386	1,446	1,407
Production (U.S. est.)	Mil. lb.	154,006	156,091	157,441	12,941	12,411	12,961	12,611
<b>Milk prices:</b>								
All milk	Dol./cwt	14.88	13.34	15.43	15.50	16.70	17.70	17.80
Milk eligible for fluid use	Dol./cwt	14.95	13.38	15.47	15.50	16.80	17.80	17.80
Manufacturing grade milk	Dol./cwt	13.38	12.18	14.33	14.60	15.40	16.80	17.30
Basic Formula Price (3.5% fat)	Dol./cwt	13.39	12.05	14.20	14.99	15.10	16.04	16.84
<b>Slaughter cow price, WI</b>	Dol./cwt	33.00	36.93	35.54	35.69	34.20	31.44	31.34
<b>Wholesale prices:</b>								
Butter, Central States 1/ American cheese, WI assembly pt.	Ct/lb	108.2	116.2	177.6	216.6	273.1	242.3	187.9
40-pound blocks	Ct/lb	149.1	132.4	158.1	166.9	171.0	183.5	188.7
Barrels	Ct/lb	141.7	125.2	151.7	149.9	164.6	178.5	183.5
Nonfat dry milk, Central States	Ct/lb	122.2	110.0	106.9	104.6	110.1	111.8	112.5
<b>Retail prices:</b>								
Consumer Price Index	1982-84=100	156.9	160.5	163.0	163.4	163.6	164.0	164.0
All food	1982-84=100	153.3	157.3	160.7	161.0	161.1	162.0	162.1
Dairy products	1982-84=100	142.1	145.5	150.8	150.5	152.9	155.0	155.9
Fluid milk	Dec 1997=100	NA	NA	101.3	100.7	102.8	103.6	103.5
Other dairy products	Dec 1997=100	NA	NA	101.9	101.9	103.6	103.9	105.2
<b>Dairy product output:</b>								
Butter	Mil. lb	1,174.5	1,151.3	1,081.9	64.3	68.2	88.5	91.1
American cheese	Mil. lb	3,280.8	3,285.6	3,325.8	261.3	244.9	266.8	270.6
Other-than-American cheese	Mil. lb	3,936.7	4,044.9	4,176.1	337.3	339.2	365.3	366.0
Frozen products 2/	Mil. gal.	1,240.9	1,290.0	1,325.9	121.8	111.5	97.5	79.3
All products (m.e.-fat)	Mil. lb	95,013	96,323	96,585	7,671	7,387	7,813	7,591
Nonfat dry milk	Mil. lb	1,061.8	1,217.6	1,135.4	78.8	62.3	75.0	73.9
<b>Beginning stocks:</b>								
Commercial butter	Mil. lb	15.8	13.4	20.5	50.7	40.9	33.9	31.2
Commercial American cheese	Mil. lb	306.6	379.6	410.3	460.8	441.4	417.3	394.5
Other cheese	Mil. lb	105.3	107.3	70.0	134.7	135.2	135.5	128.0
Manufacturers' nonfat dry milk	Mil. lb	70.6	71.1	103.3	115.3	94.8	64.4	47.2
All commercial (m.e.-fat)	Mil. lb	4,099	4,704	4,889	6,565	6,173	5,793	5,433
All commercial (m.e.-skim)	Mil. lb	5,037	5,753	6,080	7,400	6,817	6,417	5,870
All Government (m.e.-fat)	Mil. lb	69	10	18	38	40	40	34
All Government (m.e.-skim)	Mil. lb	172	7	258	1,072	1,264	1,321	1,278
<b>Commercial disappearance:</b>								
Butter	Mil. lb	1,180	1,109	1,137	87.9	82.3	101.5	97.1
American cheese	Mil. lb	3,230	3,269	3,350	281.1	270.5	289.4	276.9
Other-than-American cheese	Mil. lb	4,243	4,367	4,450	363.7	366.9	409.5	419.4
Nonfat dry milk	Mil. lb	1,009	894	867	70.4	73.8	77.1	68.7
All products:								
m.e.-fat	Mil. lb	154,750	156,118	159,917	13,752	13,088	13,745	13,149
Milkfat	Mil. lb	5,700	5,722	5,847	486	468	510	496
Skim solids	Mil. lb	13,382	13,327	13,510	1,124	1,113	1,181	1,139
<b>USDA net removals:</b>								
Butter	Mil. lb	0.1	38.4	6.3	0.0	0.0	0.0	0.0
Cheese	Mil. lb	4.6	11.3	8.2	0.8	0.7	0.6	0.7
Nonfat dry milk	Mil. lb	57.2	298.0	326.4	29.4	19.5	15.8	9.2
All products (m.e.-fat)	Mil. lb	87	1,090	366	14	15	14	14
All products (m.e.-skim)	Mil. lb	747	3,681	3,974	350	239	195	120
<b>Imports (m.e.-fat)</b>	Mil. lb	2,911	2,698	4,588	558	413	552	373
<b>International market prices:</b>								
Butter	\$/metric ton	1,837	1,861	1,908	1,991	2,020	1,940	1,775
Nonfat dry milk	\$/metric ton	1,979	1,738	1,440	1,424	1,408	1,313	1,320

1/ Grade AA Chicago before June 1998. 2/ Hard ice cream, ice milk, and sherbert.  
m.e.-fat (skim) = Milk equivalent, fat (skim solids) basis

NA = Not Available.

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

Dec-98	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99
11,481	11,720	10,809	12,212	11,989	12,430	11,714	11,587	11,536	11,198	11,598
7,708	7,704	7,702	7,708	7,714	7,725	7,730	7,738	7,745	7,753	7,752
1,489	1,521	1,403	1,584	1,554	1,609	1,515	1,489	1,489	1,444	1,496
13,365	13,681	12,613	14,246	13,934	14,441	13,605	13,429	13,365	12,969	13,452
18.00	17.40	15.50	15.00	12.60	12.80	13.10	13.70	15.00	15.80	15.50
18.10	17.50	15.60	15.10	12.60	12.80	13.10	13.80	15.00	15.80	15.60
17.40	15.30	12.30	12.30	11.90	11.50	11.90	13.20	15.20	15.20	13.60
17.34	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49
32.10	35.56	35.81	36.28	36.25	38.31	38.80	39.69	39.25	36.35	36.81
140.8	144.4	133.1	130.3	103.9	111.0	147.7	134.7	141.4	135.8	113.8
192.5	162.4	131.5	134.0	133.6	124.8	138.1	159.7	189.0	167.3	134.0
185.3	155.2	126.4	129.5	129.1	120.8	133.9	152.9	179.2	153.2	128.0
114.9	108.9	104.4	102.4	102.3	102.3	101.4	101.7	103.8	104.9	104.5
163.9	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2
162.3	163.6	163.3	163.3	163.4	163.7	163.6	163.8	164.2	164.6	165.1
157.6	161.2	162.3	161.5	156.1	156.2	156.1	155.7	156.5	158.7	164.1
106.1	109.8	112.4	111.8	102.8	103.3	103.3	102.8	102.9	105.6	112.5
106.0	107.7	105.7	107.0	106.9	106.9	106.4	108.2	107.1	107.1	107.2
106.3	123.3	111.5	113.7	106.4	104.7	86.0	75.8	66.1	78.8	NA
300.1	289.7	277.3	316.1	318.6	314.6	297.2	303.9	294.5	283.7	NA
368.4	349.0	323.0	375.6	354.4	361.6	375.6	349.1	356.9	356.0	NA
84.7	80.9	90.6	111.0	117.6	119.8	136.0	133.7	126.0	108.1	NA
8,183	8,301	7,961	8,940	8,865	8,992	8,782	8,476	8,126	7,917	NA
110.9	120.0	115.8	128.5	133.7	137.2	120.4	98.9	99.5	88.9	NA
28.7	25.9	60.6	94.7	108.7	126.3	136.3	121.0	123.2	94.9	71.3
388.5	407.6	390.8	403.9	406.0	450.5	495.7	539.1	545.0	510.8	474.8
105.9	109.5	108.9	139.8	146.1	172.9	181.0	195.8	205.3	186.7	177.8
43.7	56.3	82.4	107.6	122.7	136.5	163.7	158.3	141.1	101.3	88.0
5,126	5,274	5,893	7,001	7,371	8,362	9,086	9,264	9,432	8,350	7,426
5,508	5,905	6,059	6,803	7,057	7,921	8,791	9,306	9,255	8,263	7,654
28	28	32	28	25	27	31	39	44	50	43
1,138	1,115	1,084	962	977	1,004	1,032	1,341	1,643	1,995	1,715
110.0	90.2	80.3	103.1	91.7	96.9	104.8	79.7	100.4	104.4	NA
287.8	310.5	267.4	317.4	279.5	274.1	257.6	302.1	332.1	325.9	NA
402.6	372.5	316.2	400.0	354.7	380.6	384.6	369.1	409.5	399.7	NA
75.3	72.1	55.2	76.7	71.6	57.0	56.5	62.2	104.0	63.8	NA
13,510	13,307	11,707	14,131	13,165	13,916	13,614	13,587	14,793	14,188	NA
509	504	437	525	481	500	485	478	524	512	NA
1,133	1,177	1,010	1,199	1,108	1,146	1,076	1,117	1,213	1,153	NA
0.0	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.0	0.5	0.5
0.9	0.7	0.5	0.4	0.3	0.3	0.1	0.2	0.5	0.4	0.2
24.4	23.4	35.9	37.3	48.9	53.8	69.7	55.0	36.3	39.4	31.8
21	21	23	32	31	21	23	20	20	30	25
301	290	435	451	581	637	820	650	436	470	378
415	376	325	397	360	330	317	457	477	432	NA
1,760	1,749	1,624	1,468	1,425	1,438	1,478	1,450	1,418	1,436	1,500
1,325	1,388	1,299	1,259	1,255	1,263	1,274	1,293	1,330	1,364	1,401

## 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	314.6	297.2	303.9	294.5	283.7				
Beginning commercial stocks	407.6	390.8	403.9	406.0	450.5	495.7	539.1	545.0	510.8	474.8			
Imports	4.7	3.7	3.8	5.7	5.0	3.9	4.3	3.9	6.6				
Total supply	702.0	671.8	723.8	730.3	770.1	796.8	847.3	843.4	801.1				
Utilization:													
Ending commercial stocks	390.8	403.9	406.0	450.5	495.7	539.1	545.0	510.8	474.8	456.9			
USDA net removals	0.7	0.5	0.4	0.3	0.3	0.1	0.2	0.5	0.4	0.2			
Commercial disappearance	310.5	267.4	317.4	279.5	274.1	257.6	302.1	332.1	325.9				
Percent change from a year ago	8.0	3.3	15.8	2.3	-7.9	-9.1	12.3	18.1	20.5				
Cumulative disappearance	310.5	577.9	895.3	1,174.8	1,448.9	1,706.5	2,008.6	2,340.7	2,666.6				
	First quarter			Second quarter			Third quarter			Fourth quarter			
	895.3			811.2			960.1						
Percent change from a year ago	9.1			-5.0			17.0						

\* 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	86.0	75.7	66.1	78.8				
Beginning commercial stocks	25.9	60.6	94.7	108.7	126.3	136.3	121.0	123.2	94.9	71.3			
Imports	1.6	2.9	3.8	3.3	2.2	3.5	6.2	6.0	2.5				
Total supply	150.8	175.0	212.2	218.4	233.2	225.8	202.9	195.3	176.2				
Utilization:													
Ending commercial stocks	60.6	94.7	108.7	126.3	136.3	121.0	123.2	94.9	71.3	59.5			
USDA net removals	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.0	0.5	0.5			
Commercial disappearance	90.2	80.3	103.1	91.7	96.9	104.8	79.7	100.4	104.4				
Percent change from a year ago	-11.0	-15.8	5.6	-7.0	8.8	15.5	-6.3	14.2	26.9				
Cumulative disappearance	90.2	170.5	273.6	365.3	462.2	567.0	646.7	747.1	851.5				
	First quarter			Second quarter			Third quarter			Fourth quarter			
	273.6			293.4			284.5						
Percent change from a year ago	-7.0			5.4			11.4						

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	484	473	473	468				
Farm use	4	4	4	4	4	4	4	4	4				
Marketings	514	468	526	506	517	481	469	469	464				
Beginning commercial stocks	194	216	257	271	307	334	340	346	307	273			
Imports	13	11	14	12	11	11	16	17	15				
Total supply	721	695	797	789	835	826	825	832	786				
Utilization:													
Ending commercial stocks	216	257	271	307	334	340	346	307	273				
USDA net removals	1	1	1	1	1	1	1	1	1	1			
Commercial disappearance	504	437	525	481	500	485	478	524	512				
Percent change from a year ago	4.9	-1.7	4.6	0.0	0.4	-0.9	-0.5	7.9	9.4				
Cumulative disappearance	504	941	1,466	1,947	2,448	2,932	3,410	3,934	4,447				
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1,466			1,466			1,514						
Percent change from a year ago	2.7			-0.2			5.6						

## 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	13,934	14,441	13,605	13,429	13,365	12,969	13,452			
Farm use	110	100	110	107	110	107	111	110	107	111			
Marketings	13,571	12,513	14,136	13,827	14,331	13,498	13,318	13,255	12,862				
Beginning commercial stocks	5,274	5,893	7,001	7,371	8,362	9,086	9,264	9,432	8,350	7,426			
Imports	376	325	397	360	330	317	457	476	432				
Total supply	19,221	18,731	21,534	21,558	23,023	22,901	23,039	23,163	21,644				
Utilization:													
Ending commercial stocks	5,893	7,001	7,371	8,362	9,086	9,264	9,432	8,350	7,426				
USDA net removals	21	23	32	31	21	23	20	20	30	25			
Commercial disappearance	13,307	11,707	14,131	13,165	13,916	13,614	13,587	14,793	14,188				
Percent change from a year ago	4.8	-1.7	4.6	-0.3	-0.1	-1.0	-0.5	7.6	8.4				
Cumulative disappearance	13,307	25,014	39,145	52,310	66,226	79,840	93,427	108,220	122,408				
	First quarter			Second quarter			Third quarter			Fourth quarter			
	39,145			40,695			42,568						
Percent change from a year ago	2.7			-0.5			5.1						

## 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	137.2	120.4	98.9	99.5	88.9				
Beginning commercial stocks	56.3	82.4	107.6	122.7	136.5	163.7	158.3	141.1	101.3				
Imports	1.6	0.5	0.6	0.6	0.9	0.4	1.1	1.0	1.0				
Total supply	177.9	198.7	236.7	257.0	274.6	284.5	258.3	241.6	191.2				
Utilization:													
Ending commercial stocks	82.4	107.6	122.7	136.5	163.7	158.3	141.1	101.3	88.0				
USDA net removals	23.4	35.9	37.3	48.9	53.9	69.7	55.0	36.3	39.4	31.8			
Commercial disappearance	72.1	55.2	76.7	71.6	57.0	56.5	62.2	104.0	63.8				
Percent change from a year ago	8.4	-15.7	-18.0	-4.5	-11.2	-32.3	15.2	47.7	-13.6				
Cumulative disappearance	72.1	127.3	204.0	275.6	332.6	389.1	451.3	555.3	619.1				
	First quarter			Second quarter			Third quarter			Fourth quarter			
Percent change from a year ago	204.0			185.1			230.0						
		-9.5			-16.8			16.0					

\* 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	361.6	375.6	349.1	356.9	356.0				
Beginning commercial stocks	109.5	108.9	139.8	146.1	172.9	181.0	195.8	205.3	186.7	177.8			
Imports	22.9	24.1	30.7	27.1	27.1	23.8	29.5	34.0	34.8				
Total supply	481.4	456.0	546.1	527.6	561.6	580.4	574.4	596.2	577.5				
Utilization:													
Ending commercial stocks	108.9	139.8	146.1	172.9	181.0	195.8	205.3	186.7	177.8	165.8			
USDA net removals													
Commercial disappearance	372.5	316.2	400.0	354.7	380.6	384.6	369.1	409.5	399.7				
Percent change from a year ago	17.4	-1.4	3.8	-3.0	2.7	4.2	2.6	12.6	8.9				
Cumulative disappearance	372.5	688.7	1088.7	1443.4	1824.0	2208.6	2577.7	2987.2	3386.9				
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1088.7			1119.9			1178.3						
Percent change from a year ago	6.4			1.3			8.1						

\* 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	1,212	1,254	1,175	1,145	1,139	1,111				
Farm use	10	9	10	9	10	9	9	9	9				
Marketings	1,188	1,085	1,228	1,202	1,245	1,165	1,136	1,129	1,102				
Beginning commercial stocks	507	520	584	606	680	755	799	795	710	657			
Imports	27	26	32	30	30	25	33	36	38				
Total supply	1,722	1,631	1,844	1,838	1,955	1,945	1,968	1,960	1,850				
Utilization:													
Ending commercial stocks	520	584	606	680	755	799	795	710	657				
USDA net removals	25	37	39	50	54	70	56	37	40	32			
Commercial disappearance	1,177	1,010	1,199	1,108	1,146	1,076	1,117	1,213	1,153				
Percent change from a year ago	6.9	-0.9	1.9	-1.2	-1.9	-5.1	1.8	8.0	3.6				
Cumulative disappearance	1,177	2,187	3,387	4,495	5,640	6,717	7,834	9,047	10,201				
	First quarter			Second quarter			Third quarter			Fourth quarter			
	3,387			3,330			3,484						
Percent change from a year ago	2.7			-2.7			4.5						

High Plains cattle feeding simulator

Purchased During	Sep-98	Oct-98	Nov-98	Dec-98	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99
Marketed During	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00
<b>Expenses: (\$/head)</b>														
750 lb. feeder steer	517.58	537.45	528.60	535.95	548.63	558.53	542.85	539.25	535.58	580.58	587.55	588.30	600.98	614.48
Total feed, handling, and management charge	118.92	114.02	115.89	115.13	115.44	115.59	116.51	113.96	111.24	111.57	107.47	114.51	112.68	103.99
Interest on feeder and 1/2 feed	30.03	30.64	30.24	30.60	30.14	30.63	29.87	29.54	29.29	31.53	32.03	32.25	32.83	33.86
Death loss (1% of purchase)	5.18	5.37	5.29	5.36	5.49	5.59	5.43	5.39	5.36	5.81	5.88	5.88	6.01	6.14
Marketing 1/	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.
<b>Total expenses</b>	<b>671.71</b>	<b>687.48</b>	<b>680.01</b>	<b>687.04</b>	<b>699.68</b>	<b>710.33</b>	<b>694.67</b>	<b>688.15</b>	<b>681.47</b>	<b>729.48</b>	<b>732.92</b>	<b>740.94</b>	<b>752.50</b>	<b>758.46</b>
<b>Selling price required to cover: (\$/cwt)</b>														
Feed and feeder cost	56.05	57.32	56.70	57.00	57.70	57.66	56.05	56.70	56.15	60.29	60.30	61.56	63.12	63.90
All costs	59.16	60.48	59.83	60.15	60.80	60.75	59.06	59.73	59.15	63.54	63.59	64.90	66.55	67.45
Selling price 2/	61.46	63.17	64.75	65.34	65.00	66.15	64.51	65.29	66.05	69.63				
Net margin	2.30	2.69	4.92	5.19	4.20	5.40	5.45	5.56	6.90	6.09				
<b>Cost per 100 lb. gain:</b>														
Variable cost														
less interest \$/cwt	32.19	30.88	31.34	30.71	30.17	28.90	28.60	29.69	29.00	29.49	28.15	30.74	31.18	29.42
Feed costs \$/cwt	30.85	29.49	29.97	29.35	28.80	27.57	27.33	28.35	27.67	28.03	26.69	29.24	29.60	27.77
Total costs \$/cwt	39.98	38.80	39.16	38.51	37.69	36.21	35.61	37.04	36.29	37.41	36.11	38.97	39.80	38.46
<b>Prices: (\$/cwt)</b>														
Choice feeder steer														
750-800 lb. Ok City	67.61	70.26	69.08	70.06	71.75	73.07	70.98	70.50	70.01	76.01	76.94	77.04	78.73	80.53
<b>Feed, Prices, High Plains</b>														
Milo \$/cwt	3.20	3.24	3.28	3.20	3.12	3.14	3.19	3.11	3.02	3.01	2.69	2.96	2.85	2.64
Corn \$/cwt	3.46	3.80	3.92	3.84	3.73	3.73	3.76	3.67	3.59	3.60	3.42	3.71	3.52	3.32
Wheat \$/cwt	3.80	4.42	4.61	4.46	4.50	4.12	4.07	3.85	3.68	3.79	3.61	3.79	3.72	3.41
Cottonseed Meal (41%) \$/cwt.	6.23	5.75	6.16	6.70	6.44	6.09	5.78	5.59	5.34	5.58	5.41	5.20	5.88	6.28
Alfalfa hay \$/ton	151.00	149.00	145.00	162.00	152.00	152.00	136.00	154.00	132.00	136.00	129.00	134.00	135.00	128.00
Interest, annual rate 3/	10.41	10.31	10.31	10.31	9.94	9.94	9.94	9.91	9.91	9.91	9.99	9.99	9.99	10.16

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

2/ Steers, 1100-1300 lb, Tx-Okl direct.

3/ Variable interest rate,

11th District Federal Reserve.

Historical data is available by autofax.

Dial 202-694-5700

Document number 11520.

**Poultry supply and utilization, carcass and retail weight 1/**

Year	Production		Condem-nations	Net RTC produc-tion	Begin-ning stocks	Im-ports	Total supply	Exports	Ending stocks	Total disap-pearance	Per capita consumption	
	Federal Inspected	Other									Carcass weight	Retail weight
<i>Million pounds</i>												
<b>Broilers:</b>												
1996	26,336	38	250	26,124	560	4	26,687	4,420	641	21,626	81.4	70.4
1997	27,271	35	265	27,041	641	5	27,687	4,664	607	22,416	83.7	71.9
1998												
I	6,846	6	68	6,784	607	1	7,393	1,241	691	5,461	20.3	17.4
II	6,990	6	69	6,927	691	1	7,620	1,342	602	5,675	21.0	18.1
III	6,942	6	69	6,879	602	1	7,483	1,083	598	5,801	21.4	18.4
IV	7,085	6	70	7,021	598	2	7,621	1,006	711	5,904	21.8	18.7
Year	27,863	26	276	27,612	607	5	28,225	4,673	711	22,841	84.5	72.6
1999												
I	7,295	7	74	7,228	711	1	7,940	1,037	777	6,126	22.5	19.3
II	7,594	7	77	7,524	777	1	8,302	1,170	831	6,301	23.1	19.8
III	7,485	7	76	7,416	831	1	8,248	1,200	885	6,163	22.6	19.4
IV 2/	7,400	7	75	7,332	885	1	8,218	1,200	950	6,068	22.2	19.0
Year 2/	29,774	27	301	29,500	711	4	30,215	4,606	950	24,659	90.4	77.6
2000												
I 2/	7,750	7	80	7,677	950	1	8,628	1,100	960	6,568	23.9	20.6
II 2/	7,900	7	81	7,826	960	1	8,787	1,175	970	6,642	24.2	20.8
III 2/	7,800	7	80	7,727	970	1	8,698	1,200	980	6,518	23.6	20.3
IV 2/	7,800	7	80	7,727	980	1	8,708	1,200	990	6,518	23.6	20.3
Year 2/	31,250	29	322	30,957	950	4	31,911	4,675	990	26,246	95.3	81.9
<b>Other chicken:</b>												
1996	487	5	1	491	7	0	498	265	6	228	0.9	0.9
1997	509	2	1	510	6	0	516	384	7	125	0.5	0.5
1998												
I	123	0	0	124	7	0	131	109	5	17	0.1	0.1
II	141	1	0	142	5	0	147	112	9	26	0.1	0.1
III	131	1	0	131	9	0	141	99	8	34	0.1	0.1
IV	128	1	0	128	8	0	136	106	6	24	0.1	0.1
Year	524	2	1	525	7	0	533	426	6	101	0.4	0.4
1999												
I	137	1	0	137	6	1	144	86	11	47	0.2	0.2
II	143	1	0	143	11	1	155	109	11	35	0.1	0.1
III	139	1	0	139	11	1	151	106	10	35	0.1	0.1
IV 2/	135	1	0	135	10	1	146	105	5	36	0.1	0.1
Year 2/	553	2	1	555	6	2	563	406	5	153	0.6	0.6
2000												
I 2/	140	1	0	140	5	0	145	90	10	45	0.2	0.2
II 2/	150	1	0	150	10	0	160	105	10	45	0.2	0.2
III 2/	140	1	0	140	10	0	150	110	10	30	0.1	0.1
IV 2/	135	1	0	135	10	0	145	110	5	30	0.1	0.1
Year 2/	565	2	1	567	5	0	572	415	5	152	0.6	0.6
<b>Turkey:</b>												
1996	5,466	3	68	5,401	271	1	5,673	438	328	4,907	18.5	18.5
1997	5,478	3	69	5,412	328	1	5,741	606	415	4,720	17.6	17.6
1998												
I	1,286	0	16	1,270	415	0	1,685	100	527	1,057	3.9	3.9
II	1,326	0	17	1,310	527	0	1,837	121	657	1,059	3.9	3.9
III	1,302	0	17	1,286	657	0	1,942	113	699	1,130	4.2	4.2
IV	1,367	0	17	1,350	699	0	2,050	112	304	1,633	6.0	6.0
Year	5,281	1	67	5,215	415	0	5,630	446	304	4,880	18.1	18.1
1999												
I	1,206	0	15	1,191	304	0	1,496	80	371	1,045	3.8	3.8
II	1,336	0	17	1,319	371	0	1,690	88	556	1,046	3.8	3.8
III	1,362	0	17	1,345	556	0	1,901	93	596	1,211	4.4	4.4
IV 2/	1,400	0	18	1,382	596	0	1,979	110	250	1,619	5.9	5.9
Year 2/	5,304	1	68	5,237	304	1	5,543	371	250	4,922	18.0	18.0
2000												
I 2/	1,275	0	16	1,259	250	0	1,509	90	400	1,019	3.7	3.7
II 2/	1,350	0	17	1,333	400	0	1,733	90	550	1,093	4.0	4.0
III 2/	1,375	0	18	1,358	550	0	1,908	100	650	1,158	4.2	4.2
IV 2/	1,400	0	18	1,382	650	0	2,032	110	300	1,622	5.9	5.9
Year 2/	5,400	1	70	5,332	250	0	5,582	390	300	4,892	17.8	17.8
<b>Total poultry:</b>												
1996	32,289	46	320	32,015	839	5	32,859	5,123	975	26,761	100.8	89.8
1997	33,258	40	334	32,964	975	6	33,944	5,654	1,029	27,261	101.8	90.0
1998												
I	8,255	7	84	8,178	1,029	1	9,209	1,451	1,223	6,535	24.3	21.4
II	8,457	7	86	8,378	1,223	1	9,603	1,575	1,268	6,760	25.0	22.1
III	8,375	7	85	8,297	1,268	1	9,566	1,295	1,305	6,966	25.7	22.7
IV	8,580	7	88	8,499	1,305	2	9,806	1,224	1,022	7,560	27.9	24.8
Year	33,667	29	344	33,352	1,029	6	34,388	5,545	1,022	27,821	102.9	91.0
1999												
I	8,638	8	89	8,556	1,022	2	9,579	1,203	1,159	7,218	26.5	23.4
II	9,072	8	94	8,986	1,159	1	10,146	1,366	1,398	7,382	27.1	23.8
III	8,986	8	93	8,900	1,398	2	10,300	1,399	1,491	7,410	27.1	23.9
IV 2/	8,935	8	93	8,850	1,491	2	10,343	1,415	1,205	7,723	28.2	25.1
Year 2/	35,631	31	369	35,292	1,022	7	36,321	5,383	1,205	29,733	108.9	96.1
2000												
I 2/	9,165	8	96	9,077	1,205	1	10,283	1,280	1,370	7,633	27.8	24.4
II 2/	9,400	8	99	9,309	1,370	1	10,680	1,370	1,530	7,780	28.3	24.9
III 2/	9,315	8	98	9,225	1,530	1	10,756	1,410	1,640	7,706	28.0	24.6
IV 2/	9,335	8	99	9,244	1,640	1	10,885	1,420	1,295	8,170	29.6	26.3
Year 2/	37,215	32	392	36,855	1,205	4	38,064	5,480	1,295	31,289	113.7	100.2

1/ Totals may not add due to rounding. 2/ Forecast

**Egg supply and utilization 1/**

Year	Production	Beginning stocks	Breaking egg use	Imports	Total supply	Exports 2/	Hatching egg use	Ending stocks	Consumption	
									Total	Per capita
----- Million dozen-----									Number	
<b>Total eggs:</b>										
1996	6,377.7	11.2	---	5.4	6,394.3	253.1	863.8	8.5	5,268.8	238.0
1997										
I	1,592.6	8.5	---	1.9	1,603.0	61.7	221.1	6.5	1,313.8	59.0
II	1,597.2	6.5	---	1.5	1,605.1	50.3	227.2	6.3	1,321.3	59.3
III	1,610.3	6.3	---	1.6	1,618.2	51.6	225.1	8.2	1,333.3	59.7
IV	1,673.1	8.2	---	1.9	1,683.2	64.2	221.3	7.4	1,390.3	62.1
Year	6,473.1	8.5	---	6.9	6,488.5	227.8	894.7	7.4	5,358.6	240.0
1998										
I	1,645.3	7.4	---	1.7	1,654.4	61.7	226.5	7.9	1,358.3	60.5
II	1,643.7	7.9	---	1.2	1,652.7	51.5	233.3	7.7	1,360.2	60.5
III	1,657.8	7.7	---	1.2	1,666.8	53.3	230.6	6.3	1,376.6	61.1
IV	1,711.9	6.3	---	1.8	1,720.0	52.3	231.4	8.4	1,427.9	63.2
Year	6,658.8	7.4	---	5.8	6,672.0	218.8	921.8	8.4	5,523.0	245.2
1999										
I	1,691.3	8.4	---	1.6	1,701.3	39.8	233.5	7.0	1,421.0	62.7
II	1,702.3	7.0	---	2.3	1,711.6	37.3	241.2	8.6	1,424.5	62.8
III	1,726.9	8.6	---	1.9	1,737.4	39.8	236.5	6.4	1,454.7	64.2
IV 3/	1,765.0	6.4	---	1.8	1,773.2	42.0	235.0	5.0	1,491.2	65.8
Year 3/	6,885.6	8.4	---	7.5	6,901.5	158.9	946.2	5.0	5,791.4	254.7
2000										
I 3/	1,735.0	5.0	---	1.0	1,741.0	40.0	245.0	5.0	1,451.0	63.5
II 3/	1,735.0	5.0	---	1.0	1,741.0	40.0	255.0	5.0	1,441.0	62.9
III 3/	1,755.0	5.0	---	1.0	1,761.0	44.0	255.0	5.0	1,457.0	63.4
IV 3/	1,805.0	5.0	---	1.0	1,811.0	46.0	250.0	5.0	1,510.0	65.6
Year 3/	7,030.0	5.0	---	4.0	7,039.0	170.0	1,005.0	5.0	5,859.0	255.4
<b>Shell eggs:</b>										
1996	6,377.7	0.8	1,510.8	3.5	4,871.1	113.8	863.8	0.8	3,892.7	175.9
1997										
I	1,592.6	0.8	364.7	1.4	1,230.2	24.6	221.1	---	984.5	44.2
II	1,597.2	---	406.1	1.1	1,192.2	21.7	227.2	---	943.3	42.3
III	1,610.3	---	411.9	0.9	1,199.2	24.2	225.1	---	949.9	42.5
IV	1,673.1	---	407.4	1.3	1,266.9	29.0	221.3	---	1,016.5	45.4
Year	6,473.1	0.8	1,590.0	4.7	4,888.5	99.5	894.7	---	3,894.3	174.4
1998										
I	1,645.3	---	380.6	1.2	1,265.9	22.7	226.5	---	1,016.7	45.3
II	1,643.7	---	419.0	0.8	1,225.4	25.3	233.3	---	966.8	43.0
III	1,657.8	---	429.4	0.9	1,229.3	26.1	230.6	---	972.6	43.1
IV	1,711.9	---	416.2	1.2	1,296.9	28.3	231.4	---	1,037.2	45.9
Year	6,658.8	---	1,645.2	4.0	5,017.6	102.4	921.8	---	3,993.3	177.3
1999										
I	1,691.3	---	396.1	1.2	1,296.4	21.0	233.5	---	1,041.9	46.0
II	1,702.3	---	439.8	1.6	1,264.1	20.1	241.2	---	1,002.8	44.2
III	1,726.9	---	456.8	1.1	1,271.2	20.6	236.5	---	1,014.2	44.7
IV 3/	1,765.0	---	440.0	1.6	1,326.6	22.0	235.0	---	1,069.6	47.2
Year /3	6,885.6	---	1,732.7	5.5	5,158.4	83.6	946.2	---	4,128.5	181.5
2000										
Year /3	7,030.0	---	1800.0	3.5	5,233.5	90.0	1,005.0	---	4,138.5	180.4

1/ Totals may not add due to rounding.

2/ Shell eggs and approximate shell-egg equivalent of egg products.

3/ Forecast

## Poultry and egg costs and returns

Date	DECATUR CHICAGO		COST PER POUND		COST PER POUND		12-CITY PRICE	NET RETURNS
	SOYBEAN	No. 2	LIVEWEIGHT BASIS		R.T.C. BASIS			BEFORE
	MEAL	CORN	Feed	Total	Production	Total		INTEREST & OVERHEAD
	\$ / ton	\$ / bushel	-----		-----			
					cents / pound-----			
<b>BROILERS</b>								
Oct/1998	135.70	2.00	14.05	24.40	32.11	46.21	68.04	21.83
Nov/1998	144.50	2.16	13.46	23.81	31.33	45.43	64.13	18.70
Dec/1998	146.40	2.16	13.85	24.20	31.84	45.94	60.45	14.51
Jan/1999	138.80	2.16	14.47	24.82	32.65	46.75	59.33	12.58
Feb/1999	132.30	2.15	14.52	24.87	32.72	46.82	58.23	11.41
Mar/1999	133.00	2.20	14.32	24.67	32.46	46.56	56.79	10.23
Apr/1999	134.50	2.13	14.13	24.48	32.21	46.31	55.08	8.77
May/1999	133.20	2.16	14.27	24.62	32.39	46.49	60.02	13.53
Jun/1999	139.10	2.11	14.13	24.48	32.22	46.32	60.33	14.01
Jul/1999	132.73	1.78	14.17	24.52	32.27	46.37	59.46	13.09
Aug/1999	141.69	1.84	14.21	24.56	32.31	46.41	57.65	11.24
Sep/1999	150.63	1.88	13.24	23.59	31.04	45.14	57.15	12.01
Oct/1999	153.57	1.90	13.62	23.97	31.54	45.64	54.87	9.23
Nov/1999			13.95	24.30	31.97	46.07		
Dec/1999			14.07	24.42	32.13	46.23		
3-REGION WHOLESALE PRICE								
<b>TURKEYS</b>								
Oct/1998	135.70	2.00	21.97	35.67	44.59	60.89	72.16	11.27
Nov/1998	144.50	2.16	19.00	32.70	40.88	57.18	74.15	16.97
Dec/1998	146.40	2.16	17.99	31.69	39.61	55.91	67.39	11.48
Jan/1999	138.80	2.16	18.62	32.32	40.40	56.70	58.02	1.32
Feb/1999	132.30	2.15	19.68	33.38	41.72	58.02	58.40	0.38
Mar/1999	133.00	2.20	19.77	33.47	41.83	58.13	60.84	2.71
Apr/1999	134.50	2.13	19.40	33.10	41.38	57.68	63.33	5.65
May/1999	133.20	2.16	19.05	32.75	40.94	57.24	66.04	8.80
Jun/1999	139.10	2.11	19.29	32.99	41.23	57.53	68.92	11.39
Jul/1999	132.73	1.78	19.08	32.78	40.97	57.27	70.94	13.67
Aug/1999	141.69	1.84	19.14	32.84	41.04	57.34	72.48	15.14
Sep/1999	150.63	1.88	19.22	32.92	41.15	57.45	74.35	16.90
Oct/1999	153.57	1.90	17.60	31.30	39.13	55.43	75.92	20.49
Nov/1999			18.27	31.97	39.96	56.26		
Dec/1999			18.85	32.55	40.69	56.99		
WHOLESALE								
<b>EGGS</b>								
			FEED	TOTAL	WHOLESALE			
			COST	Production	TOTAL	12-METRO		
					COST	PRICE		
Oct/1998	135.70	2.00	22.31	40.51	61.01	81.67	20.66	
Nov/1998	144.50	2.16	23.29	41.49	61.99	86.39	24.40	
Dec/1998	146.40	2.16	24.63	42.83	63.33	87.01	23.68	
Jan/1999	138.80	2.16	24.71	42.91	63.41	84.03	20.62	
Feb/1999	132.30	2.15	24.40	42.60	63.10	73.61	10.51	
Mar/1999	133.00	2.20	24.08	42.28	62.78	78.64	15.86	
Apr/1999	134.50	2.13	24.42	42.62	63.12	63.37	0.25	
May/1999	133.20	2.16	24.05	42.25	62.75	60.89	-1.86	
Jun/1999	139.10	2.11	24.18	42.38	62.88	58.59	-4.29	
Jul/1999	132.73	1.78	24.11	42.31	62.81	68.13	5.32	
Aug/1999	141.69	1.84	21.82	40.02	60.52	72.30	11.78	
Sep/1999	150.63	1.88	22.55	40.75	61.25	63.80	2.55	
Oct/1999	153.57	1.90	23.16	41.36	61.86	56.80	-5.06	
Nov/1999			23.40	41.60	62.10			