



Livestock, Dairy and Poultry Situation and Outlook

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In 2000 , 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.ers.usda.gov/Prodsrvs/rept-ldp.htm> and click on Livestock, Dairy and Poultry Situation and Outlook Report) in Adobe Acrobat format (PDF files). The content of each issue may vary. They will be released on January 28, February 29, March 28, April 27, May 25, June 28, July 26, August 29, September 28, October 26, November 28, and December 27. The reports should be available by 4:00 p.m. Eastern Time on day of release.

U.S meat supply and utilization estimates for 1999 and 2000 have been adjusted to reflect volumes of meat shipped during 1999 as part of the Russian food aid package . These shipments currently reported in the official Bureau of Census data as having been shipped in 2000. Bureau of Census revisions to the Official trade number will be adopted when available. The supply and utilization tables are available on the ERS website: <http://www.ers.usda.gov/briefing/animal>.

Cattle Inventory Liquidation Continues

The liquidation phase of the cattle cycle is likely extended at least through 2001. The July 1 cattle and beef cow inventories were both down 1 percent from a year earlier. Beef cow replacement heifers were down 2 percent. Large numbers of heifers continue to be placed on feed and increasing total beef supplies. Drought and poor pasture-range conditions in the Southern and Western United States are forcing lighter-weight cattle into feedlots.

Forage Supplies Tightening

Beef cattle producers are increasingly uncertain about fall and winter forage supplies. Pasture and range conditions have declined dramatically in most areas since mid summer and many areas in the South and West were already experiencing severe drought conditions. Water supplies are increasingly a problem in many areas. Improved moisture conditions in late summer-early fall will be important for improving grazing conditions and establishing small grain pastures.

Approved by the World Agricultural Outlook Board

Production of other hays is expected to decline less than 1 percent this year from last year's record. Alfalfa hay production may decline 6 percent from 1999, as dry conditions in the Great Plains have reduced production. The farm price of hay declined in July, but averaged above a year earlier. Prices likely rose in August as drought worsened in many areas.

Record Corn and Soybean Crops Likely

A record corn crop of 10.4 billion bushels is forecast for 2000 and a record 3 billion-bushel soybean crop is likely. Lower feed costs and putting a strong price base under feeder livestock prices. The projected corn price is down to \$1.45 to \$1.85 per bushel, down from \$1.80 in 1999/2000 and \$1.94 in 1998/99. Soybean meal prices are expected to range from \$140 to \$165 per ton in 2000/01, down from \$165 in 1999/00, but above 1998/1999's \$138.50.

Cattle Inventory Decline To Continue

Cattle inventories have been declining since 1996 and are likely to continue declining at least through 2001. Heifer retention has to begin before numbers can begin to stabilize. Although beef cow slaughter is down, the number of beef replacement heifers being saved and the number of heifers calving and entering the cowherd continues to decline. Large numbers of heifers were slaughtered in first-half 2000 pushing beef supplies above expected levels and large numbers continue to be placed in feedlots.

Feeder cattle supplies outside feedlots, available for grazing programs and eventually placement on feed continue to decline. Supplies outside feedlots on July 1 were down nearly 3 percent from a year earlier. Calf slaughter has declined sharply, and large numbers of lightweight stocker cattle have been imported from Mexico to supplement the declining inventory of feeder calves.

Cattle on Feed Inventories Record Large

Cattle on feed inventories in the historic 7-States for feedlots with over 1,000 head of capacity on August 1 were up 12 percent from a year earlier and 14 percent above 2 years ago. Placements during July rose 7 percent, while feedlot marketings were down 2 percent, largely the result of one less slaughter day in July. Again the largest increases were in the under 600-pound and over 800 pound placement groups during July. Dry pasture conditions forced early weaning of this year's calf crop and many were placed on feed given the attractive grain prices. Many of the over 800 pound placements may have been heifers that had been retained for the breeding herd. The next report on heifers on feed will be in the October Cattle on Feed report. Many of the lighter weight calves will not be marketed until first half 2001, but most of the heavy weight group will be marketed this fall. Consequently, larger beef production estimates continue for 2000. However, fed cattle marketings may decline very little until first quarter 2001 and only then if fall grazing conditions begin to improve.

Record Beef Production in 2000

Beef production in 2000 will set another record, as slaughter weights are sharply above last year's record and continued large numbers of 800+ weight feedlot placements add to already large supplies. Production will likely rise near 2 percent this year from the 1999 record. Cow slaughter continues to decline, but steer and heifer slaughter remains large.

Similarly, forecasts of production in first-half 2001 continue to be pushed upward. However, if feeder cattle supplies continue to decline, second-half production forecasts will have to be pulled back to compensate for

larger first-half marketings. Fewer calves are likely to be placed on fall-winter grazing programs unless forage conditions improve quickly. Low grain prices and continued strong, though declining seasonally, fed cattle prices are encouraging large placements. First half production is likely to decline 2 to 4 percent from a year earlier, while second-half production may decline 5 to 7 percent. Stronger heifer retention numbers could pull 2001 production down even more.

Prices Stabilize

Fed cattle prices began to stabilize in the second half of August as larger supplies of higher quality grading beef began to be absorbed into the market. The spread between Choice and Select beef declined from near \$15 per cwt in May-June to \$3 to \$5 in August. The market is now testing just how much additional demand for higher quality beef in the hotel-restaurant-export market exists and how much could be sold through typical retail outlets as supplies become available. Fed cattle prices are expected to average in the mid-\$60's this summer before rising to the upper \$60's this fall and into the \$70's in 2001.

Retail Beef Prices Off Record

Retail prices for Choice beef in July moved off-record highs set in June, but movement remains very favorable. Second-quarter per capita beef consumption was only slightly below year-earlier levels, but prices averaged 24 cents a pound higher. The strong demand for higher quality beef has largely continued unabated since late summer 1999. Retail prices for Choice beef are expected to average near \$3.04 a pound this year, up from \$2.88 in 1999. Prices may average near \$3.09 in 2001, being held down somewhat by increasing supplies of competing meats at lower relative prices.

Economic Growth Continues To Spur Beef Trade

U.S. beef exports were supported by strong economic growth in the major export markets during the first half of 2000. Excluding Russia, exports grew by over 9 percent for the first 6 months of the year, led by a 40-percent increase in exports to Korea and a 21-percent increase to Mexico. Exports to Japan and Canada also increased, but exports to the Caribbean and other markets declined as higher prices limited demand.

Korea is expected to continue as the most rapidly growing market for U.S. beef into the near future. Korea is in the final year of a 5-year transition period to fully open its beef market under the Uruguay Round Agreement. This allows the growing consumer buying power rapidly the expanding Korean economy to translate into demand for imported beef, even as the more open-market continues to depress domestic supplies.

Demand for high quality fed-beef also continues to increase among consumers in Mexico whose incomes have increased. Meanwhile, the ability of Mexican cattle producers to increase supplies of this type of beef is limited by the lack of a cattle feedlot industry. Limited feed grain supplies and the profitability of marketing cattle to the U.S. kept the feedlot industry in northern Mexico small. Climatic conditions in other parts of the country restricted the growing of cattle breeds that will yield high-quality fed-beef. However, the strong Mexican economy is tied to higher oil prices and the surging U.S. economy. If the Mexican economy slows, it could moderate the growth of demand for beef in Mexico from current high levels. However, demand for U.S. beef in Mexico is expected to remain high.

Exports to Canada increased by 8 percent, as Canadian packers turned their attention more toward the more lucrative export markets, allowing U.S. exports to further penetrate eastern Canadian markets. Canada has increased exports to Asian markets and is taking advantage of the Canada-Chile Free Trade Agreement

(CCFTA) allowing Canada to supply over 13 million pounds of beef to Chile, free of Chile's 11 percent applied-duty and 18 percent value-added tax.

Strong economic growth in the United States combined with low cow slaughter encouraged a 7.5-percent increase in imports. Greater consumer expenditures resulting from a strong economy have increased the demand for all meats, including beef at fast food restaurants, steakhouses, and supermarkets. Increased demand for hamburger has resulted in a surge of imported processing-quality beef. The year began with historically large amounts of processing-quality beef imports from Argentina and Uruguay, but these have fallen off since March. Supplies from New Zealand increased significantly because of a successful herd rebuilding in response to a drought 2 years ago. Imports from Australia have also been running ahead of last year because favorable weather has resulted in a larger-than-expected herd of heavy cattle there. Imports from New Zealand and Australia were 26 percent and 6 percent greater over the first 6 months of this year compared with the same period last year.

Increased Cattle Imports from Mexico and Cattle Exports to Canada

Continued drought in northern Mexico and high feeder cattle prices in the United States combined with financial stress facing Mexican ranchers, provided the incentives for a 40-percent increase in feeder cattle imports from Mexico over the first 6 months of this year. Generally, the last quarter of the year accounts for about one-half of Mexican cattle imports. However, unless pastures improve significantly in the next few months, cattle imports from Mexico are likely to exceed 1.2 million animals.

Exports of live cattle were up to both Mexico and Canada, but the exports to Canada were up far more. Exports to Canada were up over 100 percent, or by over 66,000 animals. The success of the Northwest Cattle Project accounts for the large increase in live cattle exports to Canada. The program resumes in mid-October, and stiff competition is expected between U.S. and Canadian feedlots for limited numbers of feeder calves from throughout North America.

Hog Prices Drop Sharply

Hog prices have dropped sharply, from \$50 per cwt in July to about \$45 in August. The price decline is due to seasonally increasing slaughter rates and increased competition from other meats. Both chicken and beef wholesale prices have declined, putting additional pressure on pork prices. For the rest of the year, hog prices are expected to slip further to around \$40 per cwt as slaughter will continue to increase seasonally until early December. Lower hog prices are being offset by lower feed costs reducing the impact on producers' returns, which remain favorable.

Live Hog Imports To Decline

Imports of live hogs are expected to total nearly 4 million head this year, down 4 percent from the last 2 years, but above earlier expectations. Two key factors appear to be drawing very large numbers of both slaughter and feeder pigs into the United States. First, weak-to-negative slaughter margins of Canadian hog processors due to high hog prices, and price resistance at the wholesale level have reduced packer demand for hogs in Canada. Wholesale price weakness is a result of Canadian retailer resistance to higher pork prices since the beginning of the year. Second, it appears that the hog slaughtering capacity increase expected earlier this year has not materialized due to some facility start-up problems in Brandon, Manitoba. Together, negative slaughter margins in Canada and slaughter capacity constraints have diverted more slaughter hogs to the United States than were anticipated earlier this year.

Feeder pigs, which account for over half of the live hog imports from Canada, are being imported into the Corn Belt, at rates exceeding earlier expectations. The key factor driving the increased imports is lower corn and soybean prices due to expected record crops. The low feed prices make hog feeding attractive given the excess finishing capacity that currently exist in the United States.

Broiler Production Slows

While feed prices have remained low in response to anticipated record corn and soybean crops, broiler processors have scaled back production increases in light of continued low prices. Production for third-quarter 2000 is now forecast at 7.65 billion pounds, about 2 percent above the previous year. Second-quarter 2000 broiler production totaled 7.7 billion pounds, a 1.5-percent increase from a year ago.

For several weeks, the number of broiler eggs set and the number of chicks placed have been running at or slightly below the previous year. For the last 6 weeks, chick placements have been lower than a year earlier. The downturn in weekly chick placement is a strong indication that broiler production for the remainder of the quarter is likely to be only slightly higher than the previous year.

Broiler Exports Rise Sharply

Over the first half of 2000, the Bureau of the Census reports broiler exports totaled 2.8 billion pounds, up 27 percent from a year ago. While direct exports to the Russian market varied greatly from month to month, total exports to Russia (either directly or through the Baltic countries) rebounded strongly from the previous year. Combined shipments to Russia, Estonia, and Latvia have totaled over one billion pounds. Exports to Hong Kong/China also continued to grow, rising 16 percent, although slower compared with 25 percent last year. Broiler exports to Korea and Taiwan have also shown strong increases. Broiler exports to the Philippines had been up sharply, but are expected to decline due to a slowdown in the issuance of import certificates.

Turkey Production Growth To Slow

Federally inspected turkey production totaled 1.391 billion pounds in second-quarter 2000, up 4 percent from the previous year. However, turkey production is expected to show only modest gains in the rest of 2000, with production expected to be up less than 1 percent from the second half of 1999. The cumulative number of poult placed from January to July is virtually unchanged from last year. Wholesale turkey prices have strengthened over the first 7 months of 2000, with the price for hens in the Eastern region averaging 66 cents a pound, up 5 percent from a year ago.

Turkey exports have risen 26 percent in the first half of 2000. The majority of this increase has come in three of the four largest markets. Shipments to Mexico have been up 18 percent, while exports to Hong Kong have jumped 77 percent. Shipments to Russia have been very volatile, rising by over 300 percent from a year earlier, but much of the increase came from high exports in one month. However, shipments to Canada have been weak, with total shipments for first-half 2000 down 4 percent from 1999. In the second half of 2000, overall turkey exports are expected to be up slightly from a year ago. Shipments to Mexico are expected to continue expanding due to a strong economy and the shipments should offset smaller expected exports to Russia. Recent changes in Russian tariffs have raised the tariff rates on turkey and lowered them for broilers.

Egg Production, Exports Rise Slightly

Second-quarter 2000 table egg production totaled 1,467 million dozen, up 2.4 percent from a year earlier. The higher egg production was not reflected in lower egg prices, with the second quarter wholesale prices

averaging 62 cents a dozen, up 4 cents a dozen from the same period in 1999. Easter in late April this year boosted second quarter egg prices. Third-quarter table egg prices are expected to rise slightly, but remain below a year earlier as the number of table egg layers at the beginning of June and July have been about 2 percent higher than the previous year.

Total U.S. egg exports in second-quarter 2000 were 37.8 million dozen, up slightly from the previous year. Exports to the four largest markets have been mixed, with shipments to Mexico and Japan up 26 and 15 percent. These exports have offset lower shipments to Canada and Hong Kong (down 27 and 13 percent). Egg exports have also been aided by increased shipments to European Union (EU) countries. The rise in shipments to the EU has primarily been caused by lower production in Italy due to disease problems.

Dairy Prices Bouncing

Wholesale dairy product prices have been unable to sustain seasonal increases thus far this summer. Brisk demand, particularly for cheese, pushed prices up several times, but heavy supplies soon brought them back down. This price pattern implies that pipeline stocks are large and need to be trimmed before prices can move very much.

Early summer milk production remained heavy, as expansion by stronger producers kept milk cow numbers edging higher and growth in milk per cow stayed strong. Meanwhile, reported warehouse stocks were quite heavy for all of the major dairy products. Supplies are expected to remain large during the rest of 2000.

Sales of cheese and most milkfat products have been brisk, reflecting still-strong consumer incomes and demand. However, growth in demand generally has not quite kept pace with the rise in supplies, forestalling any significant recovery in wholesale prices. Demand for separated skim solids is still in the doldrums. Ingredient use of these products has continued to slip in 2000, causing government purchases to stay sizable thus far this summer.

Exchange prices for block Cheddar cheese threatened to break \$1.30 per pound several times during the spring and summer before falling back. Seasonal tightening should be enough to push prices above this point in the autumn, once pipeline holdings are brought under control. But, prices are not projected to go much above that level, and the peak may be rather short-lived. Despite recent seasonal erosion, butter prices may see a second modest peak in autumn.

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International Dairy Markets and the WTO

by

Don P. Blayney and James J. Miller

Introduction

International dairy markets have changed considerably since the start of negotiations for the Uruguay Round (UR) of the General Agreement on Tariffs and Trade (GATT) more than a decade ago. Three linked factors have fueled the changes. First, market forces have substantially changed dairy industries in major exporting and importing countries. Second, a number of countries have made major changes in domestic dairy policy or seen the full effects of policy changes made in the eighties. Last, the UR agreements themselves have affected the international dairy markets. These changes provide the context for future international dairy trade negotiations, whether the talks are part of a new “full” round or the ongoing negotiations under the Uruguay Round Agreement on Agriculture (URAA).

Agricultural trade was not addressed systematically under the GATT until the Uruguay Round. International dairy trade proved to be a difficult issue to address during the UR because most of the developed dairy industries of the world enjoyed relatively high domestic support and strong protection from foreign competition. The UR of the GATT, concluded in December 1993, signed in April 1994, and implemented beginning January 1, 1995 has changed the course of international dairy markets and the way future multilateral trade negotiations would be handled.

The UR established two important institutional structures: 1) the Uruguay Round Agreement on Agriculture (URAA) which explicitly makes agricultural trade subject to multilateral trade disciplines and, 2) the World Trade Organization (WTO), an institution with much greater powers for administering trade rules and resolving trade disputes. The WTO encompasses all of the arrangements and agreements concluded under the auspices of the GATT, including those from the Uruguay Round. The URAA created the agricultural trade rules that the WTO is charged with administering and enforcing. A key element of the URAA was recognition that agricultural trade reform is an ongoing process. As a result, WTO negotiations on agriculture began in Geneva, Switzerland in March 2000.

The discussions that follow focus on the dairy industries and WTO commitments of the major producing countries that participate in international dairy product markets. (Some WTO commitments for developing countries differ from those presented here). The progress made by the Uruguay Round toward reducing barriers to dairy product trade and disciplining domestic programs that might distort trade will be significant issues for many countries in future agricultural negotiations.

An Overview of International Dairy Markets

International dairy trade is mostly in manufactured products, primarily butter, cheese, and milk powders. Historically, internationally traded products have been equivalent to about 5 percent of world milk production. The production and trade discussions that follow are based on the period 1994-1999 which mostly coincides with the implementation period for the URAA.

Milk Production

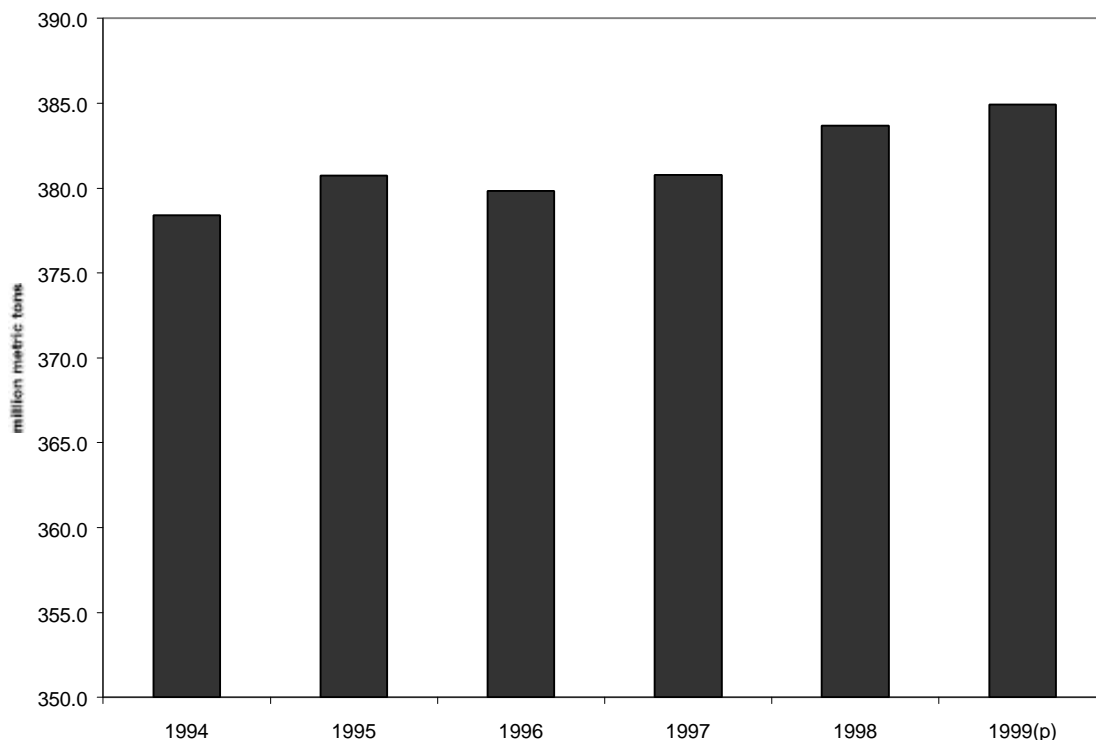
Milk is produced in almost every country in the world, not all of it from milk cows. Data for five milk types are reported by the Food and Agriculture Organization of the United Nations (FAO): cow, buffalo, sheep, goat, and camel. The largest share, accounting for almost 86 percent of the reported production during 1994-1999, was from cows. The quantities of sheep and goat milks are not large, but they are used to produce important cheese varieties traded internationally. From 1994 to 1999, milk production of all types grew about 5.3 percent, while cow milk production grew somewhat less.

The Foreign Agricultural Service (FAS), USDA publishes cow milk production data for 33 major milk producing and dairy trading countries. Production in the 33 countries grew relatively modestly during 1994-99, from 378.4 to 384.9 million metric tons (1 metric ton=2204.6 pounds)—less than 2 percent. However, some rather dramatic production movements, both up and down, occurred in some countries and regions.

Milk production rose sharply over the 1994-1999 period in the major exporting countries of Oceania and South America, such as New Zealand, Australia, Argentina, and Uruguay, in part due to relatively high international dairy product prices and low prices and diminished returns for other pastoral products in international markets. Milk output grew substantially in India and China as their domestic markets expanded. Production edged upward in the United States as domestic demand increases boosted prices, particularly during the late nineties.

In Western Europe and Japan, production controls, stagnant domestic demand for dairy products,

Figure 1. Cow Milk Production in 33 Selected Countries



high costs, and (for the European Union (EU)) implementation of URAA export subsidy disciplines resulted in steady to slightly lower milk production. Canada, a country that also employs supply management programs, implemented domestic program changes that, at least temporarily, led to some increased production. The former Soviet Union and other eastern European countries have undergone massive structural adjustments following the days of central planning. Milk production fell sharply as most subsidies were withdrawn and inefficient farms failed. Recently, production in some of these countries has stabilized or slightly increased, but in others has continued to decline.

Traded Products

Butter, cheese, and dried milk products are the major dairy products traded internationally. A more detailed look at the production, consumption, and stock levels of these products is available in the FAS publication, **Dairy: World Markets and Trade**, which is available on the Internet at <http://www.fas.usda.gov> and is the source for the charts included in this article.

Butter

The international butter market consists of two rather distinct segments of roughly the same size: anhydrous milkfat (AMF) and solid butter. Demand for and trade in both products have varied greatly in response to economic conditions in recent years and have shown no clear-cut trends. Demand for AMF is primarily in relatively affluent countries of Asia and Latin America that use it for commercial reconstitution of beverage milks and for products like ice cream. The major butter importers are Russia, the Middle East and North Africa, and the EU (for fixed negotiated amounts from New Zealand).

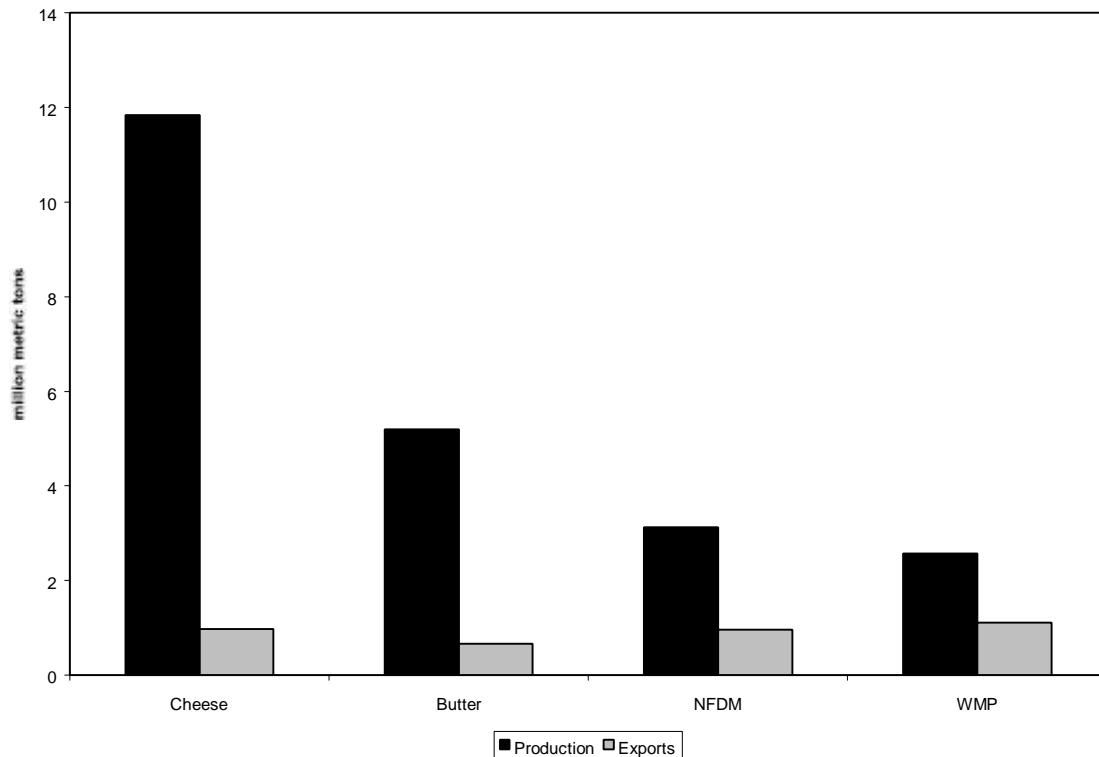
About half of the world's recorded butter exports come from New Zealand alone, and Oceania accounts for about two-thirds. There is known to be significant additional trade among countries of the former Soviet Union and Eastern Europe, but data are either unavailable or unreliable. The EU is the only other large butter exporter, although its share is much smaller than before URAA implementation. The United States normally is not a significant international butter market participant.

Cheeses

The international cheese market continues to grow steadily, but slowly, in response to economic growth in Latin America, westernization of diets in Asia, and the spread of pizza to every part of the world. World cheese exports grew only about 1 percent annually from 1994 to 1999. Japan, the United States, the EU, and sometimes Russia are the largest importers. The Middle East and North Africa is another important market, particularly for some cheese types.

The EU remains the largest exporter of cheese, although its exports have fallen because of the URAA export subsidy disciplines. All of Western Europe accounts for over half of the world cheese exports with most of the remainder coming from Oceania. With growing milk production, New Zealand and Australia boosted cheese production and exports substantially as decreasing European exports created opportunities. The United States has been a relatively minor exporter of mostly specialty cheese products.

Figure 2. Dairy Product Production and Exports, Selected Countries, 1994-1999(p) average



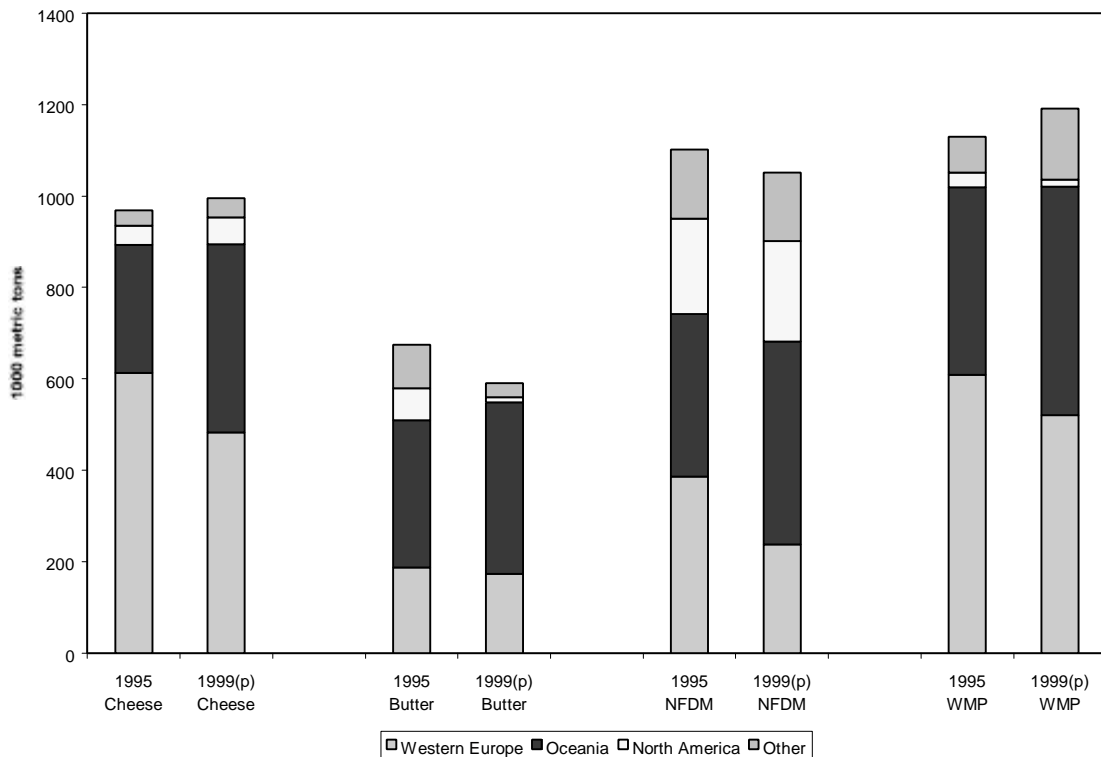
Milk Powders

Milk powders are very widely imported, particularly by tropical countries, for reconstitution into beverage milks. Both commercial and home reconstitution is common, and milk powders are particularly important for child feeding. At one time, commercial reconstitution was done in large centralized plants using skim milk powder either alone, recombined with AMF, or combined with vegetable oil. Increasingly, commercial reconstitution has been decentralized and shifted to whole milk powder use. This shift has been aided by whole milk powder's greater reconstitution flexibility, new inexpensive whole milk packaging that maintains acceptable flavor, and the disappearance of any price premium between skim and whole milk powders. Use of milk powders as ingredients in processed foods continues to be relatively small in most importing countries.

Most East and Southeast Asia countries import significant amounts of milk powders. The regions' importance had been growing considerably until economic problems temporarily curtailed demand. The more populous countries of the Middle East and North Africa continue to be important markets, although import demand there has not grown much. Many countries in Latin America import substantial quantities of milk powders. Relatively rapid population growth in the region has boosted demand, although a series of economic crises have led to erratic growth in import demand.

Milk powder export supplies consist of about equal amounts of skim milk and whole milk powders. About four-fifths of milk powder exports come from the EU and Oceania. Lesser amounts come from Poland, Argentina, and (for skim milk powder) the United States. The U.S. skim milk powder export sales have been generally lower than during the early nineties, in part because of URAA limitations on export subsidies and in part because of domestic market conditions.

Figure 3. World Exports by Region and Product, 1995 and 1999(p)



Whey Products

Although extensive data are not available, trade in whey products (dry whey, modified whey products, and whey protein concentrate) has grown substantially. These products, byproducts of cheese production, can offer almost all of the nutrition of skim milk powder at a very low price. Whey products, particularly whey protein concentrate, are used for child nutrition beverages in the poorest countries and for domestic food aid in slightly more affluent countries. Although these products may not meet the flavor standards of more affluent consumers, they fill a very important nutrition role for the poorest people. The emergence of this market has caused prices of whey protein concentrate to become a floor for international prices of skim milk powder. If skim milk powder prices fall enough, countries quickly shift from whey products to milk powder. For wealthier importing countries and exporting countries, whey products are used to provide specific functional and nutritional characteristics to processed foods and animal feeds.

Further Observations on International Markets

The EU and Oceania continue to be the dominant exporters of dairy products. International trade in the products remains equivalent to about 5 percent of total world milk production. Changes or realignments over the past decade in some major blocs have had large repercussions--the dissolution of the Communist bloc, the dissolution of the Soviet Union itself, expansion of the EU, and formation of MERCOSUR in South America. Asia (other than Japan) has grown dramatically as an importing region and Latin American countries have emerged as both exporters and importers. Growing trade in whole milk powder, whey products, and other less documented products such as ice cream suggest that dairy export opportunities have become more diverse. In addition to these changes, the URAA altered many aspects of international dairy markets. The URAA is the focus of the rest of this paper.

Uruguay Round Accomplishments and Concerns

The guiding principle of the WTO, like the GATT before it, is trade liberalization. The general principles are transparency, national treatment, most favored nation status, preference for tariffs as import controls, and dispute settlement. These general principles are augmented by the specific disciplines for agriculture in the URAA relating to market access, export subsidies, internal agricultural support, and a separate agreement covering sanitary and phytosanitary (SPS) measures. (Further information on general URAA topics can be found in "Agriculture in the WTO" an International Agriculture and Trade Situation and Outlook Report, December 1998. It can be accessed at this site.) The URAA, like all such negotiated agreements, represented a mixture of things accomplished and things not yet accomplished.

Expanded import access and conversion of nontariff barriers to tariff rate quotas: Highly restricted import access was the rule among major dairy-producing countries prior to implementing the URAA, except for Australia and New Zealand. Import restrictions were also used in some importing countries to protect local milk production or to raise revenue. Mechanisms used at various times included quantity quotas (as in the United States and Canada), prohibitive levies (EU), import monopolies (Mexico and Japan), and duties and other taxes. Tariff rate quotas (TRQs) (levels of import access at relatively low tariffs with higher over-quota tariffs) were established under URAA for most tradable dairy products formerly subject to import restrictions. For developed countries, almost all tariffs, including the over-quota tariffs, were to be reduced by a minimum of 15 percent and an average of 36 percent. If the former access was less than 5 percent, TRQs were generally set at 3 percent of consumption, rising to 5 percent by the end of the 6-year implementation period. For those relatively few important markets that allowed access of more than 5 percent, minimum access was set equal to their current access.

Reduced subsidized exports and expenditures on export subsidies: Most of the dairy exports from the EU, other western European countries, and Canada were traded with large, sometimes very large, export subsidies. The United States also exported large quantities under subsidy (the DEIP and below-cost government sales), although the product coverage was less comprehensive and less continuous. Even Australia and some eastern European countries, not usually connected with export subsidy programs, have used them at times. The URAA required countries to reduce amounts exported with subsidy by 21 percent from a 1986-90 base and to reduce the value of

those subsidies by 36 percent. For example, the United States and the EU agreed to 21-percent reductions in subsidized exports of dry skim milk to 68,000 and 243,000 tons, respectively. With only rare exceptions, subsidies were not allowed at all on a product unless the country had used them during the base period.

Reduced overall agricultural support: For many developed countries, support for dairy is a significant share of the total support for agriculture. The URAA required a reduction of 20 percent in overall (sometimes called aggregate) agricultural support from a 1986-88 base. A system was devised to identify whether particular support measures were trade-distorting or not, and the measures considered not trade-distorting were excluded from the calculation of the aggregate agricultural support measure. The URAA did not require countries to commit to reduction in the support of specific or individual agricultural commodities.

Other policies producing actual or potential trade distortions: State trading enterprises (STEs) were not addressed in a significant way in the URAA beyond general rules affecting subsidy and market access policies, even though their actions may distort trade. Several important importing STEs (including those of Mexico and Japan) were eliminated or curbed during the UR negotiation period. For dairy product exports, the New Zealand Dairy Board is a very important STE. The Canadian Dairy Commission and (at least sporadically) various government support agencies in other countries function as minor STEs.

Revenue pooling is common for milk. Pooling was not specifically mentioned in the URAA because it is not necessarily a trade issue. However, pooling or other fluid pricing mechanisms may provide a means to circumvent specific URAA provisions. Canada's special export class was successfully challenged before the WTO as an export subsidy and therefore must come into compliance with their commitments. Australia had a temporary transition plan with similar effects. Similarly, domestic price discrimination can lead to artificially low prices for manufactured products, discouraging imports and making it easier to export.

Sanitary and phytosanitary (SPS) regulations are essential for protecting a country's food safety and animal and plant health, but sometimes have been used as barriers to legitimate trade. The SPS Agreement required that such measures be based on objective science and applied in a nondiscriminatory manner, but allowed countries to establish stricter-than-international standards if based on legitimate scientific rationales. Despite relatively strong existing SPS measures imposed internally on dairy products in most countries--to prevent disease transmission or drug or chemical contamination--they have not generally been major impediments to dairy product trade.

Establishment of procedures for efficient dispute settlement: Extensive involvement of governments in dairy markets makes dispute settlement a particularly important adjunct to the trade principles applied to dairy products. For example, the United States and New Zealand successfully challenged Canadian subsidized exports as excessive.

Particular Concerns for Dairy Markets

Elimination of nontariff barriers: The URAA successfully eliminated most nontariff barriers affecting international dairy trade. Despite the lack of rigorous procedures to convert nontariff barriers to a TRQ system, transition to TRQs from earlier measures was relatively smooth in most countries. However, differences among countries in the level and coverage of TRQs remain controversial. Relative out-of-quota tariffs among countries vary tremendously, in part because they purportedly reflect the level of protection afforded by the pre-existing quotas and other nontariff barriers. These tariffs are gradually being reduced in approximately equal percentages over the implementation period. As a result, those countries that had been the most protective will end the transition period still having large tariffs, both absolutely and relatively.

The very tight U.S. dairy market of 1998-99 illustrated one inherent advantage of a TRQ system over the previous rigid quotas. Over-quota imports began once domestic prices reached levels that made such imports profitable and stopped when the prices fell to levels where importing was no longer profitable. The uncertainty and lumpiness of government policy actions were avoided.

The aggregation question: Dairy markets will always seek to equalize the value of milk in alternative uses by adjusting the flows of milk into alternative products and markets. Policy-related distortions do interfere with the completeness of this process. However, most policy regimes have worked by adjusting relative values rather than by direct controls. In general, policy measures that allow the product mix to adjust to market conditions and changes will minimize unnecessary market distortions.

Aggregation has particular relevance to the trade policy questions of import access and disciplines on export subsidies. Import restrictions or export subsidies equivalent to the same amount of milk will have roughly the same net impact on markets. Allowing market forces to adjust the product mix and country flows results in international product markets staying in closer balance and adjusting more smoothly. The Uruguay Round established a general guideline that product categories be defined narrowly, mostly because of considerations relating to commodities other than dairy. Although a few countries were allowed to aggregate products into some form of milk equivalent, most countries' obligations were much more detailed.

Import access: Access to protected dairy markets was expanded under the URAA. Most countries had to increase the amounts that could enter at relatively low tariff rates. However, the import access for most countries did not equal the nominal 3 and 5 percent of total dairy product consumption because fluid milk and some other fresh dairy products generally were excluded from the calculations. The products excluded accounted for sizable shares of total consumption in some cases and were not the same across countries. In addition, little was done to aggregate or globalize the typically rigid import access.

Export subsidy disciplines: Limits on the quantities of and expenditures on subsidized exports held them well below the levels periodically reached previously. Along with some domestic policy reforms, the export disciplines helped international dairy markets become generally stronger and less policy-disrupted, at least until the onset of economic difficulties in Asia and Russia. Even so, international dairy markets remain very distorted by export subsidies. About a third to a half of exports of the major traded dairy products are subsidized.

The URAA called for proportional reductions in the quantities of and expenditures on subsidized exports. This allowed wide differences in the use of export subsidies among countries to persist.

The export disciplines were specifically applied to cheese, butter, dry milks, and miscellaneous products. Since the international cheese market and EU subsidized exports had grown steadily until 1995, the EU limit on subsidized cheese limited EU cheese exports. Milk that would have been manufactured into cheese for the relatively robust cheese market had to be diverted into the weaker markets for butter and dry milks. These additional subsidized EU butter and powder exports reduced international prices from mid-nineties levels and market opportunities for non-subsidizing exporters were reduced. Meanwhile, the international cheese market was left with less supply diversity and generally less cheese, even though Australia and New Zealand dramatically increased cheese capacity to take advantage of higher cheese prices.

The URAA was unclear about what actions a member could take if their subsidized exports were below its limits during the early years of implementation. The EU interpreted the agreement as allowing unused quantities or expenditures to be “rolled over” into following years, except for the final year. The United States then also reallocated unused DEIP quantities during May 1998-June 2000. As a result, subsidized exports of particular dairy products in recent years have been larger than the nominal annual limits, although the limits for the multiyear implementation period were observed.

Concluding Remarks

Progress toward removing dairy product trade barriers and eliminating potentially trade-distorting domestic agricultural policies has been made during the 6-year implementation period of the URAA. Today, as when the Uruguay Round of the GATT began, the EU, Australia, and New Zealand are the chief suppliers of the major traded dairy products, with the United States normally playing a minor role. Significant economic and structural changes in Eastern Europe, South America, and the former Soviet Union have altered the import side of international markets. Cheese, butter, and dry milk powders are still the major traded dairy products, although markets for whey products and others are emerging. Continuing trade issues that are important for all dairy trading countries include more standardized approaches to setting levels of and administering TRQs, similar standardization of export subsidy disciplines, and addressing perceived disparities in interpretation or implementation of commitments among countries. The United States and other countries or country groups recently announced their proposals for the current agricultural trade negotiations. These proposals are general in nature but embody many of the issues that have been identified above. They are available on the Internet at <http://www.wto.org>.

PRODUCTION INDICATORS

	Jul. '99	May	2000	
			Jun. 1000 Head	Jul. /*
Cattle:				
On feed - 7 States, 1,000+ Hd.	8,183	9,361	9,411	8,959
Net placements	1,522	1,913	1,376	1,637
Marketings	1,816	1,863	1,828	1,784
Broilers:				
Eggs in incubators (000) /1	628,034	636,719	638,871	615,421
Chicks hatched (000) /2	750,547	775,181	748,008	739,892
Hatching egg layers /1	57,318	57,934	56,585	56,413
Pullets placed (000)	7,088	7,435	6,829	6,310
Hvy-type hen slaughter /2	6,059	5,778	6,773	6,665
Turkeys:				
Eggs in incubators (000) /1	33,782	32,022	33,748	34,181
Poult placed (000)	26,755	26,277	26,975	27,096
Eggs:				
Table egg prod. (mil. doz.) /2	483.1	497.6	476.7	496.0
Table egg layers, (000) /1	260,507	266,748	265,777	265,906
Table eggs/100 layers /1	72.2	73.0	71.6	71.7
Chicks hatched (000) /2	34,269	40,879	36,575	33,091
Lt.-type hen slaughter /2	8,862	8,098	8,345	7,535

ESTIMATED RETURNS

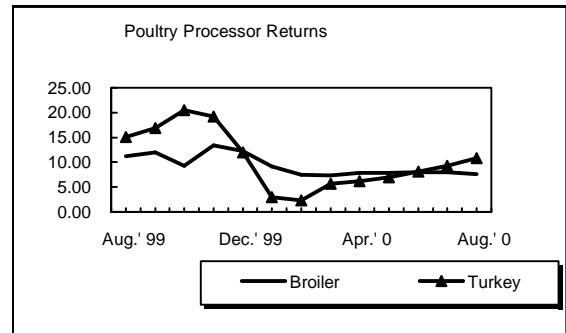
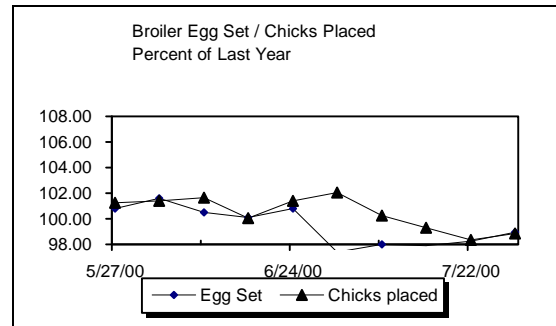
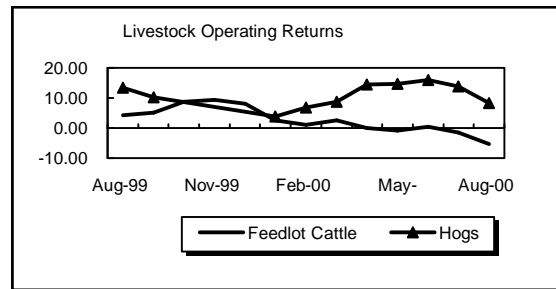
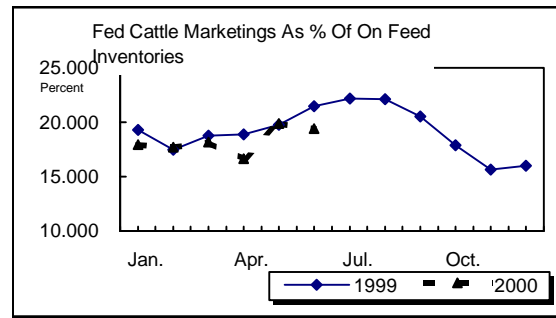
	Aug. '99	Jun.	2000	
			Jul. Cents/lb.	Aug. /*
Great Plains cattle feedlot				
Breakeven price /3	60.98	68.98	68.69	70.57
Selling price	65.29	69.41	67.22	65.30
Net margin	4.31	0.43	-1.47	-5.27
N. Central hog farrow to finish				
Breakeven price /3	34.66	35.58	36.56	37.02
Selling price	48.05	51.48	50.45	45.25
Net margin	13.39	15.90	13.89	8.23
Broiler				
Wholesale cost	46.41	48.04	48.58	47.40
Wholesale price	57.65	56.01	56.61	55.00
Net margin	11.24	7.97	8.03	7.60
Turkey				
Wholesale cost	57.34	59.92	60.24	61.15
Wholesale price	72.48	68.02	69.58	72.00
Net margin	15.14	8.10	9.34	10.85
Egg				
Wholesale cost	60.52	65.70	63.74	60.96
Wholesale price	72.30	66.50	62.22	75.75
Net margin	11.78	0.80	-1.52	14.79

/1 First of month

/2 Last month estimated

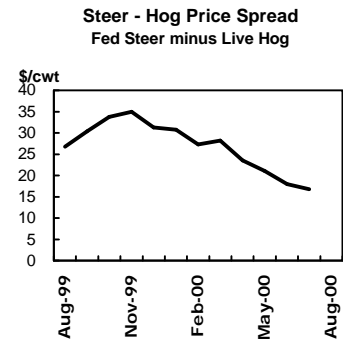
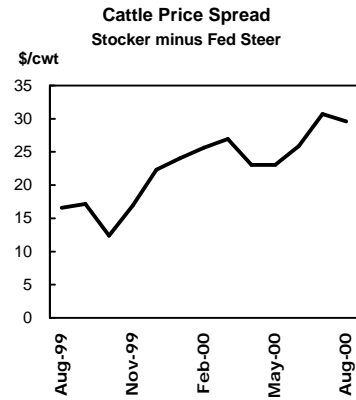
/3 Does not include capital replacement cost

/* estimate



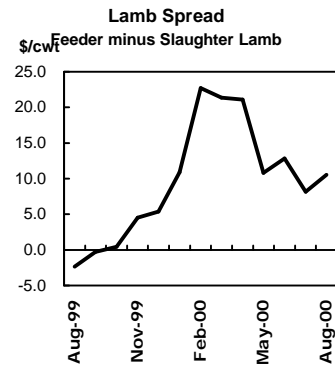
LIVESTOCK PRICES

	1999	2000					Aug. /*
	Aug.	Apr.	May	June	July	Aug.	
Cattle prices							
Steers, Choice, 11-13 cwt.							
Texas Panhandle	65.29	73.13	71.28	69.41	67.22	65.30	
Nebraska Direct	65.26	73.52	71.66	69.59	66.46	65.00	
Cows - Sioux Falls							
Utility breaking	42.60	47.00	48.00	47.88	46.94	44.80	
Utility boning	39.60	43.81	43.50	45.38	43.88	43.00	
Feeder Cattle - Oklahoma City							
Steers: Med. #1							
500-550 lb.	87.14	104.82	100.27	99.82	109.14	103.00	
600-650 lb.	81.85	96.18	94.30	95.30	97.94	94.90	
750-800 lb.	77.04	84.15	83.42	86.71	89.25	86.55	
Heifers: Med. #1							
450-500 lb.	80.41	99.82	93.41	95.26	99.98	94.80	
700-750 lb.	74.13	80.18	79.18	83.17	87.24	83.75	
Hog prices							
Barrows and gilts							
National base 51-52% lean	38.56	49.59	50.21	51.48	50.45	45.25	
(live equivalent = carcass x .74)							
Sows							
Iowa-S. Minn. #1-2, 300-400	18.65	30.33	33.17	33.70	32.31	32.50	
Sheep & lamb prices							
San Angelo TX							
Slaughter lambs, Choice	81.17	78.25	89.65	78.30	84.17	82.00	
Ewes, Good	43.50	47.08	0.00	44.86	48.00	39.25	
Feeder lambs, Choice	78.83	99.33	100.45	91.14	92.33	92.55	



GRAIN AND FEED PRICES

	1999	2000					Aug. /*
	Aug.	Apr.	May	June	July	Aug.	
\$/bu							
Corn, #2 Yellow, Cen. Ill	1.84	2.09	2.15	1.83	1.53	1.48	
Wheat, HRW Ord., K.C.	2.65	2.62	2.73	2.82	2.81	2.73	
\$/ton							
SBM, 48% Solvent, Decatur	141.69	177.53	189.34	177.45	163.38	156.00	
Alfalfa Hay, U.S. Avg	81.50	84.50	93.90	93.90	93.90	93.90	
Grass Hay, U.S. Avg	62.80	67.40	71.30	71.30	71.30	71.30	



/* Estimates

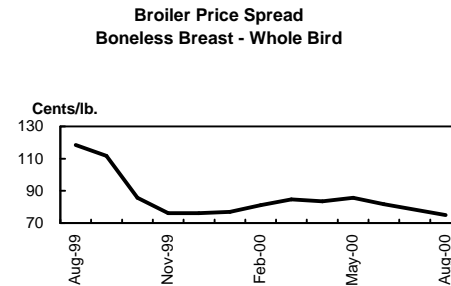
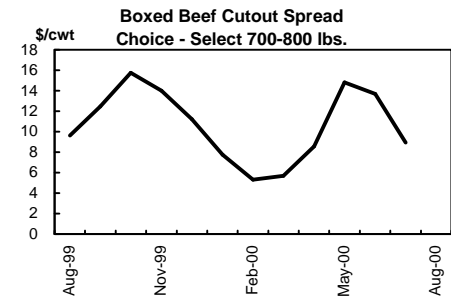
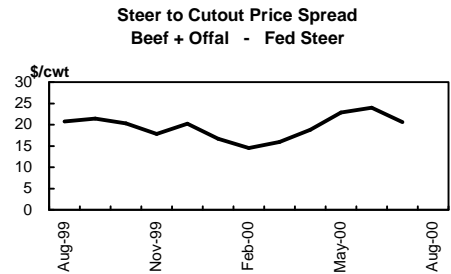
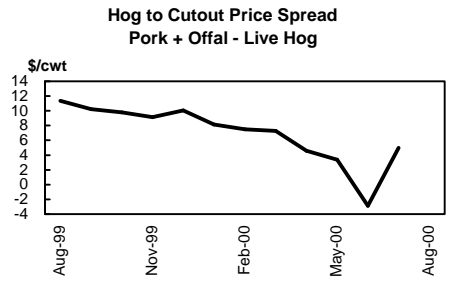
Livestock, Dairy and Poultry Situation and Outlook

WHOLESALE PRICES

	1999		2000				/*
	Aug.	Apr.	May	June	July	Aug.	
Beef, Central U.S.							
Boxed beef cutout			\$/cwt				
Choice 1-3 550-700 lb.	114.00	123.45	124.88	123.30	115.85	111.40	
Choice 1-3 700-850 lb.	114.26	123.97	126.00	123.85	115.60	110.55	
Select 1-3 700-850 lb.	104.62	115.40	111.19	110.16	106.67	106.85	
Canner-Cutter Cows	70.15	74.38	73.60	74.20	75.33	73.00	
Bnls beef, 90% fresh	101.72	105.93	103.73	109.04	103.82	102.35	
Importd bnls. beef 90% frz.	99.75	98.16	97.18	95.31	95.72	95.70	
Hide & offal value	7.12	7.51	7.67	7.60	7.83	8.15	
Veal carcass, 220-280 lb.	184.88	178.63	177.60	169.50	162.63	NA	
Pork, Central U.S.							
Pork cutout composite	61.27	68.92	68.49	63.93	70.45	66.00	
Loins, 14-19 lb. BI 1/4" trim	111.55	127.48	115.38	132.53	131.73	119.75	
Bellies, 12-14 lb. skin on trmd	67.29	93.70	97.85	91.99	90.38	75.00	
Hams, 20-23 lb. BI trmd. TS1	52.33	47.18	52.11	53.60	59.28	60.50	
Trimnings, 72% fresh	45.25	50.26	57.87	51.13	52.29	48.00	
Lamb, East Coast							
55 lb. Down, Choice	186.00	180.44	216.75	210.16	194.88	179.50	
55-65 lb., Choice	N/A	180.44	216.75	210.16	194.88	179.50	
<i>cents/lb.</i>							
Broilers							
12 City Avg.	57.65	55.39	55.71	56.01	56.61	55.00	
Georgia dock	59.05	56.21	56.45	57.50	58.11	58.70	
<i>Northeast</i>							
Breast, boneless	176.03	138.84	141.44	137.82	130.00	150.00	
Breast, Ribs on	85.54	73.00	70.97	71.87	63.25	72.00	
Legs, whole	32.32	32.50	34.52	38.21	36.75	34.50	
Leg quarters	20.10	20.07	21.47	25.07	23.75	22.00	
Turkeys							
<i>Eastern Region</i>							
Toms, 16-24 lb.	72.67	63.23	64.55	66.64	68.53	71.00	
Hens, 8-16 lb.	73.57	67.38	69.18	70.36	71.55	73.75	
Breast, 4-8 lb.	100.07	104.99	104.72	104.00	105.75	108.50	
Drumsticks	16.67	23.21	23.45	25.63	25.75	25.50	
Wings, full cut	18.66	19.84	19.39	20.69	21.75	21.25	
Eggs, grd A, lg, doz							
!2 City Metro	72.30	73.13	58.52	66.50	62.22	75.75	
New York	67.40	68.50	53.45	64.23	63.25	72.00	

/* Estimates

Livestock, Dairy and Poultry Situation and Outlook



MEAT STATISTICS

	Jan. -	Jan. -	2000					/*
	Aug. 1999	Aug. 2000	May	May	June	July	Aug.	
Commercial production	<i>Million pounds</i>							
Beef	17,589	17,981	2,302	2,302	2,369	2,202	2,429	
Veal	148	146	19	19	19	18	18	
Pork	12,550	12,347	1,540	1,540	1,536	1,408	1,645	
Lamb	159	153	17	17	17	16	17	
Total red meat	30,446	30,627	3,878	3,878	3,941	3,644	4,109	
Broilers	19,876	20,488	2,733	2,733	2,632	2,530	2,650	
Other chicken	373	370	48	48	49	49	50	
Turkeys	3,449	3,544	492	492	482	421	448	
Total poultry	23,698	24,402	3,274	3,274	3,163	3,000	3,148	
Total meat & poultry	54,144	55,029	7,152	7,152	7,104	6,644	7,257	

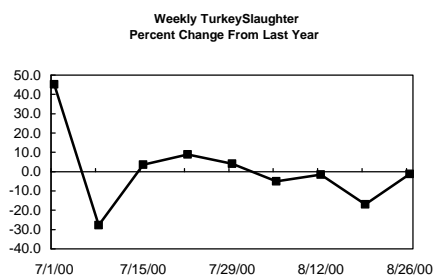
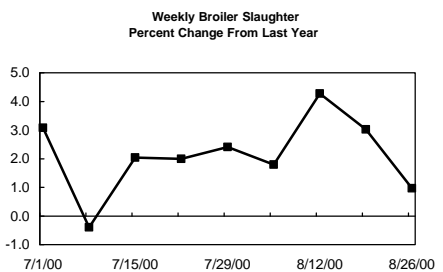
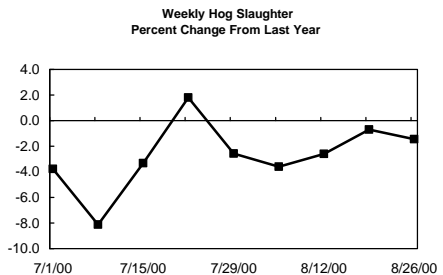
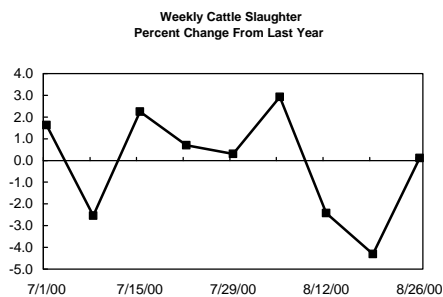
	Jan. -	Jan. -	2000					/*
	Aug. 1999	Aug. 2000	May	May	June	July	Aug.	
Commercial slaughter/**	<i>Thousand head</i>							
Cattle	24,142	24,409	3,176	3,176	3,237	2,962	3,247	
Steers	12,116	12,375	1,647	1,647	1,676	1,600	1,689	
Heifers	7,909	8,058	1,006	1,006	1,041	917	1,068	
Beef Cows	1,991	1,821	256	256	255	205	221	
Dairy Cows	1,703	1,734	211	211	209	191	214	
Bulls and stags	422	421	56	56	56	49	55	
Calves	842	764	92	92	95	99	107	
Sheep	2,403	2,303	259	259	260	243	276	
Hogs	66,179	64,107	7,945	7,945	7,952	7,356	8,625	
Barrows & gilts	63,619	61,878	7,664	7,664	7,654	7,083	8,310	
Sows	2,271	2,014	252	252	265	245	290	
Broilers	5,446,490	5,591,033	749,201	749,201	720,549	700,500	725,850	
Turkeys	172,128	174,085	23,869	23,869	23,807	21,400	22,875	

	2000						/*
	Aug. 1999	May	May	June	July	Aug.	
F.I. dressed weight	<i>Pounds</i>						
Cattle	739	730	730	737	749	752	
Calves	167	209	209	197	183	177	
Sheep	63	68	68	67	66	64	
Hogs	187	195	195	195	193	191	

	2000						/*
	Aug. 1999	May	May	June	July	Aug.	
Beginning cold storage stocks	<i>Million pounds</i>						
Beef	292.7	367.1	367.1	373.5	380.3	366.1	
Pork	494.6	521.8	521.8	524.8	487.3	473.9	
Bellies	69.7	63.4	63.4	68.2	60.5	50.5	
Hams	135.0	86.6	86.6	99.3	112.8	131.1	
Total chicken	872.3	849.4	849.4	824.1	821.6	821.4	
Turkey	599.0	413.3	413.3	477.0	503.6	520.1	
Frozen eggs	11.1	7.2	7.2	8.1	8.7	13.3	

/* Estimates with exception of Cold Storage

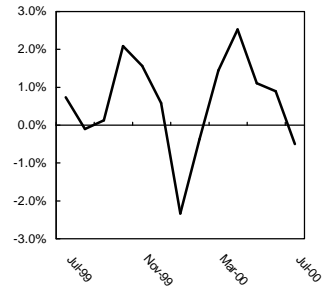
/** Slaughter classes are estimated



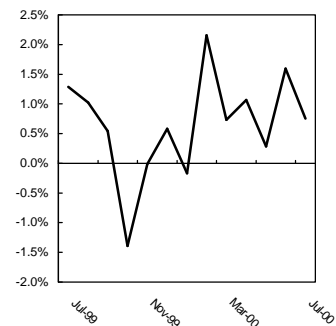
RETAIL PRICES & SPREADS

	Jul-1999	Mar-2000	Apr-2000	May-2000	Jun-2000	Jul-2000
Retail prices						
	<i>Cents/lb.</i>					
Beef - Choice	293.6	297.9	305.4	308.8	311.5	310.0
Beef - All Fresh	270.1	270.8	272.5	274.3	278.4	279.6
Ground Beef	151.6	153.2	158.4	157.0	155.6	157.4
Round Roast	296.8	293.3	295.4	296.8	294.9	285.9
T-bone steak	651.4	668.4	677.8	717.0	721.8	719.4
Pork	251.0	252.8	255.5	256.2	260.3	262.3
Bacon	287.1	292.8	295.3	300.6	313.2	316.8
Chops	324.4	328.8	333.0	336.7	332.8	340.6
Sausage	251.6	258.9	259.0	261.5	268.6	266.9
Broilers - Composite ¹	150.7	155.2	156.2	156.7	155.1	155.8
Whole, fresh	104.6	106.4	106.9	105.2	106.9	108.9
Breast - bone in	199.5	210.9	212.7	214.3	206.4	206.7
Leg - bone in	125.5	125.5	126.0	126.2	128.6	129.3
Turkey; whole frozen	102.5	101.5	99.7	102.9	106.5	109.5
Eggs, Gr A, Lg, Doz	96.2	93.1	93.9	85.2	83.8	86.8
Price indexes						
	<i>1982-84=100</i>					
CPI - All	169.7	171.1	171.2	171.3	172.3	172.6
All food	166.3	166.5	166.6	167.3	167.3	168.1
All meat	146.4	148.3	148.8	150.1	151.7	152.7
Beef & veal	144.3	145.7	147.0	148.0	149.9	149.5
Pork	150.7	153.8	153.5	155.5	157.5	159.9
Poultry	157.9	158.6	158.5	159.6	159.3	161.8
Price Spreads						
	<i>Cents / retail lb.</i>					
Beef						
Farm to wholesale	28.0	29.1	32.1	40.6	41.5	34.9
Wholesale to retail	119.2	114.6	114.4	115.0	120.8	130.4
Farmers share (%)	50	52	52	50	48	47
Pork						
Farm to wholesale	36.0	35.2	30.2	30.3	30.4	33.2
Wholesale to retail	140.9	140.2	136.9	136.5	138.2	139.2
Farmers share (%)	30	31	35	35	35	34
Poultry and eggs						
Wholesale to retail						
Broilers ¹	101.2	104.0	104.1	101.0	99.1	99.2
Retail to consumer						
Turkey	33.9	29.1	25.9	27.6	29.5	30.9
Eggs Cents/doz	25.8	29.4	21.8	27.3	18.3	25.6

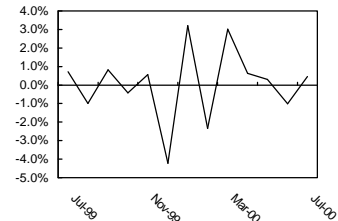
Retail Beef Price
Percent Change From Previous Month



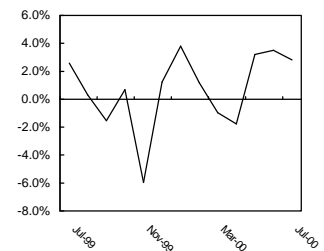
Retail Pork Price
Percent Change from Previous Month



Composite Broiler Price
Percent Change from Previous Month



Retail Turkey Price
Percent Change from Previous Month



Cumulative U.S. Livestock & Meat Imports and Exports

	1998	1999	Jan. - Jun-1999	Jan. - Jun-2000		1998	1999	Jan. - Jun-1999	Jan. - Jun-2000
Beef & Veal Imports					Pork Imports				
	<i>Carcass wt., thousand lbs.</i>					<i>Carcass wt., thousand lbs.</i>			
Australia	855,260	865,595	402,338	427,483	Canada	491,226	617,339	287,868	361,040
New Zealand	593,101	560,957	345,197	434,485	Denmark	135,513	132,868	70,736	80,621
Canada	823,073	947,238	443,424	453,763	Poland	19,801	23,090	10,422	11,704
Brazil	135,055	202,241	98,269	84,169	Netherlands	9,972	9,895	5,599	6,013
Argentina	124,191	156,785	82,545	71,248	Hungary	10,607	5,863	3,604	4,748
Central America	51,753	62,392	26,986	31,268	Other	38,274	38,060	22,570	20,727
Uruguay	50,237	65,931	34,916	38,695	Total	705,392	827,114	400,799	484,853
Mexico	9,142	10,482	5,036	5,794					
Other	1,294	2,069	723	995					
Total	2,643,105	2,873,689	1,439,434	1,547,900					
Beef & Veal Exports					Pork Exports				
Japan	1,118,488	1,101,164	553,868	571,617	Japan	496,470	542,290	270,578	307,573
Canada	261,211	249,463	119,249	128,823	Canada	126,375	127,124	59,605	63,637
Mexico	418,855	466,003	204,550	247,453	Mexico	145,363	167,299	66,687	124,338
Korea, Rep.	153,808	307,957	135,531	189,089	Russia	175,399	11,708	3,085	118,942
Caribbean	21,089	30,369	16,631	10,636	Korea, Rep	27,755	55,214	27,640	22,803
Russia	52,464	8,572	3,039	120,800	Hong Kong	62,116	47,209	25,189	24,792
Other	144,727	164,860	88,246	75,326	Caribbean	21,784	21,080	10,314	7,967
Total	2,170,642	2,328,388	1,121,113	1,343,743	Other	174,862	194,830	107,017	76,267
					Total	1,230,124	1,166,754	570,115	746,319
Cattle Imports					Hog Imports				
	<i>Head</i>					<i>Head</i>			
Mexico	720,439	959,840	444,852	621,084	Canada	4,122,364	4,135,272	1,992,322	2,024,452
Canada	1,313,476	985,215	529,177	496,099	Under 110 lb	1,466,077	2,082,146	1,000,777	1,090,341
Over 700 lbs.	1,183,457	865,558	466,254	429,645	Total	4,122,914	4,135,663	1,992,456	2,024,452
440-700 lbs.	47,558	22,081	15,269	16,259					
Total	2,034,009	1,945,076	974,029	1,117,183					
Cattle Exports					Hog Exports				
Mexico	160,474	100,481	41,775	53,436	Total	229,454	177,089	136,501	55,369
Canada	116,762	222,830	64,496	130,514					
Total	285,209	329,319	111,025	185,784					
Lamb Imports					Broiler Exports				
	<i>Carcass wt., thousand lbs.</i>					<i>RTC, thousand lbs.</i>			
Australia	42,438	48,587	25,480	27,741	Japan	227,441	218,380	112,887	121,596
New Zealand	34,799	33,991	19,323	19,318	Mexico	275,685	298,635	138,017	162,435
Total	77,813	83,052	44,964	47,837	Hong Kong	984,612	1,227,094	621,311	701,753
					Singapore	17,114	23,180	12,719	25,142
					Canada	133,222	145,806	62,631	84,568
					Russia	1,496,098	536,596	196,297	660,003
					Latvia	291,487	690,853	338,460	254,543
					Other	1,247,176	1,600,289	724,056	795,551
					Total	4,672,836	4,740,833	2,206,377	2,805,591
Mutton Imports					Turkey Exports				
Total	34,510	29,463	13,125	18,864	Mexico	249,702	216,370	89,459	105,709
					S. Korea	5,663	11,360	6,138	3,231
					Russia	73,950	14,532	7,372	32,495
					Hong Kong	34,387	33,883	13,561	23,954
					Canada	8,480	11,662	4,500	4,314
					Other	73,961	91,461	46,676	41,654
					Total	446,144	379,268	167,706	211,356
Customs Service					Shell Egg Exports				
	<i>Product wt., metric tons:</i>					<i>thousand doz.</i>			
YTD imports under WT	8/23/99	8/21/00	% of quota		Canada	35,575	31,373	15,180	12,202
Canada	203,972	209,941	NA		Japan	349	3,118	304	768
Mexico	1,745	1,163	NA		Other	66,465	50,323	25,593	28,949
TRQ Countries	342,278	379,950	55		Total	102,388	84,814	41,077	41,919
Australia	167,198	174,315	46						
New Zealand	135,939	169,604	79						
Argentina	15,447	10,813	54						
Uruguay	12,269	12,263	61						
Other	11,426	12,954	20						
Total	547,995	591,054	NA						

IMPORTANT NOTE: All trade data for Russia is under review

MONTHLY U.S. LIVESTOCK & MEAT IMPORTS & EXPORTS

	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00
Beef & Veal Imports	<i>Carcass wt., thousand lb.</i>												
Australia	70,632	77,704	83,686	74,000	88,619	63,640	75,609	76,389	35,683	70,142	79,708	79,971	85,592
New Zealand	76,815	57,335	36,590	36,454	27,198	19,525	38,658	57,660	62,873	84,387	73,506	79,992	76,067
Canada	82,020	82,147	88,995	87,357	90,483	80,619	74,213	71,801	71,991	77,383	68,714	77,127	86,747
Brazil	23,301	18,645	16,227	17,799	17,803	20,400	13,098	17,245	16,166	12,854	13,224	11,897	12,783
Argentina	14,218	8,696	12,398	12,766	12,357	15,048	12,975	15,349	12,706	11,964	9,785	11,944	9,500
Central America	3,986	3,830	5,721	6,674	5,751	7,281	6,150	4,690	7,343	4,993	3,978	4,898	5,365
Uruguay	6,367	5,035	2,954	4,074	8,564	7,310	3,079	6,020	5,830	7,173	4,400	8,114	7,157
Mexico	985	786	1,009	901	1,021	1,031	697	957	1,179	712	1,111	769	1,066
Other	83	158	296	135	76	465	216	16	67	105	153	451	203
Total	278,406	254,335	247,875	240,159	251,873	215,318	224,694	250,127	213,838	269,713	254,579	275,162	284,480
Beef & Veal Exports													
Japan	92,357	84,197	95,969	96,781	95,357	91,754	83,239	85,363	91,749	102,427	95,351	101,906	94,821
Canada	18,649	20,359	18,438	20,425	22,537	23,555	24,900	21,129	23,625	21,497	20,811	22,217	19,544
Mexico	37,394	44,566	41,297	41,133	42,634	46,326	45,496	40,080	46,399	45,226	33,467	40,750	41,531
Korea, Rep.	25,691	40,548	30,610	17,884	26,737	26,053	30,593	30,263	29,522	30,612	30,577	29,975	38,140
Caribbean	2,011	1,811	2,200	1,579	1,947	2,041	4,160	2,381	1,311	2,077	1,669	1,398	1,799
Russia	56	252	178	157	748	123	4,076	50,262	68,579	239	536	921	264
Other	16,939	13,857	10,697	9,671	14,485	13,574	14,330	13,804	13,123	15,519	10,090	11,097	11,691
Total	193,097	205,590	199,389	187,630	204,445	203,425	206,795	243,283	274,308	217,597	192,501	208,265	207,790
Cattle Imports	<i>Head</i>												
Mexico	39,213	20,571	15,589	30,310	100,710	211,065	136,743	103,352	115,338	136,230	106,222	108,743	51,199
Canada	82,966	59,419	91,666	95,656	102,074	65,440	41,783	37,097	72,243	115,914	95,074	90,638	85,133
Over 700 lbs.	72,646	49,724	80,849	86,024	93,167	56,973	32,567	31,082	64,389	103,408	82,987	74,722	73,057
440-700 lbs.	972	825	803	680	1,147	1,152	2,205	1,502	1,481	3,005	3,290	4,685	2,296
Total	122,179	79,990	107,255	125,966	202,795	276,510	178,531	140,449	187,581	252,144	201,296	199,381	136,332
Cattle Exports													
Mexico	7,441	6,808	9,296	14,655	11,304	8,556	8,087	7,358	10,121	7,656	5,205	10,240	12,856
Canada	9,730	5,664	5,939	4,086	68,741	45,212	28,692	35,141	27,843	28,568	9,674	17,116	12,172
Total	17,312	12,642	15,462	18,945	80,266	53,887	37,092	42,668	38,383	36,838	15,117	27,623	25,155
Lamb Imports	<i>Carcass wt., thousand lb.</i>												
Australia	5,034	4,901	3,283	3,130	3,571	3,646	4,576	3,328	3,905	5,457	5,445	4,038	5,569
New Zealand	2,800	3,582	1,702	1,815	2,483	1,677	3,409	2,577	3,421	4,165	3,558	2,979	2,617
Total	7,840	8,558	5,011	4,956	6,118	5,394	8,051	6,037	7,405	9,804	9,178	7,130	8,283
Mutton Imports													
Total	844	1,442	1,606	1,959	3,177	3,333	4,819	4,578	2,747	3,211	2,407	3,828	2,094
Lamb and mutton exports													
Total	593	318	435	180	388	429	389	434	488	665	530	244	203

	Jun-1999	Jul-1999	Aug-1999	Sep-1999	Oct-1999	Nov-1999	Dec-1999	Jan-2000	Feb-2000	Mar-2000	Apr-2000	May-2000	Jun-2000
Pork Imports	<i>Carcass wt., thousand lb.</i>												
Canada	50,472	43,622	53,554	53,928	61,624	59,067	57,676	57,685	58,133	67,669	58,781	60,827	57,945
Denmark	10,361	11,067	9,969	10,309	11,222	9,860	9,705	10,134	13,518	16,506	12,394	15,323	12,746
Poland	1,864	1,986	1,594	2,594	2,888	1,954	1,652	1,543	1,711	2,062	1,526	1,668	3,195
Netherlands	132	311	210	653	854	1,223	1,044	904	561	1,340	1,358	908	941
Hungary	472	536	72	278	143	608	622	737	748	876	885	763	739
Other	4,707	1,982	1,697	1,490	2,829	3,950	3,543	4,118	3,032	4,188	3,084	3,175	3,130
Total	68,010	59,503	67,095	69,252	79,559	76,663	74,242	75,121	77,703	92,641	78,027	82,664	78,697
Pork Exports													
Japan	44,365	40,965	48,526	46,328	45,976	45,413	44,505	44,069	50,769	53,838	49,368	57,495	52,033
Canada	10,326	11,861	9,045	12,607	9,746	12,119	12,140	10,487	10,814	11,923	10,752	9,748	9,913
Mexico	15,889	14,467	15,292	13,883	17,706	18,611	20,654	20,733	24,416	24,695	16,160	17,334	21,000
Russia	377	140	251	228	44	130	7,831	47,518	71,035	11	68	101	208
Korea, Rep	5,894	6,098	3,440	2,724	8,400	3,029	3,885	3,170	5,060	4,310	4,693	2,780	2,789
Hong Kong	3,477	3,621	2,813	4,489	2,457	3,278	5,362	2,447	2,965	4,089	5,508	4,798	4,987
Caribbean	1,312	1,124	1,808	2,329	1,831	1,454	2,220	1,369	1,642	1,701	967	1,321	967
Other	19,242	12,496	19,182	12,373	13,696	14,795	15,270	9,215	16,573	15,310	13,024	9,785	12,360
Total	100,884	90,771	100,357	94,961	99,855	98,828	111,866	139,007	183,273	115,878	100,541	103,363	104,256
Hog Imports	<i>Head</i>												
Canada	364,347	311,888	365,563	379,352	374,227	352,299	359,621	338,798	307,887	334,298	299,551	367,001	376,917
Under 110 lb	196,246	163,094	179,048	199,227	177,387	183,071	179,542	177,751	174,948	191,386	166,662	182,566	197,028
Total	364,391	312,117	365,563	379,352	374,255	352,299	359,621	338,798	307,887	334,298	299,551	367,001	376,917
Hog Exports													
Total	26,637	4,060	8,967	10,363	10,250	1,986	4,962	8,072	14,943	17,694	8,297	4,845	1,518
Broiler Exports	<i>RTC, thousand lb.</i>												
Japan	17,853	13,423	23,875	20,086	20,966	16,273	10,871	13,866	16,148	22,673	19,393	22,696	26,821
Mexico	28,962	22,475	27,527	26,916	27,787	28,608	27,304	24,748	29,673	26,655	25,204	19,295	36,860
Hong Kong	91,355	96,171	83,520	78,312	102,474	110,519	134,787	95,418	108,962	125,850	101,940	119,118	150,465
Singapore	2,448	1,479	2,150	1,849	1,657	1,844	1,482	1,658	2,371	5,836	6,983	4,117	4,178
Canada	13,285	17,405	14,650	15,205	12,486	12,346	11,084	13,480	13,331	13,866	14,405	13,870	15,614
Russia	26,359	11,600	34,629	59,174	114,736	76,959	43,202	159,995	192,494	41,494	39,524	93,492	133,004
Latvia	58,252	76,910	98,008	70,742	14,569	59,147	33,018	43,614	119,687	32,548	32,173	734	25,787
Other	151,783	177,738	116,943	109,232	148,209	146,115	177,996	103,923	142,844	128,165	138,460	133,505	148,654
Total	390,298	417,202	401,302	381,514	442,884	451,811	439,744	456,702	625,511	397,086	378,083	406,827	541,383
Turkey Exports													
Mexico	20,731	15,317	18,266	18,331	23,725	25,573	25,698	19,406	20,084	18,099	18,352	9,936	19,832
Canada	959	1,413	1,135	1,041	1,467	924	1,181	614	891	775	609	746	679
S. Korea	968	900	682	1,203	772	767	898	483	471	750	371	419	737
Russia	104	1,055	890	2,863	806	964	582	2,329	1,428	27,323	128	116	1,173
Hong Kong	3,235	2,837	3,028	3,014	4,157	3,013	4,273	2,374	3,262	3,403	2,547	4,867	7,501
Other	10,453	6,193	6,829	8,317	8,108	7,748	7,592	5,645	5,863	6,981	5,859	6,382	10,924
Total	36,449	27,716	30,829	34,768	39,034	38,990	40,224	30,850	31,999	57,331	27,866	22,464	40,846
Shell Egg Exports	<i>thousand doz.</i>												
Canada	2,043	2,186	3,295	3,391	2,355	2,440	2,527	1,514	1,323	2,421	2,274	2,158	2,512
Japan	15	104	216	349	590	854	701	574	62	43	24	22	43
Total	6,275	5,728	7,318	7,513	7,488	7,811	7,880	6,115	6,630	8,442	7,176	5,747	7,808

For further information:

Dale Leuck (202) 694-5186, or Mildred Haley (202) 694-5176

	1998					1999				2000					2001		
	Annual	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual				
Production, million lb.																	
Beef	25,653	6,627	6,838	6,522	26,386	6,653	6,697	7,000	6,425	26,775	6,475	6,450	25,575				
Pork	18,981	4,630	4,672	5,110	19,278	4,824	4,470	4,600	4,975	18,869	4,750	4,525	19,050				
Broilers	27,863	7,592	7,486	7,367	29,741	7,602	7,750	7,650	7,700	30,658	8,000	8,200	32,300				
Turkeys	5,281	1,336	1,362	1,393	5,297	1,284	1,391	1,375	1,400	5,450	1,275	1,375	5,450				
Total Red Meat & Poultry	78,801	20,437	20,610	20,650	81,724	20,614	20,514	20,862	20,743	82,733	20,751	20,799	83,355				
Table eggs, mil doz.	5,620	1,432	1,456	1,517	5,833	1,484	1,467	1,480	1,535	5,966	1,490	1,480	6,020				
Per capita consumption, Retail lb.																	
Beef	68.1	17.8	17.8	16.8	69.0	17.1	17.5	18.3	16.6	69.6	16.8	17.0	66.3				
Pork	52.6	13.0	13.3	14.0	53.8	13.1	12.5	13.0	13.8	52.5	13.0	12.5	52.4				
Broilers	72.6	19.8	19.3	18.7	77.1	19.3	20.0	19.7	19.8	78.7	20.7	21.2	83.1				
Turkeys	18.1	3.8	4.4	5.8	17.9	3.7	4.3	4.2	5.9	18.0	3.8	3.8	17.8				
Total Red Meat & Poultry	213.7	55.0	55.4	55.9	220.4	53.9	55.0	55.7	56.7	221.3	54.9	55.1	222.0				
Eggs, number	244.9	62.8	63.8	66.2	255.5	64.6	63.9	64.1	66.6	259.2	64.1	63.7	258.7				
Market Prices																	
Choice steers, Neb., \$/cwt.	61.48	65.04	65.12	69.65	65.56	69.32	71.59	65-67	68-72	68-70	69-75	72-78	72-77				
Feeder steers, Ok City, \$/cwt.	71.80	72.17	77.57	83.87	76.39	84.91	84.76	86-88	86-90	85-87	86-92	86-92	87-92				
Bng Ut Cows, S. Falls, \$/cwt.	36.20	38.77	40.02	38.71	38.40	39.88	44.23	44-46	43-47	43-45	40-44	45-49	43-48				
Barrows & gilts, I.N. base, l.e. \$/cwt.	34.72	35.18	35.70	36.29	34.00	41.14	50.43	47-49	40-42	45-46	42-46	45-49	42-46				
Broilers, 12 City, cents/lb.	63.10	58.60	58.10	57.60	58.10	54.60	55.70	57-59	54-58	55-57	51-55	54-58	53-58				
Turkeys, Eastern, cents/lb.	62.20	65.80	73.80	76.90	69.00	62.90	69.00	72-74	76-80	70-72	60-64	63-69	65-71				
Eggs, New York, cents/doz.	75.80	58.10	66.20	63.20	65.60	63.30	62.10	63-65	65-69	63-65	60-66	53-57	59-63				
U.S. Trade, million lb.*																	
Beef & veal exports	2,171	557	625	665	2,411	655	600	630	630	2,515	590	590	2,345				
Beef & veal imports	2,642	812	742	692	2,874	734	820	775	700	3,029	715	830	3,050				
Pork exports	1,229	304	290	425	1,285	325	315	305	315	1,260	320	335	1,305				
Pork imports	704	200	196	230	827	245	245	245	270	1,005	245	245	1,005				
Broiler exports	4,673	1,170	1,230	1,430	4,866	1,355	1,225	1,225	1,250	5,055	1,250	1,250	5,050				
Turkey exports	446	109	106	92	393	94	75	90	90	349	90	90	360				

*See note about adjustments on front page.

ECONOMIC INDICATOR FORECASTS ^{1/}

	1999				2000					2001		
	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
GDP, chain wtd (bil. 1996 dol.)	8,779	8,883	9,027	8,848	9,157	9,309	9,387	9,462	9,336	9531	9595	9635
CPI-U, annual rate (pct.)	3.5	2.6	2.9	2.6	4.0	3.6	2.9	2.8	3.3	2.8	2.7	2.8
Unemployment (pct.)	4.3	4.2	4.1	4.2	4.1	4.0	4.0	4.0	4.0	4.1	4.2	4.2
Interest (pct.)												
3-month Treasury bill	4.5	4.7	5.0	4.6	5.5	5.7	6.0	6.1	5.8	6.0	6.0	6.0
10-year Treasury bond yield	5.5	5.9	6.1	5.6	6.5	6.2	6.1	6.1	6.2	6.1	6.1	6.1

1/ Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, May 2000.

DAIRY FORECASTS

	1999				2000					2001		
	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thous.)	9,155	9,171	9,170	9,156	9,187	9,213	9,225	9,225	9,215	9180	9,120	9095
Milk per cow (pounds)	4,591	4,337	4,406	17,771	4,636	4,682	4,425	4,440	18,185	4640	4,740	18400
Milk production (bil. pounds)	42.0	39.8	40.4	162.7	42.6	43.2	40.8	41.0	167.5	42.6	43.2	167.4
Commercial use (bil. pounds)												
milkfat basis	41.5	42.5	42.5	164.9	40.4	42.2	44.0	43.6	170.2	40.5	42.8	169.7
skim solids basis	39.3	40.7	39.9	157.8	39.1	40.6	41.8	41.6	163.0	41.0	41.8	168.0
Net removals (bil. pounds)												
milkfat basis	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.1	0.8	0.2	0.1	0.4
skim solids basis	2.0	1.6	1.7	6.5	2.4	2.7	1.7	1.7	8.6	0.5	0.4	1.8
Prices (dol./cwt)												
All milk	12.80	14.87	13.83	14.36	11.90	12.03	12.35	12.95	12.30	11.65	10.90	12.20
							-12.65	-13.55	-12.50	-12.55	-11.90	-13.20
Basic Formula Price/ Class III	11.50	15.21	10.30	12.43	9.71	9.42	10.15	10.70	10.00	9.95	9.30	10.60
							-10.45	-11.30	-10.20	-10.85	-10.30	-11.60
Class IV					10.84	11.89	11.70	11.70	11.55	10.05	10.05	10.85
							-12.10	-12.40	-11.85	-11.05	-11.15	-11.95

U.S. dairy situation at a glance

	Unit	1997	1998	1999	May-99	Jun-99	Jul-99	Aug-99
Milk production:								
Production (20 States)	Mil. lb.	133,314	134,900	140,029	12,447	11,737	11,610	11,534
Milk cow (20 States)	Thou.	7,760	7,708	7,735	7,733	7,740	7,751	7,755
Milk per cow (20 States)	Lb.	17,180	17,502	18,105	1,610	1,516	1,498	1,487
Production (U.S. est.)	Mil. lb.	156,091	157,348	162,711	14,458	13,629	13,450	13,357
Milk prices:								
All milk	Dol./cwt	13.34	15.50	14.36	12.70	13.10	13.80	15.10
Milk eligible for fluid use	Dol./cwt	13.38	15.52	14.43	12.80	13.20	13.90	15.00
Manufacturing grade milk	Dol./cwt	12.18	14.36	12.87	11.60	12.00	13.40	15.40
Class III (BFP before 2000) 3.5% fat	Dol./cwt	12.05	14.20	12.43	11.26	11.42	13.59	15.79
Slaughter cow price, WI	Dol./cwt	36.93	35.54	37.28	38.31	38.80	39.69	39.25
Wholesale prices:								
Butter, Central States 1/ American cheese, WI assembly pt. 40-pound blocks	Ct/lb	116.2	177.6	125.2	111.0	150.4	134.7	141.4
Barrels	Ct/lb	132.4	158.1	142.3	124.8	138.1	159.7	189.0
Nonfat dry milk, Central States	Ct/lb	125.2	151.7	136.4	120.8	133.9	152.9	179.2
	Ct/lb	110.0	106.9	103.5	102.3	101.4	101.7	103.8
Retail prices:								
Consumer Price Index	1982-84=100	160.5	163.0	166.6	166.2	166.2	166.7	167.1
All food	1982-84=100	157.3	160.7	164.1	163.7	163.6	163.8	164.2
Dairy products	1982-84=100	145.5	150.8	159.6	156.2	156.1	155.7	156.5
Fluid milk	Dec 1997=100	NA	101.3	107.6	103.3	103.3	102.8	102.9
Other dairy products	Dec 1997=100	NA	101.9	107.2	106.9	106.4	108.2	107.1
Dairy product output:								
Butter	Mil. lb.	1,151.3	1,168.0	1,275.0	110.9	94.6	84.8	78.2
American cheese	Mil. lb.	3,285.6	3,314.7	3,576.5	312.5	294.0	299.4	293.1
Other-than-American cheese	Mil. lb.	4,044.9	4,177.5	4,015.5	362.5	375.4	350.4	355.3
Frozen products 2/	Mil. gal.	1,290.0	1,324.3	1,311.8	120.6	137.6	132.8	126.5
All products (m.e.-fat)	Mil. lb.	96,323	98,378	103,630	9,127	8,967	8,651	8,364
Nonfat dry milk	Mil. lb.	1,217.6	1,135.4	1,378.2	136.7	118.6	99.3	95.8
Beginning stocks:								
Commercial butter	Mil. lb.	13.4	20.5	25.9	125.5	136.3	120.3	123.2
Commercial American cheese	Mil. lb.	379.6	410.3	407.6	514.4	558.9	531.2	543.6
Other cheese	Mil. lb.	107.3	70.0	109.5	174.2	182.3	197.2	205.1
Manufacturers' nonfat dry milk	Mil. lb.	71.1	103.3	56.9	141.2	162.4	161.9	143.7
All commercial (m.e.-fat)	Mil. lb.	4,704	4,889	5,274	8,939	9,669	9,191	9,436
All commercial (m.e.-skim)	Mil. lb.	5,753	6,080	5,914	8,616	9,405	9,286	9,288
All Government (m.e.-fat)	Mil. lb.	10	18	28	27	31	39	44
All Government (m.e.-skim)	Mil. lb.	7	258	1,115	1,004	1,032	1,341	1,643
Commercial disappearance:								
Butter	Mil. lb.	1,109	1,223	1,309	102.1	113.8	88.1	116.9
American cheese	Mil. lb.	3,269	3,338	3,586	272.3	324.0	291.1	331.7
Other-than-American cheese	Mil. lb.	4,367	4,452	4,678	381.5	384.4	372.0	408.0
Nonfat dry milk	Mil. lb.	894	867	791	62.9	49.8	63.6	95.4
All products:								
m.e.-fat	Mil. lb.	156,118	159,779	164,911	13,914	14,254	13,568	14,870
Milkfat	Mil. lb.	5,722	5,842	6,049	501	509	475	528
Skim solids	Mil. lb.	13,327	13,497	13,665	1,154	1,133	1,113	1,207
USDA net removals:								
Butter	Mil. lb.	38.4	6.3	3.7	0.0	0.0	0.0	0.0
Cheese	Mil. lb.	11.3	8.2	4.6	0.3	0.1	0.2	0.5
Nonfat dry milk	Mil. lb.	298.0	326.4	540.6	53.8	69.7	55.0	36.3
All products (m.e.-fat)	Mil. lb.	1,090	366	344	21	23	20	20
All products (m.e.-skim)	Mil. lb.	3,681	3,974	6,455	637	820	650	436
Imports								
All products (m.e.-fat)	Mil. lb.	2,698	4,588	4,772	323	282	500	476
All products (m.e.-skim)	Mil. lb.	3,165	3,744	4,618	345	294	383	413
International market prices:								
Butter	\$/metric ton	1,861	1,908	1,506	1,438	1,478	1,450	1,418
Nonfat dry milk	\$/metric ton	1,738	1,440	1,332	1,263	1,274	1,293	1,330

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)

Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00
11,200	11,549	11,315	11,928	12,256	11,691	12,679	12,399	12,743	12,083	12,195
7,753	7,746	7,756	7,757	7,765	7,766	7,774	7,787	7,795	7,810	7,834
1,445	1,491	1,459	1,538	1,578	1,505	1,631	1,592	1,635	1,547	1,557
12,964	13,418	13,141	13,847	14,258	13,596	14,739	14,378	14,771	14,001	14,067
15.70	14.90	14.40	12.20	12.00	11.80	11.90	11.90	12.00	12.20	12.70
15.80	15.00	14.50	12.30	12.00	11.90	12.00	12.00	12.10	12.30	12.80
15.10	12.70	11.10	10.80	10.70	10.20	10.10	10.20	10.10	10.30	10.90
16.26	11.49	9.79	9.63	10.05	9.54	9.54	9.41	9.37	9.46	10.66
36.35	36.81	36.50	37.70	37.63	39.08	40.63	41.25	41.80	42.06	40.94
135.8	113.8	109.6	94.2	91.6	92.9	99.7	108.7	122.2	128.6	120.3
167.3	134.0	117.3	115.7	114.6	111.6	112.2	110.7	110.6	120.0	125.2
153.2	128.0	114.3	114.8	112.7	109.2	109.6	108.5	109.2	117.2	121.3
104.9	104.5	103.4	101.7	100.9	100.3	100.1	100.0	100.1	101.2	102.2
167.9	168.2	168.3	168.3	168.7	169.7	171.1	171.2	171.3	172.3	172.6
164.6	165.1	165.2	165.4	166.1	166.3	166.5	166.6	167.3	167.3	168.1
158.7	164.1	164.6	162.1	160.4	160.9	159.1	160.6	159.6	159.5	160.5
105.6	112.5	114.2	109.7	106.9	106.6	106.0	107.4	107.2	106.9	108.2
107.1	107.2	108.3	107.9	108.5	109.4	109.1	109.3	108.6	108.6	110.5
92.1	103.1	103.5	119.8	142.3	130.3	122.5	115.4	111.2	91.2	NA
281.1	295.3	288.1	309.7	316.7	302.3	320.2	312.5	326.5	310.6	NA
8.3	376.6	400.3	396.1	370.2	343.2	397.7	381.0	410.6	388.3	NA
109.5	94.5	88.0	84.8	83.8	98.6	120.4	117.2	127.3	133.8	NA
8,230	8,347	8,335	8,717	9,092	8,757	9,426	9,145	9,639	9,054	NA
95.5	105.3	102.4	126.1	133.6	133.1	139.5	147.0	137.9	128.5	NA
90.5	71.3	63.8	29.9	24.9	72.6	88.5	97.4	126.6	137.6	144.4
508.3	473.6	459.3	448.2	458.0	480.1	515.3	524.9	547.9	554.6	570.2
186.4	177.6	162.6	143.5	163.3	187.9	193.0	201.7	200.7	208.8	212.0
108.8	96.6	97.7	102.2	115.5	146.2	173.4	167.9	197.4	197.0	171.2
8,263	7,444	7,016	5,992	6,135	7,576	8,300	8,638	9,520	9,884	10,184
8,356	7,769	7,468	7,175	7,634	8,468	9,195	9,302	9,907	10,056	9,930
50	43	44	44	44	47	57	64	82	100	121
1,995	1,715	1,556	1,615	1,566	1,750	2,174	2,654	3,052	3,624	4,294
113.3	113.2	137.2	124.4	93.2	113.8	113.7	86.7	102.7	90.3	NA
322.0	318.5	305.1	307.2	296.5	268.4	313.7	292.9	321.8	297.5	NA
403.8	426.8	454.0	416.9	367.4	362.1	418.4	409.1	432.6	414.0	NA
69.3	72.3	60.6	44.9	43.1	43.1	69.2	42.8	57.1	92.8	NA
14,073	14,174	14,384	13,964	12,881	12,984	14,573	13,667	14,600	13,953	NA
511	527	541	530	491	490	544	503	531	500	NA
1,150	1,191	1,161	1,126	1,151	1,064	1,217	1,138	1,207	1,173	NA
0.5	0.5	0.8	1.0	2.0	2.6	1.6	0.9	0.8	0.7	0.2
0.4	0.4	0.2	0.4	0.4	0.7	1.8	2.2	4.5	1.9	2.1
39.4	33.4	38.7	68.8	60.3	63.5	76.5	75.0	81.8	61.9	42.1
30	27	40	55	88	99	86	78	107	78	55
470	399	466	822	738	771	929	920	1032	777	534
432	471	371	431	265	316	371	358	412	439	NA
447	484	427	499	266	291	390	354	402	358	NA
1,436	1,500	1,550	1,533	1,431	1,318	1,238	1,250	1,273	1,353	1,394
1,364	1,401	1,423	1,435	1,455	1,470	1,460	1,500	1,604	1,900	2,000

Fluid milk sales by product, 1975-99

Year	Whole milk	Lower fat milk	Skim milk	Flavored whole milk	Other flavored milk	Butter-milk	Total beverage milk	
Million pounds								
1975	36,188	11,468	2,480	1,366	719	1,011	53,232	
1976	35,241	12,431	2,524	1,475	864	1,021	53,556	
1977	34,036	13,426	2,617	1,446	1,062	1,007	53,594	
1978	33,235	14,250	2,543	1,359	1,097	983	53,467	
1979	32,480	15,043	2,604	1,236	1,129	939	53,431	
1980	31,253	15,918	2,636	1,075	1,197	927	53,006	
1981	30,397	16,662	2,583	843	1,288	926	52,699	
1982	29,350	17,038	2,449	710	1,283	950	51,780	
1983	28,871	17,638	2,474	749	1,374	1,006	52,112	
1984	28,204	18,525	2,726	907	1,409	1,020	52,791	
1985	27,760	19,812	3,009	882	1,430	1,046	53,939	
1986	26,446	21,156	3,236	851	1,516	1,017	54,222	
1987	25,622	21,722	3,403	829	1,607	1,039	54,222	
1988	24,423	21,974	3,936	807	1,612	995	53,747	
1989	22,743	23,769	4,988	767	1,606	907	54,780	
1990	21,348	24,525	5,706	692	1,658	879	54,808	
1991	20,847	25,133	6,023	675	1,726	858	55,262	
1992	20,263	25,309	6,378	692	1,751	811	55,204	
1993	19,535	24,920	6,871	693	1,783	783	54,585	
1994	19,407	24,972	7,485	708	1,859	768	55,199	
1995	18,734	24,295	8,391	707	1,921	742	54,790	
1996	18,821	24,169	8,929	667	2,088	716	55,390	
1997	18,527	23,858	9,195	680	2,167	695	55,122	
1998	18,321	23,671	9,292	795	2,278	682	55,039	
1999 2/	18,613	23,757	9,056	884	2,358	673	55,341	
Half and half	Light cream	Heavy cream	Sour cream 1/	Total cream products	Eggnog	Yogurt	Total all products	
Million pounds								
1975	514	87	119	350	1,070	76	425	54,803
1976	530	76	129	350	1,085	87	465	55,193
1977	536	68	126	364	1,094	94	515	55,297
1978	537	70	123	374	1,104	94	545	55,210
1979	543	66	139	395	1,143	94	550	55,218
1980	551	55	159	408	1,173	95	570	54,844
1981	568	56	166	424	1,214	100	560	54,573
1982	569	62	172	451	1,254	104	600	53,738
1983	599	67	196	484	1,346	112	740	54,310
1984	656	74	221	523	1,474	116	840	55,221
1985	714	85	243	544	1,586	121	940	56,586
1986	759	103	260	565	1,687	121	1,000	57,030
1987	754	103	271	588	1,716	124	1,038	57,100
1988	744	99	290	602	1,735	128	1,090	56,700
1989	766	101	317	620	1,804	124	1,028	57,736
1990	740	88	325	625	1,778	123	997	57,706
1991	771	79	318	661	1,829	111	1,063	58,265
1992	806	88	336	694	1,924	115	1,081	58,324
1993	824	91	351	697	1,963	108	1,102	57,758
1994	821	85	373	717	1,996	109	1,216	58,520
1995	834	95	404	770	2,103	112	1,333	58,338
1996	882	106	453	767	2,208	100	1,283	58,981
1997	889	120	509	799	2,317	103	1,379	58,921
1998	904	135	522	824	2,385	103	1,366	58,893
1999 2/	967	169	560	847	2,543	109	1,339	59,332

1/ Includes sour cream dips in CA and sour cream used in dips elsewhere.

2/ Preliminary.

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	13,633	12,607	14,265	13,942	14,458	13,629	13,450	13,357	12,964	13,418	13,141	13,847	162,711
Farm use	116	105	116	113	116	112	117	116	112	116	112	116	1,367
Marketings	13,517	12,502	14,149	13,829	14,342	13,517	13,333	13,241	12,852	13,302	13,029	13,731	161,344
Beginning commercial stocks	5,274	6,917	7,795	8,164	8,939	9,669	9,191	9,436	8,263	7,444	7,016	5,992	5,274
Imports	420	346	370	351	323	282	500	476	432	471	371	431	4,772
Total supply	19,211	19,765	22,314	22,344	23,604	23,468	23,024	23,153	21,547	21,217	20,416	20,154	171,390
Utilization:													
Ending commercial stocks	6,917	7,795	8,164	8,939	9,669	9,191	9,436	8,263	7,444	7,016	5,992	6,135	6,135
USDA net removals	21	23	32	31	21	23	20	20	30	27	40	55	344
Commercial disappearance	12,273	11,947	14,118	13,374	13,914	14,254	13,568	14,870	14,073	14,174	14,384	13,964	164,911
Percent change from a year ago	-3.3	0.4	4.5	1.5	0.0	3.8	-0.8	8.2	7.7	3.3	9.3	3.5	3.2
Cumulative disappearance	12,273	24,220	38,338	51,712	65,626	79,880	93,448	108,318	122,391	136,565	150,949	164,913	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	38,338			41,542			42,511			42,522			
Percent change from a year ago	0.6			1.8			5.0			5.4			

Commercial disappearance: Milk in all products, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	14258	13596	14739	14378	14771	14001	14067						
Farm use	113	105	113	109	113	109	113						
Marketings	14145	13491	14626	14269	14658	13892							
Beginning commercial stocks	6135	7576	8300	8638	9520	9884	10184						
Imports	265	316	371	358	412	439							
Total supply	20545	21383	23297	23265	24590	24215							
Utilization:													
Ending commercial stocks	7576	8300	8638	9520	9884	10184							
USDA net removals	88	99	86	78	106	78	55						
Commercial disappearance	12881	12984	14573	13667	14600	13953							
Percent change from a year ago	[5.0]	[4.9] 8.7	3.2	2.2	4.9	-2.1							
Cumulative disappearance	12881	25865	40438	54105	68705	82658							
		First quarter 40438			Second quarter 42220								
Percent change from a year ago	[5.0]	[4.3] 5.5			1.6								

Percentages in brackets adjusted for leap year.

Commercial disappearance: Milkfat, 1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	517	472	531	510	522	485	473	473	471	502	497	526	5,978
Farm use	4	4	4	4	4	4	4	4	4	4	4	4	50
Marketings	512	468	526	506	518	481	469	469	467	497	492	522	5,928
Beginning commercial stocks	194	254	286	300	328	355	337	346	303	273	258	220	194
Imports	14	12	13	12	11	10	18	17	15	16	12	15	164
Total supply	720	734	825	818	857	846	824	832	785	786	762	757	6,286
Utilization:													
Ending commercial stocks	254	286	300	328	355	337	346	303	273	258	220	225	225
USDA net removals	1	1	1	1	1	1	1	1	1	1	1	2	12
Commercial disappearance	465	447	524	489	501	508	477	528	511	527	541	530	6,049
Percent change from a year ago	-3.2	0.5	4.5	1.8	0.5	4.1	-0.7	8.7	9.2	3.7	9.2	4.3	3.5
Cumulative disappearance	465	912	1,436	1,925	2,426	2,934	3,412	3,939	4,450	4,977	5,519	6,049	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1,436			1,498			1,516			1,599			
Percent change from a year ago	0.6			2.2			5.7			5.7			

Commercial disappearance: Milkfat, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	540	511	548	529	535	501							
Farm use	4	4	4	4	4	4							
Marketings	536	507	544	525	531	497							
Beginning commercial stocks	225	278	305	317	350	363							
Imports	9	11	13	12	14	15							
Total supply	770	796	862	854	895	875							
Utilization:													
Ending commercial stocks	278	305	317	350	363	374							
USDA net removals	1	1	1	1	1	1							
Commercial disappearance	491	490	544	503	531	500							
Percent change from a year ago	[5.5]	[6.0] 9.8	3.8	2.9	6.0	-1.5							
Cumulative disappearance	491	981	1525	2029	2559	3059							
		First quarter			Second quarter								
		1525			1534								
Percent change from a year ago	[5.0]	6.2			2.4								

Percentages in brackets adjusted for leap year.

Commercial disappearance: Skim solids, 1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	1,194	1,093	1,240	1,212	1,256	1,177	1,147	1,138	1,111	1,167	1,149	1,199	14,082
Farm use	10	9	10	10	10	10	10	10	10	10	10	10	118
Marketings	1,183	1,084	1,230	1,202	1,246	1,167	1,137	1,128	1,101	1,157	1,139	1,189	13,964
Beginning commercial stocks	508	632	668	685	740	808	797	798	718	667	641	616	508
Imports	30	27	30	28	30	25	33	35	38	42	37	43	399
Total supply	1,721	1,743	1,928	1,915	2,016	2,000	1,967	1,961	1,857	1,866	1,817	1,848	14,871
Utilization:													
Ending commercial stocks	632	668	685	740	808	797	798	718	667	641	616	656	656
USDA net removals	25	37	39	50	54	70	56	37	40	34	40	66	548
Commercial disappearance	1,064	1,038	1,204	1,125	1,154	1,133	1,113	1,206	1,150	1,191	1,161	1,126	13,667
Percent change from a year ago	-3.2	1.9	1.9	0.8	-1.0	0.6	0.6	7.5	3.5	1.1	1.8	-0.4	1.3
Cumulative disappearance	1,064	2,102	3,306	4,431	5,585	6,718	7,831	9,038	10,188	11,379	12,540	13,666	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	3,306			3,412			3,470			3,478			
Percent change from a year ago	0.2			0.1			3.9			0.9			

Commercial disappearance: Skim solids, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	1248	1177	1281	1249	1282	1207							
Farm use	10	9	10	9	10	9							
Marketings	1238	1168	1271	1239	1272	1198							
Beginning commercial stocks	680	727	790	799	851	863							
Imports	23	25	34	30	35	31							
Total supply	1941	1920	2095	2068	2158	2092							
Utilization:													
Ending commercial stocks	727	790	799	851	863	853							
USDA net removals	63	66	79	79	88	66							
Commercial disappearance	1151	1064	1217	1138	1207	1173							
Percent change from a year ago	[8.2	[-1.0] 2.5	1.1	1.1	4.7	3.5							
Cumulative disappearance	1151	2216	3433	4571	5778	6951							
		First quarter 3433			Second quarter 3519								
Percent change from a year ago	[2.7] 3.8				3.1								

Percentages in brackets adjusted for leap year.

Commercial disappearance: Butter, 1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	129.0	119.4	125.4	114.3	110.9	94.6	84.8	78.2	92.1	103.1	103.5	119.8	1,275.0
Beginning commercial stocks	25.9	60.5	94.7	108.3	125.5	136.3	120.3	123.2	90.5	71.3	63.8	29.9	25.9
Imports	1.7	3.4	3.3	3.7	2.0	3.2	6.2	6.0	2.5	3.1	0.5	0.6	36.1
Total supply	156.6	183.3	223.4	226.3	238.4	234.1	211.3	207.4	185.1	177.5	167.8	150.3	1,337.0
Utilization:													
Ending commercial stocks	60.5	94.7	108.3	125.5	136.3	120.3	123.2	90.5	71.3	63.8	29.9	24.9	24.9
USDA net removals	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.0	0.5	0.5	0.8	1.0	3.7
Commercial disappearance	96.1	88.6	114.7	100.4	102.1	113.8	88.1	116.9	113.3	113.2	137.1	124.4	1,308.4
Percent change from a year ago	-9.8	-11.6	10.0	-4.2	7.2	16.8	-3.7	23.8	27.6	1.5	28.1	2.7	7.0
Cumulative disappearance	96.1	184.7	299.4	399.8	501.9	615.7	703.8	820.7	934.0	1,047.2	1,184.3	1,308.7	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	299.4			316.3			318.3			374.7			
Percent change from a year ago	-3.7			6.4			15.9			10.3			

Commercial disappearance: Butter, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	142.3	130.3	122.5	115.4	111.2	91.2							
Beginning commercial stocks	24.9	72.6	88.5	97.4	126.6	137.6	144.4						
Imports	0.6	2.0	1.7	1.4	3.3	6.6							
Total supply	167.8	204.9	212.7	214.2	241.1	235.4							
Utilization:													
Ending commercial stocks	72.6	88.5	97.4	126.6	137.6	144.4	136.0						
USDA net removals	2.0	2.6	1.6	0.9	0.8	0.7	0.2						
Commercial disappearance	93.2	113.8	113.7	86.7	102.7	90.3							
Percent change from a year ago	[-3.0	[24.0] 28.4	-0.9	-13.6	0.6	-20.7							
Cumulative disappearance	93.2	207.0	320.7	407.4	510.1	600.4							
		First quarter 320.7			Second quarter 279.7								
Percent change from a year ago	[5.8] 7.1				-11.6								

Percentages in brackets adjusted for leap year.

Commercial disappearance: Nonfat dry milk, 1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	120.5	115.8	128.8	133.4	136.7	118.6	99.3	95.8	95.5	105.3	102.4	126.1	1,378.2
Beginning commercial stocks	56.9	88.9	112.6	122.7	141.2	162.4	161.9	143.7	108.8	96.6	97.7	102.2	56.9
Imports	1.6	0.7	0.6	0.6	1.3	0.4	1.1	1.0	1.0	1.5	1.4	0.9	12.1
Total supply	179.0	205.4	242.0	256.7	279.2	281.4	262.3	240.5	205.3	203.4	201.5	229.2	1,447.2
Utilization:													
Ending commercial stocks	88.9	112.6	122.7	141.2	162.4	161.9	143.7	108.8	96.6	97.7	102.2	115.5	115.5
USDA net removals	23.4	35.9	37.3	48.9	53.9	69.7	55.0	36.3	39.4	33.4	38.7	68.8	540.6
Commercial disappearance	66.7	56.9	82.0	66.6	62.9	49.8	63.6	95.4	69.3	72.3	60.6	44.9	791.1
Percent change from a year ago	2.6	-13.4	-15.5	-7.8	-1.4	-35.1	0.5	38.9	-6.1	-6.2	-11.8	-39.9	-8.7
Cumulative disappearance	66.7	123.6	205.6	272.2	335.1	384.9	448.5	543.9	613.2	685.5	746.1	791.0	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	205.6			179.3			228.3			177.8			
Percent change from a year ago	-9.7			-15.7			10.9			-19.4			

Commercial disappearance: Nonfat dry milk, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	133.6	133.1	139.5	147.0	137.9	128.5							
Beginning commercial stocks	115.5	146.2	173.4	167.9	197.4	197.0	171.2						
Imports	0.5	0.7	0.7	0.3	0.6	0.4							
Total supply	249.6	280.0	313.6	315.2	335.9	325.9							
Utilization:													
Ending commercial stocks	146.2	173.4	167.9	197.4	197.0	171.2							
USDA net removals	60.3	63.5	76.5	75.0	81.8	61.9	42.1						
Commercial disappearance	43.1	43.1	69.2	42.8	57.1	92.8							
Percent change from a year ago	[-35.4]	[-26.9] [-24.3]	-15.6	-35.7	-9.2	86.3							
Cumulative disappearance	43.1	86.2	155.4	198.2	255.3	348.1							
Percent change from a year ago		First quarter 155.4 [-25.1] -24.4			Second quarter 192.7 7.5								

Percentages in brackets adjusted for leap year.

Commercial disappearance: American cheese, 1999

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	293.3	275.8	317.7	316.5	312.5	294.0	299.4	293.1	281.1	295.3	288.1	309.7	3,576.5
Beginning commercial stocks	407.6	452.2	464.7	467.6	514.4	558.9	531.2	543.6	508.3	473.6	459.3	448.2	407.6
Imports	9.2	4.5	2.3	3.9	4.6	2.4	4.3	3.8	6.6	9.3	6.1	7.7	64.6
Total supply	710.1	732.5	784.7	788.0	831.5	855.3	834.9	840.5	796.0	778.2	753.5	765.6	4,048.7
Utilization:													
Ending commercial stocks	452.2	464.7	467.6	514.4	558.9	531.2	543.6	508.3	473.6	459.3	448.2	458.0	458.0
USDA net removals	0.7	0.5	0.4	0.3	0.3	0.1	0.2	0.5	0.4	0.4	0.2	0.4	4.6
Commercial disappearance	257.2	267.3	316.7	273.3	272.3	324.0	291.1	331.7	322.0	318.5	305.1	307.2	3,586.1
Percent change from a year ago	-10.5	3.2	15.5	0.9	-7.8	15.2	9.1	19.0	19.0	10.0	10.2	6.7	7.4
Cumulative disappearance	257.2	524.5	841.2	1,114.5	1,386.8	1,710.8	2,001.9	2,333.6	2,655.6	2,974.1	3,279.2	3,586.4	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	841.2			869.6			944.8			930.8			
Percent change from a year ago	2.5			2.6			15.8			8.9			

Commercial disappearance: American cheese, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	316.7	302.3	320.2	312.5	326.5	310.6							
Beginning commercial stocks	458.0	480.1	515.3	524.9	547.9	554.6	570.2						
Imports	2.3	2.0	4.9	5.6	6.5	4.4							
Total supply	777.0	784.4	840.4	843.0	880.9	869.6							
Utilization:													
Ending commercial stocks	480.1	515.3	524.9	547.9	554.6	570.2	598.0						
USDA net removals	0.4	0.7	1.8	2.2	4.5	1.9	2.1						
Commercial disappearance	296.5	268.4	313.7	292.9	321.8	297.5							
Percent change from a year ago	15.3	[-3.1] 0.4	-0.9	7.2	8.9	5.8							
Cumulative disappearance	296.5	564.9	878.6	1171.5	1493.3	1790.8							
		First quarter			Second quarter								
		878.6			912.2								
Percent change from a year ago	[3.3]			4.9								
		4.4											

Percentages in brackets adjusted for leap year.

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	340.7	316.8	379.7	353.2	362.5	375.4	350.4	355.3	360.2	376.6	400.3	396.1	4,367.5
Beginning commercial stocks	109.5	170.2	171.1	177.4	174.2	182.3	197.2	205.1	186.4	177.6	162.6	143.5	109.5
Imports	22.9	24.1	30.7	27.1	27.1	23.9	29.5	34.0	34.8	35.2	34.6	40.6	364.5
Total supply	473.1	511.1	581.5	557.7	563.8	581.6	577.1	594.4	581.4	589.4	597.5	580.2	4,841.5
Utilization:													
Ending commercial stocks	170.2	171.1	177.4	174.2	182.3	197.2	205.1	186.4	177.6	162.6	143.5	163.3	163.3
USDA net removals													
Commercial disappearance	302.9	340.0	404.1	383.5	381.5	384.4	372.0	408.0	403.8	426.8	454.0	416.9	4678.2
Percent change from a year ago	-4.5	6.0	4.9	4.8	2.9	4.1	3.4	12.1	10.1	4.0	7.9	3.9	5.1
Cumulative disappearance	302.9	642.9	1047.0	1430.5	1812.0	2196.4	2568.4	2976.4	3380.2	3807.0	4261.0	4677.9	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1047.0			1149.4			1183.8			1297.7			
Percent change from a year ago	2.3			3.9			8.6			5.3			

Commercial disappearance: Other-than-American cheese, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	370.2	343.2	397.7	381.0	410.6	388.3							
Beginning commercial stocks	163.3	187.9	193.0	201.7	200.7	208.8	212.0						
Imports	21.8	24.0	29.4	27.1	30.1	28.9							
Total supply	555.3	555.1	620.1	609.8	641.4	626.0							
Utilization:													
Ending commercial stocks	187.9	193.0	201.7	200.7	208.8	212.0							
USDA net removals													
Commercial disappearance	367.4	362.1	418.4	409.1	432.6	414.0							
Percent change from a year ago	21.3	[2.8] 6.5	3.5	6.7	13.4	7.7							
Cumulative disappearance	367.4	729.5	1147.9	1557.0	1989.6	2403.6							
Percent change from a year ago		[8.4] 9.6											
		First quarter 1147.9				Second quarter 1255.7							

Percentages in brackets adjusted for leap year.

High Plains cattle feeding simulator

Purchased During	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00
Marketed During	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00
Expenses: (\$/head)													
750 lb. feeder steer	587.55	588.30	600.98	614.48	629.93	674.10	661.88	640.73	639.30	641.63	636.15	660.83	679.88
Total feed, handling, and management charge	107.47	114.51	112.68	107.25	107.35	107.94	113.36	113.30	116.11	104.86	107.90	100.42	124.29
Interest on feeder and 1/2 feed	32.03	32.25	32.83	33.94	34.73	36.99	37.33	36.23	36.23	36.06	36.44	37.54	39.18
Death loss (1% of purchase)	5.88	5.88	6.01	6.14	6.30	6.74	6.62	6.41	6.39	6.42	6.36	6.61	6.80
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.
Total expenses	732.92	740.94	752.50	761.80	778.30	825.77	819.18	796.66	798.03	788.95	786.84	805.39	850.14
Selling price required to cover: (\$/cwt)													
Feed and feeder cost	60.30	61.56	63.12	64.22	65.60	69.25	68.17	65.28	65.02	66.78	66.56	68.32	70.26
All costs	63.59	64.90	66.55	67.78	69.25	73.12	72.04	68.98	68.69	70.57	70.39	72.28	74.28
Selling price 2/	70.28	69.01	69.07	68.88	71.74	73.13	71.28	69.41	67.22				
Net margin	6.69	4.11	2.52	1.10	2.49	0.01	-0.76	0.43	-1.47				
Cost per 100 lb. gain:													
Variable cost													
less interest \$/cwt	28.15	30.74	31.18	30.33	28.23	28.48	32.12	32.05	32.80	29.49	30.28	28.36	30.68
Feed costs \$/cwt	26.69	29.24	29.60	28.69	26.66	26.81	30.35	30.33	31.09	27.79	28.59	26.61	29.09
Total costs \$/cwt	36.11	38.97	39.80	39.41	36.85	37.67	42.12	41.75	42.50	39.04	39.93	38.31	39.85
Prices: (\$/cwt)													
Choice feeder steer													
750-800 lb. Ok City	76.94	77.04	78.73	80.53	82.59	88.48	86.85	84.03	83.84	84.15	83.42	86.71	89.25
Feed, Prices, High Plains													
Milo \$/cwt	2.69	2.96	2.85	2.64	2.64	2.65	3.07	3.07	3.17	3.17	3.33	2.99	3.12
Corn \$/cwt	3.42	3.71	3.52	3.32	3.30	3.28	3.69	3.69	3.76	3.79	3.93	3.60	3.29
Wheat \$/cwt	3.61	3.79	3.72	3.41	3.50	3.31	3.69	3.71	3.67	3.61	4.02	4.29	4.06
Cottonseed Meal (41%) \$/cwt.	5.41	5.20	5.88	6.28	6.25	6.50	7.04	7.00	7.16	7.00	6.65	6.75	6.91
Alfalfa hay \$/ton	129.00	134.00	135.00	128.00	128.00	129.00	126.00	130.00	127.00	126.00	124.00	134.00	128
Interest, annual rate 3/	9.99	9.99	9.99	10.16	10.16	10.16	10.39	10.39	10.39	10.39	10.56	10.56	10.56

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

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

3/ Variable interest rate,

11th District Federal Reserve.

Historical data is available by autofax.

Dial 202-694-5700

Document number 11520.

Total heifers entering cow herd January-June and July-December

Year	Jan 1 cow inventory	Intended herd re-placements Jan 1	Total 1/ disappearance Jan-Jun	July 1 cow inventory	Heifers entering the herd Jan-Jun	Percent entering	Intended herd re-placements July 1	Total 2/ disappearance Jul-Dec	Jan 1 entering cow inventory following year	Heifers entering the herd Jul-Dec	Percent entering
----- 1,000 head -----			----- Percent-----			----- 1,000 head-----			----- Percent-----		
1987	44,412	9,519	3,699	44,400	3,687	38.7	9,400	3,577	43,494	2,671	28.4
1988	43,494	9,371	3,468	43,900	3,874	41.3	9,200	3,522	42,625	2,247	24.4
1989	42,625	9,442	3,517	43,000	3,892	41.2	9,200	3,438	42,469	2,907	31.6
1990	42,469	9,454	3,347	42,900	3,778	40.0	9,100	3,210	42,485	2,795	30.7
1991	42,485	9,536	3,229	43,200	3,944	41.4	9,300	3,031	42,735	2,566	27.6
1992	42,735	9,774	3,271	43,600	4,136	42.3	9,700	3,216	43,023	2,639	27.2
1993	43,023	10,268	3,395	44,600	4,972	48.4	9,700	3,336	44,110	2,846	29.3
1994	44,110	10,489	3,293	45,100	4,283	40.8	9,900	3,310	44,672	2,882	29.1
1995	44,672	10,573	3,461	45,600	4,389	41.5	9,600	3,490	44,739	2,629	27.4
1996	44,739	10,279	3,912	45,100	4,273	41.6	9,200	4,033	43,776	2,709	29.4
1997	43,776	10,100	3,641	44,100	3,965	39.3	8,900	3,579	43,084	2,563	28.8
1998	43,084	9,750	3,361	43,600	3,877	39.8	8,600	3,268	42,878	2,546	29.6
1999	42,878	9,604	3,221	43,300	3,643	37.9	8,500	3,132	42,734	2,566	30.2
2000	42,734	9,484	3,137	43,200	3,603	38.0	8,400				
2001											

1/ Death loss calculated as 1 percent of January 1 cow inventory plus estimated commercial cow slaughter
 2/ Death loss calculated as 1/2 percent of January 1 cow inventory plus estimated commercial cow slaughter

Beef heifers entering cow herd January-June and July-December

Year	Jan 1 cow inventory	Intended herd re-placements Jan 1	Total 1/ disappearance Jan-Jun	July 1 cow inventory	Heifers entering the herd Jan-Jun	Percent entering	Intended herd re-placements July 1	Total 2/ disappearance Jul-Dec	Jan 1 entering cow inventory following year	Heifers entering the herd Jul-Dec	Percent entering
----- 1,000 head -----			----- Percent-----			----- 1,000 head-----			----- Percent-----		
1993	33,365	6,092	1,767	34,900	3,302	54.2	5,700	1,759	34,603	1,462	25.6
1994	34,603	6,364	1,743	35,600	2,740	43.1	5,900	1,797	35,190	1,387	23.5
1995	35,190	6,452	1,907	36,100	2,817	43.7	5,700	1,976	35,319	1,195	21.0
1996	35,319	6,189	2,303	35,700	2,684	43.4	5,500	2,392	34,458	1,150	20.9
1997	34,458	6,042	2,074	34,800	2,416	40.0	5,300	2,016	33,885	1,101	20.8
1998	33,885	5,764	1,900	34,400	2,415	41.9	5,000	1,918	33,745	1,263	25.3
1999	33,745	5,535	1,850	34,150	2,255	40.7	4,800	1,742	33,546	1,138	23.7
2000	33,546	5,530	1,730	33,950	2,134	38.6					

1/ Death loss calculated as 1 percent of January 1 cow inventory plus estimated commercial cow slaughter
 2/ Death loss calculated as 1/2 percent of January 1 cow inventory plus estimated commercial cow slaughter

July 1 cattle inventory

	01-Jul-92	01-Jul-93	01-Jul-94	01-Jul-95	01-Jul-96	1997	1998	1999	2000	Percent change 2000/99
Class	1992	1993	1994	1995	1996	1997	1998	1999	2000	Percent change 2000/99
Cattle and calves	107,200	109,000	111,300	113,000	111,600	109,200	107,700	107,000	106,400	-0.6%
Cows and heifers that have calved	43,600	44,600	45,100	45,600	45,100	44,100	43,600	43,300	43,200	-0.2%
Beef cows	33,900	34,900	35,600	36,100	35,700	34,800	34,400	34,150	33,950	-0.6%
Milk cows	9,700	9,700	9,700	9,500	9,500	9,300	9,200	9,150	9,250	1.1%
Heifers 500 lb+ For beef cow replacement	16,700	17,000	17,400	17,600	17,300	17,100	16,700	16,600	16,500	-0.6%
For milk cow replacement	5,600	5,700	5,900	5,700	5,500	5,300	5,000	4,800	4,700	-2.1%
Other heifers	4,100	4,000	4,000	3,900	3,700	3,600	3,600	3,700	3,700	0.0%
Other heifers	7,000	7,300	7,500	8,000	8,100	8,200	8,100	8,100	8,100	0.0%
Steers 500 lb+	14,800	14,900	15,200	15,400	15,100	14,800	14,600	14,400	14,300	-0.7%
Bulls 500 lb+	2,200	2,200	2,300	2,400	2,400	2,300	2,200	2,200	2,100	-4.5%
Calves under 500 lb	29,900	30,300	31,300	32,000	31,700	30,900	30,600	30,500	30,300	-0.7%
Calf crop: Jan-June	0	28,800	29,300	29,500	29,300	28,600	28,500	28,500	28,600	0.4%
July-Dec	10,433	10,569	10,805	10,764	10,523	10,361	10,312	10,210	10,300	0.9%

Feeder cattle supply outside feedlots

Item	1993	1994	1995	1996	1997	1998	1999	2000	Change from previous year
				1,000 head		/3	/3		Percent
On farms Jan 1:									
Calves < 500 lbs	18,117	17,873	18,341	18,384	17,826	17,401	17,290	16,840	-2.6
Steers over 500 lbs	16,940	17,086	17,513	17,815	17,392	17,189	16,891	16,652	-1.4
Heifers over 500 lbs 2/	8,550	9,104	9,302	9,948	10,212	10,051	10,170	10,045	-1.2
Total	43,607	44,063	45,156	46,147	45,430	44,641	44,351	43,537	-1.8
On feed Jan 1 1/:	12,698	12,922	12,363	12,853	13,067	13,536	13,153	13,909	5.7
Feeder cattle outside feedlots on Jan 1:	30,909	31,141	32,793	33,294	32,363	31,105	31,198	29,628	-5.0
Slaughter Jan-Mar:									
Calves	321	312	351	432	403	368	322	320	-0.5
Steers & heifers	6,221	6,495	6,662	7,085	7,030	7,039	7,151	7,207	0.8
Total	6,542	6,807	7,013	7,517	7,433	7,407	7,473	7,527	0.7
On feed Apr 1 1/:	12,206	12,432	12,585	12,235	12,890	12,281	12,821	13,569	5.8
Feeder cattle outside feedlots on April 1:	24,858	24,824	25,559	26,395	25,107	24,953	24,057	22,441	-6.7
On farms July 1:									
Calves < 500 lbs	30,300	31,300	32,000	31,700	30,900	30,600	30,500	30,300	-0.7
Steers over 500 lbs	14,900	15,200	15,400	15,100	14,800	14,600	14,400	14,300	-0.7
Heifers over 500 lbs 2/	7,300	7,500	8,000	8,100	8,200	8,100	8,100	8,100	0.0
Total	52,500	54,000	55,400	54,900	53,900	53,300	53,000	52,700	-0.6
On feed July 1 1/:	11,039	10,569	11,140	9,741	10,839	10,956	11,447	12,250	7.0
Feeder cattle outside feedlots on July 1:	41,461	43,431	44,260	45,159	43,061	42,344	41,553	40,450	-2.7
Slaughter Jul-Sep:									
Calves	289	312	361	469	396	394	349		
Steers & heifers	7,017	7,269	7,657	7,169	7,524	7,438	7,785		
Total	7,306	7,581	8,018	7,638	7,920	7,832	8,134		
On feed Oct 1 1/:	11,239	10,721	10,947	11,001	12,083	11,706	12,310		
Feeder cattle outside feedlots on Oct 1:	33,955	35,698	36,435	36,261	33,897	33,762	32,556		

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

3/ 1995-1997 data revised to incorporate July 1 U.S., and 12 State on feed data.

Poultry and egg costs and returns

Date	DECATUR	CHICAGO	COST PER POUND		COST PER POUND		12-CITY	NET RETURNS
	SOYBEAN	No. 2	LIVEWEIGHT BASIS		R.T.C. BASIS		PRICE	BEFORE
	MEAL	CORN	Feed	Total	Production	Total		INTEREST & OVERHEAD
	\$ / ton	\$ / bushel	-----		cents/lb. -----			
BROILERS								
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
June-1999	139.07	2.11	14.13	24.48	32.22	46.32	60.33	14.01
July-1999	132.73	1.78	14.17	24.52	32.27	46.37	59.46	13.09
Aug-1999	141.69	1.84	14.20	24.55	32.31	46.41	57.65	11.24
Sept-1999	150.64	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	154.71	1.90	13.95	24.30	31.97	46.07	59.52	13.45
Dec-1999	154.00	1.93	14.07	24.42	32.13	46.23	58.42	12.19
Jan-2000	163.41	2.06	14.10	24.45	32.17	46.27	55.43	9.16
Feb-2000	170.51	2.12	14.16	24.51	32.24	46.34	53.84	7.50
Mar-2000	175.50	2.17	14.72	25.07	32.98	47.08	54.48	7.40
Apr-2000	177.53	2.21	15.05	25.40	33.42	47.52	55.39	7.87
May-2000	189.34	2.25	15.30	25.65	33.75	47.85	55.71	7.86
June-2000	177.45	2.01	15.45	25.80	33.94	48.04	56.01	7.97
July-2000	163.38	1.65	15.85	26.20	34.48	48.58	56.61	8.03
3-REGION WHOLESALE PRICE								
TURKEYS								
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
June-1999	139.07	2.11	19.29	32.99	41.23	57.53	68.92	11.39
July-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
Sept-1999	150.64	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	154.71	1.90	18.27	31.97	39.96	56.26	75.44	19.18
Dec-1999	154.00	1.93	18.85	32.55	40.69	56.99	69.00	12.01
Jan-2000	163.41	2.06	19.07	32.77	40.97	57.27	60.18	2.91
Feb-2000	170.51	2.12	19.13	32.83	41.04	57.34	59.61	2.27
Mar-2000	175.50	2.17	19.21	32.91	41.14	57.44	63.12	5.68
Apr-2000	177.53	2.21	20.18	33.88	42.35	58.65	64.83	6.18
May-2000	189.34	2.25	20.76	34.46	43.07	59.37	66.27	6.90
June-2000	177.45	2.01	21.20	34.90	43.62	59.92	68.02	8.10
July-2000	163.38	1.65	21.45	35.15	43.94	60.24	69.58	9.34
WHOLESALE TOTAL 12-METRO COST PRICE								
EGGS								
			FEED COST	TOTAL Production				
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
June-1999	139.07	2.11	24.18	42.38	62.88	58.59		-4.29
July-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
Sept-1999	150.64	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	154.71	1.90	23.40	41.60	62.10	72.34		10.24
Dec-1999	154.00	1.93	23.45	41.65	62.15	67.26		5.11
Jan-2000	163.41	2.06	23.60	41.80	62.30	68.13		5.83
Feb-2000	170.51	2.12	24.78	42.98	63.48	71.39		7.91
Mar-2000	175.50	2.17	25.44	43.64	64.14	64.70		0.56
Apr-2000	177.53	2.21	25.95	44.15	64.65	73.12		8.47
May-2000	189.34	2.25	26.28	44.48	64.98	58.95		-6.03
June-2000	177.45	2.01	27.00	45.20	65.70	66.50		0.80
July-2000	163.38	1.65	25.04	43.24	63.74	62.22		-1.52