



Livestock, Dairy and Poultry Situation and Outlook

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In 2001, 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 24, February 28, March 28, April 25, May 30, June 27, July 25, August 29, September 26, October 24, November 28, and December 27. The reports should be available by 4:00 p.m. Eastern Time on day of release.

This issue contains a special article, "Prospects for U.S. Poultry and Pork Exports to Russia".

Weather Conditions Affect Meat Supplies and Prices

Dismal weather conditions since late November have resulted in reduced cattle slaughter and dressed weights raising prices and pushing up potential production later this year. Beef demand remains strong and consequently, competition for the reduced supply of beef, particularly higher quality beef, has resulted in challenges to the record prices set in 1990 through 1993

Demand Factors Strong, But More Tentative

Although the economy is slowing from the robust levels of the past couple of years, GDP is expected to rise about 2 percent in 2001. At present a greater concern is consumer reaction to the high fuel bills hitting consumers in almost all areas of the country and the impact on consumer spending, particularly the away-from-home expenditures. These expenditures are increasingly important for the red meat and poultry sector. The tighter supplies of beef are more than compensating for any softening of expenditures as witnessed by the sharply rising retail prices in January-February. Rising beef supplies as feedlot conditions improve will occur at a time when beef demand is rising seasonally and much of the impact of higher energy costs will be behind us

Feed Prices Remain Low, Hay Prices Rise

Feed supplies remain large in 2000/01, with ending stocks rising above the levels of the past 2 years. However, spring planting season and crop developments this summer still hold the key to

Approved by the World Agricultural Outlook Board

grain prices. The projected farm price for corn is expected to remain about unchanged from the \$1.82 per bushel average in 1999/2000. Continued moderately tightening soybean meal ending stocks are expected to result in prices averaging \$170 to \$185 per ton this year, up from \$167.70 in 1999/2000.

While feed supplies remain large and favorably priced for livestock producers, drought in 2000 and inclement weather have increased supplemental feeding this winter. Drought conditions in the Southeast, Great Plains, and much of the West have resulted in increased feed use this winter. Hay stocks on December 1 were down in 23 of the 48 contiguous States, with total stocks down 5 percent. Hay stocks were down sharply in Colorado, Wyoming, and Mississippi, although stocks were up in the States along the Ohio Valley and eastward as production rebounded from the 1999 drought. Worsening the tight stock situation has been cold, wet, winter weather since late November, along with reduced pasture and range conditions that forced additional supplemental feeding. Poor pasture conditions, particularly small grain pastures, together with the severe winter has forced many cattle off over-wintering grazing programs into feedlots. Hay stocks have fallen in 1999 and 2000 with the December 1, 2000, stock level the second lowest since the beef herd liquidation began in 1996.

The farm price of all hays in January averaged \$84.90 a ton, up from \$72.90 a year earlier. Prices for alfalfa hay were up \$15.30 a ton to \$91.30 as hay quality was also a problem in some of the areas with good production. Grass hay prices averaged \$69.50 a ton up from \$66.10 in January 2000. Rebuilding hay stocks and improving grazing conditions will be important to encouraging increased heifer retention and herd expansion over the next couple of years.

Herd Reduction Continues

The January **Cattle** report indicated the fifth year of cattle inventory decline (1 percent). The inventory is down 6 percent from the 1996 peak. The inventory decline will likely continue for at least the next couple of years. Total cow numbers were down slightly as beef cows declined less than 1 percent, while dairy cows rose less than 1 percent. The prospects for expansion in the report were mixed. Commercial heifer slaughter continued at a near record level in 2000, while the number of heifers on feed on January 1, 2001, in the 7-monthly reporting States were up 4 and 15 percent from the large numbers recorded in 2000 and 1999, respectively. Although the survey showed the number of beef cow replacement heifers were up nearly 2 percent, we know that the proportion calving and entering the herd, as indicated in the half-year balance sheets, is likely to be much lower.

A new cattle statistic in the report provides the number of these heifers actually expected to calve and enter the herd in 2001. The report indicated that 3,142,000 beef heifers are expected to calve this year. Last year 3,178,000 beef heifers calved and entered the herd, 2,112,000 in the first half and 1,066,000 in the second half of the year. Another year of declining beef cow inventory and calf crop seems likely. The final 2000 calf crop was pulled down from the mid-year estimate and modestly from 1999.

Feeder Cattle Supply Decline Continues

Large feeder cattle placements on feed and another year of declines in the calf crop have resulted in supplies of stock/feeder cattle outside feedlots and available for grazing and future feedlot placements declining over 3 percent on January 1. Calf slaughter has been down sharply

over the past couple of years, 12 percent in 2000, as more of these calves are bid into stocker and feedlot programs. While calf slaughter is likely to decline again this year, the decline will moderate. Recent severe winter weather and rapidly declining winter grazing prospects have forced more of these cattle into feedlots.

Large On Feed Inventories Continue

Cattle on feed inventories on February 1 were up 3 percent from a year earlier as the poor feeding conditions slowed the marketing pace in January. The combination of strong fed cattle prices and poor grazing prospects, resulted in a 1-percent gain in net feedlot placements. Feedlot performance has suffered since late November as cold, wet conditions have resulted in lower marketing weights. Poorer performance has resulted in a very tight supply of market-ready cattle, particularly for higher grading cattle, and is delaying marketings as cattle gains have been poor. Prices bid on the tight supply of available cattle remained in the upper-\$70's in late February.

Rapidly rising prices for lighter stocker calves as cattlemen put together their spring and summer grazing needs and tight supplies will hold down feedlot placements as weather conditions moderate seasonally. However, until conditions improve, stocker cattle on over-wintering grazing programs will continue to move into feedlots, particularly given the continued favorable cost of gain and strong fed cattle prices. The combination of earlier placements and a slower winter marketing pace will push more beef into the spring and summer quarters.

Slaughter Weights Breaking

Federally inspected slaughter weights declined in December after having been well above year earlier levels since mid spring. Weights in February will also be sharply lower, with continued poor weather conditions, prospects for performance recovery in March look more uncertain. Currently, beef production is expected to decline 2 percent in the first quarter and 2 to 3 percent in the second quarter, but more production may be pushed from the first into the spring quarter. Although more fed marketings may be shifted into the spring quarter, first quarter production may be partially boosted by increased cow slaughter as poor conditions and rapidly tightening hay stocks as supplemental feeding increases is resulting in increased cow slaughter. Even though spring is close, some older cows in poorer condition going into winter may have to be culled before their condition decline even more. Although annual cow slaughter is expected to decline for the fifth consecutive year, winter quarter slaughter may not be down as much as expected and may rise above a year earlier.

For the year, steer and heifer slaughter is expected to decline about 4 percent, while cow slaughter declines 7 percent. Slaughter patterns and weights will be uncertain until the present stormy winter weather pattern breaks seasonally. Unless conditions improve this will go down, as the worst feeding year since 1992/93 when feedlot conditions remained poor during this period until well into spring.

Strong Prices Reflect Tight Supplies

Fed cattle prices are averaging in the upper-\$70's per cwt as slaughter continues to run well below expectations given the record on feed inventories. Demand for the reduced marketings has been very strong, with prices averaging over \$10 per cwt above a year earlier. Prices are expected to remain strong in 2001 reflecting the reduced supplies, but the present premium will erode as feedlot conditions improve. Prices in the first half are expected to average in the mid-\$70's. However, the first quarter may average \$1 to \$2 higher if poor feedlot performance

continues, and second- and third-quarter prices may have to be pulled back as more beef is pushed into these quarters.

Retail prices for Choice beef in January reflect the very strong domestic and export demand and tight supply scenario that has developed this winter. Retail prices surged in January with prices averaging a record \$3.21 per pound, up from the previous record of \$3.13 set this past September. Prices will moderate from this record, but are likely to remain 5 to 10 cents above the 2000 record of \$3.07 per pound. Both the farm-retail spread and cattle prices rose in January, and both will likely moderate as beef supplies increase in late winter-early spring and prices for the increased supply declines. Prices for Choice boxed beef in January eclipsed the December 1990 record of \$129.48 per cwt and returned to a record breaking pace in late February with prices approaching \$135 as supplies further tightened.

Feeder Cattle Prices Remain Strong

Prices for lighter weight stocker cattle have risen sharply in February due to a declining supply and as producers put together their spring-summer grazing season needs. Yearling feeder cattle prices averaged slightly above \$86 per cwt last year and are expected to average \$89 in 2001. Depending on grazing conditions and strength of heifer retention this summer and fall, prices could be pushed even higher.

Prices for Utility Cows Rise

Boning Utility cow prices averaged \$41.71 in 2000 and likely will rise another \$3 to \$5 per cwt this year as cow slaughter continues to decline. Prices this fall may remain fairly strong if the industry finally gets an average or better grazing year this summer and fall and favorable grazing prospects for over-wintering programs. At least some of the cows that would not have been culled until this fall may have been culled this winter due to the weather extremes.

Economic Uncertainty Clouds Expectations for Exports in 2001

U.S. beef exports in 2001 are expected to rise about 1 percent. Earlier optimism about a strong export performance in 2001 has been somewhat reduced by the weakening economic situation in Asia during late 2000. Efforts are being made to revitalize both the Korean and the Japanese economies, with the most notable being a cut in the Japanese prime interest rate. However, bankruptcies continue to mount; consumer confidence remains weak; and the balance sheets of many banks that, unlike U.S. banks, are allowed to own stocks, have deteriorated with the declining value of the Japanese stock market. Some concern exists that a weakening in the U.S. economy could further weaken an already fragile Japanese economy that is highly dependent upon manufacturing exports to the United States. Japan's 2001 GDP growth rate is expected to fall slightly, from 2 percent in 2000. However, savings in Japan appear high enough to support beef imports at constant or slightly higher levels than last year.

Beef exports Set Record in 2000

U.S. beef exports increased 4 percent in 2000, on top of an 11 percent increase in 1999, to a record 2.5 billion pounds. The export unit value grew from \$1.54 per pound in 1999 to \$1.62 per pound last year, pushing the total value of exports up 11 percent, to \$3.15 billion. Much of the year-to-year growth was due to increased Russian food aid in mid-1999 through the first quarter of 2000. However, exports were up to the major markets of Korea, Japan, Mexico, and Canada. The export quantity to Korea was up 30 percent because of a booming economy in the earlier part of 2000, greater market liberalization, and increased efficiencies in distribution in that country. Exports to Japan were up about 1.5 percent, in spite of sluggish economic growth in

that country. Strong economic growth in North America helped Mexico and Canada increase imports of U.S. beef by 14 percent and 4 percent.

The weakening of exports to Asia in the last months of 2000 is related to declining economic performance in that region. Revised estimates show the Japanese economy contracted 0.6 percent in the third quarter of 2000, after appearing responsive to government spending efforts early in the year. The rapidly growing Korean economy also slowed late last year, before resuming what some believe is a lower growth path. Moreover, the currencies of both countries depreciated significantly the last half of 2000, which makes their imports, including beef, more expensive.

Exports to Mexico and Canada held up well throughout 2000 because economic growth in both countries is closely tied to the U.S. economy, through NAFTA and geographic proximity. The unit values in both countries remained steady-to-higher throughout 2000. Monthly exports to Canada remained a stable 20 million pounds, while exports to Mexico were steady at about 45 million pounds, except for a few months in the middle of the year.

Imports Likely To Stabilize at Record Level

U.S. beef imports increased to a record 3.08 billion pounds last year, valued at \$2.4 billion. Imports in 2001 are expected to be about the same. Record imports in 2000 were due largely to demand for lean processing beef to substitute for lean beef from reduced dairy and beef cow slaughter that goes into making hamburger. Imports were up 17 percent and 22 percent from Australia and New Zealand—the two largest suppliers of lean processing beef. Favorable weather provided an abundance of heavy cattle in both Australia and New Zealand, and currencies that depreciated 25-30 percent presented additional financial incentives for exports to the United States. In August, Australia shipped an unprecedented 129 million pounds of beef to the United States, and in November New Zealand met its WTO quota for the first time. By year-end, cold storage stocks of processing beef had increased substantially and their use during the year will reduce the need for imports in 2001 to only marginally above last year's level, in spite of even lower cow slaughter in 2001.

Because of reliance on grass-fed beef for imports, the import unit value is relatively stable from year-year. Last year, the import unit value was \$1.07 dollars per pound, in contrast to \$1.62 per pound for exports. The difference allowed the value of exports to exceed the value of imports by 30 percent, although the quantity of exports was only 82 percent of the quantity of imports. These magnitudes of difference are expected to continue into 2001.

Imports from Argentina and Uruguay fell short of expectations as a result of concerns about foot-and-mouth disease (FMD) last year. Both countries are now allowed to send fresh/chilled and frozen beef products to the U.S. The recent temporary ban on imports of prepared and processed product from Brazil because of bovine spongiform encephalopathy (BSE) concerns, may have caused Argentina and Uruguay to only temporarily step in as suppliers as product is once again flowing from Brazil.

Live Cattle Trade To Slow Down

Feeder cattle exports to Canada under the Restricted Feeder Import Program continued surging to higher-than-expected levels until falling back to 1999 levels in November and December. The ability to directly enter nearby Canadian feedlots offset strong demand from farther-away U.S. feedlots until demand by Canadian feeders waned towards year-end. Exports of slaughter

animals to Mexico were also higher than expected in 2000, due to drought in the southern and western United States. Exports to Canada and Mexico for 2000 were 60 percent and 25 percent above the previous year, or 490,000 head. For 2001, exports are expected to decline to 425,000 head, as U.S. demand for feeder cattle increases and declining production brings about excess capacity in U.S. slaughterhouses.

Cattle imports for 2000 also exceeded earlier expectations, as larger imports of feeder cattle from Mexico exceeded a decline in slaughter animals from Canada. Nearly 30 percent more animals were imported from Mexico in 2000, because of high feeder cattle prices in the United States and poor grazing and financial conditions facing Mexican ranchers. Imports from Mexico dropped back in the last quarter of 2000 as good grazing conditions returned in Mexico. Imports from Canada dropped by 2-3 percent, as increased slaughter capacity and reduced marketings created opportunities for slaughtering more animals in Canada. Imports of live animals from Mexico are expected to decline in 2001 if pasture conditions remain favorable, while more domestic animals will be retained in Canada to take advantage of favorable slaughter capacity.

Milk Production Revisions Point to Steady 2001

Recently published revisions to annual 2000 milk production data show almost no changes from the original estimates. Milk cow numbers and milk production were lowered only 0.2 percent. Milk production in 2000 grew almost 3 percent (on a daily average basis) on the strength of a more than 2-percent increase in milk per cow and an almost 1-percent rise in average milk cow numbers.

The revisions to 2000 data were more important to the outlook for 2001 than they were for 2000. Whether the low 2000 returns to milk production would begin to significantly slow expansion of milk output was a key uncertainty throughout 2000. Preliminary estimates showed milk cow numbers continuing to rise last summer and only turning downward at the end of the year. Yearend numbers were still significantly above a year earlier. Overall, the inference had been that expansion by stronger producers remained largely unabated, and accelerated exit of weaker farms had barely begun by the end of 2000.

Revised data show that cow numbers rose less than thought during the first half, were flat during the summer, and declined significantly during autumn. Cow numbers at the start of 2001 were only barely above a year earlier. It now appears that structural adjustments to the low returns started earlier than previously thought. In addition, late 2000 milk per cow was revised downward slightly, implying that forage quality problems may be more severe than believed. The almost 2-percent drop in January milk production in the 20 States reinforced both of these patterns. Milk production in 2001 is now projected to be close to last year.

Pork Exports To Increase Slightly

U.S. pork exports are expected to increase about 2 percent in 2001 over 2000. The forecast depends heavily on continued increases in major U.S. export markets in Japan, Canada, and Mexico. Market conditions and consumer demand in these countries are themselves contingent on economic growth forecasts and exchange rate expectations. U.S. pork exports in 2001 will also be impacted by the BSE situation in Europe. The extent to which Danish pork substitutes for beef in European consumers' diets, and the willingness of Russian traders to import European beef, may each have positive implications for U.S. pork export prospects.

Recap of 2000 Pork Trade

The United States was a net pork exporter again last year, exporting 1.305 billion pounds of product, and importing 967 million pounds, for a net trade quantity of 338 million pounds. On the export side, the most important markets were Japan (45 percent), followed by Mexico (23), and Canada (11). Japan's imports of U.S. pork in 2000 increased 9 percent over 1999. The increase is attributable, in part, to lower Japanese pork production, a favorable U.S. dollar-yen exchange rate, and a stagnant Japanese economy that may have caused retail consumers to substitute cheaper imported U.S. fresh pork, for domestically produced pork products.

Mexican exports in 2000 grew 81 percent, the fourth consecutive year of double-digit expansion. Continued economic growth-- GDP grew 7 percent in 2000-- was the driving factor behind U.S. pork exports to Mexico last year.

U.S. exports to Canada increased more than 12 percent in 2000, which may seem paradoxical, given that a restructured Canadian pork industry has increased production significantly in recent years. Why the need to import when domestic production is increasing? Part of the answer is that trade has evolved away from carcasses and primal cuts towards specific cuts. Canadian consumers demand more hams and shoulder cuts, at lower prices, than the Canadian industry can provide. Hence, hams and shoulder cuts are imported from the United States, and constitute more than 80 percent of total U.S. pork exports to Canada.

Other notable U.S. export markets in 2000 were Russia, Korea, Taiwan, and Hong Kong. The year 2000 marked Russia's return as a commercial customer. The United States exported 30 million pounds of pork to Russia in 2000, mostly manufacturing product. The major factors behind Russia's re-entry into the commercial market include increased income of Russian consumers brought about by relative economic stability, higher petroleum prices, and an appreciating Ruble. Also, the European Union has rescinded its subsidies of pork exports to Russia, thus making U.S. pork products competitive.

In Asia, U.S. exports to Korea and Taiwan declined in 2000, and exports to Hong Kong increased marginally. In Korea, the FMD outbreak in March 2000 was the controlling factor behind trade in 2000. Although U.S. exports to Korea declined by 24 percent, expectations had initially been for a much steeper decline. As the year progressed, it became clear that Korea was deficit in cuts preferred by Korean consumers-- particularly belly cuts. The United States filled part of the gap, but the European Union remains by far, the major supplier to the Korean market.

In Taiwan, higher domestic pork production slowed imports. The United States exported 66 million pounds in 2000, 23 percent less than year-earlier levels. U.S. export prospects to Taiwan are tempered by continued higher production in 2001, together with recent certification of Danish export facilities by Taiwan health officials. As an exporter, Taiwan continues to work at developing a cooked-meat export trade, in the light of FMD outbreaks, which have continued since initial outbreaks in the hog herd in March 1997. Disease problems will preclude Taiwan from re-establishing its position as primary fresh/frozen pork supplier to Japan for the next several years at least.

Growth in Imports To Slow

U. S. pork imports in 2001 are expected to increase about 2 percent over 2000, but will of course mirror domestic economic conditions. Significant economic slowdown, with a weaker U.S. currency, can be expected to reduce imports. The United States imported 967 million pounds of

pork in 2000, up 17 percent over year-earlier totals. Canada and Denmark are the two largest exporters to the United States, accounting for 76 and 15 percent, of the U.S. import market, respectively. The major factor driving U.S. imports was a strong U.S. consumer demand for pork products that accompanied robust continued economic growth. The strong purchasing power of the U.S. dollar, relative to the Canadian dollar and the Danish krone also made imported pork products attractive.

Live Hog Imports Rise

The U.S. imported 4.359 million hogs last year, primarily from Canada, up 5 percent from 1999. Feeder animals accounted for 54 percent and the balance were slaughter hogs. These proportions were about the same as the previous year, but they are up sharply from the mid-1990's, when most imported Canadian hogs were for slaughter. The changed structure of Canadian government assistance to farmers provided the incentive for new livestock operations-- particularly hogs-- to be built in grain-producing regions of Western Canada. However, hog production capacity is running ahead of slaughter capacity, in Manitoba particularly. This factor, plus labor issues in the Canadian slaughter industry, discourages double-shift production schedules, giving a competitive pricing edge to U.S. processors. Consequently, it is quite likely that current levels of U.S. imports of Canadian hogs will continue for the foreseeable future.

Live Hog Exports Drop Sharply

U.S. live hog exports totaled 69,342 head in 2000, (primarily to Mexico) down from 177,089 in 1999. Since February 1999, the Mexican Government has assessed a countervailing duty on U.S.-exported hogs in compensation for alleged dumping; that is, for selling U.S. hogs in Mexico for less than costs of production in the United States. The countervailing duty of approximately \$15 per cwt has effectively closed US exports of slaughter hogs to Mexico. The Mexican Government initiated its annual review of the countervailing duty on October 10, 2000. The review is not yet complete.

Sheep and Lamb Inventory Continues To Decline

The all sheep and lamb inventory fell 2 percent in 2001, continuing a long downturn. Since 1975, the inventory has declined more than 50 percent. On January 1 2001, the all sheep and lamb inventory totaled 6.92 million head, down 2 percent from 2000 and 4 percent from 2 years ago. Texas, the largest sheep producing State, saw an 8-percent drop, while Wyoming, the second largest sheep producing State, saw a 7-percent drop in all sheep and lamb inventory. However, several of the medium-to-small-level producing States registered increases. Oregon (17 percent), Nebraska, and Indiana (12 percent each) registered the largest increases.

The breeding sheep inventory was down 5 percent. Drought conditions in the Western States likely contributed to the greater than normal decline in breeding stock. The sheep breeding flock fell 16 percent in Texas and 9 percent in Wyoming. Increases were noted in Indiana (18 percent) and Nebraska (7 percent).

Production Down and Prices Expected To Rise

Commercial production of lamb and mutton has mirrored the long-term decline in inventory. In 2001, commercial production of lamb and mutton is expected to total about 217 million pounds, down 5 percent from 1999. Reflecting the lower production, farm prices of lambs are expected to average low \$80's per cwt in 2001, up about a dollar from 2000. Based on seasonal price patterns, market lamb prices are expected to peak during the Easter/Passover season and average \$81 to \$85 in the second quarter. Slaughter lamb prices at San Angelo are expected to

mirror farm prices and average \$1 to \$2 above last year's \$79 per cwt average, the highest since 1997.

As lamb and mutton production has trended downward in the U.S., imports have trended upwards, keeping per capita consumption stable. Mutton and lamb enjoy a niche market, with regular consumption concentrated in ethnic groups of Middle Eastern, African, Latin American and Caribbean decent. Nearly all of the imports are from Australia (59 percent) and New Zealand (39 percent). In 2001, lamb and mutton imports are expected to be about 5 percent higher than in 2000. Further reduction in the U.S. tariff-rate quota (TRQ) restrictions will likely help boost imports in 2001. The TRQ restrictions enter their third and final year in July. The TRQ amounts were established at 9 percent *ad valorem* in the first year and reduced by 3 percent for each subsequent year. Rates of duty for imports above the TRQ levels were set at 40 percent *ad valorem* in the first year. In the second and third years, the quota levels will rise to about 72.1 million pounds (32,708 metric tons) and about 74 million pounds (33,565 metric tons), respectively, and the additional tariffs will be 32 percent and 24 percent.

In October 1999, New Zealand and Australia filed complaints to the World Trade Organization (WTO) regarding the safeguard measures imposed by the United States. In December 2000, the WTO panel, formed to hear the dispute, ruled in favor of New Zealand and Australia, and recommended that the United States bring its safeguard measures on the imports of lamb meat into conformity with its obligations under the WTO agreement on safeguards and the General Agreement on Tariffs and Trade (GATT) of 1994. The United States has since appealed the ruling and the results of the appeal are pending.

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PRODUCTION INDICATORS

	Jan. '100	Nov.	2001	
			Dec. 1000 Head	Jan. /*
Cattle:				
On feed - 7 States, 1,000+ Hd	9,752	10,192	10,213	10,076
Net placements	1,880	1,589	1,363	1,897
Marketings	1,747	1,568	1,500	1,751
Broilers:				
Eggs in incubators (000) /1	623,774	563,263	617,524	610,712
Chicks hatched (000) /2	749,375	674,222	738,796	733,889
Hatching egg layers /1	55,658	53,562	53,745	55,156
Pullets placed (000)	6,861	7,105	6,429	6,685
Hvy-type hen slaughter /2	5,304	5,539	4,419	5,100
Turkeys:				
Eggs in incubators (000) /1	31,203	29,317	30,638	31,668
Poult placed (000)	24,676	23,357	23,297	25,505
Eggs:				
Table egg prod. (mil. doz.) /2	505.8	499.1	516.7	509.3
Table egg layers, (000) /1	269,919	273,025	275,867	273,557
Table eggs/100 layers /1	73.5	72.4	73.0	72.5
Chicks hatched (000) /2	34,125	32,646	35,008	37,976
Lt.-type hen slaughter /2	8,452	7,218	6,733	6,800

ESTIMATED RETURNS

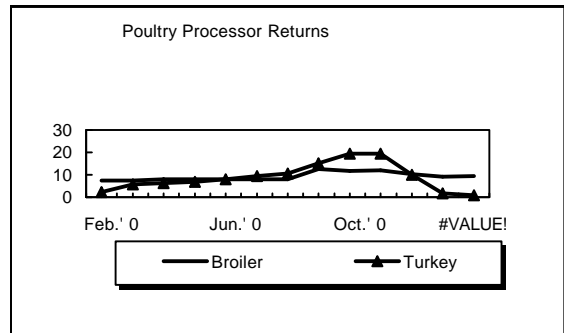
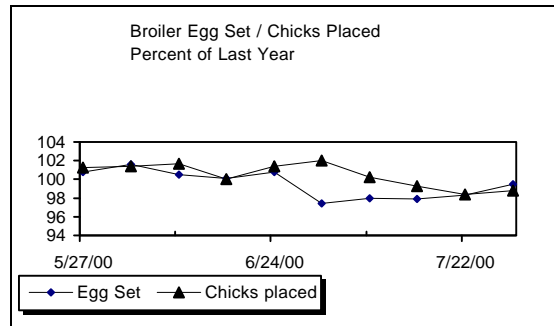
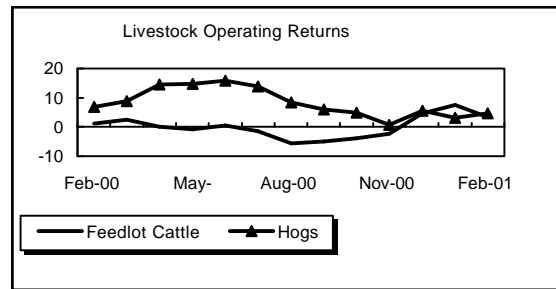
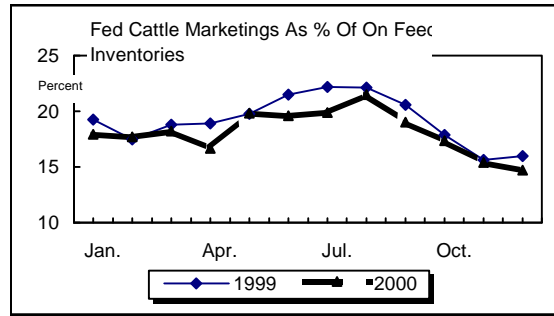
	Feb. '100	Dec.	2001	
			Jan. Cents/lb.	Feb. /*
Great Plains cattle feedlot				
Breakeven price /3	67.79	71.83	71.18	75.16
Selling price	68.88	76.41	78.79	78.50
Net margin	1.09	4.58	7.61	3.34
N. Central hog farrow to finish				
Breakeven price /3	34.79	35.75	35.53	36.68
Selling price	41.58	41.40	38.61	41.25
Net margin	6.79	5.65	3.08	4.57
Broiler				
Wholesale cost	46.34	46.95	47.70	48.18
Wholesale price	53.84	57.23	56.87	57.75
Net margin	7.50	10.28	9.17	9.57
Turkey				
Wholesale cost	57.33	57.38	58.52	59.72
Wholesale price	59.62	67.29	60.31	60.50
Net margin	2.29	9.91	1.79	0.78
Egg				
Wholesale cost	63.48	64.21	64.78	64.10
Wholesale price	71.39	96.65	81.00	76.00
Net margin	7.91	32.44	16.22	11.90

/1 First of month

/2 Last month estimated

/3 Does not include capital replacement cost

/* estimate



MEAT STATISTICS

	Jan. -	Jan. -	2000			2000		/*
	Feb. 2000	Feb. 2001	Oct.	Nov.	Dec.	Jan.	Feb.	
Commercial production								
<i>Million pounds</i>								
Beef	4,353	4,085	2,345	2,169	1,998	2,205	1,880	
Veal	35	34	18	18	18	18	16	
Pork	3,124	3,193	1,715	1,712	1,582	1,693	1,500	
Lamb	39	37	18	20	21	19	18	
Total red meat	7,551	7,349	4,096	3,919	3,619	3,935	3,414	
Broilers	4,912	4,903	2,723	2,554	2,349	2,489	2,414	
Other chicken	84	80	47	42	35	39	41	
Turkeys	813	843	508	482	402	405	438	
Total poultry	5,809	5,825	3,278	3,078	2,787	2,933	2,892	
Total meat & poultry	13,360	13,174	7,374	6,997	6,406	6,868	6,306	

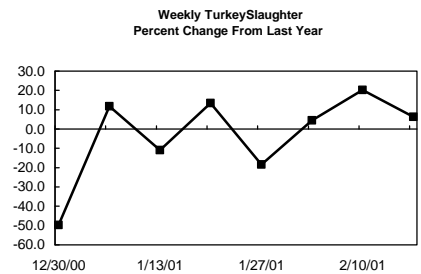
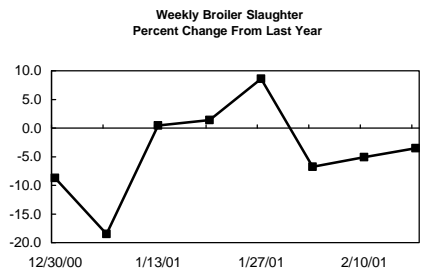
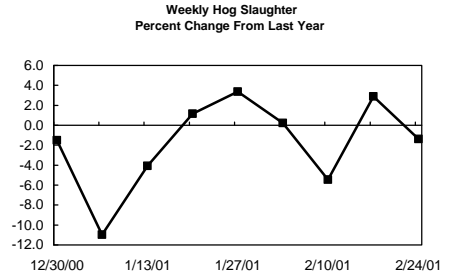
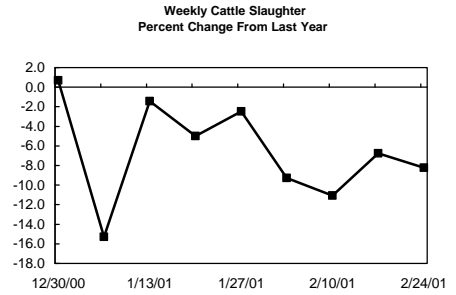
	Jan. -	Jan. -	2000			2000		/*
	Feb. 2000	Feb. 2001	Oct.	Nov.	Dec.	Jan.	Feb.	
Commercial slaughter/**								
<i>Thousand head</i>								
Cattle	5,874	5,570	3,141	2,931	2,719	3,002	2,568	
Steers	2,828	2,630	1,479	1,393	1,305	1,423	1,207	
Heifers	2,026	1,839	1,100	972	896	979	860	
Beef Cows	460	501	267	272	242	275	226	
Dairy Cows	459	505	241	244	233	274	231	
Bulls and stags	101	95	54	50	43	51	44	
Calves	188	170	97	92	92	91	79	
Sheep	575	516	279	296	301	269	247	
Hogs	16,208	16,283	8,881	8,757	8,095	8,643	7,640	
Barrows & gilts	15,688	15,719	8,579	8,458	7,830	8,339	7,380	
Sows	470	511	275	272	241	276	235	
Broilers	1,326,406	1,325,800	728,563	662,206	629,032	673,100	652,700	
Turkeys	39,312	40,800	26,219	24,559	19,708	19,600	21,200	

	2000			2000			/*
	Feb. 2000	Oct.	Nov.	Dec.	Jan.	Feb.	
F.I. dressed weight							
<i>Pounds</i>							
Cattle	747	753	747	741	741	739	
Calves	193	190	199	196	197	203	
Sheep	69	67	69	70	71	71	
Hogs	194	194	197	197	197	196	

	2000					
	Feb. 2000	Oct.	Nov.	Dec.	Jan.	Feb.
Beginning cold storage stocks						
<i>Million pounds</i>						
Beef	350.9	405.7	404.4	411.8	401.7	413.7
Pork	481.4	439.5	438.6	445.6	411.5	474.1
Bellies	43.8	21.3	20.6	38.7	47.1	50.7
Hams	86.8	146.1	133.7	94.5	49.8	69.9
Total chicken	823.7	819.1	762.5	758.1	806.6	785.0
Turkey	319.4	528.1	473.9	261.1	241.3	293.1
Frozen eggs	17.6	14.4	16.6	15.4	15.0	16.6

/* Estimates with exception of Cold Storage

/** Slaughter classes are estimated



LIVESTOCK PRICES

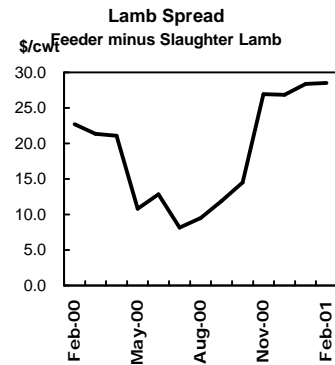
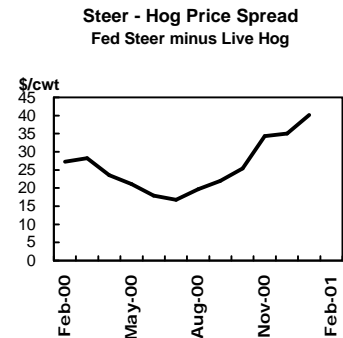
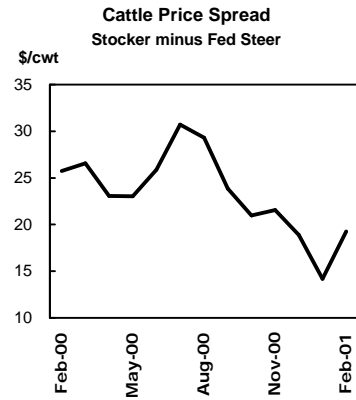
	2000				2001	
	Feb.	Oct.	Nov.	Dec.	Jan.	Feb. /*
Cattle prices						
\$/cwt.						
Steers, Choice, 11-13 cwt.						
Texas Panhandle	68.88	68.51	72.19	76.41	78.79	78.50
Nebraska Direct	68.24	68.54	72.05	76.18	78.49	78.75
Cows - Sioux Falls						
Utility breaking	41.19	42.75	41.50	43.50	43.00	45.50
Utility boning	38.88	38.25	39.38	41.81	41.75	44.50
Feeder Cattle - Oklahoma City						
Steers: Med. #1						
500-550 lb.	107.64	94.08	99.37	100.43	105.09	106.75
600-650 lb.	94.63	89.47	93.73	95.29	92.96	97.75
750-800 lb.	83.81	85.96	89.79	90.53	87.23	85.50
Heifers: Med. #1						
450-500 lb.	97.55	88.71	95.75	96.24	96.36	99.50
700-750 lb.	79.95	82.20	85.40	84.76	82.49	82.50
Hog prices						
Barrows and gilts						
National base 51-52% lean	41.58	43.09	37.84	41.40	38.61	41.25
(live equivalent = carcass x .74)						
Sows						
Iowa-S. Minn. #1-2, 300-400	25.35	31.45	26.90	29.59	27.68	29.50
Sheep & lamb prices						
San Angelo TX						
Slaughter lambs, Choice	76.83	77.50	76.70	75.33	81.25	85.75
Ewes, Good	51.92	43.18	45.85	47.17	51.88	55.25
Feeder lambs, Choice	99.54	92.00	103.65	102.17	109.63	114.25

GRAIN AND FEED PRICES

	2000				2001	
	Feb.	Oct.	Nov.	Dec.	Jan.	Feb. /*
\$/bu						
Corn, #2 Yellow, Cen. Ill	2.03	1.81	1.96	2.01	1.99	1.96
Wheat, HRW Ord., K.C.	2.73	3.30	3.36	3.36	3.44	3.30
\$/ton						
SBM, 48% Solvent, Decatur	170.51	171.52	179.95	195.65	183.17	166.00
Alfalfa Hay, U.S. Avg	77.40	89.70	90.40	91.00	91.30	N/A
Grass Hay, U.S. Avg	66.70	70.20	69.60	70.40	69.50	N/A

/* Estimates

Livestock, Dairy and Poultry Situation and Outlook



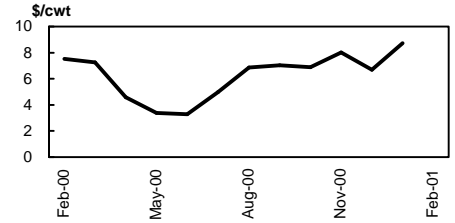
WHOLESALE PRICES

	2000		2001				/*
	Feb.	Oct.	Nov.	Dec.	Jan.	Feb.	
Beef, Central U.S.							
Boxed beef cutout			\$/cwt				
Choice 1-3 550-700 lb.	112.59	112.58	118.05	126.41	129.78	127.00	
Choice 1-3 700-850 lb.	112.18	112.66	118.00	126.24	128.81	127.30	
Select 1-3 700-850 lb.	106.88	102.02	109.24	117.12	122.09	122.60	
Canner-Cutter Cows	72.38	70.08	72.11	73.55	NA	NA	
Bnls beef, 90% fresh	103.96	93.69	101.16	104.39	110.89	121.75	
Importd bnls. beef 90% frz.	96.09	89.66	97.48	95.94	96.60	97.00	
Hide & offal value	7.25	8.65	8.69	8.93	8.94	8.50	
Veal carcass, 220-280 lb.	181.25	N/A	N/A	NA	NA	NA	
Pork, Central U.S.							
Pork cutout composite	61.43	62.40	56.75	60.15	58.62	60.75	
Loins, 14-19 lb. BI 1/4" trim	110.66	119.90	104.19	114.68	110.80	113.25	
Bellies, 12-14 lb. skin on trmrd	82.40	57.83	51.97	58.36	66.61	66.00	
Hams, 20-23 lb. BI trmrd. TS1	45.43	55.94	51.02	47.98	43.86	54.25	
Trimnings, 72% fresh	39.19	46.64	38.77	40.15	39.63	41.75	
Lamb, East Coast							
55 lb. Down, Choice	169.00	159.03	155.50	167.97	163.20	170.75	
55-65 lb., Choice	166.50	159.03	155.50	167.97	163.20	170.75	
<i>cents/lb.</i>							
Broilers							
12 City Avg.	53.84	57.22	58.22	57.23	56.87	57.75	
Georgia dock	56.52	60.20	60.22	60.25	60.25	60.50	
<i>Northeast</i>							
Breast, boneless	135.05	129.82	118.00	117.90	124.50	136.25	
Breast, Ribs on	67.33	68.86	66.09	61.19	62.90	75.50	
Legs, whole	31.83	38.93	38.87	36.13	36.50	35.25	
Leg quarters	19.33	28.41	26.81	21.71	20.40	20.25	
Turkeys							
<i>Eastern Region</i>							
Toms, 16-24 lb.	58.50	74.81	72.88	64.96	60.14	60.25	
Hens, 8-16 lb.	61.84	78.74	79.58	70.31	61.50	61.00	
Breast, 4-8 lb.	99.84	110.14	111.22	100.46	99.75	100.75	
Drumsticks	19.77	30.65	27.26	24.45	22.50	26.25	
Wings, full cut	22.96	26.85	25.67	24.07	21.25	22.00	
Eggs, grd A, lg, doz							
12 City Metro	71.39	76.82	84.69	96.65	81.00	76.00	
New York	67.05	72.98	81.40	94.90	74.25	71.50	

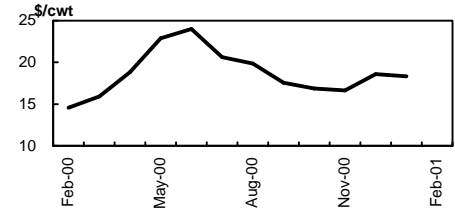
/* Estimates

Livestock, Dairy and Poultry Situation and Outlook

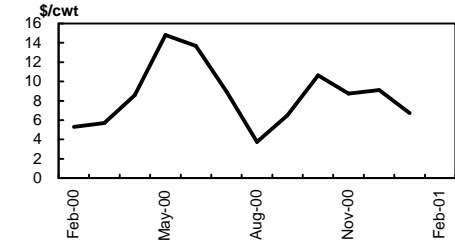
**Hog to Cutout Price Spread
Pork + Offal - Live Hog**



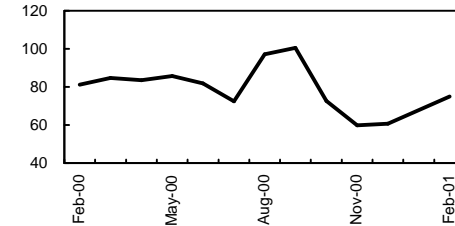
**Steer to Cutout Price Spread
Beef + Offal - Fed Steer**



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



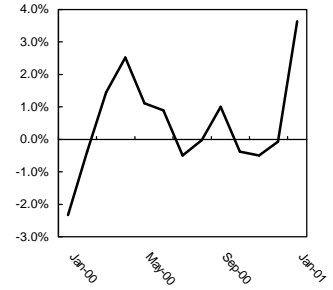
**Broiler Price Spread
Cents/lb. Boneless Breast - Whole Bird**



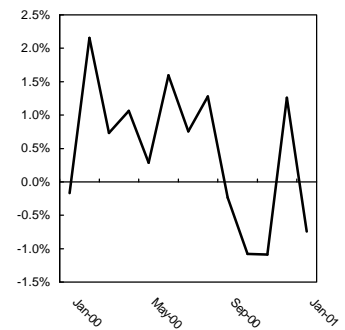
RETAIL PRICES & SPREADS

	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001
Retail prices	<i>Cents/lb.</i>					
Beef - Choice	309.9	313.0	311.8	310.3	310.1	321.4
Beef - All Fresh	280.2	280.9	280.6	279.6	279.7	582.9
Ground Beef	161.1	157.9	158.2	162.1	162.5	169.3
Round Roast	292.5	299.5	295.0	293.1	302.5	317.8
T-bone steak	716.4	721.8	725.7	709.8	682.0	712.7
Pork	265.6	265.0	262.1	259.3	262.5	260.6
Bacon	320.0	320.9	306.9	305.3	302.8	299.4
Chops	348.2	345.6	343.9	339.7	346.3	341.6
Sausage	269.1	271.4	261.2	258.3	274.8	279.1
Broilers - Composite ¹	158.3	156.8	156.3	151.5	157.2	157.3
Whole, fresh	108.6	108.7	109.0	106.5	107.8	109.1
Breast - bone in	212.6	208.9	208.6	206.9	214.4	213.3
Leg - bone in	129.8	129.7	128.7	120.9	126.4	127.1
Turkey; whole frozen	104.5	104.4	106.7	98.1	99.4	108.8
Eggs, Gr A, Lg, Doz	89.3	92.0	92.3	90.2	95.9	101.1
Price indexes	<i>1982-84=100</i>					
CPI - All	172.8	173.7	174.0	174.1	174.0	0.0
All food	168.7	168.9	169.1	168.9	170.0	0.0
All meat	153.9	153.8	152.9	152.5	152.9	154.1
Beef & veal	150.4	150.2	148.9	149.3	150.9	154.8
Pork	162.1	161.4	160.7	158.0	157.2	156.7
Poultry	161.3	160.9	162.1	157.2	160.7	160.8
Price Spreads	<i>Cents / retail lb.</i>					
Beef						
Farm to wholesale	34.1	32.0	30.8	30.3	34.1	34.8
Wholesale to retail	137.3	144.4	137.4	127.5	112.5	118.9
Farmers share (%)	45	44	46	49	53	52
Pork						
Farm to wholesale	36.5	34.6	38.0	41.1	37.6	39.3
Wholesale to retail	148.3	153.1	147.8	151.2	151.5	152.7
Farmers share (%)	30	29	29	26	28	26
Poultry and eggs						
Wholesale to retail						
Broilers ¹	106.6	99.5	95.4	91.2	100.1	105.7
Retail to consumer						
Turkey	23.7	21.1	21.7	13.4	23.1	39.5
Eggs Cents/doz	15.0	24.0	16.5	6.5	0.2	21.1

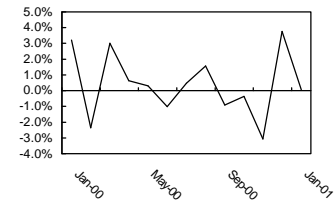
Retail Beef Price
Percent Change From Previous Month



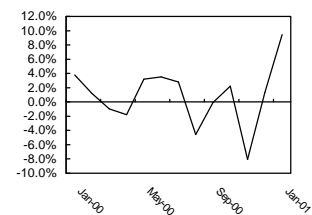
Retail Pork Price
Percent Change from Previous Month



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. - Dec-1999	Jan. - Dec-2000		1998	1999	Jan. - Dec-1999	Jan. - Dec-2000
Beef & Veal Imports					Pork Imports				
	<i>Carcass wt., thousand lbs.</i>					<i>Carcass wt., thousand lbs.</i>			
Australia	855,260	865,595	865,595	1,025,342	Canada	491,226	617,339	617,339	737,498
New Zealand	593,101	560,957	560,957	639,130	Denmark	135,513	132,868	132,868	147,966
Canada	823,073	947,238	947,238	918,310	Poland	19,801	23,090	23,090	23,998
Brazil	135,055	202,241	202,241	173,584	Netherlands	9,972	9,895	9,895	10,749
Argentina	124,191	156,785	156,785	130,709	Hungary	10,607	5,863	5,863	8,722
Central America	51,753	62,392	62,392	70,232	Other	38,274	38,060	38,060	37,977
Uruguay	50,237	65,931	65,931	62,237	Total	705,392	827,114	827,114	966,909
Mexico	9,142	10,482	10,482	11,060					
Other	1,294	2,069	2,069	1,241					
Total	2,643,105	2,873,689	2,873,689	3,031,844					
Beef & Veal Exports					Pork Exports				
Japan	1,118,488	1,101,164	1,101,164	1,116,855	Japan	496,470	542,290	542,290	588,941
Canada	261,211	249,463	249,463	253,693	Canada	126,375	127,124	127,124	138,809
Mexico	418,855	466,003	466,003	533,615	Mexico	145,363	167,299	167,299	302,696
Korea, Rep.	153,808	307,957	307,957	398,825	Russia	175,399	123,034	123,034	27,643
Caribbean	21,089	30,369	30,369	21,670	Korea, Rep	27,755	55,214	55,214	41,842
Russia	52,464	97,299	97,299	37,393	Hong Kong	62,116	47,209	47,209	44,901
Other	144,727	164,860	164,860	154,219	Caribbean	21,784	21,080	21,080	15,317
Total	2,170,642	2,417,115	2,417,115	2,516,271	Other	174,862	194,830	194,830	145,310
					Total	1,230,124	1,278,080	1,278,080	1,305,459
Cattle Imports					Hog Imports				
	<i>Head</i>					<i>Head</i>			
Mexico	720,439	959,840	959,840	1,222,569	Canada	4,122,364	4,135,272	4,135,272	4,358,626
Canada	1,313,476	985,215	985,215	964,702	Under 110 lb	1,466,077	2,082,146	2,082,146	2,337,639
Over 700 lbs.	1,183,457	865,558	865,558	849,483	Total	4,122,914	4,135,663	4,135,663	4,359,355
440-700 lbs.	47,558	22,081	22,081	30,089					
Total	2,034,009	1,945,076	1,945,076	2,187,286					
Cattle Exports					Hog Exports				
Mexico	160,474	100,481	100,481	126,704	Total	229,454	177,089	177,089	69,342
Canada	116,762	222,830	222,830	349,536					
Total	285,209	329,319	329,319	481,242					
Lamb Imports					Broiler Exports				
	<i>Carcass wt., thousand lbs.</i>					<i>RTC, thousand lbs.</i>			
Australia	42,438	48,587	48,587	57,883	Japan	227,441	218,380	218,380	230,679
New Zealand	34,799	33,991	33,991	35,227	Mexico	275,685	298,635	298,635	364,006
Total	77,813	83,052	83,052	94,563	Hong Kong	984,612	1,227,094	1,227,094	1,396,842
					Singapore	17,114	23,180	23,180	55,888
					Canada	133,222	145,806	145,806	168,852
					Russia	1,496,098	693,859	693,859	1,352,606
					Latvia	291,487	690,853	690,853	308,271
					Other	1,247,176	1,600,289	1,600,289	1,670,577
					Total	4,672,836	4,898,096	4,898,096	5,547,721
Mutton Imports					Turkey Exports				
Total	34,510	29,463	29,463	34,342	Mexico	249,702	216,370	216,370	245,905
					S. Korea	5,663	11,360	11,360	9,435
					Russia	73,950	14,532	14,532	52,670
					Hong Kong	34,387	33,883	33,883	43,338
					Canada	8,480	11,662	11,662	9,838
					Other	73,961	91,461	91,461	96,973
					Total	446,144	379,268	379,268	458,158
Customs Service					Shell Egg Exports				
	<i>Product wt., metric tons</i>					<i>thousand doz.</i>			
YTD imports under WT ¹	2/28/00	2/26/01	% of quota		Canada	35,575	31,373	31,373	30,127
Canada	47,170	49,664	NA		Japan	349	3,118	3,118	4,292
Mexico	443	388	NA		Other	66,465	50,323	50,323	59,833
TRQ Countries	58,080	72,130	10		Total	102,388	84,814	84,814	94,252
Australia	26,847	31,831	8						
New Zealand	23,409	34,139	16						
Argentina	2,337	1,091	5						
Uruguay	2,082	1,602	8						
Other	3,405	3,466	5						
Total	105,693	122,182	NA						

IMPORTANT NOTE: Russian data revised 11/21/00. Included on page 4

MONTHLY U.S. LIVESTOCK & MEAT IMPORTS & EXPORTS

	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00
Beef & Veal Imports	<i>Carcass wt., thousand lb.</i>												
Australia	75,609	76,389	35,683	70,142	79,708	79,971	85,592	94,412	129,101	84,023	86,795	104,605	98,923
New Zealand	38,658	57,660	62,873	84,387	73,506	79,992	76,067	58,191	62,444	30,966	24,979	24,582	3,483
Canada	74,213	71,801	71,991	77,383	68,714	77,127	86,747	83,014	79,289	76,126	75,443	75,898	74,779
Brazil	13,098	17,245	16,166	12,854	13,224	11,897	12,783	18,465	14,095	18,929	13,587	13,551	10,788
Argentina	12,975	15,349	12,706	11,964	9,785	11,944	9,500	12,653	15,279	8,881	6,695	9,208	6,744
Central America	6,150	4,690	7,343	4,993	3,978	4,898	5,365	4,275	5,148	5,949	6,726	9,144	7,721
Uruguay	3,079	6,020	5,830	7,173	4,400	8,114	7,157	5,591	4,054	4,322	4,219	3,816	1,540
Mexico	697	957	1,179	712	1,111	769	1,066	753	1,102	843	686	1,116	767
Other	216	16	67	105	153	451	203	29	7	22	13	46	129
Total	224,694	250,127	213,838	269,713	254,579	275,162	284,480	277,382	310,517	230,061	219,144	241,966	204,873
Beef & Veal Exports													
Japan	83,239	85,363	91,749	102,427	95,351	101,906	94,821	101,438	100,721	89,893	78,847	91,314	83,026
Canada	24,900	21,129	23,625	21,497	20,811	22,217	19,544	19,744	21,511	19,463	23,742	21,990	18,421
Mexico	45,496	40,080	46,399	45,226	33,467	40,750	41,531	47,829	47,839	44,352	46,071	46,232	53,840
Korea, Rep.	30,593	30,263	29,522	30,612	30,577	29,975	38,140	42,680	52,609	27,968	21,188	26,000	39,291
Caribbean	4,160	2,381	1,311	2,077	1,669	1,398	1,799	1,071	1,556	1,568	1,909	2,487	2,443
Russia	12,894	25,005	5,109	239	536	921	264	413	1,523	1,134	746	1,090	414
Other	14,330	13,804	13,123	15,519	10,090	11,097	11,691	12,875	14,762	9,468	12,450	15,841	13,497
Total	215,613	218,026	210,838	217,597	192,501	208,265	207,790	226,049	240,521	193,845	184,953	204,954	210,932
Cattle Imports	<i>Head</i>												
Mexico	136,743	103,352	115,338	136,230	106,222	108,743	51,199	23,892	43,544	68,281	118,754	194,351	152,663
Canada	41,783	37,097	72,243	115,914	95,074	90,638	85,133	59,613	73,174	77,583	106,109	88,644	63,480
Over 700 lbs.	32,567	31,082	64,389	103,408	82,987	74,722	73,057	50,797	64,959	70,502	97,587	80,712	55,281
440-700 lbs.	2,205	1,502	1,481	3,005	3,290	4,685	2,296	2,022	2,272	2,161	3,744	2,413	1,218
Total	178,531	140,449	187,581	252,144	201,296	199,381	136,332	83,505	116,718	145,864	224,873	283,000	216,143
Cattle Exports													
Mexico	8,087	7,358	10,121	7,656	5,205	10,240	12,856	12,991	15,123	14,501	11,945	10,104	8,604
Canada	28,692	35,141	27,843	28,568	9,674	17,116	12,172	9,095	9,749	9,328	116,391	46,536	27,923
Total	37,092	42,668	38,383	36,838	15,117	27,623	25,155	22,563	25,144	24,321	129,569	57,065	36,796
Lamb Imports	<i>Carcass wt., thousand lb.</i>												
Australia	4,576	3,328	3,905	5,457	5,445	4,038	5,569	4,834	4,379	4,426	4,727	6,502	5,275
New Zealand	3,409	2,577	3,421	4,165	3,558	2,979	2,617	2,883	1,521	3,031	3,007	2,531	2,936
Total	8,051	6,037	7,405	9,804	9,178	7,130	8,283	7,826	6,046	7,548	7,828	9,268	8,211
Mutton Imports													
Total	4,819	4,578	2,747	3,211	2,407	3,828	2,094	1,948	2,974	2,452	2,057	3,546	2,500
Lamb and mutton exports													
Total	389	434	488	665	530	244	203	430	368	223	186	707	744

	Dec-1999	Jan-2000	Feb-2000	Mar-2000	Apr-2000	May-2000	Jun-2000	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000
Pork Imports	Carcass wt., thousand lb.												
Canada	57,676	57,685	58,133	67,669	58,781	60,827	57,945	57,425	63,236	60,375	68,250	64,503	62,669
Denmark	9,705	10,134	13,518	16,506	12,394	15,323	12,746	12,505	12,739	10,248	9,851	11,325	10,677
Poland	1,652	1,543	1,711	2,062	1,526	1,668	3,195	1,969	2,210	1,518	2,079	2,034	2,483
Netherlands	1,044	904	561	1,340	1,358	908	941	980	756	466	658	774	1,102
Hungary	622	737	748	876	885	763	739	783	545	545	468	807	825
Other	3,543	4,118	3,032	4,188	3,084	3,175	3,130	2,470	2,465	2,393	3,305	3,531	3,085
Total	74,242	75,121	77,703	92,641	78,027	82,664	78,697	76,133	81,951	75,544	84,612	82,974	80,842
Pork Exports													
Japan	44,505	44,069	50,769	53,838	49,368	57,495	52,033	44,796	47,121	40,643	44,800	50,764	53,243
Canada	12,140	10,487	10,814	11,923	10,752	9,748	9,913	10,702	11,388	13,936	12,473	15,364	11,310
Mexico	20,654	20,733	24,416	24,695	16,160	17,334	21,000	23,022	26,806	30,171	26,157	31,966	40,236
Russia	28,271	7,168	60	11	68	101	208	311	1,263	1,374	4,202	8,736	4,140
Korea, Rep	3,885	3,170	5,060	4,310	4,693	2,780	2,789	2,353	2,402	3,134	3,565	4,669	2,916
Hong Kong	5,362	2,447	2,965	4,089	5,508	4,798	4,987	3,345	4,897	3,890	3,166	2,665	2,146
Caribbean	2,220	1,369	1,642	1,701	967	1,321	967	1,238	1,156	886	1,439	1,807	825
Other	15,270	9,215	16,573	15,310	13,024	9,785	12,360	9,197	13,516	9,850	11,394	14,361	10,724
Total	132,306	98,657	112,298	115,878	100,541	103,363	104,256	94,964	108,551	103,886	107,195	130,331	125,539
Hog Imports	Head												
Canada	359,621	338,798	307,887	334,298	299,551	367,001	376,917	344,571	437,294	395,476	411,468	379,405	365,960
Under 110 lb	179,542	177,751	174,948	191,386	166,662	182,566	197,028	174,975	240,951	212,580	210,782	212,628	195,382
Total	359,621	338,798	307,887	334,298	299,551	367,001	376,917	344,771	437,294	395,476	411,997	379,405	365,960
Hog Exports													
Total	4,962	8,072	14,943	17,694	8,297	4,845	1,518	4,112	1,998	1,029	3,591	1,724	1,519
Broiler Exports	RTC, thousand lb.												
Japan	10,871	13,866	16,148	22,673	19,393	22,696	26,821	19,431	19,909	17,710	15,766	20,524	15,742
Mexico	27,304	24,748	29,673	26,655	25,204	19,295	36,860	29,852	31,163	31,327	33,563	31,598	44,067
Hong Kong	134,787	95,418	108,962	125,850	101,940	119,118	150,465	106,737	132,003	118,331	117,421	111,924	108,673
Singapore	1,482	1,658	2,371	5,836	6,983	4,117	4,178	4,728	6,334	7,015	5,591	4,504	2,573
Canada	11,084	13,480	13,331	13,866	14,405	13,870	15,614	17,250	15,016	14,083	12,897	14,700	10,339
Russia	43,675	181,282	57,375	41,494	39,524	93,492	133,004	83,811	155,685	103,267	202,649	169,272	91,753
Latvia	33,018	43,614	119,687	32,548	32,173	734	25,787	17,966	324	17,483	6,899	10,066	989
Other	177,996	103,923	142,844	128,165	138,460	133,505	148,654	155,334	141,041	135,897	152,736	152,000	138,018
Total	440,217	477,988	490,392	397,086	378,083	406,827	541,383	435,110	501,475	445,112	547,522	514,589	412,155
Turkey Exports													
Mexico	25,698	19,406	20,084	18,099	18,352	9,936	19,832	15,635	15,672	20,424	24,557	28,500	35,407
Canada	1,181	614	891	775	609	746	679	585	709	851	1,295	674	1,411
S. Korea	898	483	471	750	371	419	737	836	1,217	1,228	1,047	827	1,049
Russia	582	2,329	1,428	27,323	128	116	1,173	170	2,238	3,823	5,405	4,915	3,623
Hong Kong	4,273	2,374	3,262	3,403	2,547	4,867	7,501	3,737	3,221	4,005	2,207	1,849	4,364
Other	7,592	5,645	5,863	6,981	5,859	6,382	10,924	6,616	10,302	10,940	9,183	9,815	8,464
Total	40,224	30,850	31,999	57,331	27,866	22,464	40,846	27,580	33,359	41,271	43,694	46,580	54,319
Shell Egg Exports	thousand doz.												
Canada	2,527	1,514	1,323	2,421	2,274	2,158	2,512	2,570	3,890	2,655	2,911	2,391	3,508
Japan	701	574	62	43	24	22	43	526	633	585	628	510	642
Total	7,880	6,115	6,630	8,442	7,176	5,747	7,808	7,334	10,024	8,980	8,464	7,976	9,555

For further information:

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

Table: Revised and original red meat export data: Russia and total

Month/year	Beef: Russia		Beef: total		Pork: Russia		Pork: Total	
	Revised	Original	Revised	Original	Revised	Original	Revised	Original
	Thou. Lbs.	Thou. Lbs.	Thou. Lbs.	Thou. Lbs.	Thou. Lbs.	Thou. Lbs.	Thou. Lbs.	Thou. Lbs.
Aug. 99	14,308	178	213,519	199,389	251	251	100,357	100,357
Sept. 99	27,798	157	215,271	187,630	4,423	228	99,156	94,961
Oct. 99	22,379	748	226,077	204,445	42,325	44	142,137	99,855
Nov. 99	16,630	123	219,932	203,425	44,539	130	143,238	98,828
Dec. 99	12,894	4,076	215,613	206,795	28,271	7,831	132,306	111,866
Jan. 00	25,005	50,262	218,026	243,283	7,168	47,518	98,657	139,007
Feb. 00	5,109	68,579	210,838	274,308	60	71,035	112,298	183,273
	124,123	124,123	1,519,276	1,519,276	127,037	127,037	828,149	828,149

Note: data revised Nov. 21, 2000

	1998	1999	2000				2001					
	Annual	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Production, million lb.												
Beef	25,653	26,386	6,653	6,697	6,914	6,512	26,776	6,525	6,525	6,575	6,100	25,725
Pork	18,981	19,278	4,824	4,470	4,601	5,010	18,905	4,800	4,550	4,825	5,075	19,250
Broilers	27,863	29,741	7,602	7,755	7,503	7,626	30,486	7,700	7,900	7,700	7,750	31,050
Turkeys	5,281	5,297	1,284	1,392	1,331	1,393	5,401	1,325	1,425	1,400	1,450	5,600
Total Red Meat & Poultry	78,801	81,724	20,614	20,565	20,587	20,775	82,541	20,591	20,639	20,727	20,608	82,565
Table eggs, mil doz.	5,620	5,833	1,484	1,467	1,482	1,521	5,954	1,490	1,475	1,490	1,545	6,000
Per capita consumption, Retail lb.												
Beef	68.1	69.1	17.2	17.5	18.0	16.9	69.5	17.0	17.1	17.0	15.6	66.8
Pork	52.6	53.9	13.1	12.6	12.9	13.8	52.4	13.0	12.6	13.3	13.9	52.8
Broilers	72.6	77.0	19.3	19.8	18.9	18.9	76.9	19.2	19.8	19.1	19.1	78.3
Turkeys	18.1	18.0	3.7	4.2	4.3	5.5	17.8	3.9	4.0	4.3	5.9	18.1
Total Red Meat & Poultry	213.7	220.3	53.9	54.9	54.8	56.0	219.6	54.0	54.3	54.5	55.3	218.0
Eggs, number	244.9	255.7	64.7	64.0	64.0	65.8	258.5	64.3	63.6	63.9	66.4	258.2
Market Prices												
Choice steers, Neb., \$/cwt.	61.48	65.56	69.32	71.59	65.43	72.26	69.65	73-75	73-77	73-79	71-77	72-77
Feeder steers, Ok City, \$/cwt.	71.80	76.39	84.91	84.76	86.25	88.76	86.17	87-89	86-92	87-93	86-92	86-92
Bng Ut Cows, S. Falls, \$/cwt.	36.20	38.40	39.88	44.23	42.92	39.81	41.71	42-44	45-49	45-49	45-47	45-47
Barrows & gilts, N. base, l.e. \$/cwt.	34.72	34.00	41.14	50.43	46.43	40.78	44.70	39-41	44-46	42-46	34-36	40-42
Broilers, 12 City, cents/lb.	63.10	58.10	54.60	55.70	56.80	57.60	56.20	55-57	55-59	56-60	54-58	55-59
Turkeys, Eastern, cents/lb.	62.20	69.00	62.90	69.00	73.90	76.20	70.50	61-63	64-68	66-72	72-78	66-70
Eggs, New York, cents/doz.	75.80	65.60	63.30	62.10	67.10	83.10	68.90	74-76	68-72	74-80	77-83	73-78
U.S. Trade, million lb.												
Beef & veal exports	2,171	2,417	646	609	660	595	2,510	615	630	645	640	2,530
Beef & veal imports	2,642	2,874	734	814	818	710	3,076	735	840	785	720	3,080
Pork exports	1,229	1,278	327	308	307	350	1,292	320	335	320	340	1,315
Pork imports	704	827	245	239	233	250	967	240	240	240	265	985
Broiler exports	4,673	4,920	1,365	1,326	1,382	1,475	5,548	1,400	1,400	1,425	1,475	5,700
Turkey exports	446	379	120	91	102	130	444	120	100	110	130	460

ECONOMIC INDICATOR FORECASTS ^{1/}

	1999		2000					2001				
	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
GDP, chain wtd (bil. 1996 dol.)	9,027	8,848	9,157	9,309	9,382	9,402	9,320	9,421	9,472	9,550	9,636	9,524
CPI-U, annual rate (pct.)	2.7	2.6	4.0	3.6	3.1	2.7	3.4	2.7	2.5	2.5	2.4	2.4
Unemployment (pct.)	4.1	4.2	4.1	4.0	4.0	4.0	4.0	4.2	4.4	4.5	4.5	4.4
Interest (pct.)												
3-month Treasury bill	5.0	4.6	5.5	5.7	6.0	6.0	5.8	5.1	4.8	4.7	4.7	4.8
10-year Treasury bond yield	6.1	5.6	6.5	6.2	5.9	5.6	6.0	5.1	5.1	5.2	5.2	5.1

^{1/} Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, February 2001.

DAIRY FORECASTS

	1999		2000					2001*				
	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Milk cows (thous.)	9,171	9,156	9,188	9,213	9,229	9,211	9,210					
Milk per cow (pounds)	4,410	17,772	4,640	4,688	4,460	4,416	18,204					
Milk production (bil. pounds)	40.4	162.7	42.6	43.2	41.2	40.7	167.7					
Commercial use (bil. pounds)												
milkfat basis	42.6	164.9	40.5	42.2	43.5	43.1	169.3					
skim solids basis	40.0	157.8	39.1	40.5	41.2	40.5	161.4					
Net removals (bil. pounds)												
milkfat basis	0.1	0.3	0.3	0.3	0.1	0.2	0.8	0.1	0.1	0.1	0.1	0.4
skim solids basis	1.7	6.5	2.4	2.7	1.7	1.8	8.6	2.6	1.5	1.1	1.0	6.1
Prices (dol./cwt)												
All milk	13.83	14.36	11.90	12.03	12.70	12.73	12.34	12.95	11.95	12.20	13.35	12.60
								-13.25	-12.55	-13.10	-14.35	-13.30
Basic Formula Price/ Class III	10.30	12.43	9.71	9.42	10.52	9.32	9.74	9.80	9.60	10.00	11.00	10.10
								-10.10	-10.20	-10.90	-12	-10.80
Class IV			10.84	11.89	11.89	12.69	11.83	11.90	11.60	11.80	12.05	11.85
								-12.30	-12.30	-12.80	-13.15	-12.65

*The most recent published projections of milk production and use are not consistent with recently revised data for 1999 and 2000.
Normal publication of projections will resume in March.

U.S. dairy situation at a glance

	Unit	1998	1999	2000	Nov-99	Dec-99	Jan-00	Feb-00
Milk production:								
Production (20 States)	Mil. lb.	134,900	140,062	144,528	11,328	11,935	12,259	11,694
Milk cows (20 States)	Thou.	7,708	7,734	7,799	7,757	7,756	7,764	7,766
Milk per cow (20 States)	Lb.	17,502	18,109	18,532	1,460	1,539	1,579	1,506
Production (U.S. est.)	Mil. lb.	157,348	162,716	167,658	13,155	13,855	14,268	13,606
Milk prices:								
All milk	Dol./cwt	15.50	14.36	12.34	14.40	12.20	12.00	11.80
Milk eligible for fluid use	Dol./cwt	15.52	14.42	12.40	14.50	12.30	12.00	11.90
Manufacturing grade milk	Dol./cwt	14.36	12.86	10.52	11.10	10.80	10.70	10.20
Class III (cheese milk) 3.5% fat	Dol./cwt	14.20	12.43	9.74	9.79	9.63	10.05	9.54
Class IV (butter-powder milk) 3.5% fat	Dol./cwt	NA	NA	11.83	NA	NA	10.73	10.80
Slaughter cow price, WI	Dol./cwt	35.54	37.28	39.60	36.50	37.70	37.63	39.08
Wholesale prices:								
Butter, Central States 1/ American cheese, WI assembly pt. 40-pound blocks	Ct/lb	177.6	125.2	118.5	109.6	94.2	91.6	92.9
Barrels	Ct/lb	158.1	142.3	116.2	117.3	115.7	114.6	111.6
Nonfat dry milk, Central States	Ct/lb	151.7	136.4	111.7	114.3	114.8	112.7	109.2
	Ct/lb	106.9	103.5	101.6	103.4	101.7	100.9	100.3
Retail prices:								
Consumer Price Index	1982-84=100	163.0	166.6	172.1	168.3	168.3	168.7	169.7
All food	1982-84=100	160.7	164.1	167.8	165.2	165.4	166.1	166.3
Dairy products	1982-84=100	150.8	159.6	160.7	164.6	162.1	160.4	160.9
Fluid milk	Dec 1997=100	101.3	107.6	107.8	114.2	109.7	106.9	106.6
Other dairy products	Dec 1997=100	101.9	107.2	109.4	108.3	107.9	108.5	109.4
Dairy product output:								
Butter	Mil. lb	1,168.0	1,275.0	1,304.8	103.5	119.8	142.3	130.3
American cheese	Mil. lb	3,314.7	3,576.5	3,678.3	288.1	309.7	316.7	302.3
Other-than-American cheese	Mil. lb	4,177.5	4,367.5	4,585.4	400.3	396.1	370.2	343.2
Frozen products 2/	Mil. gal.	1,324.3	1,311.8	1,304.6	88.0	84.8	83.8	98.6
All products (m.e.-fat)	Mil. lb	98,378	103,652	106,085	8,335	8,717	9,092	8,757
Nonfat dry milk	Mil. lb	1,135.4	1,378.2	1,460.4	102.4	126.1	133.6	133.1
Beginning stocks:								
Commercial butter	Mil. lb	20.5	25.9	24.9	63.8	29.9	24.9	82.2
Commercial American cheese	Mil. lb	410.3	407.6	458.0	459.3	448.2	458.0	511.6
Other cheese	Mil. lb	70.0	109.5	163.3	162.6	143.5	163.3	216.4
Manufacturers' nonfat dry milk	Mil. lb	103.3	56.9	115.5	97.7	102.2	115.5	146.2
All commercial (m.e.-fat)	Mil. lb	4,889	5,274	6,135	7,016	5,992	6,135	8,289
All commercial (m.e.-skim)	Mil. lb	6,080	5,914	7,634	7,468	7,175	7,634	9,065
All Government (m.e.-fat)	Mil. lb	18	28	44	44	44	44	47
All Government (m.e.-skim)	Mil. lb	258	1,115	1,566	1,556	1,615	1,566	1,750
Commercial disappearance:								
Butter	Mil. lb	1,223	1,309	1,329.4	137.2	124.4	83.6	104.4
American cheese	Mil. lb	3,338	3,586	3,632.1	305.1	307.2	265.0	279.1
Other-than-American cheese	Mil. lb	4,452	4,678	4,928.1	454.0	416.9	338.9	362.5
Nonfat dry milk	Mil. lb	867	791	770.6	60.6	44.9	43.1	43.1
All products:								
m.e.-fat	Mil. lb	159,779	164,915	169,205	14,398	13,972	12,178	12,891
Milkfat	Mil. lb	5,842	6,049	6,219.0	541	530	463	484
Skim solids	Mil. lb	13,497	13,665	13,959.0	1,161	1,126	1,076	1,075
USDA net removals:								
Butter	Mil. lb	6.3	3.7	8.9	0.8	1.0	2.0	2.6
Cheese	Mil. lb	8.2	4.6	28.0	0.2	0.4	0.4	0.7
Nonfat dry milk	Mil. lb	326.4	540.6	692.6	38.7	68.8	60.3	63.5
All products (m.e.-fat)	Mil. lb	366	344	841	40	55	88	99
All products (m.e.-skim)	Mil. lb	3,974	6,455	8,613	466	822	738	771
Imports								
All products (m.e.-fat)	Mil. lb	4,588	4,772	4,445.3	371	431	265	316
All products (m.e.-skim)	Mil. lb	3,744	4,618	4,389.2	427	499	266	291
International market prices:								
Butter	\$/metric ton	1,908	1,506	1,367	1,550	1,533	1,431	1,318
Nonfat dry milk	\$/metric ton	1,440	1,332	1,896	1,423	1,435	1,482	1,510

1/ Grade AA Chicago before June 1998.

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

NA = Not Available.

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

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

Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	Jan-01
12,687	12,411	12,758	12,082	12,205	11,928	11,451	11,813	11,385	11,855	12,073
7,776	7,789	7,799	7,808	7,821	7,820	7,820	7,817	7,805	7,803	7,791
1,632	1,593	1,636	1,547	1,561	1,525	1,464	1,511	1,459	1,519	1,550
14,756	14,394	14,792	14,003	14,123	13,797	13,241	13,714	13,212	13,752	13,992
11.90	11.90	12.00	12.20	12.70	12.60	12.80	12.50	12.60	13.10	13.50
12.00	12.00	12.10	12.30	12.70	12.60	12.90	12.60	12.60	13.10	13.50
10.10	10.20	10.10	10.30	10.70	10.70	11.20	10.80	10.40	10.80	10.90
9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37	9.99
11.00	11.38	11.91	12.38	11.87	11.87	11.94	11.81	13.00	13.27	12.13
40.63	41.25	41.80	42.06	40.94	40.70	38.88	37.56	36.85	37.88	40.75
99.7	108.7	122.2	128.6	120.3	120.3	119.1	116.9	151.7	150.0	122.3
112.2	110.7	110.6	120.0	125.2	125.5	133.4	109.4	107.5	113.0	110.3
109.6	108.5	109.2	117.2	121.3	111.0	125.4	102.9	102.9	110.4	108.7
100.1	100.0	100.1	101.2	102.2	102.3	102.4	102.3	103.1	104.3	103.6
171.1	171.2	171.3	172.3	172.6	172.8	173.7	174.0	174.1	174.0	175.1
166.5	166.6	167.3	167.3	168.1	168.7	168.9	169.1	168.9	170.0	170.9
159.1	160.6	159.6	159.5	160.5	161.0	161.6	161.9	161.4	161.5	163.6
106.0	107.4	107.2	106.9	108.2	108.4	108.8	109.0	108.3	109.3	111.5
109.1	109.3	108.6	108.6	110.5	110.5	111.1	109.6	108.6	109.5	110.4
122.5	115.4	111.2	91.8	87.0	85.6	91.6	106.2	105.1	115.9	NA
320.2	312.5	326.5	310.6	321.7	301.6	287.6	295.4	283.8	299.4	NA
397.7	381.0	410.6	387.0	368.3	384.9	367.5	396.2	388.1	390.6	NA
120.4	117.2	127.3	133.8	127.4	123.1	103.3	103.0	87.1	79.6	NA
9,426	9,145	9,639	9,059	8,883	8,672	8,252	8,680	8,191	8,289	NA
139.5	147.0	137.9	128.3	121.7	104.5	96.3	100.6	98.9	119.0	NA
107.5	113.7	126.6	137.7	145.4	136.5	100.9	84.6	58.0	27.1	24.0
536.1	540.6	569.7	578.3	596.6	628.1	609.3	576.5	546.0	521.8	521.1
221.1	224.5	224.3	233.1	231.5	242.0	230.2	203.9	185.3	173.4	185.2
173.4	167.9	197.4	197.0	170.7	189.6	152.1	130.0	120.8	109.9	119.0
9,116	9,307	9,900	10,287	10,664	10,835	9,778	8,904	7,836	6,830	6,863
9,683	9,686	10,358	10,553	10,451	11,074	10,316	9,455	8,789	8,283	8,517
57	64	82	100	121	135	134	133	130	134	139
2,174	2,654	3,052	3,624	4,294	4,768	5,318	5,621	5,752	6,077	6,028
116.4	103.0	102.6	90.0	102.3	126.0	109.2	134.9	137.3	119.7	NA
318.8	286.8	319.9	294.8	291.3	327.2	321.1	325.4	303.6	299.1	NA
423.7	408.3	431.9	417.5	387.0	427.1	424.2	452.4	440.2	414.4	NA
69.2	42.8	57.1	93.1	61.5	92.2	78.8	59.6	65.0	65.1	NA
14,737	13,972	14,598	13,878	14,232	15,139	14,268	14,994	14,408	13,910	NA
548	514	526	495	505	542	518	555	542	527	NA
1,227	1,135	1,205	1,171	1,126	1,212	1,184	1,221	1,174	1,154	NA
1.6	0.9	0.8	0.7	0.2	0.0	0.0	0.0	0.0	0.0	0.0
1.8	2.2	4.5	1.9	2.1	1.5	0.9	1.2	6.7	4.2	1.6
76.5	75.0	81.8	61.9	42.1	50.5	40.1	50.4	45.5	44.8	70.4
86	78	107	78	55	46	38	34	84	49	31
929	920	1032	777	534	627	500	612	610	564	836
371	358	412	439	448	443	300	359	383	352	NA
390	354	402	358	355	403	329	388	437	415	NA
1,238	1,250	1,273	1,353	1,394	1,400	1,450	1,499	1,469	1,325	1,295
1,510	1,542	1,681	1,962	2,075	2,169	2,212	2,225	2,215	2,175	2,159

Milk cows and production by State and region, 1995-2000

State and region	Milk cows						Milk per cow					
	1995	1996	1997	1998	1999	2000 1/	1995	1996	1997	1998	1999	2000 1/
	Thousands						Pounds					
Northeast	1,742	1,731	1,724	1,720	1,706	1,681	16,309	16,325	16,549	16,891	17,304	17,555
Maine	40	41	41	41	41	40	16,025	15,805	16,146	16,585	16,805	16,725
New Hampshire	20	20	20	20	19	18	16,300	16,200	16,400	16,650	16,895	17,222
Vermont	157	156	160	161	160	159	16,210	16,468	16,250	16,460	16,938	17,528
Massachusetts	28	27	26	26	25	23	16,000	16,296	16,692	16,846	16,800	17,043
Rhode Island	2.2	2.0	2.0	2.1	2.0	1.8	14,773	15,600	15,950	15,714	15,500	15,667
Connecticut	32	30	30	30	29	26	16,438	16,633	16,967	17,633	17,931	18,385
New York	703	702	699	701	701	686	16,501	16,396	16,495	16,762	17,235	17,376
New Jersey	23	22	21	19	17	16	13,913	13,500	14,238	15,368	16,471	16,625
Pennsylvania	636	634	629	623	616	617	16,492	16,536	16,951	17,411	17,745	18,081
Delaware	10.0	9.7	10.0	11.0	11.0	10.0	14,500	14,433	14,800	14,818	15,545	14,910
Maryland	91	87	86	86	85	84	14,725	15,080	15,419	15,581	16,059	16,083
Lake States	2,408	2,352	2,268	2,219	2,209	2,178	15,746	15,836	16,309	16,891	17,204	17,657
Michigan	326	320	306	299	299	300	17,071	16,969	17,680	17,943	18,244	19,017
Wisconsin	1,490	1,449	1,393	1,369	1,365	1,344	15,397	15,442	16,057	16,685	16,902	17,306
Minnesota	592	583	569	551	545	534	15,894	16,192	16,186	16,833	17,391	17,777
Corn Belt	1,025	984	947	920	895	896	15,561	15,244	15,694	16,195	16,417	16,866
Ohio	289	281	270	264	260	262	15,917	15,516	16,352	16,705	17,077	17,027
Indiana	144	140	137	136	136	145	15,375	15,471	15,978	16,103	16,066	16,310
Illinois	151	140	133	128	123	120	15,887	16,050	16,564	16,570	16,496	17,450
Iowa	251	241	230	222	217	215	16,124	15,701	16,057	17,167	17,521	18,298
Missouri	190	182	177	170	159	154	14,158	13,423	13,345	13,924	14,069	14,662
Northern Plains	338	325	311	305	311	319	13,888	13,932	14,219	14,774	15,241	16,009
North Dakota	64	62	56	51	49	49	13,094	12,968	12,732	13,843	14,061	14,306
South Dakota	118	112	105	102	102	102	13,398	13,161	13,181	14,069	14,775	16,020
Nebraska	74	69	69	70	74	77	14,797	15,217	15,072	15,000	15,392	16,260
Kansas	82	82	81	82	86	91	14,390	14,634	15,864	16,037	16,337	16,703
Appalachian	525	498	483	462	442	435	14,065	13,765	14,186	14,245	14,552	14,828
Virginia	129	126	125	124	121	120	15,116	14,325	14,864	14,847	15,479	15,842
West Virginia	21	20	18	18	18	17	12,667	12,600	14,778	15,444	15,278	15,588
North Carolina	86	82	79	75	73	71	16,314	15,951	16,506	16,680	16,658	16,746
Kentucky	162	153	148	140	133	132	12,469	12,157	12,264	12,214	12,414	12,803
Tennessee	127	117	113	105	97	95	13,740	13,932	14,239	14,295	14,608	14,789
Southeast	323	311	314	306	298	292	14,889	15,119	15,220	14,817	15,409	15,791
South Carolina	27	26	26	25	24	23	14,481	14,654	15,269	14,960	15,375	16,043
Georgia	100	97	97	93	89	87	15,550	15,320	15,340	15,452	16,281	16,471
Florida	162	156	160	160	158	157	14,698	15,391	15,475	14,606	15,177	15,675
Alabama	34	32	31	28	27	25	14,176	13,563	13,484	13,786	13,926	13,920
Delta States	191	176	166	150	141	136	12,272	12,335	12,428	12,467	12,645	13,037
Mississippi	55	51	47	42	38	36	12,909	12,902	13,489	13,786	14,526	15,111
Arkansas	60	56	53	45	42	42	12,150	12,054	11,981	12,000	12,381	12,476
Louisiana	76	69	66	63	61	58	11,908	12,145	12,030	11,921	11,656	12,155
Southern Plains	496	491	470	444	437	439	14,931	15,000	14,930	15,408	15,714	16,014
Oklahoma	95	94	92	92	92	91	13,611	13,245	13,576	13,435	13,576	14,231
Texas	401	397	378	352	345	348	15,244	15,416	15,259	15,923	16,284	16,480
Mountain	759	799	828	863	908	970	18,343	18,792	19,264	19,550	20,146	20,580
Montana	21	20	19	18	18	18	15,000	15,350	15,526	16,167	16,833	17,500
Idaho	232	256	272	292	318	347	18,147	18,496	19,092	19,743	20,292	20,816
Wyoming	6.6	6.6	6.6	6.1	6.0	5.6	13,197	13,394	12,697	13,082	13,300	13,571
Colorado	83	84	84	83	83	89	18,687	19,440	19,988	20,349	20,819	21,618
New Mexico	191	195	202	217	232	250	18,969	19,246	19,856	20,065	20,362	20,944
Arizona	113	121	127	131	134	139	19,735	20,446	20,976	20,458	21,873	21,705
Utah	88	91	91	90	92	96	16,739	17,000	16,923	16,811	17,587	17,573
Nevada	24	25	26	26	25	25	18,128	18,800	18,346	19,308	18,240	19,040
Pacific	1,666	1,709	1,744	1,767	1,812	1,869	19,484	19,236	19,860	19,644	20,862	21,218
Washington	264	257	253	248	247	247	20,091	20,541	20,968	21,476	22,409	22,644
Oregon	97	93	90	89	89	90	17,289	17,290	17,889	17,787	18,708	18,833
California	1,294	1,349	1,391	1,420	1,466	1,523	19,573	19,161	19,829	19,475	20,777	21,169
Alaska	0.7	0.8	0.9	0.9	1.0	0.9	17,000	16,875	16,667	15,922	13,580	14,500
Hawaii	10.4	9.4	9.1	8.9	8.6	8.1	13,654	13,723	13,516	14,494	13,919	14,358
United States	9,466	9,372	9,252	9,154	9,156	9,210	16,405	16,433	16,871	17,189	17,772	18,204

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Milk cows and production by State and region, 1994-99 (cont.)

State and region	Milk production											
	1995		1996		1997		1998		1999		2000 1/	
	mil. pounds	% US	mil. pounds	% US	mil. pounds	% US	mil. pounds	% US	mil. pounds	% US	mil. pounds	% US
Northeast	28,413	18.30	28,254	18.35	28,530	18.28	29,055	18.47	29,520	18.14	29,506	17.60
Maine	641	0.41	648	0.42	662	0.42	680	0.43	689	0.42	669	0.40
New Hampshire	326	0.21	324	0.21	328	0.21	333	0.21	321	0.20	310	0.18
Vermont	2,545	1.64	2,569	1.67	2,600	1.67	2,650	1.68	2,710	1.67	2,787	1.66
Massachusetts	448	0.29	440	0.29	434	0.28	438	0.28	420	0.26	392	0.23
Rhode Island	33	0.02	31	0.02	32	0.02	33	0.02	31	0.02	28	0.02
Connecticut	526	0.34	499	0.32	509	0.33	529	0.34	520	0.32	478	0.29
New York	11,600	7.47	11,510	7.47	11,530	7.39	11,750	7.47	12,082	7.43	11,920	7.11
New Jersey	320	0.21	297	0.19	299	0.19	292	0.19	280	0.17	266	0.16
Pennsylvania	10,489	6.75	10,484	6.81	10,662	6.83	10,847	6.89	10,931	6.72	11,156	6.65
Delaware	145	0.09	140	0.09	148	0.09	163	0.10	171	0.11	149	0.09
Maryland	1,340	0.86	1,312	0.85	1,326	0.85	1,340	0.85	1,365	0.84	1,351	0.81
Lake States	37,916	24.42	37,246	24.18	36,988	23.70	37,482	23.82	38,004	23.36	38,457	22.94
Michigan	5,565	3.58	5,430	3.53	5,410	3.47	5,365	3.41	5,455	3.35	5,705	3.40
Wisconsin	22,942	14.77	22,376	14.53	22,368	14.33	22,842	14.52	23,071	14.18	23,259	13.87
Minnesota	9,409	6.06	9,440	6.13	9,210	5.90	9,275	5.89	9,478	5.82	9,493	5.66
Corn Belt	15,950	10.27	15,000	9.74	14,862	9.52	14,899	9.47	14,693	9.03	15,112	9.01
Ohio	4,600	2.96	4,360	2.83	4,415	2.83	4,410	2.80	4,440	2.73	4,461	2.66
Indiana	2,214	1.43	2,166	1.41	2,189	1.40	2,190	1.39	2,185	1.34	2,365	1.41
Illinois	2,399	1.54	2,247	1.46	2,203	1.41	2,121	1.35	2,029	1.25	2,094	1.25
Iowa	4,047	2.61	3,784	2.46	3,693	2.37	3,811	2.42	3,802	2.34	3,934	2.35
Missouri	2,690	1.73	2,443	1.59	2,362	1.51	2,367	1.50	2,237	1.37	2,258	1.35
Northern Plains	4,694	3.02	4,528	2.94	4,422	2.83	4,506	2.86	4,740	2.91	5,107	3.05
North Dakota	838	0.54	804	0.52	713	0.46	706	0.45	689	0.42	701	0.42
South Dakota	1,581	1.02	1,474	0.96	1,384	0.89	1,435	0.91	1,507	0.93	1,634	0.97
Nebraska	1,095	0.71	1,050	0.68	1,040	0.67	1,050	0.67	1,139	0.70	1,252	0.75
Kansas	1,180	0.76	1,200	0.78	1,285	0.82	1,315	0.84	1,405	0.86	1,520	0.91
Appalachian	7,384	4.75	6,855	4.45	6,852	4.39	6,581	4.18	6,432	3.95	6,450	3.85
Virginia	1,950	1.26	1,805	1.17	1,858	1.19	1,841	1.17	1,873	1.15	1,901	1.13
West Virginia	266	0.17	252	0.16	266	0.17	278	0.18	275	0.17	265	0.16
North Carolina	1,403	0.90	1,308	0.85	1,304	0.84	1,251	0.80	1,216	0.75	1,189	0.71
Kentucky	2,020	1.30	1,860	1.21	1,815	1.16	1,710	1.09	1,651	1.01	1,690	1.01
Tennessee	1,745	1.12	1,630	1.06	1,609	1.03	1,501	0.95	1,417	0.87	1,405	0.84
Southeast	4,809	3.10	4,702	3.05	4,779	3.06	4,534	2.88	4,592	2.82	4,611	2.75
South Carolina	391	0.25	381	0.25	397	0.25	374	0.24	369	0.23	369	0.22
Georgia	1,555	1.00	1,486	0.96	1,488	0.95	1,437	0.91	1,449	0.89	1,433	0.85
Florida	2,381	1.53	2,401	1.56	2,476	1.59	2,337	1.49	2,398	1.47	2,461	1.47
Alabama	482	0.31	434	0.28	418	0.27	386	0.25	376	0.23	348	0.21
Delta States	2,344	1.51	2,171	1.41	2,063	1.32	1,870	1.19	1,783	1.10	1,773	1.06
Mississippi	710	0.46	658	0.43	634	0.41	579	0.37	552	0.34	544	0.32
Arkansas	729	0.47	675	0.44	635	0.41	540	0.34	520	0.32	524	0.31
Louisiana	905	0.58	838	0.54	794	0.51	751	0.48	711	0.44	705	0.42
Southern Plains	7,406	4.77	7,365	4.78	7,017	4.50	6,841	4.35	6,867	4.22	7,030	4.19
Oklahoma	1,293	0.83	1,245	0.81	1,249	0.80	1,236	0.79	1,249	0.77	1,295	0.77
Texas	6,113	3.94	6,120	3.97	5,768	3.70	5,605	3.56	5,618	3.45	5,735	3.42
Mountain	13,915	8.96	15,007	9.74	15,943	10.21	16,874	10.72	18,293	11.24	19,954	11.90
Montana	315	0.20	307	0.20	295	0.19	291	0.18	303	0.19	315	0.19
Idaho	4,210	2.71	4,735	3.07	5,193	3.33	5,765	3.66	6,453	3.97	7,223	4.31
Wyoming	87	0.06	88	0.06	84	0.05	80	0.05	80	0.05	76	0.05
Colorado	1,551	1.00	1,633	1.06	1,679	1.08	1,689	1.07	1,728	1.06	1,924	1.15
New Mexico	3,623	2.33	3,753	2.44	4,011	2.57	4,354	2.77	4,724	2.90	5,236	3.12
Arizona	2,230	1.44	2,474	1.61	2,664	1.71	2,680	1.70	2,931	1.80	3,017	1.80
Utah	1,473	0.95	1,547	1.00	1,540	0.99	1,513	0.96	1,618	0.99	1,687	1.01
Nevada	426	0.27	470	0.31	477	0.31	502	0.32	456	0.28	476	0.28
Pacific	32,462	20.90	32,878	21.35	34,635	22.19	34,706	22.06	37,793	23.23	39,657	23.65
Washington	5,304	3.42	5,279	3.43	5,305	3.40	5,326	3.38	5,535	3.40	5,593	3.34
Oregon	1,677	1.08	1,608	1.04	1,610	1.03	1,583	1.01	1,665	1.02	1,695	1.01
California	25,327	16.31	25,848	16.78	27,582	17.67	27,654	17.58	30,459	18.72	32,240	19.23
Alaska	12	0.01	14	0.01	15	0.01	14	0.01	14	0.01	13	0.01
Hawaii	142	0.09	129	0.08	123	0.08	129	0.08	120	0.07	116	0.07
United States	155,292		154,006		156,091		157,348		162,716		167,658	

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Milk production and factors affecting supply, 1980-2000

Year	January 1 inventory			Average milk cows on farms	Milk production		Average milk prices received		
	Milk cows and heifers that have calved	Replacement heifers 500 lbs. and over	Replacements per 100 cows		Per cow	Total	All	Eligible for fluid market	Manufacturing grade
	-----Thousand-----			Thousand	Pounds	Million pounds	-----Dollars per cwt-----		
1980	10,758	4,159	38.6	10,799	11,891	128,406	13.05	13.23	12.01
1981	10,849	4,342	40.0	10,898	12,183	132,770	13.77	13.95	12.72
1982	10,986	4,547	41.4	11,011	12,306	135,505	13.61	13.80	12.60
1983	11,047	4,545	41.1	11,059	12,622	139,588	13.58	13.75	12.61
1984	11,059	4,533	41.0	10,793	12,541	135,351	13.46	13.61	12.49
1985	10,777	4,770	44.3	10,981	13,024	143,012	12.76	12.90	11.72
1986	11,116	4,709	42.4	10,773	13,285	143,124	12.51	12.62	11.46
1987	10,466	4,305	41.1	10,327	13,819	142,709	12.54	12.66	11.37
1988	10,311	4,122	40.0	10,224	14,185	145,034	12.26	12.36	11.15
1989	10,137	4,117	40.6	10,046	14,323	143,893	13.56	13.66	12.38
1990	10,015	4,171	41.6	9,993	14,782	147,721	13.74	13.89	12.34
1991	9,965	4,093	41.1	9,826	15,031	147,697	12.27	12.30	11.05
1992	9,728	4,131	42.5	9,688	15,570	150,847	13.15	13.19	11.91
1993	9,658	4,176	43.2	9,581	15,722	150,636	12.84	12.88	11.80
1994	9,507	4,125	43.4	9,494	16,179	153,602	13.01	13.02	11.85
1995	9,482	4,121	43.5	9,466	16,405	155,292	12.78	12.80	11.79
1996	9,420	4,090	43.4	9,372	16,433	154,006	14.75	14.79	13.43
1997	9,318	4,058	43.6	9,252	16,871	156,091	13.36	13.40	12.17
1998	9,199	3,986	43.3	9,154	17,189	157,348	15.46	15.50	14.24
1999	9,133	4,069	44.6	9,156	17,772	162,716	14.38	14.43	12.86
2000 1/	9,190	4,000	43.5	9,210	18,204	167,658	12.34	12.40	10.52

Year	Dairy ration value	Milk/feed price ratio 2/	Milk cow cost		Grain and other concentrates fed to milk cows			Alfalfa hay prices received by farmers	Slaughter cow prices 3/
			Price received per head	Milk required to buy a cow	Total	Per cow	Per cwt of milk		
	Dollars per cwt	Pounds	Dollars	Cwt	Thousand tons	-----Pounds-----	Dollars per ton	Dollars per cwt	
1980	7.42	1.76	1,190	91	28,433	5,260	44.2	72.00	45.73
1981	8.02	1.72	1,200	87	28,513	5,220	42.9	70.90	41.93
1982	7.45	1.83	1,110	82	29,661	5,380	43.7	72.73	39.96
1983	7.88	1.72	1,030	76	30,162	5,438	43.2	78.70	39.35
1984	8.16	1.65	895	66	28,449	5,253	42.0	79.48	39.81
1985	7.35	1.73	860	67	28,891	5,427	41.8	73.67	38.31
1986	7.00	1.79	820	66	29,913	5,534	41.8	64.85	37.18
1987	6.81	1.84	920	73	29,607	5,736	41.6	65.97	44.80
1988	7.74	1.58	990	81	29,853	5,820	41.2	82.51	47.91
1989	8.20	1.65	1,030	76	29,602	5,845	41.0	95.98	50.11
1990	7.98	1.71	1,160	84	32,402	6,397	43.7	92.56	53.32
1991	7.73	1.58	1,100	90	30,934	6,192	41.7	78.96	51.50
1992	7.68	1.69	1,130	86	31,572	6,417	41.6	75.45	49.69
1993	7.73	1.64	1,160	90	31,952	6,664	42.4	86.67	50.14
1994	7.98	1.62	1,170	90	32,469	6,840	42.3	93.97	45.03
1995	7.88	1.62	1,130	88	31,997	6,771	41.2	88.09	38.12
1996	9.30	1.59	1,087	74	31,665	6,777	41.1	93.76	33.00
1997	8.67	1.54	1,095	82	NA	NA	NA	110.69	36.93
1998	7.81	1.98	1,143	74	NA	NA	NA	94.29	35.54
1999	7.08	2.03	1,298	90	NA	NA	NA	81.97	37.28
2000 1/	7.06	1.75	1,341	109	NA	NA	NA	85.03	39.60

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

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	13,632	12,605	14,252	13,932	14,464	13,625	13,446	13,360	12,960	13,430	13,155	13,855	162,716
Farm use	116	105	116	113	116	112	117	116	112	116	112	116	1,367
Marketings	13,516	12,500	14,136	13,819	14,348	13,513	13,329	13,244	12,848	13,314	13,043	13,739	161,349
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	496	479	432	471	371	431	4,772
Total supply	19,210	19,763	22,301	22,334	23,610	23,464	23,016	23,159	21,543	21,229	20,430	20,162	171,395
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	12,272	11,945	14,105	13,364	13,920	14,250	13,560	14,876	14,069	14,186	14,398	13,972	164,916
Percent change from a year ago	-3.3	0.3	4.4	1.4	0.0	3.8	-0.8	8.2	7.6	3.4	9.4	3.6	3.2
Cumulative disappearance	12,272	24,217	38,322	51,686	65,606	79,856	93,416	108,292	122,361	136,547	150,945	164,917	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	38,322			41,534			42,505			42,556			
Percent change from a year ago	0.6			1.7			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
Million pounds													
Supply:													
Production	14,268	13,606	14,756	14,394	14,792	14,003	14,123	13,797	13,241	13,714	13,212	13,752	167,658
Farm use	113	105	113	109	113	109	113	112	109	113	109	112	1,330
Marketings	14,155	13,501	14,643	14,285	14,679	13,894	14,010	13,685	13,132	13,601	13,103	13,640	166,328
Beginning commercial stocks	6,135	8,289	9,116	9,307	9,900	10,287	10,664	10,835	9,778	8,904	7,836	6,830	6,135
Imports	265	316	371	358	412	439	448	443	300	359	383	352	4,445
Total supply	20,555	22,106	24,130	23,950	24,991	24,620	25,122	24,963	23,210	22,864	21,322	20,822	176,908
Utilization:													
Ending commercial stocks	8,289	9,116	9,307	9,900	10,287	10,664	10,835	9,778	8,904	7,836	6,830	6,863	6,863
USDA net removals	88	99	86	78	106	78	55	46	38	34	84	49	841
Commercial disappearance	12,178	12,891	14,737	13,972	14,598	13,878	14,232	15,139	14,268	14,994	14,408	13,910	169,204
Percent change from a year ago	[-0.8]	[4.2] 7.9	4.5	4.5	4.9	-2.6	5.0	1.8	1.4	5.7	0.1	[-0.4]	[2.3] 2.6
Cumulative disappearance	12,178	25,069	39,806	53,778	68,376	82,254	96,486	111,625	125,893	140,887	155,295	169,205	
Percent change from a year ago		[2.7] 3.9			2.2			2.7			1.8		
		First quarter 39,806			Second quarter 42,448			Third quarter 43,639			Fourth quarter 43,312		

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	471	530	510	522	485	473	473	470	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	466	498	493	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	784	787	763	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	510	528	542	530	6,049
Percent change from a year ago	-3.2	0.5	4.4	1.8	0.6	4.1	-0.7	8.7	9.1	3.8	9.3	4.4	3.5
Cumulative disappearance	465	912	1,436	1,924	2,425	2,933	3,411	3,939	4,449	4,977	5,519	6,049	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1,436			1,498			1,515			1,600			
Percent change from a year ago	0.6			2.1			5.7			5.8			

Commercial disappearance: Milkfat, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	541	512	549	530	535	501	501	494	481	509	499	523	6,174
Farm use	4	4	4	4	4	4	4	4	4	4	4	4	49
Marketings	536	508	545	526	531	497	497	490	477	505	495	518	6,125
Beginning commercial stocks	225	304	335	342	363	378	392	398	359	327	288	251	225
Imports	9	11	13	12	14	15	16	15	10	12	13	12	154
Total supply	770	823	893	880	908	890	905	903	846	844	796	781	6,504
Utilization:													
Ending commercial stocks	304	335	342	363	378	392	398	359	327	288	251	252	252
USDA net removals	3	4	3	3	4	3	2	2	1	1	3	2	31
Commercial disappearance	463	484	548	514	526	495	505	542	518	555	542	527	6,221
Percent change from a year ago	[-0.4]	[4.6] 8.3	4.5	5.1	5.1	-2.5	5.9	2.7	1.4	5.0	0.0	[-0.5]	[2.6] 2.9
Cumulative disappearance	463	947	1,495	2,009	2,535	3,030	3,536	4,078	4,595	5,150	5,692	6,219	
Percent change from a year ago		[3.0] 4.1			2.5			3.3			1.5		
		First quarter 1,495			Second quarter 1,535			Third quarter 1,565			Fourth quarter 1,624		

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	1,238	1,211	1,256	1,176	1,147	1,138	1,111	1,168	1,150	1,200	14,083
Farm use	10	9	10	10	10	10	10	10	10	10	10	10	118
Marketings	1,183	1,084	1,228	1,202	1,246	1,167	1,137	1,128	1,101	1,158	1,140	1,190	13,965
Beginning commercial stocks	508	632	668	685	740	808	797	798	718	667	641	616	508
Imports	30	27	30	28	30	24	34	36	38	42	37	43	399
Total supply	1,721	1,743	1,926	1,915	2,016	1,999	1,968	1,962	1,857	1,867	1,818	1,849	14,872
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	1,202	1,125	1,154	1,132	1,114	1,207	1,150	1,192	1,162	1,127	13,668
Percent change from a year ago	-3.2	1.9	1.8	0.7	-0.9	0.5	0.6	7.6	3.5	1.2	1.9	-0.3	1.3
Cumulative disappearance	1,064	2,102	3,305	4,429	5,583	6,715	7,829	9,036	10,186	11,379	12,541	13,668	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	3,305			3,410			3,471			3,481			
Percent change from a year ago	0.2			0.1			3.9			1.0			

Commercial disappearance: Skim solids, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	1,249	1,178	1,282	1,250	1,284	1,208	1,205	1,176	1,135	1,193	1,155	1,191	14,505
Farm use	10	9	10	9	10	9	10	10	9	10	10	10	115
Marketings	1,239	1,169	1,272	1,241	1,274	1,198	1,195	1,166	1,125	1,183	1,145	1,181	14,390
Beginning commercial stocks	656	779	832	832	889	905	897	951	886	812	755	712	656
Imports	23	25	34	30	35	31	31	35	28	33	38	36	377
Total supply	1,918	1,973	2,138	2,103	2,198	2,134	2,123	2,152	2,039	2,028	1,938	1,929	15,423
Utilization:													
Ending commercial stocks	779	832	832	889	905	897	951	886	812	755	712	732	732
USDA net removals	63	66	79	79	88	66	46	54	43	52	52	43	732
Commercial disappearance	1,076	1,075	1,227	1,135	1,205	1,171	1,126	1,212	1,184	1,221	1,174	1,154	13,959
Percent change from a year ago	[1.1]	[0.0] 3.6	2.1	0.9	4.4	3.5	1.1	0.4	3.0	2.4	1.1	[2.4]	[1.9] 2.1
Cumulative disappearance	1,076	2,151	3,379	4,514	5,719	6,890	8,016	9,228	10,412	11,634	12,808	13,962	
Percent change from a year ago		[1.1] 2.3			2.9			1.5			2.0		
		First quarter 3,379			Second quarter 3,511			Third quarter 3,522			Fourth quarter 3,550		

Percentages in brackets adjusted for leap year.

Commercial disappearance: Butter, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	142.3	130.3	122.5	115.4	111.2	91.8	87.0	85.6	91.6	106.2	105.1	115.9	1,305.8
Beginning commercial stocks	24.9	82.2	107.5	113.7	126.6	137.7	145.4	136.5	100.9	84.6	58.0	27.1	24.9
Imports	0.6	2.0	1.7	1.4	3.3	6.6	6.6	4.8	1.3	2.1	1.3	0.7	32.0
Total supply	167.8	214.5	231.7	230.5	241.1	236.1	239.0	226.9	193.8	192.9	164.4	143.7	1,362.7
Utilization:													
Ending commercial stocks	82.2	107.5	113.7	126.6	137.7	145.4	136.5	100.9	84.6	58.0	27.1	24.0	24.0
USDA net removals	2.0	2.6	1.6	0.9	0.8	0.7	0.2	0.0	0.0	0.0	0.0	0.0	8.9
Commercial disappearance	83.6	104.4	116.4	103.0	102.6	90.0	102.3	126.0	109.2	134.9	137.3	119.7	1,329.8
Percent change from a year ago	[-13.0]	[13.8]	1.5	2.6	0.5	-20.9	16.0	7.8	-3.6	19.2	0.1	-3.8	[1.3]
Cumulative disappearance	83.6	188.0	304.4	407.4	510.0	600.0	702.3	828.3	937.5	1,072.4	1,209.7	1,329.4	
		First quarter			Second quarter			Third quarter			Fourth quarter		
		304.4			295.6			337.5			391.9		
Percent change from a year ago	[0.5]	1.7			-6.5			6.0			4.6		

Percentages in brackets adjusted for leap year.

Commercial disappearance: Nonfat dry milk, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	133.6	133.1	139.5	147.0	137.9	128.3	121.7	104.5	96.3	100.6	98.9	119.0	1,460.4
Beginning commercial stocks	115.5	146.2	173.4	167.9	197.4	197.0	170.7	189.6	152.1	130.0	120.8	109.0	115.5
Imports	0.5	0.7	0.7	0.3	0.6	0.4	0.8	0.7	0.5	0.2	0.7	0.9	6.8
Total supply	249.6	280.0	313.6	315.2	335.9	325.7	293.2	294.8	248.9	230.8	220.4	228.9	1,582.7
Utilization:													
Ending commercial stocks	146.2	173.4	167.9	197.4	197.0	170.7	189.6	152.1	130.0	120.8	109.9	119.0	119.0
USDA net removals	60.3	63.5	76.5	75.0	81.8	61.9	42.1	50.5	40.1	50.4	45.5	44.8	692.6
Commercial disappearance	43.1	43.1	69.2	42.8	57.1	93.1	61.5	92.2	78.8	59.6	65.0	65.1	771.1
Percent change from a year ago	[-35.4]	[-26.9] -24.3	-15.6	-35.7	-9.2	86.9	-3.5	-3.4	13.7	-17.6	7.3	45.0	[-2.7] -2.5
Cumulative disappearance	43.1	86.2	155.4	198.2	255.3	348.4	409.9	502.1	580.9	640.5	705.5	770.6	
		First quarter			Second quarter			Third quarter			Fourth quarter		
		155.4			193.0			232.5			189.7		
Percent change from a year ago	[-25.1]	-24.4			7.6			1.8			6.7		

Percentages in brackets adjusted for leap year.

Commercial disappearance: American cheese, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	316.7	302.3	320.2	312.5	326.5	310.6	321.7	301.6	287.6	295.4	283.8	299.4	3,678.3
Beginning commercial stocks	458.0	511.6	536.1	540.6	569.7	578.3	596.6	628.1	609.3	576.5	546.0	521.8	458.0
Imports	2.3	2.0	4.9	5.6	6.5	4.4	3.2	8.3	1.6	0.7	2.3	3.2	45.3
Total supply	777.0	815.9	861.2	858.7	902.7	893.3	921.5	938.0	898.5	872.6	832.1	824.4	4,181.6
Utilization:													
Ending commercial stocks	511.6	536.1	540.6	569.7	578.3	596.6	628.1	609.3	576.5	546.0	521.8	521.1	521.1
USDA net removals	0.4	0.7	1.8	2.2	4.5	1.9	2.1	1.5	0.9	1.2	6.7	4.2	28.0
Commercial disappearance	265.0	279.1	318.8	286.8	319.9	294.8	291.3	327.2	321.1	325.4	303.6	299.1	3,632.5
Percent change from a year ago	[3.0]	[0.8] 4.4	0.7	4.9	17.5	-9.0	0.2	-1.5	-0.3	2.2	-0.5	-2.6	[1.0] 1.3
Cumulative disappearance	265.0	544.1	862.9	1,149.7	1,469.6	1,764.4	2,055.7	2,382.9	2,704.0	3,029.4	3,333.0	3,632.1	
		First quarter 862.9			Second quarter 901.5			Third quarter 939.6			Fourth quarter 928.1		
Percent change from a year ago	[1.4]	2.6			3.7			-0.6			-0.3		

Percentages in brackets adjusted for leap year.

Commercial disappearance: Other-than-American cheese, 2000

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	370.2	343.2	397.7	381.0	410.6	387.0	368.3	384.9	367.5	396.2	388.1	390.6	4,585.4
Beginning commercial stocks	163.3	216.4	221.1	224.5	224.3	233.1	231.5	242.0	230.2	203.9	185.3	173.4	163.3
Imports	21.8	24.0	29.4	27.1	30.1	28.9	29.2	30.4	30.4	37.6	40.2	35.6	364.6
Total supply	555.3	583.6	648.2	632.6	665.0	649.0	629.0	657.3	628.1	637.7	613.6	599.6	5,113.3
Utilization:													
Ending commercial stocks	216.4	221.1	224.5	224.3	233.1	231.5	242.0	230.2	203.9	185.3	173.4	185.2	185.2
USDA net removals													
Commercial disappearance	338.9	362.5	423.7	408.3	431.9	417.5	387.0	427.1	424.2	452.4	440.2	414.4	4,928.1
Percent change from a year ago	[11.9]	[2.9] 6.6	4.9	6.5	13.2	8.6	4.1	4.6	5.1	6.0	-3.0	-0.6	[5.1] 5.3
Cumulative disappearance	338.9	701.4	1,125.1	1,533.4	1,965.3	2,382.8	2,769.8	3,196.9	3,621.1	4,073.5	4,513.7	4,928.1	
		First quarter 1,125.1			Second quarter 1,257.7			Third quarter 1,238.3			Fourth quarter 1,307.0		
Percent change from a year ago	[6.3]	7.5			9.4			4.6			0.7		

Percentages in brackets adjusted for leap year.

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								
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
Aug-2000	159.60	1.61	14.96	25.31	33.30	47.40	55.47	8.07
Sept-2000	174.60	1.67	13.72	24.07	31.67	45.77	58.35	12.58
Oct-2000	173.71	1.91	13.52	23.87	31.41	45.51	57.22	11.71
Nov-2000	181.36	2.06	14.06	24.41	32.12	46.22	58.22	12.00
Dec-2000	195.65	2.06	14.62	24.97	32.85	46.95	57.23	10.28
Jan-2001	183.17	2.03	15.18	25.53	33.60	47.70	56.87	9.17
3-REGION WHOLESALE PRICE								
TURKEYS								
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	2.28
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	8.09
July-2000	163.38	1.65	21.45	35.15	43.94	60.24	69.58	9.33
Aug-2000	159.60	1.61	22.18	35.88	44.85	61.15	71.84	10.69
Sept-2000	174.60	1.67	20.65	34.35	42.94	59.24	74.34	15.10
Oct-2000	173.71	1.91	18.55	32.25	40.31	56.61	76.01	19.40
Nov-2000	181.36	2.06	18.21	31.91	39.88	56.18	75.65	19.47
Dec-2000	195.65	2.06	19.16	32.86	41.08	57.38	67.29	9.92
Jan-2001	183.17	2.03	20.08	33.78	42.22	58.52	60.31	1.79
WHOLESALE TOTAL 12-METRO COST PRICE								
EGGS								
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	7.90
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	73.13	8.48
May-2000	189.34	2.25	26.28	44.48		64.98	58.52	-6.46
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
Aug-2000	159.60	1.61	22.26	40.46		60.96	75.32	14.36
Sept-2000	174.60	1.67	21.86	40.06		60.56	68.85	8.28
Oct-2000	173.71	1.91	22.84	41.04		61.54	76.82	15.28
Nov-2000	181.36	2.06	24.28	42.48		62.98	84.69	21.72
Dec-2000	195.65	2.06	25.51	43.71		64.21	96.65	32.44
Jan-2001	183.17	2.03	26.08	44.28		64.78	81.00	16.21

Feeder cattle supply outside feedlots

Item	1994	1995	1996	1997	1998	1999	2000	Change from 2000 previous year	
			1,000 head			/3	/3		Percent
On farms Jan 1:									
Calves < 500 lbs	17,873	18,341	18,384	17,826	17,401	17,290	16,815	16,221	-3.5
Steers over 500 lbs	17,086	17,513	17,815	17,392	17,189	16,891	16,682	16,438	-1.5
Heifers over 500 lbs 2/	9,104	9,302	9,948	10,212	10,051	10,170	10,147	10,140	-0.1
Total	44,063	45,156	46,147	45,430	44,641	44,351	43,644	42,799	-1.9
On feed Jan 1 1/:	12,922	12,363	12,853	13,067	13,536	13,153	13,929	14,098	1.2
Feeder cattle outside feedlots on Jan 1:	31,141	32,793	33,294	32,363	31,105	31,198	29,715	28,701	-3.4
Slaughter Jan-Mar:									
Calves	312	351	432	403	368	322	291		
Steers & heifers	6,495	6,662	7,085	7,030	7,039	7,151	7,457		
Total	6,807	7,013	7,517	7,433	7,407	7,473	7,748		
On feed Apr 1 1/:	12,432	12,585	12,235	12,890	12,281	12,821	13,588		
Feeder cattle outside feedlots on April 1:	24,824	25,559	26,395	25,107	24,953	24,057	22,308		
On farms July 1:									
Calves < 500 lbs	31,300	32,000	31,700	30,900	30,600	30,500	30,300		
Steers over 500 lbs	15,200	15,400	15,100	14,800	14,600	14,400	14,300		
Heifers over 500 lbs 2/	7,500	8,000	8,100	8,200	8,100	8,100	8,100		
Total	54,000	55,400	54,900	53,900	53,300	53,000	52,700		
On feed July 1 1/:	10,569	11,140	9,741	10,839	10,956	11,447	12,250		
Feeder cattle outside feedlots on July 1:	43,431	44,260	45,159	43,061	42,344	41,553	40,450		
Slaughter Jul-Sep:									
Calves	312	361	469	396	394	349	292		
Steers & heifers	7,269	7,657	7,169	7,524	7,438	7,785	7,797		
Total	7,581	8,018	7,638	7,920	7,832	8,134	8,089		
On feed Oct 1 1/:	10,721	10,947	11,001	12,083	11,706	12,310	12,980		
Feeder cattle outside feedlots on Oct 1:	35,698	36,435	36,261	33,897	33,762	32,556	31,631		

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.

Prospects for U.S. Poultry and Pork Exports to Russia

By Stefan Osborne

Since economic reforms began in Russia in 1992, U.S. exports of poultry and pork to Russia have grown substantially, as Russian production collapsed due to the removal of Soviet-era livestock subsidies. However, during the first few months following the financial crisis that hit Russia in August 1998, demand for imported poultry and pork products collapsed. Since the financial crisis, the United States has enjoyed a recovery in the Russian poultry market because of its dominant position there, while subsidized European products have eroded U.S. pork exports to Russia. What are the prospects for future poultry and pork exports to Russia? Russian pork and poultry consumption depends on four key variables: 1) the ruble exchange rate, 2) consumer incomes, 3) oil prices, and 4) competitors' trade policies.

The Importance of Exports of Poultry and Pork to Russia

The United States has been the main supplier of poultry to Russia during the reform period, providing 70 – 80 percent of Russian poultry imports (according to Russian Customs statistics). Russia's poultry imports represented 44 percent of the total volume of U.S. poultry exports in 1997 and 32 percent in 1998. However, these numbers may underestimate poultry trade to Russia. To avoid tariffs and trade related problems, much of the poultry exports to Russia are shipped through neighboring Baltic countries. After summing U.S. poultry exports to Russia and the Baltics, the share in volume rises to 51 percent in 1997 and 41 percent in 1998. In value terms the share is smaller, because Russia imports lower valued products, such as leg-quarters and mechanically deboned meat.

From 1995 to 1998, pork exports to Russia accounted for 11 percent of the total quantity of U.S. pork exports. However, Russia imports mostly frozen pork, and represents a relatively larger share of U.S. frozen pork exports. Frozen pork exports to Russia represented 17 percent of the total quantity of U.S. frozen pork exports from 1995 to 1998. Again, the share in total value for this period is only 12 percent because Russia imports relatively low-value cuts.

Livestock Policy Before and After Reform

In the 1970's and 80's, the Soviet Union was a significant importer of grain. Most of the imported grain was used for livestock and poultry feed because the Soviet leadership decided in the early 1970's to increase the production and consumption of livestock products. Livestock producers benefited from consumer and producer subsidies, as well as from an administered price system. The price system typically set prices for agricultural inputs artificially low relative to outputs. Imports of grain were thus substantial, because domestic grain production was not sufficient to meet high feed demand.

After the Soviet Union collapsed, the administered price system disappeared, as well as the subsidies to livestock production and consumption. Agricultural input prices set by the market were much higher than those set by the planners. Consequently, Russian production of livestock products fell dramatically. Grain exports to Russia from the United States fell, although imports of low-cost U.S. livestock products increased. The net result was a 50-percent drop in the total value of agricultural exports to Russia from the United States. (See *From Grains to Meat: New Focus for Russian Agricultural Imports, January/February 1997 Agricultural Outlook.*)

From 1992 to 1993 the ruble was weak, which meant imported goods cost more than the domestic equivalent. Because imports were relatively expensive, imports of pork and poultry were low. However, as part of a larger effort to stabilize the Russian economy in 1995, the Central Bank of Russia intervened in the foreign exchange market to stabilize the exchange rate. The stabilization of the ruble resulted in a significant increase in its purchasing power on international markets. Import prices relative to domestic prices fell, and Russia began to import significantly greater amounts of pork and poultry. However, the financial crisis that occurred in August of 1998 caused commercial imports to dry up again.

The Financial Crisis

The Russian financial crisis was brought about by the slide in crude oil prices that began in November 1997. Oil is Russia's most significant export, accounting for 17.5 percent of export revenues from 1994 to 1999. Consequently, oil revenues are a significant portion of Russia's total tax revenues and foreign currency reserves. Foreign currency traders attacked the ruble (that is, they sold rubles on international currency markets), partially because they felt the low tax revenues would prevent the Russian Government from fulfilling its debt obligations. Indeed, low crude oil prices and tax collections in 1998 eventually led to the Russian Government's default on domestically issued government bonds in August.

The ensuing financial crisis caused foreign investors to sell ruble-denominated assets, resulting in a significant depreciation of the ruble. The weak ruble caused the price of imports to rise relative to the prices of domestically produced goods. Furthermore, the default on government bonds wiped out much of the wealth of Russian consumers who were holding government debt. Russian incomes also declined because Gross Domestic Product (GDP) fell by 2 percent in the quarter following the crisis. The drop in income and depreciation of the ruble meant that Russian consumers could no longer afford to buy imported poultry and pork products.

In 2000, prospects for meat exports to Russia recovered significantly. After the initial shock due to the crisis, GDP growth in 1999 was positive (for only the second time since reforms began in 1992), and is projected to have grown between 7 and 8 percent in 2000 (according to forecasts by the Russian statistical agency Goskomstat). The present GDP growth is largely due to the low value of the ruble, and to a lesser extent, high oil prices (see box, *The Role of Oil Prices*). A currency depreciation makes imports expensive relative to domestically produced goods. Therefore, a currency depreciation has the same effect as erecting economy-wide trade barriers that protect domestic production from international competition. The weak ruble that resulted from the August financial crisis provided a strong stimulus to Russian domestic production, although it took several months for the production response to gain momentum. The result was a strong recovery in GDP in 2000.

In 2000, Russia's central bank intervened to keep the nominal value of the ruble at an exchange value of 25-28 rubles to the dollar. However, the bank has been less successful in controlling inflation. The result is that the ruble price of imports has remained constant while domestic prices have increased. Because import prices are relatively lower, the purchasing power of the ruble increased, even though the nominal exchange rate has stayed the same. The net effect of the stronger ruble has been a slowdown in GDP growth in late 2000 and a partial recovery of imports.

Consumer incomes bottomed out in January 1999 and have been rising steadily since then (from January 1999 to June 2000, inflation-adjusted consumer incomes recovered from 66 to 90 percent of their pre-crisis levels). Furthermore, the price of oil in 2000 rebounded significantly from the low prices of 1998, contributing to the increase in consumer incomes (see box, The Role of Oil Prices).

The effect of the financial crisis of 1998 on poultry exports is evident from figure 1 (monthly Russia/Baltics poultry imports graph). Russian poultry imports fell off dramatically after the August 1998 crisis, but recovered in 2000. Since the United States is the low-cost producer of imported Russian poultry, it is difficult for other poultry-exporting countries to compete for market share in Russia. The most significant competition for poultry exports to Russia comes from the European Union (EU). EU poultry exports to Russia represented about 20 percent of the total quantity of Russian poultry imports before the financial crisis.

The story for pork is somewhat different (see figure 2). In contrast to its dominant position on the Russian poultry market, the United States plays a relatively small role in the pork market. The U.S. share of the Russian pork import market is largely determined by the policies of the EU in its pork export subsidies.

The European Union has dominated the Russian pork market since the crisis, largely due to significant subsidies for pork exports (see box, European Union Pork Subsidies). China was the largest exporter of pork to Russia before the crisis, but since then exports from China have been insignificant. However, China's competition is largely irrelevant for U.S. pork exporters, since U.S. pork is exported primarily to Moscow and St. Petersburg, while China's pork dominates the effectively separate Siberian market. U.S. pork exports also suffered in the post-crisis environment. In 1999, the United States sent 49,000 tons of pork to Russia as part of a food aid package, but commercial exports were only 2,000 tons. In 2000, the United States exported only 9,700 tons of pork to Russia. However, about 6,000 tons of the exports occurred between October and December, after the EU pork subsidies had been eliminated.

Prospects for the Next Decade

Future prospects for poultry and pork exports to Russia depend largely on the four indicators mentioned earlier: 1) the ruble exchange rate; 2) consumer incomes; 3) oil prices; and 4) competitors' trade policies.

The ruble will likely appreciate in the next few years, after adjusting for inflation (it had already begun to do so in late 2000). The current low value is due to the large depreciation that occurred when the 1998 default on domestic bonds discouraged investors from holding ruble-denominated assets. As confidence is gradually restored in the Russian economy, it is likely that the ruble will recover. A stronger ruble means that U.S. meat exports will be more competitive in Russian markets.

Consumer incomes will likely continue to grow as GDP grows in Russia. However, the present high GDP growth is due to the relatively weak value of the ruble and high oil prices. Should the ruble strengthen and oil prices fall, GDP growth will likely slow in the future. Despite forecasts of a strengthening ruble, the current consensus at Goskomstat and the Economic Research

Service is that GDP will continue to grow in Russia, although at a slower rate than the estimated 7 to 8 percent rise in 2000.

Competitive conditions will remain about the same for poultry, as the United States has retained its dominant position in poultry exports to Russia, even after the crisis. U.S. pork exports have not yet recovered because the main benefits of the recovery in Russian pork imports in 2000 went to EU pork exporters, who enjoy geographic proximity to the Russian pork market. However, the European Union sustained its dominant position in Russian pork imports in 2000 primarily due to subsidies on pork exports to Russia, which were completely removed in July 2000.

The net effect of these four factors for U.S. poultry exports should be positive. The effect of the anticipated inflation-adjusted appreciation in the ruble will be the strongest, and should balance potential slowdowns in Russian GDP from lower oil prices. Russian pork imports from the United States have not fully recovered yet, but they averaged about 2,000 tons from October to December 2000. If this rate can be maintained for the remainder of the 2000/01 fiscal year, pork imports from the United States could recover to at least half of their pre-crisis levels (of about 35,000 tons a year).

Box: The Role of Oil Prices

Oil is Russia's most significant export, accounting for 17.5 percent of export revenues from 1994 to 1999. Increased oil revenues have a direct effect on consumer incomes (although concentrated in the hands of the oil companies' owners) and also provide a significant amount of tax revenue to the government.

Increased tax revenues can lead to a significant increase in consumer income. While the Russian economy is no longer centrally planned, the government still plays a large role. On average, 15 percent of per capita income in Russia consists of payments to pensioners. The government is also responsible for the salaries of government workers, like school teachers, university professors, and coal miners. Pension payments and salary disbursements to government employees have been chronically late, and the Russian Government periodically initiates campaigns to catch up on them. The high oil revenues in 2000 have allowed the government to make progress in these areas, and consequently consumer income rose.

As shown in figure 3, oil prices before August 1998 were unusually low, while current oil prices are unusually high. If oil prices fall in the future, meat exports to Russia will, all things being equal, tend to be adversely affected.

Box: European Union Pork Subsidies

Following the crisis of 1998, pork exports fell for many major exporters of pork to Russia: China, the United States, and Eastern Europe, in particular. However, the European Union chose to subsidize pork exports to Russia. At the time, the European Union already had a large pork surplus and was subsidizing pork exports at a rate of 400 euros per ton (pork imported to Russia before the crisis cost \$1,700/ton, which was about 1,545 euros/ton). To maintain exports to Russia after the collapse of the ruble (when the price of imported pork fell to 800 euros/ton), the European Union authorized an additional 300 euro per ton subsidy for pork exports to Russia. Pork exports to Russia from the European Union rose from 129,000 tons in 1998 to 460,000 tons in 1999. Due to the subsidized exports from the European Union, total Russian pork imports actually rose in 1999.

The European Union is still the largest exporter of pork to Russia. However, the EU reduced export subsidies in 2000, and eliminated them entirely in July 2000. As a result, from January to September 2000, EU pork exports to Russia fell by half from the same period in 1999.

Quantity and value of U.S. poultry exports to Russia and the Baltics

Quantity

	Total U.S. Poultry Exports, tons	Russia and the Baltics	Share
1992	825,144	14,626	0.02
1993	1,073,481	118,435	0.11
1994	1,519,419	385,374	0.25
1995	2,040,556	795,270	0.39
1996	2,387,983	1,035,068	0.43
1997	2,585,276	1,130,799	0.44
1998	2,537,211	911,943	0.36
1999	2,592,909	790,921	0.31
2000	2,847,835	855,255	0.31

Value

	Total U.S. Poultry Exports, U.S.\$	Russia and the Baltics	Share
1992	928,464,431	10,866,118	0.01
1993	1,100,612,553	87,793,030	0.08
1994	1,570,414,250	311,855,456	0.20
1995	2,025,713,199	661,047,659	0.33
1996	2,482,837,516	1,010,133,320	0.41
1997	2,423,115,470	907,686,054	0.37
1998	2,175,622,439	661,170,667	0.30
1999	1,822,437,141	368,570,329	0.20
2000	1,969,515,653	423,865,977	0.22

Source: FATUS

Quantity and Value of U.S. pork exports to Russia

Quantity

	Total U.S. Pork Exports, tons	Russia	Share
1992	140,238	49	0.00
1993	148,469	16,189	0.11
1994	177,313	5,021	0.03
1995	263,895	46,786	0.18
1996	305,875	26,469	0.09
1997	324,507	29,368	0.09
1998	398,864	41,419	0.10
1999	434,521	45,282	0.10
2000	444,780	9,684	0.02

Value

	Total U.S. Pork Exports, U.S.\$	Russia	Share
1992	451,397,123	146,67	0.00
1993	484,188,905	25,011,05	0.05
1994	548,302,701	7,971,41	0.01
1995	846,865,390	71,630,50	0.08
1996	1,018,551,761	46,102,36	0.05
1997	1,045,710,480	53,223,69	0.05
1998	1,027,547,942	71,859,39	0.07
1999	1,100,729,180	83,160,50	0.08
2000	1,218,690,153	13,590,70	0.01

Source: FATUS

Figure 1: U.S. poultry exports to Russia/Baltics

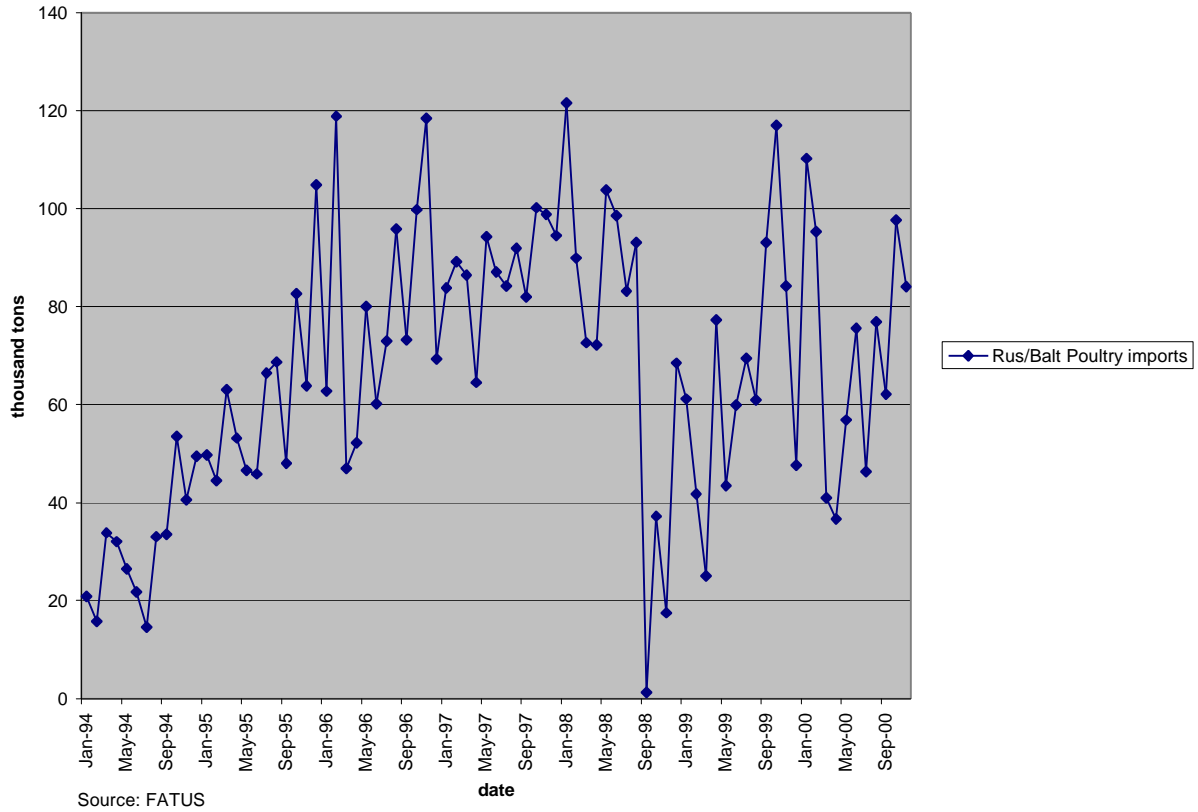


Figure 2: U.S. pork exports to Russia

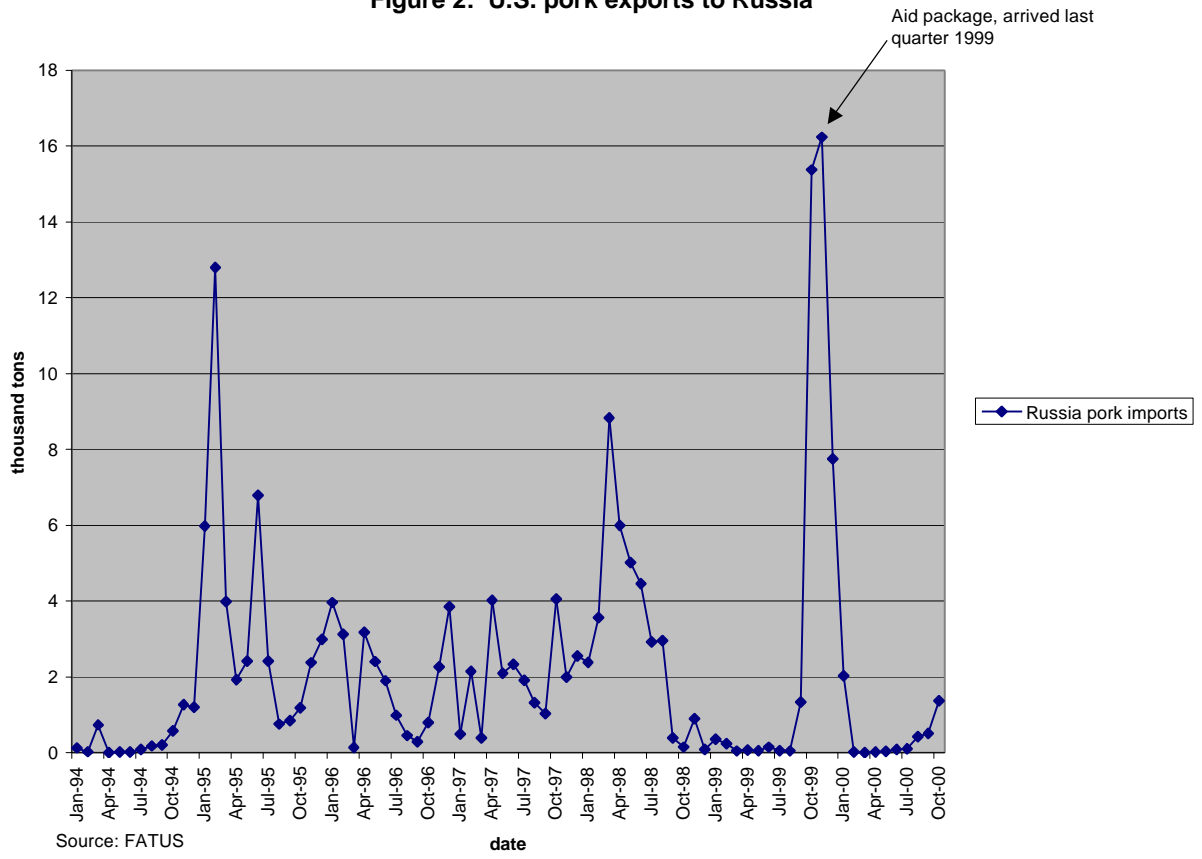


Figure 3: Non-OPEC oil prices, 1996 - present

