



United States  
Department  
of Agriculture

LDP-M-96

Jun 25, 2002



Electronic Outlook Report from the Economic Research Service

[www.ers.usda.gov](http://www.ers.usda.gov)

# Livestock, Dairy, and Poultry Outlook

**Leland Southard (Coordinator)**

## Dairy, Livestock, and Poultry Markets Weaker

### Contents

[Dairy](#)  
[Cattle/Beef](#)  
[Hogs/Pork](#)  
[Poultry](#)  
[Contact and Links](#)

### Tables at a Glance

[Economic Indicators](#)  
[Dairy](#)  
[Red Meat and Poultry](#)  
[Detailed Tables](#)

### Web Sites

[Cattle](#)  
[Hogs](#)  
[Poultry and Eggs](#)  
[Dairy](#)  
[WASDE](#)

-----  
The next release is  
Jun 25, 2002  
-----

Approved by the  
World Agricultural  
Outlook Board.

Dairy markets have been weak this spring. Recovery in milk production, in line with earlier expectations, has been substantial but not overwhelming. However, downward adjustments in dairy product demand have been larger than anticipated, particularly for cheese and milk solids as ingredients. Demand sluggishness has pushed up commercial dairy stocks sharply. These stocks will forestall much rebound in prices during the rest of 2002.

Rising domestic production and imports, along with declining exports, are increasing the amount of red meat and poultry on the domestic market this year. As a result, livestock and poultry markets are under pressure with market weakness across the board. The hog and pork markets have been hit the hardest with the composite carcass price down about over a fourth during March-May while hog prices are off by about 30 percent.

U.S. exports of red meat and poultry in 2002 are projected down about 7 percent from a year ago, which would be the first decline since 1985. The export market weakness is across the board with exception of beef, which will likely rebound about 1 percent after declining 8 percent last year. The hardest hit are broilers with an anticipated drop of about 12 percent. The sharp drop in broiler exports is due to disruption of exports to Russia, export bans by other countries, and a slowdown in direct and indirect shipments to China.

In 2003 declining domestic production and rising exports along with only a small rise in imports will ease some of the red meat and poultry supply pressure on the domestic markets. Prices are expected to rise across the board. Cattle prices are expected to register the largest gain, while hog prices may only move up slightly. Beef production is expected to decline about 5 percent while pork production may increase less than 1 percent.

### *Milk Production Expands*

Milk production this spring continued to post significant increases from the sagging output of a year earlier. Even so, problems with supplies of alfalfa hay and dairy replacement heifers continued to trim the production recovery. Alfalfa hay supplies might become particularly serious if growth in some key dairy areas does not come back for later cuttings. However, the provisions of the new farm legislation will help cushion the impact of this year's lower returns, particularly for smaller producers.

Milk cow numbers in the 20 States were slightly above a year earlier in April. Cow numbers have varied little since the spring of 2001. The strong returns of 2001 (and the generally high returns during 1998-2001) might have been expected to result in increasing cow numbers during this period. However, the shortage of replacement heifers probably continues to leave some new facilities below capacity and to deter some herd expansions. In April, prices for replacements were \$1,710, a record and up more than \$300 from a year earlier. Pent-up expansion pressure probably will be a significant factor in cow numbers through the rest of 2002.

Returns over concentrate costs are expected to fall below \$10 per cwt of milk in 2002, down \$2 or more from 2001. In recent years, a significant pickup in farm exits has been associated with such levels of returns, as well as a slowing in expansions and entries. Direct payments under the new farm legislation will offset about half of the decline in returns for smaller operations, but these farms' effective returns will still be significantly lower than in 2001, 1999, or 1998. Farm exits are expected to accelerate slowly by late 2002 or early 2003.

Milk cow numbers are projected to be near a year earlier through the spring and summer but begin to slip this autumn and into 2003. The 2002 annual average is expected to be just barely below last year's, and even the 2003 decline is projected to be only about 1 percent.

Milk per cow has struggled to move back toward the long-run trend in recent months, even though it posted almost 3-percent increases (20 States) from last year's slipping levels. Inexpensive concentrate feed prices kept milk-feed price ratios moderately favorable even at much lower milk prices. However, short-term expedients to accommodate the heifer shortage probably have had negative effects on milk per cow. In addition, supplies of good forage are shaping up as a major potential problem.

May 1 hay stocks were up almost 7 percent from a year earlier. However, the increase was concentrated in the Plains and western Corn Belt. Stocks fell substantially in the Lake States, decreased moderately in the Northeast, and were generally unchanged in the West. Meanwhile, production problems also loom in important dairy areas. Irrigation water will be less available in many western areas, even though the first cutting of hay was fairly good and export demand has been lower. Cool spring weather slowed hay growth in the Upper Midwest, boosting feeding of old-crop hay and reducing the quantity (but not necessarily quality) of the first cutting. Parts of the Northeast have been dry, trimming first cutting yields. Recovery in hay yields for the later cuttings could leave forage supplies adequate, particularly since quality of much first cutting eastern alfalfa is suspect in most years. However, there is relatively little cushion against any further hay problems.

Hay problems will have negative effects on milk per cow, although these effects might be fairly small if forage conditions recover. Milk per cow is projected to run almost 3 percent above the relatively weak 2001 levels during the rest of 2002, but is not expected to fully close the gap with the long-run trend until 2003. This gain in milk per cow is projected to bring 2002 milk production to about 170 billion pounds, up almost 3 percent from a year ago.

### *Support Purchase Program Extended*

The recently enacted Farm Security and Rural Investment Act of 2002 contained a number of important dairy provisions. The support purchase program, which had been scheduled to expire under

the 1996 Act, was extended through calendar 2007 at the current support price of \$9.90 per hundredweight of milk. Similarly, the Dairy Export Incentive Program (DEIP) was extended through 2007.

The Act also established a program of Dairy Market Loss Payments that provides counter-cyclical support through fiscal 2005. The payment rate will be 45 percent of the difference between \$16.94 per cwt and the month's Class I price in Boston. (This difference is equivalent to the difference between \$13.69 and the Class I mover.) The payment will be made on milk marketed by a producer during the month, subject to a limit of 2.4 million pounds during each fiscal year. Farmers who will receive payment on all of their milk account for less than a third of total milk production. For the remaining producers, the impact of the payments will be significantly affected by the regulations implementing the annual limit.

### ***Commercial Stocks Heavy***

May 1 commercial stocks were almost 11 billion pounds, milk equivalent, milkfat basis, up 2 billion from a year earlier and 1 billion from 2 years earlier. Meanwhile, holdings were equivalent to 9.4 billion pounds of milk on a skim solids basis, 0.7 billion pounds higher than a year earlier but more than a billion pounds below the quite excessive stocks of 2000. These inventories probably were larger than desired in light of continued growth in milk production and somewhat sluggish demand for most dairy products.

Reaching almost 200 million pounds on May 1, commercial stocks of butter were easily the largest ever. Butter sellers were not initially concerned with rising stocks because of the volatility of butter markets in recent years and users' lack of aggressiveness in arranging second-half supplies. However, the May 1 holdings appear to be heavy enough to significantly affect price prospects for the rest of the year. Manufacturers' stocks of nonfat dry milk were large on May 1 in light of weak commercial use and the relative small DEIP commitments for this spring, even though they were not out of line with some recent years.

May 1 cheese stocks were moderate, up only modestly from a year earlier. Even so, cheese holdings might have been a little large given the recent stagnant commercial use of cheese. Cheesemakers evidently have restrained output to avoid excess accumulation of stocks.

### ***Dairy Demand Soft***

Commercial disappearance of dairy products has been erratic, but generally stagnant, thus far in 2002. January-April commercial use was slightly below a year earlier on either a milkfat or skim solids basis. Less buying ahead for second-half use undoubtedly contributed to the decline, as this year's prospects for continued ample supplies were in sharp contrast to last year's tightening markets. However, consumers definitely appear to have become more conservative in their eating habits.

Cheese sales posted virtually no growth in the first 4 months of 2002, with most cheese types sharing in the sluggishness. Much of the weakness probably is related to softer restaurant use. The apparently stagnant sales of Mozzarella, and reportedly struggling winter pizza sales, were particularly unusual.

Disappearance of butter rose in January-April, spurred by ample supplies and lower prices. However, the only modest sales increase, in the face of a large price decline, indicates that butter demand has definitely weakened from a year earlier. Commercial disappearance of nonfat dry milk fell considerably during the first 4 months of the year, in part due to cheaper concentrated milk proteins. Meanwhile, fluid sales were just slightly ahead of a year earlier.

Spurred by much lower prices and a recovering economy, dairy product sales are expected to grow during the second half. Use of cheese is projected to resume growth, and butter sales may be good. Total use of milkfat in 2002 is projected to rise substantially. However, competition with imported proteins and whey products and the loss of commercial exports may hold commercial use of skim solids about the same. Food processors, leery of changing product formulations during the strong demand of recent years, seemed quick to do so recently.

Purchases of nonfat dry milk under the price support program continue to run heavy. Increases in milk production, only modest growth in cheese production, and apparent weakness in use of wet skim solids have led to large jumps in the amount of skim milk being dried. With commercial sales of powder also down sharply, purchases during the first 5 months of 2002 were larger than for all of 2001. Adding in the DEIP removals, net removals during January were 450 million pounds, more than 90 percent of the 2001 annual total and almost two-thirds of the 2000 total. Substantial additional purchases are expected during the second half.

### ***International Dairy Markets in Doldrums***

Large supplies and sluggish demand have kept international dairy prices steady and quite low. Butter prices have run about \$1,000 per metric ton, with nonfat dry milk prices only about \$200 higher. Prices might show a little seasonal improvement during the rest of the year, but recovery is projected to be quite limited.

European milk production has been strong because of favorable spring weather, while European Union demand for both butter and nonfat dry milk has weakened. Substantial sales into intervention stocks have been made, and intervention powder stocks probably will reach their limit. Meanwhile, both New Zealand and Australia had strong finishes to the season just ended, bringing milk production increases for the whole season to 5 and 6 percent, respectively. This extra late-season milk left products available at mid-year, something that has not happened in a few years.

Import demand has been trimmed in a number of countries by economic weakness or political unrest. Also, large export supplies have virtually eliminated any incentive for importing countries to buy ahead. Demand is expected to stay fairly weak through at least yearend. Under these conditions, contract activity against the new DEIP allocations, available after July 1, might be somewhat sluggish.

### ***Prices Weak***

Cheese prices traded in a narrow range from late March through early May. Although these prices

were far below a year earlier, they could not be sustained as the large increases in milk production and sluggishness in cheese demand proved to be persistent. In addition, huge butter stocks and the resulting weakness in butter prices also affected cheese prices. If cheese sales get back on track as expected, cheese prices should halt the recent slippage and show some modest increases during the second half. However, these increases probably will develop slowly, and autumn prices may not be much higher than prices during January-February.

Butter prices fell during April under the weight of rapidly rising stocks. Butter output was very strong because of heavy milk output, weaker use of milkfat in processed foods, and a cool spring. Since early May, prices have twice tried to move up but these increases were not sustainable. If cheese output picks up to meet recovering sales, the summer seasonal drop in milkfat production and increase in ice cream sales should be enough to generate small increases in butter prices. Holiday demand may keep autumn prices increasing a bit, but the second-half peak may not match the prices of last January.

Weakness in wholesale dairy product prices is expected to hold farm milk prices well below a year earlier during the rest of 2002. Seasonal rises will be relatively modest, with values of milk for cheese and for butter-powder holding relatively close. The annual average all milk price is projected to fall more than \$2 per cwt from a year earlier and may not be much above 2000's \$12.40 per cwt.

Possibilities for substantial recovery in farm milk prices during the remainder of 2002 seem quite limited. An abrupt reversal of recent supply and demand patterns would be required. Even then, most of the impact of even a sudden reversal probably could be absorbed by the current large stocks. Any basic tightening of dairy markets probably would occur gradually, with the full impact not felt until next year. On the other hand, the potential for even lower prices probably is also relatively low, since markets appear to have fairly fully adjusted to current conditions, and seasonal tightening will soon begin.

Retail dairy prices are projected to increase 1 to 2 percent in 2002. The largest increases from a year ago occurred early in the year, and second-half retail prices are expected to be near 2001's. The

farm-retail price spread for dairy products is projected to widen sharply in 2002, following last year's sizable contraction.

### *Heavy Beef Supplies, Price Pressures Continue*

Although feedlot placements declined over last year's levels in April, most of the placements have been heavier feeder cattle. These heavier weight placements will add to already large numbers of feedlot inventories that likely will be marketed by the end of summer. Although cattle inventories have been declining since 1996, moisture-forage conditions over the next few months as breeding decisions are made will hold the key to placements and beef supplies this fall and in 2003.

Second- and third-quarter beef production are expected to rise 4 and near 3 percent, respectively, over the weather-reduced levels of a year earlier. First-quarter production was up 3 percent. Cattle slaughter is only modestly different from a year earlier, but much-improved feeding conditions this year have resulted in sharply increased commercial dressed slaughter weights. Weights were up 31 pounds in the first quarter and will be 20 to 25 pounds heavier in the second quarter. Year-to-year weight increases will continue in the third quarter, but the difference will moderate due largely to improved weight gains in 2001. Weights, however, are almost certainly going to continue on a record setting pace for the foreseeable future. Cow slaughter has picked up this spring as forage supply worries increased, helping to hold down weight increases.

Cattle prices continue under pressure of large supplies. Fed cattle prices this spring are nearly

\$10 per cwt under the weather-shortened prices of last spring. Prices will come under even more pressure as summer weather tends to reduce demand following the May-June period of strong holiday demand and as production rises seasonally. Prices are expected to average in the low- to mid-\$60s this summer, with prices beginning to strengthen in late summer. Stocker-feeder cattle prices continue under pressure of feedlot losses since spring 2001 and poor to uncertain forage prospects in most areas. Hay prospects have declined, with most areas too dry, but some areas have been much too wet. Limited irrigation water supplies may also hold down production in a number of usually very dependable areas.

As with fed cattle prices, retail beef prices are currently well under year-earlier levels and will likely decline through summer. Prices last year were still rising, while this year prices have been fairly steady in the low \$3.30s through April. Increased supplies of beef, particularly higher grading beef, along with large supplies of competing meats have held down prices. While beef exports have held up well against the depressed level of a year earlier when the United States was priced out of the export market, exports of pork have slowed and broiler exports are down sharply. Consequently, second quarter per capita red meat and poultry consumption are expected to rise 3 pounds above a year earlier, and supplies through the end of the year will also remain large.



### *Hog Prices Weak*

Continued weakness in demand for pork products and a larger than anticipated slaughter kept hog prices low in May, more than \$17 below a year ago. Based on expectations for continued softness in consumer pork demand, plus much larger domestic broiler supplies for the remainder of 2002 and 2003, live hog prices are expected to average in the mid \$30s in both 2002 and 2003. Average retail prices for this year are expected to exhibit continued stickiness, despite larger pork supplies, holding steady at around \$2.66 a pound. In 2003 the retail price of pork is expected to average a few cents per pound lower.

During March-May, the composite pork carcass cutout averaged over 25 percent lower than in the same period last year. The difference in the cutout shows general market weakness at the wholesale level. This weakness is reflected back through the supply chain, and finally in live hog prices, which during March-May, averaged 30 percent below last year. Softness in the wholesale market is largely attributed to the sluggish demand, lower exports, and larger supplies of beef and poultry.

The May *Hogs and Pigs* report indicated that the April 2002 pig crop and females bred each increased 1 percent over a year ago. Breeding herd numbers on April 1 were slightly above April of last year. More in-depth details on producers' reactions to the market weakness will be available in the Quarterly Hogs and Pigs report to be issued on June 28.

### *Pork Exports Down*

U.S. pork exports finished the first quarter of 2002 almost 3 percent lower than a year ago. In the three primary export markets for the United States, Japan imported about the same quantity in the first quarter, while Mexico's imports fell 9 percent. Canada's imports increased 17 percent. For the remainder of the year, exports will depend on domestic pork prices, economic growth abroad, and the competitiveness of the U.S. dollar with respect to currencies of other pork exporting countries. Exports for 2002 are forecast to decline about 5 percent to 1.5 billion pounds

U.S. pork imports increased almost 4 percent in the first quarter of 2002. All of the increase came from Canada, which exported 11 percent more pork to the United States than in the same period last year. Denmark's exports to the United States fell almost 17 percent. The continued re-allocation of U.S. imports toward Canada, and away from Denmark, reflects ongoing integration of the U.S. and Canadian pork industries--from farm to fork.

Live hog trade in the first quarter showed the United States importing almost 1.5 million Canadian hogs, over 60 percent of which were feeder animals. In recent weeks, lower U.S. hog prices appear to be pressuring prices that U.S. hog feeders are willing to pay for Canadian pigs. Sixty to seventy percent of Canadian feeder pigs are imported under contracts that typically contain a minimum price, and/or a pricing linkage to the futures market.

### ***Broiler Export Forecasts for 2002 and 2003 Lowered***

U.S. broiler exports in 2002 are expected to total about 4.9 billion pounds, down 500 million pounds from earlier expectations. If realized, 2002 exports would be down about 650 million pounds from the 5.56 billion pounds exported in 2001. Even though this is a huge decline from the previous year, exports in 2002 would be about even with 2000. While the disruption of exports to Russia since mid-March represents the chief factor behind the reduction in export estimates, disruptions in shipments to and changes in other markets has added to the overall uncertainty of the export market. Other countries have also banned imports of U.S. poultry products. These bans have ranged from total bans of all U.S. poultry products (Ukraine) to bans on products from specific States (Japan). The second major factor is the slowdown of poultry imports into China, which has effected both direct exports to China and those going indirectly to China through Hong Kong.

The major impact of these bans or slowdowns is expected to be felt in the second and third quarters of 2002, but the lingering effects of changes in the regulations governing imports in a number of countries are expected to last through 2003. Thus, broiler export forecasts for 2003 are now 5.45 billion pounds down 400 million pounds, from earlier expectations.

Because the export market had become such a major proportion of the domestic broiler production (17-18 percent), the reduction in broiler exports is impacting domestic production, parts prices, and stocks. Broiler production is expected to be about 32.2 billion pounds this year, 3 percent higher than the previous year with more of the growth in the first half. Since the middle of March the year-over-year increases in the weekly number of chicks placed for growout have slowed considerably, with the average for the last 5 weeks at slightly over 1 percent. Earlier in the year, chick placement had been running over 3 percent higher than the previous year.

The drop in the export market is having a varying impact on broiler prices, depending upon the

amount of product exported. Since only small amounts of whole birds and breast meat are exported, the price of these products has been impacted less than other products. The drop in shipments to Russia and the slowdown in shipments to China have had a major impact on leg quarter and wing prices. Over the first quarter of 2002, leg quarters made up almost 60 percent of all broiler exports to Russia, and leg quarter exports to Russia accounted for 57 percent of all leg quarter exports. In April 2002 leg quarter prices averaged 19.2 cents a pound, down 29 percent from a year earlier. China's dominance in broiler wing exports is even stronger. In the first quarter of 2002, exports of broiler wings to Hong Kong and China totaled over 55 million pounds, down over 20 percent from the same period in 2001. This market accounts for almost 85 percent of all U.S. wing shipments. Wing prices in April 2002 averaged 62.5 cents a pound compared with 102.5 cents a pound the previous year, a decrease of 39 percent.

As exports have slowed, broiler stocks have expanded. At the end of April, stocks of whole broilers and broiler parts in cold storage were reported at 847 million pounds, up 31 percent from the previous year. While stocks of whole birds have risen faster (up 123 percent), the increase is chiefly due to a 28-percent increase in stocks of broiler parts, as parts make up about 95 percent of all broiler stocks.

### ***Turkey Stocks Higher, Parts Prices Lower***

Turkey production over the first 4 months of 2002 was 1.88 billion pounds, up 6.6 percent from the same period in 2001. This rate of growth is expected to fall considerably later in 2002 as the number of poult placed for growout in the first 4 months of 2002 is up less than 1 percent from the same period in 2001. However, currently, the larger production has raised stock levels and put downward pressure on turkey prices. Turkey stocks in cold storage at the end of April were 512 million pounds, up 30 percent from the previous year. Most of the increase is the result of a 53-percent increase in the amount of turkey parts in cold storage. While the prices for some turkey parts are



only slightly lower than the previous year, the prices for turkey breasts and mechanically deboned meat (MDM) turkey have fallen sharply. The March wholesale price for turkey breasts was \$1.24

a pound down from \$1.60 the previous year. The March price for MDM turkey was down almost 6 cents a pound from the previous year, this represents a decline of almost a third.

## Contacts and Links

### Contact Information

Leland Southard (coordinator)	202-694-5187	<a href="mailto:southard@ers.usda.gov">southard@ers.usda.gov</a>
David J Harvey (poultry)	202-694-5177	<a href="mailto:djharvey@ers.usda.gov">djharvey@ers.usda.gov</a>
Ron Gustafson (cattle)	202-694-5174	<a href="mailto:ronaldg@ers.usda.gov">ronaldg@ers.usda.gov</a>
Dale Leuck (beef trade)	202-694-5186	<a href="mailto:djleuck@ers.usda.gov">djleuck@ers.usda.gov</a>
Keithly Jones (sheep and lambs)	202-694-5172	<a href="mailto:kjones@ers.usda.gov">kjones@ers.usda.gov</a>
Mildred Haley (hogs/pork)	202-694-5176	<a href="mailto:mhaley@ers.usda.gov">mhaley@ers.usda.gov</a>
Jim Miller (dairy)	202-694-5184	<a href="mailto:jjmiller@ers.usda.gov">jjmiller@ers.usda.gov</a>
LaVerne Williams (statistics)	202-694-5190	<a href="mailto:lwilliam@ers.usda.gov">lwilliam@ers.usda.gov</a>
Laverne Creek (web publishing)	202-694-5191	<a href="mailto:lmcreek@ers.usda.gov">lmcreek@ers.usda.gov</a>

### Subscription Information

Subscribe to ERS e-mail notification service at <http://www.ers.usda.gov/updates/> to receive timely notification of newsletter availability. Printed copies can be purchased from the USDA Order Desk by calling 1-800-999-6779 (specify the issue number or series SUB-FAU-4040).

### Related Articles

The following are links to recent articles (in Adobe Acrobat format).

Dissecting the Challenges of Mad Cow & Foot-and-Mouth Disease,  
<http://www.ers.usda.gov/publications/AgOutlook/aug2001/AO283c.pdf>

Two animal diseases currently affecting European agriculture—foot-and-mouth disease (FMD) and bovine spongiform encephalopathy (BSE or "mad cow disease")—have made headlines throughout the world. Simultaneous occurrence of these diseases in Britain earlier this year caused concern among consumers worldwide. The combined costs to the country's economy have been shared by agriculture, consumers, tourism, and trade. Both diseases affect livestock product prices, availability of goods, and costs of production. Trade is also affected as governments restrict imports from infected countries.

### Data

Supply and Utilization Tables updated

<http://usda.mannlib.cornell.edu/data-sets/livestock/94006/>

New per capita consumption data for red meat and poultry through 2001 are found in the revised supply and utilization tables.

### Web Sites

Cattle, <http://www.ers.usda.gov/briefing/cattle/>

Hogs, <http://www.ers.usda.gov/briefing/hogs/>

Poultry and Eggs, <http://www.ers.usda.gov/briefing/poultry/>

Dairy, <http://www.ers.usda.gov/briefing/dairy/>

WASDE, <http://www.usda.gov/oce/woab/wasde/latest.pdf>

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

**Table 3--Red meat and poultry forecasts**

	2001					2002					2003	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
<b>Production, million lb</b>												
Beef	6,182	6,502	6,723	6,700	26,107	6,376	6,760	6,900	6,375	26,411	6,150	25,125
Pork	4,805	4,546	4,548	5,239	19,138	4,779	4,800	4,775	5,375	19,729	4,850	19,800
Lamb and mutton	59	53	52	59	223	58	56	50	57	221	57	210
Broilers	7,533	7,988	7,882	7,863	31,266	7,855	8,225	8,075	8,050	32,205	8,075	33,000
Turkeys	1,332	1,381	1,394	1,454	5,562	1,385	1,425	1,400	1,425	5,635	1,350	5,675
Total red meat & poultry	20,088	20,649	20,777	41,492	83,006	20,611	21,442	21,372	21,450	84,895	20,654	84,495
Table eggs, mil. doz.	1,489	1,503	1,519	1,563	6,074	1,502	1,500	1,515	1,560	6,077	1,500	6,110
<b>Per capita consumption, retail lb 1/</b>												
Beef	16.1	16.8	17.0	16.3	66.2	16.1	17.3	17.6	15.9	67.0	15.5	62.9
Pork	12.6	11.9	12.2	13.5	50.2	12.3	12.5	12.7	14.0	51.5	12.4	51.1
Lamb and mutton	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.3	0.3	1.1	0.3	1.1
Broilers	18.8	19.3	19.6	18.8	76.5	19.3	20.9	20.1	19.5	79.9	19.9	80.3
Turkeys	3.8	3.8	4.3	5.6	17.5	3.6	3.9	4.2	5.6	17.3	3.8	17.5
Total red meat & poultry	52.1	52.5	53.7	54.9	213.3	52.2	55.5	55.4	55.7	218.7	52.3	214.7
Eggs, number	62.8	62.4	62.9	64.5	252.6	62.1	62.1	62.4	64.0	250.6	61.1	249.1
<b>Market prices</b>												
Choice steers, Neb., \$/cwt	79.11	76.41	70.19	65.13	72.71	70.19	65-66	62-66	70-76	67-69	71-77	72-79
Feeder steers, Ok City, \$/cwt	86.82	89.47	91.13	85.37	88.20	81.24	76-78	79-85	83-89	81-83	83-89	86-93
Boning utility cows, S. Falls, \$/cwt	43.77	47.86	46.69	39.23	44.39	41.56	42-43	43-47	43-47	43-44	43-45	46-48
Choice slaughter lambs, San Angelo, \$/cwt	83.63	81.50	60.26	62.76	72.04	66.62	61-62	63-65	62-64	63-65	63-67	64-67
Barrows & gilts, N. base, i.e. \$/cwt	42.83	52.05	51.05	37.30	45.81	39.43	33-34	34-36	28-30	34-35	34-36	34-36
Broilers, 12 City, cents/lb	57.80	59.20	61.10	58.50	59.10	56.00	56-57	57-59	55-59	56-58	55-59	57-61
Turkeys, Eastern, cents/lb	61.70	65.00	67.10	71.40	66.30	60.00	62-63	63-67	68-74	63-66	59-63	63-68
Eggs, New York, cents/doz.	75.80	63.30	61.40	68.20	67.20	69.10	57-58	59-62	70-76	64-66	67-73	64-69
<b>U.S. trade, million lb</b>												
Beef & veal exports	569	509	583	610	2,271	572	550	595	575	2,292	590	2,400
Beef & veal imports	785	839	848	689	3,161	737	875	890	730	3,232	790	3,275
Lamb and mutton imports	37	44	29	36	146	48	42	39	40	161	42	161
Pork exports	393	448	319	403	1,563	382	400	340	365	1,487	400	1,550
Pork imports	226	199	262	263	950	235	235	235	255	960	235	960
Broiler exports	1,375	1,456	1,329	1,402	5,562	1,204	1,060	1,260	1,385	4,909	1,300	5,450
Turkey exports	126	116	123	123	487	129	100	120	140	489	115	490

1/ Per capita meat and egg consumption data are revised, incorporating a new population series from the Commerce Department's Bureau of Economic Analysis based on the 2000 Census.

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

	2001					2002					2003	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
<b>GDP, chain wtd (bil. 1996 dol.)</b>	9,335	9,338	9,333	9,316	9,334	9,482	9,541	9,617	9,698	9,584	9,781	9,914
<b>CPI-U, annual rate (pct.)</b>	4.2	3.1	0.7	-0.4	1.9	1.4	3.0	2.2	2.2	2.2	2.5	2.5
<b>Unemployment (pct.)</b>	4.2	4.5	4.8	5.6	4.8	5.6	5.9	5.9	5.8	5.8	5.6	5.5
<b>Interest (pct.)</b>												
3-month Treasury bill	4.8	3.7	3.2	1.9	3.4	1.7	1.8	2.0	2.3	2.0	2.7	3.4
10-year Treasury bond yield	5.1	5.3	5.0	4.8	5.0	5.1	5.2	5.3	5.5	5.3	5.6	5.7

<sup>1/</sup> Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, May 2002.

## DAIRY FORECASTS

	2001					2002					2003	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Milk cows (thous.)	9,143	9,114	9,098	9,105	9,115	9,105	9,105	9,085	9,070	9,090	9,035	9,005
Milk per cow (pounds)	4,514	4,683	4,459	4,483	18,139	4,642	4,810	4,585	4,615	18,650	4,780	19,145
<b>Milk production (bil. pounds)</b>	41.3	42.7	40.6	40.8	165.3	42.5	43.8	41.7	41.9	169.8	43.2	172.4
<b>Commercial use (bil. pounds)</b>												
Milkfat basis	40.4	42.4	42.9	43.6	169.4	40.7	43.4	44.6	44.8	173.5	41.8	175.5
Skim solids basis	39.9	41.2	41.7	41.0	163.7	39.4	40.7	42.3	41.6	163.9	41.5	169.7
<b>Net removals (bil. pounds)</b>												
Milkfat basis	0.1	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.1	0.2	0.2	0.7
Skim solids basis	2.2	1.6	0.7	1.3	5.8	2.7	3.6	1.3	1.3	8.9	2.2	6.1
<b>Prices (dol./cwt)</b>												
All milk <sup>1/</sup>	13.30	15.43	16.60	14.50	14.96	12.57	12.05- 12.25	11.70- 12.20	12.70- 13.5	12.35- 12.75	12.35- 13.35	12.20- 13.20
Class III	10.56	13.63	15.64	12.57	13.10	10.88	10.55- 10.75	10.45- 10.95	11.20- 12.00	10.85- 11.25	10.65- 11.65	10.65- 11.65
Class IV	12.76	14.93	15.15	12.18	13.76	11.08	10.65- 10.95	10.75- 11.35	10.90- 11.80	10.95- 11.45	10.65- 11.75	10.90- 12.00

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