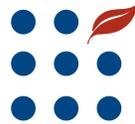




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Livestock, Dairy, and Poultry Outlook

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Better Supply-Demand Balance Expected in 2004 Dairy Markets

Overall, dairy markets are expected to be better balanced in 2004. Demand is projected to grow more than milk production, commercial stocks are expected to be smaller, and commercial exports of nonfat dry milk might substantially trim the recent surplus. However, this basic improvement might not generate higher farm milk prices. Much of the modest farm price recovery in 2003 was caused by a misalignment of cheese and other dairy product prices. Cheese buyers are likely to make quicker and more vigorous adjustments in 2004 that will prevent a repeat.

Beef markets continue the adjustment process as prices moved to record levels in 2003 to allocate a tightening supply of high quality beef. Beef production was down 12 to 16 percent from a year earlier in October/November as fed cattle marketing dates could not be moved forward anymore to sustain the strong demand for higher quality beef. Although cattle and boxed beef prices have declined from the record peaks of early fall, prices remain well above a year earlier. Retail prices continue to rise as the retail and hotel/restaurant sectors have absorbed a formidable share of the price increase since mid-summer, and pass the higher prices on to consumers.

Fourth-quarter prices of live-equivalent 51-52 percent lean hogs are expected to range between \$37 and \$38 per hundredweight (cwt), almost 20 percent higher than a year ago. A continuation of weekly hog slaughters of 2.1 million head since the first week of October will bring fourth-quarter slaughter to only slightly below 1998, when hog prices collapsed. With an expected slaughter of about 27.4 million head, and dressed weights of 199 pounds, fourth-quarter pork production could be record-high at about 5.45 million pounds, 3 percent greater than last year and 4 percent more than in 1998. Retail pork prices are expected to finish 2003 averaging in the mid-\$2.60s per pound. Retail prices in 2004 will likely average 1 percent higher. Through October, pork exports ran more than 6-percent above last year. Japan, Mexico, Canada, and smaller Asian countries were the primary destinations for U.S. pork products. The United States imported 14 percent more pork products, primarily from Canada and Denmark. The U.S. Department of Agriculture (USDA) issues the *Quarterly Hogs and Pigs* report on December 30th.

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The next release is
January 16, 2004

Approved by the
World Agricultural
Outlook Board.

Fourth-quarter federally inspected broiler slaughter is forecast at 8.2 billion pounds, an increase of 3 percent from the same period last year. Increased fourth-quarter production is expected to come from gains in the number of birds slaughtered and higher average weights. U.S. broiler exports for the third quarter of 2003 were 1.2 billion pounds, down 2 percent from the previous year. This, coupled with a lower forecast for fourth-quarter exports, lowers the estimate for 2003 to 4.8 billion pounds, about even with 2002.

The wholesale N.Y. price of grade A large eggs is expected to average more than \$0.88 per dozen for 2003, an increase of almost 32-percent over last year. Prices in the fourth quarter are expected to average almost \$1.13 per dozen, 49-percent above last year. Higher prices are attributable to both demand and supply factors: strong seasonal demand and higher prices for substitute animal proteins on the demand side; and, slightly lower production from disease problems and compliance with animal welfare restrictions on the supply side. Production is expected to increase about 1 percent next year, but strong consumer demand will keep the average wholesale price for the year more than 3-percent above 2003.

Choice lamb prices at San Angelo, Texas are expected to average around \$92 per cwt in 2003, 27 percent above last year. The sharp boost in lamb prices this year is due to an expected 9-percent decline in lamb and mutton production and a 2-percent drop in imports. A continuing decline in production and only a slight increase in imports will likely keep average lamb prices in the low \$90s in 2004.

Low Milk Prices May Persist in 2004

Strong orders for the late holiday season and declining commercial stocks brought some stability to cheese prices following their late October-early November drops and lifted butter prices to their high for the year. However, this modest price strength probably will be overwhelmed by normal seasonal weakening in coming weeks.

Overall, dairy markets are expected to be better balanced in 2004. Demand is projected to grow more than milk production, commercial stocks are expected to be smaller, and commercial exports of nonfat dry milk might substantially trim the recent surplus. However, this basic improvement might not generate higher farm milk prices next year. Much of this year's modest farm price recovery was caused by a misalignment of cheese prices with other dairy prices. Cheese buyers are likely to make quicker and more vigorous adjustments in 2004 that will prevent a repeat.

Milk Production About Steady

Milk production remained just slightly below a year earlier in early autumn, as declines in milk cow numbers picked up and milk per cow failed to sustain its recovery. Output has been near or below a year earlier since May because of very low returns since early 2002. Even so, milk production has not yet shown signs of a significant downturn and is expected to stay relatively close to a year earlier through 2004.

Milk cow numbers turned down fairly sharply late summer. After peaking in late winter, cow numbers slipped during spring. Farm expansions had been deterred by the low returns, and most of the earlier expansions had been brought up to capacity. Even though milk prices rose as summer began, the long period of low prices began to take its toll on weaker producers. Farm exits picked up in earnest at the start of autumn, probably when leftover 2002 forage supplies were exhausted. Between March and October, milk cows in the 20 major States fell 91,000 (1.2 percent). The proportional decline for all 50 States was probably even larger.

The August-October drop may prove particularly significant. Normally, a disproportionate share of expansions are brought on line in September and October. This results in relatively strong August-October cow numbers. This year's decline was affected by cooperative actions to trim cow numbers but also might indicate that the expansion phase caused by the high returns of 1998-2001 is truly over.

Although recent changes in cow numbers were dominated by structural effects, high slaughter cow prices probably also contributed. As cull cow prices shot over \$50 per cwt, the difference between dairy and salvage value fell to its lowest level in 5 years. A larger share of the cows in exiting herds probably went to slaughter rather than being sold as replacements.

Growth in milk per cow in the 20 States hit a low in May, recovered a bit through July, but then backslid through October. The October level was less than 1 percent higher than a year earlier, and the increase from the average of the previous 5 years was at only about a 1-percent annual rate, half the trend growth. Milk-feed ratios have been quite unfavorable, encouraging dairy farmers to be conservative about increasing concentrate feeding. In addition, forage quality in 2003 was spotty, with quality problems particularly pronounced early in the season.

Feed conditions could not explain all of the recent weakness in milk per cow. Average milk per cow probably did not receive its normal boost from the exit of farms with relatively low herd averages. In addition, the cow herd probably had an unusually large share of first-calf heifers because of the 2002 heifer shortage. However, it also seems likely that the very low milk prices may have caused some farms to limit use of bovine somatotropin or to feed their poor forage instead of seeking better supplies.

The pattern of widely divergent changes in milk production across States remains. In general, output in recent months was stronger in the West than in the Midwest, which in turn was stronger than the Northeast. However, exceptions to this general pattern were quite easy to find.

Milk cow numbers are expected to decline at a fairly rapid clip through 2004. The recent higher prices probably were perceived as temporary and are not projected to have a significant impact on farmers' long-run plans. Dairy farm exits probably will be more common than in several years, and farm expansions likely will be fewer and cautious. Also, cull cow prices are projected to stay strong as the beef industry seems poised to undergo a cyclical turn. Milk cow numbers are expected to run 1 to 2 percent below 2003 throughout next year.

Milk per cow probably will remain relatively weak in 2004 but could post some recovery from this year's poor showing. Concentrate feed prices are projected to remain high next year, holding milk-feed price ratios to very low levels. Feed grain prices might run about the same as this year, but protein will be expensive. Farmers probably will stay conservative about boosting concentrate feeding, particularly compensating for poor forage with extra protein meal.

Forage conditions remain a mixed bag in most important dairy areas. Dairy farmers commonly had quality (and quantity in some areas) problems for part of the forage season. Commercial hay supplies seem ample, but good quality can be hard to find. Forage quality may continue to threaten milk per cow, particularly if low milk prices deter farmers from seeking out good hay.

On the other hand, weakness in milk per cow due to the 2002 heifer shortage should become a thing of the past. In fact, passage of this year's large heifer cohort into their second lactation should be positive for gains in milk per cow. Daily average milk per cow is projected to rise slightly more than 2 percent in 2004, just slightly recovering toward the long-run trend line.

Milk production throughout 2004 is expected to run a bit less than 1 percent above 2003 (on a daily average basis). Such stability in milk output would tend to temper milk and dairy product prices next year. However, there might be higher odds for milk production to be weaker than now expected than for it to be stronger.

Lower milk production during September-October slightly reduced supplies of milk for

manufacturing. The reduction in supplies was not enough to keep strong cheese prices from boosting cheese production, particularly in September. However, Cheddar output in September-October managed only a tiny increase, and growth in production of most other varieties stayed moderate. Meanwhile, production of butter and nonfat dry milk fell.

Supplies of milk for manufacturing are projected to be slightly larger than a year earlier during the first half of 2004. Cheese output is expected to rise while butter production stays near a year earlier. However, production patterns will be quite sensitive to developments in butter and cheese demand and to possible commercial exports of nonfat dry milk.

Butter Stocks Finally Moderate

The dairy industry's long ordeal with huge butter stocks may be coming to an end. Holdings on October 1 and on November 1 were below a year earlier for the first times since 2001. In addition, fairly good holiday season movement reportedly is helping to trim stocks further. However, butter holdings still are quite large and may remain a problem. The biggest contributor to reduced inventories was the large drops in production while milk was being diverted into cheese production, an adjustment that is unlikely to continue. Unless sales have picked up briskly, butter stocks may continue to weaken prices through winter.

Commercial cheese stocks have remained moderate. On November 1, holdings of American varieties were down slightly from a year earlier, while stocks of other types were slightly higher. Although pipeline cheese stocks might have built between late spring and early autumn, cheese did not significantly back up in warehouses. Manufacturers' stocks of nonfat dry milk on November 1 were similar to the modest holdings of a year earlier.

In total, commercial stocks on November 1 were equivalent to 9.6 billion pounds of milk on a milkfat basis, slightly less than a year earlier but more than 1 billion pounds above 2 years ago. On the other hand, stocks of skim solids were very close to both of the preceding years. If growth in

butter stocks can be held to modest levels through the end of winter, commercial stocks should cease to have important price effects.

Recovery in Dairy Demand Ragged

Brisk growth in the economy during spring and summer has not yet translated into sustained recovery in dairy product demand. Despite generally modest prices, commercial use of milkfat rose only fractionally during August-October while sales of skim solids slid more than 1 percent from a year earlier. Use in 2003 probably was stronger than these comparisons imply, since 2002 movement was brisk during these months before faltering considerably in the last months of the year. In contrast, 2003 use probably has grown throughout the holiday season, and cheese buyers may have restrained purchases during August-October in anticipation of price declines.

This year's holiday season use appears to have developed considerable late strength. If so, this would be the first year in several to have fair strength at both ends of the holiday season. The restaurant business reportedly finally started to recover, helping sales of both cheese and butter. Thanksgiving retail butter sales evidently were brisk, leading to sizable post-holiday orders. Retail sales of natural cheeses reportedly also were good. Information on ingredient use of milkfat and skim solids is scanty, but there were indications that the holiday production season was extended due to better-than-expected orders.

Dairy demand in 2004 may move out of its 2-year stagnation. The economy is projected to grow at a fairly good clip, the employment picture is improving, and consumers seem to be returning to more typical spending patterns. Relatively low prices of dairy products should spur some additional use. Commercial use of milkfat and skim solids is projected to expand substantially next year. However, dairy demand is not likely to match the extraordinary strength of the 1999-2001 period.

The surplus removed under the price support program was fairly modest in recent months. Net removals during September-November were only 0.1 billion pounds, milk equivalent, milkfat basis

and about 0.6 billion pounds on a skim solids basis. Small exports under the Dairy Export Incentive Program (DEIP) made up all the removals of butter and cheese.

DEIP removals of nonfat dry milk during September-November were similar to those of a year earlier. Purchases also ran close to year-earlier levels but the level of purchases was somewhat misleading. A significant share of this year's purchases was fresh powder displaced by older products from Government stocks that had been swapped for pudding and processed cheese for use in domestic donation programs. Taking this into account, net removals of nonfat dry milk fell by almost half during September-November. Even if the full displacement of fresh powder did not occur by the end of November, the surplus of nonfat dry milk definitely has begun to wane.

The 2004 surplus of milkfat is projected to be quite small. Increases in use are expected to surpass growth in milkfat production, creating somewhat tight milkfat markets. On the other hand, the surplus of skim solids will stay large. Ingredient use of skim solids has not yet responded very much to the sharply lower powder prices. However, economic growth should spur some ingredient use, particularly for upscale versions of some foods. The skim solids surplus is projected to decline next year to a level well below those of most recent years.

International Prices Rise

International market prices for dairy products have risen because of continued tightening of market conditions and a weaker U.S. dollar. In early December, butter prices were up about \$200 per ton from early summer and about \$300 from a year earlier. Similarly, skim milk powder prices had risen about \$150 and \$400, respectively. Prices for whole milk powder rose the most, with early December prices about \$300 per ton above those of early summer and about \$450 above a year earlier.

Import demand has generally strengthened. Economic growth has boosted demand by some important buyers, conditions are somewhat more settled in the Middle East, and demand has picked up seasonally in the Northern Hemisphere. Milk powders have seen the most improvement.

Although Russia has increased butter imports and some recovery may be occurring in the Middle East-North Africa, butter demand remains a bit sluggish.

Early-season supplies from Oceania have been fairly limited. Australian milk output continues to suffer ill effects from last season's drought. New Zealand expects a small increase in milk production this season, but rainy conditions cut early production in some areas, and stocks probably were tight at the start of the season. Reportedly, little beyond preseason commitments was available from these countries until quite recently.

Supplies from the European Union (EU) also have been a little tight. Fairly brisk internal demand has absorbed most of the seasonally reduced supplies. Domestic market tightness has limited the EU export subsidy response to the rising value of the euro.

International market prices might slip slightly in early 2004. Production prospects for the second half of the Oceania season are favorable, and Northern Hemisphere demand will be seasonally softer. In addition, U.S. supplies of skim milk powder are quite competitive at current exchange rates, and large U.S. supplies may trim international prices. However, EU supplies may not become heavy until at least later in the year, and the improvement in international demand is expected to continue. Price decreases are expected to be modest.

U.S. imports of dairy products ran somewhat smaller than a year earlier during spring and summer. Smaller imports of American cheese in excess of the tariff-rate-quotas (TRQ) provided the bulk of the decrease, as most major product imports were similar to a year earlier. The high-tariff cheese imports in 2002 probably had not been profitable in the short run, and much tighter Oceanic supplies deterred shipments this year. In addition, the gaps between international and domestic prices have steadily narrowed as 2003 has progressed, particularly for products utilizing skim solids.

Imports during the last quarter of 2003 may stay below a year earlier because of relative small

expected price differences. However, the declines are not expected to be sizable. Most imported products are marketed under a long-run strategy that is fairly insensitive to modest short-run swings in profitability. In addition, gradually improving cheese demand might boost imports of relatively expensive cheeses.

Dairy exports thus far in 2003 have been mixed. Nonfat dry milk exports were considerably larger than during January-September 2002. Exports under the DEIP were slightly smaller but commercial exports rose. U.S. prices have been relatively competitive during most of the year. Butter exports rose because of the use of DEIP for milkfat this year. On the other hand, cheese exports slipped in spite of slightly larger DEIP exports.

Nonfat dry milk exports could become large this winter if the recent weakness of the U.S. dollar persists. Recent strength in powder prices may ease, but a weak dollar probably would keep the U.S. competitive in at least some important markets. In addition, ample supplies ready for export are assured—something that is not true for the EU and Oceania until at least later in 2004.

Butter and Cheese Price Strength Likely Temporary

Exchange prices of cheese have pretty much stabilized following the late October-early November drops. The adjustments were triggered by increasing cheese production, the easing of concerns about sharp declines in milk production, and the lack of aggressive growth in cheese use. The decreases were then stemmed by the strength of late-season cheese movement, at least for natural cheese. Similarly, brisk butter sales, continued declines in production, and falling stocks brought butter prices generally higher through November, reaching the highest levels of the year in mid-December.

Recent price strength is unlikely to last longer than the holiday season. With milk production expected to be near or slightly above a year earlier, ample products should be available to meet seasonally low winter needs, even if demand continues to recover. However, cheese and butter prices are projected to run above those of the first half of

2003. Growth in demand is expected to exceed increases in production, and commercial stocks likely will be smaller.

Nonfat dry milk prices are expected to stay near the support purchase price during the first half of 2004 under the pressure of a sizable continuing surplus. If vigorous export demand develops, price prospects could change for powder, particularly if export sales coincide with recovery in domestic ingredient use.

Second-half price prospects are uncertain. Supply-demand conditions, in most ways, probably will be somewhat tighter than during 2003. Prices of many products are projected to run somewhat above a year earlier. However, cheese prices may well be a key exception. In 2003, cheese buyers generally did not attempt to protect themselves against price rises until it was too late in the season to have much effect. More aggressive building of pipeline stocks during the spring of 2004 probably will forestall a repeat of the 2003 price pattern.

With 2003 farm milk prices staying well above a year earlier through yearend, farmers will receive an average of about \$12.60 for 100 pounds of milk, 50 cents more than they did in 2002. Although price recovery was quite modest, it did help improve dairy farm returns a bit from the very low 2002 level.

Farm milk prices are expected to average above a year earlier during the first half of 2004. The current market balance probably will be somewhat tighter, commercial stocks will be lower, and the

skim solids surplus is projected to be less. In addition, larger quantities will go into pipeline holdings to meet second-half needs. However, second-half milk prices are expected to fall short of this year's. Precautions taken during the first half are expected to prevent a large gap in the value of milk for cheese and for butter-powder.

The average price of all milk in 2004 is projected to slip slightly. In general, market fundamentals, although healthier than during the preceding 2 years, are not expected to have adjusted enough to end the recent period of weak dairy prices. However, the odds of weaker-than-expected production (or stronger-than-expected demand) triggering substantial advances across the spectrum of product prices probably are higher than since 2001.

Retail dairy prices during October-November were up about 3 percent from a year earlier, about the same rise as for all food prices. The early autumn farm-to-retail price spread was considerably lower than a year earlier as increases in retail dairy prices failed to keep pace with rises in farm milk prices. Fluid milk price increases were the sharpest among dairy products in early autumn.

For all of 2003, retail dairy prices are projected to be about unchanged, with the higher farm prices absorbed by a lower spread. The farm-to-retail spread is expected to recover in 2004, pushing retail prices up 3 to 4 percent. Even so, dairy prices will have risen at an annual rate of only about 1 percent during 2001-04.

Boxed Beef/Cattle Prices Moderate as Markets Adjust to Tight Beef Supplies

Beef demand continued strong into 2003, particularly for higher quality fed beef. However, the beef sector has been forced to make adjustments throughout 2003. During winter through mid-spring adjustments stemmed from poor feeding conditions resulting in light slaughter weights and very tight supplies of higher quality beef. Although retail prices began a record path in February, fed and feeder cattle prices rose but remained below record levels. Discovery of bovine spongiform encephalopathy (BSE) in a single cow in Canada on May 20 resulted in a ban on imports of live ruminants (cattle, sheep, goats, deer, and elk) and ruminant products and byproducts from Canada. This tightened supplies even more and the industry reacted by marketing cattle out of feedlots ahead of schedule and, aided by large feedlot profits and dry conditions, placing more cattle on feed. Consequently, third-quarter steer and heifer slaughter rose 2.5 percent, but beef production was slightly below a year ago, due to sharply lower steer and heifer dressed slaughter weights. Production would have been lower but cow slaughter rose 5 percent due to drought and poor grazing conditions in many areas.

A sharp turn of events occurred in September, October, and November. Steer and heifer dressed slaughter weights were averaging over 30 pounds lower than a year ago, resulting in even tighter higher quality beef supplies. Three factors began to come together this fall to limit climbing fed beef prices from rising even more on tightening higher quality beef supplies. First, the movement to a record monthly price of \$176.06, up 51 percent from a year earlier, for light Choice boxed beef in November resulted as supplies declined. This forced some end users to switch to other products. Second, there was some improvement in slaughter weights as weekly slaughter levels dropped from third-quarter and year-earlier levels as days on feed increased. Typically steer and heifer slaughter weights peak in October-November, but this year weights have been steady to declining since August. Third, on August 8, boneless beef from cattle under 30 months of age was allowed to re-enter the U.S. market from Canada. After several weeks of adjustments to the new permit system,

imports from Canada have been increasing. This combination of events, although taking some bloom off cattle/boxed beef prices, may help the industry preserve market share gained through the very strong consumer and export market that has evolved over the past few years. However, cyclical meat market share lost through tight supplies and high prices, typically is expensive to regain as cattle inventories and beef supplies expand. Supplies will tighten from present levels over the next couple of years as female stock are retained, but likely in mid-2006 beef supplies will again begin to rise with market share having to be regained.

Feedlots in December are less current and slaughter weights are likely to pick up from the summer lows. Boxed beef prices have declined from the mid-October peak near \$194 a cwt to \$155 to \$160 a cwt in mid-December. Retail prices continue to rise, a situation likely to continue through early winter, as the live/wholesale/retail price spreads readjust to the rapid supply/price changes of 2003. The November retail price for Choice beef rose sharply averaging a record \$4.32 a pound, up 10 percent from last month's record, and up 29 percent from a year earlier. The retail and hotel/restaurant sectors absorbed a formidable share of the price increase through October with the wholesale to retail spread falling from \$1.63 in July to \$1.22 in October before a rapid pass through in November. The November wholesale to retail spread rose to \$1.74 a pound. Although fed cattle and boxed beef prices are off their highs, they remain well above any previous highs and will remain in these ranges for the next couple of years as supplies tighten further. December averages are likely to remain 25 to 30 percent above a year earlier.

The beef complex will be challenged over the next couple of years to maintain supplies for the various sectors of the domestic and export market. Market share will be lost to pork and poultry as the next expansion phase of the cattle cycle begins and more cows and heifers are retained. The more the industry can moderate the adjustments to declining higher quality beef supplies over the next couple of years, the less downward price adjustment will be needed to buy back market share.

Record Beef Prices Support Pork Sector Above Year-Earlier Levels

Fourth-quarter prices of live equivalent 51-52 percent lean hogs are expected to average \$37-\$38 per cwt, almost 20 percent higher than a year ago. Weekly hog slaughter since the first week of October has been a consistent 2.1 million heads or above, with the exception of holiday weeks. Given this weekly slaughter pattern, fourth-quarter hog slaughter will fall only slightly below 1998 when fourth-quarter hog prices were \$22 per cwt. With an expected slaughter of about 27.4 million head, and dressed weights of 199 pounds, fourth-quarter pork production will be record high at about 5.45 million pounds, nearly 4-percent greater than last year, and 4 percent more than in 1998. If current price and production expectations are met, the market will be faced with higher hog prices and record-high pork production, a situation at odds with all those Economics 101 scenarios where prices are low when production is high.

It appears that the dynamics of another variable--Choice beef prices--explain higher hog prices at the same time that the industry is producing record quantities of pork products. Record-high cattle and beef prices have probably fostered a shift by consumers toward relatively lower-priced pork products. The shift in demand toward pork is signaled by the higher wholesale carcass cutout value, which averaged \$58.08 during October-November, almost 8 percent higher than in the same period last year. The higher cutout provides an incentive for packers to pay higher prices for hogs while, at the same time, enabling them to maintain positive slaughter margins.

Stronger Retail Pork Prices Expected

Strong consumer demand for pork is expected to send fourth-quarter retail prices about 4 percent above same-period prices a year ago. Fourth-quarter retail pork prices typically drop below third-quarter prices. But this year the reverse is expected. Fourth-quarter prices are expected to be slightly higher than the third quarter price of \$2.70 per pound. For 2003, retail prices are expected to average in the mid-\$2.60-per-pound range, less than 1-percent above 2002. In 2004, with tight

beef supplies continuing to drive pork demand, and slightly lower pork production, consumers can expect to pay about 1 percent more for pork than in 2003.

2003 Pork Exports Running Ahead of A Year Ago

In the first 10 months of 2003, U.S. processors exported 1.4 billion pounds of pork, more than 6-percent above the same period last year. As usual, the largest foreign markets for U.S. pork products this year have been Japan, accounting for 49-percent of exports, Mexico, accounting for 19-percent, and Canada, which has so far taken 11 percent of U.S. pork exports. Larger exports to smaller Asian countries--Korea, Taiwan, and Hong Kong--have compensated for slower shipments to Canada.

So far this year, Japan has imported 683 million pounds of American pork products, almost 6-percent more than in the same period last year. The increase has come despite Japan's imposition of the pork Safeguard on August 1. The Safeguard is a 25-percent increase in the minimum import price of pork, which is sanctioned by the World Trade Organization to protect Japanese pork producers from the price effects of import surges. The Safeguard has been imposed three times by the Japanese Government in the last three calendar years. It will be lifted April 1, 2004, the first day of the Japanese fiscal year.

With the Safeguard in place, Japan imports less pork. When Safeguard imposition appears imminent, Japanese traders import enormous quantities of frozen pork, accumulating huge stocks to supply domestic markets while the Safeguard is in place. Imports of frozen pork thus decline the most while the Safeguard is in place, and imports of fresh pork products take relatively less of a "hit". Consequently, Denmark, which for geographic/transport reasons can only export frozen pork to Asia, is affected by the Safeguard to a greater degree than the United States and Canada, whose exporters ship both fresh and frozen pork products.

Japanese import data indicate that U.S. pork has gained market share so far this year, at the expense

of Canada and Denmark. Through August, the U.S. share of Japanese imports was 34-percent, a 6-percent increase from the same period in 2002. The market shares of both Canada and Denmark declined. Canada lost 5-percent, while Denmark lost 9-percent.

Japanese market share changes are likely due, in part, to relative exchange rate changes that have taken place this year. Since January, the U.S. dollar has depreciated against the Japanese yen by more than 8-percent, meaning (ceteris paribus) that U.S. products were 8-percent cheaper in November than at the beginning of the year.

Both the Canadian dollar and the Danish krone have appreciated against the yen since January, likely contributing to market share losses. In November, the Canadian dollar cost almost 8-percent more in terms of the yen than in January, and the Danish krone appreciated about 3-percent against the yen.

Exchange rate dynamics in 2003 have favored American pork products, making them cheaper to Japanese customers, while currency appreciation makes Danish and Canadian products more expensive. Favorable U.S. dollar-yen rates, and the U.S. ability to ship fresh pork products while the Japanese market is hindered by the Safeguard, are likely factors driving gains in the U.S. share of Japan's pork import market.

The current USDA forecast has Japan importing about 1 percent fewer pork products in 2003 than last year. In 2004, Japan is expected to import the same quantity of pork as in 2003, with the U.S. market share gains likely to continue.

U.S. pork exports to Mexico through October show a gain of almost 3 percent over a year ago. Mexico imported 266 million pounds of U.S. pork in the first 10 months of 2003 and remains the second most important market for exported U.S. pork, accounting for 19 percent. Through September, Mexican imports were running behind last year, which was not unexpected given the sensitivity of Mexican consumers' pork demand to macroeconomic activity, and the lackluster performance of the North American economy for most of this year. Recently however, economic activity accelerated, incomes improved, and

demand for U.S. pork products pushed above year-ago levels. With the Mexican economy expected to grow at a rate of 3.6 percent in 2004, continued growth of demand for U.S. pork products is expected. The current USDA forecast has Mexican pork imports increasing almost 3 percent next year.

Canadian imports of U.S. pork products through October have declined more than 4-percent over a year ago. Canada remains the third most important export market for U.S. pork products, accounting for 11 percent of U.S. exports so far this year. One explanation for the lower Canadian demand--despite the lower valued U.S. dollar--is the loss of competitiveness of Canadian pork on international markets due to the appreciation of the Canadian dollar. A loss of competitiveness abroad increases the likelihood that more Canadian pork products are being marketed domestically, perhaps "crowding-out" U.S. pork. In 2004, Canadian demand for U.S. pork products is expected to stabilize and to recover somewhat. USDA forecasts a 4-percent increase in total Canadian pork imports next year.

U.S. exports to smaller Asian countries--South Korea, Hong Kong, and Taiwan--have increased almost 38-percent over the same period in 2002. Together these three countries account for almost 11-percent of U.S. pork exports, and more than compensate for export reductions to Canada. Moderate growth rates of these economies this year, together with the lower valued U.S. dollar, are the likely factors driving import demand for U.S. pork products. Current USDA forecasts have 2004 pork imports of the smaller Asian economies increasing by less than 1 percent.

Pork Imports Increase at 14 Percent Clip

The United States imported 813 million pounds of pork through October, an increase of 14-percent over last year. Canada continues to hold a share of the U.S. import market that ranges between 80 and 85 percent. Denmark accounts for between 10 and 14 percent, with the remainder going to the "Other" category, which includes products from Central and Eastern Europe and the European Union. Given the depreciation of the U.S. dollar against both Canadian and Danish currencies, the rate of U.S. pork import expansion is a bit surprising. But strong U.S. consumer demand for pork products

and the sheer size of the U.S. market function as strong magnets for any country with pork to sell.

Live Hog Imports Accelerate

If current expectations are met, the United States will import almost 7.5 million head of Canadian hogs this year, 30 percent more than in 2002. Almost all import categories of hogs have increased, but in particular, slaughter hog imports have increased 18 percent, feeder pigs increased 24 percent, and sows/boars increased 33 percent. What are the major factors that have sent so many Canadian hogs to the United States? In a nutshell, U.S. hog finishers and packers are willing and able to pay more for hogs than Canadian finishers and packers. Low Canadian bids derive from weak slaughter margins that directly result from an appreciated Canadian dollar. The appreciated dollar has made Canadian pork more expensive and less competitive in foreign markets where it competes with lower priced pork from the United States and Denmark, in particular. For a country that exports almost half of its pork production, the appreciation of the “Loonie” (i.e., the Canadian dollar) in 2003 has had unambiguously negative consequences for the Canadian pork sector.

From a Canadian packer’s perspective, the consequences of the high-priced Canadian dollar and lower export demand for Canadian pork products include--but are not limited to--low-to-negative slaughter margins, and reduced slaughter

numbers. In fact, three small Canadian packers have declared bankruptcy this year: West Perth Packers, Brantford Packers in Ontario, and Les Viandes Abitemis in Québec. In addition, Springhill Packers recently re-opened with financial assistance from the Province of Manitoba after shutting down for a short period. Bruce Packers in Ontario has ceased operation, after being heavily damaged by fire in early November. Fewer packers mean less demand for slaughter hogs, and more slaughter hog exports to the United States. Moreover, fewer packers can also mean less competition for slaughter hogs, with remaining Canadian packers tending to bid less for hogs and driving more slaughter hogs south to the United States. Fourth-quarter slaughter for major hog producing provinces, through November, is 8-percent lower than a year ago in Manitoba, almost 4 percent lower in Ontario, and about even with last year in Québec. Fourth-quarter hog prices are more than 6-percent higher in Manitoba, 3-percent lower in Ontario, and almost 2-percent higher in Québec.

The Canadian breeding herd also appears to be responding to lower packer demand and lower returns on feeder pigs exported to the United States. Since August, weekly USDA data indicate that U.S. imports of Canadian sows and boars have increased almost 53 percent over the same period last year, suggesting at a minimum, that culling of the herd is taking place.

U.S. Broiler Production Moving Higher

The estimate for broiler production in 2004 was increased by 160 million pounds to 33.6 billion pounds, as egg and chick placements have been running several percentage points above the previous year. The weekly *Broiler Hatchery* report continues to show increases in the numbers of broiler chicks being placed for growout. During the last 8 weeks (Oct. 18 through Dec. 6), the number of broiler chicks placed each week for growout has averaged 160 million, up 2.5 percent from the same period the previous year. The data for egg placed in incubators indicate that chick placements can be expected to continue to be above year-earlier levels as the number of eggs placed has been up by an average of 2 percent over the last 3 weeks.

U.S. broiler production in fourth-quarter 2003 is estimated at 8.2 billion pounds, about 3 percent higher than in fourth-quarter 2002. Broiler production in October was 3.04 billion pounds, an increase of 2.8 percent from a year earlier, and slaughter in November and December is expected to be higher than the previous year. This follows a third-quarter where production increased 2.5 percent compared with a year earlier. This gradual increase in production is expected to come from a slightly higher number of birds going to slaughter and continued growth in their average weights.

Broiler Stocks Down Sharply

With little or no growth in broiler production over the first half of 2003, stocks of broiler products held in cold storage have declined throughout the year. The estimate of cold storage holdings of broiler products at the end of October was 599.2 million pounds, down 30 percent from a year earlier and 5 percent lower than at the end of October 2001.

With lower stocks and only a small increase in production over the first 10 months of the year, domestic broiler prices have continued to strengthen. The November 12-city average for whole broilers was 64.5 cents a pound, up 21 percent from the previous year. Prices for most broiler parts have increased even faster. Prices for leg quarters were 29.6 cents per pound in

November, up 64 percent from the previous year. Wing prices have risen 106 percent from the previous November to 94.13 cents per pound. Broiler prices are expected to remain strong over the next several months as a recovering economy, a brighter export outlook, and high prices in the beef and pork sectors combine to strengthen demand.

U.S. broiler exports in October 2003 were higher than expected at 553 million pounds, leaving exports for the first 10 months of the year at 4.1 billion pounds, 1 percent higher than in the same period in 2002. While domestic prices for bulk leg quarters in October were much stronger than the previous year, much of this strength is from domestic factors.

While overall exports have increased, shipments to the two largest markets are lower than the previous year. Over the first 10 months of 2002, broiler exports to Hong Kong have totaled only 257 million pounds, down more than 50 percent from the same period in the previous year. The decline in broiler exports to a number of Asia markets was offset by higher shipments to smaller markets and the NIS countries. Exports have also been growing to Mexico over the last several months and through October are 3 percent higher than the previous year.

Turkey Production Flat, Exports Higher

In November, the three-region price for whole turkeys (hens and toms) averaged 65.5 cents per pound, up 2 percent from the previous year. Most of the increase came from higher prices for toms as prices for whole hens were about even with the previous year. Wholesale prices for whole birds and parts are expected to remain close to their present levels as stocks of turkeys (whole birds and parts) at the end of October were considerably lower than the previous year, down 8 percent. Turkey production during the first 10 months of 2003 has totaled 4.8 billion pounds, making it almost exactly even with the previous year. While the number of birds slaughtered is down slightly from a year earlier, average weights are higher. However, just the opposite was true in October as the number of birds rose and the average weight declined slightly. Production over the next several

months is expected to remain at or slightly below the previous year. Over the last 6 months, (May through October), the number of poult placed for growout has been down 1.4 percent from the same period in 2002.

U.S. turkey exports strengthened in the third quarter and continued to be strong in October totaling 50 million pounds, up 39 percent from the previous year. Most of the increase has come from an expansion in exports to Mexico. Over the first 6

months of 2003, exports to Mexico totaled 101 million pounds which was 9 percent less than in the previous year. During the third quarter exports to Mexico totaled 65 million pounds and shipments in October were an additional 29 million pounds, pushing exports for the first 10 months of 2003 to 397 million pounds, 6 percent higher than the previous year. With higher exports and no increases in production forecast, turkey prices are expected to gradually increase over the next several months, especially with relatively high prices expected in the rest of the livestock sector.

Lamb Prices Up Sharply

Choice lamb prices at San Angelo, Texas are expected to average around \$92 per cwt in 2003, 27 percent above last year. The farm price of lambs will likely average about \$94 per cwt, a 28-percent increase from a year ago. The sharp boost in lamb prices is due to an expected 9-percent decline in lamb and mutton production and a 2-percent drop in imports. Continuing, albeit more moderate, declines in production and only a slight increase in imports will likely keep average lamb prices in the low \$90s in 2004.

Fourth-quarter lamb and mutton production is expected to show its seasonal increase of more than 10 percent above the third-quarter level of 2003. Despite the expected seasonal increase, production is expected to be more than 5-percent below 2002 fourth-quarter levels. Lower production levels have resulted in fairly strong prices. Fourth-quarter

choice slaughter lamb prices at the San Angelo, Texas market are expected to average nearly \$10 per cwt above a year earlier. The fourth-quarter farm price for lambs is also strong and is expected to average \$13 above the same period last year.

Strong lamb prices are further fueled by weaker-than-expected lamb and mutton imports as they have not increased to maintain the trend of stable per capita consumption. Lamb and mutton imports for the first 10 months reached 123 million pounds, down nearly 8-percent from the same period a year earlier. Imports reflect tight supplies in Australia, a primary U.S. supplier. Tight lamb supplies in Australia are expected to continue into 2004, hence, a small recovery in U.S. imports is expected. Imports in 2003 are expected to account for about 45 percent of U.S. consumption and an even higher import proportion is expected in 2004.

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Related Article

The discovery of bovine spongiform encephalopathy (BSE) <http://www.usda.gov/news/releases/2003/05/bg0166.htm> in Canada resulted in the United States placing a ban on imports of ruminant animals and products from that country as of May 20. When the ban will be lifted is uncertain. The United States imports a substantial amount of cattle and beef from Canada.

USDA's **Outlook Forum** will be February 19-20, 2004, in Arlington, Virginia. The Forum provides the agricultural community with timely forecasts of farm prospects and insight into developments affecting the farm economy. Program details are available at <http://www.usda.gov/oce/waob/agforum.htm>.

Data

Retail Price Reporting for Meat

<http://www.ers.usda.gov/Data/Meatscanner/> A new ERS database contains monthly average retail prices for selected cuts of red meat and poultry, based on electronic supermarket scanner data. While not based on a random sample, the raw data underlying the database are from supermarkets across the United States that account for approximately 20 percent of U.S. supermarket sales. **Leland Southard**, (202) 694-5187.

Web Sites

Animal Production and Marketing Issues, <http://www.ers.usda.gov/briefing/AnimalProducts/>

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/>

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Red meat and poultry forecasts

	2001		2002		2003				2004			
	Annual	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Production, million lb												
Beef	26,107	6,783	27,090	6,287	6,907	7,078	6,025	26,297	6,150	6,550	6,700	25,400
Pork	19,138	5,255	19,664	4,889	4,734	4,795	5,450	19,868	4,925	4,775	4,825	19,750
Lamb and mutton	223	56	219	49	50	48	53	200	49	48	47	194
Broilers	31,266	7,936	32,240	7,770	8,238	8,454	8,175	32,637	8,040	8,515	8,665	33,610
Turkeys	5,562	1,482	5,713	1,379	1,438	1,407	1,475	5,699	1,370	1,430	1,430	5,710
Total red meat & poultry	83,006	21,700	85,669	20,550	21,546	21,954	21,345	85,395	20,709	21,499	21,842	85,361
Table eggs, mil. doz.	6,077	1,573	6,184	1,511	1,514	1,546	1,570	6,141	1,525	1,520	1,550	6,170
Per capita consumption, retail lb 1/												
Beef	66.2	16.6	67.6	16.2	16.9	16.8	14.6	64.5	15.3	16.3	16.3	62.4
Pork	50.2	13.8	51.5	12.6	12.5	12.5	14.1	51.7	12.7	12.5	12.6	51.2
Lamb and mutton	1.1	0.3	1.2	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.3	1.1
Broilers	76.6	19.9	80.5	19.6	20.6	21.3	20.0	81.5	19.7	21.0	21.3	82.2
Turkeys	17.5	5.9	17.7	3.6	3.9	4.6	5.6	17.7	3.7	3.9	4.2	17.5
Total red meat & poultry	213.6	57.0	220.5	52.7	54.6	55.9	55.1	218.3	52.1	54.4	55.2	216.4
Eggs, number	252.6	64.6	253.6	61.9	62.3	63.1	64.1	251.4	61.9	61.7	62.8	250.0
Market prices												
Choice steers, Neb., \$/cwt	72.71	69.10	67.04	77.82	78.49	83.07	102-103	85.47	93-97	84-92	79-85	84-91
Feeder steers, Ok City, \$/cwt	88.20	83.08	80.04	78.48	82.49	94.90	104-105	90.09	97-101	89-97	86-92	90-97
Boning utility cows, S. Falls, \$/cwt	44.39	35.39	39.23	40.53	46.52	49.84	50-51	46.85	47-49	48-52	47-51	47.25-50.25
Choice slaughter lambs, San Angelo, \$/cwt	72.04	82.02	72.31	91.92	93.71	89.48	91-92	91.65	89-93	87-95	87-93	87-94
Barrows & gilts, N. base, i.e. \$/cwt	45.81	31.34	34.92	35.38	42.64	42.90	37-38	39.61	39-41	39-43	40-44	39-42
Broilers, 12 City, cents/lb	59.10	53.70	55.60	60.30	59.60	63.40	63-64	61.70	60-64	61-67	63-69	61-66
Turkeys, Eastern, cents/lb	66.30	68.20	64.50	61.10	60.60	59.10	67-68	62.10	59-63	60-64	61-67	61-66
Eggs, New York, cents/doz.	67.20	75.50	67.10	77.20	73.90	89.90	112-113	88.40	93-97	82-88	86-94	88-95
U.S. trade, million lb												
Beef & veal exports	2,269	612	2,447	585	678	681	640	2,584	620	680	685	2,620
Beef & veal imports	3,164	708	3,218	810	741	619	690	2,860	835	950	905	3,430
Lamb and mutton imports	146	38	162	40	44	35	40	159	43	41	39	163
Pork exports	1,560	414	1,611	413	438	406	430	1,687	405	430	410	1,695
Pork imports	951	299	1,070	289	301	298	340	1,228	320	340	350	1,375
Broiler exports	5,555	1,220	4,807	1,200	1,166	1,182	1,240	4,788	1,215	1,240	1,275	5,030
Turkey exports	487	102	439	103	114	130	130	477	115	115	125	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 1/

	2002			2003					2004			
	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
GDP, chain wtd (bil. 1996 dol.)	9,465	9,503	9,435	9,556	9,608	9,692	9,784	9,661	9,877	9,971	10,059	10,016
CPI-U, annual rate (pct.)	1.9	2.4	2.2	3.9	0.6	1.5	1.4	1.8	2.0	1.9	2.0	2.0
Unemployment (pct.)	5.7	5.9	5.8	5.8	6.2	6.2	6.1	6.1	6.0	5.9	5.8	5.9
Interest (pct.)												
3-month Treasury bill	1.6	1.3	1.6	1.2	1.0	1.0	1.0	1.1	1.1	1.3	1.6	1.5
10-year Treasury bond yield	4.3	4.0	4.6	3.9	3.6	4.2	4.3	4.0	4.4	4.5	4.8	4.6

1/ Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, August 2003.

Dairy Forecasts

	2002			2003					2004			
	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Milk cows (thous.)	9,153	9,148	9,141	9,154	9,114	9,066	9,025	9,090	8,980	8,950	8,920	8,935
Milk per cow (pounds)	4,566	4,543	18,573	4,691	4,814	4,582	4,605	18,690	4,830	4,935	4,695	19,185
Milk production (bil. pounds)	41.8	41.6	169.8	42.9	43.9	41.5	41.6	169.9	43.4	44.2	41.9	171.4
Commercial use (bil. pounds)												
milkfat basis	43.8	43.9	170.5	41.2	43.0	44.7	44.9	173.8	42.3	44.1	45.3	176.7
skim solids basis	42.1	41.2	163.6	40.0	41.2	42.0	42.4	165.5	41.1	42.2	43.6	170.1
Net removals (bil. pounds)												
milkfat basis	0.1	0.1	0.3	0.4	0.6	0.2	0.1	1.2	0.1	0.1	0.1	0.4
skim solids basis	2.1	1.4	9.8	3.1	3.2	1.5	0.7	8.4	2.1	2.1	0.9	5.5
Prices (dol./cwt)												
All milk 1/	11.33	11.97	12.11	11.37	11.07	13.20	14.65	12.55	12.25	10.95	11.45	11.85
							-14.85	-12.65	-12.75	-11.75	-12.45	-12.65
Class III	9.59	10.10	10.42	9.52	9.62	13.29	13.15	11.35	10.70	9.95	10.55	10.65
							-13.35	-11.45	-11.20	-10.75	-11.55	-11.45
Class IV	10.36	10.52	10.81	9.89	9.74	10.05	10.15	9.90	9.75	9.60	9.95	9.90
							-10.45	-10.10	-10.35	-10.50	-11.05	-10.80

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

PRODUCTION INDICATORS

	Nov. '2002	2003		
		Sep.	Oct. 1,000 Head	Nov. /*
Cattle:				
On feed - US, 1,000+ Hd.	10,742	9,834	10,213	11,038
Net placements	1,887	2,411	2,680	1,829
Marketings	1,731	2,032	1,855	1,537
Broilers:				
Eggs in incubators (000) /1	574,140	632,136	600,490	588,046
Chicks hatched (000) /2	690,052	739,191	734,801	707,619
Hatching egg layers /1	54,803	54,865	54,826	54,692
Pullets placed (000)	6,938	6,654	6,485	6,946
Hvy-type hen slaughter /2	5,813	5,523	6,271	5,465
Turkeys:				
Eggs in incubators (000) /1	30,385	28,404	28,081	28,650
Poults placed (000)	23,987	22,171	22,805	21,978
Eggs:				
Table egg prod. (mil. doz.) /2	517.0	503.9	527.8	520.9
Table egg layers, (000) /1	280,973	274,830	274,742	277,181
Table eggs/100 layers /1	73.4	72.9	73.7	74.3
Chicks hatched (000) /2	31,146	35,777	34,999	30,129
Lt.-type hen slaughter /2	6,011	5,532	6,022	5,650

ESTIMATED RETURNS

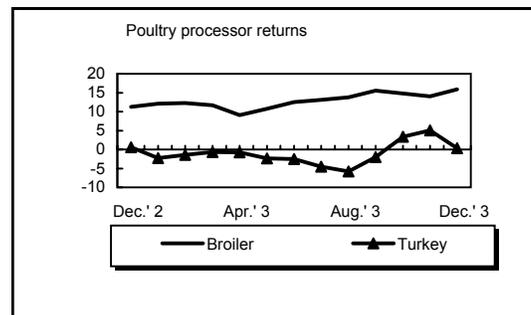
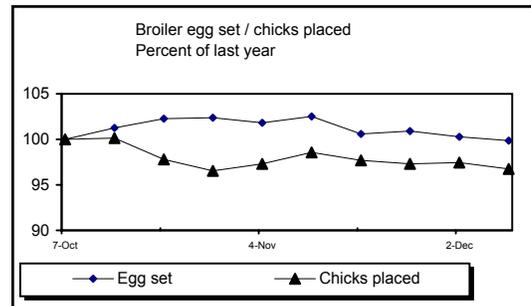
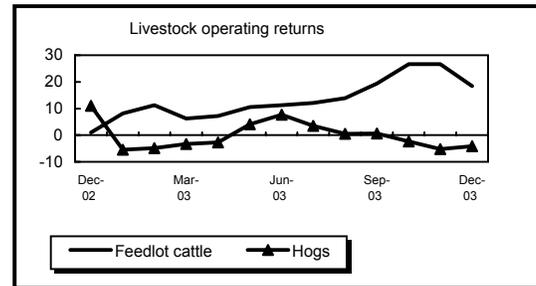
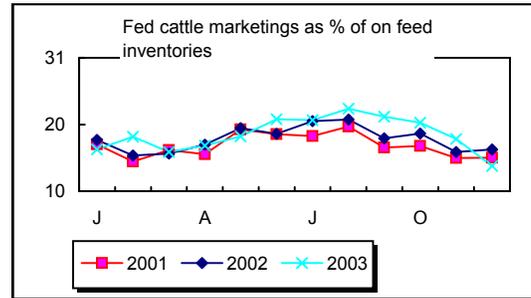
	Dec. '2002	2003		
		Oct.	Nov. Cents/lb	Dec. /*
Great Plains cattle feedlot				
Breakeven price /3	67.90	70.94	73.05	76.32
Selling price	73.11	97.63	99.65	94.70
Net margin	5.21	26.69	26.60	18.38
N. Central hog farrow to finish				
Breakeven price /3	38.52	41.39	41.23	40.43
Selling price	32.35	39.00	36.00	36.25
Net margin	-6.17	-2.39	-5.23	-4.18
Broiler				
Wholesale cost	48.91	48.78	50.43	49.87
Wholesale price	54.74	63.59	64.45	65.75
Net margin	5.83	14.81	14.02	15.88
Turkey				
Wholesale cost	63.16	61.07	61.47	64.33
Wholesale price	63.40	64.44	66.51	64.70
Net margin	0.24	3.37	5.04	0.37
Egg				
Wholesale cost	66.00	68.11	67.27	68.44
Wholesale price	80.06	90.81	110.87	109.50
Net margin	14.06	22.70	43.60	41.06

/1 First of month.

/2 Last month estimated.

/3 Does not include capital replacement cost.

/* estimate.



MEAT STATISTICS

	Jan. -	Jan. -	2003					/*
	Dec. 2002	Dec. 2003	Aug.	Sept.	Oct.	Nov.	Dec.	
Commercial production	<i>Million pounds</i>							
Beef	27,090	26,330	2,328	2,312	2,211	1,780	2,067	
Veal	196	191	14	15	16	15	18	
Pork	19,664	19,843	1,555	1,663	1,910	1,715	1,800	
Lamb	218	202	16	17	18	16	20	
Total red meat	47,168	46,565	3,913	4,007	4,155	3,527	3,905	
Broilers	32,240	32,495	2,742	2,817	3,035	2,394	2,603	
Other chicken	547	506	41	40	43	37	39	
Turkeys	5,713	5,654	456	460	528	453	449	
Total poultry	38,500	38,655	3,239	3,317	3,606	2,884	3,092	
Total meat & poultry	85,667	85,221	7,152	7,324	7,762	6,411	6,997	

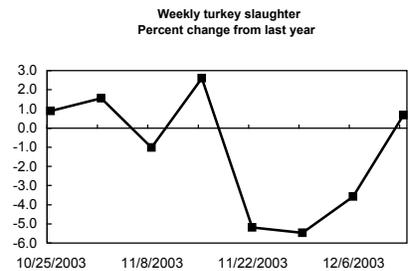
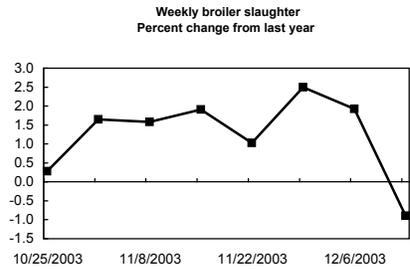
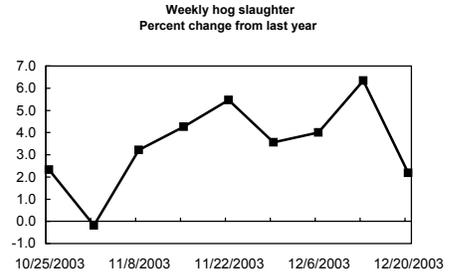
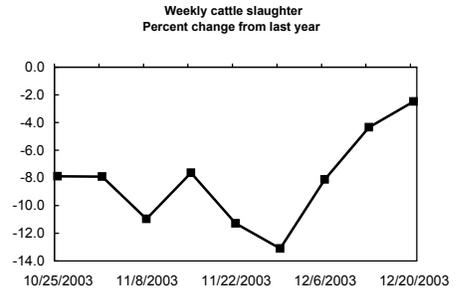
	Jan. -	Jan. -	2003					/*
	Dec. 2002	Dec. 2003	Aug.	Sept.	Oct.	Nov.	Dec.	
Commercial slaughter**	<i>Thousand head</i>							
Cattle	35,735	35,585	3,134	3,123	3,003	2,426	2,799	
Steers	17,823	17,510	1,593	1,519	1,393	1,122	1,324	
Heifers	11,544	11,316	990	1,030	977	750	862	
Beef cows	3,104	3,193	268	265	292	267	291	
Dairy cows	2,655	2,926	227	252	281	235	269	
Bulls and stags	611	640	56	57	60	52	53	
Calves	1,045	983	80	83	88	78	79	
Sheep	3,286	2,980	241	256	266	236	278	
Hogs	100,263	100,431	8,043	8,553	9,641	8,582	9,000	
Barrows & gilts	96,761	96,990	7,761	8,252	9,329	8,318	8,726	
Sows	3,227	3,188	263	278	288	243	254	
Broilers	8,546,240	8,493,904	723,786	729,180	777,869	615,050	702,255	
Turkeys	271,244	268,757	22,358	22,470	25,388	22,465	21,985	

	2003						/*
	Dec. 2002	Aug.	Sept.	Oct.	Nov.	Dec.	
F.I. dressed weight	<i>Pounds</i>						
Cattle	768	748	747	743	740	743	
Calves	188	179	186	189	196	197	
Sheep	68	66	67	69	70	73	
Hogs	199	195	196	199	201	201	

	2003					
	Dec. 2002	Aug.	Sept.	Oct.	Nov.	Dec.
Beginning cold storage stocks	<i>Million pounds</i>					
Beef	512.6	368.2	371.0	379.8	375.2	371.8
Pork	463.9	440.7	430.2	435.2	446.8	439.9
Bellies	18.1	32.1	17.9	10.2	21.1	33.9
Hams	87.7	121.3	127.8	132.0	110.9	73.2
Total chicken	800.4	365.6	617.7	604.5	600.7	583.8
Turkey	334.3	722.5	706.5	647.5	582.7	353.4
Frozen eggs	11.2	18.6	18.0	16.6	16.9	14.9

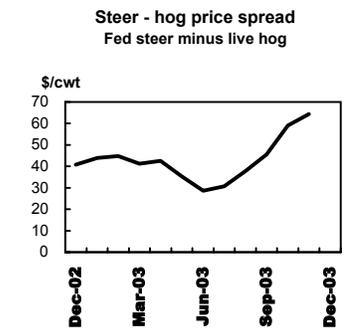
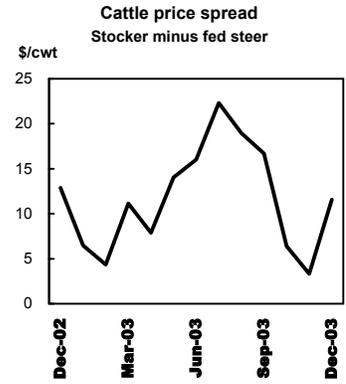
/* Estimates with exception of Cold Storage.

** Slaughter classes are estimated.



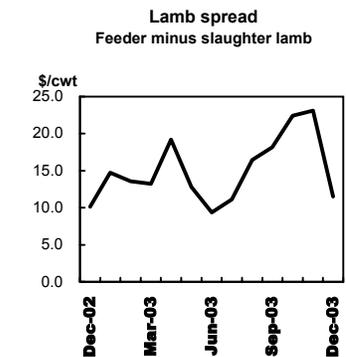
LIVESTOCK PRICES

	2002	2003					/*
	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	
Cattle prices							
Steers, Choice, 11-13 cwt			\$/cwt				
Texas Panhandle	73.11	79.77	87.37	97.63	100.31	94.70	
Nebraska Direct	72.24	81.74	90.59	105.50	101.88	95.25	
Cows - Sioux Falls							
Utility breaking	37.17	54.25	55.38	54.85	55.58	55.60	
Utility boning	35.83	49.13	50.50	48.85	51.83	49.40	
Feeder Cattle - Oklahoma City							
Steers: Med. #1							
500-550 lb	96.09	103.12	104.94	109.41	112.29	111.00	
600-650 lb	85.97	98.73	104.06	104.04	103.62	106.25	
750-800 lb	85.22	93.34	101.34	104.46	104.43	102.65	
Heifers: Med. #1							
450-500 lb	85.93	93.59	97.37	102.79	104.39	103.85	
700-750 lb	81.91	91.29	95.00	98.94	96.83	96.50	
Hog prices							
Barrows and gilts							
National base 51-52% lean (live equivalent = carcass x .74)	32.35	41.90	41.82	38.63	36.02	36.25	
Sows							
Iowa-S. Minn. #1-2, 300-400 lb	22.28	32.08	31.21	30.53	28.51	27.00	
Sheep & lamb prices							
San Angelo, TX							
Slaughter lambs, Choice	86.88	85.81	91.44	91.31	91.00	96.50	
Ewes, Good	45.31	38.88	36.75	38.37	47.00	49.75	
Feeder lambs, Choice	97.00	102.25	109.63	113.75	114.13	108.00	



GRAIN AND FEED PRICES

	2002	2003					/*
	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	
			\$/bu				
Corn, #2 Yellow, Cen. Ill	2.32	2.16	2.15	2.11	2.26	2.36	
Wheat, HRW Ord., K.C.	4.36	3.69	3.59	3.66	408.00	4.36	
			\$/ton				
SBM, 48% Solvent, Decatur	163.59	189.68	217.95	225.28	242.00	231.00	
Alfalfa Hay, U.S. Avg.	100.00	91.00	89.00	88.80	88.00	N/A	
Grass Hay, U.S. Avg.	74.70	69.10	70.10	71.40	64.90	N/A	

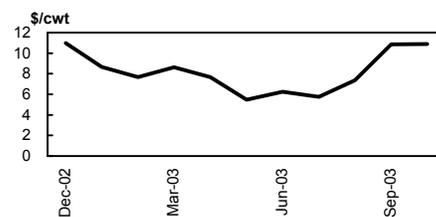


/* Estimates

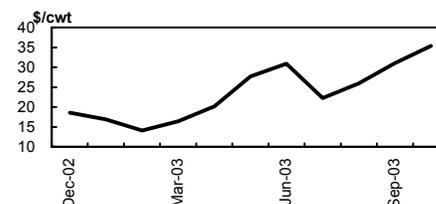
WHOLESALE PRICES

	2002		2003				/*
	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	
Beef, Central U.S.							
Boxed beef cutout	\$/cwt						
Choice 1-3 550-700 lb	122.45	139.91	156.64	176.06	167.15	156.60	
Choice 1-3 700-850 lb	121.36	140.65	156.48	175.07	165.60	154.60	
Select 1-3 700-850 lb	116.04	130.69	133.59	149.00	146.93	142.10	
Canner-Cutter Cows	N/A	N/A	N/A	N/A	N/A	N/A	
Bnls. beef, 90% fresh	101.50	121.01	119.31	117.14	123.86	127.50	
Importd bnls. beef 90% frz.	101.79	105.04	110.53	112.91	124.90	125.40	
Hide & offal value	7.81	8.55	8.88	9.50	10.02	10.31	
Veal carcass, 220-280 lb	N/A	N/A	N/A	N/A	N/A	N/A	
Pork, Central U.S.							
Pork cutout composite	52.51	61.15	64.35	59.75	55.99	56.00	
Loins, 14-19 lb Bl 1/4" trim	93.03	104.85	111.38	97.71	89.06	92.00	
Bellies, 12-14 lb skin on trmd.	78.92	85.65	83.15	84.46	78.53	80.00	
Hams, 20-23 lb Bl trmd. TS1	45.38	50.80	58.20	49.66	47.22	45.00	
Trimnings, 72% fresh	25.21	43.60	53.03	44.60	41.99	43.00	
Lamb, East Coast							
55 lb Down, Choice	N/A	N/A	N/A	N/A	N/A	N/A	
55-65 lb, Choice	164.62	180.19	180.29	180.64	180.82	184.25	
cents/lb							
Broilers							
12 City Avg.	54.74	63.20	64.08	63.59	64.45	65.75	
Georgia dock	60.60	66.64	67.61	67.16	67.11	67.75	
<i>Northeast</i>							
Breast, boneless	127.08	180.77	174.95	158.72	146.01	146.15	
Breast, Ribs on	66.77	91.36	92.04	83.88	80.68	83.10	
Legs, whole	29.94	36.75	37.82	38.50	37.35	37.45	
Leg quarters	17.99	28.38	28.52	29.19	29.59	29.65	
Turkeys							
<i>Eastern region</i>							
Toms, 16-24 lb	60.69	57.05	60.49	63.20	64.92	61.60	
Hens, 8-16 lb	66.96	57.74	61.52	66.08	69.33	68.20	
Breast, 4-8 lb	97.00	82.00	86.60	89.95	91.00	92.00	
Drumsticks	19.49	28.78	35.80	43.01	43.20	42.65	
Wings, full cut	21.03	22.41	27.59	33.68	43.05	42.10	
Eggs, grd A, lg, doz							
12 City Metro	80.06	84.63	84.87	90.81	110.87	109.50	
New York	77.14	93.76	94.90	99.95	122.94	107.25	

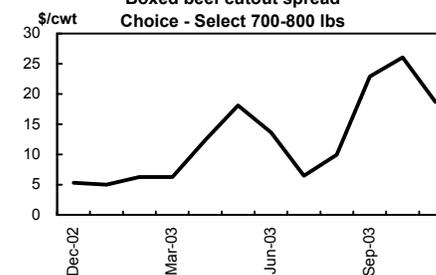
Hog to cutout price spread
Pork + Offal - Live hog



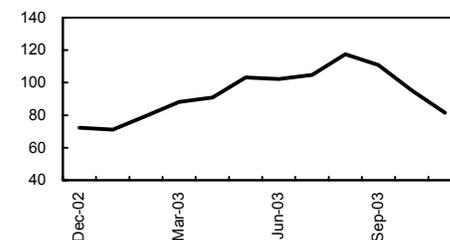
Steer to cutout price spread
Beef + Offal - Fed Steer



Boxed beef cutout spread
Choice - Select 700-800 lbs



Broiler price spread
Cents/lb Boneless breast - Whole bird



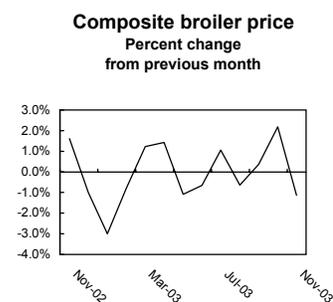
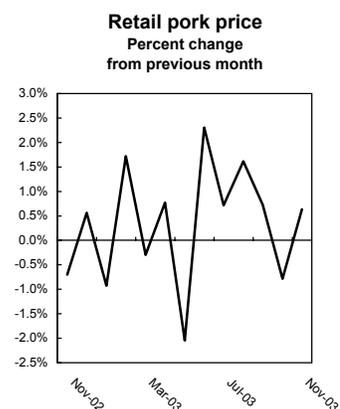
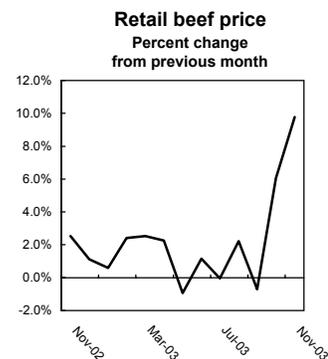
/* Estimates.

Source: Agricultural Marketing Service.

Livestock, Dairy and Poultry Situation and Outlook

RETAIL PRICES & SPREADS

	Jun-2003	Jul-2003	Aug-2003	Sep-2003	Oct-2003	Nov-2003
Retail prices						
	<i>Cents/lb</i>					
Beef - Choice	365.6	365.4	373.5	370.9	393.3	431.7
Beef - All fresh	326.6	328.9	330.4	334.1	340.0	363.9
Ground beef	193.2	187.8	200.6	202.2	201.0	225.6
Round roast	324.8	333.1	323.1	322.9	351.3	385.8
T-bone steak	NA	NA	NA	NA	NA	NA
Pork	264.4	266.3	270.6	272.6	270.5	272.2
Bacon	313.6	315.5	322.9	321.9	316.1	322.8
Chops	305.8	308.5	303.6	308.8	308.0	301.1
Sausage	NA	NA	NA	NA	NA	NA
Broilers - Composite	159.4	161.1	160.0	160.6	164.1	162.2
Whole, fresh	103.3	102.7	102.3	102.2	102.2	106.8
Breast - bone in	NA	NA	NA	NA	NA	NA
Leg - bone in	122.6	126.2	124.2	125.4	132.5	127.5
Turkey; whole frozen	110.6	113.4	116.2	116.7	111.2	100.6
Eggs, Gr A, Lg, Doz	119.9	115.0	127.7	125.7	133.0	144.8
Price indexes						
	<i>1982-84=100</i>					
CPI - All	183.7	183.9	184.6	185.2	185.0	184.5
All food	179.6	179.7	180.4	180.7	181.7	182.4
All meat	166.6	168.0	169.2	171.0	174.6	181.3
Beef & veal	170.3	171.8	172.9	175.5	182.1	195.6
Pork	165.3	166.9	167.0	169.8	170.1	168.6
Poultry	167.7	168.9	169.0	169.7	172.5	172.5
Price Spreads						
	<i>Cents / retail lb</i>					
Beef						
Farm to wholesale	52.6	39.2	44.2	51.4	55.5	40.2
Wholesale to retail	146.1	162.5	155.9	128.3	121.8	174.3
Farmers share (%)	46	45	46	52	55	50
Pork						
Farm to wholesale	35.4	33.6	38.6	43.4	40.8	39.6
Wholesale to retail	144.0	153.2	158.1	155.6	162.4	169.9
Farmers share (%)	32	30	27	27	25	23
Poultry and eggs						
Wholesale to retail						
Broilers	93.0	92.7	88.1	88.6	95.2	92.8
Retail to consumer						
Turkey	42.9	47.1	50.0	47.2	37.8	25.1
Eggs Cents/doz	43.8	34.6	33.0	31.7	33.6	21.8



Sources: Economic Research Service, USDA and Bureau of Labor Statistics, U.S. Department of Labor.

Cumulative U.S. livestock & meat trade

	2001	2002	Jan. - Oct-2002	Jan. - Oct-2003		2001	2002	Jan. - Oct-2002	Jan. - Oct-2003
Beef & veal imports					Pork imports				
	<i>Carcass wt., 1,000 lb</i>					<i>Carcass wt., 1,000 lb</i>			
Australia	1,151,858	1,136,758	980,377	939,620	Canada	766,043	879,949	717,830	812,501
New Zealand	637,372	603,931	516,613	572,242	Denmark	120,106	123,013	98,104	123,911
Canada	987,073	1,090,894	922,681	551,050	Poland	23,976	24,420	19,260	19,060
Brazil	163,556	200,785	161,703	170,126	Netherlands	8,433	6,730	5,695	4,759
Argentina	99,708	85,349	67,212	69,476	Hungary	6,814	4,806	3,610	4,914
Central America	70,103	68,325	54,441	63,006	Other	25,372	31,809	26,245	27,537
Uruguay	41,109	14,095	11,638	70,485	Total	950,745	1,070,727	870,744	992,682
Mexico	12,166	16,707	14,258	12,766					
Other	411	756	742	217					
Total	3,163,356	3,217,599	2,729,665	2,448,989					
Beef & veal exports					Pork exports				
Japan	1,004,062	771,074	622,957	789,328	Japan	742,222	775,945	645,634	683,122
Canada	233,291	240,550	195,037	198,964	Canada	186,234	188,351	157,261	150,085
Mexico	531,972	629,252	529,525	523,047	Mexico	318,480	313,695	259,351	265,774
South Korea	345,518	597,301	484,231	495,171	Russia	82,327	41,397	34,473	13,391
Caribbean	22,368	23,015	18,830	17,602	South Korea	38,685	70,836	52,112	68,260
Russia	7,400	17,388	15,975	10,362	Hong Kong	27,612	28,393	19,928	31,915
Other	124,672	169,125	131,710	135,706	Caribbean	23,503	20,350	16,878	12,036
Total	2,269,283	2,447,704	1,998,265	2,170,179	Other	140,397	173,262	133,248	179,278
					Total	1,559,459	1,612,228	1,318,884	1,403,860
Cattle imports					Hog imports				
	<i>Head</i>					<i>Head</i>			
Mexico	1,130,168	816,460	528,342	834,924	Canada	5,337,688	5,740,073	4,773,906	6,006,769
Canada	1,306,185	1,686,508	1,383,523	508,322	Under 110 lb	3,163,962	3,757,882	3,104,703	4,084,069
Over 700 lb	1,143,181	1,259,536	1,048,209	439,016	Total	5,337,688	5,740,675	4,773,906	6,006,960
440-700 lb	45,679	221,782	163,031	11,500					
Total	2,436,715	2,502,973	1,911,870	1,343,258	Hog exports				
					Total	64,049	205,121	167,583	99,768
Cattle exports					Broiler exports				
Mexico	143,834	106,019	91,846	19,367		<i>Ready to cook, 1,000 lb</i>			
Canada	297,622	134,220	109,430	60,438	Japan	234,974	120,682	96,057	94,525
Total	448,695	244,394	202,776	87,145	Mexico	380,727	324,148	276,954	285,410
					Hong Kong	744,961	607,448	536,317	257,499
Lamb imports					Turkey exports				
	<i>Carcass wt., 1,000 lb</i>				Mexico	219,941	186,284	159,120	194,173
Australia	67,785	68,073	57,130	59,288	Canada	11,311	14,445	10,374	13,112
New Zealand	39,576	48,565	39,916	50,268	South Korea	16,852	12,990	11,390	8,610
Total	108,215	117,047	97,382	109,865	Russia	80,719	29,026	28,200	21,247
					Hong Kong	36,034	70,199	59,829	38,026
Mutton imports					Other	122,142	125,635	103,486	121,606
Total	37,511	42,886	35,854	23,226	Total	486,999	438,579	372,399	396,774
Lamb and mutton exports									
Total	6,511	7,101	5,538	5,268	Shell egg exports				
						<i>1,000 doz.</i>			
Customs Service (beef/veal)									
	<i>Product wt., metric tons</i>				Canada	32,279	30,496	23,781	21,294
YTD imports under WTO:	12/17/2002	12/15/2003	% of quota		Japan	3,026	2,256	1,605	105
Canada	378,044	236,334	NA		Other	55,750	55,900	46,324	54,315
Mexico	3,489	4,068	NA		Total	91,055	88,652	71,710	75,715
TRQ countries	569,385	581,873	84						
Australia	366,228	342,684	91						
New Zealand	181,619	198,636	93						
Argentina	-	-	-						
Uruguay	-	16,453	82						
Japan	-	-	-						
Other	21,538	24,099	37						
Total	950,917	822,275	NA						

Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

Monthly U.S. livestock and meat trade **

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03
Beef & veal imports	Carcass wt., 1,000 lb												
Australia	69,385	98,429	57,952	151,202	40,579	76,061	87,574	89,162	92,207	97,250	92,233	102,846	110,506
New Zealand	24,537	26,182	61,136	42,350	60,516	72,565	81,533	67,836	69,846	72,666	52,970	31,645	20,315
Canada	95,433	87,589	80,625	91,888	85,015	94,892	90,542	60,260	88	235	88	37,627	90,416
Brazil	12,581	22,494	16,587	14,443	13,019	15,816	16,022	21,344	20,961	18,896	16,937	15,519	17,168
Argentina	10,107	7,443	10,694	8,737	4,601	5,178	3,730	4,576	9,418	5,758	7,918	8,752	10,808
Central America	6,038	6,381	7,503	5,835	10,422	8,591	5,950	5,747	3,976	6,472	4,001	4,616	7,396
Uruguay	611	857	1,600	2,249	924	1,500	1,347	2,508	2,593	7,479	17,913	13,403	20,569
Mexico	1,131	1,197	1,251	1,318	957	1,233	1,191	1,165	1,660	928	1,362	1,374	1,579
Other	228	8	6	3	67	86	13	3	4	33	2	4	3
Total	220,049	250,579	237,354	318,024	216,100	275,921	287,901	252,601	200,755	209,717	193,424	215,787	278,759
Beef & veal exports													
Japan	42,176	80,433	67,684	71,018	73,320	75,540	74,992	79,108	86,301	81,752	76,811	80,098	90,389
Canada	22,531	22,380	23,133	21,495	20,112	22,508	20,956	25,441	29,298	17,823	10,969	15,534	14,826
Mexico	56,565	39,432	60,296	45,621	36,125	37,337	43,835	63,316	67,643	64,914	59,871	54,947	49,438
Korea, Rep.	29,276	59,880	53,190	42,420	46,072	44,316	42,320	42,020	62,965	65,003	65,542	35,139	49,374
Caribbean	2,037	1,524	2,660	1,662	1,590	1,792	2,036	1,529	1,758	1,916	1,786	1,492	2,041
Russia	630	525	888	1,101	469	1,198	1,253	1,216	1,262	930	511	1,811	612
Other	9,636	19,396	18,019	12,919	13,929	14,123	11,078	10,134	9,973	10,813	13,993	18,903	19,841
Total	162,852	223,569	225,870	196,235	191,618	196,813	196,470	222,763	259,200	243,151	229,483	207,924	226,521
Cattle imports	Head												
Mexico	57,455	146,806	141,312	97,772	92,277	98,285	90,636	97,125	54,707	42,885	40,912	58,983	161,342
Canada	196,599	183,783	119,202	118,113	105,678	118,178	114,129	49,350	2,874	-	-	-	-
Over 700 lb	111,836	120,059	91,268	99,543	92,345	105,351	101,240	40,537	-	-	-	-	-
440-700 lb	57,140	45,459	13,292	4,597	2,319	966	2,263	880	475	-	-	-	-
Total	254,054	330,589	260,514	215,885	197,955	216,463	204,765	146,487	57,581	42,885	40,912	58,983	161,342
Cattle exports													
Mexico	8,471	7,233	6,940	5,728	2,124	1,913	2,042	1,588	2,015	1,128	978	515	1,336
Canada	7,867	11,368	13,422	8,534	8,417	10,712	8,816	9,009	7,420	2,060	1,349	2,531	1,590
Total	16,717	18,785	22,833	14,325	10,888	13,033	11,926	10,811	11,408	3,950	3,073	3,930	3,801
Lamb imports	Carcass wt., 1,000 lb												
Australia	3,948	4,996	5,946	5,697	3,906	7,203	9,014	7,095	6,491	4,758	4,421	4,600	6,102
New Zealand	3,391	4,339	4,310	3,748	3,821	6,690	6,738	4,358	3,556	3,914	8,088	4,579	4,776
Total	7,376	9,348	10,317	9,445	7,727	14,003	15,796	11,454	10,046	8,688	12,509	9,254	10,942
Mutton imports													
Total	2,575	3,010	4,021	3,532	1,897	3,088	3,512	1,884	1,464	1,704	1,667	1,583	2,896
Lamb and mutton exports													
Total	613	565	998	674	613	695	609	342	610	549	376	462	337

The 13 month revisions for the year 2002 will be posted July 22

Monthly U.S. livestock and meat trade, continued

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03
Pork imports	Carcass wt., 1,000 lb												
Canada	83,797	82,803	79,316	76,896	76,637	81,018	78,629	75,260	85,124	84,569	79,696	86,333	88,339
Denmark	8,472	11,493	13,416	9,226	13,758	15,749	14,626	14,529	15,354	10,386	10,127	9,354	10,803
Poland	2,673	2,224	2,935	2,012	2,074	1,460	1,594	1,259	1,792	1,787	2,407	2,593	2,082
Netherlands	488	436	599	415	715	403	572	487	685	350	299	488	344
Hungary	471	468	729	533	464	467	470	464	422	600	596	608	290
Other	3,192	2,715	2,849	2,685	2,098	2,626	3,353	3,306	3,436	3,087	2,471	2,181	2,295
Total	99,093	100,140	99,843	91,766	95,746	101,722	99,244	95,305	106,813	100,779	95,596	101,558	104,152
Pork exports													
Japan	45,910	64,609	65,702	67,422	67,615	74,975	75,798	82,216	81,540	74,851	52,800	47,397	58,506
Canada	13,589	16,350	14,740	12,882	13,545	16,042	13,393	14,988	12,153	14,270	14,172	19,327	19,312
Mexico	26,320	25,354	28,990	24,395	20,907	21,961	19,779	27,066	28,559	25,991	29,332	32,347	35,437
Russia	4,354	4,348	2,576	2,043	2,367	1,495	1,213	1,262	920	591	612	1,425	1,463
Korea, Rep.	7,003	11,302	7,422	8,793	7,693	9,870	7,217	7,303	6,468	5,001	5,746	5,078	5,093
Hong Kong	2,350	4,273	4,193	1,910	3,140	3,054	2,912	3,342	3,872	5,131	2,541	2,362	3,650
Caribbean	2,204	1,785	1,686	1,425	1,012	1,003	915	1,503	925	962	1,369	1,264	1,657
Other	19,249	21,195	18,819	15,409	17,038	17,151	14,368	14,639	15,670	16,656	24,192	22,751	21,406
Total	120,978	149,216	144,128	134,279	133,318	145,550	135,595	152,318	150,107	143,453	130,764	131,951	146,524
Hog imports	Head												
Canada	557,096	471,523	494,644	545,267	449,352	507,874	529,021	568,915	580,322	709,497	663,960	723,971	728,590
Under 110 lb	392,866	322,166	331,013	377,133	328,845	370,013	397,116	426,665	401,779	468,791	420,489	449,136	444,102
Total	557,096	472,125	494,644	545,267	449,352	507,874	529,021	568,915	580,328	709,497	664,145	723,971	728,590
Hog exports													
Total	13,346	14,764	22,774	15,663	11,313	6,682	3,295	2,279	3,311	12,727	15,492	18,721	10,285
Broiler exports	***Has been revised to exclude paws												
	Ready to cook, 1,000 lb												
Japan	11,216	15,811	8,814	8,219	6,174	5,861	7,851	8,811	16,357	11,415	13,609	8,573	7,655
Mexico	24,849	24,593	22,600	24,329	21,939	27,736	25,281	30,311	32,248	30,552	22,744	33,157	37,113
Hong Kong	30,044	37,706	33,426	44,266	44,714	33,061	18,101	15,011	15,836	18,602	25,013	19,822	23,073
Singapore	4,041	4,119	4,322	2,975	2,569	3,384	1,278	1,576	1,782	1,524	2,655	2,942	3,368
Canada	17,889	17,805	13,170	15,004	13,240	14,518	14,879	18,942	17,306	19,165	18,527	19,597	18,258
Russia	196,192	118,290	56,356	112,468	152,948	144,644	79,625	74,298	110,628	143,180	99,132	111,648	206,734
Latvia	17,552	21,933	782	3,880	4,139	1,759	9,072	11,924	7,355	8,792	23,076	4,274	12,537
Other	168,187	195,355	174,491	207,200	149,195	155,565	153,544	225,444	268,387	181,772	187,983	173,858	244,118
Total	469,971	435,612	313,962	418,340	394,919	386,528	309,631	386,317	469,900	415,001	392,739	373,871	552,856
Turkey exports													
Mexico	16,288	13,743	13,421	13,361	15,419	15,727	15,225	20,589	20,352	18,883	18,151	27,897	28,570
Canada	1,507	1,576	2,496	895	1,211	1,520	1,344	1,697	883	1,414	1,440	1,661	1,046
S. Korea	897	910	690	844	1,038	1,234	681	1,281	1,025	1,246	624	116	520
Russia	1,113	517	308	161	1,617	2,555	892	1,832	1,384	2,085	2,170	4,591	3,960
Hong Kong	4,808	4,561	5,809	3,505	5,425	4,346	1,979	1,918	3,315	2,495	6,020	4,520	4,502
Other	11,651	13,983	8,166	10,773	10,900	12,245	12,800	12,857	13,617	9,570	16,137	10,972	11,736
Total	36,263	35,290	30,890	29,538	35,609	37,628	32,921	40,174	40,576	35,693	44,543	49,757	50,335
Shell egg exports	1,000 doz.												
Canada	3,346	2,829	3,886	1,205	1,243	1,548	1,717	1,982	2,498	2,257	2,943	2,956	2,944
Japan	354	567	84	104	-	-	-	-	1	-	-	-	-
Other	3,985	4,629	4,947	5,168	5,480	10,101	3,927	5,122	5,107	5,616	4,885	4,955	3,955
Total	7,685	8,025	8,917	6,477	6,723	11,648	5,644	7,104	7,607	7,873	7,828	7,911	6,898

Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

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

U.S. dairy situation at a glance 1/

	Unit	2000	2001	2002	Sep-02	Oct-02	Nov-02	Dec-02
Milk production:								
Production (20 States)	Mil. lb.	144,535	142,979	146,590	11,648	11,991	11,657	12,290
Milk cows (20 States)	Thou.	7,799	7,745	7,773	7,781	7,789	7,792	7,801
Milk per cow (20 States)	Lb.	18,534	18,459	18,858	1,497	1,539	1,496	1,575
Production (U.S. est.)	Mil. lb.	167,559	165,497	169,758	13,459	13,870	13,479	14,206
Milk prices:								
All milk	Dol./cwt	12.40	15.05	12.11	11.60	12.10	11.90	11.90
Milk eligible for fluid use	Dol./cwt	12.44	15.09	12.11	11.60	12.10	11.90	11.90
Manufacturing grade milk	Dol./cwt	10.52	13.44	10.92	10.40	11.30	10.70	10.70
Class III (cheese milk) 3.5% fat	Dol./cwt	9.74	13.10	10.42	9.92	10.72	9.84	9.74
Class IV (butter-powder milk) 3.5% fat	Dol./cwt	11.83	13.76	10.81	10.22	10.50	10.58	10.49
Slaughter cow price, South St. Paul	Dol./cwt	40.08	44.78	40.09	38.59	37.68	36.63	37.16
Chicago Mercantile Exchange prices:								
Butter	Dol./lb.	1.1768	1.6630	1.1059	0.9635	1.0315	1.0425	1.1198
American cheese, 40-pound blocks	Dol./lb.	1.1316	1.4387	1.1822	1.2041	1.1950	1.0891	1.1311
American cheese, barrels	Dol./lb.	1.1084	1.4052	1.1438	1.1100	1.0970	1.0705	1.1055
Wholesale price:								
Nonfat dry milk, Central States	Dol./lb.	1.0160	1.0083	0.9308	0.9468	0.9563	0.9578	0.9075
Retail prices:								
Consumer Price Index	1982-84=100	172.1	177.1	179.9	181.0	181.3	181.3	180.9
All food	1982-84=100	167.8	173.1	176.2	176.4	176.5	176.8	177.3
Dairy products	1982-84=100	160.7	167.1	168.1	166.3	166.5	167.1	167.3
Fluid milk	Dec 1997=100	107.8	112.7	110.6	109.1	109.4	109.6	109.9
Other dairy products	Dec 1997=100	109.4	112.5	114.5	114.4	113.1	113.7	114.9
Dairy product output:								
Butter	Mil. lb.	1,256.0	1,231.8	1,355.1	92.8	102.6	103.9	127.6
American cheese	Mil. lb.	3,641.6	3,544.2	3,709.0	287.5	297.8	294.4	317.4
Other-than-American cheese	Mil. lb.	4,616.4	4,716.4	4,890.0	396.4	434.3	431.1	429.7
Frozen products 2/	Mil. gal.	1,304.9	1,300.3	1,280.1	102.6	102.3	82.7	80.5
All products (m.e.-fat)	Mil. lb.	104,844	102,648	109,037	8,478	8,804	8,433	9,092
Nonfat dry milk	Mil. lb.	1,451.8	1,413.8	1,569.0	97.2	103.4	99.0	132.5
Beginning stocks:								
Commercial butter	Mil. lb.	24.9	24.0	55.5	227.0	207.2	162.8	134.6
Commercial American cheese	Mil. lb.	458.0	521.1	448.3	565.0	512.0	500.5	473.6
Other cheese	Mil. lb.	163.3	185.2	210.9	236.1	241.0	219.0	223.0
Manufacturers' nonfat dry milk	Mil. lb.	150.9	146.3	124.5	94.5	71.7	69.3	73.9
All commercial (m.e.-fat)	Mil. lb.	6,143	6,839	7,041	12,146	11,240	9,956	9,110
All commercial (m.e.-skim)	Mil. lb.	8,047	8,801	8,085	9,270	8,508	8,099	7,908
All Government (m.e.-fat)	Mil. lb.	44	139	218	335	333	343	314
All Government (m.e.-skim)	Mil. lb.	1,566	6,028	9,070	14,187	14,259	14,010	13,439
Commercial disappearance:								
Butter	Mil. lb.	1,280.4	1,275.4	1,288.1	114.4	149.0	134.6	109.8
American cheese	Mil. lb.	3,595.3	3,681.7	3,730.3	345.3	316.7	324.4	296.4
Other-than-American cheese	Mil. lb.	4,959.7	5,058.9	5,252.3	423.9	490.5	467.1	455.6
Nonfat dry milk	Mil. lb.	771.0	946.4	792.6	81.5	86.5	58.4	54.1
All products:								
m.e.-fat	Mil. lb.	169,133	169,656	170,544	14,657	15,465	14,647	13,747
Milkfat	Mil. lb.	6,224	6,223	6,277	532	576	554	521
Skim solids	Mil. lb.	13,959	14,179	14,157	1,207	1,251	1,189	1,148
USDA net removals:								
Butter	Mil. lb.	8.9	0.0	0.0	0.0	0.0	0.0	0.0
Cheese	Mil. lb.	28.0	3.9	15.8	1.1	0.4	1.7	4.6
Nonfat dry milk	Mil. lb.	692.6	495.9	824.3	39.8	20.2	36.3	61.8
All products (m.e.-fat)	Mil. lb.	841	145	327	19	9	23	56
All products (m.e.-skim)	Mil. lb.	8,613	5,810	9,752	474	239	439	766
Imports:								
All products (m.e.-fat)	Mil. lb.	4,445	5,716	5,103	405	417	439	473
All products (m.e.-skim)	Mil. lb.	4,389	4,686	5,103	440	441	461	442
International market prices:								
Butter	\$/metric ton	1,367	1,391	1,159	1,225	1,275	1,263	1,281
Nonfat dry milk	\$/metric ton	1,896	2,019	1,303	1,200	1,220	1,350	1,606

1/ Some data series different than formerly published due to changes in availability.

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

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

NA=Not available

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

Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03
12,548	11,588	12,969	12,645	12,983	12,366	12,345	12,110	11,643	11,978	11,637
7,807	7,810	7,811	7,798	7,783	7,775	7,765	7,750	7,744	7,720	7,710
1,607	1,484	1,660	1,622	1,668	1,590	1,590	1,563	1,503	1,552	1,509
14,526	13,410	15,003	14,606	14,992	14,274	14,212	13,936	13,394	13,795	13,396
11.70	11.40	11.00	11.00	11.10	11.10	12.00	13.20	14.40	15.00	14.90
11.80	11.40	11.00	11.10	11.10	11.10	12.00	13.20	14.40	15.00	14.90
10.50	10.30	9.80	9.90	10.10	10.20	11.50	13.20	14.10	14.70	14.60
9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47
10.07	9.81	9.79	9.73	9.74	9.76	9.95	10.14	10.05	10.16	10.30
38.63	40.22	42.31	42.68	46.59	45.75	48.88	50.00	50.09	51.35	52.69
1.0815	1.0405	1.0915	1.0906	1.0919	1.1142	1.1985	1.1708	1.1731	1.1846	1.2057
1.0929	1.0920	1.0817	1.1225	1.1421	1.1864	1.5123	1.6000	1.6000	1.5876	1.3932
1.1507	1.0430	1.0469	1.0902	1.1161	1.1562	1.4668	1.5736	1.5640	1.5364	1.2949
0.8562	0.8347	0.8375	0.8375	0.8375	0.8338	0.8419	0.8480	0.8500	0.8523	0.8500
181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5
177.5	178.3	178.6	178.4	178.8	179.6	179.7	180.4	180.7	181.7	182.4
166.4	167.2	167.1	165.8	165.4	163.9	164.7	167.5	170.3	171.8	171.2
109.9	109.0	108.5	109.0	108.7	108.0	108.3	109.8	115.3	117.2	117.3
112.9	114.0	114.6	114.9	115.2	113.1	115.2	116.0	115.6	115.8	116.0
141.4	128.4	126.3	122.7	114.7	83.8	79.5	70.1	73.1	97.0	NA
319.5	285.6	318.5	308.6	320.2	307.2	306.5	302.1	290.1	302.6	NA
398.2	367.9	416.9	412.8	422.0	407.3	410.7	406.9	422.0	436.6	NA
96.7	100.9	114.0	122.4	124.9	131.9	130.4	119.1	108.6	103.3	NA
9,422	8,729	9,535	9,535	9,666	9,040	8,933	8,486	8,327	8,760	NA
133.8	130.4	146.3	150.4	154.2	130.8	122.0	100.7	88.5	99.1	NA
157.3	202.3	237.5	247.8	265.5	289.0	290.6	272.7	244.3	197.0	159.1
493.1	511.9	537.9	528.4	528.1	536.0	546.0	546.3	537.8	507.8	481.6
236.8	247.3	230.2	240.5	246.3	252.5	250.0	256.5	247.6	255.0	231.3
90.5	99.6	104.5	122.4	128.8	128.3	123.2	89.5	75.3	69.2	67.0
9,889	11,121	12,011	12,222	12,664	13,303	13,439	13,114	12,352	11,072	10
8,433	8,831	8,989	9,199	9,346	9,491	9,532	9,229	8,891	8,566	8,025
268	299	308	355	432	441	521	734	733	717	718
12,212	12,124	12,527	13,029	13,606	13,876	14,353	14,403	13,903	13,512	12,590
98.4	92.9	112.9	104.4	89.7	80.9	97.2	98.8	119.7	135.5	NA
304.0	266.1	325.1	305.7	308.8	295.9	308.9	317.2	325.3	334.6	NA
410.0	411.5	438.8	438.5	447.5	438.7	447.4	446.3	447.5	502.3	NA
47.2	40.5	41.9	57.9	64.5	57.3	94.4	81.8	62.2	90.1	NA
13,598	12,685	14,903	14,284	14,433	14,263	14,827	14,923	14,903	15,390	NA
514	475	552	524	521	510	524	529	538	570	NA
1,181	1,086	1,221	1,189	1,216	1,165	1,210	1,209	1,169	1,271	NA
0.6	2.9	5.0	5.1	5.3	3.6	2.6	1.6	2.5	1.7	0.7
1.9	2.9	10.4	9.0	10.6	4.4	0.5	0.3	0.3	0.2	0.0
78.7	85.0	87.1	86.1	90.2	78.6	61.3	33.1	32.4	11.2	8
47	107	224	214	233	136	74	46	64	41	17
935	1,018	1,117	1,093	1,156	959	719	388	380	132	92
442	355	426	423	414	349	455	362	382	465	NA
323	360	447	393	397	330	477	379	399	496	NA
1,280	1,206	1,274	1,275	1,275	1,347	1,448	1,475	1,575	1,633	1,630
1,705	1,688	1,670	1,654	1,694	1,675	1,665	1,683	1,717	1,750	1,772

Commercial disappearance: Milk in all products, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	14,526	13,410	15,003	14,606	14,992	14,274	14,212	13,936	13,394	13,795	13,396	13,396	
Farm use	91	83	91	89	91	88	91	91	89	91	89	89	
Marketings	14,435	13,327	14,912	14,517	14,901	14,186	14,121	13,845	13,305	13,704	13,307	13,307	
Beginning commercial stocks	9,889	11,121	12,011	12,222	12,664	13,303	13,439	13,114	12,352	11,072	9,810	9,810	
Imports	442	355	426	423	414	349	455	362	382	465	465	465	
Total supply	24,766	24,803	27,349	27,162	27,979	27,838	28,015	27,321	26,039	25,241			
Utilization:													
Ending commercial stocks	11,121	12,011	12,222	12,664	13,303	13,439	13,114	12,352	11,072	9,810			
USDA net removals	47	107	224	214	233	136	74	46	64	41	17		
Commercial disappearance	13,598	12,685	14,903	14,284	14,443	14,263	14,827	14,923	14,903	15,390			
Percent change from a year ago	1.6	1.0	1.1	6.2	-0.6	0.5	4.4	-0.4	1.7	-0.5			
Cumulative disappearance	13,598	26,283	41,186	55,470	69,913	84,176	99,003	113,926	128,829	144,219			
		First quarter		Second quarter		Third quarter		Fourth quarter					
		41,186		42,990		44,653							
Percent change from a year ago		1.2		2.0		1.9							

Commercial disappearance: Milkfat, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	548	503	557	536	543	511	503	495	484	513			
Farm use	3	3	3	3	3	3	3	3	3	3			
Marketings	544	500	553	533	539	508	500	491	480	510			
Beginning commercial stocks	364	408	441	449	465	488	493	481	453	406			
Imports	16	12	15	15	14	12	15	12	13	16			
Total supply	924	920	1,009	997	1,018	1,008	1,008	984	946	932			
Utilization:													
Ending commercial stocks	408	441	449	465	488	493	481	453	406	360			
USDA net removals	2	4	8	8	9	5	3	2	2	2			
Commercial disappearance	514	475	552	524	521	510	524	529	538	570			
Percent change from a year ago	1.5	0.6	0.2	5.9	-1.2	0.5	4.7	-0.8	1.2	-1.1			
Cumulative disappearance	514	989	1,541	2,065	2,586	3,096	3,620	4,150	4,688	5,258			
		First quarter		Second quarter		Third quarter		Fourth quarter					
		1,541		1,555		1,592							
Percent change from a year ago		0.7		1.6		1.6							

Commercial disappearance: Skim solids, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	1,273	1,162	1,305	1,269	1,301	1,231	1,212	1,187	1,148	1,200			
Farm use	8	7	8	8	8	8	8	8	8	8			
Marketings	1,265	1,155	1,297	1,262	1,293	1,223	1,205	1,180	1,140	1,192			
Beginning commercial stocks	727	759	772	790	803	815	819	793	764	736			
Imports	28	31	38	34	34	28	41	33	34	43			
Total supply	2,020	1,945	2,107	2,086	2,130	2,066	2,065	2,006	1,938	1,971			
Utilization:													
Ending commercial stocks	759	772	790	803	815	819	793	764	736	689			
USDA net removals	80	87	96	94	99	82	62	33	33	11			
Commercial disappearance	1,181	1,086	1,221	1,189	1,216	1,165	1,210	1,209	1,169	1,271			
Percent change from a year ago	-1.2	4.9	1.0	2.3	1.0	0.2	4.9	-2.4	-3.2	1.6			
Cumulative disappearance	1,181	2,267	3,488	4,676	5,893	7,058	8,268	9,476	10,645	11,917			
		First quarter		Second quarter		Third quarter		Fourth quarter					
		3,488		3,570		3,587							
Percent change from a year ago		1.4		1.2		-0.3							

Commercial disappearance: Butter, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	141.4	128.4	126.3	122.7	114.7	83.8	79.5	70.1	73.1	97.0			
Beginning commercial stocks	157.3	202.3	237.5	247.8	265.5	289.0	290.6	272.7	244.3	197.0	159.1		
Imports	2.6	2.6	1.9	4.5	3.8	2.3	2.4	1.9	1.8	2.3			
Total supply	301.3	333.3	365.7	375.0	384.0	375.1	372.5	344.7	319.2	296.3			
Utilization:													
Ending commercial stocks	202.3	237.5	247.8	265.5	289.0	290.6	272.7	244.3	197.0	159.1	114.5		
USDA net removals	0.6	2.9	5.0	5.1	5.3	3.6	2.6	1.6	2.5	1.7	0.7		
Commercial disappearance	98.4	92.9	112.9	104.4	89.7	80.9	97.2	98.8	119.7	135.5			
Percent change from a year ago	-0.5	-5.5	-3.3	25.2	-8.0	-1.9	2.2	-8.4	4.6	-9.1			
Cumulative disappearance	98.4	191.3	304.2	408.6	498.3	579.2	676.4	775.2	894.9	1,030.4			
		First quarter			Second quarter			Third quarter		Fourth quarter			
		304.2			275.0			315.7					
Percent change from a year ago		-3.1			4.4			-0.5					

Commercial disappearance: Nonfat dry milk, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	133.8	130.4	146.3	150.4	154.2	130.8	122.0	100.7	88.5	99.1			
Beginning commercial stocks	90.5	99.6	104.5	122.4	128.8	128.3	123.2	89.5	75.3	69.2	67.0		
Imports	1.2	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Total supply	225.5	230.0	251.4	272.8	283.0	259.1	245.2	190.2	163.8	168.3			
Utilization:													
Ending commercial stocks	99.6	104.5	122.4	128.8	128.3	123.2	89.5	75.3	69.2	67.0			
USDA net removals	78.7	85.0	87.1	86.1	90.2	78.6	61.3	33.1	32.4	11.2	7.9		
Commercial disappearance	47.2	40.5	41.9	57.9	64.5	57.3	94.4	81.8	62.2	90.1			
Percent change from a year ago	-44.7	86.6	-23.1	-11.5	30.8	-8.8	35.6	-20.9	-23.7	4.2			
Cumulative disappearance	47.2	87.7	129.6	187.5	252.0	309.3	403.7	485.5	547.7	637.8			
	First quarter			Second quarter			Third quarter			Fourth quarter			
	129.6			179.7			238.4						
Percent change from a year ago		-19.8			1.2			-6.3					

Commercial disappearance: American cheese, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	319.5	285.6	318.5	308.6	320.2	307.2	306.5	302.1	290.1	302.6			
Beginning commercial stocks	493.1	511.9	537.9	528.4	528.1	536.0	546.0	546.3	537.8	507.8		481.6	
Imports	5.2	9.4	7.5	5.8	7.1	3.1	3.2	6.9	5.5	6.0			
Total supply	817.8	806.9	863.9	842.8	855.4	846.3	855.7	855.3	833.4	816.4			
Utilization:													
Ending commercial stocks	511.9	537.9	528.4	528.1	536.0	546.0	546.3	537.8	507.8	481.6		460.5	
USDA net removals	1.9	2.9	10.4	9.0	10.6	4.4	0.5	0.3	0.3	0.2		0.0	
Commercial disappearance	304.0	266.1	325.1	305.7	308.8	295.9	308.9	317.2	325.3	334.6			
Percent change from a year ago	-2.1	1.2	2.0	-0.6	-1.5	-6.9	5.1	-1.6	-5.8	5.7			
Cumulative disappearance	304.0	570.1	895.2	1,200.9	1,509.7	1,805.6	2,114.5	2,431.7	2,757.0	3,091.6			
	First quarter			Second quarter			Third quarter			Fourth quarter			
	895.2			910.4			951.4						
Percent change from a year ago	0.3			-3.0			-1.1						

Commercial disappearance: Other-than-American cheese, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	398.2	367.9	416.9	412.8	422.0	407.3	410.7	406.9	422.0	436.6			
Beginning commercial stocks	236.8	247.3	230.2	240.5	246.3	252.5	250.0	256.5	247.6	255.0	231.3		
Imports	22.3	26.5	32.2	31.5	31.7	28.9	43.2	30.5	32.9	42.0			
Total supply	657.3	641.7	679.3	684.8	700.0	688.7	703.9	693.9	702.5	733.6			
Utilization:													
Ending commercial stocks	247.3	230.2	240.5	246.3	252.5	250.0	256.5	247.6	255.0	231.3	228.3		
USDA net removals													
Commercial disappearance	410.0	411.5	438.8	438.5	447.5	438.7	447.4	446.3	447.5	502.3			
Percent change from a year ago	3.1	0.8	-2.3	5.8	-0.8	3.2	9.1	-2.8	5.6	2.4			
Cumulative disappearance	410.0	821.5	1,260.3	1,698.8	2,146.3	2,585.0	3,032.4	3,478.7	3,926.2	4,428.5			
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1,260.3			1,324.7			1,341.2						
Percent change from a year ago	0.4			2.6			3.7						

Poultry and egg costs and returns

Date	DECATUR CHICAGO		COST PER POUND		COST PER POUND		NET RETURNS	
	SOYBEAN	No. 2	LIVEWEIGHT BASIS		R.T.C. BASIS		12-CITY	BEFORE
	MEAL	CORN	Feed	Total	Production	Total	PRICE	INTEREST & OVERHEAD
	\$ / ton	\$ / bushel	-----		-----		-----	
					cents/lb			
BROILERS								
July-2002	187.50	2.33	14.79	25.14	33.08	47.18	57.47	10.29
Aug-2002	186.25	2.63	14.79	25.14	33.08	47.18	55.72	8.54
Sept-2002	185.50	2.70	16.00	26.35	34.67	48.77	55.88	7.11
Oct-2002	168.20	2.58	16.69	27.04	35.58	49.68	52.97	3.29
Nov-2002	163.20	2.47	16.84	27.19	35.78	49.88	53.42	3.54
Dec-2002	163.60	2.41	16.10	26.45	34.81	48.91	54.74	5.83
Jan-2003	167.40	2.41	15.71	26.06	34.28	48.38	60.46	12.08
Feb-2003	176.80	2.43	15.57	25.92	34.11	48.21	60.49	12.28
Mar-2003	175.40	2.43	15.67	26.02	34.24	48.34	60.02	11.68
Apr-2003	182.10	2.48	15.96	26.31	34.62	48.72	57.78	9.06
May-2003	195.40	2.54	15.93	26.28	34.57	48.67	59.44	10.77
June-2003	191.90	2.49	16.22	26.57	34.96	49.06	61.56	12.50
July-2003	187.30	2.26	16.71	27.06	35.61	49.71	62.80	13.09
Aug-2003	189.70	2.31	16.50	26.85	35.33	49.43	63.20	13.77
Sept-2003	235.20	2.34	15.82	26.17	34.44	48.54	64.08	15.54
Oct-2003	225.20	2.27	16.01	26.36	34.68	48.78	63.59	14.81
Nov-2003	242.00	2.35	17.26	27.61	36.33	50.43	64.45	14.02
3-REGION WHOLESALE PRICE								
TURKEYS								
July-2002	187.50	2.33	19.98	33.68	42.09	58.39	63.13	4.74
Aug-2002	186.25	2.63	20.30	34.00	42.50	58.80	62.88	4.08
Sept-2002	185.50	2.70	20.28	33.98	42.48	58.78	62.24	3.46
Oct-2002	168.20	2.58	22.41	36.11	45.13	61.43	62.51	1.08
Nov-2002	163.20	2.47	23.54	37.24	46.55	62.85	65.03	2.18
Dec-2002	163.60	2.41	23.79	37.49	46.86	63.16	63.40	0.24
Jan-2003	167.40	2.41	22.48	36.18	45.23	61.53	59.23	-2.30
Feb-2003	176.80	2.43	21.80	35.50	44.38	60.68	59.21	-1.47
Mar-2003	175.40	2.43	21.58	35.28	44.11	60.41	59.72	-0.68
Apr-2003	182.10	2.48	21.77	35.47	44.33	60.63	59.90	-0.74
May-2003	195.40	2.54	22.29	35.99	44.99	61.29	58.92	-2.37
June-2003	191.90	2.49	22.23	35.93	44.91	61.21	58.73	-2.48
July-2003	187.30	2.26	22.75	36.45	45.56	61.86	57.33	-4.53
Aug-2003	189.70	2.31	23.62	37.32	46.65	62.95	57.17	-5.78
Sept-2003	235.20	2.34	23.26	36.96	46.19	62.49	60.49	-2.01
Oct-2003	225.20	2.27	22.12	35.82	44.77	61.07	64.44	3.37
Nov-2003	242.00	2.35	22.43	36.13	45.17	61.47	66.51	5.05
WHOLESALE								
EGGS								
			FEED COST	TOTAL Production	TOTAL COST	12-METRO PRICE		
July-2002	187.50	2.33	25.12	43.32	63.82	63.80	-0.02	
Aug-2002	186.25	2.63	27.42	45.62	66.12	70.05	3.93	
Sept-2002	185.50	2.70	29.21	47.41	67.91	65.11	-2.81	
Oct-2002	168.20	2.58	29.61	47.81	68.31	66.18	-2.13	
Nov-2002	163.20	2.47	28.17	46.37	66.87	85.75	18.87	
Dec-2002	163.60	2.41	27.30	45.50	66.00	80.06	14.06	
Jan-2003	167.40	2.41	26.94	45.14	65.64	67.85	2.21	
Feb-2003	176.80	2.43	27.10	45.30	65.80	65.92	0.13	
Mar-2003	175.40	2.43	27.60	45.80	66.30	70.81	4.51	
Apr-2003	182.10	2.48	27.54	45.74	66.24	70.22	3.98	
May-2003	195.40	2.54	28.12	46.32	66.82	58.47	-8.35	
June-2003	191.90	2.49	29.03	47.23	67.73	68.29	0.57	
July-2003	187.30	2.26	28.58	46.78	67.28	70.93	3.65	
Aug-2003	189.70	2.31	26.98	45.18	65.68	84.63	18.95	
Sept-2003	235.20	2.34	27.38	45.58	66.08	84.87	18.78	
Oct-2003	225.20	2.27	29.41	47.61	68.11	90.81	22.70	
Nov-2003	242.00	2.35	28.57	46.77	67.27	110.87	43.59	

NOTE - These statistical series were developed to estimate the net returns for a specific basic product (whole broilers and turkeys, and large cartoned eggs). They are not intended as estimates of the net returns for all products produced by the broiler, turkey, or egg industries or by individual firms.