Livestock

The U.S. livestock industry will continue to be influenced by the relatively low grain and soybean meal prices for the near term. Some rebound in these prices is projected early in the baseline with more moderate increases later in the projections. At the same time, most farm-level and retail prices in the livestock industry are projected to increase over the baseline period. The beef and pork sectors are expected to capitalize on relatively low feed costs along with the increased farm-level and retail prices and expand their production. However, biological lags and lags in input decisions will delay beef expansion during the first half of the baseline period. Poultry production continues to rise through the projections.

The trend towards larger and more commercialized livestock systems will continue throughout the baseline period. Vertical coordination (alliances) will increase in the beef sector as strong demand for higher quality beef continues. The transformation to a more vertically coordinated pork sector will continue, with the larger more efficient pork producers increasing their market share. Poultry producers will also continue to benefit from economies of scale and scope, but the rate of efficiency gains will continue to decline. Strengthening milk-feed price ratios, improved management, and dairy productivity gains will continue to push milk output per cow higher and real costs lower.

Reduced real prices of meats combined with increases in real disposable income allow consumers to purchase more total meat with a smaller proportion of disposable income. In the aggregate, per capita meat consumption will increase over the baseline. Although minor reductions in per capita consumption will be seen for beef and pork, significant increases in per capita consumption will continue in the relatively lower priced poultry sector. On a retail weight basis, total poultry consumption is projected to be nearly as high as total red meat consumption by the end of the baseline. Continued low inflation, strong domestic demand from steady income growth, and gains in export sales are expected to contribute to producer returns that encourage higher pork and beef output in the latter stages of the baseline period.

Both table egg production and hatching egg production will show slight expansions during the baseline. Hatching egg gains are mainly a result of expanding broiler production. Per capita consumption of eggs is expected to increase during the forecast period, fueled mainly by increases in processed egg products. Wholesale egg prices are expected to increase during the baseline period.

Milk production grows through the baseline despite declining cow numbers as milk output per cow continues to increase. Productivity gains in the sector will reflect the continued structural shift to larger-sized operations in the sector--many traditional dairy farms, particularly smaller operations, will experience income stress and will exit the industry. Domestic dairy demand is expected to show slow growth. Prices are expected to recover once the market has adjusted to the large gains in milk output of the last few years, and then increase at less than the general inflation rate.

Beef

Beef cattle inventories have continued to be held down by poor forage conditions over the past several years even as cattle returns have improved. With the exception of the Corn Belt and Northeast regions, most major cattle producing areas were hit with severe drought in 2000. Although grain prices were favorable for cattle feeders and feeder cattle prices strengthened, the drought extended the liquidation phase of the cattle cycle that began in 1995/96. Lower feeder cattle prices due to record grain prices in 1995/96 were compounded by poor forage supplies in 1996 through 2000. Large beef cow slaughter in 1996-1998 reflected adjustments to low cow-calf returns during that period. Extended drought in 1999 and 2000 resulted in record heifer slaughter and, combined with the length of the biological lag, is likely to prevent beef cow herd expansion before 2003-2004. Returns above cash costs per cow were near breakeven in 1997 but were under drought-induced pressure since then and more heifers were placed in feedlots rather than retained for calving.

The cattle herd builds from a cyclical low of about 96-97 million head in 2003 to over 106 million by the end of the baseline. The last cattle cycle was 9 years in duration; the present cycle is in its twelfth year, with 2 more liquidation years likely. The next cycle is likely to expand slowly as herd adjustments continue and will likely not peak before 12 to 14 years, of course depending on pasture-range conditions. Shifts toward larger-framed, higher-grading cattle result in heavier slaughter weights, partly offsetting the need for expanding cattle inventories to previous levels.

Drawing from a smaller inventory, beef production declines through 2003 as heifers are retained for the breeding herd. Beef output then increases only gradually through the rest of the baseline. Coupled with larger exports and generally declining imports, per capita beef consumption moderates toward 64 to 65 pounds (retail weight) from the cyclical peak in 2000. The beef production mix continues to shift toward a larger proportion of higher-quality, hotel-restaurant and export-market products as nearly all steers and heifers are fed in feedlots. Calf slaughter will continue at relatively low levels as most are placed on feed.

Feeder cattle will remain on grass longer and will be marketed at heavier weights as inventories increase and as demand for higher grading cattle remains strong. Cattle will remain in feedlots for 120 to 140 days to grade Select or low Choice. However, an increasing proportion of cattle will be fed to higher grades with dressed slaughter weights growing slowly during the baseline. Heavier placement weights will hold down feed grain use and feed fed per pound of fed beef produced. The strongest prices will be received for cattle that grade Choice or higher for the growing export and domestic hotel-restaurant markets. The price spread between Choice and Select beef is likely to remain wide.

Adequate land resources will remain available to the cattle and crop sectors during the next ten years. In addition, the 1996 Farm Act further expands the forage base by allowing haying and grazing at any time on land enrolled in production flexibility contracts. Conservation Reserve Program acreage will remain over 30 million acres. Grazing and haying on CRP acreage will continue to be allowed under restricted conditions during emergencies such as drought and

floods. This potential availability of forage, combined with a shift toward cow-calf-yearling operations, allows flexibility in the use of forage and the marketing of feeder cattle. In the event of poor forage conditions, for example, feeder cattle can be marketed early, allowing the cow herd to be maintained.

Veal production falls throughout the period. A larger share of veal production will come from higher-valued, formula-fed calves marketed at heavier weights. Declining dairy cow numbers reduce the supply of dairy calves. High stocker and feeder cattle prices will encourage more of these dairy calves to move into feedlot channels rather than being slaughtered as young calves.

The United States becomes a net beef exporter near the end of the baseline. Adjustments in world beef trade will continue as market access is opened under the UR agreement. Beef exports will rise from about 8 to 9 percent, reaching 10 to 11 percent of production. The United States remains the primary source of high-quality fed beef for export, including exports for the hotel-restaurant trade. High-quality beef exports continue to increase through the baseline, primarily to Pacific Rim nations. Australia and New Zealand will also increase exports to Pacific Rim nations, although their beef will be mostly lower quality, grass-fed beef. However, the United States will remain an important market for Oceania, especially as U.S. beef cow slaughter remains low.

U.S. emphasis on fed beef production will result in relatively high beef imports of processing beef. Most processing beef will be used in higher valued hamburger as large supplies of low priced processing-quality poultry and pork are used in lower valued manufactured products.

Pork

The U.S. pork sector will continue to transform into a more vertically coordinated industry characterized by a mix of production and marketing contracts. Increasing productivity of the breeding herd continues to reduce costs. Breeding inventories are low relative to pork production and will likely fall further as the number of pigs per litter increases and production efficiencies continue to improve.

Larger, more efficient pork producers will market a greater percentage of the hogs over the next 10 years. These larger operations are able to spread fixed costs across more animals and purchase feed in large quantities, resulting in greater economic efficiency and lower costs. In addition, the larger operations offer packers a reliable supply of hogs at consistent weights and high quality, leading to more coordinated markets. Increased producer/packer coordination will continue the trend toward negotiated hog sales.

The assumed absence of significant supply or demand shocks during the baseline period, combined with a more vertically coordinated industry structure, serves to dampen the amplitude of the hog cycle. Pork production fell below 19 billion pounds in 2000 as producers adjusted to unfavorable returns in 1998 and 1999. Production is projected to recover through 2002 and then decline somewhat in 2003 and 2004, before expanding again for the remainder of the baseline, exceeding 20.3 billion pounds by 2010. The baseline period is thus characterized by moderate

pork production growth, as rising grain prices and competition from poultry throughout the baseline, and from beef in the second half of the projections temper hog producer returns.

U.S. per capita pork consumption on a retail basis remains in a range of 51 to 56 pounds per person during 2000-2010. Nominal hog prices (national base, live equivalent) decline in 2001-2002 and then rise slowly thereafter to $44 per hundredweight at the end of the baseline.

The United States is an important net pork exporter, although projected gains in the baseline are largely dependent on the outcome of competition with Canada in Asian markets as well as in Mexico. U.S. pork exports grow moderately over the next decade, while U.S. pork imports, following strong increases in 1998-2000, rise slowly as U.S. pork markets become more oriented toward cuts-trade with Canada. Longer term gains in pork exports by the U.S. and its competitors will be determined by relative costs of pork production, which include costs of feed, labor, and environmental regulation. Prospects for long-term growth markets for U.S. pork exports remain focused on Pacific Rim nations and Mexico. Yearly trade variations will depend upon major foreign suppliers such as Canada and the EU, as well as exchange rate fluctuations.

Poultry and Eggs

Over the baseline period poultry meat is expected to gain market share due to its relative price compared to beef and pork products. Poultry processing companies are expected to continue to aggressively market their products both domestically and around the globe. In the U.S., the focus will be on further processed products including those seasoned, marinated, and packaged with other food products that emphasize fast meal preparation. Turkey processors are expected to focus on development of products for the further-processing and fast-food markets, along with expanding the markets for exports of turkey meat.

Broiler production gains slowed in 2000 reflecting low product prices in late 1999 and most of 2000. Turkey production increased in 2000 and is expected to continue this growth rate in 2001. Low prices in 1999 and through the first half of 2000 slowed egg production in 2000. While poultry and egg producers have generally suffered from low prices, continued low feed costs have helped to offset some of the pressure on profitability. Poultry and egg production increases are expected to moderate over the coming years. Export markets for most poultry products are expected to rebound reflecting improved economic conditions in many importing countries. However, over much of the baseline period, real poultry prices are expected to continue to decline.

The broiler and turkey industries have kept production costs from increasing at the full rate of inflation through technological advancements and improved production management practices, including taking advantage of economies of size through increasing horizontal and vertical integration. While further technological improvements are expected to occur during the baseline, efficiency gains comparable to those in other decades are likely to be harder to achieve.

Broiler production increases are expected to gradually slow to about 2 percent a year by the end of the baseline period. Per capita consumption is forecast to grow to 95 pounds by 2010 as

broiler products continue to gain a larger share of total meat consumption at the expense of beef and pork.

Strengthening competition from other major broiler producers will hold U.S. exports to moderate gains. After only small gains from 1997 to 1998, export volume in 1999 and 2000 expanded, reflecting improving economic conditions in many Asian countries and a revived market for broiler products in Russia. Asian imports are projected to expand through the rest of the baseline, even with growing domestic broiler production in China. Russian imports grow in the projections reflecting improved economic conditions. Increasing exports are also expected to Mexico, Central America, and the Caribbean.

Table egg production is forecast to expand slowly during the baseline period as real prices for eggs are expected to gradually decline after the mid-2000s. Hatching egg production is expected to increase at a slightly faster rate than overall egg production to accommodate a higher demand for broiler eggs as the broiler sector expands.

Total per capita egg consumption is forecast to increase through the baseline period, continuing a reversal that started in the mid-1990s of what had been a long-term decline in egg consumption. By 2010, per capita egg consumption is expected to grow to almost 269 eggs, up about 9 eggs per person from the 2000 estimate. Processed egg products are forecast to be an increasing part of the egg market as many fast food and food service establishments move to only using broken and pasteurized eggs. The gain in consumption of processed egg products will offset declines in shell egg use.

Wholesale shell egg prices are forecast to increase very slowly through the baseline period, but decline on a real basis. The shell egg market is very competitive, as there is very little product differentiation by producers. The slow growth in wholesale prices and rising production costs are expected to place downward pressure on grower returns.

Dairy

Structural changes are expected to dominate milk production during coming years. Dairy farms are split into two rather distinct groups: traditional operations, and large operations organized along industrial lines with labor divided into highly specialized tasks. The industrialized farms have been increasing in number and size at a fairly rapid rate, while many of the traditional farms have struggled to generate enough income for family living.

Relatively high milk prices during most of the 1996-1999 period provided substantial cash reserves for families looking to expand or construct industrial-style dairy farms. Expansion by such units has been pronounced in western regions. However, development also has been brisk in parts of the Northeast and Midwest. Recent low farm milk prices did little to slow these expansions in 2000 because they had already been planned before the low prices. The low prices expected through the 2001/02 marketing year will slow the growth of these farms, but long-run development of such farms will provide much of the upward trend in milk production.

Traditional dairy farms, particularly those with fewer than 75 cows, will remain under income stress. The higher 1996-1999 returns provided a cushion that enabled them to remain in milk production during 2000. Direct government support payments for milk and grain also helped these producers continue. However, these farmers will be faced with the choice of making the leap to large industrialized milk production, finding ways to greatly reduce their cost structures, or leaving dairying. Most of these farms will eventually exit the industry. The exit rate is projected to accelerate soon and could be fairly heavy through the 2001/02 year.

Better management, greater genetic potential, and relatively inexpensive concentrate feeds will result in continued strong growth in milk per cow. However, the trend may not quite match the rate that similar milk-feed price ratios would have generated in the past. Producers today do not have as much flexibility to boost milk per cow with heavier grain feeding because of past increases in the starch content of rations and changes in feeding practices. In addition, differences between the milk per cow levels of expanding and exiting producers may be narrower than in the past.

Domestic dairy demand is expected to grow slowly. Demand for cheese is projected to rise, although percentage increases in use may not be as large as those of the past. Cheese sales will benefit from likely increases in away-from-home eating and prepared foods. These trends will also help butter demand, although butter is an obvious source of potential reducible fat if consumers choose to adjust their diets. Per capita consumption of fluid milk is projected to shrink slowly. Use of skim solids in processed foods will recover eventually as lower prices and demand for high quality products encourage use. However, the timing and size of this recovery is problematic. In total, commercial use of dairy products is projected to rise slightly faster than the increase in population. But, slight declines in real prices probably will be needed in most years for commercial use to keep pace with production increases.

This past year's relatively strong international prices for nonfat dry milk are expected to ease slightly during the next couple of years, as European supplies become more available again and output by non-subsidizing producers grows further. However, prices in the longer term are expected to trend upward as demand grows in Asia and Latin America. Demand growth in global butter markets is expected to be less than for milk powders, with prices rising slowly.

The United States is not projected to export substantial amounts without subsidy, and levels of subsidized exports will be limited by WTO commitments. The gap between domestic and international prices probably will rule out sizable commercial exports except for brief periods. Even so, exports of whey products probably will grow, and niche markets may well continue to be developed successfully. Imports probably will be largely limited to amounts within TRQ's, as periods when over-TRQ imports are profitable are expected to be brief and infrequent.

Farm milk prices are projected to be low during the current and following marketing years. The very large increases in milk output are likely to overwhelm demand for dairy products. Once production growth begins to slow significantly, prices are projected to recover for several years. After that prices are expected to increase slightly but at a slower rate than inflation. The price support program, which has been extended through December 31, 2001, will be replaced with a recourse loan program.

Table 24. Per capita meat consumption, retail and boneless weight

Item	Units	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Retail weight:													
Total beef	Pounds	69.1	69.7	66.0	65.0	64.1	63.4	63.1	64.0	64.8	64.9	64.5	64.3
Total veal	Pounds	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4
Total pork	Pounds	53.9	52.4	53.2	55.6	54.3	53.3	52.9	52.6	52.3	51.9	51.4	51.1
Lamb and mutton	Pounds	1.2	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9
Total red meat	Pounds	124.8	123.8	120.9	122.2	120.0	118.3	117.6	118.1	118.6	118.2	117.4	116.7
Broilers	Pounds	77.9	78.7	81.3	83.3	85.1	86.8	88.6	90.2	91.5	92.6	93.9	95.0
Other chicken	Pounds	0.6	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8
Turkeys	Pounds	18.0	18.1	18.2	18.7	18.8	19.0	19.0	19.0	18.9	18.7	18.5	18.3
Total poultry	Pounds	96.4	97.7	100.4	102.8	104.8	106.7	108.4	110.0	111.2	112.1	113.2	114.1
Red meat & poultry	Pounds	221.2	221.6	221.4	225.0	224.9	225.0	225.9	228.1	229.8	230.4	230.5	230.8
Boneless weight:													
Total beef	Pounds	65.4	66.0	62.5	61.5	60.7	60.1	59.8	60.6	61.4	61.5	61.1	60.9
Total veal	Pounds	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Total pork	Pounds	50.6	49.2	50.0	52.2	51.0	50.1	49.7	49.4	49.2	48.8	48.3	48.0
Lamb & mutton	Pounds	0.9	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Total red meat	Pounds	117.5	116.6	113.8	115.0	113.0	111.4	110.7	111.2	111.7	111.3	110.5	109.9
Broilers	Pounds	55.1	55.7	57.6	58.9	60.2	61.4	62.7	63.8	64.8	65.6	66.4	67.2
Other chicken	Pounds	0.4	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5
Turkeys	Pounds	14.2	14.3	14.4	14.8	14.9	15.0	15.0	15.0	14.9	14.8	14.6	14.5
Total poultry	Pounds	69.7	70.6	72.5	74.2	75.7	77.0	78.2	79.3	80.2	80.8	81.5	82.2
Red meat and poultry	Pounds	187.1	187.1	186.3	189.2	188.6	188.4	188.9	190.5	191.9	192.1	192.0	192.1

Table 25. Consumer expenditures for meats

Item	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Beef, dollars per person	198.98	212.43	204.63	202.89	205.86	208.63	210.82	212.58	214.51	217.63	221.21	224.51
Percent of income	0.82	0.83	0.76	0.72	0.70	0.67	0.65	0.62	0.60	0.58	0.57	0.55
Percent of meat expenditures	42.63	43.51	42.06	41.82	41.56	41.32	41.13	41.14	41.17	41.09	40.90	40.73
Pork, dollars per person	129.78	135.23	137.33	135.80	137.23	138.50	139.33	139.22	139.09	139.78	140.89	141.71
Percent of income	0.53	0.53	0.51	0.48	0.46	0.45	0.43	0.41	0.39	0.37	0.36	0.35
Percent of meat expenditures	27.80	27.70	28.23	27.99	27.71	27.43	27.18	26.95	26.70	26.39	26.05	25.71
Broilers, dollars per person	120.22	121.95	125.99	128.12	133.79	139.30	144.16	147.09	150.09	155.22	161.81	168.22
Percent of income	0.49	0.47	0.47	0.45	0.45	0.45	0.44	0.43	0.42	0.42	0.41	0.41
Percent of meat expenditures	25.75	24.98	25.90	26.41	27.01	27.59	28.12	28.47	28.81	29.31	29.92	30.51
Turkeys, dollars per person	17.83	18.59	18.58	18.36	18.44	18.46	18.30	17.79	17.29	17.05	16.95	16.84
Percent of income	0.07	0.07	0.07	0.06	0.06	0.06	0.06	0.05	0.05	0.05	0.04	0.04
Percent of meat expenditures	3.82	3.81	3.82	3.78	3.72	3.66	3.57	3.44	3.32	3.22	3.13	3.06
Total meat, dollars per person	466.81	488.20	486.53	485.18	495.32	504.89	512.61	516.67	520.98	529.68	540.85	551.29
Percent of income	1.92	1.90	1.80	1.72	1.67	1.63	1.58	1.52	1.46	1.42	1.39	1.35

Table 26. Beef baseline

Item	Units	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Beginning stocks	Mil. lbs.	393	411	390	365	365	365	365	365	365	365	365	365
Commercial production	Mil. lbs.	26,386	26,810	25,475	25,239	25,230	25,276	25,502	26,171	26,866	27,241	27,467	27,709
Change	Percent	2.9	1.6	-5.0	-0.9	0.0	0.2	0.9	2.6	2.7	1.4	0.8	0.9
Farm production	Mil. lbs.	107	106	106	106	106	106	106	106	106	106	106	106
Total production	Mil. lbs.	26,493	26,916	25,581	25,345	25,336	25,382	25,608	26,277	26,972	27,347	27,573	27,815
Imports	Mil. lbs.	2,874	3,018	3,050	3,075	3,025	2,975	2,925	2,875	2,825	2,775	2,725	2,675
Total supply	Mil. lbs.	29,760	30,345	29,021	28,785	28,726	28,722	28,898	29,517	30,162	30,487	30,663	30,855
Exports	Mil. lbs.	2,411	2,539	2,465	2,425	2,500	2,575	2,650	2,725	2,800	2,875	2,975	3,075
Ending stocks	Mil. lbs.	411	390	365	365	365	365	365	365	365	365	365	365
Total consumption	Mil. lbs.	26,938	27,416	26,191	25,995	25,861	25,782	25,883	26,427	26,997	27,247	27,323	27,415
Per capita, carcass weight	Pounds	98.7	99.5	94.3	92.8	91.6	90.6	90.2	91.4	92.6	92.7	92.2	91.8
Per capita, retail weight	Pounds	69.1	69.7	66.0	65.0	64.1	63.4	63.1	64.0	64.8	64.9	64.5	64.3
Change	Percent	1.5	0.8	-5.2	-1.6	-1.3	-1.1	-0.4	1.3	1.3	0.1	-0.5	-0.4
Prices:													
Beef cattle, farm	$/cwt	63.28	67.84	70.75	71.03	73.35	75.88	77.65	78.10	78.94	80.63	83.01	85.11
Calves, farm	$/cwt	89.62	105.00	104.75	95.27	94.15	99.38	99.34	94.69	96.26	99.20	103.98	106.51
Choice steers, Nebraska	$/cwt	65.56	68.84	73.75	74.04	76.46	79.10	80.94	81.41	82.29	84.05	86.52	88.72
Deflated price	$/cwt	39.36	40.00	41.64	40.64	40.78	41.01	40.78	39.85	39.15	38.86	38.87	38.74
Yearling steers, Okla. City	$/cwt	76.39	85.48	89.00	80.95	79.99	84.44	84.41	80.45	81.78	84.29	88.34	90.50
Deflated price	$/cwt	45.86	49.67	50.25	44.43	42.66	43.77	42.52	39.38	38.91	38.97	39.69	39.52
Retail: Beef and veal	1982-84=100	139.2	147.4	149.0	150.1	154.3	158.1	160.5	159.7	159.1	161.2	164.7	167.9
Retail: Other meats	1982-84=100	148.2	151.5	155.0	156.2	160.5	164.5	166.9	166.1	165.5	167.7	171.4	174.7
ERS retail beef	$/lb.	2.88	3.05	3.10	3.12	3.21	3.29	3.34	3.32	3.31	3.35	3.43	3.49
Costs and returns, cow-calf enterprise:													
Variable expenses	$/cow	188.75	192.82	199.79	202.88	209.28	214.71	219.28	224.91	231.61	237.13	243.72	249.48
Fixed expenses	$/cow	116.62	121.04	125.15	126.06	122.82	122.95	126.25	129.68	133.30	137.10	141.09	145.15
Total cash expenses	$/cow	305.37	313.86	324.95	328.95	332.10	337.66	345.53	354.59	364.92	374.24	384.81	394.63
Returns above cash costs	$/cow	35.42	72.37	83.66	50.79	49.79	69.78	67.90	46.18	46.89	55.39	70.79	78.45
Cattle inventory	1,000 head	99,115	98,048	97,004	96,815	96,738	97,360	99,283	101,628	103,650	104,744	105,529	106,474
Beef cow inventory	1,000 head	33,745	33,546	33,300	33,163	33,075	33,690	35,061	36,203	37,284	37,794	38,272	38,786
Total cow inventory	1,000 head	42,878	42,734	42,500	42,228	42,030	42,580	43,871	44,943	45,944	46,384	46,792	47,226

Table 27. Pork baseline

Item	Units	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Beginning stocks	Mil. lbs.	584	489	525	550	550	550	550	550	550	550	550	550
Commercial production	Mil. lbs.	19,278	18,869	19,350	20,353	20,105	19,932	19,951	20,057	20,161	20,204	20,251	20,326
Change	Percent	1.6	-2.1	2.5	5.2	-1.2	-0.9	0.1	0.5	0.5	0.2	0.2	0.4
Farm production	Mil. lbs.	30	30	30	30	30	30	30	30	30	30	30	30
Total production	Mil. lbs.	19,308	18,899	19,380	20,383	20,135	19,962	19,981	20,087	20,191	20,234	20,281	20,356
Imports	Mil. lbs.	827	999	1,005	1,030	1,055	1,080	1,100	1,115	1,120	1,125	1,130	1,135
Total supply	Mil. lbs.	20,719	20,387	20,910	21,963	21,740	21,592	21,631	21,752	21,861	21,909	21,961	22,041
Exports	Mil. lbs.	1,285	1,253	1,305	1,350	1,425	1,475	1,525	1,600	1,650	1,700	1,775	1,825
Ending stocks	Mil. lbs.	489	525	550	550	550	550	550	550	550	550	550	550
Total consumption	Mil. lbs.	18,945	18,609	19,055	20,063	19,765	19,567	19,556	19,602	19,661	19,659	19,636	19,666
Per capita, carcass weight	Pounds	69.4	67.5	68.6	71.6	70.0	68.7	68.2	67.8	67.4	66.9	66.3	65.8
Per capita, retail weight	Pounds	53.9	52.4	53.2	55.6	54.3	53.3	52.9	52.6	52.3	51.9	51.4	51.1
Change	Percent	2.6	-2.7	1.6	4.4	-2.3	-1.8	-0.8	-0.6	-0.5	-0.8	-0.9	-0.7
Prices:													
Hogs, farm	$/cwt	32.33	42.54	39.68	32.55	36.25	37.99	38.82	39.03	39.21	39.96	40.89	41.56
National base, live eqv	$/cwt	34.00	44.51	41.50	34.62	38.56	40.42	41.30	41.52	41.72	42.51	43.50	44.21
Deflated price	$/cwt	20.41	25.86	23.43	19.00	20.57	20.95	20.81	20.32	19.85	19.65	19.54	19.31
Retail: pork	1982-84=100	145.9	156.5	156.5	148.2	153.2	157.5	159.8	160.6	161.2	163.3	166.1	168.2
ERS retail pork	$/lb.	2.41	2.58	2.58	2.44	2.53	2.60	2.63	2.65	2.66	2.69	2.74	2.77
Costs and returns, farrow to finish:													
Variable expenses	$/cwt	29.59	29.01	28.47	28.27	29.05	29.56	29.79	30.33	31.17	31.61	32.35	32.81
Fixed expenses	$/cwt	4.96	5.15	5.45	5.63	5.64	5.79	5.92	6.06	6.21	6.37	6.55	6.73
Total cash expenses	$/cwt	34.56	34.16	33.93	33.90	34.69	35.35	35.71	36.39	37.38	37.98	38.89	39.54
Returns above cash costs	$/cwt	-0.56	10.35	7.57	0.73	3.87	5.07	5.59	5.13	4.34	4.53	4.60	4.67
Hog inventory, Dec. 1, previous year	1,000 head	62,206	59,337	60,013	62,925	62,205	61,701	61,756	62,064	62,367	62,491	62,629	62,845

Table 28. Young chicken baseline

Item	Units	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Beginning stocks	Mil. lbs.	711	796	850	880	880	880	880	880	880	880	880	880
Federally inspected slaughter	Mil. lbs.	29,741	30,557	31,650	32,555	33,476	34,395	35,307	36,174	36,969	37,724	38,477	39,234
Change	Percent	6.7	2.7	3.6	2.9	2.8	2.7	2.6	2.5	2.2	2.0	2.0	2.0
Production	Mil. lbs.	29,468	30,270	31,324	32,220	33,131	34,041	34,943	35,801	36,588	37,336	38,081	38,830
Total supply	Mil. lbs.	30,183	31,070	32,178	33,104	34,015	34,925	35,827	36,685	37,472	38,220	38,965	39,714
Change	Percent	6.9	2.9	3.6	2.9	2.8	2.7	2.6	2.4	2.1	2.0	2.0	1.9
Exports	Mil. lbs.	4,920	5,256	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200
Ending stocks	Mil. lbs.	796	850	880	880	880	880	880	880	880	880	880	880
Consumption	Mil. lbs.	24,468	24,964	25,998	26,824	27,635	28,445	29,247	30,005	30,692	31,340	31,985	32,634
Per capita, carcass weight	Pounds	89.6	90.6	93.6	95.8	97.9	99.9	101.9	103.8	105.3	106.6	108.0	109.3
Per capita, retail weight	Pounds	77.9	78.7	81.3	83.3	85.1	86.8	88.6	90.2	91.5	92.6	93.9	95.0
Change	Percent	6.2	1.1	3.3	2.4	2.2	2.0	2.0	1.9	1.4	1.2	1.3	1.2
Prices:													
Broilers, farm	Cents/lb.	36.8	36.1	35.4	33.7	34.5	35.2	35.6	35.5	35.5	36.2	37.2	38.0
12-city market price	Cents/lb.	58.1	55.5	53.8	53.0	54.3	55.4	56.1	55.9	55.9	57.0	58.5	59.8
Deflated wholesale price	Cents/lb.	34.9	32.2	30.4	29.1	28.9	28.7	28.3	27.4	26.6	26.4	26.3	26.1
Change	Percent	-9.9	-7.5	-5.6	-4.4	-0.5	-0.8	-1.6	-3.2	-2.7	-1.0	-0.3	-0.6
Composite retail broiler price	Cents/lb.	154.4	154.9	154.9	153.9	157.3	160.5	162.8	163.1	164.0	167.6	172.4	177.1
Costs and returns:													
Total costs	Cents/lb.	46.26	45.35	45.29	45.75	47.76	49.33	50.48	52.10	54.19	55.66	57.60	59.11
Net returns	Cents/lb.	11.84	10.15	8.51	7.25	6.51	6.07	5.62	3.78	1.75	1.35	0.90	0.72

Table 29. Turkey baseline

Item	Units	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Beginning stocks	Mil. lbs.	304	254	225	275	275	275	275	275	275	275	275	275
Federally inspected slaughter	Mil. lbs.	5,297	5,452	5,600	5,735	5,846	5,943	6,028	6,097	6,136	6,145	6,148	6,148
Change	Percent	0.3	2.9	2.7	2.4	1.9	1.7	1.4	1.2	0.6	0.2	0.0	0.0
Production	Mil. lbs.	5,230	5,382	5,528	5,661	5,771	5,867	5,950	6,019	6,057	6,066	6,069	6,069
Total supply	Mil. lbs.	5,535	5,637	5,754	5,937	6,047	6,143	6,226	6,295	6,333	6,342	6,345	6,345
Change	Percent	-1.7	1.8	2.1	3.2	1.9	1.6	1.4	1.1	0.6	0.1	0.0	0.0
Exports	Mil. lbs.	379	426	420	430	450	470	495	525	550	575	590	605
Ending stocks	Mil. lbs.	254	225	275	275	275	275	275	275	275	275	275	275
Consumption	Mil. lbs.	4,902	4,986	5,059	5,232	5,322	5,398	5,456	5,495	5,508	5,492	5,480	5,465
Per capita	Pounds	18.0	18.1	18.2	18.7	18.8	19.0	19.0	19.0	18.9	18.7	18.5	18.3
Change	Percent	-0.4	0.8	0.6	2.6	0.9	0.6	0.3	-0.1	-0.6	-1.1	-1.0	-1.1
Prices:													
Turkey, farm	Cents/lb.	40.8	41.4	39.6	39.3	39.1	38.9	38.5	37.4	36.6	36.5	36.7	36.8
Hen turkey (whsle.) East	Cents/lb.	69.0	71.0	68.0	65.5	65.2	64.9	64.1	62.4	61.0	60.8	61.1	61.4
Deflated hen turkey	Cents/lb.	41.4	41.3	38.4	36.0	34.8	33.6	32.3	30.5	29.0	28.1	27.4	26.8
Retail frozen turkey	Cents/lb.	99.3	102.7	102.0	98.3	97.9	97.3	96.2	93.6	91.5	91.2	91.6	92.1
Retail: poultry	1982-84=100	157.9	160.0	160.0	158.0	160.6	163.1	164.6	163.9	164.0	166.7	170.7	174.6
Costs and returns:													
Total costs	Cents/lb.	57.67	57.57	57.82	58.18	59.38	60.34	61.06	61.86	62.88	63.56	64.47	65.14
Net returns	Cents/lb.	11.33	13.43	10.18	7.34	5.85	4.55	3.08	0.54	-1.89	-2.75	-3.39	-3.78

Table 30. Egg baseline

Item	Units	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Beginning stocks	Mil. doz.	8	8	10	5	5	5	5	5	5	5	5	5
Production	Mil. doz.	6,912	7,052	7,155	7,262	7,371	7,482	7,587	7,693	7,800	7,902	8,005	8,109
Change	Percent	3.8	2.0	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.3
Imports	Mil. doz.	7	7	5	5	5	5	5	5	5	5	5	5
Total supply	Mil. doz.	6,928	7,067	7,170	7,272	7,381	7,492	7,597	7,703	7,810	7,912	8,015	8,119
Change	Percent	3.8	2.0	1.5	1.4	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.3
Hatching use	Mil. doz.	942	943	980	1,008	1,037	1,065	1,093	1,120	1,145	1,168	1,191	1,215
Exports	Mil. doz.	162	161	170	175	180	185	190	195	200	205	210	215
Ending stocks	Mil. doz.	8	10	5	5	5	5	5	5	5	5	5	5
Consumption	Mil. doz.	5,817	5,953	6,015	6,084	6,160	6,237	6,308	6,383	6,461	6,534	6,608	6,684
Per capita	Number	255.7	259.3	259.8	260.7	261.8	263.0	263.9	264.9	266.0	266.8	267.7	268.6
Change	Percent	4.4	1.4	0.2	0.3	0.4	0.4	0.3	0.4	0.4	0.3	0.3	0.3
Prices:													
Eggs, farm	Cents/doz.	62.2	62.5	61.7	62.7	64.6	66.5	68.4	70.3	72.2	74.1	76.0	77.9
New York, Grade A large	Cents/doz.	65.6	65.4	63.5	66.0	68.0	70.0	72.0	74.0	76.0	78.0	80.0	82.0
Deflated wholesale prices	Cents/doz.	39.4	38.0	35.9	36.2	36.3	36.3	36.3	36.2	36.2	36.1	35.9	35.8
Retail, Grade A, large	Cents/doz.	96	91	91	91	93	96	98	101	103	106	108	111
Retail: Eggs	1982-84=100	128.1	129.0	129.0	130.5	134.4	138.9	143.5	148.1	152.7	157.4	162.0	166.7
Costs and returns:													
Total costs	Cents/doz.	62.39	61.16	61.08	61.70	64.41	66.54	68.08	70.27	73.09	75.07	77.69	79.72
Net returns	Cents/doz.	3.21	4.24	2.42	4.30	3.59	3.46	3.92	3.73	2.91	2.93	2.31	2.28

Table 31. Dairy baseline

Item	Units	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Production data:													
Milk production	Bil. lbs.	167.4	169.4	170.8	172.5	175.6	177.4	179.5	181.6	184.4	186.3	188.5	191.0
Number of cows	1,000	9,208	9,220	9,085	8,975	8,910	8,830	8,760	8,680	8,610	8,540	8,460	8,390
Milk per cow	Pounds	18,175	18,375	18,800	19,215	19,705	20,090	20,490	20,925	21,415	21,820	22,285	22,760
Commercial use:													
Milkfat basis	Bil. lbs.	168.8	173.9	173.5	175.5	178.0	179.7	181.8	184.1	186.8	188.9	191.2	193.6
Skim solids	Bil. lbs.	160.6	173.2	175.3	176.1	179.0	180.8	182.9	185.1	187.9	189.9	192.2	194.7
Net removals:													
Milkfat basis	Bil. lbs.	0.8	0.7	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Skim solids	Bil. lbs.	8.5	7.6	3.2	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Prices:													
All milk	$/cwt	12.62	12.30	12.40	12.95	13.45	13.95	14.30	14.65	14.95	15.25	15.60	15.95
Manufactured milk value 1/	$/cwt	10.90	10.60	10.70	11.40	11.95	12.45	12.85	13.20	13.55	13.85	14.20	14.55
Retail, all dairy products	1982-84=100	161.2	159.0	161.5	166.0	170.0	174.0	177.5	181.0	184.5	188.5	192.0	196.0
Costs and returns:													
Ration value	$/cwt	7.04	6.85	7.00	7.20	7.35	7.55	7.70	7.85	8.00	8.15	8.40	8.60
Returns above concentrate costs	$/cwt	9.70	9.46	9.46	9.93	10.36	10.78	11.07	11.35	11.59	11.83	12.07	12.34
Milk-feed ratio	ratio	1.79	1.80	1.77	1.80	1.83	1.85	1.86	1.87	1.87	1.87	1.86	1.85

1/ Estimated value of milk used in manufactured products.