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Livestock, Dairy, and Poultry Outlook

Leland Southard (Coordinator)

Dairy Markets Adjust, But Are Expected To Remain Tight

NOTE: Due to uncertainties regarding the bans on trade of ruminant products due to the discovery of BSE in Canada and the United States in 2003, forecasts for 2004 and 2005 assume a continuation of policies currently in place. Subsequent forecasts will reflect any announced changes.

Wholesale prices of cheese and butter in mid-June were down almost 20 percent from their April peaks. The April peaks likely represented an over-reaction to the large February-March declines in milk production and the sharp March-April surge in wholesale cheese movement. Even though prices probably will slip from spring levels, dairy markets are expected to stay fairly tight through most of 2004. Production will be weak, and demand is projected to stay reasonably good. Prices may stay somewhat volatile, and temporary reversals of the general downtrend are a possibility. For all of 2004, farm milk prices are projected to easily surpass 1998's record.

Beef production continues well below year-earlier levels, although slaughter and weights are rising seasonally. Even with reduced exports and record imports, beef supplies remain tight, and retail beef prices are again rising, but remain below the record levels set last fall. Reduced steer and heifer slaughter and lighter weights are contributing to more than a 7-percent decline in beef production in the first half of 2004. In addition, cow slaughter has been sharply reduced due to the initial stages of beef cow retention and strong dairy prices, further reducing beef production. Fed cattle and beef prices have surged this spring, but remain below the record levels set last fall.

Higher pork production accompanied by higher producer prices for hogs and retail prices for pork continue to define the pork sector this spring. Second-quarter hog prices (51-52 percent lean, live equivalent) are expected to average \$54-\$55 per hundredweight (cwt), almost 28 percent higher than a year ago, with second-quarter production expected to exceed last year's by more than 3 percent. Second-quarter retail pork prices are expected to run about 4 percent higher than a year ago, suggesting that consumers are willing to pay higher prices for greater quantities of pork products. The *Quarterly Hogs and Pigs*

Contents

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

Tables at a Glance

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

Web Sites

[Animal Production and Marketing Issues](#)
[Cattle](#)
[Dairy](#)
[Hogs](#)
[Poultry and Eggs](#)
[WASDE](#)

The next release is
July 17, 2004

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report, which should provide an indication of producers' responses to recent prices, will be released on June 25.

Despite strong wholesale prices for most broiler products, production has been expanding at only a moderate rate. Production indicators (eggs placed in incubators, chicks placed, and the broiler-type laying flock) suggest a relatively slow pace of expansion this year. Poultry exports are now expected to be lower this year than previously expected. Continued trade restrictions, which were triggered by Avian Influenza outbreaks, and higher prices for broiler products, especially leg quarters, reduced export expectations.

U.S. turkey production continued to decline in April after falling by 5.6 percent in the first quarter of 2004. For the year, turkey production is expected to total nearly 5.4 billion pounds, down 4.5 percent from a year ago. With tighter supplies of most protein products and lower turkey production, wholesale prices of almost all turkey products are expected to be well above their year-earlier levels.

Dairy Prices Adjust

Wholesale prices of cheese and butter in mid-June were down almost 20 percent from their April peaks. The April peaks represented an over-reaction to the large February-March declines in milk production and the sharp March-April surge in wholesale cheese movement. The flow of milk and milk solids into cheese production, the easing of declines in milk production, and the subsiding fears of buyers triggered a price adjustment that probably will persist (at a rather gradual rate) through most of the rest of 2004.

Dairy markets are expected to stay fairly tight through most of 2004, even though prices probably will slip from spring levels. Production will be weak, and demand is projected to stay reasonably good. Unless pipeline stocks have been built to very large levels, further sharp price breaks do not seem likely. In fact, prices may stay somewhat volatile and temporary reversals of the general downtrend are certainly possible. For all of 2004, farm milk prices are projected to easily surpass 1998's record.

Milk Production Declines Ease

In the 20 major dairy States, April milk production was less than 1 percent below a year earlier, a considerably smaller decrease than during February-March. However, the changes represented the start of weakening production a year ago more than any real recovery this year. Milk production is likely to continue to be weakened by several key forces, but the largest year-to-year drops probably are past.

Milk per cow stayed very weak. Output per cow in the 20 States was slightly above a year earlier in April after slipping below in February-March. Compared with the 5-year moving average, milk per cow since February has represented an annual growth rate of well under 1 percent, only about a third of the long-run trend.

Reduced availability of bovine somatotropin (BST) obviously was a major contributor to weak milk per cow. However, other factors clearly were at play because milk per cow was fairly weak even before

the BST allocations were announced. Milk-feed price ratios this winter wound up moderately favorable, as they had been during the second half of 2003. However, farmers may have been more quickly aware of last winter's rising concentrate feed prices than they were of rises in milk prices. In addition, irregular forage quality undoubtedly played a role.

Concentrate feed prices have been high and volatile across almost all feeds. Both domestic and export demand has been brisk. Feed markets are projected to stay tight through 2005, although prices might slip somewhat once this year's crop becomes available. This year's average increase in feed prices is not expected to match the rises in average milk prices, leaving the most favorable milk-feed price ratios since 2001.

The new forage year in most dairy areas seems to be starting much like the last two—mixed. The main exception is the West, where alfalfa hay prices jumped in May. In much of the region, tight supplies of irrigation water threaten this year's alfalfa output. Untimely rains in the Northwest aggravated problems by dropping the average quality of first cutting. Western hay conditions probably will be considerably more difficult than they have been for a couple years.

Growth in milk per cow is projected to stay weak during the rest of 2004. A slight recovery is expected during the second half, but substantial improvement is not likely until normal availability of BST returns. Milk per cow is expected to rise less than 1 percent in 2004 on a daily average basis. Milk per cow is projected to rise a relatively large 3 percent in 2005. However, even this increase would not make up for ground lost in recent years.

Farmer Response to Record Prices Muted

Milk cow numbers in the 20 States have been about steady since the start of 2004. Year-to-year decreases slipped from 1.2 percent in January to 1.0 percent in April. The stronger-than-expected milk prices undoubtedly were the main factor stemming decreases in cow numbers by allowing weaker producers to continue milking.

Dairy farm exits are expected to become slightly more common if milk prices slip during the second half as projected. However, declines in cow numbers from early 2004 probably will be small. Returns should still be fairly strong through yearend, and recent record milk prices have provided a considerable cushion for the rest of the year. However, the presumed return to normal availability of BST, more ample heifer supplies, lower expected returns, and the scheduled 2005 end to the Milk Income Loss Contracts should lead to increased exits by late-2004 and 2005.

Record milk prices provided strong incentive to keep facilities at maximum capacity. However, they probably will provide considerably less stimulus for new expansions than normal. Farmers are apt to view these strong prices as based on temporary factors that will dissipate by next winter. Also, the relatively few expansions begun in late 2003 and the tight supplies of replacement heifers meant that few new facilities were positioned to be rushed into production.

Tight supplies of replacement heifers and high milk prices have caused replacement prices to jump. In April, replacements were up almost \$200 from January and almost \$300 from a year earlier. Even so, the price increase seemed mostly to reflect reduced heifer supplies rather than strong demand from expanding producers. The difference between replacement price and slaughter value was only moderately higher than during 2003 and well below the levels of late 2001-2002. Based on the data for January 1, 2004, supplies of springer heifers should ease somewhat by late this year. However, resumption of imports of Canadian heifers remains uncertain.

By 2005, stronger producers will have a nest egg from this year's high prices and are projected to face easing feed costs and milk prices considerably higher than the stressful 2002-03 period. These farmers likely will resume more normal long-term expansion. However, their plans probably will stay conservative until they become convinced that milk prices will not return to 2002-03 levels. The main impact of these expanders may not be felt until late 2005.

By the end of 2004, milk cow numbers are projected to be about 1 percent below a year earlier, considerably less than the first-half declines. Cow numbers next year are expected to be a mirror image of this year, with second-half declines larger than during the first half. Milk cows are expected to post an average decrease of more than 1 percent in both years.

In 2004, milk production is expected to slip fractionally. Even if output moves above a year earlier by late in the year, these gains are unlikely to offset earlier losses. Milk production could increase in 2005 if more normal conditions return. Output is projected to rise a moderate 1 to 2 percent.

Cheese Grabs Lion's Share of Smaller Milk Supply

Lower milk production reduced supplies of milk for manufacturing during February-April by more than 3 percent (on a daily average basis) from a year earlier. Strong cheese movement pulled increased amounts of milk away from butter-powder and into cheese production, even before the March increases in cheese price gave cheese plants a commanding advantage in competing for milk. During February-April, cheese production rose about 6 percent, while butter output fell 16 percent, and nonfat dry milk a similar amount. Part of the additional cheese probably was made from nonfat dry milk and cream.

Manufacturing milk supplies are expected to stay tight during most of the rest of 2004. With sluggish milk production, output of manufactured products probably will stay below a year earlier until autumn. However, a slight easing is possible this summer as ice cream makers and others start to dip into their stocks of milkfat. Cheese production is projected to continue to pull milk away from output of butter and nonfat dry milk.

May 1 commercial stocks totaled just over 10 billion pounds, milk equivalent, on a milkfat basis, down more than 2 billion pounds from a year

earlier and the lowest since 2001. Most of the drop was in butter holdings, although commercial stocks of cheese were somewhat smaller. May 1 manufacturers' stocks of nonfat dry milk were also below the levels of most recent years. Commercial stocks on a skim solids basis came to less than 9 billion pounds, milk equivalent, down slightly from the 2 preceding years.

Dairy markets probably will be quite sensitive in coming months to warehouse inventories and perceptions of pipeline stocks. Commercial stocks are expected to stay relatively lean but not inadequate. Pipeline holdings probably will be gradually worked off this summer before being rebuilt for autumn holiday demand. Any deviations from those expected patterns could have significant price implications.

Cheese Disappearance Booms

Cheese buyers seemed insatiable in March-April. Commercial disappearance of American varieties jumped more than 6 percent from a year earlier, and movement of other varieties almost 9 percent, as prices shot up to records by late April. These increases in cheese disappearance (equivalent to about 1 billion pounds of milk) caused dramatic changes throughout dairy markets.

Commercial disappearance of all dairy products (milk equivalent, skim solids basis) astoundingly rose almost 9 percent from a year earlier during March-April. The boom in cheese movement turned a persistent large surplus of skim solids into a drawdown of Government powder stocks. On a milkfat basis, the increase in disappearance was much less impressive because a 9-percent decline in butter movement offset a sizable share of the increase due to cheese.

Commercial disappearance of nonfat dry milk during March-April more than doubled its 2003 level. A large share of this movement probably was used in cheese vats as cheesemakers struggled to keep up with their customers' orders. Even so, most of the jump probably wound up in the stocks of users or resellers.

The share of the heavy March-April movement that was actually used during those months will be crucial to dairy price prospects in coming months. Underlying dairy product demand apparently has recovered substantially since last summer, with all segments showing some strength. Even so, large quantities of dairy products almost certainly were tucked away, as price jumps encouraged users to buy a little more than they thought they probably would need. Price declines normally would cause users to start reducing these pipeline holdings by buying less than normally. However, the still high uncertainty about second-half conditions probably has muted this tendency.

Powder Surplus Dissolves for a While

Purchases of nonfat dry milk under the price support program have been modest since February, particularly since a significant share of recent purchases has been fortified powder for food aid use covered by earlier contracts. Net removals during March-May were actually negative as unrestricted sales (including that swapped for process cheese and pudding) exceeded purchases. Most of this drop in surplus was caused by the extraordinary cheese movement and the resulting hunger of cheesemakers for milk solids.

Use of skim solids as food ingredients may have picked up, and small commercial exports of nonfat dry milk and blends have helped boost demand for separated skim solids. However, the disappearance of surplus skim solids probably is temporary. Purchases are projected to continue through the second half of 2004, although at levels considerably below those of 2002 or 2003. For all of 2004, surplus removals on a skim solids basis are expected to be only about one-third those of 2003 and the smallest since 1996. With expanded milk production in 2005, the skim solids surplus is projected to rise slightly but stay well below those of most recent years. The surplus of milkfat is expected to be trivial in both years.

International Markets Firm

International dairy markets have remained firm. Demand for milk powders has been fairly good from the growing Asian economies and other importers. Until recently, users of nonfat dry milk had no incentive to buy more than their current needs because of the availability of U.S. powder at little or no premium. That may have changed somewhat now that U.S. Government holdings of young powder have been virtually exhausted.

Butter demand also has improved. Russian imports have been relatively strong, and higher oil prices have helped Middle Eastern demand. Meanwhile, the trend shift from skim milk powder to whole milk powder is removing milkfat from international markets.

Export supplies are limited. The European Union (EU) has had lower milk production, with sales into intervention considerably below a year earlier. Although the accession of the 10 new members makes the EU situation more uncertain than normal, export supplies are expected to trail last year's levels. Between reduced export supplies and the strength of the euro, the EU may be rather conservative about setting their export subsidies.

New Zealand ended their season with about a 4-percent increase in milk production. Although Australia had a strong end to their season, the season total was somewhat below a year earlier. In both cases, stocks reportedly are adequate only to cover contract commitments. Significant questions persist about Oceania's production in the coming season. Australia's drought in 2002/03 apparently did lasting harm to the dairy industry, and they are skeptical about regaining their 2001/02 level during the next couple seasons. New Zealand has had a stronger pattern of production in recent seasons but may not be able this season to recover fully from recent flood damage in parts of the North Island.

Early June butter prices were about \$1,900 per metric ton (fob, Northern Europe), up about \$600 from a year earlier. Meanwhile, nonfat dry milk was priced at about \$2,100 per ton, about \$400 higher than a year ago. Most of these price rises occurred since last winter. Prices are expected to stay strong, at least until large quantities from Oceania become available in late 2004. Even then,

demand may be good enough to absorb the somewhat limited export supplies without much price impact, particularly for milk powders.

U.S. imports of dairy products during January-April were about the same as a year earlier on a milkfat basis and slightly smaller on a skim solids basis. Imports of butter within tariff-rate quotas (TRQ) were considerably larger, as were imports of most cheese categories. However, total cheese imports were down because of sizable declines in nonquota imports of Goya and high-tariff imports of American-types.

Relative domestic and international prices during March-April nominally were conducive to larger imports of milkfat and whole milk products. The lack of response can be attributed to the relatively tight market supplies and the very short time to respond. Over-TRQ imports of butter and butteroil were small, indicating that no trader had large amounts of free butter positioned to be shipped quickly. On the other hand, imports of skim solids have been discouraged because our domestic price is quite competitive with international prices.

Imports during the rest of the year are projected to be fairly normal. With generally good demand and tight supplies, exporters are unlikely to jeopardize continuing trade relationships for the sake of short-run profits from shipments to the United States. This tendency will be even more pronounced if U.S. prices slip as expected this summer.

Modest commercial exports of nonfat dry milk occurred during January-March. The most active interest reportedly has been in blends containing nonfat dry milk, where unfortunately it is not possible to discern the nonfat dry milk content. Winter exports of cheese also were well above a year earlier. Higher international prices probably boosted spring commercial exports of nonfat dry milk, but record domestic cheese prices undoubtedly deterred cheese exports. Powder exports may be significant during the rest of the year if international prices stay as strong as expected.

Wholesale Prices Drop

April peaks in wholesale prices of butter and cheese proved unsustainable once buyers became

aware that their collective “prudence” represented an over-reaction to tight market fundamentals. By May, declines in milk production were beginning to ease, and consumer response to the high prices was beginning to be felt. Cheddar cheese prices on the Chicago Mercantile Exchange (CME) fell 40 cents per pound from their peak and remain under considerable pressure. With the value of milk being considerably higher in cheese than in butter-powder and the general profitability of using nonfat dry milk and cream to make cheese, extra loads of cheese are now commonly available. Meanwhile, buyers have become more comfortable not buying every load offered.

The flow of milk solids into cheese and the likely rebuilt pipeline holdings probably will continue to push down cheese prices this summer, particularly if milk production moves back towards year-earlier levels as expected. However, sales are expected to stay strong enough to keep markets fairly tight. Any weather stress or other production problem or a surge in cheese movement could cause prices to plateau or even recover temporarily.

Butter price declines preceded those of cheese. Between mid-April and late May, CME butter prices fell 60 cents per pound. However, butter prices then recovered more than 20 cents. Sizable amounts of cream were being used in cheese, and there were indications that additional cream was siphoned off into storage or food processing before it reached the churns. Even though into-storage movement of butter became larger than a year earlier, expected butter production was not likely, at the current cheese prices, to be enough to meet second-half needs. Butter prices are projected to trend lower this summer as cheese prices ease. However, butter prices may be prone to short-run reversals and some volatility.

Tightening in the skim solids markets has been enough to give even nonfat dry milk prices a boost. In early May, powder prices were about 90 cents per pound in the East and Central and even managed about 85 cents in the West. This was the first significant rise above the support purchase price in years. Commercial exports probably will be key to whether prices can stay above the support purchase price in coming months. If exports continue modest as expected, price support purchases probably will resume, as prices adjust

downward. However, the domestic excess is projected to be small enough that more-vigorous-than-expected export buying could easily absorb it.

Milk Prices To Slip but Still Set Record

Farm milk prices during the rest of 2004 are projected to retreat from their May record of more than \$20 per cwt but will stay well above a year earlier. Markets are expected to stay fairly tight. The steepness of the price decrease will be very sensitive to production and sales developments, as well as pipeline and warehouse stocks. Also, prices could still be somewhat volatile even if the general trend is downward.

The value of milk in cheese is expected to remain considerably higher than butter-powder values during the remainder of 2004. Cheese sales probably will require the lion’s share of the milk supply. However, the price gap is unlikely to be as wide as during spring. Continued manufacture of cheese from nonfat dry milk may not be needed and might cease to be profitable, particularly if exports buttress powder prices.

The average price of all milk in 2004 is projected to be more than \$16 per cwt, up more than a fourth from 2003 and easily a record. Next year’s larger expected milk production, in combination with some likely carryover effects of this year’s high prices on use, probably will drop 2005 milk prices. Milk prices are projected to average almost \$3 below 2004.

Retail Prices Try To Catch Up

Retail prices of dairy products jumped to 185.9 (1982-84=100) in May, up more than 12 percent from a year earlier and almost 7 percent from April. Prices were higher for almost all dairy products, although the largest April to May rises were for fluid milk. Fluid milk prices had been relatively moderate since mid-2003 before shooting up 14 percent between April and May. Although dairy prices rose considerably more than average food prices and received much media attention, sharply higher prices for many other foods cushioned the demand impact somewhat.

Even these May retail prices did not fully reflect increases in farm and wholesale prices. The farm-

to-retail price spread this spring dropped from a year earlier. The spread has been considerably below a year earlier since mid-2003 but is expected to start widening during the second half of 2004.

Retail dairy prices are projected to continue rising through the end of the year. Recovery in the

spread probably will more than offset the declining farm and wholesale prices. For the year, retail dairy prices are expected to rise 6 to 10 percent from a year earlier. In 2005, retail prices are projected to hold near the levels of late 2004. Even so, prices would average slightly higher than the 2004 average.

Beef Supplies Remain Tight

Beef production continues well below year-earlier levels, although slaughter and weights are rising seasonally. Beef exports are down sharply from a year earlier because of bans by major importers due to Bovine Spongiform Encephalopathy (BSE). Even with reduced exports and record imports, beef supplies remain tight, and retail beef prices are again rising. Reduced steer and heifer slaughter and lighter weights contributed to a 7-percent decline in beef production in the first quarter, and a similar decline is expected in the second quarter. In addition, beef production is also lower as cow slaughter has been sharply reduced due to the initial stages of beef cow retention and strong dairy prices. Fed cattle and beef prices across the board have surged this spring, but remain below the record levels set last fall. Strong demand for tight supplies of stocker/feeder/replacement cattle has resulted in another record setting surge in prices this spring.

Retail Beef Prices Strengthen

Prices for Choice beef at retail have climbed back above \$4 a pound with full expectations that very tight beef supplies will support prices remaining above \$4 for the next couple of years. April and May prices averaged \$4.06 a pound, up 11 and 12 percent, respectively, from a year earlier.

Fed cattle prices have risen from near \$80 per cwt (100 pounds) at the beginning of the year to over \$90 per cwt in

Mid-June. The Choice/Select price spread has narrowed seasonally, but remains near to slightly above a year earlier. Cattle on feed inventories are below year-earlier levels, with placements well below last year each month this year.

Feeder cattle supplies continue to decline, and with favorable spring forage growth in many areas there is strong competition for the available supply. Demand for the reduced supply from cattle feeders, stocker operators and likely heifer retention has resulted in sharply higher feeder cattle prices. Prices for yearlings in mid-June were averaging well above the record \$104 per cwt of last fall. Breakeven prices for cattle placed in June are going to be near \$90 per cwt when they are marketed in October, assuming feed costs remain near recent levels. Given the present strength in the fed cattle market, this price range is certainly possible, but increased supplies of competing meats or rising grain prices would push breakevens into the red quickly.

Utility cow prices reflect reduced beef and dairy cow slaughter and very tight processing beef supplies. Even adjusting for slaughter cow imports from Canada through May 20, 2003, cow slaughter is down sharply. Demand and movement for processing beef is strong, with prices for 90 percent lean trimmings averaging above \$130 per cwt, near the highs of the past year, but still below the records near \$140 per cwt of the early 1990s when herd expansion was last under way.

First-Quarter Beef Imports Surge

Demand for imported lean processing beef has increased to unprecedented levels as hamburger sales continue at a robust pace in the face of cyclically low cow slaughter. Leading fast food chains reported strong year-over-year same store sales in spite of high ground beef prices. The supply of domestic lean processing beef has fallen to near-term record lows amid an expected 14-percent decline in 2004 cow slaughter. As a result, 2004 beef imports are expected to increase 14 percent—to a record 3.4 billion pounds—to augment lean meat supplies. Imports in 2005 may be marginally smaller as imported supplies become more limited.

Beef imports in 2004 and 2005 assume imports from Australia and New Zealand remaining near historical levels. Record imports in 2004 are expected from South America and large imports are expected from Canada. Beef imports from Uruguay should remain high until its unusually large cattle inventory declines to a more normal level. A record-large inventory in Uruguay accumulated while beef exports remained banned between mid-2001 and mid-2003 because of foot-and-mouth disease. Imports of heat-treated product from Brazil and Argentina should remain high because of strong domestic demand for near-ready-to-eat microwavable foods.

Supplies Available To Meet U.S. Beef Import Demand

Record imports are likely in spite of increased exports to Japan and South Korea by Australia and New Zealand--two major U.S. beef suppliers--to substitute for banned U.S. beef in those markets. Firstly, such substitution potential is limited, as beef from Australia and New Zealand is not similar in quality to U.S. grain-fed beef because most of their beef is grass fed. Exports of fresh/chilled and frozen beef from Australia to Japan, for example, increased only 19 percent and 43 percent, respectively, from January to April 2004, compared with a year earlier.

Normally, Australian fresh/chilled and frozen beef each account for about 24 percent of Japan's total beef imports, with the United States supplying

most of the remaining 52 percent. If the January-to-April trends in Australia's exports to Japan were to continue throughout the year, Australia would increase its fresh/chilled and frozen share of beef exports to 63 percent, respectively, of a "normal" sized Japanese market that might exist were U.S. beef not banned. However, Australian beef would only substitute for about 29 percent of the beef that otherwise might be supplied to Japan by the United States.

A second reason that international supplies may be adequate to supply record U.S. import demand is that Australia and New Zealand have redirected much of their traditional exports away from other countries to Japan, South Korea, and the United States. Combined trade data indicate that total beef exports from Australia and New Zealand have decreased by 65 percent to Canada from January through April, compared with last year, and by 4 percent to other countries (excluding the United States, Japan, and South Korea). Demand for processing beef in Canada has declined so dramatically because of the large supplies of cattle in the Canadian market, as reported in last month's newsletter.

BSE-related Restrictions Continue To Limit Beef Exports and Cattle Trade

Beef exports for 2004 are expected to reach only 451 million pounds, as only limited exports flow to Canada and Mexico—the only two major markets open to the United States. Both countries limit U.S. exports to boneless cuts from animals below 30 months of age. Exports to Canada and Mexico for the first 4 months of 2004 were only 5 percent and 14 percent, respectively, of year-earlier levels. Exports to both should increase but are likely to remain below pre-BSE levels.

Imports of significant numbers of feeder cattle from Mexico are the only sign of normal cattle trade. Imports of live animals from Canada to the United States remain banned. While Canada allows imports of live cattle from the United States, large supplies of Canadian cattle have made that option unattractive. Mexico does not allow imports of live animals from the United States, but the United States imported 6 percent more feeder cattle from Mexico in the first quarter of 2004 than

during the same period last year. These larger imports occurred in spite of higher-than-normal precipitation that fostered good forage conditions throughout Mexico during the winter. Periods of good forage conditions in Mexico tend to limit feeder cattle exports as animals are fed to heavier weights on pasture for export later, but stronger U.S. feeder cattle prices attracted feeder cattle imports.

The forecasts for both 2004 and 2005 are for imports of 1.3 million head of feeder cattle, all from Mexico. That would be 100,000 more than the United States imported from Mexico in 2003, a number that could go higher if dry conditions appear in Mexico later in 2004 and feeder cattle prices remain in the \$95-\$100 range.

Hog Prices Sharply Higher

The live equivalent price of 51-52 percent lean hogs in May averaged \$58.45 per cwt, almost 34 percent higher than May 2003. Hog prices will remain 'high' as long as domestic and foreign consumer demand for pork products remains strong and production steady. Second-quarter hog prices are expected to be between \$54 and \$55 per cwt, and between \$47 and \$48 per cwt for the year. Sustained consumer demand for pork will hold hog prices at between \$45 and \$49 per cwt in 2005.

Pork production in the second quarter is expected to be 4.9 billion pounds, more than 3 percent higher than a year ago, but less than previously forecast. May hog slaughter was lower than expected, dropping slightly from the 1.9-million-head pace seen weekly so far this year. Weekly slaughter numbers in June will likely be closer to what the industry handled prior to May. Given strong consumer demand—both domestic and foreign—it appears that processors are attempting

to maximize throughput in order to achieve lower per-unit costs that accompany the scale economies of large weekly slaughter.

Based on production and trade expectations, per capita pork consumption this year is expected to be 51.7 pounds, or fractionally lower than last year. So far in 2004, consumers appear willing to pay higher prices for roughly the same quantity of pork consumed last year. Retail prices should average in the mid-\$2.70s per pound this year, or about 3 percent higher than in 2003. Sustained consumer demand into 2005 should yield an average retail pork price in the low-\$2.80s, or about 3 percent higher than this year, pointing to a slightly higher farm-to-retail spread in 2005.

The industry awaits USDA's June 25th release of the *Hogs and Pigs* report for a fresh perspective on how producers' breeding decisions and intentions, in particular, may be responding to hog prices that, so far this year are higher than they have been since 1997.

Broiler Production Up in April

U.S. broiler production in 2004 has been expanding at only a moderate rate despite strong wholesale prices for most broiler products. Total broiler meat production in April was 2.8 billion pounds, 2.7 percent higher than the previous year. Over the first 4 months of 2004 broiler production rose 4.7 percent from the same period in 2003. Most of this increase came in March which had two more slaughter days than in the previous year. The increase in broiler meat production in April was the result of both an increase in the number of birds being slaughtered (up 2.3 percent) and an increase in their average liveweight (up 0.5 percent). The pattern of modest expansion in broiler production is expected to continue through the remainder of the second quarter and into the second half of 2004. The estimate for broiler production in the second quarter has been reduced to 8.5 billion pounds, which is still an increase of 2.9 percent over the same period in 2003. Broiler meat production estimates have also been reduced for the third and fourth quarters, lowering the estimate of annual broiler meat production in 2004 to 33.9 billion pounds, 3.6 percent higher than the previous year.

One reason for the reduction in the broiler production estimates is that weekly estimates of the number of eggs placed in incubators and chicks placed for growout have been averaging between 1.5 to 2 percent higher than in similar weeks a year earlier. Over the last 5 weeks (May 8 to June 5), the number of eggs placed in incubators has averaged 1.4 percent higher than in the same period in the previous year, while the number of chicks placed for growout has averaged nearly 1.9 percent higher. This pattern of relatively small increases in the number of chicks being placed for growout is expected to continue as the average number of broiler-type hens in the laying flock in April was down 1 percent from the previous year.

With a strengthening domestic economy, strong prices for competing protein products such as beef and pork, and only a relatively slow expansion in broiler production, prices for most broiler products have risen. Wholesale prices for most broiler products were considerably higher in May than at the same time in the previous year. Prices for boneless/skinless breast meat in the Northeast

market averaged \$2.33 per pound in May, up 43 percent from the previous year. The 12-city price for whole broilers has also increased sharply, with prices at the beginning of June reaching close to 80 cents per pound, up 34 percent from the previous year. Leg quarter prices, usually moved upward by growth in export demand, have risen even though overall broiler exports are down. In May, the average price for broiler leg quarters in the Southern market was 35 cents per pound, up over 70 percent from a year earlier. Prices for most broiler products are expected to remain strong through the rest of 2004, as slowly growing broiler production keeps overall supplies tight.

Broiler exports in first-quarter 2004 totaled 1.02 billion pounds, down almost 15 percent from the previous year. The decline in broiler exports during the first quarter of 2004 was due in large part to bans or restrictions on U.S. broiler shipments to a number of countries due to outbreaks of Avian Influenza (AI) in the United States. The decreases were the strongest in Russia and some of the larger Asian markets. Shipments to Russia in the first quarter totaled only 277 million pounds, down 33 percent from the previous year. The decline in shipments to Russia was partially offset by strong export growth to the Baltic countries and Commonwealth of Independent States (CIS). Lower exports to the Hong Kong/China market have also been a prime factor in the fall in broiler shipments in first-quarter 2004.

With two additional AI outbreaks reported in Texas, the export outlook remains uncertain, although a number of countries, including Japan, are now starting to allow shipments of broiler products from States that have not had AI outbreaks. Exports are now expected to be at about the same level in the second quarter as they were in the first. Exports are then expected to increase somewhat in the third and fourth quarters as trade issues are resolved. Overall broiler exports for 2004 are expected to total 4.3 billion pounds, down over 600 million pounds from the previous year. In addition to the trade restrictions due to the AI outbreaks, broiler exports will also be reduced by the impact of much higher prices for almost all broiler parts, especially leg quarters.

Turkey Production Falls in April

U.S. turkey production continued to decline in April after falling by 5.6 percent in the first quarter of 2004. Turkey meat production in April was 449 million pounds, down 5.4 percent from the previous year. The decrease in April was due to a lower number of turkeys being slaughtered as the average liveweight at slaughter rose slightly. Turkey production is expected to continue to be lower than the previous year through the rest of 2004. The estimates for turkey meat production in the second, third, and fourth quarters of 2004 have been revised downward and the estimate for 2004 is now 5.4 billion pounds, 4.5 percent lower than in the previous year.

With stronger demand for most protein products and lower turkey production, wholesale prices of almost all turkey products are well above their year-earlier levels. The three-region average price for whole turkeys in May was 66.5 cents per pound, up almost 13 percent from the previous year. Prices for turkey wings have also increased sharply, with prices for full cut wings up over 100 percent compared with the previous year. Mechanically deboned meat (MDM), which is a major export product to Mexico, averaged 39 cents per pound in April, almost 100 percent higher than at the same time in 2003. Prices for most turkey products are expected to remain strong through the rest of 2004, as exports slowly increase and production remains well below the previous year.

Turkey exports in first-quarter 2004 totaled only 83 million pounds, down almost 20 percent from the previous year. Turkey exports suffered from the same disease restrictions as broiler exports. Turkey exports fell to most countries. The major exceptions were Mexico, Canada, the Baltic States, and the CIS countries. The largest factor contributing to the lower shipments was a large decline in exports to the Hong Kong/China market. Overall shipments to this market totaled only 2.7 million pounds, which was down over 13 million pounds or 83 percent from the previous year. Turkey exports are expected to expand some in the second quarter, but shipments are expected to remain lower than the previous year. Overall, turkey exports in 2004 are expected to be 408 million pounds, 15 percent lower than in 2003.

With lower production and higher prices, stocks of turkeys and turkey parts held in cold storage have been reduced. At the end of April, cold storage holdings of whole turkeys totaled 260 million pounds, 1 percent lower than at the same time in 2003. This is a considerable change from earlier in the year. At the end of February stocks of whole turkeys were 15 percent higher than the previous year. Cold storage stocks of turkey parts were also lower at the end of April, down 10 percent from the previous year.

Contacts and Links

Contact Information

Leland Southard (coordinator)	202-694-5187	southard@ers.usda.gov
David J. Harvey (poultry)	202-694-5177	djharvey@ers.usda.gov
Ron Gustafson (cattle)	202-694-5174	ronaldg@ers.usda.gov
Dale Leuck (beef trade)	202-694-5186	djleuck@ers.usda.gov
Keithly Jones (sheep and goats)	202-694-5172	kjones@ers.usda.gov
Mildred Haley (hogs/pork)	202-694-5176	mhaley@ers.usda.gov
Jim Miller (dairy)	202-694-5184	jjmiller@ers.usda.gov
LaVerne Williams (statistics)	202-694-5190	lwilliam@ers.usda.gov
Laverne Creek (web publishing)	202-694-5191	lmcreek@ers.usda.gov
Donald Blayney (dairy)	202-694-5171	dblayne@ers.usda.gov
Fawzi Taha (eggs)	202-694-5178	ftaha@ers.usda.gov

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Related Article

The recent discovery of bovine spongiform encephalopathy (BSE) <http://www.ers.usda.gov/features/BSE/index.htm> in a dairy cow in the State of Washington has caused importers to either ban or restrict beef imports from the United States.

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/>

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

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

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Red meat and poultry forecasts

	2001	2002	2003				2004					2005		
	Annual	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Production, million lb														
Beef	26,107	27,090	6,282	6,902	7,081	5,973	26,238	5,834	6,360	6,675	6,000	24,869	5,725	24,350
Pork	19,138	19,664	4,898	4,741	4,807	5,499	19,945	5,130	4,900	4,965	5,440	20,435	5,050	20,315
Lamb and mutton	223	219	49	50	48	52	199	52	48	47	50	197	51	197
Broilers	31,266	32,240	7,786	8,275	8,448	8,240	32,749	8,208	8,515	8,725	8,475	33,923	8,400	35,125
Turkeys	5,562	5,713	1,380	1,439	1,409	1,423	5,650	1,302	1,370	1,350	1,375	5,397	1,315	5,575
Total red meat & poultry	83,006	85,669	20,570	21,586	21,965	21,355	85,476	20,688	21,362	21,935	21,506	85,491	20,699	86,226
Table eggs, mil. doz.	6,078	6,190	1,524	1,528	1,559	1,596	6,207	1,554	1,565	1,590	1,610	6,319	1,580	6,400
Per capita consumption, retail lb 1/														
Beef	66.2	67.6	16.2	16.9	16.9	15.0	64.9	15.9	17.1	17.7	15.7	66.5	15.2	64.2
Pork	50.2	51.5	12.6	12.5	12.6	14.1	51.8	13.0	12.3	12.7	13.7	51.7	12.4	50.6
Lamb and mutton	1.1	1.2	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.3	0.3	1.2	0.3	1.2
Broilers	76.6	80.5	19.6	20.7	21.3	19.9	81.5	20.8	21.6	22.0	21.1	85.6	20.9	86.7
Turkeys	17.5	17.7	3.6	3.9	4.6	5.3	17.4	3.6	3.8	4.3	5.3	16.9	3.3	16.9
Total red meat & poultry	213.6	220.5	52.8	54.9	56.1	55.0	218.8	54.1	55.6	57.4	56.5	223.6	52.6	221.4
Eggs, number	252.7	255.5	62.6	63.0	63.8	65.3	254.7	63.5	63.9	64.7	65.4	257.5	63.4	256.2
Market prices														
Choice steers, Neb., \$/cwt	72.71	67.04	77.82	78.49	83.07	99.38	84.69	82.16	88-89	82-86	85-93	84-88	82-88	83-89
Feeder steers, Ok City, \$/cwt	88.20	80.04	78.48	82.49	94.90	103.51	89.85	87.98	103-104	103-107	101-109	98-102	90-96	93-99
Boning utility cows, S. Falls, \$/cwt	44.39	39.23	40.53	46.52	49.84	49.60	46.62	48.08	55-56	52-54	51-55	51-53	48-52	48-52
Choice slaughter lambs, San Angelo, \$/cwt	72.04	72.31	91.92	93.71	89.48	92.82	91.98	100.62	95-96	93-97	91-99	94-98	95-101	93-99
Barrows & gilts, N. base, l.e. \$/cwt	45.81	34.92	35.38	42.64	42.90	36.89	39.45	44.18	54-55	49-51	40-44	47-49	47-51	45-49
Broilers, 12 City, cents/lb	59.10	55.60	60.30	59.60	63.40	64.60	62.00	73.20	77-78	73-77	70-76	73-76	68-74	69-75
Turkeys, Eastern, cents/lb	66.30	64.50	61.10	60.60	59.10	67.40	62.10	62.10	65-66	65-69	67-73	65-67	59-63	64-69
Eggs, New York, cents/doz.	67.20	67.10	77.20	73.90	89.90	110.70	87.90	114.80	82-83	85-89	93-101	94-97	96-104	91-99
U.S. trade, million lb														
Beef & veal exports	2,269	2,447	585	678	681	579	2,523	36	115	150	150	451	150	600
Beef & veal imports	3,164	3,218	810	741	619	836	3,006	873	900	890	770	3,433	830	3,420
Lamb and mutton imports	146	162	40	44	35	48	167	62	45	39	42	188	55	191
Pork exports	1,560	1,611	413	438	406	460	1,717	523	550	475	525	2,073	525	2,085
Pork imports	951	1,070	289	301	298	297	1,185	275	280	285	290	1,130	270	1,090
Broiler exports	5,555	4,807	1,200	1,166	1,182	1,385	4,932	1,024	1,025	1,100	1,150	4,299	1,100	4,800
Turkey exports	487	439	103	114	130	136	483	83	100	100	125	408	115	495

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/}

	2003					2004					2005	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
GDP, chain wtd (bil. 2000 dol.)	10,210	10,288	10,493	10,599	10,398	10,709	10,827	10,937	11,045	10,880	11,149	11,301
CPI-U, annual rate (pct.)	3.9	0.6	2.3	0.9	1.9	3.6	2.9	2.2	2.0	2.7	2.1	2.2
Unemployment (pct.)	5.8	6.2	6.1	5.9	6.0	5.6	5.6	5.5	5.4	5.5	5.4	5.3
Interest (pct.)												
3-month Treasury bill	1.2	1.0	1.0	0.9	1.0	0.9	1.0	1.3	1.6	1.2	2.0	2.5
10-year Treasury bond yield	3.9	3.6	4.2	4.3	4.0	4.0	4.6	4.8	5.0	4.6	5.2	5.2

^{1/} Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, May 2004.

Dairy Forecasts

	2003					2004					2005	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Milk cows (thous.)	9,144	9,109	9,073	9,011	9,084	8,991	8,980	8,970	8,940	8,970	8,900	8,855
Milk per cow (pounds)	4,710	4,827	4,601	4,609	18,748	4,750	4,860	4,640	4,675	18,925	4,845	19,445
Milk production (bil. pounds)	43.1	44.0	41.7	41.5	170.3	42.7	43.6	41.6	41.8	169.8	43.1	172.2
Commercial use (bil. pounds)												
milkfat basis	41.4	43.0	44.9	45.3	174.6	42.1	43.4	45.2	45.3	175.9	42.1	176.2
skim solids basis	40.3	41.5	42.4	41.9	166.0	42.7	43.3	42.7	42.4	171.1	42.5	172.4
Net removals (bil. pounds)												
milkfat basis	0.4	0.6	0.2	0.0	1.2	-0.1	0.0	0.1	0.0	0.0	0.0	0.1
skim solids basis	3.0	3.1	1.4	0.9	8.3	0.6	0.4	1.0	0.9	2.8	0.8	3.9
Prices (dol./cwt)												
All milk 1/	11.37	11.00	13.30	14.40	12.52	14.07	18.95 -19.15	16.65 -17.15	15.15 -15.95	16.20 -16.60	12.85 -13.85	13.05 -14.05
Class III	9.52	9.62	13.29	13.24	11.42	12.66	19.10 -19.30	16.05 -16.55	13.45 -14.25	15.30 -15.70	11.10 -12.10	11.75 -12.75
Class IV	9.89	9.74	10.05	10.33	10.00	12.43	13.95 -14.25	12.30 -12.90	11.45 -12.35	12.50 -13.00	10.75 -11.85	11.15 -12.25

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

PRODUCTION INDICATORS

	May '2003	Mar.	2004	
			Apr.	May /*
	1,000 Head			
Cattle:				
On feed - US, 1,000+ Hd.	10,535	10,977	10,748	10,360
Net placements	2,242	1,737	1,501	2,284
Marketings	2,238	1,966	1,889	2,028
Broilers:				
Eggs in incubators (000) /1	646,415	647,596	652,526	660,615
Chicks hatched (000) /2	792,813	791,149	774,452	809,725
Hatching egg layers /1	57,620	56,810	56,630	57,168
Pullets placed (000)	7,323	6,815	6,402	7,492
Hvy-type hen slaughter /2	5,929	6,500	5,945	5,630
Turkeys:				
Eggs in incubators (000) /1	32,053	29,113	30,363	29,871
Poultz placed (000)	25,111	24,215	24,666	23,551
Eggs:				
Table egg prod. (mil. doz.) /2	516.7	537.2	523.0	532.2
Table egg layers, (000) /1	276,240	280,529	283,085	281,951
Table eggs/100 layers /1	72.9	72.9	74.6	73.3
Chicks hatched (000) /2	37,631	37,530	37,514	38,631
Lt.-type hen slaughter /2	7,164	6,148	6,131	6,305

ESTIMATED RETURNS

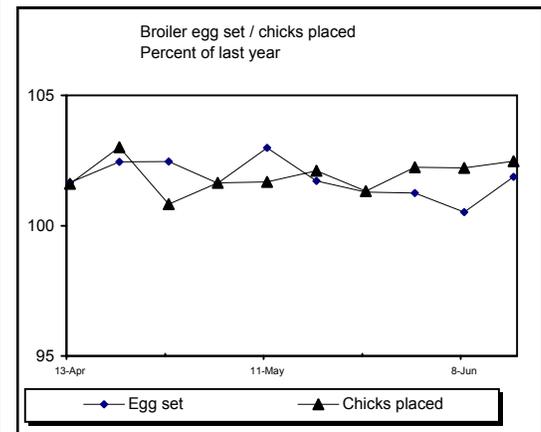
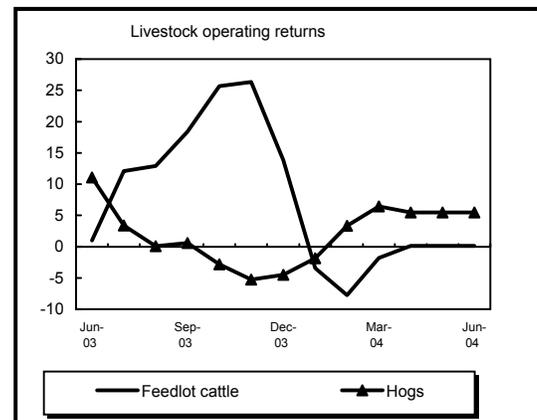
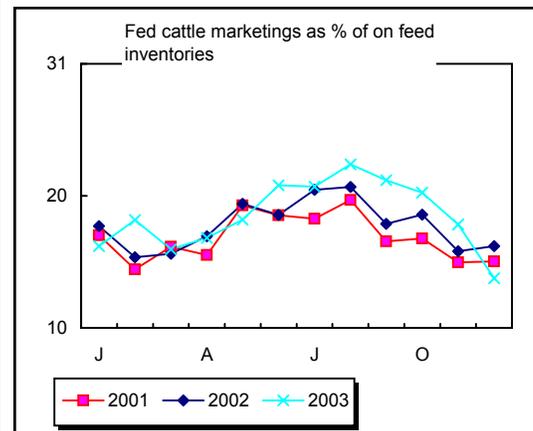
	June '2003	Apr.	2004	
			May	June /*
	Cents/lb			
Great Plains cattle feedlot				
Breakeven price /3	65.23	85.49	75.64	74.35
Selling price	76.49	85.60	87.34	89.10
Net margin	11.26	0.11	11.70	14.75
N. Central hog farrow to finish				
Breakeven price /3	40.29	42.86	42.96	43.55
Selling price	47.88	48.34	58.45	57.75
Net margin	7.59	5.48	15.49	14.20
Broiler				
Feed Cost 1998-2000=100	Index	Index	Index	Index
Market Price 1998-2000=100	108.9	129.0	138.4	142.7
Price - Cost 1998-2000=100	117.1	148.6	153.9	156.0
Price - Cost 1998-2000=100	120.1	155.5	159.4	160.7
Turkey				
Feed Cost 1998-2000=100	107.6	129.5	136.1	148.1
Market Price 1998-2000=100	89.0	97.5	100.8	103.0
Price - Cost 1998-2000=100	80.5	83.0	84.7	82.5
Egg				
Feed Cost 1998-2000=100	115.7	144.5	149.9	146.2
Market Price 1998-2000=100	93.4	113.2	89.5	106.3
Price - Cost 1998-2000=100	81.8	96.8	57.9	66.9

/1 First of month.

/2 Last month estimated.

/3 Does not include capital replacement cost.

/* estimate.



MEAT STATISTICS

	Jan. -	Jan. -	2004					/*
	June 2003	June 2004	Mar.	Mar.	Apr.	May	June	
Commercial production								
	<i>Million pounds</i>							
Beef	13,184	12,173	2,107	2,107	1,957	2,070	2,312	
Veal	97	86	14	14	14	14	14	
Pork	9,639	10,020	1,801	1,801	1,725	1,500	1,665	
Lamb	99	98	22	22	17	13	15	
Total red meat	23,019	22,377	3,944	3,944	3,713	3,597	4,006	
Broilers	16,061	16,654	2,911	2,911	2,809	2,809	2,829	
Other chicken	258	239	45	45	42	40	40	
Turkeys	2,818	2,623	471	471	449	424	449	
Total poultry	19,137	19,516	3,427	3,427	3,300	3,273	3,318	
Total meat & poultry	42,156	41,893	7,371	7,371	7,013	6,870	7,324	

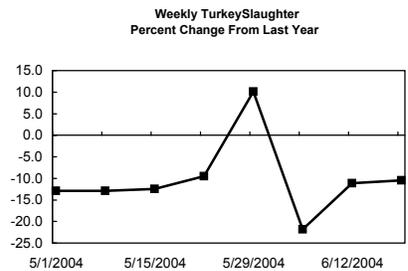
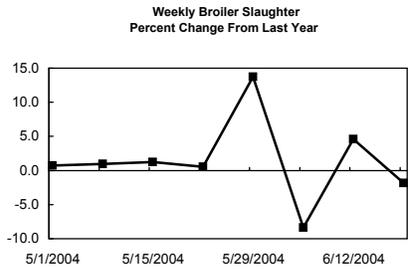
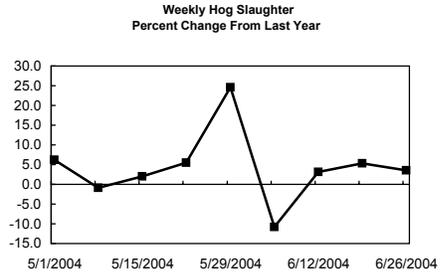
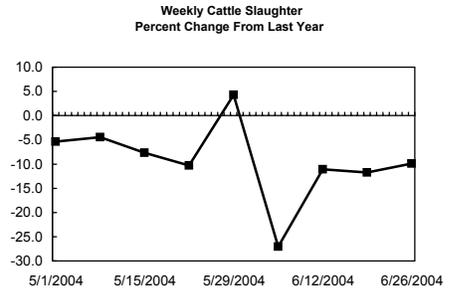
	Jan. -	Jan. -	2004					/*
	June 2003	June 2004	Mar.	Mar.	Apr.	May	June	
Commercial slaughter**								
	<i>Thousand head</i>							
Cattle	17,817	16,524	2,869	2,869	2,699	2,836	3,117	
Steers	8,867	8,327	1,408	1,408	1,388	1,495	1,646	
Heifers	5,655	5,368	967	967	850	893	988	
Beef Cows	1,551	1,360	225	225	230	231	240	
Dairy Cows	1,437	1,197	223	223	182	169	190	
Bulls and stags	308	272	46	46	48	48	53	
Calves	491	430	76	76	71	65	67	
Sheep	1,477	1,412	307	307	256	189	228	
Hogs	48,576	50,395	9,038	9,038	8,652	7,579	8,450	
Barrows & gilts	46,859	48,611	8,708	8,708	8,344	7,302	8,145	
Sows	1,594	1,651	305	305	286	258	280	
Broilers	4,197,036	4,319,902	767,646	767,646	729,331	723,640	728,900	
Turkeys	130,471	121,088	22,308	22,308	20,691	19,890	19,600	

			2004					/*
	June 2003	June 2004	Mar.	Mar.	Apr.	May	June	
F.I. dressed weight								
	<i>Pounds</i>							
Cattle		741	741	741	731	736	747	
Calves		204	190	190	198	216	207	
Sheep		67	73	73	69	70	68	
Hogs		198	200	200	201	199	198	

			2004				
	June 2003	June 2004	Mar.	Mar.	Apr.	May	June
Beginning cold storage stocks							
	<i>Million pounds</i>						
Beef	385.1	435.0	435.0	435.0	416.8	421.2	398.5
Pork	499.7	482.8	482.8	482.8	453.8	455.1	420.0
Bellies	45.9	57.1	57.1	57.1	50.1	48.4	41.4
Hams	104.6	68.7	68.7	68.7	51.8	56.3	65.5
Total chicken	687.2	542.8	542.8	542.8	604.7	645.8	670.5
Turkey	658.8	471.7	471.7	471.7	504.6	548.8	567.6
Frozen eggs	17.7	21.1	21.1	21.1	19.2	20.9	20.5

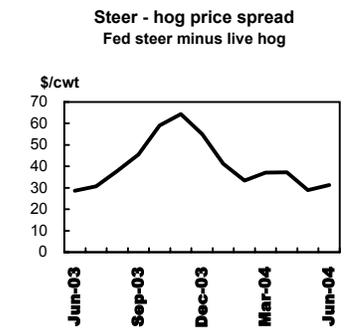
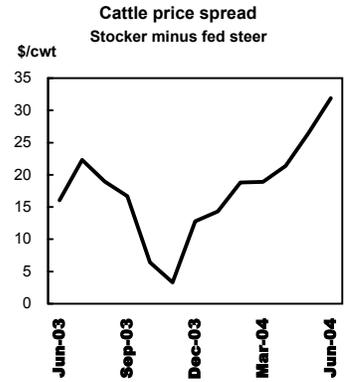
/* Estimates with exception of Cold Storage

** Slaughter classes are estimated



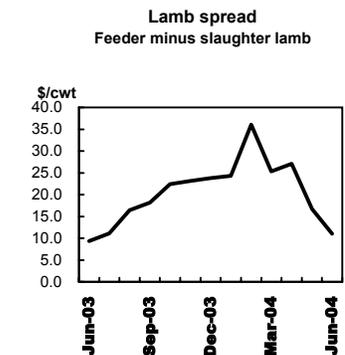
LIVESTOCK PRICES

	2003	2004					/*
	June	Feb.	Mar.	Apr.	May	June	
Cattle prices							
\$/cwt							
Steers, Choice, 11-13 cwt							
Texas Panhandle	76.49	78.57	85.41	85.60	87.34	89.10	
Nebraska Direct	76.73	79.15	86.96	87.04	88.22	89.30	
Cows - Sioux Falls							
Utility breaking	49.31	47.38	50.50	57.56	57.75	60.90	
Utility boning	46.06	45.50	48.50	53.13	55.25	58.60	
Feeder Cattle - Oklahoma City							
Steers: Med. #1							
500-550 lb	102.21	111.19	115.86	118.27	123.02	129.75	
600-650 lb	92.52	97.36	104.31	106.96	113.75	121.00	
750-800 lb	86.30	86.61	89.97	95.68	104.74	113.30	
Heifers: Med. #1							
450-500 lb	95.08	101.86	109.84	110.67	115.66	124.00	
700-750 lb	84.76	82.45	87.69	91.29	102.77	110.40	
Hog prices							
Barrows and gilts							
National base 51-52% lean (live equivalent = carcass x .74)	47.88	45.21	48.30	48.34	58.45	57.75	
Sows							
Iowa-S. Minn. #1-2, 300-400 lb	31.15	36.45	41.00	42.34	46.51	47.00	
Sheep & lamb prices							
San Angelo, TX							
Slaughter lambs, Choice	97.25	99.94	102.50	92.31	97.50	100.25	
Ewes, Good	34.69	49.87	42.62	45.37	43.25	36.00	
Feeder lambs, Choice	106.60	136.00	127.81	119.37	114.19	111.25	



GRAIN AND FEED PRICES

	2003	2004					/*
	June	Feb.	Mar.	Apr.	May	June	
\$/bu							
Corn, #2 Yellow, Cen. Ill	2.37	2.73	2.89	3.03	2.90	2.77	
Wheat, HRW Ord., K.C.	3.49	4.15	4.20	4.26	4.14	3.96	
\$/ton							
SBM, 48% Solvent, Decatur	191.86	257.39	301.14	311.83	300.69	285.00	
Alfalfa Hay, U.S. Avg.	98.90	84.70	85.90	92.70	109.00	N/A	
Grass Hay, U.S. Avg.	79.20	69.90	70.90	76.00	74.90	N/A	



/* Estimates

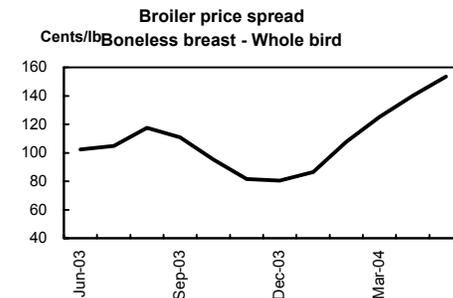
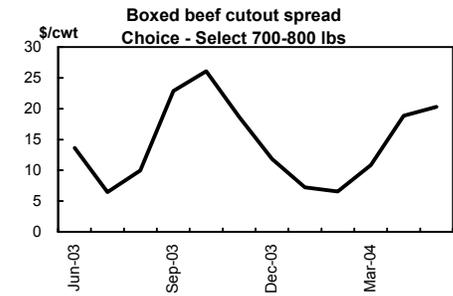
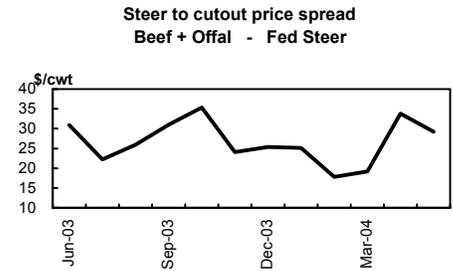
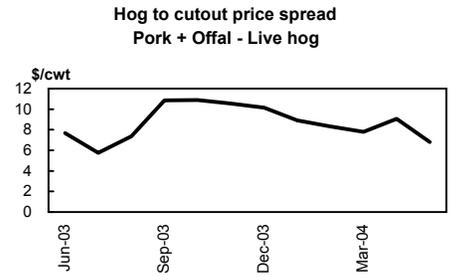
WHOLESALE PRICES

	2003		2004				/*
	June	Feb.	Mar.	Apr.	May	June	
Beef, Central U.S.							
Boxed beef cutout	\$/cwt						
Choice 1-3 550-700 lb	141.16	129.29	141.34	157.53	155.70	146.60	
Choice 1-3 700-850 lb	141.56	127.51	141.51	158.91	156.81	146.65	
Select 1-3 700-850 lb	127.91	120.95	130.66	140.04	136.53	136.50	
Canner-Cutter Cows	N/A	N/A	N/A	N/A	N/A	N/A	
Bnls. beef, 90% fresh	107.80	126.86	121.78	136.24	136.27	140.00	
Importd bnls. beef 90% frz.	89.43	120.15	119.44	122.77	132.25	136.40	
Hide & offal value	7.78	8.22	8.25	8.24	8.09	8.24	
Veal carcass, 220-280 lb	N/A	N/A	N/A	N/A	N/A	N/A	
Pork, Central U.S.							
Pork cutout composite	68.07	66.01	69.51	70.86	81.89	80.50	
Loins, 14-19 lb Bl 1/4" trim	126.51	117.30	110.00	115.48	140.65	130.00	
Bellies, 12-14 lb skin on trmd.	97.05	90.76	103.67	109.15	117.53	110.00	
Hams, 20-23 lb Bl trmd. TS1	44.70	50.03	64.17	50.33	57.95	63.00	
Trimnings, 72% fresh	46.43	49.18	62.78	59.88	66.43	72.50	
Lamb, East Coast							
55 lb Down, Choice	N/A	N/A	N/A	N/A	N/A	N/A	
55-65 lb, Choice	206.21	191.38	198.98	189.42	192.71	205.15	
cents/lb							
Broilers							
12 City Avg.	61.56	74.96	75.94	76.40	79.54	82.10	
Georgia dock	64.35	71.15	72.21	73.43	75.68	78.10	
<i>Northeast</i>							
Breast, boneless	163.87	182.66	201.12	216.43	232.96	250.40	
Breast, Ribs on	91.30	102.23	112.25	120.84	132.14	140.30	
Legs, whole	34.99	51.54	45.36	42.46	48.29	51.10	
Leg quarters	25.11	38.41	33.71	33.27	37.24	37.70	
Turkeys							
<i>Eastern region</i>							
Toms, 16-24 lb	58.83	58.89	60.53	64.27	67.11	68.40	
Hens, 8-16 lb	60.12	61.61	62.62	64.52	66.41	68.30	
Breast, 4-8 lb	86.09	90.75	91.74	93.65	94.13	94.10	
Drumsticks	22.40	53.93	48.03	31.23	34.51	33.20	
Wings, full cut	16.32	42.99	46.59	46.32	45.37	36.20	
Eggs, grd A, lg, doz							
12 City Metro	68.29	102.11	113.56	82.74	65.40	68.76	
New York	76.90	107.47	122.91	89.55	73.50	76.00	

/* Estimates.

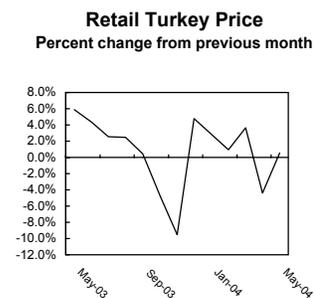
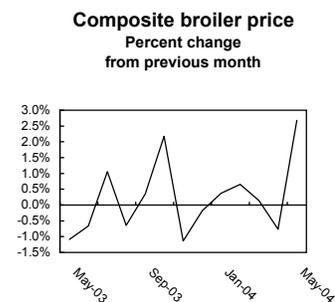
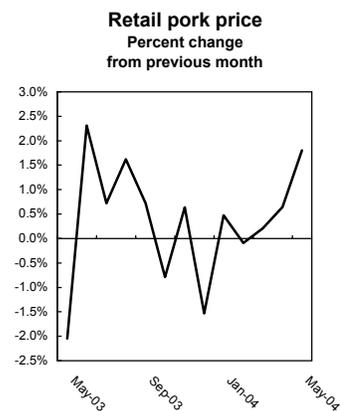
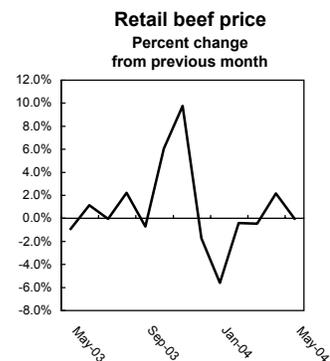
Source: Agricultural Marketing Service.

Livestock, Dairy and Poultry Situation and Outlook



RETAIL PRICES & SPREADS

	Dec-2003	Jan-2004	Feb-2004	Mar-2004	Apr-2004	May-2004
Retail prices						
	<i>Cents/lb</i>					
Beef - Choice	424.3	400.5	398.9	397.1	405.7	405.5
Beef - All fresh	370.2	361.3	360.3	355.2	354.3	361.7
Ground beef	223.2	226.0	225.0	216.9	208.9	212.5
Round roast	385.5	363.7	375.2	371.9	367.2	364.7
T-bone steak	NA	NA	NA	NA	NA	NA
Pork	268.0	269.3	269.0	269.6	271.3	276.2
Bacon	318.2	315.7	318.9	312.9	319.6	333.0
Chops	290.7	300.8	303.7	305.6	304.7	304.5
Sausage	NA	NA	NA	NA	NA	NA
Broilers - Composite	162.0	162.6	163.6	163.8	162.6	166.9
Whole, fresh	105.0	106.2	106.0	110.0	112.0	103.9
Breast - bone in	NA	NA	NA	NA	NA	NA
Leg - bone in	127.4	128.3	130.5	129.9	126.8	137.8
Turkey; whole frozen	105.4	108.4	109.4	113.4	108.4	109.0
Eggs, Gr A, Lg, Doz	155.9	157.3	158.3	162.5	156.2	137.2
Price indexes						
	<i>1982-84=100</i>					
CPI - All	184.3	185.2	186.2	187.4	188.0	189.1
All food	183.6	183.8	184.1	184.4	184.5	186.1
All meat	182.7	180.6	180.2	179.0	179.0	182.1
Beef & veal	198.8	194.2	193.5	190.1	191.4	195.0
Pork	167.5	168.4	167.7	169.4	167.2	172.1
Poultry	174.4	174.5	174.1	177.8	178.1	181.6
Price Spreads						
	<i>Cents / retail lb</i>					
Beef						
Farm to wholesale	40.9	40.8	29.1	32.9	56.5	49.3
Wholesale to retail	187.3	187.7	200.4	178.8	161.5	164.2
Farmers share (%)	46	43	42	47	46	47
Pork						
Farm to wholesale	39.0	39.6	34.5	33.9	36.5	31.5
Wholesale to retail	166.2	161.3	155.1	150.8	149.8	141.5
Farmers share (%)	23	25	30	32	31	37
Poultry and eggs						
Wholesale to retail						
Broilers	91.7	88.5	84.0	80.6	77.8	79.2
Retail to consumer						
Turkey	33.2	39.4	40.4	42.5	35.0	35.5
Eggs Cents/doz	50.7	54.1	57.2	49.9	74.5	72.8



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

Cumulative U.S. livestock & meat trade

	2002	2003	Jan. - Apr-2003	Jan. - Apr-2004		2002	2003	Jan. - Apr-2003	Jan. - Apr-2004	
Beef & veal imports					Pork imports					
	<i>Carcass wt., 1,000 lb</i>					<i>Carcass wt., 1,000 lb</i>				
Australia	1,136,758	1,128,624	355,415	319,888	Canada	879,949	971,334	313,179	286,445	
New Zealand	603,931	644,676	256,963	289,413	Denmark	123,013	147,110	53,358	51,569	
Canada	1,090,894	740,016	362,336	341,404	Poland	24,420	22,630	7,139	6,866	
Brazil	200,785	206,097	59,301	66,823	Netherlands	6,730	5,887	2,105	2,247	
Argentina	85,349	87,890	22,246	30,970	Hungary	4,806	5,457	1,935	478	
Central America	68,325	79,234	30,798	29,445	Other	31,809	32,775	10,762	11,575	
Uruguay	14,095	103,361	6,019	96,444	Total	1,070,727	1,185,193	388,478	359,180	
Mexico	16,707	15,824	4,700	5,760						
Other	756	226	168	243						
Total	3,217,599	3,005,949	1,097,946	1,180,392						
Beef & veal exports					Pork exports					
Japan	771,074	919,520	294,870	2,780	Japan	775,945	794,347	285,810	310,207	
Canada	240,550	226,325	85,072	4,930	Canada	188,351	191,464	55,862	72,351	
Mexico	629,252	588,613	162,918	41,641	Mexico	313,695	348,800	87,042	166,962	
South Korea	597,301	587,660	175,128	1,290	Russia	41,397	16,493	7,118	14,489	
Caribbean	23,015	21,785	7,079	8,940	South Korea	70,836	79,880	33,572	24,934	
Russia	17,388	10,778	4,020	40	Hong Kong	28,393	44,620	11,016	13,549	
Other	169,125	168,332	52,049	9,116	Caribbean	20,350	16,102	4,356	6,871	
Total	2,447,704	2,523,013	781,136	68,736	Other	173,262	225,146	63,965	102,184	
					Total	1,612,228	1,716,852	548,742	711,548	
Cattle imports					Hog imports					
	<i>Head</i>					<i>Head</i>				
Mexico	816,460	1,239,220	378,970	424,043	Canada	5,740,073	7,438,063	2,031,514	2,922,166	
Canada	1,686,508	512,353	456,098	2,981	Under 110 lb	3,757,882	4,971,044	1,473,107	1,937,814	
Over 700 lb	1,259,536	439,016	398,479	-	Total	5,740,675	7,438,254	2,031,514	2,922,712	
440-700 lb	221,782	12,520	10,145	903						
Total	2,502,973	1,751,585	835,068	427,024	Hog exports					
					Total	205,121	169,881	36,953	88,638	
Cattle exports					Broiler exports					
Mexico	106,019	24,183	11,807	172		<i>Ready to cook, 1,000 lb</i>				
Canada	134,220	68,100	36,479	2,907	Japan	120,682	101,739	28,106	9,577	
Total	244,394	100,270	50,172	3,130	Mexico	324,148	363,225	99,285	115,935	
					Hong Kong	607,448	308,309	140,142	40,574	
Lamb imports						Singapore	37,475	27,914	10,206	3,595
	<i>Carcass wt., 1,000 lb</i>					Canada	191,517	200,418	57,641	70,848
Australia	68,073	75,309	25,820	30,479	Russia	1,520,532	1,458,098	489,685	411,965	
New Zealand	48,565	59,094	20,998	27,904	Latvia	97,281	96,509	18,849	12,675	
Total	117,047	134,754	46,972	58,611	Other	1,908,100	2,375,765	665,505	680,114	
					Total	4,807,184	4,931,979	1,509,418	1,345,281	
Mutton imports					Turkey exports					
Total	42,886	32,889	12,028	19,956	Mexico	186,284	241,411	59,731	62,344	
					Canada	14,445	14,742	4,970	5,151	
Lamb and mutton exports						South Korea	12,990	9,706	3,797	983
Total	7,101	6,595	2,591	3,091	Russia	29,026	25,168	5,226	7,086	
					Hong Kong	70,199	45,673	15,255	1,437	
Customs Service (beef/veal)						Other	125,635	146,119	46,717	29,368
	<i>Product wt., metric tons</i>					Total	438,579	482,820	135,696	106,369
YTD imports under WTO:	6/30/2003	6/28/2004	% of quota							
Canada	158,269	166,999	NA							
Mexico	1,793	2,445	NA							
TRQ countries	290,548	286,290	41							
Australia	159,704	140,838	37							
New Zealand	117,366	123,576	58							
Argentina	-	-	-							
Uruguay	-	8,313	42							
Japan	-	-	-							
Other	13,478	13,563	21							
Total	450,610	455,734	NA							
					Shell egg exports					
						<i>1,000 doz.</i>				
					Canada	30,496	26,374	5,714	8,061	
					Japan	2,256	105	104	-	
					Other	55,900	60,844	24,675	13,004	
					Total	88,652	87,324	30,493	21,065	

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

Monthly U.S. livestock and meat trade **

	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04
Beef & veal imports	Carcass wt., 1,000 lb												
Australia	87,574	89,162	92,207	97,250	92,233	102,846	110,506	88,317	100,688	134,456	39,069	62,405	83,959
New Zealand	81,533	67,836	69,846	72,666	52,970	31,645	20,315	26,012	46,422	71,938	71,079	76,456	69,940
Canada	90,542	60,260	88	178	88	37,627	90,416	97,536	91,487	74,560	78,921	92,808	95,115
Brazil	16,022	21,344	20,961	18,896	16,937	15,519	17,168	15,419	20,551	20,101	14,598	15,553	16,572
Argentina	3,730	4,576	9,418	5,758	7,918	8,752	10,808	7,827	10,587	8,313	7,721	7,806	7,130
Central America	5,950	5,747	3,976	6,472	4,001	4,616	7,396	7,111	9,117	6,844	8,312	8,378	5,912
Uruguay	1,347	2,508	2,593	7,479	17,913	13,403	20,569	15,573	17,303	23,961	23,728	21,773	26,982
Mexico	1,191	1,165	1,660	928	1,362	1,374	1,579	1,491	1,567	1,567	1,100	1,354	1,740
Other	13	3	4	33	2	4	3	6	4	233	4	6	0
Total	287,901	252,601	200,755	209,660	193,424	215,787	278,759	259,290	297,726	341,973	244,530	286,539	307,350
Beef & veal exports													
Japan	74,992	79,108	86,301	81,752	76,811	80,098	90,389	76,413	53,779	423	259	543	1,555
Canada	20,956	25,441	29,298	17,823	10,969	15,534	14,826	15,163	12,198	741	1,188	1,421	1,582
Mexico	43,835	63,316	67,643	64,914	59,871	54,947	49,438	30,820	34,745	1,304	2,748	13,197	24,391
Korea, Rep.	42,320	42,020	62,965	65,003	65,542	35,139	49,374	47,065	45,424	100	591	518	80
Caribbean	2,036	1,529	1,758	1,916	1,786	1,492	2,041	1,878	2,306	1,675	2,203	2,141	2,921
Russia	1,253	1,216	1,262	930	511	1,811	612	375	41	-	0	-	40
Other	11,078	10,134	9,973	10,813	13,993	18,903	19,841	18,004	14,622	2,217	2,358	2,048	2,493
Total	196,470	222,763	259,200	243,151	229,483	207,924	226,521	189,719	163,115	6,459	9,348	19,867	33,062
Cattle imports	Head												
Mexico	90,636	97,125	54,707	42,885	40,912	58,983	161,342	204,066	200,230	69,004	106,948	130,779	117,312
Canada	114,129	49,350	2,874	-	-	-	-	-	4,031	2,981	-	-	-
Over 700 lb	101,240	40,537	-	-	-	-	-	-	-	-	-	-	-
440-700 lb	2,263	880	475	-	-	-	-	-	1,020	903	-	-	-
Total	204,765	146,487	57,581	42,885	40,912	58,983	161,342	204,066	204,261	71,985	106,948	130,779	117,312
Cattle exports													
Mexico	2,042	1,588	2,015	1,128	978	515	1,336	3,154	1,662	172	-	-	-
Canada	8,816	9,009	7,420	2,060	1,349	2,531	1,590	3,829	3,833	2,507	-	-	400
Total	11,926	10,811	11,408	3,950	3,073	3,930	3,801	7,246	5,879	2,709	-	18	403
Lamb imports	Carcass wt., 1,000 lb												
Australia	9,014	7,095	6,491	4,758	4,421	4,600	6,102	7,871	8,150	7,789	5,368	9,734	7,588
New Zealand	6,738	4,358	3,556	3,914	8,088	4,579	4,776	4,620	4,206	6,075	7,063	7,928	6,838
Total	15,796	11,454	10,046	8,688	12,509	9,254	10,942	12,499	12,390	13,971	12,471	17,742	14,426
Mutton imports													
Total	3,512	1,884	1,464	1,704	1,667	1,583	2,896	3,552	6,111	8,336	5,339	4,473	1,808
Lamb and mutton exports													
Total	609	342	610	549	376	462	337	687	641	604	838	1,423	226

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

Monthly U.S. livestock and meat trade, continued

	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04
Pork imports	Carcass wt., 1,000 lb												
Canada	78,629	75,260	85,124	84,569	79,696	86,333	88,339	81,292	77,541	73,349	69,721	76,693	66,682
Denmark	14,626	14,529	15,354	10,386	10,127	9,354	10,803	11,860	11,339	12,230	11,360	15,794	12,184
Poland	1,594	1,259	1,792	1,787	2,407	2,593	2,082	2,042	1,528	1,693	1,743	2,053	1,378
Netherlands	572	487	685	350	299	488	344	720	408	259	451	715	822
Hungary	470	464	422	600	596	608	290	265	278	478	-	-	-
Other	3,353	3,306	3,436	3,087	2,471	2,181	2,295	2,408	2,829	2,844	2,152	3,162	3,417
Total	99,244	95,305	106,813	100,779	95,596	101,558	104,152	98,587	93,924	90,853	85,427	98,418	84,482
Pork exports													
Japan	75,798	82,216	81,540	74,851	52,800	47,397	58,506	55,209	56,016	65,941	74,988	83,038	86,241
Canada	13,393	14,988	12,153	14,270	14,172	19,327	19,312	22,878	18,501	17,890	17,112	20,653	16,696
Mexico	19,779	27,066	28,559	25,991	29,332	32,347	35,437	38,043	44,984	43,350	36,840	46,124	40,648
Russia	1,213	1,262	920	591	612	1,425	1,463	2,074	1,028	882	3,691	6,482	3,434
Korea, Rep.	7,217	7,303	6,468	5,001	5,746	5,078	5,093	5,825	5,795	3,155	6,225	8,344	7,210
Hong Kong	2,912	3,342	3,872	5,131	2,541	2,362	3,650	6,622	6,083	1,765	2,619	3,539	5,626
Caribbean	915	1,503	925	962	1,369	1,264	1,657	1,999	2,067	1,665	1,654	1,938	1,615
Other	14,368	14,639	15,670	16,656	24,192	22,751	21,406	24,585	21,283	19,366	27,296	28,745	26,777
Total	135,595	152,318	150,107	143,453	130,764	131,951	146,524	157,236	155,757	154,014	170,425	198,862	188,246
Hog imports	Head												
Canada	529,021	568,915	580,322	709,497	663,960	723,971	728,590	667,950	763,344	805,534	670,666	733,110	712,856
Under 110 lb	397,116	426,665	401,779	468,791	420,489	449,136	444,102	405,456	481,519	515,961	446,716	484,097	491,040
Total	529,021	568,915	580,328	709,497	664,145	723,971	728,590	667,950	763,344	805,534	671,212	733,110	712,856
Hog exports													
Total	3,295	2,279	3,311	12,727	15,492	18,721	10,285	38,423	31,690	33,429	23,228	20,132	11,849
Broiler exports	***Has been revised to exclude paws												
	Ready to cook, 1,000 lb												
Japan	7,851	8,811	16,357	11,415	13,609	8,573	7,655	4,137	3,077	5,003	4,391	97	86
Mexico	25,281	30,311	32,248	30,552	22,744	33,157	37,113	31,847	45,968	27,781	32,363	24,646	31,145
Hong Kong	18,101	15,011	15,836	18,602	25,013	19,822	23,073	29,464	21,346	24,309	12,699	2,048	1,519
Singapore	1,278	1,576	1,782	1,524	2,655	2,942	3,368	1,920	1,942	1,500	1,117	502	476
Canada	14,879	18,942	17,306	19,165	18,527	19,597	18,258	17,043	13,939	17,539	16,211	17,571	19,527
Russia	79,625	74,298	110,628	143,180	99,132	111,648	206,734	144,783	78,009	53,891	87,185	135,856	135,033
Latvia	9,072	11,924	7,355	8,792	23,076	4,274	12,537	8,601	1,102	2,552	9,300	823	-
Other	153,544	225,444	268,387	181,772	187,983	173,858	244,118	228,374	200,324	229,398	159,358	157,423	133,935
Total	309,631	386,317	469,900	415,001	392,739	373,871	552,856	466,169	365,708	361,973	322,623	338,965	321,721
Turkey exports													
Mexico	15,225	20,589	20,352	18,883	18,151	27,897	28,570	22,813	24,425	19,843	16,496	13,644	12,360
Canada	1,344	1,697	883	1,414	1,440	1,661	1,046	970	661	1,429	1,266	1,137	1,319
S. Korea	681	1,281	1,025	1,246	624	116	520	921	175	757	103	10	114
Russia	892	1,832	1,384	2,085	2,170	4,591	3,960	3,690	231	28	1,114	2,651	3,292
Hong Kong	1,979	1,918	3,315	2,495	6,020	4,520	4,502	3,721	3,926	1,261	77	46	53
Other	12,800	12,857	13,617	9,570	16,137	10,972	11,736	13,225	11,288	8,486	7,561	6,780	6,541
Total	32,921	40,174	40,576	35,693	44,543	49,757	50,335	45,340	40,705	31,804	26,617	24,269	23,678
Shell egg exports	1,000 doz.												
Canada	1,717	1,982	2,498	2,257	2,943	2,956	2,944	2,430	2,651	883	1,443	1,775	3,960
Japan	-	-	1	-	-	-	-	-	-	-	-	-	-
Other	3,927	5,122	5,107	5,616	4,885	4,955	3,955	3,225	3,304	3,399	2,881	2,081	4,643
Total	5,644	7,104	7,607	7,873	7,828	7,911	6,898	5,655	5,954	4,282	4,324	3,855	8,603

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	2001	2002	2003	Mar-03	Apr-03	May-03	Jun-03
Milk production:								
Production (20 States)	Mil. lb.	142,992	146,981	147,856	13,014	12,693	13,013	12,428
Milk cows (20 States)	Thou.	7,746	7,785	7,775	7,810	7,800	7,787	7,785
Milk per cow (20 States)	Lb.	18,460	18,881	19,017	1,666	1,627	1,671	1,596
Production (U.S. est.)	Mil. lb.	165,332	170,063	170,312	15,038	14,639	15,003	14,323
Milk prices:								
All milk	Dol./cwt	15.05	12.11	12.53	11.00	11.00	11.10	11.10
Milk eligible for fluid use	Dol./cwt	15.09	12.11	12.55	11.00	11.10	11.10	11.10
Manufacturing grade milk	Dol./cwt	13.44	10.93	11.80	9.90	10.00	10.20	10.20
Class III (cheese milk) 3.5% fat	Dol./cwt	13.10	10.42	11.42	9.11	9.41	9.71	9.75
Class IV (butter-powder milk) 3.5% fat	Dol./cwt	13.76	10.81	10.00	9.79	9.73	9.74	9.76
Slaughter cow price, South St. Paul	Dol./cwt	44.78	40.09	46.88	42.31	42.68	46.59	45.75
Chicago Mercantile Exchange prices:								
Butter	Dol./lb.	1.6630	1.1059	1.1450	1.0915	1.0906	1.0919	1.1142
American cheese, 40-pound blocks	Dol./lb.	1.4387	1.1822	1.3172	1.0817	1.1225	1.1421	1.1864
American cheese, barrels	Dol./lb.	1.4052	1.1438	1.2703	1.0469	1.0902	1.1161	1.1562
Wholesale price:								
Nonfat dry milk, Central States	Dol./lb.	1.0083	0.9308	0.8439	0.8375	0.8375	0.8375	0.8338
Retail prices:								
Consumer Price Index	1982-84=100	177.1	179.9	184.0	184.2	183.8	183.5	183.7
All food	1982-84=100	173.1	176.2	180.0	178.6	178.4	178.8	179.6
Dairy products	1982-84=100	167.1	168.1	167.9	167.1	165.8	165.4	163.9
Fluid milk	Dec 1997=100	112.7	110.6	111.5	108.5	109.0	108.7	108.0
Other dairy products	Dec 1997=100	112.5	114.5	115.0	114.6	114.9	115.2	113.1
Dairy product output:								
Butter	Mil. lb.	1,231.8	1,355.1	1,242.4	126.4	122.8	114.9	84.2
American cheese	Mil. lb.	3,544.2	3,691.0	3,669.5	317.8	307.1	319.5	305.0
Other-than-American cheese	Mil. lb.	4,716.4	4,856.3	4,928.5	412.5	411.7	417.6	407.3
Frozen products 2/	Mil. gal.	1,300.3	1,264.5	1,292.5	110.0	121.6	120.5	127.2
All products (m.e.-fat)	Mil. lb.	103,969	108,558	107,099	9,456	9,532	9,609	8,887
Nonfat dry milk	Mil. lb.	1,413.8	1,595.9	1,589.0	155.4	160.0	163.9	140.0
Beginning stocks:								
Commercial butter	Mil. lb.	24.0	55.5	157.3	238.5	242.4	258.6	289.0
Commercial American cheese	Mil. lb.	521.1	448.3	493.1	538.5	529.2	531.7	536.0
Other cheese	Mil. lb.	185.2	210.9	236.8	231.2	240.5	246.4	252.5
Manufacturers' nonfat dry milk	Mil. lb.	146.3	124.5	98.9	114.9	122.6	129.3	127.4
All commercial (m.e.-fat)	Mil. lb.	6,839	7,041	9,891	12,039	12,110	12,543	13,303
All commercial (m.e.-skim)	Mil. lb.	8,801	8,085	8,531	9,117	9,209	9,382	9,480
All Government (m.e.-fat)	Mil. lb.	139	218	268	322	394	525	618
All Government (m.e.-skim)	Mil. lb.	6,028	9,070	12,212	12,527	13,029	13,607	13,877
Commercial disappearance:								
Butter	Mil. lb.	1,275.4	1,288.1	1,309.2	119.4	106.0	83.0	81.3
American cheese	Mil. lb.	3,681.7	3,714.5	3,707.6	324.2	301.4	311.7	293.5
Other-than-American cheese	Mil. lb.	5,058.9	5,218.6	5,340.9	435.4	437.3	443.2	438.6
Nonfat dry milk	Mil. lb.	946.4	822.0	896.4	67.2	52.5	86.8	81.9
All products:								
m.e.-fat	Mil. lb.	169,492	170,871	174,633	15,076	14,320	14,331	14,310
Milkfat	Mil. lb.	6,227	5,990	6,398	560	526	518	510
Skim solids	Mil. lb.	14,177	14,183	14,379	1,250	1,175	1,234	1,187
USDA net removals:								
Butter	Mil. lb.	0.0	0.0	29.1	5.0	5.1	5.3	3.6
Cheese	Mil. lb.	3.9	15.8	41.3	10.4	9.0	10.6	4.4
Nonfat dry milk	Mil. lb.	495.9	821.8	677.4	70.9	101.1	77.6	63.2
All products (m.e.-fat)	Mil. lb.	145	327	1,163	221	217	231	133
All products (m.e.-skim)	Mil. lb.	5,810	9,722	8,297	929	1,267	1,009	780
Imports:								
All products (m.e.-fat)	Mil. lb.	5,716	5,103	5,040	426	423	414	349
All products (m.e.-skim)	Mil. lb.	4,686	5,103	4,980	447	393	397	330
International market prices:								
Butter	\$/metric ton	1,391	1,158	1,416	1,259	1,275	1,275	1,333
Nonfat dry milk	\$/metric ton	2,019	1,348	1,744	1,691	1,682	1,723	1,713

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

Sources: USDA (AMS, ERS, FAS, FSA, NASS), Department of Labor (BLS), Department of Commerce (Bureau of Census), and ERS calculations.

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

Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04
12,421	12,207	11,731	12,083	11,709	12,313	12,491	11,787	12,798	12,588	12,994
7,780	7,771	7,764	7,743	7,721	7,713	7,716	7,716	7,717	7,721	7,716
1,597	1,571	1,511	1,561	1,517	1,596	1,619	1,528	1,658	1,630	1,684
14,266	14,016	13,464	13,904	13,469	14,159	14,394	13,578	14,738	14,458	14,921
12.10	13.30	14.50	15.00	14.40	13.80	13.20	13.60	15.40	18.20	20.30
12.10	13.30	14.50	15.00	14.40	13.80	13.20	13.60	15.40	18.20	20.30
11.80	13.20	14.10	14.60	13.80	12.70	12.30	12.80	15.20	19.40	20.70
11.78	13.80	14.30	14.39	13.47	11.87	11.61	11.89	14.49	19.66	20.58
9.95	10.14	10.05	10.16	10.30	10.52	10.97	12.21	14.10	14.57	14.50
48.88	50.00	50.09	51.35	52.69	53.43	49.09	49.83	49.30	53.19	55.75
1.1985	1.1708	1.1731	1.1846	1.2057	1.2969	1.4320	1.7132	2.1350	2.2204	2.0363
1.5123	1.6000	1.6000	1.5876	1.3932	1.3383	1.3062	1.3958	1.8197	2.1687	1.9925
1.4668	1.5736	1.5640	1.5364	1.2949	1.2621	1.2539	1.3586	1.7977	2.1318	1.8848
0.8419	0.8480	0.8500	0.8523	0.8500	0.8477	0.8366	0.8413	0.8518	0.8808	0.9050
183.9	184.6	185.2	185.0	184.5	184.3	185.2	186.2	187.4	188.0	189.1
179.7	180.4	180.7	181.7	182.4	183.6	183.8	184.1	184.4	184.5	186.1
164.7	167.5	170.3	171.8	171.2	173.0	172.4	172.1	171.9	174.0	185.9
108.3	109.8	115.3	117.2	117.3	117.5	116.7	115.8	114.6	116.9	133.5
115.2	116.0	115.6	115.8	116.0	116.7	116.1	118.3	117.0	118.3	120.5
80.1	70.9	73.3	96.8	88.4	114.6	131.9	105.8	96.7	97.1	NA
306.7	299.1	292.2	305.1	291.1	321.2	321.4	297.2	324.2	320.2	NA
411.6	401.0	416.5	434.9	419.0	437.7	414.5	407.0	455.4	434.6	NA
128.3	115.4	106.0	100.9	84.0	81.8	88.8	96.6	121.0	121.3	NA
8,944	8,438	8,300	8,778	8,093	8,932	9,261	8,572	9,287	9,230	NA
127.9	107.1	96.8	106.9	110.9	141.7	120.5	115.8	118.0	134.0	NA
290.6	272.7	244.3	197.0	159.1	113.8	93.4	151.2	156.9	157.5	155.3
546.2	546.3	537.8	508.0	481.6	460.3	481.8	508.5	523.6	511.2	518.8
250.1	256.5	247.6	245.3	231.3	228.3	233.0	238.8	233.5	238.7	241.3
120.0	85.8	71.3	63.4	70.0	87.2	103.9	108.8	95.2	79.9	106.1
13,441	13,113	12,352	11,000	9,787	8,542	8,331	9,895	10,122	10,064	10,123
9,499	9,185	8,853	8,404	8,036	7,947	8,394	8,794	8,740	8,499	8,915
726	734	733	717	718	604	582	468	443	408	385
14,354	14,403	13,903	13,512	12,590	11,561	10,405	10,011	9,574	9,101	8,645
97.7	99.6	119.9	135.7	135.8	140.3	82.2	102.3	101.8	103.4	NA
309.3	314.2	327.2	337.3	317.3	300.6	297.9	283.8	344.9	320.0	NA
448.4	440.4	451.7	488.7	465.2	478.9	430.1	436.0	480.9	469.5	NA
105.8	88.3	71.9	95.5	85.6	66.2	58.9	91.9	181.4	110.8	NA
14,881	14,998	15,043	15,455	15,077	14,781	13,259	13,548	15,168	14,842	NA
526	531	543	572	564	559	501	506	561	541	NA
1,221	1,215	1,187	1,263	1,212	1,167	1,184	1,160	1,377	1,260	NA
2.6	1.6	2.5	1.3	0.7	-2.0	-5.7	0.0	-0.5	-0.2	-0.1
0.5	0.3	0.3	0.2	0.0	0.7	0.7	0.7	0.7	0.7	0.7
55.8	33.0	31.0	11.2	7.4	55.2	60.5	37.5	-47.8	-3.3	6.9
73	46	64	32	17	-25	-103	15	-14	3	7
655	387	364	132	86	650	711	443	(549)	-31	88
455	362	382	465	471	480	415	295	447	531	NA
477	379	399	474	500	500	288	286	400	514	NA
1,448	1,475	1,575	1,633	1,630	1,595	1,606	1,579	1,655	1,725	1,819
1,708	1,717	1,759	1,803	1,818	1,842	1,788	1,782	1,856	1,875	1,994

Fluid milk sales by product, 1980-2003

Year	Lower fat			Skim milk	Flavored whole milk	Other flavored milk	Butter-milk	Total beverage milk 1/
	Whole milk	2-percent milk	1-percent milk					
Million pounds								
1980	31,253	12,435	3,483	2,636	1,075	1,197	927	53,006
1981	30,397	13,088	3,574	2,583	843	1,288	926	52,699
1982	29,350	13,501	3,537	2,449	710	1,283	950	51,780
1983	28,871	14,183	3,455	2,474	749	1,374	1,006	52,112
1984	28,204	15,143	3,382	2,726	907	1,409	1,020	52,791
1985	27,760	16,309	3,503	3,009	882	1,430	1,046	53,939
1986	26,446	17,232	3,924	3,236	851	1,516	1,017	54,222
1987	25,644	17,600	3,790	3,406	830	1,608	1,040	53,918
1988	24,691	18,462	3,752	3,979	816	1,630	1,006	54,336
1989	22,823	19,553	4,191	5,006	770	1,611	910	54,864
1990	21,333	19,565	4,944	5,702	691	1,657	879	54,771
1991	20,769	19,829	5,210	6,000	672	1,719	855	55,054
1992	20,196	19,851	5,374	6,357	689	1,745	808	55,020
1993	19,460	19,528	5,297	6,844	690	1,776	780	54,375
1994	19,223	19,326	5,409	7,414	702	1,842	760	54,676
1995	18,662	18,442	5,760	8,359	704	1,914	739	54,580
1996	18,698	18,194	5,817	8,871	662	2,075	711	55,028
1997	18,413	17,732	5,977	9,139	676	2,154	691	54,782
1998	18,147	17,333	6,113	9,203	788	2,256	676	54,516
1999	18,467	17,489	6,082	8,985	877	2,339	668	54,907
2000	18,448	17,300	6,349	8,435	892	2,444	622	54,490
2001	18,007	17,268	6,362	8,225	973	2,553	592	53,980
2002	17,960	17,320	6,290	8,030	1,030	3,010	576	54,216
2003 4/	17,832	17,356	6,203	7,789	1,049	3,141	547	54,364
Year	Half and half 2/	Light cream 2/	Heavy cream 2/	Sour cream 3/	Total cream products	Eggnog	Yogurt	Total all products 1/
	Million pounds							
1980	551	55	159	408	1,173	95	570	2,765
1981	568	56	166	424	1,214	100	560	2,800
1982	569	62	172	451	1,254	104	600	2,908
1983	599	67	196	484	1,346	112	740	3,204
1984	656	74	221	523	1,474	116	840	3,450
1985	714	85	243	544	1,586	121	940	3,693
1986	759	103	260	565	1,687	121	1,000	3,825
1987	755	103	272	589	1,719	124	1,074	3,957
1988	752	100	293	608	1,753	129	1,150	4,038
1989	769	101	318	622	1,810	124	1,119	3,963
1990	739	88	324	625	1,776	123	1,055	3,833
1991	768	79	317	659	1,823	111	1,109	3,898
1992	804	88	335	692	1,919	115	1,154	3,996
1993	821	91	349	694	1,955	107	1,286	4,128
1994	813	84	371	710	1,978	108	1,392	4,238
1995	831	95	402	767	2,095	112	1,646	4,592
1996	876	105	450	762	2,193	103	1,588	4,595
1997	883	119	504	794	2,300	102	1,574	4,667
1998	895	134	515	817	2,361	102	1,639	4,778
1999	960	168	555	841	2,524	109	1,717	5,018
2000	1,008		743	914	2,665	93	1,837	5,217
2001	1,146		797	990	2,933	105	2,003	5,633
2002		1,860		1,031	2,891	127	2,135	5,729
2003 4/		2,151		1,156	3,307	134	2,387	6,375

1/ Includes miscellaneous fluid milk products, beginning 2003.

2/ Light and heavy cream no longer separated, beginning 2000.

Cream and half and half no longer separated, beginning 2002.

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

4/ Preliminary.

Source: Economic Research Service.

For further information, contact: Jim Miller 202 694 5184, jjmiller@ers.usda.gov

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Per capita consumption of selected cheese varieties, 1970-2003

	American			Italian						Miscellaneous		
	Cheddar	Other 1/	Total	Provolone	Romano	Parmesan	Mozzarella	Ricotta	Other	Total	Swiss 2/	Brick
	Pounds											
1970	5.79	1.22	7.02	0.23	0.15	0.17	1.19	0.24	0.08	2.06	0.89	0.10
1971	5.94	1.42	7.35	0.22	0.14	0.20	1.38	0.28	0.07	2.30	0.94	0.11
1972	6.04	1.67	7.71	0.24	0.16	0.23	1.58	0.31	0.08	2.60	1.06	0.10
1973	6.10	1.76	7.86	0.27	0.15	0.18	1.77	0.34	0.09	2.81	1.06	0.11
1974	6.32	2.16	8.48	0.27	0.15	0.25	1.86	0.33	0.09	2.96	1.18	0.11
1975	6.04	2.13	8.17	0.28	0.22	0.17	2.12	0.38	0.07	3.24	1.10	0.09
1976	6.45	2.46	8.91	0.31	0.17	0.27	2.32	0.41	0.08	3.56	1.25	0.09
1977	6.80	2.43	9.23	0.35	0.16	0.26	2.47	0.41	0.09	3.73	1.21	0.07
1978	6.94	2.61	9.55	0.36	0.18	0.28	2.69	0.44	0.11	4.06	1.34	0.08
1979	6.93	2.69	9.62	0.40	0.16	0.32	2.81	0.46	0.08	4.24	1.36	0.06
1980	6.85	2.80	9.65	0.42	0.15	0.28	3.02	0.47	0.10	4.44	1.33	0.07
1981	7.03	3.14	10.18	0.45	0.14	0.30	2.98	0.49	0.09	4.45	1.27	0.06
1982	8.72	2.61	11.34	0.47	0.17	0.32	3.29	0.47	0.11	4.84	1.30	0.06
1983	9.11	2.52	11.63	0.50	0.16	0.32	3.68	0.54	0.09	5.28	1.25	0.06
1984	9.53	2.32	11.85	0.54	0.17	0.35	4.03	0.58	0.09	5.77	1.24	0.07
1985	9.76	2.42	12.19	0.56	0.21	0.38	4.63	0.60	0.08	6.46	1.29	0.08
1986	9.76	2.36	12.12	0.57	0.16	0.33	5.19	0.63	0.10	6.99	1.29	0.08
1987	10.60	1.80	12.41	0.61	0.23	0.42	5.62	0.68	0.08	7.63	1.24	0.12
1988	9.52	1.98	11.50	0.61	0.19	0.49	6.01	0.73	0.11	8.13	1.29	0.10
1989	9.17	1.86	11.03	0.61	0.20	0.42	6.44	0.75	0.08	8.50	1.24	0.07
1990	9.03	2.09	11.13	0.63	0.14	0.43	6.92	0.78	0.06	8.97	1.35	0.07
1991	9.02	2.01	11.03	0.62	0.17	0.46	7.20	0.84	0.06	9.34	1.22	0.06
1992	9.15	2.11	11.26	0.64	0.14	0.53	7.67	0.88	0.06	9.91	1.19	0.06
1993	9.05	2.26	11.31	0.68	0.13	0.50	7.48	0.88	0.08	9.74	1.19	0.05
1994	9.01	2.41	11.42	0.70	0.14	0.45	7.85	0.90	0.13	10.18	1.15	0.05
1995	8.97	2.71	11.68	0.69	0.16	0.39	7.97	0.90	0.16	10.27	1.11	0.04
1996	9.04	2.76	11.80	0.77	0.16	0.28	8.34	0.93	0.13	10.62	1.08	0.04
1997	9.43	2.39	11.82	0.74	0.17	0.61	8.23	0.87	0.15	10.76	1.00	0.03
1998	9.41	2.49	11.90	0.81	0.15	0.52	8.57	0.87	0.19	11.11	1.03	0.03
1999	9.76	2.80	12.56	0.80	0.17	0.41	9.03	0.90	0.24	11.55	1.06	0.03
2000	9.71	2.98	12.68	0.88	0.17	0.44	9.33	0.87	0.28	11.97	1.03	0.03
2001	9.86	2.94	12.80	0.89	0.18	0.45	9.70	0.83	0.29	12.33	1.15	0.03
2002	9.63	3.21	12.83	0.91	0.19	0.50	9.66	0.82	0.30	12.38	1.12	0.03
2003 3/	9.39	3.29	12.68	0.98	0.21	0.50	9.64	0.80	0.35	12.48	1.19	0.03

	Miscellaneous--continued					All cheese	Processed products			Consumed as natural cheese		
	Munster	Cream and Neufchatel	Blue 4/	Hispanic 5/	Other		Cheese	Foods and spreads	Total processed		Cheese content	
	Pounds											
1970	0.17	0.61	0.15		0.37	2.29	11.37	3.32	2.20	5.53	4.42	6.95
1971	0.19	0.63	0.15		0.36	2.38	12.03	3.55	2.31	5.86	4.68	7.35
1972	0.22	0.64	0.17		0.50	2.69	13.00	3.53	2.62	6.15	4.87	8.13
1973	0.22	0.66	0.32		0.46	2.82	13.49	3.31	2.68	5.99	4.70	8.78
1974	0.23	0.70	0.16		0.58	2.97	14.41	3.42	2.92	6.34	4.97	9.44
1975	0.24	0.74	0.16		0.53	2.86	14.27	3.35	3.34	6.69	5.17	9.10
1976	0.25	0.77	0.18		0.49	3.04	15.51	3.89	2.59	6.48	5.18	10.33
1977	0.25	0.80	0.18		0.51	3.03	15.99	3.88	3.23	7.12	5.60	10.40
1978	0.27	0.89	0.19		0.46	3.22	16.83	3.84	3.23	7.07	5.56	11.27
1979	0.28	0.94	0.18		0.48	3.30	17.16	3.83	3.12	6.94	5.48	11.68
1980	0.31	1.00	0.17		0.57	3.44	17.53	3.96	3.09	7.05	5.52	12.01
1981	0.29	1.05	0.16		0.72	3.55	18.18	3.63	3.14	6.77	5.24	12.94
1982	0.31	1.13	0.16		0.77	3.73	19.90	4.66	3.29	7.95	6.38	13.52
1983	0.30	1.15	0.16		0.73	3.66	20.57	5.09	3.32	8.41	6.76	13.80
1984	0.32	1.17	0.17		0.88	3.85	21.48	4.46	3.30	7.76	6.13	15.35
1985	0.34	1.23	0.17		0.78	3.90	22.54	4.60	3.00	7.60	6.06	16.48
1986	0.37	1.34	0.17		0.76	4.01	23.12	4.77	3.18	7.96	6.36	16.76
1987	0.38	1.41	0.17		0.74	4.06	24.10	5.23	3.18	8.41	6.82	17.28
1988	0.34	1.53	0.17		0.65	4.08	23.71	4.60	3.75	8.34	6.58	17.13
1989	0.37	1.62	0.16		0.81	4.26	23.79	4.61	3.57	8.17	6.41	17.38
1990	0.40	1.72	0.17		0.80	4.52	24.61	4.79	3.84	8.63	6.81	17.80
1991	0.42	1.76	0.16		0.95	4.56	24.94	4.88	3.75	8.63	6.82	18.11
1992	0.45	2.01	0.15		0.83	4.69	25.86	5.19	3.33	8.52	6.84	19.02
1993	0.45	2.07	0.15		1.06	4.97	26.03	5.20	3.44	8.64	6.91	19.12
1994	0.43	2.18	0.16		0.99	4.95	26.55	5.27	3.44	8.71	6.98	19.57
1995	0.41	2.04	0.16		1.20	4.96	26.91	5.45	3.25	8.70	7.01	19.90
1996	0.40	2.13	0.17	0.25	0.82	4.89	27.31	5.44	3.32	8.76	7.04	20.27
1997	0.37	2.25	0.18	0.25	0.85	4.94	27.52	4.92	3.05	7.97	6.40	21.13
1998	0.34	2.25	0.19	0.28	0.63	4.74	27.75	4.44	3.70	8.14	6.38	21.37
1999	0.29	2.29	0.21	0.31	0.66	4.85	28.95	4.65	3.98	8.62	6.76	22.19
2000	0.30	2.43	0.20	0.34	0.77	5.12	29.77	4.85	3.19	8.04	6.44	23.34
2001	0.29	2.26	0.20	0.38	0.58	4.89	30.02	4.23	3.46	7.69	6.05	23.97
2002	0.28	2.38	0.20	0.43	0.80	5.25	30.46	4.66	3.41	8.06	6.42	24.04
2003 3/	0.27	2.33	0.20	0.46	0.93	5.42	30.58	4.60	3.61	8.21	6.48	24.09

1/ Includes Colby, washed curd, stirred curd, Monterey, and Jack. 2/Includes imported Emmentaler and Gruyere. 3/ Preliminary. 4/ Includes Gorgonzola. 5/ Included in Other until 1996. Numbers may not add due to rounding.

Commercial disappearance: Milk in all products, 2004

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	14,394	13,578	14,738	14,458	14,921								
Farm use	89	83	89	86	89								
Marketings	14,305	13,495	14,649	14,372	14,832								
Beginning commercial stocks	8,331	9,895	10,122	10,064	10,122								
Imports	415	295	447	531									
Total supply	23,051	23,685	25,218	24,967									
Utilization:													
Ending commercial stocks	9,895	10,122	10,064	10,122									
USDA net removals	(103)	15	(14)	3	7								
Commercial disappearance	13,259	13,548	15,168	14,842									
Percent change from a year ago	-2.6	[2.6] 6.2	0.6	3.6									
Cumulative disappearance	13,259	26,807	41,975	56,817									
		First quarter		Second quarter		Third quarter		Fourth quarter					
		41,975											
Percent change from a year ago		[0.2] 1.3											

Percentages in brackets adjusted for leap year.

Sources: NASS, ERS, FAS, FSA, Bureau of Census, and ERS calculations.

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Commercial disappearance: Milkfat, 2004

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	543	509	545	529									
Farm use	3	3	3	3									
Marketings	539	506	542	526									
Beginning commercial stocks	306	363	372	369									
Imports	15	10	15	18									
Total supply	860	879	929	913									
Utilization:													
Ending commercial stocks	363	372	369	372									
USDA net removals	(4)	1	(1)	0									
Commercial disappearance	501	506	561	541									
Percent change from a year ago	-2.2	[2.5] 6.2	0.2	2.9									
Cumulative disappearance	501	1,007	1,568	2,109									
		First quarter		Second quarter		Third quarter		Fourth quarter					
		1,568											
Percent change from a year ago		[0.1] 1.3											

Percentages in brackets adjusted for leap year.

Sources: NASS, ERS, FAS, FSA, Bureau of Census, and ERS calculations.

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Commercial disappearance: Skim solids, 2004

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	1,262	1,177	1,282	1,257									
Farm use	8	7	8	7									
Marketings	1,254	1,169	1,275	1,250									
Beginning commercial stocks	721	755	751	730									
Imports	25	25	34	44									
Total supply	2,000	1,949	2,060	2,024									
Utilization:													
Ending commercial stocks	755	751	730	767									
USDA net removals	61	38	(47)	(3)									
Commercial disappearance	1,184	1,160	1,377	1,260									
Percent change from a year ago	0.1	[3.5] 7.2	10.2	7.2									
Cumulative disappearance	1,184	2,344	3,721	4,980									
	First quarter			Second quarter			Third quarter			Fourth quarter			
Percent change from a year ago		[4.7] 5.9											

Percentages in brackets adjusted for leap year.

Sources: NASS, ERS, FAS, FSA, Bureau of Census, and ERS calculations.

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Commercial disappearance: Butter, 2004

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	131.9	105.8	96.7	97.1									
Beginning commercial stocks	93.4	151.2	156.9	157.5	155.3								
Imports	2.5	2.2	5.2	3.9									
Total supply	227.8	259.2	258.8	258.5									
Utilization:													
Ending commercial stocks	151.2	156.9	157.5	155.3	180.5								
USDA net removals	-5.6	0.0	-0.5	-0.2	-0.1								
Commercial disappearance	82.2	102.3	101.8	103.4									
Percent change from a year ago	[-15.0	5.3] 9.1	-14.7	-2.5									
Cumulative disappearance	82.2	184.5	286.3	389.7									
		First quarter				Second quarter				Third quarter			Fourth quarter
		286.3											
Percent change from a year ago	[-15.0	-8.8] -7.6											

Percentages in brackets adjusted for leap year.

Sources: NASS, ERS, FAS, FSA, Bureau of Census, and ERS calculations.

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Commercial disappearance: Nonfat dry milk, 2004

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	120.5	115.8	118.0	134.0									
Beginning commercial stocks	107.7	108.8	95.2	79.6	106.1								
Imports	0.0	0.0	0.0	0.0									
Total supply	228.2	224.6	213.2	213.6									
Utilization:													
Ending commercial stocks	108.8	95.2	79.6	106.1									
USDA net removals	60.5	37.5	-47.8	-3.3	6.9								
Commercial disappearance	58.9	91.9	181.4	110.8									
Percent change from a year ago	[24.3]	[87.6]	[169.9]	[111.0]									
Cumulative disappearance	58.9	150.8	332.2	443.0									
		First quarter				Second quarter			Third quarter			Fourth quarter	
		332.2											
Percent change from a year ago	[24.3]	[103.2]											
		105.2											

Percentages in brackets adjusted for leap year.

Sources: NASS, ERS, FAS, FSA, Bureau of Census, and ERS calculations.

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Commercial disappearance: American cheese, 2004

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	321.4	297.2	324.2	320.2									
Beginning commercial stocks	481.8	508.5	523.6	511.2	518.8								
Imports	3.9	2.4	9.0	8.1									
Total supply	807.1	808.1	856.8	839.5									
Utilization:													
Ending commercial stocks	508.5	523.6	511.2	518.8	549.0								
USDA net removals	0.7	0.7	0.7	0.7	0.7								
Commercial disappearance	297.9	283.8	344.9	320.0									
Percent change from a year ago	[-1.4	1.9]	5.5	6.4	6.2								
Cumulative disappearance	297.9	581.7	926.6	1,246.6									
		First quarter		Second quarter		Third quarter		Fourth quarter					
Percent change from a year ago	[926.6	2.4]	3.5									

Percentages in brackets adjusted for leap year.

Sources: NASS, ERS, FAS, FSA, Bureau of Census, and ERS calculations.

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Commercial disappearance: Other-than-American cheese, 2004

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	414.5	407.0	455.4	434.6									
Beginning commercial stocks	233.0	238.8	233.5	238.7	241.3								
Imports	21.4	23.7	30.7	37.5									
Total supply	668.9	669.5	719.6	710.8									
Utilization:													
Ending commercial stocks	238.8	233.5	238.7	241.3	244.3								
USDA net removals													
Commercial disappearance	430.1	436.0	480.9	469.5									
Percent change from a year ago	[5.1]	[4.2] 7.9	10.5	7.4									
Cumulative disappearance	430.1	866.1	1347.0	1816.5									
		First quarter		Second quarter		Third quarter		Fourth quarter					
Percent change from a year ago	[5.1]	[6.7] 7.9											

Percentages in brackets adjusted for leap year.

Sources: NASS, ERS, FAS, FSA, Bureau of Census, and ERS calculations.
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Broiler, turkey, and egg feed costs and market prices

	DECATUR SOYBEAN MEAL	CHICAGO No. 2 CORN	Feed costs Liveweight Basis	Market Price	Market Price - Feed costs
BROILERS	\$ / ton	\$ / bushel	1998-2000=100	1998-2000=100	1998-2000=100
Mar-2003	175.40	2.43	105.1	106.2	106.6
Apr-2003	182.10	2.48	107.1	104.6	103.6
May-2003	195.40	2.54	106.9	112.3	114.2
June-2003	191.90	2.49	108.9	117.1	120.1
July-2003	187.30	2.26	112.2	119.9	122.7
Aug-2003	189.70	2.31	110.7	126.2	131.7
Sept-2003	235.20	2.34	106.2	126.3	133.4
Oct-2003	225.20	2.27	107.4	120.7	125.4
Nov-2003	242.00	2.35	115.8	121.8	123.8
Dec-2003	231.54	2.49	113.0	123.6	127.4
Jan-2004	252.15	2.64	117.2	129.8	134.3
Feb-2004	265.88	2.82	117.6	139.5	147.3
Mar-2004	301.14	3.02	123.7	146.0	153.9
Apr-2004	311.83	3.17	129.0	148.6	155.5
May-2004	307.13	3.05	138.4	153.9	159.4
TURKEYS	\$ / ton	\$ / bushel	1998-2000=100	1998-2000=100	1998-2000=100
Mar-2003	175.40	2.43	104.5	90.5	84.1
Apr-2003	182.10	2.48	105.4	90.7	84.1
May-2003	195.40	2.54	108.0	89.3	80.8
June-2003	191.90	2.49	107.6	89.0	80.5
July-2003	187.30	2.26	110.2	86.9	76.3
Aug-2003	189.70	2.31	114.4	86.6	74.0
Sept-2003	235.20	2.34	112.6	91.6	82.1
Oct-2003	225.20	2.27	107.1	97.6	93.3
Nov-2003	242.00	2.35	108.6	100.8	97.2
Dec-2003	231.54	2.49	119.7	95.8	84.9
Jan-2004	252.15	2.64	116.1	90.8	79.4
Feb-2004	265.88	2.82	121.5	90.9	77.0
Mar-2004	301.14	3.02	121.8	93.8	81.0
Apr-2004	311.83	3.17	129.5	97.5	83.0
May-2004	307.13	3.05	136.1	100.8	84.7
EGGS	\$ / ton	\$ / bushel	1998-2000=100	1998-2000=100	1998-2000=100
Mar-2003	175.40	2.43	110.0	96.9	90.0
Apr-2003	182.10	2.48	109.8	96.1	88.9
May-2003	195.40	2.54	112.1	80.0	63.2
June-2003	191.90	2.49	115.7	93.4	81.8
July-2003	187.30	2.26	113.9	97.0	88.2
Aug-2003	189.70	2.31	107.5	115.8	120.1
Sept-2003	235.20	2.34	109.2	116.1	119.7
Oct-2003	225.20	2.27	117.2	124.2	127.9
Nov-2003	242.00	2.35	113.9	151.7	171.4
Dec-2003	231.54	2.49	118.6	145.3	159.3
Jan-2004	252.15	2.64	120.3	142.5	154.1
Feb-2004	265.88	2.82	127.3	139.7	146.1
Mar-2004	301.14	3.02	133.9	155.3	166.5
Apr-2004	311.83	3.17	144.5	113.2	96.8
May-2004	307.13	3.05	149.9	89.5	57.9

Sources: Corn and soybean prices - AMS Grain and Feed Weekly Summary.

Broilers, wholesale composite price - ERS.

Turkeys, 3-region wholesale whole bird price - ERS.

Eggs, 1 dozen Grade A large combined regional price - ERS.