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Livestock, Dairy, and Poultry Outlook

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Turkey Prices To Strengthen

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Turkey prices are expected to gradually strengthen in the fourth quarter as production is forecast to be below a year earlier, competing meat prices are high and exports are strengthening.

Fourth-quarter broiler slaughter is forecast at 8.18 billion pounds, an increase of 3 percent from the same period last year. Increased fourth-quarter production is expected to come from gains in the number of birds slaughtered and higher average weights. U.S. broiler exports for the third quarter of 2003 were 1.18 billion pounds, down 2 percent from the previous year. This lowers the estimate for 2003 to 4.8 billion pounds, about even with 2002.

Choice steer prices reached over $100 per hundredweight in early November, reflecting the reduced supply of beef--especially beef grading Choice. The reduced supply results from lower cattle inventories and a continuing ban on Canadian cattle imports imposed after discovery of a single Canadian cow infected with BSE on May 20. Although imports of Canadian beef have resumed, they remain relatively low, likely due to the new import permitting process. Retail beef prices reached record highs in the third quarter and are expected to go even higher in the fourth quarter.

Fourth-quarter hog slaughter so far is running ahead of expectations. U.S. packers are expected to slaughter 26.7 million hogs in the fourth quarter of 2003, a number only slightly less than a year earlier. Although the spring 2003 pig crop--which is slaughtered in the fourth quarter--was 4 percent lower than in spring 2002, imported Canadian hogs have likely enabled weekly slaughter numbers to remain above 2 million head since the first week of October. Pork production in the fourth quarter is expected to be 5.3 billion pounds, up slightly from the same period last year, due to higher dressed weights. Looking ahead to 2004, higher soybean meal prices are expected to hold growth in average dressed weights in the first half to less than previously forecast.

On October 1 the number of U.S. egg-type layers declined to 274 million birds, 6.6 million fewer than a year ago. This decline is opposite the fourth quarter seasonal when the flock typically increases to meet holiday demand. Prices of wholesale Grade A large eggs are expected to average about $0.99-1.01 per dozen in the fourth quarter. For 2003, New York wholesale egg prices will likely average 27 percent higher than a year ago. In 2004 prices are expected to be 4-6 percent higher.

Feed Prices

Soybean Meal Prices Increase

Feed grains supplies continue favorable for livestock producers. The farm price of corn remains unchanged from last month and is expected to average $1.90 to $2.30 a bushel in 2003/04, down from $2.32 a bushel in 2002/03. However, supplies of soybeans and soybean meal are expected to become increasingly tight as this year's production forecast was reduced modestly from the already lower October estimate. The projected price range for 48 percent soybean meal was increased to $210 to $240 a ton, up from $185 to $215 a ton in October, both up sharply from $181.57 a ton in 2002/03.

The farm price of other hay rose slightly from September into October, but moved below a year earlier. The wheat crop planting and emergence reflect near year-earlier conditions, when grazing was very favorable. Unfortunately, dry conditions and cool weather have not been conducive to wheat pasture development for grazing in the High Plains areas of Kansas, Oklahoma, and Texas. Kansas, where drought has been the most persistent, appears to have the poorest conditions.

Poultry

Third-Quarter Turkey Production Declines Slightly

U.S. turkey production in the third quarter of 2003 was 1.41 billion pounds, down 0.5 percent from the same period in 2002. The decrease in production came as fewer birds slaughtered (down 0.9 percent) offset an increase in average weights (up 0.9 percent). Federally inspected slaughter in the fourth quarter of 2003 is forecast at 1.48 billion pounds, slightly lower than during the same period last year. The decrease in production is expected to again be due to a combination of a lower number of birds slaughtered and higher average weights.

Third-Quarter Exports Higher Tthan Previous Year

U.S. turkey exports for the third quarter of 2003 were 130 million pounds up 33 percent from the previous year. This places the estimate for annual 2003 exports at 467 million pounds, an increase of 28 million pounds from last year, but about 20 million pounds lower than in 2001. Exports in September were 50 million pounds, up 38 percent from a year earlier and the highest monthly exports so far in 2003. The increase in exports in September was chiefly due to higher exports to Mexico. Shipments to Mexico in September were 28 million pounds, 89 percent higher than a year earlier. Shipments to Russia and Canada were also higher. The increased trade with these countries helped to offset lower shipments to a number of other countries, especially Hong Kong. Fourth quarter exports are forecast to be slightly higher than the previous year, as U.S. economic growth helps to stimulate the Mexican economy, the largest market for U.S. turkey exports.

Third-Quarter Ending Stocks Lower

Lower third-quarter production together with a modest gain in exports pulled third-quarter ending stocks down. Cold storage holdings of whole turkeys at the end of September were estimated at 384 million pounds, an 8-percent increase from the same period last year. However, the increase was offset by a strong decline in the cold storage holdings for turkey parts. Stocks of turkey parts at the end of September were estimated at 269 million pounds, down 15 percent from a year earlier. Total third-quarter ending stocks for turkey were 653 million pounds, a decrease of almost 3 percent from third-quarter 2002.

October Whole Bird Prices Higher

Slightly reduced domestic production and improving exports pushed whole turkey prices higher in October. The three region average price for whole birds was 64.4 cents per pound, 3 percent higher than October 2002. The price increase was attributed totally to whole toms, as whole hen prices continued lower than a year earlier. Prices for whole birds and parts are expected to gradually strengthen in the fourth quarter as exports to Mexico increase, prices for competing meats are high, and production is forecast to be below a year earlier.

Broiler Production Climbs in Third Quarter

U.S. broiler production in the third quarter of 2003 was 8.45 billion pounds, 2.4 percent above the same period last year. The growth in production was attributed to a small increase in the number of birds slaughtered (up 0.6 percent) and an increase in their average weights (up 1.5 percent). Federally inspected slaughter in fourth-quarter 2003 is forecast at 8.18 billion pounds, an increase of 3 percent over the fourth quarter of last year. Increased fourth-quarter production is again expected to come from gains in the number of birds slaughtered and higher average weights. The weekly broiler hatchery report shows that over the last 8 weeks (Sept. 13 through Nov. 1), the number of broiler chicks placed for grow-out has increased an average of 1.4 percent compared with the same period last year. The data for eggs placed in incubators over the last 3 weeks points toward continued growth in chick placements--egg numbers placed have averaged 2.9 percent higher than the same 3-week period in 2002.

2003 Broiler Exports Decline Slightly in Third Quarter

U.S. broiler exports in the third quarter of 2003 were 1.18 billion pounds, down 2 percent from the same quarter in 2002. This lowers the annual 2003 export estimate to 4.8 billion pounds about even with the previous year. Exports in September were 374 million pounds, up 18 percent from a year earlier. The increase in September exports was the result of higher shipments to Russia, Mexico, and the NIS countries. However, these increases were partially offset by continued lower shipments to Hong Kong.

Third-Quarter Broiler Ending Stocks Decline

Although the third quarter of 2003 saw the first growth in broiler output, stock levels have continued to decrease. Stocks for broilers held in cold storage as of the end of September were 599 million pounds, 28 percent lower than the third quarter 2002. Broiler parts make up most of cold storage holdings and were down 28 percent from the same period last year. Cold storage holdings of whole broilers were also lower, falling by 11 percent.

Higher domestic production, stronger exports, and lower ending stocks combined to push October 2003 prices higher for most broiler parts. Northeast breast meat prices were up 26 percent over last year, while prices of leg quarters and wings increased 62 and 65 percent compared with October 2002. Prices for whole broilers have also risen and are expected to remain above last year for the remainder of 2003. Prices for broiler parts are generally expected to remain higher through the fourth quarter and into 2004, as stronger exports, a rising economy, and high prices for competing meats are likely to offset expected production increases.

Cattle/Beef

Record Beef/Cattle Prices Allocate Tight Quality Beef Supplies

Domestic and export demand for beef, particularly higher quality beef, has remained strong since 2000. Beef prices have been on a record setting path since mid-winter due to reduced cattle supplies that were further curtailed by poor winter feeding conditions. The confirmation of BSE (Bovine Spongiform Encephalopathy) in a Canadian cow on May 20 resulted in a ban on imports of beef and live cattle from Canada and a further tightening of U.S. fed beef supplies. Consequently, supplies of higher quality Choice beef have become very tight resulting in record cattle, boxed beef (wholesale), and retail prices as the limited supply is rationed in the market.

Cattle Inventory Decline Continues

The expansion phase of the present cattle cycle began in 1991 at 96.4 million head. The cyclical peak occurred in 1996 at 103.5 million head when a national drought reduced forage supplies, and more importantly, a sharp decline in grain production and record corn prices in 1995/96 forced feeder cattle prices lower. Expansion in the cattle/beef sector is based on large supplies of forage from pasture and range and favorable grain prices in addition to favorable cattle prices. Forage conditions since 1998 have not favored herd expansion, although feed grain prices have remained moderate.

Cow and heifer inventories continue to decline in spite of record cattle prices. The cattle inventory at the beginning of 2003 had declined to 96.1 million head. Cow and heifer slaughter has remained large through October 2003 due to continued poor forage conditions in many areas and the high opportunity cost of retaining heifers. Cow and heifer slaughter will have to decline fairly sharply before the industry can begin to stabilize inventories, much less shift toward herd expansion. The earliest a shift toward expansion can begin is with the 2004breeding season if forage supplies improve, cow slaughter declines, and larger numbers of heifers are bred. Even if this set of events occurs, beef production will not begin to expand until at least 2006 and even then from a smaller base of production, which has eroded since 1996. Additional female slaughter has supported beef supplies in recent years, but at the cost of future production.

Poor Feeding Conditions Reduced Feedlot Performance in 2001

Wet, cold weather in late 2000 and early 2001 resulted in poor feedlot conditions and the previous run at record cattle prices. Steer and heifer slaughter weights declined, reducing beef supplies and the proportion of higher quality cattle. Consequently, cattle and beef prices moved up, with retail prices for Choice beef setting a record $3.48 a pound in June 2001. Weather improvement in late spring resulted in better feedlot performance and federally inspected steer dressed weights began a more-than-monthly seasonal rise from 765 to 767 pounds in April/May to 840 pounds in September 2001. As feedlot performance improved, weights and supplies of higher quality beef increased, and cattle/beef prices began to decline, a trend that continued through 2002.

2002/2003 Poor Performance Recovery Delayed by Canadian BSE Discovery

In late 2002-early 2003, poor weather conditions, similar to 2000/01, resulted in reduced feedlot gains and tight supplies of higher quality beef. Retail prices eclipsed the old record in February, but prices began to decline in May as weather conditions and feedlot gain improved. However, on May 20 BSE was confirmed in a single cow in Canada, resulting in an immediate ban on imports of Canadian beef and cattle into the United States. This immediately reduced beef supplies and the potential for future production from imported fed cattle for immediate slaughter and imported feeder cattle to be placed in U.S. feedlots for slaughter in 4 to 6 months. To maintain beef production near year-earlier levels, given the already lower dressed slaughter weights, steer and heifer slaughter increased nearly 3 percent. Steer slaughter weights improved with the weather conditions in late spring through summer, but unlike 2001, dressed weights only rose from 781 pounds in April/May to 807 pounds in September. Retail prices for Choice beef rose to the low-$3.70s a pound in August/September. The supply situation is becoming even tighter in the fall quarter.

Although Choice boxed beef (wholesale) prices increased 12 percent from August to September, much of the price increase was not passed on to consumers. The wholesale to retail price spread in September actually declined 28 cents a pound at retail, as much of the price increase was absorbed by the retailer. Boxed beef prices rose another 13 percent in October (up 58 percent from a year earlier) and more of this increase will be passed on to consumers either through higher beef prices and/or broader price increases on other retail items to spread out the impact of the wholesale price increase. A similar approach seems to be occurring in the hotel/restaurant sector. Given the tight fed cattle supply situation, retail beef prices are likely to continue on a record-setting path as the higher prices are passed on to consumers; the question is to what degree.

Beef Supplies To Remain Tight

On August 8, the U.S. Department of Agriculture (USDA) initiated a permit system allowing imports of certain boneless beef products from Canadian slaughter plants limited to slaughtering cattle under 30 months of age. Imports remain well below year-earlier levels, but have been increasing as more permits are issued. USDA issued a proposed rule on October 31 to establish a new category of regions that present a minimal risk of introducing BSE into the United States via the importation of certain low-risk live ruminants and ruminant products. The proposed rule has a 60-day comment period, after which the United States Department of Agriculture will evaluate all comments before issuing a final rule.

Supplies will continue to tighten until U.S. herds expand to increase beef supplies. Additional beef and/or slaughter/feeder cattle imports from Canada are not likely to fully offset the deficit. Any movement toward retaining heifers being weaned this fall for possible breeding next spring and summer would tighten supplies even further. Although feedlot placements rose sharply this summer, feeder cattle supplies are already down. Feeder cattle supplies outside feedlots on October 1 were 2.5 percent below a year earlier. This year's calf crop is expected to be 38 million head, the smallest since 1951. Until cow slaughter begins to decline and more heifers are retained, the calf crop will continue to decline. The loss of feeder cattle imports from Canada further tightens the supply situation.

Regardless of the outcome of the proposed rule, beef supplies will remain very tight over the next couple of years. Increased domestic supplies are simply not biologically possible until 2006, unless something happens to force increased herd liquidation. Improved moisture conditions have helped to reduce the drought areas this fall. Weather conditions through spring and improved grazing conditions in 2004 will be key factors in providing the base for the beginning stages of herd expansion.

Dairy

Cheese Prices Crumble

After holding steady for almost 3 months, Cheddar cheese prices (40-pound blocks) dropped about 24 cents per pound between late October and mid-November, with even larger decreases in barrel cheese prices. Sharp declines had been widely expected in light of the diversion of milk from butter-powder production into cheese, the somewhat erratic growth in cheese sales, and the only slight declines in milk output. Cheese prices actually proved relatively resilient by holding their summer increases until most of the holiday season supplies had been shipped.

Price declines, although large, have not been aggressive, as traders seem unsure about the price level for the rest of the holiday season. Much will depend on the size of late-season orders, as well as further developments in milk production and stocks. Prices may stabilize for a few more weeks but further decreases are expected by winter.

Supplies of milk for manufacturing slipped 3 percent during July-September. Milk production was down fractionally, and more milk apparently went into foods other than dairy products. The decline in total milk available and the expansion in production of other cheese were enough to hold down Cheddar cheese production, despite a large diversion from butter and nonfat dry milk. Cheddar production was just barely above a year earlier by September.

Commercial stocks of American cheese have been moderate. On October 1, industry holdings were still slightly below a year earlier. Although stocks of other varieties have run larger than a year ago, there was no significant downward pressure on prices due to stock buildup.

The economy grew rapidly during July-September, and consumer spending on food and other nondurables rose considerably. More recently, employment data have been generally favorable. However, there are no indications yet that the favorable economic conditions have translated into substantial recovery in cheese demand. Summer sales of American cheese were a bit below the highly erratic levels of a year earlier, while use of other varieties rose only 3 percent. Restaurant sales continue to struggle, and consumers seem to remain cautious in their purchases.

Winter cheese prices are expected to average more than a dime higher than the very low levels of a year earlier. Cheese demand probably will recover further, and milk production is projected to be only slightly larger on a daily average basis. Also, markets for other dairy products probably will be in considerably better balance than a year earlier. Even so, price improvement probably will be relatively limited. Although most market factors are expected to support stronger prices, the changes are not projected to be very dramatic.

Contacts and Links

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

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

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

Web Sites
Animal Production and Marketing Issues, http://www.ers.usda.gov/briefing/AnimalProducts/
Cattle, http://www.ers.usda.gov/briefing/cattle/
Hogs, http://www.ers.usda.gov/briefing/hogs/
Poultry and Eggs, http://www.ers.usda.gov/briefing/poultry/
Dairy, http://www.ers.usda.gov/briefing/dairy
WASDE, http://www.usda.gov/oce/waob/wasde/latest.pdf

Red meat and poultry forecasts

	2001	2002		2003					2004			
	Annual	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Production, million lb												
Beef	26,107	6,783	27,090	6,287	6,907	7,078	6,500	26,772	6,150	6,550	6,700	25,400
Pork	19,138	5,255	19,664	4,889	4,734	4,796	5,300	19,719	4,900	4,775	4,825	19,725
Lamb and mutton	223	56	219	49	50	48	51	198	49	48	47	194
Broilers	31,266	7,936	32,240	7,770	8,238	8,451	8,175	32,634	8,000	8,475	8,625	33,450
Turkeys	5,562	1,482	5,713	1,379	1,438	1,405	1,475	5,697	1,390	1,450	1,450	5,790
Total red meat & poultry	83,006	21,700	85,669	20,550	21,546	21,950	21,673	85,719	20,669	21,484	21,827	85,276
Table eggs, mil. doz.	6,077	1,573	6,184	1,511	1,514	1,545	1,570	6,140	1,510	1,520	1,555	6,165
Per capita consumption, retail lb 1/												
Beef	66.2	16.6	67.6	16.2	16.9	16.8	15.7	65.6	15.3	16.3	16.3	62.3
Pork	50.2	13.8	51.5	12.6	12.5	12.6	13.7	51.4	12.6	12.5	12.6	51.2
Lamb and mutton	1.1	0.3	1.2	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.3	1.1
Broilers	76.6	19.9	80.5	19.6	20.6	21.1	19.8	81.1	19.6	20.8	21.1	81.6
Turkeys	17.5	5.9	17.7	3.6	3.9	4.6	5.7	17.8	3.8	4.0	4.3	17.8
Total red meat & poultry	213.6	57.0	220.5	52.7	54.6	55.8	55.7	218.8	52.0	54.4	55.1	216.0
Eggs, number	252.6	64.6	253.6	61.9	62.3	63.0	63.9	251.1	61.2	61.6	62.8	249.2
Market prices												
Choice steers, Neb., $/cwt	72.71	69.10	67.04	77.82	78.49	83.07	100-102	85.10	89-95	82-88	77-83	82-88
Feeder steers, Ok City, $/cwt	88.20	83.08	80.04	78.38	82.49	94.90	100-102	89.19	92-98	90-96	86-92	89-95
Boning utility cows, S. Falls, $/cwt	44.39	35.39	39.23	40.32	46.52	49.84	47-49	46.17	45-47	48-52	47-51	46-50
Choice slaughter lambs, San Angelo, $/cwt	72.04	82.02	72.31	91.92	93.71	89.48	87-89	90.78	86-92	86-92	85-91	85-91
Barrows & gilts, N. base, l.e. $/cwt	45.81	31.34	34.92	35.38	42.64	42.90	34-36	38.98	38-40	39-43	40-44	38-42
Broilers, 12 City, cents/lb	59.10	53.70	55.60	60.30	59.60	63.40	61-63	61.30	58-62	60-64	61-67	59-64
Turkeys, Eastern, cents/lb	66.30	68.20	64.50	61.10	60.60	59.10	65-67	61.70	59-63	60-64	61-67	61-66
Eggs, New York, cents/doz.	67.20	75.50	67.10	77.20	73.90	89.90	99-101	85.30	87-93	82-88	86-94	87-93
U.S. trade, million lb												
Beef & veal exports	2,269	612	2,447	585	678	681	660	2,604	630	690	695	2,660
Beef & veal imports	3,164	708	3,218	810	741	619	690	2,860	835	950	905	3,430
Lamb and mutton imports	146	38	162	40	44	35	43	162	45	43	39	171
Pork exports	1,560	414	1,611	413	438	406	430	1,687	405	430	410	1,695
Pork imports	951	299	1,070	289	301	298	340	1,228	320	340	350	1,375
Broiler exports	5,555	1,220	4,807	1,200	1,166	1,182	1,300	4,848	1,225	1,250	1,300	5,100
Turkey exports	487	102	439	103	114	130	120	467	115	110	115	465

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

ECONOMIC INDICATOR FORECASTS 1/

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

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

DAIRY FORECASTS

	2002			2003					2004			
	III	IV	Annual	I	II	III	IV	Annual	I	II	III	Annual
Milk cows (thous,)	9,153	9,148	9,141	9,154	9,114	9,065	9,040	9,095	8,990	8,960	8,930	8,945
Milk per cow (pounds)	4,566	4,543	18,573	4,691	4,814	4,582	4,615	18,700	4,835	4,940	4,695	19,195
Milk production (bil. pounds)	41.8	41.6	169.8	42.9	43.9	41.5	41.7	170.1	43.5	44.3	41.9	171.7
Commercial use (bil. pounds)												
Milkfat basis	43.8	43.9	170.5	41.2	43.0	44.7	44.7	173.6	42.5	44.2	45.3	177.2
Skim solids basis	42.1	41.2	163.6	40.0	41.2	41.9	42.4	165.5	41.1	42.2	43.8	170.3
Net removals (bil. pounds)												
milkfat basis	0.1	0.1	0.3	0.4	0.6	0.2	0.1	1.2	0.1	0.2	0.1	0.4
skim solids basis	2.1	1.4	9.8	3.1	3.2	1.5	0.8	8.6	2.2	2.2	0.8	5.6
Prices (dol./cwt)												
All milk 1/	11.33	11.97	12.11	11.37	11.07	13.20	14.30 -14.60	12.45 -12.55	12.10 -12.70	10.90 -11.80	11.35 -12.35	11.70 -12.60
Class III	9.59	10.10	10.42	9.52	9.62	13.29	12.95 -13.25	11.35 -11.45	10.55 -11.15	9.85 -10.75	10.50 -11.50	10.50 -11.40
Class IV	10.36	10.52	10.81	9.89	9.74	10.05	9.95 -10.35	9.85 -10.05	9.65 -10.35	9.50 -10.50	9.85 -10.95	9.80 -10.80

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

Feeder cattle supply outside feedlots

Item	1996	1997	1998	1999	2000	2001	2002	2003	Change from previous year
				1,000 head	3/	3/			Percent
On farms Jan 1:									
Calves < 500 lbs	18,384	17,826	17,401	17,290	16,815	16,206	15,763	15,563	-1.3
Steers over 500 lbs	17,815	17,392	17,189	16,891	16,682	16,441	16,790	16,590	-1.2
Heifers over 500 lbs 2/	9,948	10,212	10,051	10,170	10,147	10,131	10,057	9,890	-1.7
Total	46,147	45,430	44,641	44,351	43,644	42,778	42,610	42,043	-1.3
On feed Jan 1 1/:	12,853	13,067	13,536	13,153	13,929	14,100	13,756	12,821	-6.8
Feeder cattle outside feedlots on Jan 1:	33,294	32,363	31,105	31,198	29,715	28,678	28,854	29,222	1.3
Slaughter Jan-Mar:									
Calves	432	403	368	322	291	254	238	262	10.1
Steers & heifers	7,085	7,030	7,039	7,151	7,458	6,852	6,874	6,688	-2.7
Total	7,517	7,433	7,407	7,473	7,749	7,106	7,112	6,950	-2.3
On feed Apr 1 1/:	12,235	12,890	12,281	12,821	13,600	13,774	13,823	12,965	-6.2
Feeder cattle outside feedlots on April 1:	26,395	25,107	24,953	24,057	22,295	21,898	21,675	22,128	2.1
On farms July 1:									
Calves < 500 lbs	31,700	30,900	30,600	30,500	30,200	29,700	29,400	29,000	-1.4
Steers over 500 lbs	15,100	14,800	14,600	14,400	14,300	14,600	14,500	14,200	-2.1
Heifers over 500 lbs 2/	8,100	8,200	8,100	8,100	8,100	8,200	7,900	7,700	-2.5
Total	54,900	53,900	53,300	53,000	52,600	52,500	51,800	50,900	-1.7
On feed July 1 1/:	9,741	10,839	10,956	11,447	12,250	12,916	12,326	11,628	-5.7
Feeder cattle outside feedlots on July 1:	45,159	43,061	42,344	41,553	40,350	39,584	39,474	39,272	-0.5
Slaughter Jul-Sep:									
Calves	469	396	394	349	293	256	281	248	-11.7
Steers & heifers	7,169	7,524	7,438	7,785	7,797	7,465	7,678	7,872	2.5
Total	7,638	7,920	7,832	8,134	8,090	7,721	7,959	8,120	2.0
On feed Oct 1 1/:	11,001	12,083	11,706	12,310	12,967	13,074	12,229	11,967	-2.1
Feeder cattle outside feedlots on Oct 1:	36,261	33,897	33,762	32,556	31,543	31,705	31,612	30,813	-2.5

1/ Estimated U.S. steers and heifers. 2/ Not including heifers for cow herd replacement.
3/ !995-1997 data revised to incorporate July 1 U.S., and 12 State on feed data.

High Plains Cattle Feeding Simulator

Purchased During	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03
Marketed During	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04
Expenses: ($/head)													
750 lb. feeder steer	614.03	637.13	649.65	617.78	596.70	582.90	604.13	625.73	657.75	685.65	710.55	770.55	793.95
Total feed, handling, and management charge	132.77	130.63	129.18	129.18	126.77	125.97	128.66	130.53	128.75	118.36	121.45	122.25	122.88
Interest on feeder and 1/2 feed	27.49	28.38	28.86	26.00	25.15	24.61	25.37	26.22	27.40	28.42	29.42	31.73	31.69
Death loss (1% of purchase)	6.14	6.37	6.50	6.18	5.97	5.83	6.04	6.26	6.58	6.86	7.11	7.71	7.94
Marketing 1/	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.
Total expenses	780.43	802.51	814.18	779.13	754.59	739.31	764.20	788.74	820.48	839.28	868.53	932.24	956.46
Selling price required to cover: ($/cwt)													
Feed and feeder cost	66.14	67.99	68.64	65.58	62.54	60.91	63.13	65.16	68.00	69.98	73.11	79.21	81.83
All costs	69.12	71.07	71.75	68.40	65.23	63.53	65.84	67.95	70.94	73.05	76.32	82.71	85.37
Selling price 2/	80.39	77.34	78.98	78.90	76.49	75.61	79.77	87.37	97.63				
Net margin	11.27	6.27	7.23	10.50	11.26	12.08	13.93	19.42	26.69				
Cost per 100 lb. gain:													
Variable cost less interest $/cwt	32.40	31.95	31.64	32.71	32.07	31.85	31.98	32.47	32.13	29.89	30.69	31.03	31.23
Feed costs $/cwt	30.96	30.46	30.13	31.21	30.63	30.44	30.54	30.99	30.57	28.26	28.99	29.19	29.34
Total costs $/cwt	38.81	38.57	38.37	38.99	38.15	37.79	38.00	38.70	38.63	36.68	37.71	38.60	38.80
Prices: ($/cwt)													
Choice feeder steer 750-800 lb. Ok City	80.47	83.55	85.22	80.97	78.16	76.32	79.15	82.03	86.30	90.02	93.34	101.34	104.46
Feed, Prices, High Plains													
Milo $/cwt	4.21	4.12	4.06	4.06	3.99	3.94	4.08	4.16	4.09	3.63	3.75	3.75	3.72
Corn $/cwt	4.83	4.68	4.59	4.59	4.55	4.46	4.57	4.78	4.72	4.30	4.43	4.49	4.30
Wheat $/cwt	7.66	7.22	6.38	6.38	5.91	5.37	5.20	5.16	4.85	4.88	5.63	5.34	5.44
Cottonseed Meal (41%) $/cwt.	8.06	8.06	7.96	7.96	7.31	7.59	7.20	7.25	7.03	7.15	7.41	8.08	9.28
Alfalfa hay $/ton	157.00	160.00	160.00	164.00	160.00	146.00	137.00	153.00	155.00	155.00	150.00	150.00	160.00
Interest, annual rate 3/	8.08	8.08	8.08	7.62	7.62	7.62	7.59	7.59	7.59	7.63	7.63	7.63	7.41

1/ Cattle sold f.o.b., 4% shrink. 2/ Steers, 1100-1300 lb, Tx-Old direct. 3/ Fixed interest rate, 11th District Federal Reserve.