

FAPRI SHORT-TERM LIVESTOCK OUTLOOK

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FAPRI-Missouri Livestock Update

Quarterly Outlook Remains Positive for Cattle, Hog Production to Expand in 2001

Beef production for the third quarter of this year is expected to exceed the 1999 third quarter estimate by 65 million pounds. Despite this one percent increase in beef production, prices for fed cattle are expected to remain virtually unchanged this quarter relative to a year ago at \$65 per cwt. One of the big questions that remains for the fourth quarter of 2000 is how current are cattle show lists. The current FAPRI estimate is that fed cattle prices will average above \$68 per cwt for the fourth quarter of 2000. However, if cattle show lists remain large, prices could average below our estimate.

Oklahoma 6-650 pound feeder steer prices are expected to average an all-time record level of \$95 per cwt for 2000, an increase of over \$12 per cwt from the 1999 level. The price of feeder cattle is expected to remain strong for the next several months as feed prices remain at historically low levels and feeder cattle supplies are expected to tighten even further.

The outlook for cattle prices remains bright for 2001. Current FAPRI estimates show Nebraska direct fed steers averaging near \$73 per cwt, \$4 per cwt over the 2000 level. Continued demand strength for beef coupled with reduced supplies of cattle led to the projected price increases for next year.

Barrow and gilt prices are expected to fall to near \$40 per cwt for the fourth quarter of 2000. This fall in prices is associated with the seasonal increase in hog slaughter for the fourth quarter that is expected to reach 25.7 million head. Hog slaughter for the fourth quarter of 2000 is still expected to be a million head below the fourth quarter of 1999.

In 2001, barrow and gilt prices are expected to decline as supplies of hogs continue to increase relative to year-earlier levels. The fourth quarter of 2001 remains a concern as hog numbers begin to reach packer capacity levels. Current FAPRI estimates show hog slaughter reaching 26.7 million head in the fourth quarter of 2001, still 800 thousand head off of the record pace of the fourth quarter of 1998.

Broiler production is slated to reach 30.4 billion pounds for 2000. Further increases are expected to occur for 2001 with an additional 1.2 billion pounds being produced relative to the 2000 level. This increase in production is expected to keep prices for chicken in the mid-\$0.55 per pound range for the next 15 months, far less than prices seen just two years earlier.

U.S. Beef Supply and Utilization

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
	(Million Head)											
Cattle and Calves (Jan. 1)	95.8	96.4	97.6	99.2	101.0	102.8	103.5	101.7	99.7	99.1	98.0	97.5
Beef Cows (Jan. 1)	33.2	33.3	33.0	33.4	34.6	35.2	35.3	34.5	33.9	33.7	33.5	33.4
Commercial Cattle Slaughter	33.2	32.7	32.9	33.3	34.2	35.6	36.6	36.4	35.5	36.1	36.3	35.3
Supply	(Million Pounds)											
Beginning Stocks	335	397	419	360	529	548	519	377	465	393	411	422
Imports	2,356	2,407	2,440	2,401	2,368	2,103	2,072	2,343	2,644	2,874	3,018	3,050
Production	22,743	22,917	23,086	23,049	24,386	25,222	25,525	25,490	25,760	26,493	26,850	26,096
Total	25,434	25,721	25,945	25,810	27,283	27,873	28,116	28,210	28,869	29,760	30,279	29,568
Disappearance	(Pounds)											
Domestic Use	24,030	24,114	24,261	24,006	25,124	25,534	25,863	25,609	26,305	26,938	27,355	26,701
Exports	1,006	1,189	1,324	1,275	1,611	1,821	1,877	2,136	2,171	2,411	2,502	2,469
Total	25,036	25,303	25,585	25,281	26,735	27,355	27,740	27,745	28,476	29,349	29,857	29,169
Ending Stocks	397	419	360	529	548	519	377	465	393	411	422	399
Per Capita Consumption	(Pounds)											
Carcass Weight	96.2	95.4	95.1	93.0	96.4	97.0	97.5	95.7	97.5	99.0	99.7	96.4
Change	-2.2%	-0.8%	-0.3%	-2.1%	3.6%	0.7%	0.5%	-1.8%	1.8%	1.5%	0.7%	-3.2%
Prices	(Dollars Per Hundredweight)											
1100 - 1300 #,	(Dollars Per Hundredweight)											
Nebraska Direct Steers	78.56	74.21	75.35	76.36	68.84	66.26	65.05	66.32	61.48	65.56	68.55	72.81
Change	6.4%	-5.5%	1.5%	1.3%	-9.8%	-3.8%	-1.8%	1.9%	-7.3%	6.6%	4.6%	6.2%
600 - 700 #, Oklahoma	(Dollars Per Pound)											
City Feeder Steers	92.15	92.74	86.47	91.72	83.24	70.49	61.31	81.34	77.70	82.63	95.02	95.82
Change	6.3%	0.6%	-6.8%	6.1%	-9.2%	-15.3%	-13.0%	32.7%	-4.5%	6.3%	15.0%	0.8%
Utility Cows, Sioux Falls	53.60	50.31	44.84	47.52	42.51	35.58	30.33	34.27	36.19	38.40	42.30	44.94
Change	9.4%	-6.1%	-10.9%	6.0%	-10.5%	-16.3%	-14.7%	13.0%	5.6%	6.1%	10.2%	6.2%
Beef Retail	(Dollars Per Pound)											
Beef Retail	2.81	2.88	2.85	2.93	2.83	2.84	2.81	2.80	2.77	2.88	3.05	3.10
Change	5.6%	2.5%	-1.2%	3.1%	-3.6%	0.5%	-1.3%	-0.3%	-0.9%	3.8%	6.0%	1.7%

U.S. Beef Supply and Utilization

	99-1	99-2	99-3	99-4	00-1	00-2	00-3	00-4	01-1	01-2	01-3	01-4
(Million Head)												
Cattle and Calves	99.1	99.1	107.0	107.0	98.0	98.0	106.4	106.4	97.5	97.5	106.1	106.1
Beef Cows	33.7	33.7	34.2	34.2	33.5	33.5	34.0	34.0	33.4	33.4	33.8	33.8
Commercial Cattle Slaughter	8.7	9.2	9.3	8.9	9.0	9.2	9.3	8.8	8.8	8.9	9.1	8.5
(Million Pounds)												
Supply												
Beginning Stocks	393	406	384	386	411	458	470	447	422	419	388	393
Imports	628	812	742	692	734	814	750	720	725	784	780	761
Production	6,436	6,643	6,854	6,560	6,690	6,713	6,919	6,528	6,547	6,543	6,725	6,280
Total	7,457	7,861	7,980	7,638	7,835	7,985	8,139	7,695	7,694	7,746	7,894	7,435
Disappearance												
Domestic Use	6,487	6,920	6,969	6,562	6,722	6,907	7,077	6,649	6,666	6,724	6,885	6,425
Exports	564	558	625	665	655	609	614	624	609	633	615	611
Total	7,051	7,478	7,594	7,227	7,377	7,515	7,692	7,273	7,275	7,358	7,500	7,036
Ending Stocks	406	384	386	411	458	470	447	422	419	388	393	399
(Pounds)												
Per Capita Consumption												
Carcass Weight	23.9	25.5	25.6	24.0	24.6	25.2	25.8	24.1	24.2	24.3	24.8	23.1
Change	0.1%	3.4%	2.1%	0.6%	2.7%	-1.0%	0.7%	0.5%	-1.7%	-3.5%	-3.6%	-4.2%
(Dollars Per Hundredweight)												
Prices												
1100 - 1300 #,												
Nebraska Direct Steers	62.43	65.04	65.12	69.65	69.32	71.59	64.91	68.37	71.30	74.27	71.18	74.49
Change	1.1%	1.4%	10.4%	14.1%	11.0%	10.1%	-0.3%	-1.8%	2.9%	3.7%	9.7%	9.0%
600 - 700 #, Oklahoma												
City Feeder Steers	78.63	81.94	83.10	86.85	95.45	95.26	95.29	94.08	95.20	96.44	96.13	95.51
Change	-5.8%	-1.5%	15.6%	20.1%	21.4%	16.3%	14.7%	8.3%	-0.3%	1.2%	0.9%	1.5%
Utility Cows, Sioux Falls	36.10	38.77	40.02	38.71	39.88	44.23	42.87	42.22	43.91	46.22	44.85	44.78
Change	-5.7%	-0.9%	13.7%	20.4%	10.5%	14.1%	7.1%	9.1%	10.1%	4.5%	4.6%	6.1%
(Dollars Per Pound)												
Beef Retail	2.78	2.85	2.89	2.99	2.95	3.09	3.09	3.07	3.05	3.10	3.13	3.13
Change	1.7%	2.4%	4.3%	7.0%	6.3%	8.4%	6.8%	2.6%	3.2%	0.3%	1.3%	2.1%

U.S. Pork Supply and Utilization

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
(Million Head)												
Hogs on Farms												
Market	47.6	50.4	51.1	50.8	52.7	51.4	49.5	54.2	55.5	53.1	54.1	56.8
Breeding	6.87	7.25	7.11	7.17	7.00	6.77	6.58	6.96	6.68	6.24	6.36	6.44
Total Hog Slaughter	85.1	88.2	94.9	93.1	95.7	96.3	92.4	92.0	100.9	101.5	97.9	100.5
(Million Pounds)												
Supply												
Beginning Stocks	313	296	388	385	359	438	396	366	408	584	489	500
Imports	898	775	645	740	743	664	618	633	705	827	999	1,005
Production	15,354	15,999	17,233	17,088	17,696	17,849	17,123	17,273	19,010	19,308	18,864	19,446
Total	16,565	17,070	18,266	18,213	18,798	18,951	18,137	18,272	20,123	20,719	20,352	20,951
Disappearance												
Domestic Use	16,030	16,399	17,474	17,419	17,829	17,785	16,814	16,824	18,309	18,944	18,610	19,174
Exports	238	283	407	435	531	770	951	1,044	1,229	1,285	1,243	1,284
Total	16,268	16,682	17,881	17,854	18,360	18,555	17,765	17,868	19,538	20,230	19,853	20,458
Ending Stocks	296	388	385	359	438	396	366	408	584	489	500	493
(Pounds)												
Per Capita Consumption												
Carcass Weight	64.1	64.9	68.5	67.5	68.4	67.6	63.4	62.9	67.8	69.6	67.8	69.2
Retail Weight	49.8	50.4	53.1	52.2	53.1	52.4	49.2	48.9	52.7	54.0	52.6	53.7
Change	-4.2%	1.2%	5.4%	-1.7%	1.7%	-1.3%	-6.2%	-0.6%	7.9%	2.5%	-2.6%	2.2%
(Dollars Per Hundredweight)												
Prices												
Barrows & Gilts, National base 51-52% lean	57.75	51.79	44.87	48.17	42.00	44.62	56.53	54.30	34.72	34.00	44.32	41.97
Change	23.5%	-10.3%	-13.4%	7.3%	-12.8%	6.2%	26.7%	-4.0%	-36.1%	-2.1%	30.4%	-5.3%
(Dollars Per Pound)												
Pork Retail	2.25	2.24	2.09	2.09	2.10	2.06	2.34	2.45	2.43	2.41	2.56	2.56
Change	16.0%	-0.4%	-6.5%	-0.2%	0.2%	-1.6%	13.4%	4.8%	-0.9%	-0.5%	6.2%	-0.1%

U.S. Pork Supply and Utilization

	99-1	99-2	99-3	99-4	00-1	00-2	00-3	00-4	01-1	01-2	01-3	01-4
(Million Head)												
Hogs on Farms												
Market	53.7	54.4	54.5	53.1	51.9	53.2	54.2	54.1	54.5	55.9	56.9	56.8
Breeding	6.53	6.52	6.30	6.24	6.21	6.23	6.29	6.36	6.43	6.47	6.49	6.44
Total Hog Slaughter	25.6	24.3	25.0	26.7	25.0	23.1	24.1	25.7	24.7	23.9	25.2	26.7
(Million Pounds)												
Supply												
Beginning Stocks	584	635	605	499	489	595	557	527	500	523	532	516
Imports	201	200	196	230	245	239	251	263	266	245	244	250
Production	4,875	4,636	4,678	5,119	4,833	4,476	4,589	4,966	4,780	4,668	4,829	5,169
Total	5,660	5,471	5,479	5,848	5,567	5,310	5,397	5,756	5,546	5,436	5,605	5,936
Disappearance												
Domestic Use	4,758	4,562	4,690	4,934	4,648	4,445	4,578	4,939	4,713	4,585	4,763	5,114
Exports	267	304	290	425	325	308	292	318	310	319	325	329
Total	5,025	4,866	4,980	5,359	4,973	4,753	4,870	5,257	5,023	4,904	5,088	5,443
Ending Stocks	635	605	499	489	595	557	527	500	523	532	516	493
(Pounds)												
Per Capita Consumption												
Carcass Weight	17.5	16.8	17.2	18.1	17.0	16.2	16.7	17.9	17.1	16.6	17.2	18.4
Retail Weight	13.6	13.0	13.4	14.0	13.2	12.6	12.9	13.9	13.3	12.9	13.3	14.3
Change	6.8%	5.2%	1.6%	-2.8%	-3.1%	-3.4%	-3.2%	-0.7%	0.5%	2.3%	3.2%	2.7%
(Dollars Per Hundredweight)												
Prices												
Barrows & Gilts, National base 51-52% lean	28.83	35.18	35.70	36.29	41.14	50.43	45.68	40.04	43.37	46.05	41.46	37.02
Change	-22.8%	-17.9%	-2.5%	64.5%	42.7%	43.3%	28.0%	10.3%	5.4%	-8.7%	-9.2%	-7.5%
(Dollars Per Pound)												
Pork Retail	2.36	2.38	2.46	2.45	2.50	2.57	2.60	2.58	2.58	2.55	2.56	2.56
Change	-4.0%	-0.6%	0.6%	2.0%	6.0%	7.9%	5.7%	5.4%	3.4%	-0.8%	-1.8%	-1.0%

U.S. Broiler Supply and Use

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Supply												
	(Million Pounds)											
Beginning Stocks	221	242	300	368	358	458	560	641	607	711	796	850
Production	18,430	19,591	20,904	22,015	23,666	24,827	26,124	27,027	27,611	29,468	30,432	31,650
Total	18,651	19,833	21,204	22,383	24,024	25,286	26,684	27,669	28,218	30,179	31,228	32,500
Disappearance												
Domestic Use	17,266	18,271	19,347	20,059	20,690	20,831	21,622	22,398	22,834	24,516	25,176	26,334
Exports	1,143	1,261	1,489	1,966	2,876	3,894	4,420	4,664	4,673	4,867	5,202	5,286
Total	18,409	19,532	20,836	22,025	23,566	24,725	26,043	27,062	27,507	29,383	30,378	31,620
Ending Stocks	242	300	368	358	458	560	641	607	711	796	850	880
Per Capita Consumption												
	(Pounds)											
Total	69.1	72.3	75.8	77.7	79.4	79.2	81.5	83.7	84.6	90.1	91.7	95.1
Change	4.4%	4.6%	4.9%	2.5%	2.1%	-0.3%	3.0%	2.7%	1.1%	6.5%	1.8%	3.7%
Prices												
	(Cents Per Pound)											
12 City Wholesale	54.80	52.00	52.57	55.18	55.71	56.35	61.25	58.81	63.08	58.10	55.51	55.05
Change	-7.1%	-5.1%	1.1%	5.0%	1.0%	1.2%	8.7%	-4.0%	7.3%	-7.9%	-4.5%	-0.8%
Broiler Retail	145.50	143.43	141.78	144.02	145.25	144.12	150.68	150.95	153.73	154.41	155.37	155.12
Change	-0.7%	-1.4%	-1.1%	1.6%	0.9%	-0.8%	4.6%	0.2%	1.8%	0.4%	0.6%	-0.2%

U.S. Broiler Supply and Utilization

	99-1	99-2	99-3	99-4	00-1	00-2	00-3	00-4	01-1	01-2	01-3	01-4
Supply												
	(Million Pounds)											
Beginning Stocks	711	777	831	885	796	805	815	830	850	860	870	875
Production	7,230	7,522	7,417	7,299	7,530	7,675	7,628	7,600	7,770	7,941	8,009	7,930
Total	7,941	8,299	8,248	8,184	8,326	8,480	8,443	8,430	8,620	8,801	8,879	8,805
Disappearance												
Domestic Use	6,127	6,298	6,133	5,958	6,166	6,339	6,345	6,327	6,473	6,643	6,665	6,553
Exports	1,037	1,170	1,230	1,430	1,355	1,326	1,267	1,253	1,287	1,288	1,339	1,372
Total	7,164	7,468	7,363	7,388	7,521	7,665	7,613	7,580	7,760	7,931	8,004	7,925
Ending Stocks	777	831	885	796	805	815	830	850	860	870	875	880
Per Capita Consumption												
	(Pounds)											
Total	22.6	23.2	22.5	21.8	22.5	23.1	23.1	23.0	23.5	24.0	24.0	23.6
Change	11.3%	10.1%	4.9%	0.1%	-0.2%	-0.2%	2.6%	5.3%	4.1%	3.9%	4.1%	2.7%
Prices												
	(Cents Per Pound)											
12 City Wholesale	58.10	58.60	58.10	57.60	54.60	55.70	56.20	55.53	53.87	55.04	55.44	55.85
Change	3.0%	-4.0%	-17.5%	-10.7%	-6.0%	-4.9%	-3.3%	-3.6%	-1.3%	-1.2%	-1.3%	0.6%
Broiler Retail	154.66	153.80	155.57	153.60	153.40	156.00	157.08	154.99	153.37	155.16	156.61	155.35
Change	2.4%	0.9%	0.8%	-2.3%	-0.8%	1.4%	1.0%	0.9%	-0.0%	-0.5%	-0.3%	0.2%

