



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

FAPRI July
2006 Baseline Update
for U.S. Agricultural Markets

FAPRI-UMC Report #12-06

FAPRI
At the University of Missouri
Food and Agricultural
Policy Research Institute

 **College of Agriculture,
Food and Natural Resources**
UNIVERSITY OF MISSOURI-COLUMBIA

Published by the Food and Agricultural Policy Research Institute (FAPRI), University of Missouri-Columbia, 101 Park DeVillle Drive, Suite E, Columbia, MO 65203, July, 2006.

<http://www.fapri.missouri.edu>

Material in this publication is based upon work supported by the Cooperative State Research, Education and Extension Service, U.S. Department of Agriculture, under Agreement No. 2006-34149-16987.

Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the authors and do not necessarily reflect the view of the U.S. Department of Agriculture.

Permission is granted to reproduce this information with appropriate attribution to the authors and the Food and Agricultural Policy Research Institute.

The University of Missouri is nondiscriminatory relative to race, religion, color, national origin, sex, sexual orientation, age, disability or status as a Vietnam-era veteran. Any person having inquiries should contact Human Resource Services, University of Missouri-Columbia, 130 Heinkel Building, Columbia, Mo. 65211, (573) 882-4256.

FAPRI July 2006 Baseline Update for U.S. Agricultural Markets

This baseline update reflects market developments that have occurred since the 2006 FAPRI baseline was prepared in January 2006. The estimates incorporate information available in early July 2006.

- This current-policy baseline assumes provisions of the 2002 Farm Security Act are extended indefinitely when they would otherwise expire in 2007.
- Crop acreage and production figures for 2006 are set equal to estimates reported by the U.S. Department of Agriculture in its July 2006 *World Agricultural Supply and Demand Estimates*.
- The projections assume higher petroleum and gasoline prices than in FAPRI's January baseline. Previous Global Insight forecasts are modified to reflect recent 2006-2007 estimates from the Energy Information Administration. The refiners' acquisition price for petroleum increases from about \$50 per barrel in 2005 to over \$63 per barrel in 2006 and 2007, before dipping to \$53 per barrel in 2010.
- Ethanol production growth is projected to be much stronger than in FAPRI's estimates from early 2006, due to higher prices and the pace of plant construction.
- Increased ethanol production results in higher corn prices, more corn acreage, reduced corn exports, and increased feed use of corn co-products relative to earlier projections.

The estimates reported here cover a number of major U.S. agricultural commodities, including corn, corn products, wheat, soybeans, upland cotton, beef, pork, poultry, and dairy. The projections cover a five year period (through the 2010/11 marketing year for crops, and through 2011 for livestock).

This update should not be confused with a "full" FAPRI baseline exercise, such as that used to generate the FAPRI baseline released earlier this year (<http://www.fapri.iastate.edu/outlook2006/>). The commodity coverage is limited, the projection period is shorter, and no estimates are made of government costs, farm income, or other aggregate indicators. Most importantly, the update is focused on U.S. markets only; no estimates were prepared for other countries. The U.S. trade figures should be treated with extreme caution, as they are not the result of a comprehensive analysis of global commodity markets.

The next full FAPRI baseline process will begin in November 2006. A preliminary baseline will be prepared and reviewed at a workshop in December. Reviewer comments and other new information will be incorporated in the final baseline, which will be prepared beginning in January 2007.

U.S. Corn Supply and Utilization

Crop Year	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Area (Million Acres)							
Base Area	86.8	86.8	86.8	86.8	86.8	86.8	86.8
Planted Area	80.9	81.8	79.4	82.9	85.6	86.5	87.0
Harvested Area	73.6	75.1	72.1	76.1	78.5	79.4	79.9
Yield (Bushels per Acre)							
Actual	160.4	147.9	149.0	150.9	152.6	154.5	156.4
Program, Direct	102.4	102.4	102.4	102.4	102.4	102.4	102.4
Program, CCP	114.4	114.4	114.4	114.4	114.4	114.4	114.4
Supply (Million Bushels)							
Beginning Stocks	958	2,114	2,062	1,233	1,007	971	950
Production	11,807	11,112	10,740	11,476	11,989	12,272	12,498
Imports	11	11	10	10	10	10	10
Domestic Use							
Feed, Residual	6,162	6,100	5,970	5,920	5,930	5,943	5,973
Fuel Alcohol	1,323	1,600	2,151	2,505	2,912	3,216	3,455
HFCS	521	530	524	519	516	517	516
Seed	21	20	21	21	22	22	22
Food, Other	821	825	824	825	830	835	840
Exports							
	1,814	2,100	2,090	1,922	1,825	1,769	1,734
Total Use							
	10,662	11,175	11,579	11,711	12,035	12,302	12,540
Ending Stocks							
CCC Inventory	1	1	0	0	0	0	0
Under Loan	280	200	213	163	159	156	150
Other Stocks	1,833	1,861	1,019	843	811	795	768
Prices and Returns (Dollars)							
Farm Price/bu.	2.06	1.98	2.33	2.54	2.58	2.61	2.64
Loan Rate/bu.	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Average LDP Rate/bu.	0.25	0.41	0.01	0.00	0.00	0.00	0.00
Target Price/bu.	2.63	2.63	2.63	2.63	2.63	2.63	2.63
CCP Rate/bu.	0.29	0.37	0.02	0.00	0.00	0.00	0.00
Direct Payment/bu.	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Gross Market Revenue/a.	330.33	292.94	346.49	382.95	393.95	403.21	413.25
LDP Revenue/a.	39.90	61.05	0.90	0.00	0.00	0.00	0.00
Variable Expenses/a.	173.98	197.07	208.82	209.38	205.66	204.60	205.77
Mkt+LDP Net Returns/a.	196.25	156.92	138.57	173.57	188.29	198.61	207.48
CCP Revenue/Base a.	28.20	35.98	2.35	0.00	0.00	0.00	0.00
Direct Payment/Base a.	24.37	24.37	24.37	24.37	24.37	24.37	24.37

U.S. Corn Product Supply and Utilization

Year	2004	2005	2006	2007	2008	2009	2010
Ethanol							
	(Million Gallons, Calendar Year)						
Renewable Fuel Mandate	n.a.	n.a.	4,000	4,700	5,400	6,100	6,800
Production	3,402	3,904	4,951	6,292	7,333	8,385	9,196
Imports	149	110	307	124	127	130	133
Disappearance	3,520	4,032	5,260	6,314	7,400	8,451	9,280
Ending Stocks	252	234	232	334	394	457	507
Rack Price, FOB Omaha*	(Dollars per Gallon, Calendar Year)						
Unleaded Gas	1.25	1.66	2.06	1.99	1.95	1.86	1.77
Ethanol	1.69	1.80	2.56	2.14	2.07	1.96	1.87
Distillers Grains							
	(Thousand Tons, Sep.-Aug. Year)						
Production (Dry equivalent)	8,097	10,200	14,368	17,403	20,821	23,408	25,451
Domestic Use	8,097	10,098	14,081	16,881	19,884	22,004	23,670
Net Exports	0	102	287	522	937	1,404	1,782
	(Dollars per Ton, Sep.-Aug. Year)						
Price, Lawrenceburg, IN	75.15	86.97	82.54	83.98	81.47	80.70	81.81
Corn Gluten Feed							
	(Thousand Tons, Sep.-Aug. Year)						
Production	8,683	8,921	9,225	9,180	9,214	9,235	9,240
Domestic Use	5,656	5,873	6,274	6,304	6,349	6,381	6,404
Net Exports	3,027	3,048	2,950	2,876	2,865	2,854	2,836
	(Dollars per Ton, Sep.-Aug. Year)						
Price, 21%, IL Points	52.60	55.22	59.51	63.21	63.15	63.51	64.68
Corn Gluten Meal							
	(Thousand Tons, Sep.-Aug. Year)						
Production	2,285	2,348	2,428	2,416	2,425	2,430	2,432
Domestic Use	1,362	1,513	1,579	1,562	1,564	1,564	1,563
Net Exports	923	834	849	853	861	866	869
	(Dollars per Ton, Sep.-Aug. Year)						
Price, 60%, IL Points	267.78	275.92	261.36	260.73	253.86	252.78	257.95
Corn Oil							
	(Million Pounds, Oct.-Sep. Year)						
Production	2,392	2,450	2,537	2,525	2,534	2,540	2,542
Domestic Use	1,649	1,731	1,787	1,805	1,809	1,811	1,806
Net Exports	740	740	745	735	732	732	735
Ending Stocks	156	135	140	125	119	117	117
	(Cents per Pound, Oct.-Sep. Year)						
Chicago Price	27.86	25.50	25.42	29.16	30.92	31.79	31.74

*Retail prices exceed rack prices because of taxes, handling costs, etc. Ethanol qualifies for a 51 cent per gallon tax credit that reduces retail prices for ethanol relative to gasoline.

U.S. Wheat Supply and Utilization

Crop Year	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Area (Million Acres)							
Base Area	75.5	75.5	75.4	75.4	75.5	75.5	75.5
Planted Area	59.7	57.2	57.9	58.1	58.0	57.5	57.1
Harvested Area	50.0	50.1	47.1	49.4	49.2	48.8	48.5
Yield (Bushels per Acre)							
Actual	43.2	42.0	38.3	42.1	42.4	42.8	43.1
Program, Direct	34.5	34.5	34.5	34.5	34.5	34.5	34.5
Program, CCP	36.1	36.1	36.1	36.1	36.1	36.1	36.1
Supply (Million Bushels)							
Beginning Stocks	546	540	568	433	489	499	494
Production	2,158	2,105	1,806	2,080	2,089	2,086	2,089
Imports	71	80	100	90	90	90	90
Domestic Use							
Feed, Residual	190	165	151	207	221	220	219
Seed	78	78	79	79	78	78	78
Food, Other	905	910	913	921	926	930	935
Exports							
	1,063	1,004	898	907	944	953	952
Total Use							
	2,235	2,157	2,040	2,114	2,170	2,181	2,184
Ending Stocks							
CCC Inventory	54	43	43	43	43	43	43
Under Loan	58	42	30	38	38	37	37
Other Stocks	428	483	360	408	418	414	409
Prices and Returns (Dollars)							
Farm Price/bu.	3.40	3.42	3.88	3.68	3.70	3.74	3.76
Loan Rate/bu.	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Average LDP Rate/bu.	0.04	0.01	0.00	0.00	0.00	0.00	0.00
Target Price/bu.	3.92	3.92	3.92	3.92	3.92	3.92	3.92
CCP Rate/bu.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct Payment/bu.	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Gross Market Revenue/a.	146.76	143.62	148.68	155.03	157.03	159.81	162.04
LDP Revenue/a.	1.71	0.41	0.00	0.00	0.00	0.00	0.00
Variable Expenses/a.	72.06	81.48	86.82	87.83	86.00	86.46	87.26
Mkt+LDP Net Returns/a.	76.41	62.54	61.86	67.20	71.03	73.34	74.78
CCP Revenue/Base a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct Payment/Base a.	15.25	15.25	15.25	15.25	15.25	15.25	15.25

U.S. Soybean Supply and Utilization

Crop Year	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Area (Million Acres)							
Base Area	52.8	52.7	52.7	52.7	52.7	52.8	52.8
Planted Area	75.2	72.1	74.9	71.3	71.3	71.4	71.6
Harvested Area	74.0	71.4	73.9	70.1	70.1	70.2	70.4
Yield (Bushels per Acre)							
Actual	42.2	43.3	40.7	41.1	41.4	41.8	42.1
Program, Direct	30.8	30.8	30.8	30.8	30.8	30.8	30.8
Program, CCP	34.1	34.1	34.1	34.1	34.1	34.1	34.1
Supply (Million Bushels)							
Beginning Stocks	112	256	545	536	455	398	360
Production	3,124	3,086	3,010	2,880	2,903	2,930	2,965
Imports	6	4	4	4	4	4	4
Domestic Use							
Crush	1,696	1,720	1,747	1,734	1,748	1,767	1,789
Seed, Residual	187	177	167	164	166	169	171
Exports							
	1,103	905	1,109	1,066	1,050	1,036	1,025
Total Use							
	2,986	2,802	3,023	2,965	2,965	2,972	2,985
Ending Stocks							
CCC Inventory	0	0	0	0	0	0	0
Under Loan	53	75	101	78	71	66	61
Other Stocks	203	470	435	377	327	294	282
Prices and Returns (Dollars)							
Farm Price/bu.	5.74	5.65	5.29	5.63	5.72	5.80	5.88
Ill. Proc. Price/bu.	5.98	5.95	5.60	5.93	6.02	6.10	6.18
Loan Rate/bu.	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Average LDP Rate/bu.	0.10	0.01	0.04	0.00	0.00	0.00	0.00
Target Price/bu.	5.80	5.80	5.80	5.80	5.80	5.80	5.80
CCP Rate/bu.	0.00	0.00	0.07	0.00	0.00	0.00	0.00
Direct Payment/bu.	0.44	0.44	0.44	0.44	0.44	0.44	0.44
Gross Market Revenue/a.	242.43	244.37	215.21	231.22	236.83	242.27	247.85
LDP Revenue/a.	4.04	0.27	1.57	0.00	0.00	0.00	0.00
Variable Expenses/a.	83.81	91.94	98.63	99.05	97.08	97.46	98.12
Mkt+LDP Net Returns/a.	162.66	152.70	118.15	132.17	139.75	144.81	149.73
CCP Revenue/Base a.	0.00	0.00	2.16	0.00	0.00	0.00	0.00
Direct Payment/Base a.	11.52	11.52	11.52	11.52	11.52	11.52	11.52
Bean/Corn Price Ratio	2.79	2.85	2.27	2.22	2.22	2.22	2.23
48% Meal Price/ton	182.89	175.00	163.58	162.88	157.17	156.28	160.56
Oil Price/cwt.	23.01	23.50	23.48	27.25	29.01	29.88	29.83
Crushing Margin/bu.	1.04	0.92	0.98	1.06	1.03	1.03	1.05

U.S. Upland Cotton Supply and Utilization

Crop Year	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Area (Million Acres)							
Base Area	18.42	18.41	18.41	18.41	18.41	18.42	18.42
Planted Area	13.41	13.98	14.94	14.42	14.21	14.18	14.15
Harvested Area	12.81	13.53	12.50	13.10	12.91	12.88	12.85
Yield (Pounds per Acre)							
Actual	843	825	761	763	770	777	784
Program, Direct	604	604	604	604	604	604	604
Program, CCP	638	638	638	638	638	638	638
Supply (Million Bales)							
Beginning Stocks	3.38	5.48	6.45	5.14	4.98	4.74	4.71
Production	22.51	23.26	19.80	20.82	20.70	20.84	20.99
Imports	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Domestic Use							
Mill Use	6.63	5.90	5.40	5.16	4.99	4.74	4.53
Exports							
	13.62	16.43	15.72	15.83	15.96	16.14	16.40
Total Use							
	20.25	22.33	21.12	20.99	20.95	20.89	20.93
Unaccounted							
	-0.17	0.03	0.00	0.00	0.00	0.00	0.00
Ending Stocks							
CCC Inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Stocks	5.48	6.45	5.14	4.98	4.74	4.71	4.79
Prices and Returns (Dollars)							
Farm Price/lb.	0.416	0.478	0.511	0.534	0.547	0.555	0.555
Cotlook A Index/lb.	0.535	0.585	0.638	0.664	0.678	0.687	0.684
Adjusted World Price/lb.	0.389	0.421	0.483	0.514	0.528	0.537	0.534
Loan Rate/lb.	0.520	0.520	0.520	0.520	0.520	0.520	0.520
Average LDP Rate/lb.	0.161	0.102	0.050	0.019	0.005	0.000	0.000
Target Price/lb.	0.724	0.724	0.724	0.724	0.724	0.724	0.724
CCP Rate/lb.	0.137	0.137	0.137	0.124	0.110	0.102	0.103
Direct Payment/lb.	0.067	0.067	0.067	0.067	0.067	0.067	0.067
Gross Market Revenue/a.	419.68	451.98	445.42	468.73	486.16	498.17	503.02
LDP Revenue/a.	135.88	83.94	38.21	14.27	3.63	0.00	0.00
Variable Expenses/a.	330.54	354.90	365.28	369.01	364.53	366.09	370.39
Mkt+LDP Net Returns/a.	225.02	181.02	118.34	113.99	125.25	132.08	132.63
CCP Revenue/Base a.	74.50	74.50	74.50	67.04	59.63	55.30	55.77
Direct Payment/Base a.	34.23	34.23	34.23	34.23	34.23	34.23	34.23

U.S. Cattle Sector

Calendar Year	2005	2006	2007	2008	2009	2010	2011
	(Million Head)						
Beef Cows (Jan. 1)	32.9	33.3	33.5	34.2	34.6	34.9	35.2
Dairy Cows (Jan. 1)	9.0	9.1	9.1	9.0	9.0	8.9	8.9
Cattle and Calves (Jan. 1)	95.4	97.1	98.4	100.1	101.4	102.2	102.9
Calf Crop	37.8	38.2	38.8	39.3	39.7	40.0	40.2
Calf Death Loss	2.3	2.4	2.4	2.4	2.4	2.4	2.4
Calf Slaughter	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Beef Cow Slaughter	2.6	2.8	2.9	3.3	3.5	3.7	3.8
Dairy Cow Slaughter	2.3	2.6	2.7	2.7	2.7	2.7	2.7
Bull Slaughter	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Steer and Heifer Slaughter	27.2	28.0	28.1	28.5	29.1	29.3	29.6
Total Slaughter	33.3	34.7	35.0	35.8	36.6	37.0	37.4
Cattle Imports	1.8	2.3	2.4	2.4	2.4	2.4	2.4
Cattle Exports	0.0	0.0	0.1	0.2	0.2	0.2	0.2
Cattle Death Loss	2.3	2.4	2.4	2.4	2.5	2.5	2.5
Residual	0.1	0.3	0.4	0.4	0.5	0.5	0.4
Cattle and Calves (Dec. 31)	97.1	98.4	100.1	101.4	102.2	103.0	103.3
Cattle on Feed (Jan. 1)	13.7	14.1	13.5	13.7	14.0	14.0	14.0
	(Million Pounds)						
Supply							
Beginning Stocks	637	571	613	622	642	661	675
Imports	3,599	3,371	3,340	3,312	3,291	3,272	3,248
Production	24,784	26,157	26,558	27,366	28,192	28,738	29,271
Total	29,020	30,099	30,511	31,300	32,125	32,672	33,194
Disappearance							
Domestic Use	27,760	28,447	28,527	29,037	29,650	30,028	30,408
Exports	689	1,039	1,362	1,622	1,813	1,969	2,098
Total	28,449	29,486	29,889	30,659	31,463	31,997	32,506
Ending Stocks	571	613	622	642	661	675	688
	(Pounds)						
Per Capita Consumption							
Carcass Weight	93.5	94.9	94.4	95.2	96.4	96.8	97.2
Retail Weight	65.4	66.5	66.1	66.7	67.5	67.7	68.0
Change	-0.9%	1.6%	-0.6%	0.9%	1.2%	0.4%	0.4%
	(Dollars Per Hundredweight)						
Prices							
1100 - 1300 #, Nebraska							
Direct Steers	87.28	83.53	81.98	79.97	77.09	74.57	73.06
Change	3.0%	-4.3%	-1.9%	-2.5%	-3.6%	-3.3%	-2.0%
600 - 650 #, Oklahoma City							
Feeder Steers	120.02	117.27	109.44	99.19	92.00	86.04	81.47
Change	7.4%	-2.3%	-6.7%	-9.4%	-7.2%	-6.5%	-5.3%
Utility Cows, Sioux Falls	54.36	49.58	47.54	44.81	42.83	41.00	39.41
Change	3.8%	-8.8%	-4.1%	-5.7%	-4.4%	-4.3%	-3.9%
Boxed Beef Cutout	145.78	142.18	139.56	137.04	134.04	130.96	128.61
Change	3.6%	-2.5%	-1.8%	-1.8%	-2.2%	-2.3%	-1.8%
	(Dollars Per Pound)						
Beef Retail	4.09	4.00	4.01	4.01	3.99	3.99	3.98
Change	0.7%	-2.1%	0.2%	-0.1%	-0.4%	-0.1%	-0.1%
	(Dollars Per Cow)						
Net Returns							
Cow - Calf	131.33	81.00	41.51	1.45	-30.74	-56.36	-78.34

U.S. Swine Sector

Calendar Year	2005	2006	2007	2008	2009	2010	2011
	(Million Head)						
Breeding Herd (Dec. 1*)	5.97	6.01	6.03	5.99	5.88	5.80	5.82
Gilts Added	3.25	3.34	3.36	3.26	3.19	3.21	3.24
Sow Slaughter	3.15	3.26	3.34	3.31	3.21	3.13	3.17
Sows Farrowed	11.54	11.61	11.67	11.60	11.42	11.36	11.49
Pigs per Litter (Head)	9.01	9.08	9.14	9.19	9.24	9.29	9.34
Market Hogs (Dec. 1*)	55.0	55.4	56.1	56.4	56.8	56.5	56.8
Pig Crop	104.0	105.4	106.7	106.7	105.6	105.5	107.4
Barrow and Gilt Slaughter	100.2	101.5	103.3	103.5	103.2	102.8	104.1
Hog Imports	8.2	8.7	9.1	9.3	9.4	9.6	9.7
Hog Exports	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Death Loss/Residual	11.4	11.9	11.9	11.9	11.9	11.9	12.0
Market Hogs (Nov.30)	55.4	56.1	56.4	56.8	56.5	56.8	57.7
	(Million Pounds)						
Supply							
Beginning Stocks	543	494	511	525	526	522	518
Imports	1,024	1,089	1,110	1,095	1,136	1,176	1,154
Production	20,706	21,108	21,593	21,729	21,747	21,736	22,115
Total	22,273	22,691	23,214	23,349	23,410	23,435	23,787
Disappearance							
Domestic Use	19,119	19,110	19,454	19,612	19,715	19,802	20,051
Exports	2,660	3,070	3,235	3,210	3,173	3,115	3,207
Total	21,779	22,180	22,689	22,822	22,888	22,917	23,258
Ending Stocks	494	511	525	526	522	518	529
	(Pounds)						
Per Capita Consumption							
Carcass Weight	64.4	63.8	64.4	64.3	64.1	63.8	64.1
Retail Weight	50.0	49.5	49.9	49.9	49.7	49.5	49.7
Change	-2.5%	-0.9%	0.9%	-0.1%	-0.3%	-0.4%	0.4%
	(Dollars Per Hundredweight)						
Prices							
Natl. Base 51-52% lean equi							
Barrows & Gilts	50.05	44.46	41.52	43.08	46.59	50.22	48.68
Change	-4.7%	-11.2%	-6.6%	3.8%	8.1%	7.8%	-3.1%
IA-S. Minn. #1-2, 300-400 #							
Sows	42.70	37.49	35.71	37.27	38.82	41.12	39.31
Change	-1.8%	-12.2%	-4.8%	4.4%	4.2%	5.9%	-4.4%
Pork Cutout Value	69.84	65.22	63.85	65.29	67.88	71.18	69.63
Change	-5.0%	-6.6%	-2.1%	2.3%	4.0%	4.9%	-2.2%
	(Dollars Per Pound)						
Pork Retail	2.83	2.81	2.80	2.85	2.93	3.01	3.01
Change	1.3%	-0.6%	-0.2%	1.7%	2.7%	2.8%	-0.1%
	(Dollars Per Hundredweight)						
Net Returns							
Farrow - Finish	13.28	6.15	1.09	1.61	4.56	7.63	5.26

* Preceding Year

U.S. Poultry Supply and Use

Calendar Year	2005	2006	2007	2008	2009	2010	2011
Broiler							
Supply (Million Pounds)							
Beginning Stocks	713	924	870	874	890	903	916
Imports	34	37	36	36	36	36	36
Production	34,986	35,673	36,396	37,304	38,190	39,033	39,801
Total	35,733	36,634	37,302	38,214	39,116	39,972	40,754
Disappearance							
Domestic Use	29,662	30,282	30,776	31,535	32,277	32,957	33,570
Exports	5,148	5,483	5,652	5,790	5,936	6,099	6,257
Total	34,810	35,765	36,428	37,325	38,213	39,056	39,827
Ending Stocks	924	870	874	890	903	916	927
Per Capita Consumption (Pounds)							
RTC Weight	99.9	101.1	101.8	103.4	104.9	106.2	107.3
Retail Weight	85.4	86.3	86.8	88.1	89.3	90.3	91.1
Change	1.8%	1.1%	0.6%	1.5%	1.3%	1.1%	0.9%
Prices (Cents Per Pound)							
12 City Wholesale	70.83	63.52	63.99	64.12	64.20	64.37	64.48
Change	-4.4%	-10.3%	0.7%	0.2%	0.1%	0.3%	0.2%
Bnls. Breast Whlsle., NE	133.86	120.23	126.29	126.85	127.01	127.02	127.40
Change	-26.1%	-10.2%	5.0%	0.4%	0.1%	0.0%	0.3%
Whole Leg Wholesale, NE	52.10	40.15	41.11	41.29	41.37	41.46	41.57
Change	20.0%	-22.9%	2.4%	0.4%	0.2%	0.2%	0.3%
Broiler Retail	174.07	163.35	167.21	167.92	168.39	169.02	169.90
Change	0.7%	-6.2%	2.4%	0.4%	0.3%	0.4%	0.5%
Net Returns	20.61	13.45	13.07	12.62	12.66	12.67	12.48
Turkey							
Supply (Million Pounds)							
Beginning Stocks	288	206	249	286	300	302	304
Imports	8	8	4	4	4	4	4
Production	5,432	5,573	5,690	5,762	5,803	5,854	5,909
Total	5,728	5,787	5,943	6,051	6,107	6,160	6,218
Disappearance							
Domestic Use	4,953	4,984	5,063	5,142	5,180	5,213	5,252
Exports	569	554	595	610	625	642	659
Total	5,522	5,538	5,658	5,751	5,805	5,855	5,911
Ending Stocks	206	249	286	300	302	304	307
Per Capita Consumption (Pounds)							
Change	-2.0%	-0.3%	0.7%	0.7%	-0.1%	-0.2%	-0.1%
Prices (Cents Per Pound)							
East. Region, Wholesale	73.41	72.42	69.45	68.01	68.10	68.30	68.68
Change	5.3%	-1.3%	-4.1%	-2.1%	0.1%	0.3%	0.6%
Turkey Retail	107.23	110.36	110.23	109.36	109.57	110.23	111.06
Change	-1.7%	2.9%	-0.1%	-0.8%	0.2%	0.6%	0.8%
Net Returns	10.61	9.82	6.34	4.51	4.62	4.71	4.86

U.S. Dairy Sector

Calendar Year	2005	2006	2007	2008	2009	2010	2011
U.S. Milk Supply							
Dairy Cows (Thou. Head)	9,041	9,129	9,053	9,006	8,965	8,935	8,914
Milk Yield (Lbs.)	19,576	19,910	20,217	20,512	20,814	21,111	21,397
Milk Production (Bil. Lbs.)	177.0	181.8	183.0	184.7	186.6	188.6	190.7
Min. FMMO Class Prices (Dollars per Cwt.)							
Class I Mover	14.40	11.78	12.13	12.36	12.43	12.54	12.60
Class II	13.48	11.58	11.81	12.08	12.09	12.16	12.22
Class III	14.05	11.60	11.95	12.18	12.25	12.36	12.42
Class IV	12.88	10.97	11.20	11.47	11.49	11.56	11.61
All Milk Price	15.20	12.85	13.15	13.38	13.41	13.50	13.55
MILC Payment	0.00	0.43	0.48	0.00	0.00	0.00	0.00
Wholesale Prices (Dollars per Pound)							
Butter, CME	1.55	1.24	1.27	1.26	1.28	1.26	1.29
Cheese, Am., 40#, CME	1.49	1.26	1.29	1.31	1.32	1.33	1.34
Nonfat Dry Milk, AA	0.99	0.92	0.93	0.97	0.96	0.98	0.97
Evaporated	1.47	1.44	1.44	1.46	1.46	1.47	1.48
Dairy Product Production (Million Pounds)							
American Cheese	3,813	3,872	3,933	3,970	4,025	4,075	4,124
Other Cheese	5,314	5,528	5,640	5,732	5,842	5,946	6,051
Butter	1,347	1,374	1,368	1,390	1,395	1,409	1,408
Nonfat Dry Milk	1,186	1,316	1,373	1,477	1,525	1,602	1,683