1. Total United States meat production for 1977 is forecast to be 23.6 million metric tons, slightly above the 1976 level. Of this total, beef and veal production is forecast at 11.6 million tons, down 5 per cent, pork production at 6.3 million tons, up 12 per cent, and poultry output at 5.5 million tons, up 3 per cent. Meat supplies, therefore, continue large.

2. Beef and veal situation. Sharp downward adjustments continued to be made in the cattle inventory during 1976. The inventory of all cattle and calves on farms 1 January was reduced from 131.8 million head in 1975 to 122.9 million head in 1977. Because of the lower inventory, cattle slaughter in 1977 is expected to total 40.5 million head, about 7 per cent below the 1976 level. However, the higher percentage of fed cattle in the slaughter mix will increase slaughter weights and dampen the decline in beef and veal production to about 5 per cent. It should be noted that continuation of the drought in many areas of the country could cause higher than anticipated cattle slaughter and subsequently raise beef and veal production above the levels forecast.

3. Barring forced liquidation, non-fed cattle slaughter should be below 1976 levels throughout most of the year. In addition, the lower inventory of cattle on feed since October 1976 should lead to less fed beef during the winter and much of the spring. However, for the fourth quarter of 1976, feed lot placements were up 5 per cent from a year earlier and fed cattle marketings in the first half of 1977 are expected to equal those of a year earlier. Thus, production is expected to be down fractionally in the first half of the year. Production later in 1977 will be off possibly 2 or 4 per cent as declining cattle herd size begins to limit slaughter supplies.
4. Because of heavy cattle slaughter caused in part by the severe winter weather conditions, choice steer prices (Omaha) declined through most of the first quarter of this year, dropping below $37 per 100 pounds in March. Though the near record placements of cattle on feed during the final quarter of 1975 will dampen the seasonal spring price rise, easing beef supplies should strengthen prices somewhat in the second half of the year.

5. Pork situation. With the upswing in pork production continuing this year, the 1977 increase in pork output will exceed 10 per cent. First-half 1977 production will decline from the high levels last fall but continue to average around a fifth above 1976. The margin of increase likely will narrow after mid-year and production may drop to about 1976 levels by the end of 1977. United States hog slaughter is expected to increase by 83 million head in 1977 compared with 75 million in 1976, with most of the increase occurring the first half of the year. The resultant sharp increase in pork production in 1977 is expected to keep slaughter hog prices $6-8 below last year's $43/100 pounds annual average.

6. White meat situation. Broiler output is currently running above year earlier levels and is expected to do so throughout 1977. First half output probably will be around 5 per cent above 1976 record output of 4,430 million pounds. Turkey output in early 1977, however, is running behind 1976 levels but should move above a year earlier in coming months. Output during first half of 1977 is expected to be 2 per cent above 1976 levels of 576 million pounds.

7. For 1977, imports of beef and veal are forecast at 915,000 tons, carcass weight equivalent, down just slightly from the 1976 level. Imports of fresh, chilled and frozen beef and veal, mutton and goat meat - meats subject to the United States Meat Import Law - will be limited to 581,000 tons (product weight), the 1977 trigger level for imposition of quotas. Imports of prepared and preserved beef and veal, mostly from Argentina and Brazil, are expected to remain close to the 1976 levels.

8. Exports of beef and veal are expected to rise slightly in 1977 above the 41,000 tons exported in 1976. The great majority of United States exports of beef and veal are high quality cuts to Japan and Canada. Continued high output of fed beef in the United States and expanded Japanese import quotas will help to increase these shipments.

9. The United States negotiated voluntary restraint agreements with major supplying countries to limit United States imports of meat subject to the Meat Import Law (mainly frozen beef) to 1,271.9 million pounds (577,000 metric tons), 10 million pounds below the trigger level for the imposition of quotas. This level of imports will be equivalent to about 7 per cent of United States domestic production and to about one third of total world imports. Imports of meat processed in United States free-trade zones, trust territories, and possessions from foreign meat subject to the Law and subsequently entered into the customs territory of the United States for consumption will be counted against the 1977 limitation by country of origin.