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THE Livestock SITUATION

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UNITED STATES DEPARTMENT OF AGRICULTURE

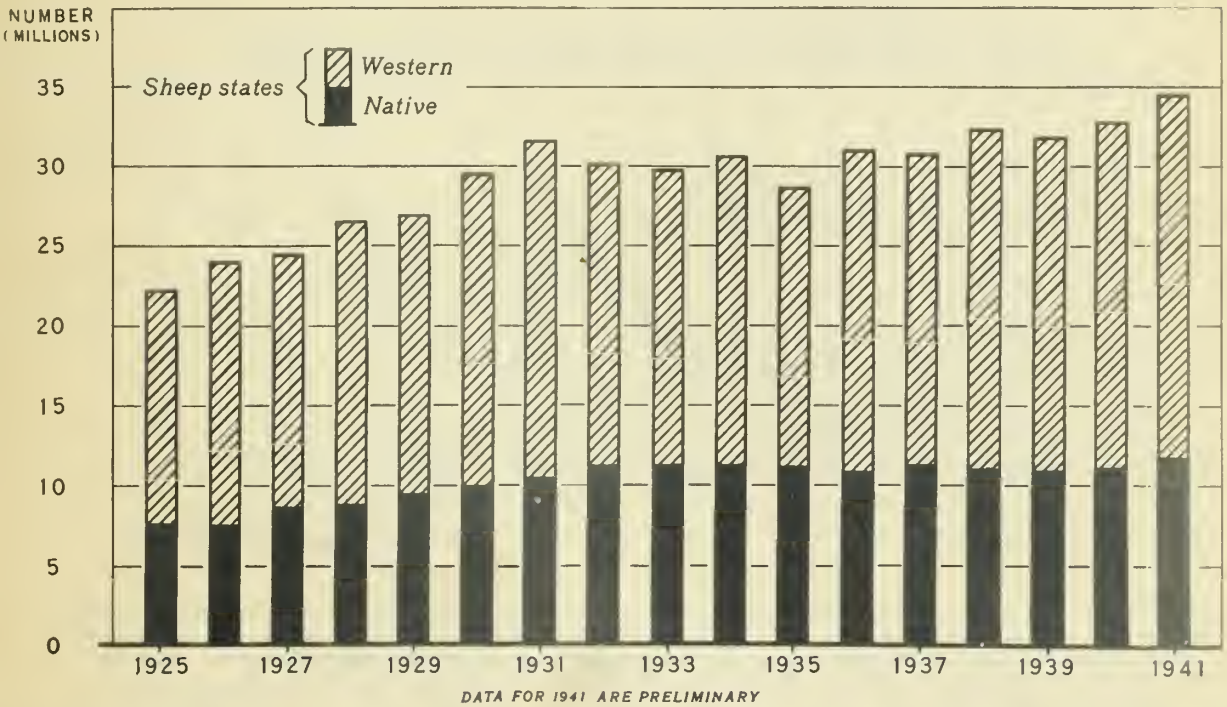
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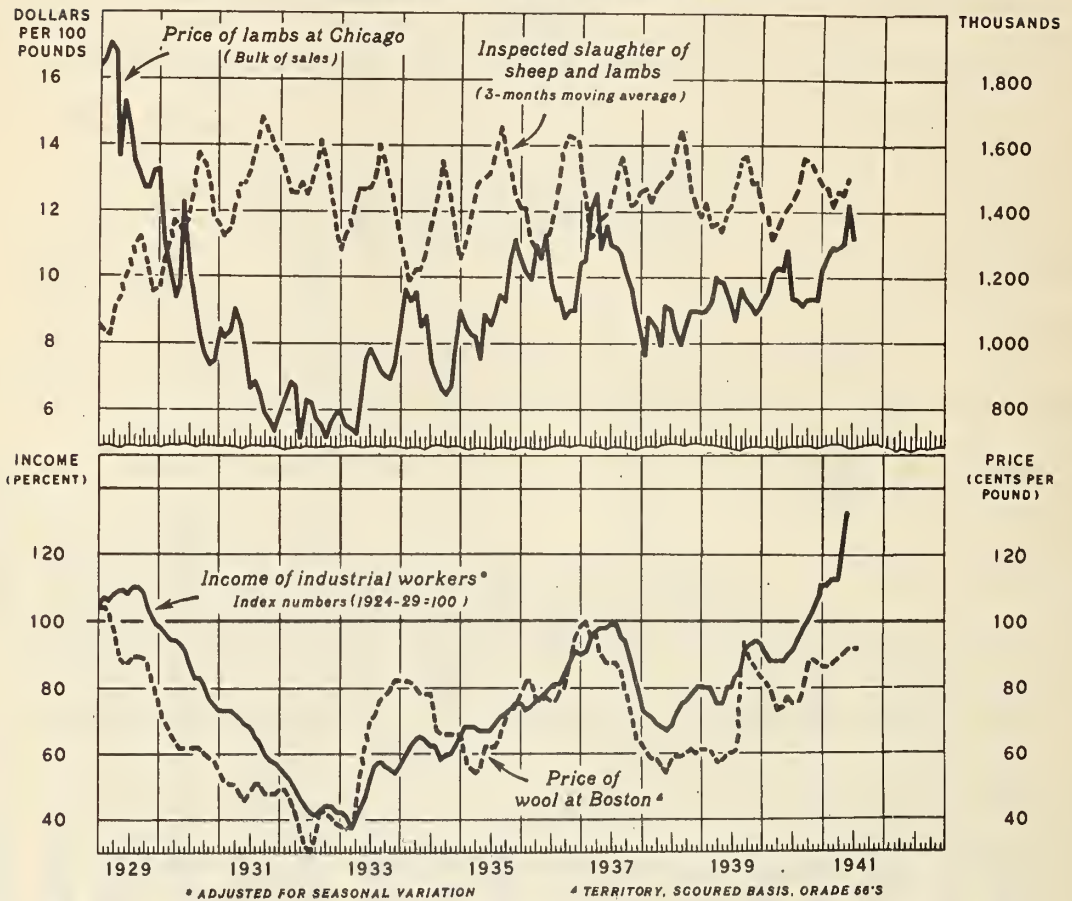
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OUTLOOK FOR SHEEP AND LAMBS

UNITED STATES LAMB CROP, 1925-41



THE 1941 LAMB CROP IS 5 PERCENT LARGER THAN THE 1940 CROP, AND IT IS THE LARGEST CROP ON RECORD IN BOTH THE NATIVE AND WESTERN SHEEP STATES. THE INCREASE OVER LAST YEAR'S CROP RESULTED CHIEFLY FROM THE LARGER NUMBER OF LAMBS SAVED PER 100 EWES THIS YEAR THAN LAST. WEATHER AND FEED CONDITIONS HAVE BEEN EXCEPTIONALLY FAVORABLE FOR THE LAMB CROP THIS YEAR.

PRICES OF LAMBS AT CHICAGO AND WOOL AT BOSTON, SLAUGHTER OF SHEEP AND LAMBS, AND INCOME OF INDUSTRIAL WORKERS, UNITED STATES, 1929-41



U. S. DEPARTMENT OF AGRICULTURE

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FIGURE 1.- SLAUGHTER SUPPLIES OF SHEEP AND LAMBS PROBABLY WILL BE SOMEWHAT LARGER THAN THOSE OF A YEAR EARLIER DURING THE REMAINDER OF 1941 AS A RESULT OF THE 5 PERCENT INCREASE IN THIS YEAR'S LAMB CROP. INCOMES OF CONSUMERS AND DOMESTIC DEMAND FOR MEATS ARE EXPECTED TO IMPROVE FURTHER DURING THE NEXT FEW MONTHS, HOWEVER, AND THIS WILL MORE THAN OFFSET THE EFFECT OF THE LARGER SUPPLIES UPON LAMB PRICES.

THE LIVESTOCK SITUATION

Summary

Total marketings of livestock during the remainder of 1941 probably will be a little larger than a year earlier. A material increase over last fall and early winter is in prospect for cattle. Supplies of sheep and lambs also will exceed those of last year, but these increases will be mostly offset by smaller supplies of hogs. Consumer demand for meats is expected to improve somewhat further during the rest of the year, and the general level of livestock prices will continue higher than a year earlier, with hog prices showing the greatest gain over corresponding months of 1940.

Slaughter supplies of grain-fed cattle will be exceptionally large this fall. The number of cattle on feed in the Corn Belt on August 1 was 17 percent larger than a year earlier and among the largest number for that date in all years. These cattle will be marketed in considerable volume during the next few months. Range feed conditions have been exceptionally good this year and are expected to continue good for several months. The market movement of cattle from the Western States may be a little later than usual this fall, but the cattle will be in better than average finish.

So far in 1941 slaughter cattle prices have averaged about \$1.00 higher than a year earlier, despite a record commercial production of beef during this period. During the next several months cattle prices will be supported by further improvement in domestic demand conditions, but because of the expected large increase in supplies of fed cattle, the seasonal increase in prices of the upper grades may be less pronounced than it was last fall. The spread between prices of the upper and lower grades is

likely to continue narrower than usual. Feeder cattle prices are expected to be relatively high this fall. And, with the prospects that feed prices will continue higher than a year earlier, the outlook for cattle feeding in the 1941-42 season is not as favorable as it has been in other years.

The 1941 lamb crop was the largest on record, 5 percent larger than that of last year. Marketings of sheep and lambs will increase seasonally during the next 2 or 3 months. With range conditions exceptionally favorable this year, it is probable that the proportion of the lamb crop reaching slaughter weights by the end of the fall marketing season will be larger than a year earlier and that total slaughter of sheep and lambs during the remainder of 1941 will be somewhat larger than in the corresponding period of 1940.

Hog prices have weakened moderately since mid-July. Some further decline will probably take place this fall, but prices will continue much higher than the level which prevailed in the last half of 1940. Prices of slaughter cattle advanced sharply in late July, but the gain was partly lost during early August. Prices of slaughter lambs have fluctuated considerably during the past 3 months, but they have declined much less than the usual seasonal amount and are now considerably higher than a year ago.

-- August 19, 1941

REVIEW OF RECENT DEVELOPMENTS

HOGS

Hog prices weaken a little in late July and early August

After advancing to the highest level in about 4 years in mid-July, hog prices weakened a little during the last half of the month and in

early August. The decline has not been great, however, and the general level of hog prices has continued much higher than a year earlier. The average price of all hogs at Chicago for the week ended August 16 was \$10.60, compared with \$11.00 four weeks earlier and \$6.10 in the corresponding week of 1940. The spread between prices of medium and heavy weight hogs has widened somewhat during the past 2 months, as marketings of packing sows have increased seasonally.

The advance in hog prices in early July was reflected in further improvement in the hog-corn price ratio. The ratio has declined a little since then as a result of the decline in hog prices and a slight advance in corn prices, but it is still materially higher than a year earlier and quite favorable for feeding corn to hogs. In mid-August the ratio of the average price of all hogs at Chicago to the average price of No. 3 Yellow corn was 14.3, compared with 9.1 a year earlier and the long-time average of 11.6.

Hog slaughter decreased in July

The weekly rate of hog marketings has decreased seasonally since mid-May and has been running smaller than a year earlier in most weeks since early June. The number of hogs slaughtered under Federal inspection during July totaled 3,006,000 head, 10 percent less than in June and 7 percent less than in July last year.

The proportion of packing sows in total marketings has increased seasonally during the past 2 months, and this has been reflected in a material increase in the average weight of all hogs slaughtered. Average weights of both butcher hogs and packing sows have continued considerably heavier than a year earlier during recent weeks. In July the average weight of all hogs purchased at seven important markets was about 8 pounds heavier than a year earlier, despite the smaller proportion of packing sows in total marketings.

Storage stocks of pork and lard reduced during July

Storage stocks of both pork and lard were reduced seasonally during July. The net out-of-storage movement for pork during the month amounted to 85 million pounds, while lard stocks were reduced by about 40 million pounds. Stocks of both pork and lard continued larger than a year earlier, however, and larger than on August 1 of other recent years. The August 1 stocks of pork at 619 million pounds were 46 percent greater than the 1935-39 August 1 average. Total storage holdings of lard on August 1 of 335 million pounds, although smaller than a month earlier, were still 10 percent larger than a year earlier and the largest for the month on record.

Included in the August 1 figures are 17.6 million pounds of cured pork and 31.2 million pounds of lard owned by the Department of Agriculture in cold storage outside of processors' hands.

Storage holdings of pork and lard on the first of the month, average
1934-35 to 1938-39, 1939-40, and current marketing year

Month	Pork			Lard			Rendered pork fat 1940-41
	Average 1934-35 to 1938-39	1939-40	1940-41	Average 1934-35 to 1938-39	1939-40	1940-41	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Oct.	344.6	300.2	329.2	87.6	78.8	235.7	1/
Nov.	323.7	272.7	303.7	69.6	68.7	223.2	1/
Dec.	378.9	332.3	408.9	71.8	89.0	232.5	5.1
Jan.	502.0	469.5	656.2	95.6	162.1	287.0	7.1
Feb.	584.6	588.6	739.9	120.5	202.2	299.6	7.2
Mar.	603.7	650.7	791.9	126.7	256.6	317.4	9.2
Apr.	580.1	652.7	785.4	129.9	268.8	310.4	8.3
May	561.3	612.0	795.9	129.1	266.1	321.1	6.6
June	515.7	592.6	798.5	129.4	283.9	366.1	7.8
July	474.7	593.5	703.9	130.2	306.8	374.7	7.8
Aug.	422.6	548.7	2/618.9	121.2	303.2	2/334.5	2/7.3
Sept.	361.9	417.6		101.8	272.3		

1/ Not distinguished from lard prior to Dec. 1940.

2/ Preliminary.

Canadian Government stops exports of hogs
and pork to the United States

Exports of live hogs from Canada to the United States, which have been exceptionally large in recent months, were cut off in July by an embargo imposed by the Canadian Government. This action follows repeated attempts to curtail exports to countries other than Great Britain (primarily the United States) by raising prices, and is designed to meet increased needs for hog products for shipment to Great Britain.

There are normally some shipments of hogs and pork products between Canada and the United States, the extent and direction of the movement depending upon the relative level of prices in the two countries. Hog prices have advanced sharply in the United States since about the first of the year, and although the Canadian Bacon Board has raised its schedule of prices paid for bacon on three occasions (\$1.00 on May 1, 75 cents on June 2, and 75 cents on June 24) the increase in prices of hogs in Canada has lagged behind the advance in this country. During the first 7 months of 1941, Canadian exports of live hogs to the United States amounted to 34,032 head, compared with only 39 head in the corresponding period of 1940. Exports of pork products to the United States during this period also were fairly large relative to other periods.

Although the quantities of Canadian hogs and pork products exported to the United States in the past few months have not been large relative to

production in this country, they have been equivalent to a sizable proportion of the amount of bacon and other hog products which Canada has agreed to supply to Great Britain. The British Government recently has asked that shipments under the 1940-41 Anglo-Canadian bacon agreement be speeded up. In addition it is probable that the agreement for 1941-42 will be raised to 600 million pounds, compared with 425 million pounds for 1940-41.

In order to meet these increased needs the Canadian Government, in addition to the export embargo, has taken steps to restrict home consumption of bacon by limiting domestic distribution by export packers to 75 percent of the average weekly level of 1940, and has given further encouragement to increased hog production by raising the schedule of bacon prices an additional \$1.00 per 100 pounds. A considerable decrease in Canadian pork consumption has already occurred as a result of an order in May limiting domestic distribution to the 1940 weekly average and as a result of advances in pork prices. The most recent information available on hog production in Canada indicates that the sharp upward trend of the past 2 years has begun to level off.

Pork exports increased sharply in June

Exports of pork increased sharply in June, probably reflecting shipments abroad under the Lease-Lend Act. ^{1/} Total exports for the month amounted to a little over 31 million pounds, compared with an average monthly rate of a little less than 3 million pounds in the first 5 months of the year. Exports of pork in the first half of 1941 totaled a little over 45 million pounds, compared with about 73 million pounds in the January-June period last year.

June exports of lard amounted to 20.1 million pounds, which was not a great deal larger than the average for the preceding 5 months. Exports of lard for the first half of 1941 amounted to 106 million pounds, compared with 120 million pounds a year earlier.

Government purchases of pork and lard

Purchases of pork and lard by the Department of Agriculture under the food-for-defense program have averaged around 19 million pounds per week during the past 4 weeks. As shown in the accompanying table, total purchases since March now amount to 223 million pounds of pork products and 178 million pounds of lard. In addition, about 1 million bundles of hog casings (weighing around 2 to 2-1/2 lb. per bundle) and 11,000 pounds of dried beef have been purchased.

^{1/} For defense reasons, exports by countries of destination are being withheld from publication.

Purchases of pork and lard by the Department of Agriculture,
March-August, 1941

Period	Pork		Lard	Total pork and lard
	Cured	Canned		
	and frozen			
Month	Pounds	Pounds	Pounds	Pounds
Mar.:	---	---	37,507,200	37,507,200
Apr.:	31,458,500	15,005,884	31,258,400	77,722,784
May:	48,475,000	28,116,946	64,811,631	141,403,577
June:	10,085,000	6,604,288	19,442,384	36,131,672
July:	22,835,000	16,084,706	17,837,312	56,757,018
Week ended				
Aug. 2:	7,005,000	4,376,180	1,230,576	12,611,756
9:	10,675,000	3,566,252	948,000	15,189,252
16:	9,275,000	9,889,404	4,870,576	24,034,980
Total ..:	139,808,500	83,643,660	177,906,079	401,358,239

CATTLE

Cattle prices advanced during
July and early August

Cattle prices rose sharply during the last half of July despite continued large marketings of slaughter cattle. Prices weakened a little in early August, but they have continued higher than a month earlier. The advance in cattle prices since early July has been most pronounced for well-finished steers and heifers, reflecting the seasonal increase in the demand for such cattle which usually takes place in the late summer and early fall. The average price of good grade beef steers at Chicago for the week ended August 16 was \$11.50, nearly \$1.00 higher than in early July and 75 cents higher than in the corresponding week last year.

The spread between prices of the upper and lower grades of slaughter cattle has widened somewhat in the past several weeks, but heavy slaughter steers are still selling at some discount relative to prices of lightweight steers of comparable quality.

Prices of feeder cattle have declined somewhat since early April. They advanced a little in late July, but they are now not so high relative to prices of fat cattle as they were a few months ago. The average price of feeder steers at Kansas City for the week ended August 8 was \$9.70, compared with \$10.60 four months ago and \$8.25 in the corresponding week of 1940.

Cattle slaughter increased sharply in July

Marketings of slaughter cattle increased sharply during July. Inspected slaughter for the month totaled 968,000 head, 12 percent more than a month earlier and 18 percent more than a year earlier. It was the second

largest commercial slaughter for the month on record. So far in 1941, marketings of slaughter cattle have been exceptionally large, particularly during the past 3 months. And with average weights of cattle running materially heavier than a year earlier, production of beef under Federal inspection during the first 7 months of this year totaled about 10 percent larger than a year earlier and was much the largest on record for the period.

In the first 5 months of 1941 all of the increase in cattle slaughter over a year earlier was in cows and heifers, but in recent weeks steer slaughter also has been larger than a year earlier.

Calf slaughter under Federal inspection during July totaled 445,000 head, slightly more than in June but a little less than in July last year.

Imports of cattle and calves reduced in June

Imports of cattle and calves were quite large during the first 5 months of this year, but they decreased sharply in June as a result of reduced shipments from Mexico. Total imports of cattle and calves during the first half of 1941 amounted to 427,000 head, 55,000 head more than were imported during the corresponding period last year. Imports from Canada have been smaller this year than last, but Mexican exports to the United States have been considerably larger.

Imports of cattle weighing 700 pounds and over (exclusive of dairy cattle), to which quarterly quotas apply, totaled 40,000 head in the second quarter (Apr.-June) of this year, compared with 35,000 head in the first quarter (Jan.-Mar.) and 48,000 head in the corresponding period of 1940. Imports of such cattle from Canada continued much below the 51,720 head allocated to that country, but imports from Mexico were again much larger than the 8,280 head maximum permitted entry at the reduced rate of duty from countries other than Canada in any one quarter.

The decrease in exports of cattle from Canada to the United States this year compared with last reflects chiefly the strong demand for cattle in Canada for slaughter and for fattening and herd-building purposes.

On the other hand, the large imports from Mexico have resulted from favorable feed conditions in that country and relatively high prices of cattle in the United States. Imports of cattle and calves from Mexico are expected to continue large for some time, although they probably will be reduced seasonally until late fall.

Cattle imports from Canada, Mexico, and all countries, by weight groups, and imports of beef and veal, January-June 1937-41

Period	Cattle									Beef and veal	
	Canada			Mexico			All countries			total all countries	
	Under 700 lb.	All cattle	Under 700 lb.	Under 700 lb.	All cattle	Under 700 lb.	Under 700 lb.	All cattle	Canned beef	Beef and veal, fresh pickled and cured	
	700 lb. and over		700 lb. and over	700 lb. and over		700 lb. and over	700 lb. and over		2/		
	1/		1/	1/		1/	1/				
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- 1,000 pounds	1,000 pounds	
Jan.-June											
1937	63	85	156	134	24	158	197	108	315	42,742	2,612
1938	30	22	60	161	26	187	192	48	247	38,947	1,440
1939	52	86	147	307	37	344	360	123	491	40,996	2,187
1940	47	57	112	234	25	260	281	82	372	38,075	2,439
1941	39	50	100	302	26	328	341	75	427	39,197	16,471

1/ Exclusive of cattle imported for dairy purposes.

2/ Actual weight of imports, chiefly from Argentina, Uruguay, Brazil, and Chile.

LAMBS

Lamb prices continue well above a year earlier

Prices of slaughter lambs weakened in late July but strengthened again in early August. Lamb prices have fluctuated considerably during the past 2 months, but they have declined less than the usual seasonal amount during June and July and have held well above prices in the corresponding weeks of 1940. The average price of good and choice grade slaughter lambs at Chicago for the week ended August 16 was \$11.25, about the same as in early July but about \$2.00 higher than in early August last year. Supplies of slaughter lambs were larger in July than a year earlier, but consumer demand for meats has been much stronger this summer than it was a year ago.

Prices of feeder lambs have advanced fairly sharply since late June, reflecting the relatively high level of prices of slaughter lambs and the tendency in the Range States to hold back marketings in order to take advantage of the good feed conditions this summer. Keen competition for feeder lambs has been reported in some western regions, and contract prices are averaging from \$1.00 to \$2.00 higher this summer than last. The average price of good and choice grade feeder lambs at Omaha in early August was about \$10.40 compared with \$9.75 in the last half of June and \$8.15 in early August last year.

Sheep and lamb slaughter
increased in July

Marketings of sheep and lambs for slaughter increased fairly sharply in July. Slaughter under Federal inspection during the month totaled 1,569,000 head, 14 percent more than in June and 8 percent more than in July last year. The market movement of lambs from the early-lambing States is about over, but supplies of late lambs have increased sharply during the past several weeks. Marketings of sheep for slaughter have been smaller than a year earlier during recent months, reflecting a tendency to hold back breeding ewes.

CASH INCOME AND PRICES RECEIVED BY
FARMERS FOR MEAT ANIMALS

A further sharp advance occurred in the index of prices received by farmers for meat animals from mid-June to mid-July, largely as a result of the continued rise in hog prices. The United States average prices received by farmers for beef cattle, sheep and lambs in July were not greatly different from those of a month earlier. The average price of veal calves was up moderately, but the price of hogs at \$10.20 was about \$1.20 higher than in June and the highest it has been since September 1937.

Marketings of all livestock were reduced in June. And although the effect of the smaller volume of sales was partly offset by a sharp advance in hog prices, total cash farm income from meat animals for the month was about 7 percent smaller than in May. Cash farm income from meat animals in the first 6 months of 1941 totaled about 1,400 million dollars, 31 percent more than in the first half of 1940. The increase over a year earlier reflects the higher level of livestock prices this year than last and the materially larger marketings of cattle.

Cash income and prices received by farmers for meat animals, specified months and periods, 1940-41

Item	Unit	1940		1941			
		Jan.-	July	Jan.-	May	June	July
		June	June	June	June	July	July
United States average price received by farmers for:	Dol. per						
Hogs	cwt.	5.02	5.78	7.78	8.19	8.98	10.20
Beef cattle	"	7.22	7.48	8.46	8.52	8.63	8.78
Veal calves	"	8.76	8.56	9.86	9.90	9.90	10.27
Sheep	"	4.00	3.60	4.72	4.90	4.62	4.60
Lambs	"	7.96	7.85	8.86	9.05	9.14	9.13
Index of prices received by farmers for all meat animals	<u>1/</u>	103	110	135	138	144	154
Cash farm income from meat animals	Mil. dol.	1,069	185	1,404	251	<u>2/</u> 234	

1/ Base period August 1909-July 1914 = 100.

2/ Preliminary.

OUTLOOK FOR CONSUMER DEMAND CONDITIONS 2/

Although the general trend of industrial activity may flatten out during the next several months as a result of the diversion of materials from civilian to defense production, consumer demand for farm products should continue to improve. Consumer purchasing power tends to lag behind industrial output, and curtailment of some durable consumer goods will leave a larger proportion of total buying power available for the purchase of food and clothing manufactured largely from domestic raw materials. Storage and speculative demand for farm products, recently stimulated by the general expansion of business and inflationary price tendencies, will continue to have an important influence on the total demand for farm products. Nevertheless, over-all demand conditions are not expected to improve at as rapid a rate as in recent months.

Industrial production rose again in July, probably to above 160 percent of the 1935-39 average. Such a height would have seemed fantastic 2 years ago before the war started. The rapid development of bottlenecks in the production and distribution of essential materials and the prospective switching of some important industries from civilian to defense production indicate that further expansion in the output of defense equipment will be largely at the expense of civilian goods, until the production of basic materials can be expanded and new manufacturing facilities come into full production. Industrial production, therefore, may approximately level off for several months, but such a pause would not imply any fundamental change in the generally favorable demand outlook.

Wholesale commodity prices have advanced about 11 percent so far in 1941 and about 13 percent since August 1939. The marked July advance carried prices above the 1937 peak for the first time since the start of war in Europe. Prices will continue to be under pressure of expanding consumer purchasing power in relation to supplies of goods available for civilian consumption. Speculative or storage demand also will continue to be an important factor influencing prices. On the other hand, a number of conditions which have contributed to recent rapid price advances will be less influential during the next few months. No runaway price inflation is in prospect, at least for the time being, although the outlook is for a continued and substantial increase in the general level of prices.

OUTLOOK -- CATTLE

BACKGROUND.— The total number of cattle and calves on farms and ranches in the United States has increased about 5.6 million head during the past 3 years. During the first 2 years slaughter supplies of cattle and calves were reduced moderately by the holding back of breeding stock. Slaughter increased a little last year, however, and so far in 1941 it has been considerably larger than a year earlier.

2/ From the summary of the August issue of The Demand and Price Situation. Copies of this report may be obtained upon request to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

Cattle numbers have now reached the point at which marketings for slaughter can be increased considerably at the same time that herds are being built up further.

Number of cattle on feed
continues large

The number of cattle on feed in the Corn Belt on August 1 was 17 percent larger than a year earlier and among the largest for that date in all years, according to information released recently by the Agricultural Marketing Service. As is shown in the accompanying table, the number of cattle on feed this August 1 was larger than a year earlier in all of the 11 Corn Belt States. The average increase in the Western Corn Belt was 21 percent, compared with 11 percent in the Eastern Corn Belt.

Estimated number of cattle on feed in the Corn Belt
as a percentage of a year earlier,
January 1, April 1, and August 1, 1941

State	Percentage of a year earlier		
	January 1	April 1	August 1
	Percent	Percent	Percent
Ohio	96	97	106
Indiana	98	105	108
Illinois	108	113	114
Michigan	100	108	110
Wisconsin	112	115	117
Minnesota	103	106	108
Iowa	120	122	125
Missouri	107	112	115
South Dakota	115	135	135
Nebraska	108	110	125
Kansas	130	140	105
Corn Belt (weighted average)	111	116	117

Compiled from reports of the Agricultural Marketing Service.

Reports received from cattle feeders indicate that most of the increase over a year earlier is in cattle which have been on feed since before the first of the year. These reports show that about 40 percent of the total number have been on feed for over 7 months, compared with 31 percent last year; that about 33 percent have been on feed from 4 to 7 months as against 29 percent last year; and that the number on feed for less than 4 months accounted for only 26 percent of the total compared with 40 percent last year. These reports check fairly closely with the January 1 indication that feeder calves made up a larger proportion of the cattle on feed than was the case a year earlier and with the report 3 months later that the proportion of the cattle on feed April 1 to be marketed after July 1 was larger than a year earlier.

Supplies of slaughter cattle
to be large this fall

The sharp increase in cattle feeding operations this summer compared with last will be reflected in materially larger supplies of well-finished slaughter cattle during the next few months than were marketed during the late summer and early fall last year. With a large proportion of the cattle on feed August 1 indicated to be about ready for market, it is probable that supplies of fed cattle will increase sharply during the next month or so. Supplies of grass-fat cattle also will increase seasonally during this period, and total marketings of cattle for slaughter during the remainder of 1941 are expected to be considerably larger than a year earlier.

Range conditions in the Western States have been exceptionally good throughout the past spring and summer, and a plentiful supply of range feed is indicated for this fall. Except for limited areas, ample supplies of stock water also are available. The condition of range cattle on August 1 was the best in nearly 30 years. Cattle and calves have made favorable gains during the year and will be in better than average finish this fall. Under these circumstances there may be some tendency for ranchmen to hold back cows and calves in order to increase the size of their herds. On the other hand, the opportunity to sell large numbers of cattle at favorable prices may not be overlooked. It may be that total marketings of range cattle will be no larger this fall than last, but the cattle and calves which are marketed will be in better than average finish. The number of cattle fattened on grass in the Osage and Flint Hill areas of Oklahoma and Nebraska was larger this year than last, and they are reported to have made excellent gains.

Cattle prices this fall and early winter

So far in 1941 slaughter cattle prices have averaged about \$1.00 higher than a year earlier, despite a record commercial production of beef during this period. The effect of the larger supplies upon prices has been more than offset by the marked improvement over a year earlier in consumer demand for meats. Cattle prices will continue to be supported by the improvement in domestic demand conditions during the next several months. But because of the expected large increase in supplies of fed cattle, the seasonal increase in prices of the upper grades may be less pronounced than it was last fall, and the spread between prices of the upper and lower grades is likely to continue narrower than usual.

Outlook for cattle feeding next season

Cattle feeders are faced this year with higher prices for feeder cattle than a year earlier, and higher prices for feed also are in prospect. The two principal costs in cattle feeding, therefore, are higher this season than last. And if favorable returns from cattle feeding are to be obtained in the 1941-42 feeding season, prices of fat cattle next year will have to average substantially higher than in the spring and summer of 1941. It is expected that prices of finished cattle will average higher next spring and summer than they have in the past few months, but it is doubtful if the rise

in prices of such cattle will be sufficiently great to result in generally favorable returns from cattle feeding, when higher costs for feeder cattle and for feed are considered.

Favorable range conditions in the Western States probably will be reflected in late marketings from that area. In addition, the proportion of the range cattle sufficiently finished for slaughter will be larger this year than usual. The demand for feeder cattle, on the other hand, is likely to be relatively strong this fall, and prices of feeder cattle are expected to continue at a relatively high level during the next few months when the great proportion of such cattle are purchased.

Unless the recent dry weather in the Corn Belt reaches real drought proportions, feed supplies in the Corn Belt during the 1941-42 feeding season will be plentiful. In early August the corn crop for 1941 was indicated to be larger than the crop of last year. Prices of corn and other feeds are expected to average higher in the 1941-42 feeding season than they did a year earlier, chiefly because the Government corn loan rate will be higher this year than last.

Prospects for fat cattle prices over a period of the next 12 months - when the feeders purchased this fall will be marketed - depend upon probable supplies of such cattle and the several factors affecting the demand for them. Present indications are that consumer income will increase further during the coming year, and that the effect of this improvement in demand upon the general level of cattle prices probably will more than offset the effect of the prospective increase in cattle slaughter and beef production. In the past few months the spread between prices of well-finished heavy cattle and the plainer kinds, including cows, low quality steers and bulls has been exceptionally narrow. The factors responsible for this situation are not entirely clear. However, market reports show that supplies of heavy fat cattle have been large, and other information indicates that the market outlets for heavy beef of good and choice quality have been curtailed. If large numbers of cattle are fed during the coming season, it is probable that the spread between prices of the upper and lower grades of slaughter cattle will again be narrow, even though prices of all cattle may average higher than in 1941.

Although the prospects for favorable returns from cattle feeding are not as good this year as they have been in several seasons, the general level of cattle prices, particularly prices of the lower and in-between grades of slaughter cattle, is likely to continue relatively high for some time. Under these conditions, the outlook during the coming year for farmers and ranchers who grow most of their feed and are able to produce cattle for market without high cash costs appears favorable.

Increase in cattle numbers may
slow down in 1942

Cattle numbers will increase in 1941 for the fourth successive year. In both 1938 and 1939 increases in cattle numbers were accompanied by decreases in marketings and slaughter of cattle and calves. Slaughter increased moderately in 1940, and a considerable increase is occurring in 1941.

And the increase in cattle numbers this year will be less than in 1940. If a further material increase in cattle slaughter occurs in 1942, as now seems probable, the increase in numbers during 1942 would be less than in 1941.

The number of cattle and calves on farms and ranches at the beginning of 1942 probably will be about 2 million head larger than at the beginning of 1941 and nearly as large as the record number on farms and ranches in early 1934.

In the first 7 months of 1941 inspected cattle slaughter was about 10 percent greater than in the corresponding period of 1940. Inspected calf slaughter in the first 7 months of 1941 was about the same as a year earlier. For the entire year 1941 total slaughter of cattle and calves may exceed that of 1940 by about 1.5 million head. This is the largest increase in slaughter since 1936, but it is not large enough to prevent a further increase in the number of cattle on farms.

If cattle numbers do not increase again in 1942, total slaughter of cattle and calves in 1942 will have to be about 2.5 to 3 million head larger than in 1941 and about 4 million head larger than in 1940. The increase in slaughter in 1940 followed a decrease in 1939; and in 1941 the rate of increase in slaughter was considerably greater than in 1940. A continuation of this tendency would result in only a small increase in cattle numbers from January 1942 to January 1943.

From a long-time standpoint the outlook for the cattle industry would be considerably better if numbers do not increase after 1941 than if a further increase occurs. With numbers held at the level of early 1942, the annual output of beef and veal would be the largest on record and the per capita supply would be the largest in many years. So long as consumer demand in this country continues strong a large quantity of cattle and beef can be sold at satisfactory prices for producers. But if numbers were to increase for 2 or 3 years beyond 1942, the increase in marketings next year would be held down and in subsequent years marketings would be much larger than those of 1941. If such a large increase in marketings should be accompanied by a material weakness in consumer demand for meats, a period of low prices for beef cattle would follow.

OUTLOOK - LAMBS

BACKGROUND.-- The total number of stock sheep and lambs on farms and ranches has not fluctuated greatly during the past 10 years, although there has been a slight upward trend since 1935. The United States lamb crop increased sharply for several years prior to 1931. Since then it has fluctuated about an average of 31 million head per year. The lamb crop in the Native Sheep States has not changed much during the past 10 years, but the number of lambs raised in the Western Sheep States has increased considerably since 1935. So far in 1941 lamb prices have averaged around \$1.00 higher than a year earlier and \$1.50 higher than in corresponding months of 1939.

1941 lamb crop largest on record

The 1941 lamb crop totaled 34.5 million head, 1.7 million head more than last year's crop and the largest crop in the 18 years of record, according to information released recently by the Agricultural Marketing Service. The rather sharp increase over the 1940 crop resulted from both (1) an approximately 500,000-head increase in the number of breeding ewes on farms and ranches over a year earlier and (2) an average of about three more lambs saved per 100 ewes this year than last. The increase in the total number of lambs saved amounted to about 5 percent for both the Native and Western Sheep States, and the crops in both areas were the largest on record.

Weather and feed conditions were exceptionally favorable in the Western Sheep States this season. Feed was plentiful last fall, and flocks were in good condition at breeding time. There were no severe storms during either early or late lambing, and ample rainfall has resulted in a generally very good growth of range feed this spring and summer. The average number of lambs saved per 100 ewes in the Western Sheep States this year was 86.2, compared with 83.2 last year. This percentage lamb crop has been exceeded in only 1 other year since 1924.

As indicated by the figures in the accompanying table, nearly two thirds of the 1,664,000-head increase in the 1941 lamb crop was in the Western Sheep States, and about 40 percent of the increase in that area was in Texas. Sheep production has increased sharply in Texas during the past several years. This year's crop totaled over 5 million head, roughly 25 percent of the western lamb crop and 15 percent of the total number of lambs raised in the whole United States. Other Western Sheep States showing a considerable increase in the 1941 lamb crop were South Dakota, Montana, and Wyoming.

Most of the increase in the number of lambs raised in the Native Sheep States this year over last was in the western Corn Belt, where the number of breeding ewes and the percentage lamb crop were both larger than a year earlier. The only region where the lamb crop was smaller this year than last was the North Atlantic States.

Estimated lamb crop in the United States and specified regions, average 1931-35, annual 1936-41

Year	Western Sheep States, excluding Texas	Texas	Native States	United States
	Thousands	Thousands	Thousands	Thousands
Average, 1931-35	16,020	2,998	11,105	30,124
1936	16,230	3,848	10,901	30,979
1937	15,243	4,158	11,329	30,730
1938	16,546	4,615	10,996	32,157
1939	16,778	4,030	10,973	31,781
1940	16,805	4,867	11,213	32,885
1941	17,455	5,268	11,826	34,549

Supplies and prices during the
grass-lamb marketing season

Marketings of lambs will increase seasonally during the next few months. And with the 1941 lamb crop 5 percent larger than that of 1940 it is probable that total slaughter of sheep and lambs during the remainder of 1941 will be somewhat larger than that of a year earlier. The extent of the increase over supplies in the last half of 1940 will depend largely upon the proportion of the crop reaching slaughter weights and the demand for feeder lambs before the end of the fall marketing season.

Range feed conditions have been exceptionally favorable this summer, a situation which will tend to increase the number of lambs marketed for slaughter before the end of the year. On the other hand, about 25 percent of the increase in this year's lamb crop was in Texas where a considerable proportion of the crop is usually held back for marketing the following spring as shorn yearlings. Last year when the lamb crop was 3-1/2 percent larger than the 1939 crop with about three fourths of the increase in Texas, inspected slaughter of sheep and lambs in the last 6 months of the year totaled only 1 percent greater than in the last half of 1939. But in the first 4 months of 1941, slaughter totaled 6 percent greater than that of a year earlier. Present indications are that the increase in supplies of lambs this year will be more evenly distributed between the grass-lamb (May-November) and the fed-lamb (December-April) marketing seasons than was the case last year.

Prices of spring lambs declined sharply during June and July last year. They recovered somewhat in late July and held about steady during the remainder of the fall months. The average price of good and choice grade slaughter lambs at Chicago during August-November 1940 was around \$9.25. So far this year the seasonal decline in prices of spring lambs has been relatively small, and prices during the spring and summer have averaged well above a year earlier. Improvement in domestic demand conditions during the past year has been an important factor supporting prices of all meat animals. Domestic demand conditions are expected to improve further during the next few months, and lamb prices probably will continue above the level that prevailed last fall.

Lamb feeding situation

The number of lambs fed during the 1940-41 feeding season, as indicated by the number of lambs on feed January 1, was around 6 percent larger than a year earlier and the largest on record. No definite indications as to how many lambs will be fed this year are yet available. However, it appears that the demand for feeder lambs will be quite strong this fall. Contracting of range lambs for fall delivery to feeders has taken place in considerable volume during the past week or so at prices averaging around a dollar higher than last summer. The average price of good and choice grade feeder lambs at Omaha in early August was about \$10 compared with around \$8.25 in early August last year. Prices of slaughter lambs advanced fairly sharply during the 1940-41 fed-lamb marketing season (December-April), and returns from feeding operations were mostly favorable during the past season. With prospects

for further improvement in the demand for meats and somewhat higher prices for wool in 1942, lamb prices may average higher next winter and spring than a year earlier. They may not advance as sharply as they did in the first few months of 1941, however.

OUTLOOK - HOGS

BACKGROUND.- Hog production and hog prices tend to fluctuate in cycles of 4 or 5 years in length, small or large supplies being reflected in correspondingly high or low prices, and this in turn being followed by an increase or decrease in production. Hog production increased sharply after 1937, and in 1939 the largest pig crop on record was raised. In late 1939 and early 1940 hog prices declined to the lowest level reached since 1934.

The outlook for hogs for 1941-42 was given in the July issue of the Livestock Situation. As there has been little change in the outlook during the past month, the principal points given in the July issue are outlined briefly below.

1. The 1941 spring pig crop totaled 50.1 million head, which was about the same as the number of pigs raised in the spring of 1940. The number of pigs saved in the Corn Belt was slightly larger this spring than last but this increase was about offset by decreases in other regions.
2. The number of sows expected to farrow in the 1941 fall season (June-November) is 13 percent larger than a year earlier. About two thirds of this increase is in the western Corn Belt where hog production is still below the predrought level. If the number of pigs saved per litter this fall is about the same as in the fall of 1940, the 1941 spring and fall pig crops combined will total about 83 million head, 5 percent more than the 1940 pig crop.
3. Present indications are that hog slaughter during the 1941-42 marketing season (October-September) will be larger than in the present marketing year, and inspected hog slaughter of about 50 million head compared with 47-48 million head for the current year is indicated.
4. Although the 1941 spring pig crop is estimated to be about the same as that of 1940, supplies of hogs this fall and early winter probably will be smaller than the exceptionally heavy movement during the October-December period last year. It now appears likely that hog slaughter in the first 6 months (October-March) of the 1941-42 marketing year will total about the same as or slightly smaller than in the first half of 1940-41. But because of the expected increase in the 1941 fall crop, marketings in the last half of the year (April-September) are expected to show an increase over corresponding months a year earlier.

5. Present indications are that consumer demand will continue to improve during the next year or so. Hog prices also will be supported by purchases of pork and lard under the food-for-defense program. These factors are expected to more than offset the moderate prospective increase of supplies, and hog prices in 1941-42 will average higher than a year earlier.
6. A seasonal decline in hog prices from current relatively high levels is expected within the next few months when marketings of the 1941 spring pig crop get under way in volume. Prices will continue well above the level that prevailed last fall, however, and the seasonal decline this fall may be less than usual.

United States lamb crop: Breeding ewes, lambs saved per 100 ewes, and total number of lambs saved, by regions, 1924-41

Year	:Ewes 1 year and over on: :farms and ranches Jan.1:			Lambs saved per 100 ewes 1/			: Total number of : lambs saved		
	:Western: Native:		:United :States:	:Western:Native :		:United :States:	:Western:Native :		
	: 2/ :	: 3/ :		: 2/ :	: 3/ :		: 2/ :	: 3/ :	
	: Thou- : sands	: Thou- : sands	: Thou- : sands	: Number	: Number	: Number	: Thou- : sands	: Thou- : sands	: Thou- : sands
1924	: 17,470	7,512	24,982	82.6	97.6	87.1	14,433	7,330	21,763
1925	: 18,273	7,724	25,997	79.8	98.7	85.4	14,575	7,620	22,195
1926	: 18,905	7,971	26,876	86.8	94.8	89.1	16,404	7,554	23,958
1927	: 19,927	8,411	28,338	79.1	103.4	86.3	15,763	8,697	24,460
1928	: 21,261	8,945	30,206	83.4	98.6	87.9	17,741	8,818	26,559
1929	: 22,925	9,539	32,464	76.1	99.2	82.9	17,436	9,467	26,903
1930	: 24,533	10,081	34,614	79.4	99.2	85.1	19,470	9,997	29,467
1931	: 26,005	10,509	36,514	81.1	100.3	86.6	21,078	10,537	31,615
1932	: 26,352	10,803	37,155	71.2	104.3	86.6	18,771	11,264	30,035
1933	: 26,195	10,837	37,032	70.6	104.1	80.8	18,497	11,286	29,783
1934	: 26,251	10,976	37,227	73.7	102.4	80.4	19,355	11,243	30,598
1935	: 24,650	11,019	35,669	70.6	101.6	82.2	17,392	11,195	28,587
1936	: 25,199	11,125	36,324	79.7	98.0	80.2	20,078	10,901	30,979
1937	: 24,975	10,984	35,959	77.7	103.1	85.3	19,401	11,329	30,730
1938	: 25,222	11,030	36,252	83.9	99.7	88.7	21,161	10,996	32,157
1939	: 25,690	11,134	36,824	81.0	98.6	86.3	20,808	10,973	31,781
1940	: 26,038	11,520	37,558	83.2	97.3	87.6	21,672	11,213	32,885
1941 ^{4/}	: 26,366	11,669	38,035	86.2	101.3	90.8	22,723	11,826	34,549

Compiled from records and reports of Agricultural Marketing Service.

1/ "Lambs saved" defined as "lambs living June 1 or sold before June 1 in the Native States and lambs docked or branded in the Western States".

2/ The Western Sheep States include the 11 Western States, Texas, and South Dakota. Sheep are raised mostly under range conditions in this area.

3/ The Native Sheep States include all except the above 13 States. In this region sheep are raised mostly in farm flocks.

4/ Preliminary.

Supplies of hogs and hog products, specified periods

Item	Unit	1941			Oct.-Sept.			Oct.-June	
		June 1940	May	June	Average: 1928-29 to 1932-33	1938-39	1939-40	1939-40	1940-41
Hog slaughter under:									
Federal inspection:	Thou-								
No. slaughtered <u>1/</u>	sands	3,886	4,023	3,336	46,363	39,720	47,651	38,218	39,277
Live weight:									
Average	Lb.	241	239	248	231	234	234	232	234
Total	Mil.lb.	938	963	826	10,723	9,311	11,142	8,874	9,166
Total dressed wt. ;	" "	695	723	623	8,069	6,975	8,303	6,625	6,854
Yield of lard per:									
100 lb. live wt. :									
of hogs	Lb.	13.0	14.6	14.0	15.2	<u>2/</u> 12.8	<u>2/</u> 13.2	13.6	13.3
Lard production <u>3/</u>	Mil.lb.	122	140	116	1,630	1,187	<u>2/</u> 1,485	1,206	1,210
Exports: <u>4/</u>									
Pork	" "	3	4	31	211	125	115	104	55
Lard	" "	13	11	20	657	270	232	184	139
Imports of pork <u>4/</u>	" "	<u>5/</u>	2	1	6	50	7	6	11
Proportion of sows									
in inspected									
slaughter <u>6/</u>	Pct.	55.4	49.1	53.2	51.2	49.3	50.0	48.0	48.6

Compiled from reports of Agricultural Marketing Service, except as specified.
1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard rendered in federally inspected plants as reported by the Bureau of Animal Industry.
3/ Includes rendered pork fat. 4/ United States Department of Commerce. Pork includes bacon, hams, and shoulders, and fresh, canned and pickled pork. Lard includes neutral lard. 5/ Less than 500,000 pounds. 6/ Includes gilts.

Prices of hogs and hog products, specified periods

Item	Unit	1941			Oct.-Sept.			Oct.-July	
		July 1940	June	July	Average: 1928-29 to 1932-33	1938-39	1939-40	1939-40	1940-41
Av. price, all purchases:	Dol. per:								
Seven markets	100 lb.	5.74	9.73	10.58	<u>1/</u>	6.85	5.54	5.40	7.80
Chicago	" "	5.92	9.79	10.75	6.99	7.00	5.69	5.56	7.96
Av. price of barrows and									
gilts, Chicago	" "	6.31	9.88	11.12	<u>1/</u>	7.23	5.86	5.69	8.06
United States average price:									
received by farmers	" "	5.78	8.98	10.20	6.48	6.70	5.44	5.33	7.40
Av. price of No. 3 Yellow	Ct. per:								
corn, Chicago	bu.	65	74	74	62	49	60	59	67
Hog-corn price ratio:									
Chicago <u>2/</u>	Bu.	9.1	13.3	14.6	11.6	14.4	9.6	9.6	11.8
N. Central States	"	10.1	14.1	15.7	12.9	16.6	10.6	10.7	13.1
Proportion of packing sows									
in total packer & shipper									
purchases, 7 markets <u>3/</u> ..	Pct.	29.0	13.0	26.0	<u>1/</u>	13.0	12.0	10.0	8.9
Av. weight at 7 markets ...	Lb.	259	252	267	<u>1/</u>	247	244	243	243

Compiled from reports of Agricultural Marketing Service.
1/ Not available. 2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 3/ Monthly figures computed from weekly averages.

Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year		Month		
		Average: 1924-33:	1940:	1940 June:	1940 July:	1941 May: June: July:
Slaughter under Federal inspection:						
Number slaughtered:	Thou-					
Cattle <u>1/</u>	sands	8,850	9,756	738	822	908 867 968
Calves <u>1/</u>	"	4,819	5,359	437	457	501 440 445
Cows and heifers <u>2/</u>	"	4,181	4,481	297	359	369 347
Steers <u>2/</u>	"	4,340	4,866	403	421	496 475
Average live weight:						
Cattle	Pounds:	953	940	937	938	959 962
Calves	"	176	191	185	178	180 188
Total dressed weight:						
Cattle	Mil.lb.:	4,532	4,971	385	421	487 466
Calves	" "	487	568	45	51	52 46
Inspected shipments: <u>1/</u>	Thou-					
Feeder cattle and calves ...	sands	2,394	3,162	156	249	171 137
Imports:						
Cattle <u>3/</u>	"	253	644	40	43	72 37
Canned beef <u>4/</u>	Mil.lb.:	5/ 36	61	5	4	9 5

Compiled from reports of Agricultural Marketing Service, except as specified.
1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929.

Price per 100 pounds of cattle and calves, July 1941, with comparisons

Item	July	July	July	1941		
	average: 1924-33:	1939	1940	May	June	July
Beef steers sold out of first hands at Chicago:	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Choice and Prime	11.36	9.80	10.97	11.56	11.32	11.76
Good	10.44	9.26	10.29	10.54	10.74	11.11
Medium	9.23	8.55	9.33	9.60	10.03	10.43
Common	7.59	7.33	7.59	8.50	8.76	8.70
All grades	10.25	9.30	10.44	10.23	10.62	11.24
Cows, Chicago:						
Good	<u>1/</u> 6.99	7.04	7.28	8.54	8.64	8.77
Cutter and Common, and Canner	<u>2/</u> 3.95	5.02	4.70	6.36	6.60	6.20
Vealers, Chicago:						
Good and Choice	10.64	9.73	9.92	11.66	11.11	12.01
Stocker and feeder steers, Kansas City:						
Average price all weights	<u>3/</u> 7.30	7.61	8.09	10.06	9.90	9.59
Average price paid by packers:						
All cattle	7.88	7.58	8.19	9.01	9.23	
Steers	<u>4/</u>	8.80	9.78	10.21	10.16	
Calves	8.69	8.21	8.35	10.25	10.02	

Compiled from reports of Agricultural Marketing Service.
1/ Good and Choice, 1924-27. 2/ Canner and Cutter, 1924-June 1926; Low Cutter and Cutter July 1926-June 1939. 3/ Average 1925-33. 4/ Not available.

Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month							
		Av. 1924-33	1940	1940			1941				
		1924-33	1940	June	July	June	July	May	June	July	
Slaughter under Federal inspection											
Sheep and lambs:											
Number slaughtered 1/	Thou. sands	14,737	17,351	1,216	1,219	1,378	1,448	1,551	1,378	1,569	
Average live weight	Lb.	81	86	75	76	79	80	87	82		
Average dressed weight	"	39	41	37	37	38	38	42	40		
Total dressed weight	Mil. lb.	569	702	45	45	52	55	65	54		
Lambs and yearlings:	Thou. sands										
Number slaughtered		13,678	16,253	1,125	1,146	1,293	1,365	1,457	1,295		
Percentage of total sheep and lambs	Pct.	92.8	93.7	92.5	93.9	93.8	94.3	93.9	94.0		

Compiled from reports of Agricultural Marketing Service, except as specified.
1/ Bureau of Animal Industry.

Prices per 100 pounds of sheep and lambs, by months, May-July 1939-41

Item	1939			1940			1941		
	May	June	July	May	June	July	May	June	July
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Slaughter lambs:									
Chicago -									
Good and choice 1/	10.55	9.94	9.56	10.47	10.94	9.49	11.32	11.81	11.37
Slaughter ewes:									
Chicago -									
common and medium	3.00	2.14	2.27	3.22	3.00	2.26	4.27	2.91	3.10
Feeding lambs, Omaha:									
Good and choice	---	---	8.09	---	8.77	8.27	---	9.78	10.00
Average price paid by packers:									
Sheep and lambs	8.94	8.69	8.35	9.04	9.17	8.73	9.66	10.20	
Average price received by farmers:									
Sheep	3.94	3.67	3.66	4.02	3.81	3.60	4.90	4.62	4.60
Lambs	8.02	7.49	7.31	8.25	8.12	7.85	9.05	9.14	9.13

Compiled from reports of Agricultural Marketing Service.

1/ Lots averaging within top half of good grade.

2/ Spring lambs.

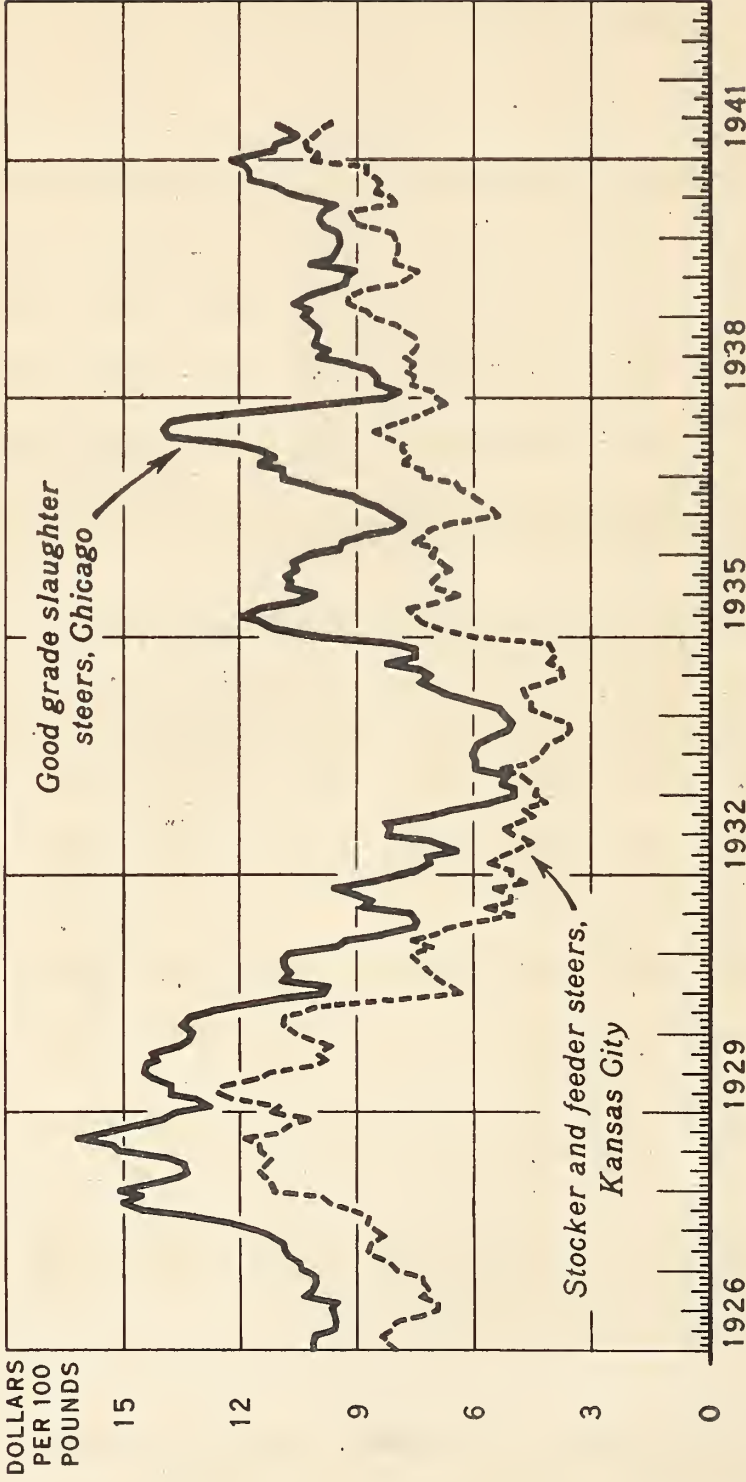
3/ Woolled lambs.

Index numbers of income of industrial workers, and cash income from meat animals, specified periods

Item	Calendar year				1941	
	1938	1939	1940	1940	May	June
Income of industrial workers (1924-29 = 100)	73	1/ 84	1/ 95	1/ 90	1/ 125	2/ 133
Cash farm income from meat animals (1924-29 = 100)	78	81	1/ 85	1/ 79.0	1/ 118.5	2/ 114.5

1/ Revised. 2/ Preliminary

PRICES OF STOCKER AND FEEDER STEERS, AND OF SLAUGHTER STEERS, 1926-41



U. S. DEPARTMENT OF AGRICULTURE

NEG. 35514

BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 2.— PRICES OF FEEDER CATTLE HAVE WEAKENED CONSIDERABLY SINCE EARLY APRIL, AND THEY ARE NOW NOT SO HIGH RELATIVE TO PRICES OF FAT CATTLE AS THEY WERE A MONTH OR SO AGO. HOWEVER, INDICATIONS NOW POINT TO A STRONG DEMAND FOR FEEDER CATTLE THIS FALL, AND PRICES OF SUCH CATTLE ARE LIKELY TO CONTINUE RELATIVELY HIGH. IN THIS EVENT, PRICES OF WELL-FINISHED SLAUGHTER CATTLE WILL HAVE TO AVERAGE MATERIALLY HIGHER IN 1942 THAN THEY HAVE IN RECENT MONTHS IF RETURNS FROM CATTLE FEEDING OPERATIONS ARE TO BE FAVORABLE IN THE COMING SEASON.