

Slower meat price gains predicted for 1980

NEWARK, Del. — Consumers and farmers can expect a slower rise in meat prices in 1980, according to a recent study released by the U.S. Department of Agriculture.

Analysis of livestock and poultry supplies across the nation suggests near record red meat and poultry stocks for the coming year. A general weakening in the economy is also expected to slow meat price gains,

reports University of Delaware extension crops marketing specialist Carl German.

This could mean that retail meat and poultry prices will increase less than the rate for all other food. While prices for food items in general are expected to rise by 7 to 11 percent in 1980, meat prices gains may be limited to only 4 to 6 percent.

In their recently released summary of the livestock

and meat situation, USDA economists said that another large increase in pork supplies during 1980 will likely push retail pork prices slightly below the 1979 average.

Poultry supplies may be slightly up from 1979 levels. This combined with the larger pork output may hold retail poultry prices near what they were last year.

Beef and veal supplies are expected to be slightly down

from 1979. But the large pork and poultry stocks should limit price gains of these other meats. With the expected economic slowdown during the first half of 1980, any runup in beef prices is likely to further encourage consumers to switch to pork and broilers, notes German.

For 1980, beef and veal prices may average 7 to 10 percent above the 1979 level.

Commercial cattle slaughter last year was

down about 15 percent from the year before. This helps explain why beef prices have risen. Choice steers at Omaha averaged near \$68 per hundredweight in 1979, up about \$16 from 1978.

Beef production during the first quarter of 1980 is expected to be four to six percent below year-earlier levels, largely reflecting reduced feedlot placements towards the end of 1979. But spring production may increase by one or two percent. This could be the first year-to-year gain in beef production since 1976.

Though overall beef stocks will remain low, increased supplies of competing meats should prevent a sharp runup in prices like that which took place during the first half of 1977 and 1978.

Cattle producers can look for prices on choice steers at Omaha to average between \$68 and \$71 during the first half of 1980. Prices are likely to start high, decline in February and March, then remain in the mid to upper \$60's until summer.

Pork production in 1979 was a little more than 15 percent greater than in 1978. Hog farmers are expected to continue to produce pigs at

record levels through 1980, possibly exceeding last year's output by as much as 8 to 11 percent. Most of this increase is likely to occur during the first half of the year, notes German.

These large pork supplies are expected to keep downward pressure on retail pork and market hog prices—better news for the consumer than it is for the hog farmer.

Though retail pork prices during the first half of 1980 may be up one to two percent from late 1979, this will still place prices 6 to 8 percent below the year-earlier level.

Producers can look for market hog prices to average in the mid \$30's for the first half of this year—about \$12 less than what they were getting last year at this time.

As for the outlook on broilers—production during the first half of 1980 may reach another record high—one to two percent above first-half 1979 levels.

Reflecting higher poultry and meat supplies, broiler prices will probably average near 42 cents a pound during this period. This is five cents less than what they were a year ago.

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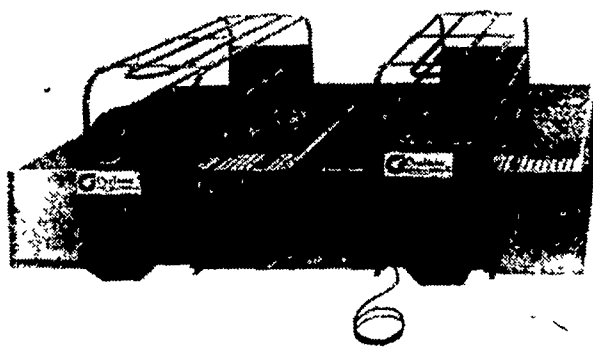
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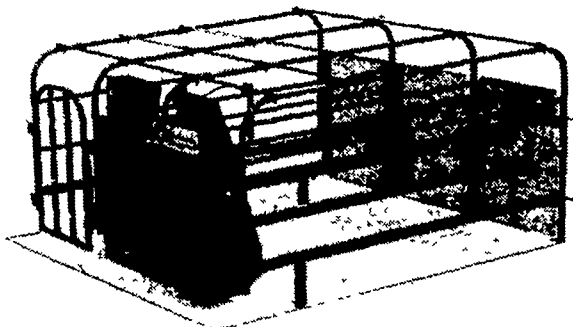
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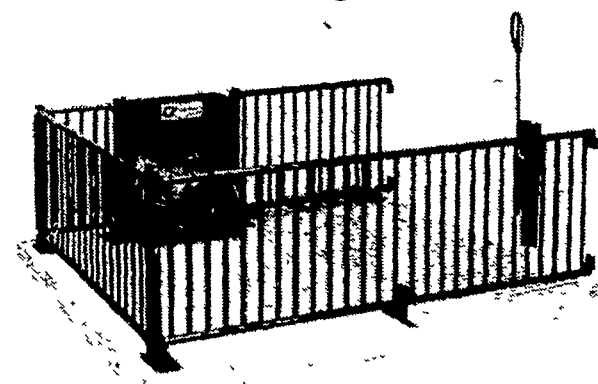


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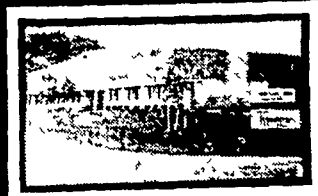


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Comment period reopened

NEW YORK, N.Y. — The comment period for proposed changes in the U.S. Department of Agriculture's meat grading standards and regulations will be reopened from now through Jan. 21.

The proposal contains technical changes in meat grading procedures designed to improve grading efficiency and reduce grading variations.

Donald L. Houston, administrator of USDA's Food

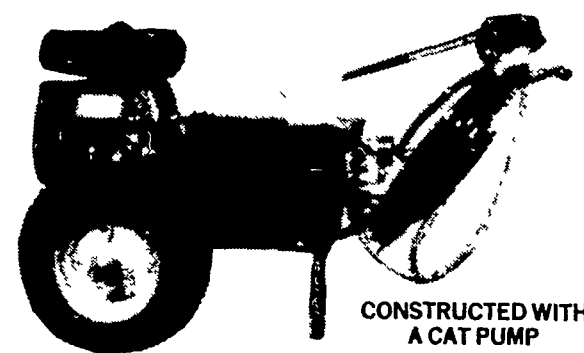
Safety and Quality Service, said the comment period is being reopened in response to industry requests for more time to prepare their comments.

Comments should be sent in duplicate to the executive secretariat, Rm. 3807-S, Food Safety and Quality Service, USDA, Washington, D.C. 20250.

The proposal originally was published in the Oct. 16 Federal Register.

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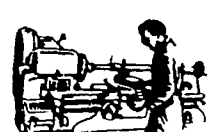
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