

percent during 1982. The number of cattle feedlots in the 13 major feeding states declined 5 percent in 1982, from 70,892 to 66,743. Feedlots with capacities to feed 1,000 head and more dropped by 67, while the number of smaller lots declined by 4,082.

Since 1980, the marketing pace of cattle has slowed, creating overflowing situations in feedlots. Last fall, feedlot placements rose 16 percent. Increased numbers mean more expense for the feedlot owner. These numbers have swelled because prices for cattle have been falling. However, feedlot marketings for the first quarter of 1983 are up by 11 percent, the largest in three years, yet still below those reached in 1978-79.

The "spread," or difference between prices paid to cattle farmers and what processors and retailers receive, has fallen from a stable \$1 in the recent period. The spread between these prices, considered an indicator of economic health by the cattle industry, is as low as 90 cents.

Commercial production of beef rose only 1 percent during 1982, while feedlots tried holding out for higher prices. Now the slaughterers are not buying, in an attempt to create a slight shortage to push prices up. During 1983, the fed-cattle proportion of total slaughter is likely to rise about 70 percent.

Demand down

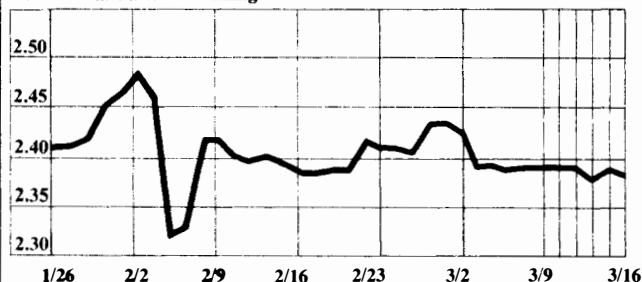
Despite the fact that meat prices are relatively low, consumption is continuing to fall. A Texas A&M University cattle economist explained that historically supply has always kept pace with demand—as if there were no reality outside of the economic balance sheet. But the plain truth is that most families have already removed the higher cost cuts of meat from their budget. Quite startling is the statistic that 35 percent of all meat consumed per capita is consumed outside of the house, in the form of hamburger and other fast food (see Figures 2 and 3).

Red meat consumption declined 4 percent in 1982, while all meat consumption was down 2 percent, the largest decline appearing among the "blue collar" worker users. According to statistics gathered by the NCA, the heaviest users of beef traditionally are the industrial "blue collar" workers in the medium- to upper-income levels for their type of work. The heavy users of red meat represent only 30 percent of the population, but consume 53 percent of the meat. The La-Rouche-Riemann data base shows that the productive workforce has declined from 33 percent in 1977 to 28 percent in 1982, which accounts in part for the decline in meat consumption. On the other hand, the white collar workers, representing now about 71 percent of the workforce, have been rejecting meat for other reasons. They have been the victim of the "cholesterol is dangerous for the health" line, and have rejected red meat in favor of foods which they perceive as being "lighter." Consumer disposable income spent on all meats dropped from about 5 percent during the 1960s and early 1970s to slightly more than 4 percent today.

Currency Rates

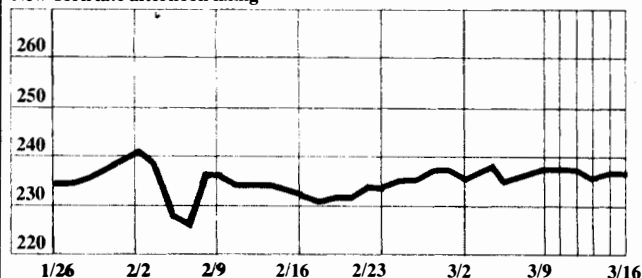
The dollar in deutschemarks

New York late afternoon fixing



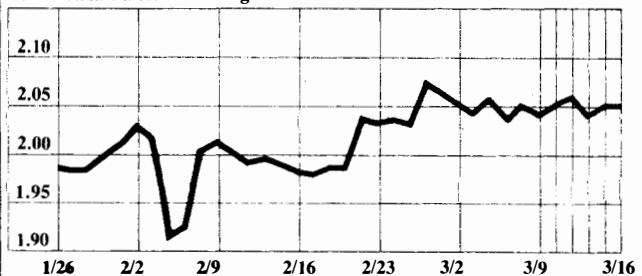
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

