



**National
Agricultural
Statistics
Service**

Arizona Livestock

October 2006

Released October 31, 2006, by USDA National Agricultural Statistics Service, Arizona Field Office and University of Arizona, College of Agriculture, 230 N 1st Avenue, Suite 303, Phoenix, Arizona 85003-1706, (602) 280-8850, Fax: (602) 280-8897,

Arizona Cattle on Feed Inventory Up 6 Percent From Last Year

On October 1, 2006, Arizona had 336,000 head of cattle on feed for the slaughter market, up 6 percent from a year ago but unchanged from last month. Placements totaled 28,000 head during September, 1,000 head less than a year ago. During September, 26,000 head were marketed, up 2,000 head from last year.

On October 1, 2006, California had 525,000 head of cattle on feed for the slaughter market, down 2 percent from last year but up 5,000 head from last month. Placements totaled 72,000 head during September, up 4,000 head from last year. During September, 64,000 head were marketed, up 7,000 head from last year.

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.4 million head on October 1, 2006. The inventory was 9 percent above October 1, 2005 and 8 percent above October 1, 2004. This is the highest October 1 inventory since the series began in 1996. The inventory included 7.20 million steers and steer calves, up 5 percent from the previous year. This group accounted for 63 percent of the total inventory. Heifers and heifer calves accounted for 4.12 million head, up 16 percent from 2005.

Placements in feedlots during September totaled 2.23 million, 5 percent below 2005 and 6 percent below 2004. Net placements were 2.16 million head. During September, placements of cattle and calves weighing less than 600 pounds were 725,000, 600-699 pounds were 412,000, 700-799 pounds were 450,000, and 800 pounds and greater were 645,000.

Marketings of fed cattle during September totaled 1.77 million, 3 percent below 2005 and 2 percent below 2004. This is the second lowest fed cattle marketings for the month of September since the series began in 1996.

Other disappearance totaled 68,000 during September, 19 percent above 2005 and 11 percent above 2004.

Cattle on Feed: Number on Feed, Number Placed on Feed, Number Marketed, and Other Disappearance, 1000+ Capacity Feedlots, By Month, State, and United States 2005-2006

State	Number on Feed 1/					Number Placed on Feed			Number Marketed			Other Disappearance		
	Oct 1, 2005	Sep 1, 2006	Oct 1, 2006			During September			During September			During September 2/		
			Number	as % of 2005	as % of Sep	2005	2006	2006 as % of 2005	2005	2006	2006 as % of 2005	2005	2006	2006 as % of 2005
	<i>1,000 Head</i>		<i>Percent</i>			<i>1,000 Head</i>		<i>Percent</i>	<i>1,000 Head</i>		<i>Percent</i>	<i>1,000 Head</i>		<i>Percent</i>
AZ	318	336	336	106	100	29	28	97	24	26	108	1	2	200
CA	535	520	525	98	101	68	72	106	57	64	112	6	3	50
CO	900	960	1,060	118	110	280	245	88	145	140	97	5	5	100
ID	270	235	265	98	113	69	72	104	48	41	85	1	1	100
IA	410	455	460	112	101	90	81	90	74	73	99	1	3	300
KS	2,250	2,390	2,450	109	103	510	500	98	455	420	92	15	20	133
NE	1,940	2,050	2,220	114	108	500	500	100	320	320	100	10	10	100
NM	136	142	143	105	101	26	21	81	22	16	73	3	4	133
OK	335	345	355	106	103	69	71	103	53	59	111	1	2	200
SD	130	155	170	131	110	40	50	125	40	34	85	2	1	50
TX	2,830	2,960	2,930	104	99	550	495	90	510	510	100	10	15	150
WA	153	158	171	112	108	40	37	93	25	23	92	1	1	100
Other Sts	275	280	300	109	107	84	60	71	43	39	91	1	1	100
US	10,482	10,986	11,385	109	104	2,355	2,232	95	1,816	1,765	97	57	68	119

1/ Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better.

2/ Includes death losses, Movement from feedlots to pasture, and shipments to other feedlots for further feeding.

Happy Thanksgiving

Red Meat Production Down From Previous Month

Commercial red meat production for the United States totaled 3.93 billion pounds in September, up slightly from the previous year.

Beef production, at 2.16 billion pounds, was slightly above the previous year. Cattle slaughter totaled 2.77 million head, down slightly from September 2005. The average live weight was up 7 pounds from the previous year, at 1,282 pounds.

Veal production totaled 12.8 million pounds, 3 percent below September a year ago. Calf slaughter totaled 57,500 head, down 5 percent from September 2005. The average live weight was 2 pounds above last year, at 365 pounds.

Pork production totaled 1.74 billion pounds, up slightly from the previous year. Hog kill totaled 8.83 million head, slightly below

September 2005. The average live weight was 1 pound above the previous year, at 266 pounds.

Lamb and mutton production, at 14.2 million pounds, was down 9 percent from September 2005. Sheep slaughter totaled 219,100 head, 5 percent below last year. The average live weight was 129 pounds, down 6 pounds from September a year ago.

January to September 2006 commercial red meat production was 35.2 billion pounds, up 4 percent from 2005. Accumulated beef production was up 6 percent from last year, veal was down 3 percent, pork was up 2 percent from last year, and lamb and mutton production was down slightly.

Commercial Red Meat Production: By Arizona and United States 1/

Class	September 2005	August 2006	September 2006	September 2006 as % of 2/	
				September 2005	August 2006
<i>1,000 Pounds</i>				<i>Percent</i>	
Arizona 3/ Total Red Meat	31,100	34,700	31,600	102	91
<i>Million Pounds</i>				<i>Percent</i>	
<u>United States</u>					
Beef	2,158	2,442	2,162	100	89
Veal	13.2	14.2	12.8	97	90
Pork	1,743	1,774	1,744	100	98
Lamb and Mutton	15.6	14.6	14.2	91	97
Total Red Meat	3,930	4,245	3,933	100	93

1/ Based on packers' dressed weights and excludes farm slaughter.

2/ Percentages based on unrounded data.

3/ Breakdown by class not available, includes total beef, veal, pork, lamb, and mutton.

Tighter Prospective Corn and Hay Supplies Boost Prices

Feed and Forage Conditions: U.S. corn production for 2006 was forecast at 10.9 billion bushels in the October *Crop Production* report, down from the September forecast of 11.1 billion bushels. Hay production was forecast at 147 million tons this year, down 2.4 percent from last year, but up from the August estimate.

Hogs/Pork: The *Quarterly Hogs and Pigs* report released by USDA on September 29, 2006 showed the September 1st inventory of breeding animals to be almost 2 percent larger than at the same time last year. The additions come in response to an extended period of positive producer returns. Larger pork supplies in 2007 will most likely translate into lower hog prices next year. Prices for 51 – to 52-percent live equivalent hogs in 2007 are expected to range between

\$40 and \$43 per hundredweight (cwt). Simulated pork producers' returns, using USDA price forecasts in ERS's "Estimated Returns" program, suggest that producers can expect positive returns through 2007.

Cattle/Beef: Corn and forage crop prospects remain a major concern for the U.S. cattle sector. Feeder and fed cattle prices continue at relatively high levels despite large inventories of cattle on feed. Choice-grading cattle remain relatively scarce, but the Choice-Select price spread is narrowing.

Source: Livestock, Dairy, & Poultry Outlook, October 19, 2006, Economic Research Service, USDA

September Milk Production Up 2 Percent

Milk production in the 23 major States during September totaled 13.3 billion pounds, up 2 percent from September 2005. August production, unrevised at 13.9 billion pounds, is up 1.6 percent from August 2005.

Production per cow in the 23 major States averaged 1,615 pounds for September, 16 pounds above September 2005.

The number of milk cows on farms in the 23 major States was 8.25 million head, 79,000 head more than September 2005, but 6,000 head less than August 2006.

July-September Milk Production Up 1.4 Percent

Milk production in the U.S. during the July - September quarter totaled 44.7 billion pounds, up 1.4 percent from the July - September quarter last year. The average number of milk cows in the U.S.

during the quarter was 9.12 million head, 57,000 head more than the same period last year.

Milk Cows and Production: By State, September 2005-2006

State	Milk Cows 1/		Milk Per Cow 2/		Milk Production 2/		Percent change from 2005
	2005	2006	2005	2006	2005	2006	
	<i>1,000 Head</i>		<i>Pounds</i>		<i>Million Pounds</i>		<i>Percent</i>
AZ	161	165	1,725	1,710	278	282	1.4
CA	1,762	1,772	1,750	1,775	3,084	3,145	2.0
CO	106	112	1,875	1,910	199	214	7.5
FL	134	130	1,105	1,125	148	146	-1.4
ID	469	497	1,850	1,860	868	924	6.5
IL	104	103	1,450	1,485	151	153	1.3
IN	156	165	1,615	1,595	252	263	4.4
IA	197	200	1,665	1,590	328	318	-3.0
KS	112	113	1,610	1,670	180	189	5.0
KY	105	96	980	970	103	93	-9.7
MI	313	319	1,750	1,795	548	573	4.6
MN	450	450	1,435	1,470	646	662	2.5
MO	115	115	1,210	1,180	139	136	-2.2
NM	333	360	1,710	1,650	569	594	4.4
NY	649	640	1,515	1,530	983	979	-0.4
OH	270	274	1,420	1,450	383	397	3.7
OR	121	118	1,570	1,570	190	185	-2.6
PA	561	553	1,500	1,560	842	863	2.5
TX	320	338	1,515	1,585	485	536	10.5
VT	142	141	1,480	1,460	210	206	-1.9
VA	105	103	1,325	1,300	139	134	-3.6
WA	245	237	1,895	1,880	464	446	-3.9
WI	1,237	1,245	1,510	1,510	1,868	1,880	0.6
23-State Total	8,167	8,246	1,599	1,615	13,057	13,318	2.0

1/ Includes dry cows, excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

Published Monthly

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Release Dates For Upcoming National Reports

November 17.....Milk Production
 November 17.....Cattle on Feed
 November 17.....Farm Labor
 November 24.....Livestock Slaughter
 November 30.....Agricultural Prices

Steve Manheimer, Director
 Dave DeWalt, Deputy Director
 Maria Bautista, Agricultural Statistician
 Clare Jervis, Agricultural Statistician
 Dianne Matta, Agricultural Statistician
 Jeff Lemmons, Agricultural Statistician
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October Farm Prices Received Index Down 2 Points From Last Month

The preliminary All Farm Products Index of Prices Received by Farmers in October, at 117 percent, based on 1990-92=100, decreased 2 points (1.7 percent) from September. The Crop Index is down 6 points (4.9 percent) but the Livestock Index is unchanged. Producers received lower commodity prices for lettuce, broilers, cattle, and tomatoes and higher prices for corn, wheat, turkeys, and milk. The overall index is also affected by the seasonal change based on a 3-year average mix of commodities producers sell. Decreased average marketings of milk, wheat, grapes, and sweet corn offset

increased marketings of soybeans, corn, upland cotton, and sorghum grain.

Preliminary All Farm Products Index is up 6 points (5.4 percent) from October 2005. The Food Commodities Index, at 117, decreased 6 points (4.9 percent) from last month but increased 1 point (0.9 percent) from October 2005.

Prices Paid Index Unchanged

The October Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates (PPITW) is 146 percent of the 1990-92 average. The index is unchanged from September but 2 points (1.4 percent) above October 2005. Higher prices for feed

grains, nitrogen fertilizers, herbicides, and feed concentrates offset lower prices in October for diesel fuel, feeder cattle, gasoline, and LP gas.

Prices Received by Farmers: Arizona and United States, October 2005 and 2006 and September 2006

Commodity	Unit	Arizona			United States		
		October 2005 Entire Month	September 2006 Entire Month	October 2006 Mid-Month	October 2005 Entire Month	September 2006 Entire Month	October 2006 Mid-Month
Upland Cotton	¢ Lb	1/	1/	1/	48.50	47.30	45.90
Cottonseed 2/	\$ Ton	149.00	---	172.00	89.10	99.10	97.70
Durum Wheat 3/	\$ Ton	---	---	---	113.00	135.70	142.30
Alfalfa Hay Baled 4/	\$ Ton	120.00	120.00	123.00	105.00	112.00	112.00
Lemons 5/	\$ Box	27.70	50.20	49.60	27.30	46.80	49.50
Cows 6/	\$ Cwt	46.20	47.80	43.30	46.60	47.10	46.00
Steers and Heifers	\$ Cwt	103.00	111.00	104.00	96.10	95.80	94.40
Beef Cattle 7/	\$ Cwt	88.20	93.30	87.00	90.40	90.80	89.10
Calves	\$ Cwt	120.00	133.00	125.00	135.00	135.00	131.00
All Milk 8/	\$ Cwt	15.30	12.80	13.50	15.60	12.90	13.30

1/ Prices not published to avoid disclosure of individual operations.

2/ Marketing year August – February.

3/ Not available for Arizona.

4/ Mid-month.

5/ F.O.B. packed fresh Arizona box weights: Lemons 76 lbs.

6/ Beef cows and cull dairy cows sold for slaughter.

7/ "Cows" and "steers and heifers" combined.

8/ Preliminary; before deductions for hauling. Includes quality and other premiums. Excludes hauling subsidies. For U.S., October 2006 Fat test percent: all milk 3.74.

United States Price Index Summary Table

Index 1990-92 = 100	2005		2006	
	September	October	September	October
Prices Received	116	111	119	117
Prices Paid	142	144	146	146
Ratio 1/	82	77	82	80

1/ Ratio of index prices received by farmers to index of prices paid by farmers.