# ARIZONA LIVESTOCK

## SEPTEMBER 1999

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### RELEASE DATES FOR UPCOMING NATIONAL REPORTS

October 14 . . . . . . . . . . . . . . . Milk Production
October 15 . . . . . . . . . . . . . . . . Cattle on Feed
October 22 . . . . . . . . . . . . Livestock Slaughter
October 29 . . . . . . . . . . . . . Agricultural Prices

***-Special Note-***

***NASS PROGRAM CHANGES:*** *The National Agricultural Statistics Service has completed a preliminary review of it's statistical program to make sure it best meets the needs of data users in the future. These changes are documented at the following web site:*

***http://www.usda.gov/nass/events/events.htm***

*This site can be reached through the NASS home page by clicking on "Coming Events and News" under AGENCY INFORMATION. The proposed program changes are the first subject.*

### CATTLE ON FEED

On September 1, 1999, Arizona had 200,000 head of cattle on feed for the slaughter market, the same as a year ago but up 6,000 head from August 1. Placements totaled 29,000 head, compared to 19,000 in August 1998. During August, 22,000 head were marketed, compared to 14,000 last August.

On September 1, 1999, California had 375,000 head of cattle on feed for the slaughter market, down 20,000 head from a year ago but no change from last month. Placements totaled 60,000 head, 9 percent more than in August 1998. During August, 55,000 head were marketed, 5,000 more than last year.

Cattle on feed September 1, 1999, in the historic 7 States for feedlots with capacity of 1,000 or more head totaled 8.18 million, up 5 percent from the previous year and 4 percent above September 1, 1997. Placements in feedlots during August totaled 2.07 million, 17 percent above 1998 but 2 percent below 1997. Marketings during August totaled 1.73 million, 3 percent above 1998 but 1 percent below 1997. Other disappearance during August was 42,000 head, the same as 1998 and 1997.

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 9.53 million head on September 1, 1999. The inventory was 5 percent above September 1, 1998 and 4 percent above September 1, 1997. Placements in feedlots during August totaled 2.41 million, 17 percent above 1998 but 1 percent below 1997. Net placements were 2.36 million. During August, placements of cattle and calves weighing less than 600 pounds were 492,000, 600-699 pounds were 480,000, 700-799 pounds were 731,000, and 800 pounds and greater were 710,000. Marketings of fed cattle during August totaled 2.03 million, 4 percent above 1998 but slightly below 1997. Other disappearance totaled 55,000 during August, 6 percent above 1998 and 22 percent above 1997.

### CATTLE ON FEED: NUMBER ON FEED (1,000+ CAPACITY FEEDLOTS) AUGUST 1, 1998 AND 1999 AND SEPTEMBER 1, 1998 AND 1999, PLACEMENTS, MARKETINGS, AND OTHER DISAPPEARANCE AUGUST 1998 AND 1999 BY STATE, UNITED STATES, AND HISTORIC 7 STATES

| STATE 1/ | Number on Feed 2/ August 1 | | | Number on Feed 2/ September 1 | | | Placements During August | | | Marketings During August | | | Other Disappearance During August 3/ | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1998 | 1999 | 1999 as % of 1998 | 1998 | 1999 | 1999 as % of 1998 | 1998 | 1999 | 1999 as % of 1998 | 1998 | 1999 | 1999 as % of 1998 | 1998 | 1999 | 1999 as % of 1998 |
| | 1,000 Head | | Percent | 1,000 Head | | Percent | 1,000 Head | | Percent | 1,000 Head | | Percent | 1,000 Head | | Percent |
| ***AZ** | **196** | **194** | **99** | **200** | **200** | **100** | **19** | **29** | **153** | **14** | **22** | **157** | **1** | **1** | **100** |
| *CA | 395 | 375 | 95 | 395 | 375 | 95 | 55 | 60 | 109 | 50 | 55 | 110 | 5 | 5 | 100 |
| *CO | 840 | 960 | 114 | 840 | 960 | 114 | 220 | 245 | 111 | 215 | 240 | 112 | 5 | 5 | 100 |
| ID | 215 | 265 | 123 | 220 | 285 | 130 | 51 | 79 | 155 | 44 | 58 | 132 | 2 | 1 | 50 |
| *IA | 245 | 290 | 118 | 235 | 300 | 128 | 39 | 56 | 144 | 48 | 45 | 94 | 1 | 1 | 100 |
| *KS | 1,930 | 1,980 | 103 | 1,950 | 2,080 | 107 | 480 | 570 | 119 | 450 | 460 | 102 | 10 | 10 | 100 |
| *NE | 1,460 | 1,600 | 110 | 1,520 | 1,700 | 112 | 450 | 500 | 111 | 380 | 390 | 103 | 10 | 10 | 100 |
| NM | 86 | 83 | 97 | 90 | 81 | 90 | 17 | 14 | 82 | 12 | 14 | 117 | 1 | 2 | 200 |
| OK | 370 | 325 | 88 | 380 | 350 | 92 | 87 | 98 | 113 | 76 | 70 | 92 | 1 | 3 | 300 |
| SD | 134 | 125 | 93 | 124 | 110 | 89 | 25 | 21 | 84 | 34 | 35 | 103 | 1 | 1 | 100 |
| *TX | 2,640 | 2,480 | 94 | 2,610 | 2,560 | 98 | 510 | 610 | 120 | 530 | 520 | 98 | 10 | 10 | 100 |
| WA | 150 | 202 | 135 | 161 | 215 | 134 | 45 | 66 | 147 | 34 | 49 | 144 | 0 | 4 | 0 |
| Other Sts | 335 | 320 | 96 | 320 | 310 | 97 | 65 | 65 | 100 | 75 | 73 | 97 | 5 | 2 | 40 |
| US | 8,996 | 9,199 | 102 | 9,045 | 9,526 | 105 | 2,063 | 2,413 | 117 | 1,962 | 2,031 | 104 | 52 | 55 | 106 |

*1/ States indicated with an asterisk are the historic seven states preparing monthly estimates of cattle on feed.*
*2/ 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.*

*3/ Includes death losses, movement from feedlots to pasture, and shipments to other feedlots for further feeding.*

**MILK COWS AND PRODUCTION: BY STATE, AUGUST 1998-99**

| STATE | Milk Cows 1/ | | Milk Per Cow 2/ | | Milk Production 2/ | | |
|---|---|---|---|---|---|---|---|
| | 1998 | 1999 | 1998 | 1999 | 1998 | 1999 | Percent Change From 1998 |
| | 1,000 Head | | Pounds | | Million Lbs | | Percent |
| **AZ** | **132** | **135** | **1,410** | **1,580** | **186** | **213** | **14.5** |
| CA | 1,426 | 1,472 | 1,590 | 1,765 | 2,267 | 2,598 | 14.6 |
| FL | 159 | 158 | 1,040 | 1,100 | 165 | 174 | 5.5 |
| ID | 296 | 324 | 1,720 | 1,780 | 509 | 577 | 13.4 |
| IL | 127 | 122 | 1,320 | 1,280 | 168 | 156 | -7.1 |
| IN | 135 | 136 | 1,320 | 1,330 | 178 | 181 | 1.7 |
| IA | 222 | 215 | 1,403 | 1,400 | 311 | 301 | -3.2 |
| KY | 140 | 132 | 985 | 975 | 138 | 129 | -6.5 |
| MI | 304 | 292 | 1,535 | 1,540 | 467 | 450 | -3.6 |
| MN | 550 | 545 | 1,360 | 1,375 | 748 | 749 | 0.1 |
| MO | 169 | 160 | 1,055 | 1,040 | 178 | 166 | -6.7 |
| NM | 218 | 235 | 1,710 | 1,635 | 373 | 384 | 2.9 |
| NY | 701 | 702 | 1,420 | 1,460 | 995 | 1,025 | 3.0 |
| OH | 263 | 259 | 1,350 | 1,430 | 355 | 370 | 4.2 |
| PA | 623 | 615 | 1,435 | 1,455 | 894 | 895 | 0.1 |
| TX | 347 | 346 | 1,195 | 1,095 | 415 | 379 | -8.7 |
| VT | 160 | 161 | 1,420 | 1,440 | 227 | 232 | 2.2 |
| VA | 123 | 118 | 1,210 | 1,210 | 149 | 143 | -4.0 |
| WA | 247 | 248 | 1,840 | 1,910 | 454 | 474 | 4.4 |
| WI | 1,366 | 1,366 | 1,425 | 1,410 | 1,947 | 1,926 | -1.1 |
| 20-State Total | 7,708 | 7,741 | 1,443 | 1,488 | 11,124 | 11,522 | 3.6 |

*1/ Includes dry cows. Excludes heifers not yet fresh.*
*2/ Excludes milk sucked by calves.*

**COMMERCIAL RED MEAT PRODUCTION: ARIZONA AND U.S., AUGUST 1998 AND 1999 AND JULY 1999 1/**

| CLASS | August 1998 | July 1999 | August 1999 | August 1999 as % of 2/ | |
|---|---|---|---|---|---|
| | | | | August 1998 | July 1999 |
| | 1,000 Lbs | | | Percent | |
| ARIZONA 3/ | | | | | |
| **Total Red Meat** | **26,600** | **32,500** | **29,500** | **111** | **91** |
| | Million Lbs | | | Percent | |
| UNITED STATES | | | | | |
| Beef | 2,228 | 2,256 | 2,309 | 104 | 102 |
| Veal | 20 | 19 | 20 | 100 | 108 |
| Pork | 1,505 | 1,489 | 1,565 | 104 | 105 |
| Lamb and Mutton | 17 | 17 | 19 | 110 | 108 |
| Total Red Meat | 3,770 | 3,781 | 3,912 | 104 | 103 |

*1/ Based on packers' dressed weights and excludes farm slaughter.*
*2/ Accumulated totals and percentages based on unrounded data.*
*3/ Breakdown by class not available, includes total beef, veal, pork, lamb, and mutton.*

**COMMERCIAL LIVESTOCK SLAUGHTER: ARIZONA, AUGUST 1999 AND U.S., JANUARY-AUGUST 1999 1/**

| SPECIES | ARIZONA | | | UNITED STATES | | |
|---|---|---|---|---|---|---|
| | August | | | January-August | | |
| | Number Slaughtered | Total Live Weight | Average Live Weight 2/ | Number Slaughtered | Total Dressed Weight | Average Live Weight 2/ |
| | 1,000 Head | 1,000 Lbs | Pounds | 1,000 Head | 1,000 Lbs | Pounds |
| Cattle | 40.2 | 48,133 | 1,196 | 24,144.7 | 17,589 | 1,206 |
| Calves 3/ | | | | 842.0 | 147 | 290 |
| Hogs | 0.3 | 51 | 147 | 66,178.7 | 12,550 | 258 |
| Sheep 3/ | | | | 2,401.2 | 159 | 133 |

*1/ Includes slaughter under federal inspection and other commercial slaughter, excludes farm slaughter.*
*2/ Average liveweights based on unrounded data.*
*3/ Not published to avoid disclosing individual operations but included in U.S. total.*

## BEEF SUPPLIES EXPECTED TO DECLINE IN 2000

U.S. cattle inventories are set to decline through 2000, with beef production likely declining through 2001. Although beef cow liquidation has largely ended, heifer slaughter remains near record large. With 3 percent more heifers on feed on July 1 than a year ago, heifer slaughter will remain large through summer and help push beef production to record highs. Heifer retention for herd rebuilding rather than placement into feedlots remains the key to reduced beef supplies. Second-half feedlot placements are expected to begin to decline, starting a beef production falloff through at least 2001. Continued low feed costs will help hold down production costs. In addition, grazing conditions are very favorable in most of the country and hay production, particularly other hays, is forecast at record levels.

Forage conditions in most of the country have been very favorable and hay stocks are being rebuilt. Total hay production in 1999 is forecast at a record 161 million tons, up 6 percent from 1998 and 5 percent higher than 1997. The all hay yield is forecast to be record high and acreage is expected to rise 3 percent from a year earlier.

The midyear cattle inventory was down 1 percent from a year earlier, indicating continued declines from the 1996 cyclical peak. Cow-calf operators have lost money since 1995 and can expect only modest improvements in returns above cash costs this year. Beef cows were down 1 percent and the number of beef replacement heifers was down 4 percent. These figures strongly suggest that producers are not going to start breeding more replacement heifers until at least 2000 and the earliest the calf crop is likely to rise is in 2001.

The number of heifers calving and entering the cow herd remains low and is likely to drop again in 2000. Next year is likely to be the cyclical low in number of heifers entering the cow herd. The rate of increase in subsequent years may be below normal as restructuring continues within the beef sector.

Supplies of feeder cattle outside feedlots were down 2 percent from a year earlier at midyear. With the total number of cattle on feed on July 1 up 4 percent from a year earlier, the supply of cattle available for marketing during the declining phase of the cattle cycle is at its peak. As inventories decline, even if heifer retention remains low, the trend in feedlot inventories is clearly down over the next several years.

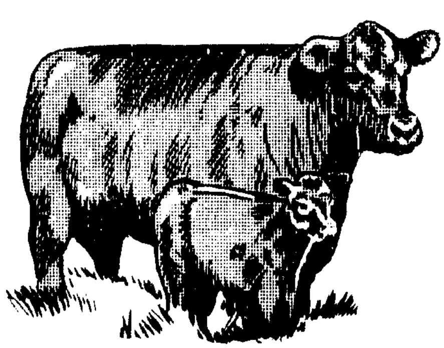
Cattle in feedlots with over 1,000 head of capacity in the 7-monthly reporting States on July 1 were up 4 percent from a year ago and up 6 percent from 1997. While feedlots remain current, placement of heavy weight feeder cattle, a premium on Choice beef, and fewer cows in the slaughter mix has caused slaughter weights to rise fairly rapidly in July.

After setting a record for both commercial and total beef production this year, the largest since 1976, beef production will begin to decline fairly sharply through at least 2001. Following feedlot placement increases of 20 and 6 percent in the first and second quarters, in first-half 1999, placements are expected to decline fairly sharply from a year earlier in the second half, with even greater reduction occurring in 2000.

Per capita beef supplies are expected to remain about unchanged from last year's 68.1 pounds, but are likely to decline 3 to 4 pounds in 2000. At the same time, however, broiler supplies will have risen 5 pounds per capita and likely will rise another 4 pounds in 2000. Total red meat and poultry consumption was a record large 214 pounds per capita in 1998, but will set a new record near 220 pounds this year, and may only decline only modestly in 2000.

Retail prices for Choice beef are expected to average $2.83 a pound this year, up from $2.77 in 1998.

Fed cattle prices are expected to remain in the mid-$60's per cwt through early fall as the large first-half placements are marketed. Larger numbers of higher grading cattle will also take pressure off the market. Prices are expected to move into the upper $60's in late fall through the first quarter of 2000. Supplies will begin to tighten fairly substantially in the second quarter as demand becomes seasonally strong. Tight supplies will cause prices to average near $70 in the last three quarters of 2000 with the market touching on $80 in late fall.



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## PRICES RECEIVED INDEX DECLINES 1 POINT

The preliminary All Farm Products Index of Prices Received in September was 97 based on 1990-92=100, down 1 point (1.0 percent) from the August index. The seasonal changes in the mix of commodities farmers sell affect the overall index. Lower seasonal marketings of cattle, broilers, wheat, and grapes more than offset the relatively higher marketings of soybeans, peanuts, corn, and potatoes. The marketing changes would have decreased the index two points but were partially offset by the price increases. Price increases from August for milk, lettuce, tomatoes, and soybeans more than offset price decreases for hogs, grapes, potatoes, and onions.

Compared with September 1998, the All Farm Products Index was 2 points (2.0 percent) lower. Price decreases from September 1998 for broilers, soybeans, milk, and cotton more than offset price increases for cattle, hogs, calves, and wheat.

## PRICES PAID INDEX UNCHANGED

The September Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates (PPITW) was 117 percent of the 1990-92 average. The index was unchanged from August but 2 points (1.7 percent) above September 1998. Lower September prices for complete feeds, hay and forages, nitrogen fertilizers, and insecticides were offset by higher prices for feeder cattle, herbicides, feeder pigs, and feed concentrates.

### PRICES RECEIVED BY FARMERS: ARIZONA AND U.S., SEPTEMBER 1998 AND 1999 AND AUGUST 1999

| COMMODITY | UNIT | ARIZONA | | | UNITED STATES | | |
|---|---|---|---|---|---|---|---|
| | | September 1998 Entire Month | August 1999 Entire Month | September 1999 Mid-Month | September 1998 Entire Month | August 1999 Entire Month | September 1999 Mid-Month |
| Upland Cotton 1/ | ¢ Lb | 67.6 | 49.1 | 2/ | 67.1 | 53.0 | 51.8 |
| All Wheat 4/ | $ Cwt | --- | --- | --- | 2.41 | 2.52 | 2.56 |
| Durum Wheat 4/ | $ Cwt | --- | --- | --- | 3.08 | 2.74 | 2.69 |
| Winter Wheat 4/ | $ Cwt | --- | --- | --- | 2.32 | 2.34 | 2.41 |
| All Hay Baled | $ Ton | 67.00 | 86.00 | 75.00 | 5/ 86.50 | 5/ 77.40 | 74.50 |
| Alfalfa Hay Baled | $ Ton | 67.00 | 87.00 | 75.00 | 5/ 89.10 | 5/ 81.50 | 77.30 |
| Other Hay Baled | $ Ton | 63.00 | 63.00 | 3/ | 5/ 74.00 | 5/ 62.80 | 63.70 |
| Lemons 6/ | $ Box | 33.90 | 3/ | 40.30 | 36.00 | 38.40 | 39.60 |
| Cows 7/ | $ Cwt | 34.20 | 38.90 | 36.80 | 32.60 | 36.30 | 34.90 |
| Steers and Heifers | $ Cwt | 57.90 | 64.50 | 65.50 | 58.90 | 66.20 | 66.90 |
| Beef Cattle 8/ | $ Cwt | 57.40 | 64.20 | 65.20 | 56.10 | 63.50 | 63.80 |
| Calves | $ Cwt | 72.60 | 88.50 | 90.50 | 74.10 | 89.60 | 91.20 |
| All Milk 9/ | $ Cwt | 16.00 | 14.70 | 15.70 | 16.60 | 15.00 | 15.90 |

*1/ Includes both spot and contract sales.16*
*2/ Price not published to avoid disclosure of individual operations.*
*3/ Insufficient sales to determine a price.*
*4/ First half of month.*
*5/ Mid-month.*
*6/ F.O.B. packed fresh Arizona box weights: Lemons 76 lbs.*
*7/ Beef cows and cull dairy cows sold for slaughter.*
*8/ "Cows" and "steers and heifers" combined.*
*9/ Preliminary; before deductions for hauling. Includes quality, quantity and other premiums. Excludes hauling subsidies.*

### U.S. PRICE INDEX SUMMARY TABLE

| INDEX 1990-92 = 100 | 1998 | | 1999 | |
|---|---|---|---|---|
| | August | September | August | September |
| Prices Received | 101 | 99 | 98 | 97 |
| Prices Paid | 116 | 115 | 117 | 117 |
| Ratio 1/ | 87 | 86 | 84 | 83 |

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