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ARIZONA LIVESTOCK

September 2002

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CATTLE ON FEED

On September 1, 2002, Arizona had 285,000 head of cattle on feed for the slaughter market, down 3 percent from a year ago, but the same amount as August 1. Placements totaled 30,000 head, down 2,000 head from August 2001. During August, 29,000 head were marketed, compared to 34,000 last August.

On September 1, 2002, California had 490,000 head of cattle on feed for the slaughter market, up 4 percent from a year ago, and up 1 percent from last month. Placements totaled 60,000 head, 20 percent more than in August 2001. During August, 52,000 head were marketed, the same amount as the previous year.

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.13 million head on September 1, 2002. The inventory was 7 percent below September 1, 2001 and 2 percent below September 1, 2000. Placements in feedlots during August totaled 2.22 million, 1 percent above 2001 but 9 percent below 2000. Net placements were 2.18 million. During August, placements of cattle and calves weighing less than 600 pounds were 525,000, 600-699 pounds were 483,000, 700-799 pounds were 625,000, and 800 pounds and greater were 585,000. Marketings of fed cattle during August totaled 2.14 million, 2 percent below 2001 and 3 percent below 2000.
Other disappearance totaled 43,000 during August, 20 percent below 2001 and 12 percent below 2000.

Cattle on feed September 1, 2002, in the historic 7 States for feedlots with capacity of 1,000 or more head totaled 8.85 million, down 6 percent from the previous year and 1 percent below September 1, 2000. Placements in feedlots during August totaled 1.94 million, 2 percent above 2001 but 7 percent below 2000. Marketings during August totaled 1.81 million, 3 percent below 2001 and 5 percent below 2000. Other disappearance during August was 35,000 head, 24 percent below 2001 and 3 percent below 2000.

CATTLE ON FEED: NUMBER ON FEED (1,000+ CAPACITY FEEDLOTS) AUGUST 1, 2002 AND SEPTEMBER 1, 2001 AND 2002, PLACEMENTS, MARKETINGS, AND OTHER DISAPPEARANCE AUGUST 2001 AND 2002 BY STATE, UNITED STATES, AND HISTORIC 7 STATES

STATE 1/	Number on Feed 2/					Placements During August			Marketings During August			Other Disappearance During August 3/		
	Sep 1, 2001	Aug 1, 2002	Sep 1, 2002 Number	Sep 1, 2002 as % of 2001	Sep 1, 2002 as % of Aug	2001	2002	2002 as % of 2001	2001	2002	2002 as % of 2001	2001	2002	2002 as % of 2001
	1,000 Head			Percent		1,000 Head		Percent	1,000 Head		Percent	1,000 Head		Percent
***AZ**	**293**	**285**	**285**	**97**	**100**	**32**	**30**	**94**	**34**	**29**	**85**	**2**	**1**	**50**
*CA	470	485	490	104	101	50	60	120	52	52	100	3	3	100
*CO	1,010	990	1,000	99	101	210	245	117	255	230	90	5	5	100
ID	305	285	275	90	96	70	58	83	74	67	91	1	1	100
*IA	310	320	310	100	97	39	56	144	53	65	123	1	1	100
*KS	2,490	2,140	2,230	90	104	570	570	100	490	470	96	10	10	100
*NE	1,820	1,790	1,850	102	103	435	445	102	420	380	90	5	5	100
NM	96	109	114	119	105	12	22	183	15	15	100	2	2	100
OK	395	310	305	77	98	78	74	95	71	78	110	2	1	50
SD	140	160	145	104	91	21	24	114	34	38	112	1	1	100
*TX	2,990	2,740	2,680	90	98	570	530	93	560	580	104	20	10	50
WA	231	165	155	67	94	61	40	66	58	49	84	1	1	100
Other Sts	305	310	290	95	94	56	64	114	70	82	117	1	2	200
US	10,855	10,089	10,129	93	100	2,204	2,218	101	2,186	2,135	98	54	43	80

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 2001-2002

STATE	Milk Cows 1/		Milk Per Cow 2/		Milk Production 2/		
	2001	2002	2001	2002	2001	2002	Percent Change From 2001
	1,000 Head		Pounds		Million Pounds		Percent
AZ	**140**	**150**	**1,520**	**1,775**	**213**	**266**	**24.9**
CA	1,598	1,652	1,765	1,815	2,820	2,998	6.3
FL	153	149	1,115	1,145	171	171	
ID	370	392	1,840	1,820	681	713	4.7
IL	115	115	1,370	1,395	158	160	1.3
IN	154	150	1,345	1,410	207	212	2.4
IA	207	210	1,475	1,480	305	311	2.0
KY	128	122	1,000	1,025	128	125	-2.3
MI	303	301	1,615	1,680	489	506	3.5
MN	505	485	1,385	1,410	699	684	-2.1
MO	144	136	975	1,090	140	148	5.7
NM	268	305	1,770	1,765	474	538	13.5
NY	673	677	1,480	1,520	996	1,029	3.3
OH	258	264	1,380	1,390	356	367	3.1
PA	598	585	1,480	1,515	885	886	0.1
TX	322	308	1,140	1,290	367	397	8.2
VT	152	154	1,460	1,450	222	223	0.5
VA	118	120	1,260	1,275	149	153	2.7
WA	247	248	1,945	1,965	480	487	1.5
WI	1,282	1,263	1,415	1,450	1,814	1,831	0.9
20-State Total	7,735	7,786	1,520	1,568	11,754	12,205	3.8

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

COMMERCIAL RED MEAT PRODUCTION: ARIZONA AND U.S., AUGUST 2001 AND 2002 AND JULY 2002 1/

CLASS	August 2001	July 2002	August 2002	August 2002 as % of 2/	
				August 2001	July 2002
	1,000 Lbs			Percent	
ARIZONA 3/					
Total Red Meat	**38,200**	**39,100**	**39,200**	**103**	**100**
	Million Lbs			Percent	
UNITED STATES					
Beef	2,425	2,426	2,470	102	102
Veal	17.2	16.7	16.7	97	100
Pork	1,600	1,557	1,637	102	105
Lamb and Mutton	18.7	16.3	16.6	89	102
Total Red Meat	4,061	4,016	4,140	102	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 2002 AND U.S., JANUARY-AUGUST 2002 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	Lbs	1,000 Head	1,000 Lbs	Lbs
Cattle	**50.1**	**66,064**	**1,320**	23,966.2	18,106	1,244
Calves 3/				665.3	125.7	314
Hogs	**0.1**	**29**	**257**	65,040.3	12,772	265
Sheep 3/				2,150.1	144.2	135

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

CATTLE OUTLOOK

Commercial beef production in 2002 is expected to be a record 27 billion pounds as dressed weights continue to increase. In spite of record beef and competing supplies, prices are strengthening and beef exports prospects are improving. Fed cattle prices are strengthening and are expected to average around $70 this fall. Further strengthening is expected in 2003 with prices rising well into the upper $70's in the second half. Price strength will come from reduced fed beef supplies and increased demand, particularly exports. Due to increased feed costs, yearling feeder cattle prices are expected to remain below year-earlier levels until late winter when there will be more assurance of reduced beef supplies and stronger prices in 2003. If forage conditions continue to improve, prices for lighter weight stocker cattle will strengthen due to tighter supplies and expected higher fed cattle prices in 2003.

Record Cattle Slaughter Weights and Higher Grain Prices Continue

Contrasts continue in the cattle/beef sector as feed grain prices rise amid record slaughter weights that have been rising more than seasonally. Although pasture and range conditions in mid-September remained poor in a large proportion of the country, fall forage prospects hint at improvement. In spite of record beef and total red meat and poultry supplies, prices are strengthening and beef export prospects are improving.

Cattle on Feed Inventories Continue To Decline

Declining net feedlot placements this past spring and summer and aggressive marketings this summer, are pulling down on-feed inventories. Fall forage development, including small grain pasture, will be a key to fall and winter placements. High grain prices will encourage increased weight gain from pasture if forage conditions improve for the reduced cattle inventory. On-feed placements were down in second-half 2001 and are expected to decline again this year–the extent depending on forage development. Fed cattle marketings are expected to decline below a year earlier this fall through 2003, with the largest year-to-year declines occurring in the second half of 2003.

Slaughter Weights Remain on Record-Setting Pace

Slaughter weights remain well above the weather-reduced levels of 2001, and are expected to rise through late October-early November when weights typically peak seasonally. Heavy slaughter weights, even with declining fed cattle marketings this fall, will result in only a modest year-over-year reduction in fourth-quarter beef production. Much of the reduction will occur in cow slaughter given even modest improvement in forage conditions as temperatures cool and moisture levels improve seasonally. Cow slaughter has been about unchanged from a year earlier this spring and summer, although dairy cow slaughter has increased while beef cow slaughter has declined modestly. For the year, beef production is expected to eclipse the 2000 record of 26.8 billion pounds aided by sharply increased slaughter weights. Slaughter weights are expected to set another record in 2003, but the year-to-year increase is expected to moderate. Strong demand for higher quality beef and continued heavier placement weights both encourage heavier weights. In addition, few discounts are occurring for heavier carcasses as the industry moves toward marketing individual muscles rather than cuts, and demand increases for higher-graded beef with more consistent quality.

Retail Beef Prices Remain Strong

Although prices for Choice beef at retail remain below the record-setting levels of a year earlier, prices have remained relatively strong and have declined only modestly from the spring peak of $3.34 a pound. Prices are expected to begin a gradual rise through winter as beef supplies tighten. Large supplies of competing meats at lower prices, particularly pork, will temper beef price increases. Sharpest year-to-year increases will begin next spring as supplies tighten seasonally as well as cyclically.

Fed cattle prices are strengthening from the low $60's per cwt this summer and are likely to average near $70 this fall before rising well into the upper $70's in the second half of 2003. Price strength will come from reduced supplies and increased demand, particularly as export demand continues to strengthen.

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RELEASE DATES FOR UPCOMING NATIONAL REPORTS

October 17	Milk Production
October 18	Cattle on Feed
October 25	Livestock Slaughter
October 25	Hogs and Pigs
October 31	Agricultural Prices

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SEPTEMBER FARM PRICES RECEIVED INDEX DOWN 1 POINT FROM LAST MONTH

The preliminary All Farm Products Index of Prices Received by Farmers in September was 99, based on 1990-92=100, down 1 point (1.0 percent) from the August index. Lower prices for hogs, potatoes, lettuce, and strawberries more than offset increased prices for wheat, corn, broccoli, and broilers. The seasonal change in the mix of commodities farmers sell also affects the overall index. Decreased marketings of cattle, wheat, broilers, and grapes more than offset increased marketings of soybeans, corn, peanuts, and potatoes. The preliminary All Farm Products Index is also 7 points (6.6 percent) below September 2001. Lower prices for milk, broilers, hogs, and lettuce more than offset higher prices for corn, wheat, soybeans, and broccoli.

The Food Commodities Index decreased 1 point (1.0 percent) below last month to 97, and was 11.0 percent below September last year.

PRICES PAID INDEX UP 1 POINT

The September Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates (PPITW) was 125 percent of the 1990-92 average. The index was up 1 point (0.8 percent) from August and September 2001. Higher prices in September for complete feeds, feed grains, feeder cattle, and diesel fuel more than offset lower prices for feeder pigs.

PRICES RECEIVED BY FARMERS: ARIZONA AND U.S., SEPTEMBER 2001 AND 2002 AND AUGUST 2002

COMMODITY	UNIT	ARIZONA			UNITED STATES		
		September 2001 Entire Month	August 2002 Entire Month	September 2002 Mid-Month	September 2001 Entire Month	August 2002 Entire Month	September 2002 Mid-Month
Upland Cotton 1/	¢ Lb	**2/**	**2/**	**2/**	38.5	33.0	32.5
All Wheat 3/	$ Cwt	**---**	**---**	**---**	2.85	3.63	4.07
Durum Wheat 3/	$ Cwt	**---**	**---**	**---**	3.02	3.55	4.00
Winter Wheat 3/	$ Cwt	**---**	**---**	**---**	2.81	3.63	4.00
All Hay Baled 4/	$ Ton	**96.00**	**95.00**	**95.00**	98.60	93.70	95.50
Alfalfa Hay Baled 4/	$ Ton	**96.00**	**95.00**	**95.00**	106.00	101.00	102.00
Other Hay Baled 4/	$ Ton	**90.00**	**89.00**	**90.00**	72.80	71.30	74.80
Lemons 6/	$ Box	**40.50**	**5/**	**37.20**	37.70	36.10	40.80
Cows 7/	$ Cwt	**38.40**	**35.70**	**34.00**	40.90	36.40	35.40
Steers and Heifers	$ Cwt	**69.10**	**69.00**	**71.80**	72.10	67.10	67.60
Beef Cattle 8/	$ Cwt	**68.80**	**68.70**	**71.40**	69.00	64.30	64.60
Calves	$ Cwt	**99.50**	**101.00**	**101.00**	106.00	94.40	93.00
All Milk 9/	$ Cwt	**16.90**	**11.20**	**11.20**	17.00	11.30	11.50

1/ Includes both spot and contract sales.
2/ Price not published to avoid disclosure of individual operations.
3/ Not available for Arizona.
4/ Mid-month.
5/ Insufficient sales to determine a price.
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	2001		2002	
	August	September	August	September
Prices Received	110	106	100	99
Prices Paid	124	124	124	125
Ratio 1/	89	85	81	79

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