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Farm operators paid their hired workers an average wage of \$12.13 per hour during the October 2011 reference week, up 20 cents from a year earlier. Field workers received an average of \$12.58 per hour, up 32 cents from last October, while livestock workers earned \$10.61 per hour compared with \$10.79 a year earlier.

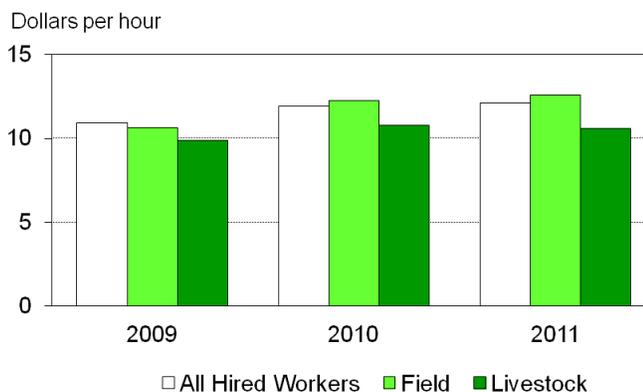


FARM LABOR

United States

Farm operators paid their hired workers an average wage of \$11.15 per hour during the October 2011 reference week, up 2 cents from a year earlier. Field workers received an average of \$10.54 per hour, up 5 cents from last October, while livestock workers earned \$10.67 per hour compared with \$10.28 a year earlier. The field and livestock worker combined wage rate, at \$10.57 per hour, was up 14 cents from last year.

**Wage Rates for Hired Workers
Northern Plains – October: 2009-2011**



CATTLE ON FEED

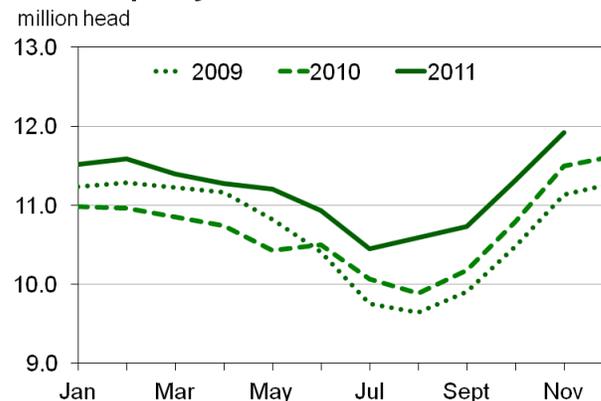
United States

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.9 million head on November 1, 2011. The inventory was 4 percent above November 1, 2010. This is the second highest November 1 inventory since the series began in 1996.

Placements in feedlots during October totaled 2.49 million, 1 percent below 2010. Net placements were 2.40 million head. During October, placements of cattle and calves weighing less than 600 pounds were 805,000, 600-699 pounds were 600,000, 700-799 pounds were 501,000, and 800 pounds and greater were 585,000.

Marketings of fed cattle during October totaled 1.79 million, 3 percent above 2010. Other disappearance totaled 93,000 during October, 50 percent above 2010.

**United States Cattle on Feed
1000+ Capacity Feedlots: 2009-2011**



MILK PRODUCTION

United States

Milk production in the 23 major States during October totaled 15.2 billion pounds, up 2.5 percent from October 2010. September revised production at 14.8 billion pounds, was up 1.9 percent from September 2010. The September revision represented a decrease of 10 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,787 pounds for October, 20 pounds above October 2010.

The number of milk cows on farms in the 23 major States was 8.48 million head, 111,000 head more than October 2010, and 10,000 head more than September 2011..



DAIRY PRODUCT PRICES

United States

Butter prices received for 25 kilogram and 68 pound boxes meeting United States Department of Agriculture (USDA) Grade AA standards averaged \$1.84 per pound for the week ending November 12, 2011. The United States (US) price per pound decreased 0.1 cent from the previous week.

Cheddar Cheese prices received for US 40 pound blocks averaged \$1.76 per pound for the week ending November 12, 2011. The price per pound increased 3.9 cents from the previous week. The price for US 500 pound barrels adjusted to 38 percent moisture averaged \$1.82 per pound, up 6.2 cents from the previous week.

Dry Whey prices received for bag, tote, and tanker sales meeting USDA Extra Grade standards averaged 63.6 cents per pound for the week ending November 12, 2011. The US price per pound increased 0.4 cent from the previous week.

Nonfat Dry Milk prices received for bag, tote, and tanker sales meeting USDA Extra Grade or United States Public Health Service (USPHS) Grade A standards averaged \$1.49 per pound for the week ending November 12, 2011. The US price per pound increased 1.4 cents from the previous week.



LIVESTOCK SLAUGHTER

United States

Commercial red meat production for the United States totaled 4.27 billion pounds in October, up slightly from the 4.26 billion pounds produced in October 2010.

Beef production, at 2.22 billion pounds, was 1 percent below the previous year. Cattle slaughter totaled 2.86 million head, down slightly from October 2010. The average live weight was down 9 pounds from the previous year, at 1,289 pounds.

Veal production totaled 10.5 million pounds, 8 percent below October a year ago. Calf slaughter totaled 72,600 head, up 2 percent from October 2010. The average live weight was down 23 pounds from last year, at 252 pounds.

Pork production totaled 2.03 billion pounds, up 2 percent from the previous year. Hog slaughter totaled 9.91 million head, up 2 percent from October 2010. The average live weight was down 1 pound from the previous year, at 275 pounds.

Lamb and mutton production, at 11.7 million pounds, was down 11 percent from October 2010. Sheep slaughter totaled 174,600 head, 14 percent below last year. The average live weight was 134 pounds, up 4 pounds from October a year ago.

January to October 2011 commercial red meat production was 40.8 billion pounds, up 1 percent from 2010. Accumulated beef production was up 1 percent from last year, veal was down 3 percent, pork was up 2 percent from last year, and lamb and mutton production was down 8 percent.



TURKEY HATCHERY

United States

Turkey eggs in incubators on November 1, 2011, in the United States totaled 27.6 million, down 3 percent from November 1, 2010. Eggs in incubators were up 1 percent from the October 1, 2011 total of 27.2 million eggs.

Turkey poults hatched during October 2011, in the United States totaled 22.4 million, up 2 percent from October 2010. Poults hatched were down 3 percent from the September 2011 total of 23.2 million poults.

The 21.4 million net poults placed during October 2011 in the United States were up 2 percent from the number placed during the same month a year earlier. Net placements were down 4 percent from the September 2011 total of 22.3 million.

LOCAL FOODS MARKETING CHANNELS

Farmers selling locally grown food through farmers' markets, roadside stands, and other local food outlets account for a small, but growing, segment of U.S. agriculture. Consumer demand for locally produced food is driven by demand for freshness, support for the local economy, and personal communication with the producer.

In addition to buying directly from farmers, consumers also purchase locally grown food through retail channels that enable consumers to purchase local foods with one-stop shopping convenience.

When intermediated, or indirect, local food marketing channels, such as sales through grocers, restaurants, and regional distributors, are combined with direct-to-consumer sales by farm operations, a more complete picture of the local food market emerges than is the case when only direct-to-consumer sales are considered.

Based on data from USDA's Agricultural Resource Management Survey (ARMS), local food sales amounted to \$4.8 billion in 2008 when direct-to-consumer and intermediated sales of locally grown food are measured—four times higher than estimates based on direct-to-consumer sales alone. ERS researchers used these data to explore differences in the marketing channels used by farms selling locally, to examine the relationships between producer location and the marketing channels used, and to assess operators' commitments to farming among farms with and without local food sales.

Marketing Channels for Locally Grown Food

The 2008 ARMS measured local food sales by asking farm operators whether they sold directly to consumers at farmers' markets, roadside stands, onfarm stores, and community-supported agriculture or through intermediated sales to local grocers, restaurants, and regional distributors during the year. Over half of local food sales—\$2.7 billion—were from farms selling local foods exclusively through intermediated marketing channels. Farms using both direct-to-consumer and intermediated marketing channels accounted for a quarter of local food sales (\$1.2 billion).

Use of local food marketing channels varied with farm size. Small farms (gross annual sales under \$50,000) relied on direct-to-consumer channels more than large farms, which were more likely to use intermediated channels for their local food sales. Large farms (annual sales over \$250,000) that market local foods exclusively through intermediated channels accounted for 92 percent of these intermediated sales, while small and medium-sized farms that market local foods exclusively through direct-to-consumer channels accounted for 73 percent of these sales.

While we do not have information on the value of local foods sold through individual marketing channels (such as farmers'

markets or grocers), we do know the number of individual marketing channel types each producer used. Farmers' markets and roadside stands each accounted for over one-third of the local food marketing outlet types small farms used (35 and 34 percent, respectively). Farmers' markets and roadside stands were also used by large farms reporting local food sales (15 and 24 percent, respectively). Large farms, however, relied on regional distributors over four times more often than small farms to market their local food. Interestingly, grocers and restaurants, as a share of marketing channel types, were utilized by small and large farms selling locally at similar rates, suggesting that these marketing channels are available regardless of farm size.

Marketing Channel Use Varies With the Region of the Country

Previous research found that direct-to-consumer sales are highest in metropolitan areas, and this finding also holds for intermediated sales of locally grown food. While farms that reported local food sales in 2008 were more likely to be located in metropolitan counties, the rate varied among regions. The Northeast and the West Coast regions had the highest local food sales, but the regions differed with respect to the marketing channels used.

Farms with both direct-to-consumer and intermediated local food sales on the West Coast (California, Oregon, and Washington) accounted for less than 8 percent of all U.S. farms reporting local food sales but were responsible for nearly 24 percent of the value of U.S. local food sales. In 2008, 85 percent of the value of West Coast local food sales occurred through intermediated channels. The dominance of intermediated marketing channels among West Coast local food farms is likely because these farms are typically larger and located farther from metro areas than farms in other regions, necessitating the use of intermediated rather than direct-to-consumer marketing channels. High levels of local food production on the West Coast may also be related to the region's suitability for fruit and vegetable production. Recognized for its varied climates, long growing season, and extensive irrigation networks, the West Coast produces 56 percent of the Nation's vegetables, fruit and nuts, and other specialty crops.

In the Northeast, farms reporting local food sales tended to be smaller, located closer to densely populated urban markets, and more likely to use direct-to-consumer marketing outlets than their counterparts on the West Coast.

Vegetable, fruit, and nut farms dominate local food sales when compared with other types of farms. An examination of the factors driving spatial location differences finds that climate and topography favoring the production of fruit and vegetables, proximity to and neighboring farm participation in farmers' markets, and good transportation and information access drive direct-to-consumer sales.

Source: Amber Waves, USDA-ERS, December 2011

COLD STORAGE

United States

Total natural cheese stocks in refrigerated warehouses on October 31, 2011 were down 3 percent from the previous month and down 4 percent from October 31, 2010. Butter stocks were down 14 percent from last month but up 19 percent from a year ago.

Total frozen poultry supplies on October 31, 2011 were down 7 percent from the previous month and down 4 percent from a year ago. Total stocks of chicken were up 4 percent from the previous month but down 5 percent from last year. Total pounds of turkey in freezers were down 20 percent from last month and down 1 percent from October 31, 2010.

Total frozen fruit stocks were up 17 percent from last month but down 7 percent from a year ago. Total frozen vegetable stocks were up 4 percent from last month but down 6 percent from a year ago.

Total red meat supplies in freezers were down 2 percent from the previous month but up 1 percent from last year. Total pounds of beef in freezers were down 3 percent from the previous month and down slightly from last year. Frozen pork supplies were down slightly from the previous month but up 2 percent from last year. Stocks of pork bellies were down 7 percent from last month and down 63 percent from last year.



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