



MARKET NEWS AND RELATED INFORMATION RECEIVED AND USED
BY ARIZONA BEEF CATTLE PRODUCERS

by

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There is no central market in the state of Arizona for cattle and calves to serve as a price registering institution. At least 90 per cent of the fat cattle in the state are sold directly to the packer and almost this same proportion of the feeder and stocker cattle are sold on the range.

In order for the Arizona beef cattle producer to know what the market is for his product he must have some knowledge of the price that his fellow producer is receiving. The more complete this knowledge is, the better informed he is.

Until July 1, 1956, there had been no agency making a systematic report of beef cattle sales in Arizona. 2/ Because of the apparent need for more accurate market news relative to the sale of cattle in Arizona, the University of Arizona has undertaken to analyze the market news available to beef producers in the state. Not only is market news important but such information as the outlook for feedstuffs, feed prices, range conditions, general economic conditions, etc., is very important to the cattle producer.

An inventory of the livestock market news to Arizona cattle producers was made and published. 3/ 4/

Information Received and Used by Arizona Feeder
and Stocker Cattle Producers

While there may be adequate market news available, if ranchers do not use it, it fails in its purpose. A survey was made to learn if Arizona cattle producers were receiving information which is available. This survey was made during 1954 and 1955.

1/ Assistant Agricultural Economist, Arizona Agricultural Experiment Station, University of Arizona, Tucson.

2/ During the Fall of 1955 and Spring of 1956, the Agricultural Economics Department of the University of Arizona, reported the sale of range cattle on a weekly basis as a part of a research project.

3/ This information is published in Arizona Agricultural Experiment Station Report No. 125.

4/ An inventory has also been made of the information related to livestock market news and is now in manuscript form.

Sampling

There are about 1,600 stocker and feeder cattle producers in the state, most of whom were contacted in a mail questionnaire.

Results of the Survey 5/

The data in Tables 1, 2, 3, 4, 5, 6, and 7 were obtained from the 303 schedules completed as a result of this mailing. These tables, therefore, are based solely on information supplied by the 303 ranchers answering the schedules.

Table 1 lists the number of schedules returned from each county and the variation in size of individual holdings. These data show that large, small, and medium-sized ranchers completed and returned the schedules.

In answer to the question "What market news reports do you receive?" many different sources were given. The source mentioned by more ranchers than any other was the Arizona Cattle Growers' Newsletter. This report was the only one (with the exception of the University of Arizona's Arizona Range Cattle Market Report) that published range sales. As for the rest of the reports, they are hard to evaluate because they report the sale of cattle at a particular market. They can be used by the cattle rancher to follow the trend of the market, but give him no information on the local market.

Table 2 gives the per cent of cattle producers reporting who received the various news reports. Almost three-fourths received printed market reports and daily newspapers, less than half received and used weekly livestock newspapers, and two-thirds listened to the radio reports. Pinal and Maricopa County producers report less use of word-of-mouth type of market news than those of any other county except Greenlee. (Only four ranchers reported in Greenlee County). This may be related to the closeness of the Phoenix and Casa Grande markets.

Many Arizona cattlemen depend to a large extent on word-of-mouth information. Twenty-nine per cent of the ranchers returning the schedules reported that they thought word-of-mouth information was more important than printed or radio reports.

5/ During the time the survey was made the Agricultural Economics Department of the University of Arizona was conducting a research project to determine if it was feasible to report range sales. The results of this survey indicated that the sale of cattle off the ranges could be reported without excessive cost and with a reasonable amount of accuracy.

The U. S. Department of Agriculture established a livestock market news reporting service in Phoenix, Arizona during July, 1956. It will be the responsibility of this office to report range sales.

Table 1. Number of Stocker and Feeder Cattle Producers Reporting, Size of Holdings, Number of Cattle Owned, by Counties and for the State.

County	Ranches		Size			Number of Cattle		
	Reporting	In County	Range		Average	Range		Average
			High	Low		High	Low	
number	number	acres	acres	acres	head	head	head	
Apache	40	204	75,000	25	18,180	1,073	10	304
Cochise	58	327	40,960	640	12,209	1,000	20	226
Coconino	12	58	325,000	12,000	99,916	3,000	100	1,122
Gila	18	69	64,000	160	a/ 30,722	800	100	373
Graham	11	47	800,000	2,000	100,830	3,000	80	703
Greenlee	4	62	64,000	5,280	26,427	850	85	346
Maricopa	15	100 b/	90,000	130	29,286	1,000	48	389
Mohave	15	68	174,800	80	43,429	500	28	412
Navajo	21	124	112,000	114	31,788	1,500	6	453
Pima	16	90	96,000	1,140	27,685	2,000	50	581
Pinal	13	131	22,000	210	2,697	450	11	229
Santa Cruz	27	123	64,000	350	15,192	2,000	9	489
Yavapai	49	163	250,000	640	41,578	11,800	15	778
Yuma	4	27	220	40	170	200	80	140
State	303	1,593	800,000	25	29,102	3,000	10	463

a/ This schedule did not disclose the number of cattle owned by this rancher. It is probable that the number of cattle owned by this rancher is lower than that indicated in the "low" column under "range" in "cattle numbers."

b/ Estimate.

Table 2. Per Cent of Stocker and Feeder Cattle Producers Who Reported Receiving Market News Reports Through the Different Media. a/

County	Printed Market Reports per cent	Daily News-paper b/ per cent	Weekly Livestock Newspaper per cent	Radio per cent	Telephone and other Conversation per cent
Apache	63	68	45	65	88
Cochise	72	71	41	67	86
Coconino	75	33	67	100	83
Gila	94	78	22	66	83
Graham	100	64	45	82	100
Greenlee	75	50	25	75	50
Maricopa	86	86	33	73	67
Mohave	80	53	33	67	100
Navajo	67	57	43	57	86
Pima	75	88	56	50	94
Pinal	62	92	0	77	54
Santa Cruz	81	93	52	63	100
Yavapai	69	71	67	59	90
Yuma	75	100	75	75	75
State c/	74	72	46	66	86

a/ Based on 303 schedules (see Table 1 for the number reporting in each county).

b/ Daily newspapers that carry the U. S. Department of Agriculture report on Los Angeles, Chicago, and Kansas City markets.

c/ Weighted average.

The ranchers in this sampling reported that they usually contract to sell their cattle 14 to 100 days before the cattle are delivered. Two-thirds of the ranchers in the state usually contract the sale of their cattle before they deliver them. Maricopa, Pinal, and Yuma Counties report the smallest amount of contracting, but have the largest irrigated areas in the state and also are close to auctions. The per cent of the ranchers contracting ranged from eight per cent for Pinal County to 89 per cent for Gila County.

Methods or channels of marketing used by the producers of stocker and feeder cattle and calves are summarized in Table 3. Almost two-thirds of the cattlemen reported that they sold through order buyers, a little less than half sold direct to the feeder, while approximately one-fifth sold through auctions and commission firms in a central market. The order buyer in the range states acts as a commission buyer for the feeder or purchaser of stocker cattle. Very often he is a local buyer.

Table 3. Per Cent of the Stocker and Feeder Cattle Producers Who Reported Selling Their Cattle Through the Different Marketing Channels. a/

County	To an Order Buyer per cent	Direct to the feeder b/ per cent	Through an auction per cent	Through a Commission Firm in a Central Market per cent
Apache	75	33	10	10
Cochise	59	47	29	21
Coconino	50	75	8	33
Gila	66	56	17	17
Graham	64	27	0	9
Greenlee	50	50	25	0
Maricopa	47	47	40	20
Mohave	87	33	13	33
Navajo	52	43	29	38
Pima	75	25	38	31
Pinal	54	15	31	8
Santa Cruz	74	37	30	48
Yavapai	47	67	10	22
Yuma	75	25	25	25
State <u>c/</u>	62	44	21	23

a/ The total for each county may be greater than 100 per cent; i.e., a rancher may sell his calves through an order buyer and his cows through a commission firm at a central market.

b/ This category includes both feeders and cattlemen who buy stocker cattle to place on pasture.

c/ Weighted average.

Table 4 shows time of sale by season of the year. Most feeder cattle were sold in the fall. Very few reported selling in winter.

Information related to market news, such as price and outlook reports, are important to the producer. Table 5 gives the per cent of the 303 stocker and feeder cattle producers who reported receiving the various reports. Many different sources of feedstuff prices were given. It would require too much space to give a complete breakdown of these sources.

In indicating that they received Federal Crop and Livestock Reporting Service for Arizona reports, the producers could have listed five different publications. Due to the fact that many reported they received these publications but failed to name the specific publication or publications, it would be of little value to break down this class of report.

Table 4. Per Cent of Stocker and Feeder Cattle Producers Who Reported Selling Cattle During the Different Seasons of the Year.

County	Time of Sale			
	Fall	Spring	Fall & Spring	Winter
	per cent	per cent	per cent	per cent
Apache	85	0	0	0
Cochise	57	5	10	7
Coconino	100	0	0	0
Gila	28	56	16	0
Graham	27	36	18	0
Greenlee	25	0	50	0
Maricopa	0	47	0	0
Mohave	40	40	13	0
Navajo	80	10	5	0
Pima	56	6	25	0
Pinal	23	31	0	0
Santa Cruz	81	4	0	7
Yavapai	67	6	10	0
Yuma	0	25	0	0
State *	59	14	8	2

* Weighted average

Table 5 indicates that not more than half of the 303 cattle producers received reports of any one classification. It appears that this is one area in which information is deficient.

If the cattleman is aware of the dangers of increasing cattle numbers causing the price of cattle to drop, it would be rational to assume he would not increase cattle numbers if the price of cattle were low. In order to determine how the feeder and stocker cattle producers in Arizona reacted to lower cattle prices, they were asked to indicate which of four factors -- financing, range conditions, cost of production, or the prospects for cattle prices -- had the greatest effect on their decisions relative to changing the size of their operations from year to year. The results are shown in Table 6. In the counties where there were large areas irrigated (Maricopa, Pinal, and Yuma) the farmers reported that costs of production and outlook for cattle prices were important, while the rest of the counties indicated that range conditions were most important.

Table 5. Per Cent of Stocker and Feeder Cattle Producers Who Reported Receiving Feed Prices, Production, and Outlook Reports.

County	Feedstuffs Price Reports	Federal Crop & Livestock Reporting Service Reports <u>a/</u>	Inventory of Livestock in United States & Arizona	Outlook for Feedstuffs	Outlook for Prices	Outlook for General Economics Conditions
	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>
Apache	42	50	48	40	45	50
Cochise	29	48	45	47	48	52
Coconino	33	67	58	50	50	42
Gila	39	55	55	61	61	61
Graham	18	55	55	18	45	27
Greenlee	0	25	25	25	25	25
Maricopa	40	47	47	53	47	67
Mohave	20	33	53	33	47	47
Navajo	33	48	38	29	38	29
Pima	31	69	75	63	69	69
Pinal	85	15	31	46	31	38
Santa Cruz	37	52	37	37	33	52
Yavapai	39	51	53	45	47	47
Yuma	75	75	75	50	25	50
State <u>b/</u>	37	50	49	44	46	49

a/ Federal Crop and Livestock Reporting Service for Arizona, U. S. Department of Agriculture, Agricultural Marketing Service, Phoenix.

b/ Weighted average.

Table 6. The Per Cent of Stocker and Feeder Cattle Producers Who Reported that Financing, Range Conditions, Cost of Production, or Outlook for Cattle Prices had the Greatest Effect on Cattle Numbers Produced on the Ranch. a/

County	Financing	Range Conditions	Cost of Production	Outlook for Cattle Prices
	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>
Apache	5	80	5	20
Cochise	7	83	7	5
Coconino	0	92	8	17
Gila	11	72	11	11
Graham	18	82	18	18
Greenlee	0	50	0	25
Maricopa	13	40	20	33
Mohave	0	80	33	20
Navajo	19	71	10	0
Pima	6	88	13	19
Pinal	15	0	38	23
Santa Cruz	7	81	11	15
Yavapai	14	73	8	16
Yuma	25	0	0	100
State <u>b/</u>	10	73	12	16

a/ Some of the producers reported that more than one of the above factors limited their production.

b/ Weighted average.

As a follow up, the cattle producers were asked if they had increased, decreased, or held their cattle numbers stable in 1955. Table 7 shows the results.

In summary the results of these questions reveal that most of the 303 stocker and feeder cattle producers have access to market news in one form or another, and the form used most was word-of-mouth. Almost one-third of them felt that word-of-mouth was the most important type of information for local market conditions. This survey indicated that the ranchers were probably not receiving enough information on feed prices and outlook.

Information Received and Used by Arizona Cattle Feeders

As in the case of the stocker and feeder cattle producer, it was necessary to determine if the feeders were receiving and using the market news available to them.

Table 7. Per Cent of the 303 Cattle Producers Who Reported That They Increased, Decreased, or Held Their Cattle Numbers Stable in 1955.

County	Increased	Decreased	Stable	Failed to Answer this Question
	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>
Apache	33	20	45	2
Cochise	22	19	52	7
Coconino	8	17	75	0
Gila	11	33	56	0
Graham	18	9	73	0
Greenlee	0	25	75	0
Maricopa	40	13	33	14
Mohave	27	20	40	13
Navajo	24	24	43	9
Pima	25	19	50	6
Pinal	31	8	38	23
Santa Cruz	22	15	63	0
Yavapai	20	29	47	4
Yuma	75	25	0	0
State *	24	20	53	6

* Weighted average.

Sampling

The names of all cattle feeders and the capacity of their feedlots were grouped by areas. There are three major cattle feeding areas in the state -- Maricopa, Pinal, and Yuma Counties. The rest of the areas have been grouped together. In each of these areas, the questioning was grouped according to size of the feedlot.

Groupings were as follows.

- 3,000 head capacity and above
- 2,000 head to 2,999 head capacity
- 1,000 head to 1,999 head capacity
- 500 head to 999 head capacity
- 0 to 499 head capacity

It was decided to contact all feeders who had a feedlot with a capacity of 3,000 head or more except in Yuma County where all feeders who had a capacity of 2,000 head or more were contacted. Twenty per cent of the feeders falling into each of the other class sizes were contacted. Names of feeders were drawn at random.

Maricopa County

There are 97 feedlots in Maricopa County with a total capacity of 190,455 head. Thirty-seven schedules were taken in this county.

In the Arizona-California feeding area most cattle feeders deal directly with the packer-buyers. There are some exceptions, but in Maricopa County this is the general practice. One of the important factors to be considered is the length of time the feeder has been feeding. In many of the large feedlots in California and Arizona it is general practice to hire men of considerable experience to manage the feedlots and deal with the packer-buyers. Eighty per cent of the feeders had ten years or more experience.

Custom feeding is important in Maricopa County. Twenty-five per cent of the feeders in the sample used 50 per cent or more of the total volume of their feedlots for custom feeding.

The feeding of Brahman Crossbreds is increasing in the Southwest. Seventy-two per cent of the feeders fed some crossbreds; most of these also fed other types of cattle, particularly Herefords.

Yuma County

There are a few large vegetable producers in this county who have fed cattle for at least ten years. These vegetable producers use the cattle to clean up the vegetable fields and consume unmarketable vegetables.

The irrigated land in this county has increased from 85,000 acres in 1948 to 170,000 in 1954. ^{6/} With this rapid increase in irrigation, cotton production increased very rapidly. In 1953 there were 75,000 acres of cotton in the county. However, this was decreased to 26,500 in 1955 because of acreage allotments. As a result of the reduced cotton acreage many of the farmers shifted to the production of forage and feed crops. In order to market their forage and feed crops many of them started to feed cattle.

It was decided to obtain schedules from all feeders who had a feedlot with a capacity of 2,000 head or more and 20 per cent of those in the other size classes, because of the recent increase in cattle feeding and the relatively small number of cattle feeders who had feedlots with a capacity of 3,000 head or more. Sixteen schedules were taken. There are 48 feedlots in the county with a capacity of approximately 43,000 head. None of the feeders interviewed did custom feeding.

^{6/} Barr, G. W., Arizona Agriculture 1948 and Arizona Agriculture 1955, Agricultural Experiment Station Bulletins No. 220 and 261, University of Arizona, Tucson.

Only 25 per cent of the feeders had been feeding for five years or more. There was an evident lack of knowledge of the market situation and a lack of experience in dealing with the packer-buyers. Instead of dealing directly with the packer-buyer, three-fourths of the feeders hired a Los Angeles Commission firm to sell their cattle. The firm sends a man from Los Angeles to Yuma to deal with the packer-buyers. This area has some of the highest temperatures in the state and because of this heat factor, as well as the rapid gain of the Brahman-Cross, most of the feeders feed some of the Brahman-Crosses. They also feed Herefords and a class known as "Okies" (common and medium grade mixed breed cattle).

Pinal County

There are 31 feedlots in the county with a total capacity of 35,000 head. Only two of these had a capacity of 3,000 head or more. Six schedules were taken.

Forage production has increased in this county as a result of the cotton acreage allotments. It has not been as great, relatively, as in Yuma County because the cost of irrigation water is higher. The higher cost of irrigation water has discouraged the production of forage crops.

There are two large feeders in the county who have extensive knowledge of the cattle market. One is a custom feeder and the other feeds his own cattle. One of these feeders has been feeding for forty years and the other eight years. The remaining feeders contacted had been feeding less than five years. Eighty-three per cent of the feeders fed both Herefords and crossbred Brahman cattle, while 17 per cent of the feeders fed Herefords exclusively.

Other Counties

In drawing the sample of the feeders to be interviewed, the sample as drawn included four of the eight counties -- Cochise, Graham, Greenlee, and Pima. There was only one feeder in the sample who operated his feedlot on a custom basis. The years of experience of the feeders varied from one to twenty years. The smaller feeders had the least experience.

Results of the Survey

Table 8 summarizes the uses of the various types of livestock market news by cattle feeders. It is obvious that these feeders do receive and use livestock market news reports. In Maricopa County one radio station has a popular radio program at noon which gives a summary of such markets as Los Angeles, Kansas City, and Chicago. Feeders in the three major feeding counties used radio news reports to a large extent. However, in the other counties of the state this source was not as important. Table 8 also shows that most of the feeders depend on telephone conversations to keep informed on market conditions.

Table 8. Proportion of Cattle Feeders Who Received the Different Types of Livestock Market News Reports, by Counties.

Type of Report	County			
	Maricopa <u>a/</u>	Yuma	Pinal	Others
	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>
U.S. Department of Agriculture market news reports	97	88	83	90
Commission firm reports	66	75	100	70
Central Arizona Cattle Feeders' News Letter	58	25	50	10
Western Livestock Journal	72	75	67	70
West Texas Livestock Weekly	22	25	33	50
Radio market news reports	78	75	83	30
Radio Station KOY, Phoenix, Livestock market news reports	75	0	0	0
Have telephone conversations with other people in the market	94	94	100	80
Used the estimated daily receipts of livestock at the 12 markets <u>b/</u>	80	50	83	70

a/ Three per cent of the feeders did not report market news sources due to their not being involved in the marketing of the cattle; they do custom feeding entirely and do not advise their customers.

b/ The U. S. Department of Agriculture reports the estimated receipts at the 12 major markets daily.

It should be pointed out that not all of the cattle feeders are members of the Central Arizona Cattle Feeders Association. This automatically limits the proportion of feeders who use this source of market news because their Newsletter is restricted to their membership.

Table 9 shows the per cent of the feeders who receive reports related to market news. It is obvious that only a small percentage of them receive and use the San Francisco and Los Angeles market reports for feedstuffs. ^{7/} However, the feeders receive part of the information contained in these reports from the daily newspapers and the Western Livestock Journal.

A smaller percentage of the feeders in Yuma County received and used these reports than did the feeders in the other feeding areas in the state. There is one exception to this. Seventy-five per cent of the feeders in Yuma County reported receiving outlook reports for feeder and slaughter cattle prices. This compares favorably with the feeders in Maricopa and "Other Counties." The lack of use of these reports by Yuma County feeders might be explained by the fact that it is a relatively new feeding area. It is probable that they will make more use of these reports as time goes on.

Word-of-mouth information plays an important role in outlook. Most of the feeders are in the market regularly (selling and buying cattle) and have the feel of the immediate market. However, they have to speculate about the market within the short-run as well as the long-run. They do have some guidance from the U. S. Department of Agriculture on the outlook for slaughter cattle prices. The feeders depend considerably on word-of-mouth information to base their estimations of the market in the near future, and psychology plays a very important role in this type of estimating.

Table 10 summarizes the various criticisms the feeders had of the livestock market news reports and related information. The general criticism of the reports was that they did not give typical prices, but just the range -- high and low -- and not what the typical prices are. Also, the feeder does not know the kind of cattle that sold for these prices unless he is on the market. There was some question as to the timeliness of the market news reports. At the time of the survey none of the feeders had subscribed to the special teletype circuit which would give them up-to-the-minute information on the central livestock markets throughout the United States. ^{8/}

^{7/} Federal-State Market News Service, Grain Division, San Francisco, Barley and Feed Grain Market Review, Feed Market Review, Wheat Market Review, Barley Market Summary, Corn Summary, Feed Market Summary, Flaxseed Market Summary, Oat Market Summary, Soybean Market Summary, Commercial Grain Stock Reports; Federal-State Market News Service, Grain Division, Los Angeles, Weekly Alfalfa Market Review, Weekly Feed Review, Alfalfa Market Semi-annual Summary.

^{8/} The U. S. Department of Agriculture in cooperation with the Western States Meat Packers' Association has established a teletype circuit to furnish up-to-the-minute information on the livestock market news for the Pacific Coast and Western States. Cattlemen in Phoenix and Tucson have subscribed to this service.

Table 9. Types of Market News and Related Reports Received by Cattle Feeders and Proportion of Feeders Who Received Each Type of Report, by Counties.

Type of Report	County			
	Maricopa	Yuma	Pinal	Others
	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>
San Francisco market reports for feedstuffs <u>a/</u>	9	0	0	0
Los Angeles market reports for feedstuffs <u>b/</u>	19	13	17	20
Other feed market reports <u>c/</u>	78	31	83	50
Number of cattle on feed USDA report <u>d/</u>	78	31	67	50
Inventory of livestock January 1 <u>e/</u>	75	25	83	70
Outlook report for hay and grain	75	56	100	80
Outlook reports for feeder and slaughter cattle prices	72	75	100	80
Reports of the slaughter of livestock and especially cattle and calves	69	31	83	40
Range condition reports <u>d/</u>	69	17	100	60
Reports on general economic conditions	66	50	0	70

a/ Federal-State Market News Service, Grain Division, San Francisco.

b/ Federal-State Market News Service, Grain Division, Los Angeles.

c/ Primarily reports from local feeders. Word-of-mouth more than anything else.

d/ Federal Crop and Livestock Reporting Service for Arizona, U. S. Department of Agriculture, Agricultural Marketing Service, Phoenix.

e/ U. S. Department of Agriculture, Agricultural Marketing Service, Washington.

Table 10. Criticisms of the Livestock Market News and Related Reports, and Proportion of the Feeders Who Made These Criticisms, by Counties.

Criticisms	County			
	Maricopa	Yuma	Pinal	Others
	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>
The livestock market news reports did not meet their needs	42	31	67	40
Feed market reports did not meet their needs	27	38	33	30
Inaccurate or misleading reports	19	12	17	30
Terms used in the reports were not clear	22	44	0	0

The manager of the livestock division of a large company that feeds cattle in southern California and has large range operations in California, New Mexico, Oregon, and Arizona frequently visits the Union Stock Yards in Los Angeles. He does this to learn what prices specific kinds of cattle are bringing. Several of the larger feeders in Maricopa County telephone to keep abreast of the market.

In general, the feeder deals with the rancher, order buyer, a commission firm in a central market, or buys in the auction market to obtain his feeder cattle. While a few feeders produce part of the cattle they feed; most feeder cattle are purchased direct from a rancher or through an order buyer (Table 11).

The margin between the price of feeder cattle and price of slaughter cattle was narrower in 1954 than in 1953, while feed costs were approximately the same. The feeders were asked if they had decreased, increased, or held constant their cattle numbers in 1954 as compared to 1953. Table 12 summarizes the replies to this question. The question was asked to determine how the feeder reacted when the prospective market for his product was unfavorable compared to the present market. Most of the feeders increased the number of cattle fed in order to provide an alternative market for their increased forage and grain production.

Data from Table 12 indicate that the feeders were not concerned enough with the prospects of lower prices in 1954 as compared to 1953 to reduce the number of cattle fed. One explanation for this is that many of the farmer-feeders were expanding their feeding operations to try to offset the loss in income they expected from reduced cotton acreages caused by cotton acreage allotments.

In summary, Arizona feeders received most of the available information on the market for their cattle. However, the livestock market news was not as current as it might have been. The great lack was in the market news for feedstuffs and the use of outlook material.

Table 11. Marketing Channels for Purchasing Feeder Cattle and the Proportion of the Feeders Who Used Each Channel, by Counties.

Marketing Channel	County			
	Maricopa <u>a/</u>	Yuma	Pinal	Others <u>b/</u>
	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>
Through an order buyer	22	50	33	30
Direct from rancher	33	13	17	40
Through an order buyer and direct from rancher	28	25	33	20
Through an auction	3	6	0	0
Through an auction and direct from rancher	8	6	0	0
Through an auction, direct from rancher, and through an order buyer	3	0	17	0

a/ Three per cent of the feeder cattle were produced by the feeder.

b/ Ten per cent of the feeders did custom feeding entirely and bought no feeder cattle.

Table 12. Proportion of Feeders Who Increased, Decreased, or Held Constant the Number of Cattle Fed in 1954.

Status of Feeding Operations	County			
	Maricopa	Yuma <u>a/</u>	Pinal	Others
	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>	<u>per cent</u>
Decreased	17	19	17	10
Increased	44	69	50	40
Constant	39	6	33	50

a/ One feeder did not answer this question.