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THE ARIZONA RANGE CATTLE

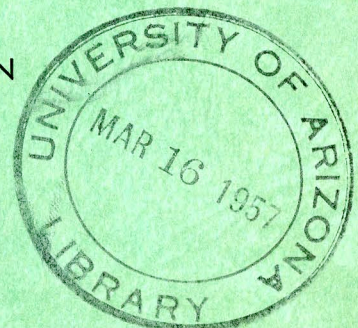
MARKET REPORT

An Experiment in Country-Sale Reporting

AGRICULTURAL EXPERIMENT STATION

University of Arizona

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# "THE ARIZONA RANGE CATTLE MARKET REPORT"

An Experiment in Country-Sale Reporting

by

Raymond E. Seltzer and Thomas M. Stubblefield 1/

There is no organized, central market of importance for sale of feeder cattle in the Southwest. Approximately 96 per cent of the feeder cattle sold in this area are sold at the ranch or at local auctions. 2/ Because of this situation the reporting of sales of stocker and feeder cattle has generally been viewed as an extremely difficult process. As a result neither the United States Department of Agriculture, nor any other public agency, has reported the sale of such cattle in an adequate manner. A possible exception is the market report issued by the Federal-State Market News Service which reports both central market, auction, and country sales in the Stockton-Visalia, California areas.

On July 1, 1956 the Livestock Division of the Agricultural Marketing Service, United States Department of Agriculture, established a market news office in Phoenix, Arizona to report the sale of range cattle and fat cattle sold directly out of feedlots. Procedures for adequate reporting of range cattle sales by this office are being developed.

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- 1/ Agricultural Economist and Assistant Agricultural Economist, Department of Agricultural Economics, University of Arizona, Tucson.
- 2/ Gray, James R., Cattle Ranches, Organization, Costs, and Returns, Southwestern Semiarid Nonmigratory Grazing Area, 1940-1954, New Mexico Agricultural Experiment Station, Bulletin 403, pp. 16-19.

## THE ARIZONA RANGE CATTLE MARKET REPORT

In view of the apparent need for an adequate report of prices and movements of feeder cattle sold off Arizona ranches, and since no such reporting service was available, the Department of Agricultural Economics at the University of Arizona decided to undertake the task of preparing and issuing such a market report for the 1955-56 marketing seasons and on an experimental basis.

The report had two purposes: (1) To acquaint ranchers with prices being paid for various classes and grades of feeder calves, steers and heifers, and range cows throughout the state; and (2) to measure the rate of movement of such animals off ranches. A knowledge of prices is necessary if the rancher is to be in a position to appraise offers made for his cattle by prospective buyers. A knowledge of rate of movement may give the rancher an idea with regard to how rapidly the season is developing and approximately how many cattle remain unsold. Both types of information are necessary for the making of intelligent marketing decisions.

### Method of Reporting

The information upon which a market report is based must have four characteristics. It must be: accurate, unbiased, representative and timely.

In preparing the "Arizona Range Cattle Market Report," two general types of information were required: (1) sale prices, and (2) cattle movement.

Prices were obtained by personal contact and telephone conversations with people generally believed to be well-informed regarding the sale price of feeder cattle in various sections of the state. A list of such persons was drawn up with the help of the cattle organizations in the state, and each week 10 to 15 of these men were contacted relative to

their observations on prices in their respective areas. In addition, a considerable amount of price information was not actively sought since it was not felt advisable to place the brand inspector in a position where he would be inquiring about prices when such inquiries would possibly not be welcomed. Main reliance for price information was placed on well-informed ranchers, cattle buyers, livestock auctions, cattle feeders, officials of lending agencies, and secretaries of cattlemen's associations. As reports were received from these sources, they were checked against each other and then the final report was usually reviewed with one or two of the best-informed sources.

Movement data was obtained directly from brand inspectors operating throughout the state, with the exceptions of Maricopa County and the Arizona Strip. Maricopa County was omitted for two reasons: First, the large number of brand inspectors operating in that county could not be paid out of the limited funds of the study: Second, most of the movement in Maricopa County consists of feedlot transfers, shipments of fat cattle, auction sales, etc., and ranch sales of feeder cattle were relatively unimportant. The same situation applied to certain parts of Pinal and Yuma Counties. The Arizona Strip was omitted primarily because of the remoteness of the area, the difficulty of communications, and the relatively small number of cattle coming out of this area.

Arizona law requires that all cattle moved from a ranch or feedlot, or any movement from one area to another, be inspected to determine the brand and ownership of such animals, and that a brand inspection certificate be issued. Thus, a record of each movement exists. The brand inspectors submit a monthly report of inspections to the secretary of the Livestock Sanitary Board. Such a report, while useful for accounting purposes and auditing of fees, does not have the timeliness essential for a usable market report. Since it was decided to issue the market report on a weekly basis it was necessary that the brand

inspectors report to the University of Arizona weekly. Each brand inspector was visited by a member of the staff of the Department of Agricultural Economics and was requested to telephone the department on Thursday or Friday each week reporting his inspections of each class of range cattle moving to three general destinations: Arizona, California and other states. Forty-four inspectors reported each week. In addition to cattle numbers, some inspectors volunteered prices and other general information concerning markets in their locality.

The major tribal Indian sales were covered by special reports from tribal agencies.

#### Distribution of Reports

There were 17 weekly reports published during two periods, October 15, 1955 to December 10, 1955 and April 28, 1956 to June 18, 1956. These were written each Saturday morning and released to the Arizona radio for broadcast that day. Seven radio stations in Arizona are members of this network. The report was printed and distributed each Monday as follows:

- 1,700 copies were sent to the secretary of Arizona Cattle Growers' Association who mailed them out with their own weekly newsletter.
- 200 copies were sent to the secretary of the Central Arizona Cattle Feeders' Association who mailed them out with their own weekly newsletter.
- 100 copies were sent to individuals on the Department of Agricultural Economics mailing list.
- 25-75 copies were sent to each county agent.
- 10 copies were sent to each auction in the state.
- 1 copy was sent to each brand inspector.
- 1 copy was sent to each high school agriculture teacher.
- 1 copy was sent to each newspaper in the state.
- 1 copy was sent to each radio station in the state.
- 1 copy was sent to each out-of-state livestock newspaper that requested it.

A total of 2,700 reports were mailed regularly each week.

In addition to range sales and movement of cattle in Arizona, a summary of the Los Angeles, Denver, and Kansas City markets for stocker and feeder cattle was given.

Many of the livestock weekly newspapers, such as the West Texas Livestock Weekly, Western Livestock Journal, California Livestock News, and The Record Stockman published these reports in their newspapers.

#### Evaluation of Arizona Range Cattle Report

During the reporting period it became evident that the procedures used to get the information were workable. It still was necessary to know if the report was useful to the ranchers of the state. In order to measure this, a questionnaire was sent out with the last issue of the fall market report, requesting certain information concerning acceptance and use of the report. Approximately 350 of these questionnaires were returned out of 2,500 sent out. They indicated a high degree of acceptance and confidence among users of the report returning the questionnaire. (Table 1)

Table 1. Summary of the Evaluation of the Arizona Range Cattle Market Report.

Question	Answer	
	Yes	No
1. Do you feel that this Range Cattle Market Report would be of use to you in planning your sales?	319	15
2. Did you think that the information furnished in these reports was generally accurate?	344	1
3. Was the cattle movement data useful?	281	52
4. Would you like such reports during the spring and fall shipping seasons made a permanent service?	342	11

Many complimentary remarks were received concerning the report. A few of these are included to give an idea of the impressions of certain groups of people associated with

the Arizona cattle industry.

#### Ranchers' Comments

"This reporting service has been extremely valuable to the cattle industry. I hope it can be continued permanently."

"Your reports are very accurate and current in their information."

"More accurate, though painful at times, than any range cattle report."

"I believe your reports have so far reflected actual sales conditions, uncolored by a few high or low sales."

"We look forward to getting these reports. It keeps us posted with the outside world."

"These reports will help us ranchers stick together on prices. We find them very useful."

"Believe report gave much truer picture than anything else available."

"This report must be made a permanent one--I find it most useful to me here in Texas."

#### Cattle Feeders' Comments

"Being a feeder, the reports help in planning purchases."

"Very fine service, wish it could be extended to finished cattle."

"Excellent report, useful to me in my buying operations."

#### Cattle Buyers' Comments

"I buy and sell cattle and watch the reports from day to day. Your sheet is the best and most accurate guide we have ever had."

"For a buyer this is especially good information."



### Comments by Lending Agencies

"One of the best jobs of market reporting I have seen. Could use it all year at varying intervals."

"Of definite value in evaluating current trends."

"This report is helpful in our mortgage loan and brokerage business."

"I feel that this has been the only true attempt to report all sales."

### Miscellaneous Comments

"I consider these reports the most valuable addition in a very long time." Certified public accountant.

"Consider report excellent." Mexican meat packer.

"This information is useful. An assessor can have a good idea of cattle marketings in making assessments." County Assessor.

"We're speaking as the editor of a cattle magazine. I think this service is very valuable to the range man." Editor, cattlemen's magazine.

### Criticisms of the Report

Six replies were received to the questionnaire which were critical of the report. Three of these felt that the report duplicated information already available from other sources. One simply thought that the report was not worth the time and expense involved in getting it out. One said that while the information might be good for the big operator, he could get by from the reports he read in the newspaper. One dealer contended that since the report gave no details surrounding the sale of individual lots of cattle, the reports might at times be misleading because of special arrangements regarding cutbacks, shrinkage, etc., in specific cases.

### Problems in Reporting

The last criticism, the lack of information on conditions of sale, points to a very real problem. It would be desirable to list each sale separately and fully describe all of the cattle and the conditions attached to that sale. This should be done where possible. On the other hand, some attempt should be made at a summary of prices for each of the grades and classes, assuming more-or-less standard or customary arrangements with regard to cut-back and shrinkage.

A second real problem is that of getting reports of early contracts. In some years, when there is a large amount of advanced contracting, the market is fairly well established before the shipping season actually begins. Contract prices can be obtained from the same well-informed sources as are sale prices during the season. However, the reporter must make a continuous and conscious effort to keep abreast of these developments. The problem of getting the volume of contract sales is more difficult. It could be attacked through a sample survey of ranchers, but such a survey would require the prompt cooperation of the ranchers. Such a survey was tried in connection with the project, and while total returns were good, the cards were so slow in coming back that the information was out-of-date by the time it was received.

A third problem is that of attaching grades to the cattle reported as being sold. These cattle are not graded in most cases and it does not appear to be reasonable to attempt to attach U. S. Department of Agriculture feeder cattle grades to them. Rather, there seems to be an advantage in conforming to trade practice and using perhaps no more than four grades: reputation cattle, choice of better kind, average or bulk of sales, and common. In most cases it is advisable to quote a range in price for each class and grade since prices in each category are never uniform.

## Conclusions and Recommendations

In reviewing the limited experience in range sale reporting afforded by this study, several conclusions and recommendations may be made.

1. It appears feasible to report country sales of feeder cattle in Arizona on a weekly basis.
2. A weekly range cattle market report of the type described in this study would be welcomed by Arizona ranchers and would prove useful to them in their marketing operations.
3. Well-informed ranchers, lending agencies, cattle feeders, and cattle buyers can furnish accurate estimates of range sale prices in their localities.
4. Adequate movement information can be obtained from brand inspectors certificates.
5. In view of the above it is recommended:
  - a. That the U. S. Department of Agriculture Livestock Market News Service in Phoenix, undertake to publish a weekly Arizona range cattle market report during the 1957-58 fall and spring seasons. The University of Arizona will assist the U. S. Department of Agriculture reporter in getting this report into operation.
  - b. That the Livestock Sanitary Board require its inspectors to mail a weekly postal card to the U. S. Department of Agriculture Livestock Market News office in Phoenix, listing the number of each class of feeder cattle and cows inspected for shipment to three destinations--Arizona, California and other states.

## Summary

There is no organized central market of importance for the sale of feeder cattle in the

Southwest and the present system of reporting country sales of feeder cattle does not provide adequate coverage of such sales.

A system of reporting ranch sales of feeder cattle was developed by the University of Arizona and tested by actually reporting prices and movement of Arizona feeder cattle during the fall and spring marketing seasons in 1955-1956.

Brand inspections were used as the source of cattle movement information, and prices were secured from well-informed ranchers, cattle feeders, livestock buyers, meat packers, and livestock loan representatives.

The procedures developed for securing the movement and price information required were satisfactory and workable. Two thousand seven hundred reports were distributed each week for seventeen weeks. The fall movement was reported during the period October 15, 1955 to December 10, 1955, and the spring movement was covered from April 28, 1956 to June 18, 1956. In addition to the mailed copies, the report was carried by local newspapers and radio stations in Arizona, and livestock market newspapers throughout the west.

In order to know if the report was useful to the ranchers of the state, a questionnaire was included with the last issue of the fall market report requesting certain information regarding acceptance and use of the report. Approximately 350 out of 2,500 questionnaires were returned. They indicated a high degree of acceptance and confidence in the report.

APPENDIX

EXAMPLES OF  
ARIZONA RANGE CATTLE MARKET REPORT

### RANGE CATTLE PRICES

Arizona feeder cattle prices during the week ending November 12 were slightly lower than the week previous. However, very few sales were reported as bidding and asking prices remained about a cent apart. Most of the cattle shipped during the week had been sold on earlier contracts.

Steer calves were generally selling at prices ranging from 16-19 cents. A few choice offerings brought slightly above 19, but the bulk of the trading was in the 17 to 18 1/2 cent bracket. The top calves at the San Carlos Indian sale brought 18.55 and the top at a large feeder auction held in Tucson was 19.20. Heifer calves brought prices ranging from 14 to 17 cents, most sales taking place at 16 to 17 cents.

Yearling steers were bringing 14 to 18 1/2 cents, with the bulk of the sales in the 17 to 17 1/2 cent range. Top at the San Carlos Indian sale and at the Tucson feeder auction was 18.25. Most of the sales of yearling heifers were reported at prices of 14 to 16 cents, with 15 cents being the most common price. Yearling heifers at the San Carlos sale went at 14.80 and the top at the Tucson feeder auction was 16.50.

No sales of 2-year-old steers were reported, prices previous week being about 16 cents. Cows were bringing from 5 to 9 cents, most sales of old cows being at 6 to 7 cents. Fat, dry cows at the San Carlos Indian sale brought 9.30.

Feeder cattle prices on terminal markets for the week ending November 10 were steady to slightly lower when compared with the week previous. At Los Angeles, medium to good yearling steers brought 16 1/4 to 18 cents, about 1/4 lower than the week before. Prices at Kansas City were steady, good and choice steers selling for 17-18.40 and heifers 15-17 cents. Denver was slightly lower, good and choice yearling steers bringing 18 to 19 cents.

The slaughter market at Los Angeles was generally weaker, nominal top on choice steers being 21.50, but most of the choice cattle moving at 20 to 21 cents. The dressed beef market was slow. Beef was in adequate to liberal supply, and the market on choice beef was quoted at about 34 cents, with some major buyers not taking at that price.

### CATTLE MOVEMENT

Movement of feeder cattle off Arizona ranges, excluding Maricopa County and the Arizona Strip, for the week ending November 12, totaled 37,200 head, an increase of 1250 from the week previous. Most of the cattle moving this week were deliveries on contracts made earlier in the season. Shipments by counties were: Apache 3623, Cochise 5835, Coconino 3165, Gila 2754, Graham 752, Greenlee 275, Mohave 370, Navajo, down 1300; and Apache, down 1200.

Major increases occurred in Yavapai County, up 2900; Pima, up 2600; Gila, up 2000; and Coconino, up 1350. Decreases occurred in all the other counties, the major reductions being in Santa Cruz County, down 2300; Cochise, down 220; Navajo, down 1300; and Apache, down 1200.

Of the total shipped, 14,600 were calves, 9350 yearling steers, 6050 yearling heifers, 1900 2-year-old steers, and 5300 cows. Twenty-four thousand and fifty went to Arizona destinations, 11,350 to California, and 1800 to other states

University of Arizona  
Department of Agricultural Economics

No. 13

ARIZONA RANGE CATTLE MARKET REPORT

May 19, 1956

RANGE CATTLE PRICES

Sales of stocker and feeder cattle off Arizona ranges were brisk as compared to a week ago. Trade was active and prices were generally about half a cent stronger.

Yearling steers were moving at prices ranging from 16 1/2 to 19 1/2 cents, most of the sales being in the 18 to 18 1/2 cent bracket. Yearling heifers were reported from 12 to 17 cents, 16 to 16 1/2 being the most common price quoted. Cows were reported selling at about \$125 per head with slaughter cows reported at prices from \$7.80 to \$11.50 per cwt.

The San Carlos Indian Sale reported yearling steers bringing 16.80 to 19.35, one bunch of steer calves 16.80, yearling heifers 12.00 to 15.30, and heifer calves at 16.65. Yearling stags brought 14.75 to 17.80 and bulls 11.80. Cows sold for 7.80 to 11.50 depending on condition, and cow-calf pairs brought from 118.50 to 135.00.

Prices on terminal markets for the week ending May 18 were as follows: Los Angeles, Good 500-800 lb. feeder steers, 17.00 to 18.00, Medium 500-1000 lb., 15.00 to 17.00; Denver, Choice feeders, 18.00 to 19.00, Good 16.50 to 18.00; Choice feeder heifers 17.00 to 18.00, Medium and Good, 14.00 to 17.00. Kansas City, Choice stocker steers, 17.00 to 20.00, Medium 14.50 to 16.00, Choice feeder heifers, 16.00 to 17.50.

Slaughter cattle prices at Los Angeles showed a top for the Choice grade of 20.75 with most of the Choice sales from 20.00 to 20.50.

CATTLE MOVEMENT

Movement of cattle off Arizona ranges, excluding Maricopa County and the Arizona Strip, for the week ending May 19, totaled 9110 head. This represented an increase of 5692 head over movement reported for the previous week.

Shipments by counties were: Apache, no report; Cochise 1,208; Coconino, no report; Gila, 1,718; Graham 1,000; Greenlee 357; Mohave 1,298; Navajo 11; Pinal 957; Pima 1,035; Santa Cruz 521, including 493 Mexican cattle; Yavapai 996; and Yuma, none reported.

Shipments increased in all counties except Santa Cruz and Navajo as compared to the week previous.

Of the total shipments, 485 were calves, 4471 yearling steers, 2670 yearling heifers, 548 2-year-old steers, and 936 cows. Five thousand four hundred sixty-four went to Arizona destinations, 1359 to California, and 2287 to other states.

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