Arizona’s Farm Income In 1958 Is All-Time High

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Arizona’s 1958 cash agricultural income of $421 million set an all-time record, $11 million above the previous high of $410 million reached in 1952. Major factors contributing to this increase in cash receipts were higher prices for cotton, cattle, and citrus, and increased production of vegetable crops, wheat, milk, and hogs.

Specific sources of income to Arizona’s agriculture during 1958 were as follows: cotton lint and cottonseed, $150 million; cattle and calves, $101.5 million; vegetable and melons, $74 million; commercial feed grains sold, $15 million; dairy products, $225 million; hay, $12.7 million; citrus fruits, $9.7 million; sheep, lambs, and wool, $5 million; poultry and eggs, $5 million; seed crops, $3 million; miscellaneous crops (primarily wheat), $13 million; miscellaneous livestock and livestock products, $3.6 million; and federal government payments, $4 million.

Most Prices Higher

Except for feed grains, milk, hay, wool, and eggs, the prices received by Arizona farmers and ranchers were generally higher in 1958 than in 1957. The greatest advances were in prices of feeder cattle and citrus. Feeder cattle rose by seven to eight dollars a hundredweight when compared to a year earlier. A national restocking program withdrew many heifers and cows from the feeder market, and an active feedlot demand, encouraged by plentiful supplies of relatively low-priced feed, further bolstered feeder cattle prices.

Citrus prices, particularly orange prices, were the best in years as the disastrous freeze in Florida drove prices to near-record levels. Prices of grapefruit f.o.b. Phoenix rose from $1.25 per carton just prior to the freeze to $2.25 at the peak of the season. Valencia orange prices rose in a similar fashion from $3.40 per carton to $4.50 at the peak.

But Costs Are Up, Too

Since the end of World War II both farm prices and costs of production of Arizona’s agricultural products have advanced very rapidly, with costs rising at a more rapid rate than prices. For Arizona’s four major field crops — cotton, barley, grain sorghum, and alfalfa — 1958 prices averaged 42 per cent above 1945 levels, whereas cost of production was up 157 per cent over 1945 (see graph).

In order to compensate for this increasing disparity of costs and prices, producers have had to increase yields in order to offset higher costs per acre, thus keep cost of production per unit of product at a reasonable level. Adjusting cost per acre by yield, an increase in cost per unit of production since 1945 of 46.4 cents per pound is found. This increase can then be compared with the increase in price. From this comparison it appears that at the end of 1958, Arizona producers of these crops were in the most unfavorable cost-price situation since 1945.

Cotton Per-Acre Yield Down

The 1958 Arizona upland cotton crop fell short of earlier expectations. After leading the nation for ten consecutive years in lint yield per acre, Arizona had to take second place this year. Arizona’s average yield was 1,022 pounds per acre, 64 pounds under last year’s average and 108 pounds under the record yield obtained in 1956. The infestation of cotton with pink bollworm has become a serious problem, with all of the cotton-producing areas in the state, except Yuma and Mohave counties, being quarantined.

During the 1959 crop year, Arizona cotton producers will choose between Plan A — the regular acreage allotment with a support price at not less than 80 per cent of parity, and Plan B — an acreage increase of 40 per cent over his regular allotment with a price support at 15 per cent of parity less than the Plan A level.

Cotton production, harvesting and ginning costs in 1959 are expected to be about as follows: in the Salt River Project, $166.70 per acre; in 200-foot pump lift areas, $185.20 per acre; and in 350-foot pump lift areas, $209.20 per acre.

This Graph shows indexes of costs and prices of Arizona’s major field crops, 1945 through 1958. Included in this computation are upland cotton, barley, grain sorghum and alfalfa.

Wheat Acreage Doubles

Acreage of wheat grown in Arizona increased greatly in 1958. The 123 thousand acres harvested in 1958 compares to 63 thousand acres in 1957 and 28 thousand acres as an average for the period 1947 to 1956.

The most dramatic feature of the vegetable industry in Arizona in 1957-58 was the appearance of new areas of production. In an effort to extend production seasons and to escape problems of disease and insect pests, growers have been exploring the possibilities of vegetable and melon production in new areas in the state. As a result nearly 15,000 acres of lettuce and 10,000 acres of cantaloupe have come into production in these new areas.

Income from beef cattle production in Arizona during 1958 totaled $101.5 million, an all-time high. Both inshipments and outshipments of cattle for Arizona were higher in 1958 than in 1957. Total outshipments of cattle and calves from Arizona during 1958 were 563,069 head, while inshipments for the year ending August 1 were 388,360 head.

Milk Producers Get Less

Arizona dairymen marketed 4,110,000 hundredweight of milk valued at $22.5 million during 1958. Although prices increased one cent per quart at retail, producer prices during 1958 were below those of 1957. A gradually increasing surplus of Class II (manufacturing) milk has been appearing over the last three years, and in 1958, 16.45 per cent of all milk delivered went into Class II usage.

Everything considered, 1958 was a good year for Arizona’s agriculture.