INSTEEL INDUSTRIES INC

Form 3

February 23, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF **SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting 2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol Person * Statement INSTEEL INDUSTRIES INC [IIIN] Jafroodi Scot R (Month/Day/Year) 02/13/2007 (Last) (First) (Middle) 4. Relationship of Reporting 5. If Amendment, Date Original Person(s) to Issuer Filed(Month/Day/Year) 1373 BOGGS DRIVE (Check all applicable) (Street) 6. Individual or Joint/Group Filing(Check Applicable Line) 10% Owner Director _X_ Form filed by One Reporting _X__ Officer Other Person MOUNT AIRY. NCÂ 27030 (give title below) (specify below) Form filed by More than One Chief Accounting Officer Reporting Person (City) (State) (Zip) Table I - Non-Derivative Securities Beneficially Owned 2. Amount of Securities 4. Nature of Indirect Beneficial 1. Title of Security

(Instr. 4)

Beneficially Owned (Instr. 4)

Ownership Form: Direct (D)

Ownership

(Instr. 5)

or Indirect (I)

(Instr. 5)

Ι Common Stock 4,166 Restricted

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security		4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership (Instr. 5)
			(Instr. 4)		Price of	Derivative	
	Date Exercisable	Expiration Date	Title	Amount or Number of	Derivative Security	Security: Direct (D) or Indirect	

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				Shares		(I) (Instr. 5)	
Incentive Stock Option (right to buy)	(1)	02/14/2016	Common Stock	2,532	\$ 15.64	D	Â
Incentive Stock Option (right to buy)	(2)	08/14/2016	Common Stock	1,763	\$ 20.26	D	Â
Incentive Stock Option (right to buy)	(3)	02/13/2017	Common Stock	2,639	\$ 17.11	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director 10% Owner		Officer	Other		
Jafroodi Scot R 1373 BOGGS DRIVE MOUNT AIRY Â NCÂ 27030	Â	Â	Chief Accounting Officer	Â		

Signatures

Scot R Jafroodi 02/23/2007

**Signature of Pate Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) 1/3 exercisable on each of the following dates: 2/14/2007; 2/14/2008; 2/14/2009
- (2) 1/3 exercisable on each of the following dates: 8/14/2007; 8/14/2008; 8/14/2009
- (3) 1/3 exercisable on each of the following dates: 2/13/2008; 2/13/2009; 2/13/2010

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Reporting Owners 2