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MARKET OUTLETS USED BY OHIO FARMERS IN
SELLING AND BUYING LIVESTOCK

G. F. Henning, R. R. Newberg, and J. H. Lewis

Department of Agricultural Economics and Rural Sociology

Ohio Agricultural Experiment Station

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SUMMARY

Ohio's livestock marketing system at the time of this study was made up of three terminal markets, 71 auctions, 134 local markets, 49 packer buying stations, and 159 dealers. In 1940 the marketing system was comprised of three terminals, 66 auctions, 117 local markets, 40 packer buying stations, and 1,050 dealers.

The greatest change that took place between 1940 and 1958 in the number and types of Ohio livestock markets was the large decrease in the number of bonded and licensed dealers operating in the state (1,050 in 1940 as compared to only 159 in 1958). Also, in 1940 another type of marketing agency existed; namely, "Cooperative Shipping Associations." By 1958, most of these organizations had either disappeared or had taken on new functions (operating auctions or local markets) such that they no longer could be defined simply as "Shipping Associations."

The number of auctions, local markets, and packer buying stations showed some increase between 1940 and 1958. Also, in addition to their buying stations, many of the "packers" bought livestock directly from farmers and took delivery at the plant.

The number of packing and processing plants showed some increase over this period with slaughter plants located closer to the source of supply. Local butchers, retailers, and farmers provided a market outlet for a small percentage of the slaughter livestock.

Over 97 percent of the hogs, and about 87 percent and 77 percent of the cattle and sheep, respectively, were sold for slaughter. The remaining percentages were sold for feeding, breeding, and herd or flock uses.

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Farmers have selected auctions as their principal market outlet for slaughter cattle with a tendency to use terminal facilities in about the same proportion as they did in 1940. In 1956, over 90 percent of the cull dairy cows moved through auctions compared with about 15 percent in 1940. Auctions handled over 70 percent of the veal and deacon calves in 1956 compared with 25 percent in 1940. Most of the increased auction volume was at the expense of local markets and dealers.

Over 70 percent of the slaughter steers and heifers were shipped in lot sizes of 10 head and over. Nearly one-third of the other cattle and calves were marketed in lot sizes of four to nine head. Vealers, deacons and cull dairy cows were predominately shipped in lot sizes of three head or less.

Local markets further increased in importance by virtually eliminating dealers as a marketing outlet for slaughter hogs. In 1956, less than one percent of the barrows and gilts were sold through dealers, whereas, in 1940 dealers handled nearly 20 percent. Local markets increased in volume during this period by nearly the same percentage as dealers declined. The other outlets had relatively the same percentage volume in 1956 as they did in 1940.

Over 80 percent of the barrows and gilts were shipped in lot sizes of ten head and over. Less than two percent were marketed in lots of one to three head.

Auctions and terminal markets handled over 65 percent of Ohio's slaughter lambs in 1956 compared to 37 percent in 1940. Auctions also

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handled over 72 percent of the slaughter sheep. The remaining percentage was largely distributed between local and terminal markets.

Dealers and local markets declined in importance as a market outlet for slaughter lambs during this period. In 1940, local markets and dealers handled approximately one-third and one-fifth of the supply, respectively, whereas, in 1956 local markets received less than 20 percent and dealers received less than 3 percent of the slaughter lambs produced in Ohio.

Direct sales to packers declined in relative importance as a marketing channel for slaughter lambs from 10.4 percent in 1940 to 1.1 percent in 1956.

Less than 10 percent of the slaughter lambs were shipped in lot sizes of less than 10 head, on the other hand, the percentage of slaughter sheep shipped in small lot sizes was considerably higher than for lambs (52.4 percent compared to 9.0 percent).

Practically all slaughter livestock marketed by farmers was transported from farms by truck. In 1956 the most common methods of hauling were: (1) in the farmers own truck, (2) by commercial truck and (3) by the buyers who take possession at the farms. The relative importance of these methods has changed appreciably since 1940. In 1940 the method of hauling from farms by commercial truckers was the most common, amounting to 48 percent of the cattle, 34 percent of the calves, 48 percent of the hogs and 47 percent of the sheep and lambs. By 1956 the farmers own

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truck was the most common, accounting for 43 percent of the cattle, 50 percent of the calves, 51 percent of the hogs and 43 percent of the sheep and lambs.

The use of the farmers own truck increased primarily at the expense of the buyers truck which declined in use for all species of slaughter livestock. This was accounted for mainly by the sharp reduction in the the number and importance of livestock dealers operating in 1940 as compared to 1956.

Convenience was the most common factor given by farmers in selecting the market outlet for slaughter livestock. The one exception was those farmers who used only one type of outlet for slaughter steers and heifers in which case higher price was the dominant factor. For the other species, higher price was the second most common reason given. In addition, good buyer competition, higher net return, lower selling costs, premium for quality, and less shrinkage were given by some farmers. However, reasons given by some farmers for selling livestock at one type of market were often the same as those given by others for selling at a different type of market. This was because the location of individual farmers with respect to specific markets of different types was taken into consideration by them.

In comparing the results with the 1940 study, it was found that the major reasons given; namely, higher price, higher net returns, etc., were quite similar, with the exception that convenience was somewhat less important to the farmers in 1940 than it was in 1956.

Over 70 percent of the farmers either stated that they had no criticisms or that they were not familiar with the market outlet. Terminals had the highest percentage (45.5 percent) of farmers who were not familiar with their type of operation. Local markets were close second with 40.7 percent of the farmers not familiar with them. Auctions were by far the most familiar type of market outlet with over 92 percent of the farmers knowing about their operation.

The major criticism given for terminals was that "the marketing costs were too high for the services rendered," "Collusion among buyers and/or sellers" and "too few buyers" were the major criticisms cited against auctions.

Dealers were criticized primarily on their "prices being too low" and for "suspicion of weights." Local markets were criticized on these same points and for "prices being too variable."

The major criticism given against packers was "prices were too variable."

For detailed information see the respective sections of the Bulletin.

INTRODUCTION

Cash receipts from farm marketings of meat animals in Ohio - cattle, calves, hogs, sheep and lambs - represented the largest share of agriculture's sales in 1955 and 1956, averaging about 27 percent of the total.^{1/} Of livestock sales, hogs made up the largest share with 51.5 percent, all cattle represented 44.5 percent, while all sheep and lambs comprised the remaining four percent.

Although cattle, calves, hogs, sheep, and lambs are to be found in all parts of Ohio, the importance of the various species differs widely from one area to another within the state. Due to the intermingling of all classes, it is difficult to draw lines dividing the state according to major types of livestock production. With this in mind, Charts A, B, and C show roughly the geographic disposition of livestock sold by species.

Since livestock holds the important position that it does in Ohio agriculture, the availability of adequate livestock markets is vitally important to farmers and consumers. The variation in the livestock enterprises in various sections of the state and the wide variety of livestock on each farm makes the job of marketing livestock a complex one. Continuing change taking place in production, marketing, and processing of livestock also tends to complicate the marketing problem.

The period from 1940 to 1957 was characterized by rapid technological

^{1/} Ohio Agricultural Statistics, 1955-1956, Research Bulletin 795, November, 1957, p. 53.

developments in nearly all areas of the economy. Farming methods and conditions were strongly affected by conditions during and following World War II. A high war-time demand for agricultural products followed by high levels of peacetime prosperity stimulated technological improvements in farming methods. Thus, the livestock marketing structure has been forced to make substantial changes to meet the changing conditions. Changes have taken place in the number and location of various types of outlets, and in the volume marketed through various types of outlets. The number of functions performed by the different types of market organizations also has changed. Thus, it is apparent that the needs of the livestock industry are twofold: (1) to keep abreast of recent changes in the livestock market, and (2) to determine what additional changes are needed to meet these new conditions. This is part of a regional study of the 12 North Central States and Kentucky. This report is a summary of the results for Ohio.

The study is divided into three phases of which the first phase represents a study of the outlets used by farmers in marketing their livestock. This information was obtained from a representative group of farmers during the first three months of 1957. The objectives for this phase of the study were (1) to determine the importance of livestock marketing channels used by farmers and the alternatives available to them during 1956, (2) to determine the changes which have taken place in livestock marketing since 1940^{2/}, and (3) to determine the nature of motivating factors and attitudes

^{2/} "Marketing Livestock in the Corn Belt Region," Bulletin Number 365 of the South Dakota State Experiment Station, November, 1942.

which influence the choice of outlets used by farmers when selling livestock.

This report is a condensation of the more pertinent findings obtained from Ohio farmers and represents Ohio's contribution to the first phase of the regional study.

PROCEDURE

The methodology for this study was developed by members of the North Central Livestock Marketing Technical Research Committee, and the United States Department of Agriculture representatives.

The primary data used in the study were obtained by personal interview of 553 Ohio farmers who made livestock sales during 1956. The sample for the region was based on the United States Census Master Sampling Plan.^{3/} Twenty-one Ohio counties were sampled.^{4/}

Results in this study are based on detailed information collected on sales of 8,376 head of cattle and calves, 20,206 head of hogs, and 4,586 head of sheep and lambs.

In general, the statistical reliability of results are directly related to the number of head included in the study. Therefore, the reliability of results for sheep and lambs is less than that for the other species.

^{3/} For details on sampling procedures, see E. E. Houseman and T. J. Reed (1954). Application of Probability Area Sampling to Farm Surveys. United States Department of Agriculture, Agricultural Marketing Service Handbook 67, Agricultural Marketing Service. The sample was drawn by Virgil Anderson and his associates, Department of Statistics, Purdue University.

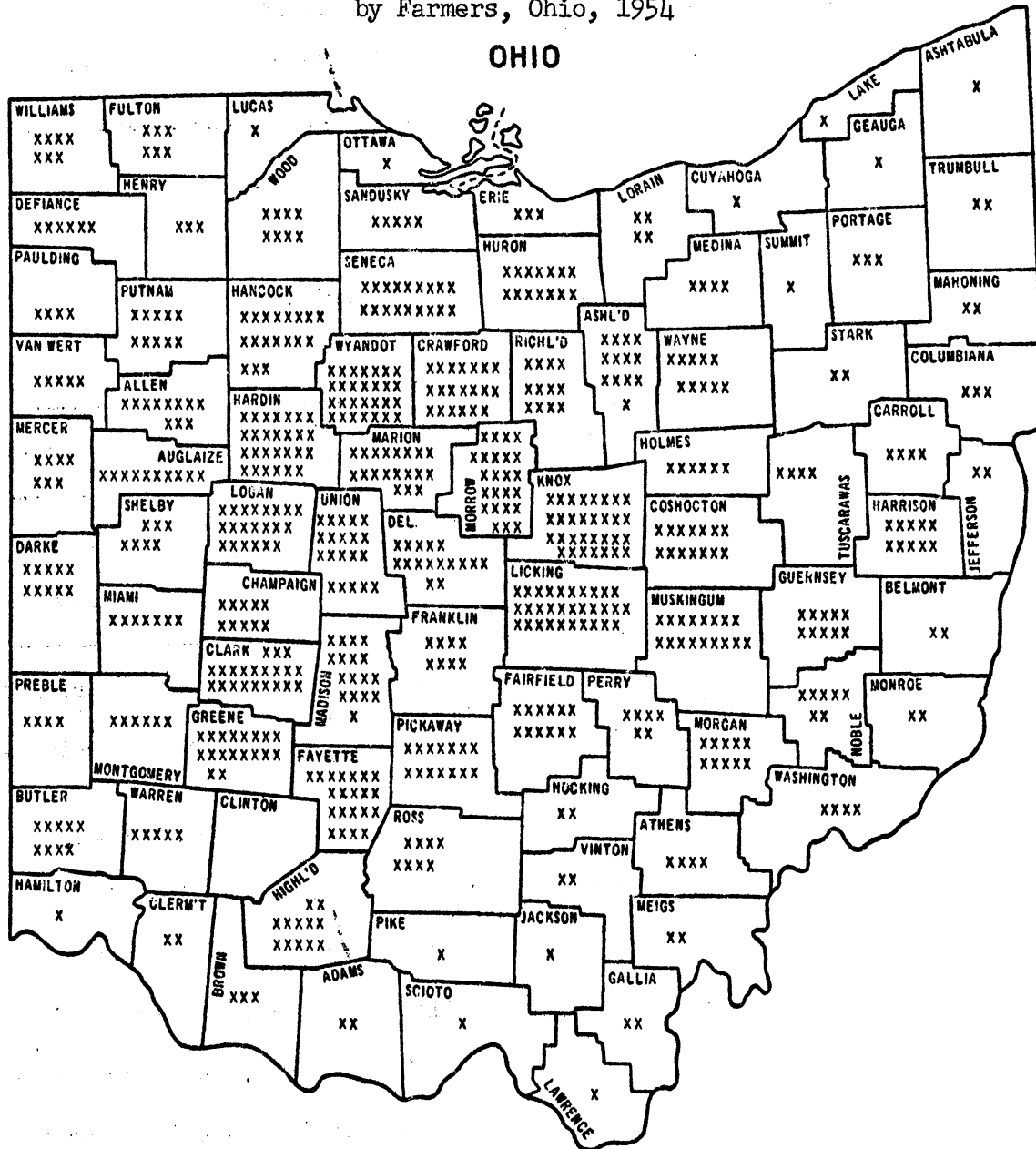
^{4/} The counties sampled were the following: Putnam, Henry, Mercer, Wood, Darke, Shelby, Sandusky, Fairfield, Knox, Tuscarawas, Muskingum, Harrison, Warren, Crawford, Erie, Fayette, Highland, Brown, Wayne, Trumbull, and Guernsey.

Chart A - Number of All Cattle Sold Alive
by Farmers, Ohio, 1954



x = 1,000 head
Source: 1954 Ohio Census of Agriculture.

Chart C - Number of Head of All Sheep and Lambs Sold Alive
by Farmers, Ohio, 1954



x = 1,000 head

Source: 1954 Ohio Census of Agriculture

NUMBER AND LOCATION OF MARKETING AGENCIES IN OHIO

Table 1 and Charts D, E, F, and G showed the number and location of livestock markets for 1958 in Ohio. Table 1 also showed the number of market outlets that were available to Ohio farmers in 1940.

TABLE I

Number of Marketing Agencies in Ohio,
1940 and 1958

Year	Terminal	Auctions	Local Markets ^{1/}	Packer Buying Stations	Dealers ^{2/}
1940	3	66	117	40	1,050
1958	3	71	134	49	159

^{1/} In 1940, another type of marketing agency existed; namely, "Cooperative Shipping Associations." For purposes of analysis, they were combined with local markets since in Ohio the remaining ones perform essentially the same functions today as local markets.

^{2/} Figures represent only those dealers that were licensed and bonded.

Several substantial changes took place between 1940 and 1958 in the number and types of markets in Ohio. The most striking change was the large decrease in the number of bonded and licensed dealers operating in the state (1,050 in 1940 as compared to only 159 in 1958). Another change was the virtual elimination of the "Cooperative Shipping Associations" as they existed in 1940. By 1958, most of these organizations had either disappeared or taken on new functions such that they no longer could be defined simply as "Shipping Associations."

The number of auctions, local markets, and packer buying stations showed

some increase between 1940 and 1958. Also, in addition to their buying stations, many of the "packers" bought livestock directly from farmers and took delivery at the plant. The number of packing and processing plants also showed some increase over this period with slaughter plants located closer to the source of livestock.

In addition to the above mentioned outlets, local butchers, retailers, and farmers provided a market outlet for a small percentage of the slaughter livestock.

LIVESTOCK SOLD FOR VARIOUS USES

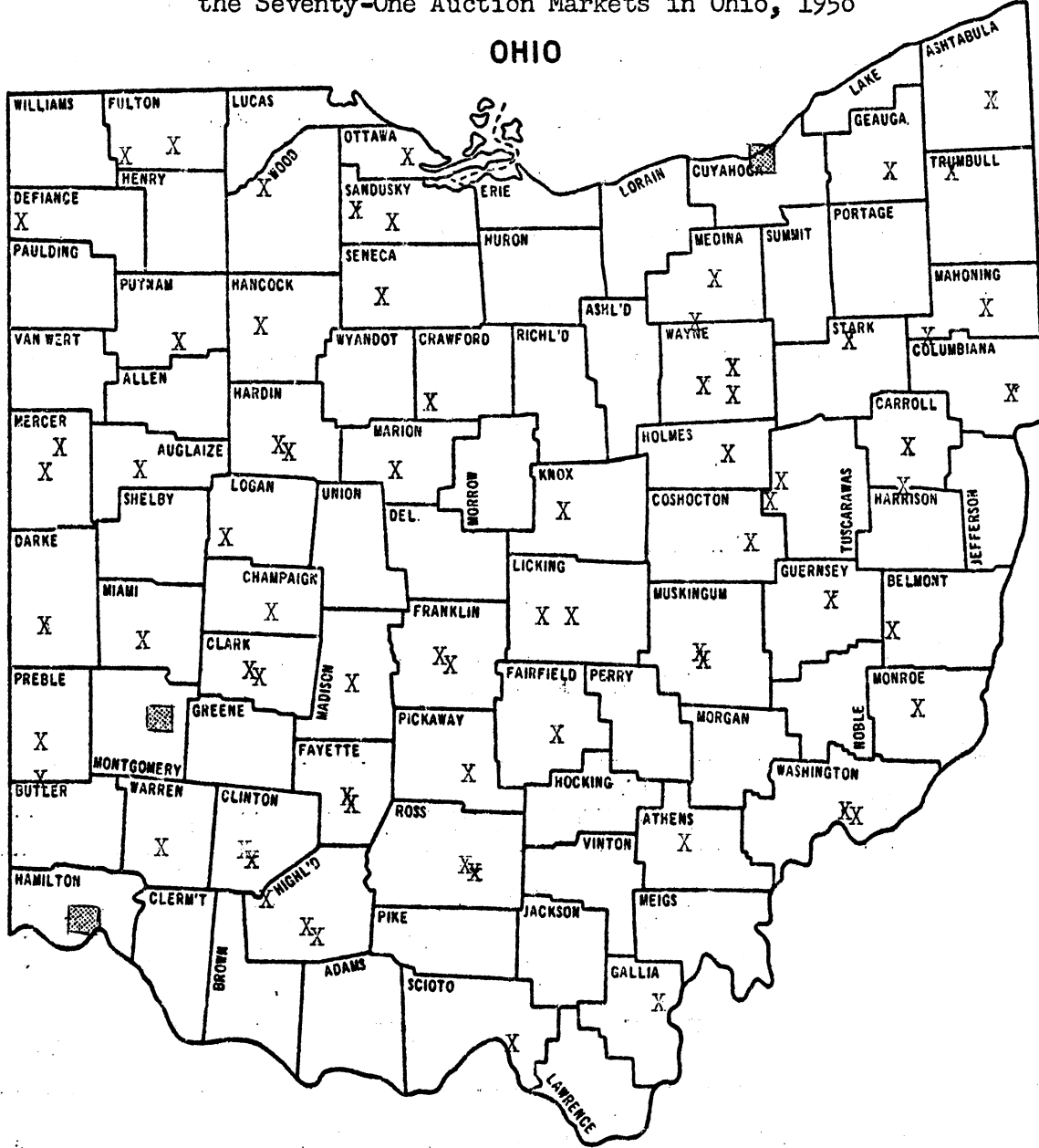
TABLE 2

Number and Percentage of Livestock sold according to use by
551 Ohio Farmers, 1956

Use	Cattle		Hogs		Sheep	
	Number	Percent	Number	Percent	Number	Percent
Slaughter	7,320	87.2	19,626	97.1	3,518	76.8
Feeder	512	6.1	390	1.9	725	15.8
Breeding, Herd or Flock	304	3.6	174	.9	300	6.5
Use not known	258	3.1	16	.1	43	.9
Total	8,376	100.0	20,206	100.0	4,586	100.0

The farmers interviewed indicated that the bulk of their livestock was sold for slaughter. Table 2 showed that over 97 percent of the hogs, and about 87 percent and 77 percent of the cattle and sheep, respectively, went for slaughter. The remaining cattle and sheep were sold primarily for feeding and breeding, herd or flock uses.

Chart D - Location of the Three Terminal Livestock Markets and the Seventy-One Auction Markets in Ohio, 1958



X = Auction Markets
 [shaded square] = Terminal Markets
 Source: Ohio Bureau of Animal Industry.

There was only a small percentage of the livestock sold for which the use made by the buyer could not be estimated by the farmer.

The following sections of this report summarize the results obtained on the disposition of livestock sold for slaughter.

OUTLETS THROUGH WHICH FARMERS
SOLD SLAUGHTER CATTLE

Classes of Slaughter Cattle

Data obtained from farmers showing the extent to which market outlets of different types were used in 1940 and 1956 are presented in Tables 3, 6 and 9, respectively. From the previous charts, it was demonstrated that in the most important livestock sections of the state they have access to a number of market outlets for their livestock. However, substantial changes have taken place since 1940 in the outlets through which livestock were sold.

For slaughter cattle and calves, auction markets handled the bulk of Ohio's sales in 1956, whereas, in 1940 the disposition was more or less equally distributed among auctions, dealers, local markets and terminals (Table 3). In 1956, over 90 percent of the cull dairy cows moved through auctions compared with about 15 percent in 1940. Auctions handled over 70 percent of the veal and deacon calves in 1956 compared with roughly 25 percent in 1940.

The sales pattern for terminals was quite similar to what it was in 1940. Actually, terminals showed an overall increase in cattle marketings between 1940 and 1956.

Thus, farmers have selected auctions as their principle market outlet

for slaughter cattle with a tendency to use terminal facilities in about the same proportion as they did in 1940. Most of the increased auction volume was at the expense of local markets and dealers.

Relative Importance of Various Size Lots of Slaughter Cattle.

The size lots in which livestock was sold by farmers was important in that it influenced the type of marketing system in operation. It was found that the number of head of livestock sold per lot by Ohio farmers varied greatly. The lots ranged from single animals to one or more carloads. The size of the lot tended to vary not only with the species of livestock, but also, with the different classes. It probably also varied by seasons of the year although seasonal variations were not ascertained in this study.

The sale of different size lots by farmers may result from the methods followed in producing livestock. Farmers who diversify their production generally do not produce livestock in large numbers for market, whereas, the opposite is generally true with those farmers who specialize. However, some farmers who handle livestock in large numbers also sell in relatively small lots because they follow the practice of "topping-out" animals as they are ready for market. Other factors such as transportation facilities, convenience to market outlets, market grades, the prices paid and costs involved in marketing may affect the size of lots marketed. Therefore it is clear that arrangements most favorable to some farmers may not be the most advantageous to others.

With the above thoughts in mind, separate classifications of 1-3 head, 4-9 head, and 10 head and over (Table 4) were set up showing the percent

Table 3

Percentage of Slaughter Cattle Sold By Farmers
Through Various Outlets, by Class,
Ohio, 1956

Outlet	Steers & Heifers		Vealers & Deacons ^{1/}		Cull Dairy Cows		Other Cattle and Calves	
	1956	1940	1956	1940	1956	1940	1956	1940 ^{2/}
Auction	41.8%	24.1%	70.7%	26.2%	90.4%	15.2%	69.0%	
Terminal	25.7	16.4	14.0	17.9	8.3	4.6	17.7	
Packers	15.8	13.7	2.7	8.2	.0	11.7	3.0	
Dealers	9.2	19.6	4.8	20.3	1.3	18.3	2.5	
Local Markets	2.8	22.3	7.4	23.4	.0	14.6	6.9	
Retailers and Locker Plants ^{3/}	4.3	.0	.0	.0	.0	.0	.9	
Other	.4	3.9	.4	4.0	.0	35.6	.0	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

^{1/} Deacon calves is the term used to refer to calves under one week of age when sold.

^{2/} The 1940 study did not separate steers and heifers into a separate category. Thus the percent under the classification of steers and heifers represents steers and heifers plus other cattle and calves.

^{3/} The 1940 study did not separate this outlet and this is included in "other."

of slaughter cattle which fell into each of the respective lot sizes.

Over 70% of the slaughter steers and heifers were shipped in lot sizes of 10 head and over. Nearly one-third of the other cattle and calves were marketed in lot sizes of four to nine head. Vealers, deacons, and cull dairy cows were predominately shipped in lot sizes of three head or less. This was largely accounted for by the sale of considerable numbers of discarded dairy animals and also by the fact that livestock feeding is relatively unimportant in certain areas of the state.

Table 4

Percentage of Slaughter Cattle Sold In
Various Sized Lots,
Ohio, 1956

Lot Size	Steers and Heifers	Vealers and Deacons	Cull Dairy Cows	Other Cattle And Calves	Total
1 - 3 head	5.9%	86.9%	93.0%	56.8%	34.9%
4 - 9 head	20.8	12.3	7.0	32.4	18.1
10 head and over	73.3	.8	.0	10.8	47.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%

OUTLETS THROUGH WHICH FARMERS
SOLD SLAUGHTER HOGS

The pattern of marketing for slaughter hogs differed from that for slaughter cattle mainly in that local markets replaced auctions as the main outlet (Table 5). However, the facilities of an auction are sometimes used

as a local market where the hogs are sold to an individual buyer without going through the auction ring. Note that in 1956 local markets handled nearly 50 percent of the barrows and gilts while the remaining 50 percent was fairly evenly distributed among terminals, auctions, and packers. Only a very small percentage were sold through the other marketing outlets listed in Table 5.

The only significant change in the marketing pattern for slaughter hogs between 1940 and 1956 was that local markets further increased in importance by virtually eliminating dealers as a marketing outlet for slaughter hogs. In 1956, less than one percent of the barrows and gilts were sold through dealers, whereas, in 1940 dealers handled nearly 20 percent. On the other hand, local markets increased in volume during this period by nearly the same percentage as dealers declined. The other outlets had relatively the same percentage volume in 1956 as they did in 1940.

Relative Importance of Various Size Lots of Slaughter Hogs.

Slaughter hogs were sold as single animals or in small lots to a considerably less extent than slaughter cattle. Over 80 percent of the barrows and gilts were shipped in lots of 10 head and over (Table 6). Less than two percent were marketed in lots of one to three head.

However, nearly one-fourth of the class termed "other hogs", which included sows, boars, stags, roughs, etc., were shipped in lots of one to three head. Slaughter hogs shipped in lots of one to three head represented less than four percent of the total for the state, whereas, nearly 80 percent were shipped in lots of 10 head and over.

Table 5

Percentage of Slaughter Hogs Sold By
Farmers Through Various
Outlets, Ohio, 1956

Outlet	Barrows & Gilts		Other Slaughter Hogs	
	1956	1940	1956	1940 ^{1/}
Local Markets	48.4%	31.5%	66.9%	
Terminal	19.0	16.2	9.7	
Auctions	18.4	15.6	19.1	
Packers	13.1	15.7	2.2	
Dealers	.8	19.8	.5	
Local Retailers	.2	.0	.0	
Other	.1	1.2	1.6	
Total	100.0	100.0	100.0	

^{1/} The 1940 study did not analyze barrows and gilts separately, but rather, made only one classification under slaughter hogs.

Table 6

Percentage of Slaughter Hogs Sold in Various Sized Lots,
Ohio, 1956

Lot Size	Barrows & Gilts	Other Hogs	Total
1 - 3 head	1.7%	24.5%	3.6%
4 - 9 head	15.8	24.7	16.5
10 head and over	82.5	50.8	79.9
Total	100.0%	100.0%	100.0%

OUTLETS THROUGH WHICH FARMERS SOLD
SLAUGHTER SHEEP AND LAMBS

Auction and terminal markets handled over 65 percent of Ohio's slaughter lambs in 1956 according to this study (Table 7). This represented a large increase in their relative importance since 1940 at which time the two types of market facilities handled about 37 percent of the total supply. In addition to their importance as a market outlet for slaughter lambs, auctions received the bulk of the total slaughter sheep marketings in 1956 (72.3 percent). The remaining percentage was mainly distributed between local and terminal markets.

On the other hand, dealers and local markets declined greatly in importance as a market outlet for slaughter lambs during this period. For instance, in 1940 local markets and dealers handled approximately one-third and one-fifth of the total supply, respectively, whereas in 1956 local markets received less than 20 percent and dealers received less than three percent of the slaughter lambs produced in Ohio.

Table 7 also showed that direct sales to packers declined in relative importance as a marketing channel for slaughter lambs from 10.4 percent in 1940 to 1.1 percent in 1956.

Relative Importance of Various Size Lots of Slaughter Sheep and Lambs

Sheep and lambs were sold in large lots to a greater extent than either cattle or hogs. Less than 10 percent of the slaughter lambs were shipped in lot sizes of less than 10 head, (Table 8). The percentage of slaughter sheep shipped in small lot sizes was considerably higher than for lambs.

However, since this class made up only a relatively small amount of the supply, it still was true that nearly 90 percent of the total volume was shipped in lot sizes of 10 head and over.

Table 7

Percentage of Slaughter Sheep and Lambs Sold By Farmers
Through Various Outlets,
Ohio, 1956

Outlet	Slaughter Lambs		Slaughter Sheep	
	1956	1940	1956	1940 ^{1/}
Auction	35.9%	19.8%	72.3%	
Terminals	29.5	17.0	12.0	
Local Markets	19.1	34.4	15.2	
Dealers	2.8	17.7	.0	
Packers	1.1	10.4	.0	
Local Retailers	.0	.0	.0	
Other	11.6 ^{2/}	.7	.5	
Total	100.0%	100.0%	100.0%	

^{1/} The 1940 study did not analyze sheep and lambs separately, but rather, made only one classification under slaughter sheep.

^{2/} Lamb pools obtained nearly all of this percentage.

Table 8

Percentage of Slaughter Sheep and Lambs Sold in Various Sized Lots,
Ohio, 1956

(Rounded to nearest one-tenth of percent)

Lot Size	Lambs	Sheep	Total
1 - 3 head	1.8%	16.8%	2.6%
4 - 9 head	7.2	35.6	8.7
10 head and over	91.0	47.6	88.7
Total	100.0%	100.0%	100.0%

TRANSPORTATION OF SLAUGHTER LIVESTOCK
BY VARIOUS METHODS

Transportation of Ohio's slaughter livestock from farms may, for all practical purposes, be classified into one general type; namely, by truck.

However, the livestock marketed may pass through many different channels from farms to slaughtering plants. The method of hauling used to some extent is influenced by methods of marketing. Livestock marketed directly from farms to slaughtering plants may involve a single and continuous movement by the farmers own truck, or the animals may be transported from the farm to the livestock market by the farmers own truck, and from there to the slaughtering plant by either a commercial truck or the buyers truck. The break in the continuity of transportation generally coincides with changes in ownership of the livestock.

Only information on how slaughter livestock was being transported from

the farm to the market was assembled in this study. The information does not include the distances the different lots of livestock were moved, nor the extent to which the transportation of individual lots of animals involved more than one movement.

As was stated earlier, practically all slaughter livestock marketed by farmers was moved from farms by truck. In 1956 the most common methods of hauling were: (1) In the farmers own truck, (2) by commercial truck, and (3) by the buyers who take possession at the farms, (Table 9). The relative importance of these methods of hauling has changed appreciably since 1940. In 1940 the method of hauling from farms by commercial truckers was the most common, amounting to 48 percent of the cattle, 34 percent of the calves, 48 percent of the hogs, and 47 percent of the sheep and lambs. In 1956, the farmers own truck was the most common, accounting for 43 percent of the cattle, 50 percent of the calves, 51 percent of the hogs, and 43 percent of the sheep and lambs.

However, with the exception of hogs, and to some extent cattle, commercial trucks were used as prominently in 1956 as they were in 1940. The major change took place in the use of the buyers truck. The use of the farmers own truck increased primarily at the expense of the buyers truck which declined in use for all species of slaughter livestock. This was accounted for mainly by the sharp reduction in the number and importance of livestock dealers operating in 1940 as compared to 1956. Usually when farmers sold livestock to dealers who have trucks, the buyer generally took possession at the farm and assumed responsibility for transporting the animals.

Table 9

Percentage of Slaughter Livestock Handled from farms
by Various Methods, by Class, Ohio
1940 and 1956

Method of Hauling	Cattle		Calves		Hogs		Sheep and Lambs	
	1956	1940	1956	1940	1956	1940	1956	1940
In farmers own truck	43.0%	19.2%	50.1%	38.6%	50.9%	27.2%	43.4%	36.9%
By Commercial truck	42.5	47.9	39.9	33.8	28.2	47.5	49.5	47.3
By Buyers truck	14.4	32.9	9.7	27.6	20.3	25.3	7.1	15.8
Other	.1	.0	.3	.0	.6	.0	.0	.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

REASONS FOR CHOICE OF MARKETS
WHEN SELLING LIVESTOCK

The reasons given by farmers for choice of markets when selling slaughter cattle, hogs, and sheep varied widely (Table 10). Some of the reasons apparently overlap, and thus, may not, in all cases, precisely reflect the farmer's choice. For purposes of publication the less common factors given by farmers were grouped into one category; namely, other.

Convenience was the most common factor given by farmers in selecting the market outlet for slaughter livestock. The one exception was those farmers who used only one type of outlet for slaughter steers and heifers in which case higher price was the dominant factor. For the other species, higher price was the second most common reason given. In addition, good buyer competition, higher net return, lower selling costs, premium for

quality, and less shrinkage were given by farmers.

However, it should be noted that reasons given by some farmers for selling livestock at one type of market were often the same as those given by others for selling at a different type of market. This was because the location of individual farmers with respect to specific markets of different types was taken into consideration by them.

In comparing the results with the 1940 study, it was found that the major reasons given; namely, higher price, higher net returns, etc., were quite similar, with the exception that convenience was somewhat less important to the farmers in 1940 than it was in 1956. Apparently, this was a strong reason why terminal livestock markets have declined in relative importance since 1940. Since this time, numerous other market type outlets such as auctions, local markets, packers, etc., have been set up closer to the production areas. Thus, it was not out of line for convenience to show up as the major factor for market selection by farmers.

CRITICISMS OF VARIOUS MARKET OUTLETS

In an effort to determine the attitudes of farmers concerning the major market outlets; namely, terminals, auctions, local markets, dealers, and packers, each farmer interviewed was asked to give his criticisms regarding these outlets. However, this does not necessarily mean that because a farmer criticized a market, he did not market through it. Rather, he merely gave his own viewpoint in such a way that the market or markets in question would eventually benefit from the results.

Table 10

Advantages of Principal Types of Market Outlets as Listed by
Farmers Who Used One Outlet and by Farmers Who Chose Among
Several Outlets before Sale, by Class of Livestock Sold, and
by Outlets Used, Ohio, 1956

Farmers Who Used One Outlet							
<u>Advantages</u>	<u>Terminal</u>	<u>Local Market</u>	<u>Auctions</u>	<u>Dealers</u>	<u>Packers</u>	<u>Other</u>	<u>Total</u>
<u>Slaughter Steers and Heifers</u>							
Convenient (or lower)							
Transportations Costs	5.3%	— %	27.1%	25.0%	16.7%	12.5%	17.4%
Higher Price	31.6	—	22.9	25.0	16.7	25.0	25.5
Good Buyer Competition	28.9	50.0	16.7	—	—	—	18.4
Higher Net Return	9.2	—	2.1	8.3	—	—	4.7
Less Shrinkage	—	—	—	—	11.1	—	1.0
Lower Selling Costs	—	—	—	—	16.7	—	1.4
Premium for Quality	—	—	—	—	11.1	—	1.0
Other	11.8	50.0	17.7	33.4	22.2	25.0	17.4
No Answer or doesn't know	13.2	—	13.5	8.3	5.5	37.5	13.2
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Other Slaughter Cattle</u>							
Convenient (or lower)							
Transportation Costs	14.8%	38.1%	31.0%	33.3%	40.0%	42.9%	29.6%
Higher Price	28.7	19.0	15.7	5.6	20.0	14.3	17.5
Good Buyer Competition	13.0	2.4	11.3	2.8	—	—	10.1
Higher Net Return	6.5	2.4	3.6	2.8	5.0	—	3.8
Less Shrinkage	—	2.4	.6	—	15.0	—	.9
Lower Selling Costs	1.9	2.4	.5	5.6	5.0	21.4	1.7
Premium for Quality	—	—	—	2.8	—	—	.1
Other	18.5	19.0	15.5	27.7	10.0	7.1	16.4
No Answer or doesn't know	16.6	14.3	21.8	19.4	5.0	11.3	19.9
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 10
(Continued)

Advantages of Principal Types of Market Outlets as Listed by
Farmers Who Used One Outlet and by Farmers Who Chose Among
Several Outlets Before Sale, by Class of Livestock Sold, and
by Outlets Used, Ohio, 1956

Farmers Who Used One Outlet

<u>Advantages</u>	<u>Terminal</u>	<u>Slaughter Hogs</u>					<u>Total</u>
		<u>Local Market</u>	<u>Auctions</u>	<u>Dealers</u>	<u>Packers</u>	<u>Other</u>	
Convenient (or lower) Transportation Cost	11.5%	27.9%	29.5%	25.0%	14.3%	25.0%	23.9%
Higher Price	30.2	13.7	13.6	25.0	26.2	25.0	18.3
Good Buyer Competition	18.8	2.5	6.8	--	--	--	6.6
Higher Net Return	8.3	6.4	6.1	25.0	23.7	25.0	8.5
Less Shrinkage	--	3.9	.8	--	--	--	1.9
Lower Selling Costs	--	4.9	2.3	--	4.8	25.0	3.3
Premium for Quality	1.0	5.9	4.5	--	--	--	3.9
Other	19.8	27.9	22.0	25.0	26.2	--	24.3
No Answer or doesn't know	10.4	6.9	14.4	--	4.8	--	9.3
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Slaughter Sheep (Lambs)

Convenient (or lower) Transportation Cost	15.4%	21.5%	38.8%	50.0%	50.0%	14.3%	28.5%
Higher Price	19.2	21.5	14.8	--	--	35.8	18.8
Good Buyer Competition	7.7	--	13.0	--	--	--	8.0
Higher Net Return	--	7.1	5.6	--	50.0	--	4.5
Less Shrinkage	--	--	--	--	--	--	--
Lower Selling Cost	3.8	7.1	--	--	--	--	1.8
Premium for Quality	--	--	--	--	--	7.1	.9
Other	42.4	35.7	13.0	50.0	--	21.4	24.1
No Answer or doesn't know	11.5	7.1	14.8	--	--	21.4	13.4
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 10
(Continued)

Advantages of Principal Types of Market Outlets as Listed by
Farmers Who Used One Outlet and by Farmers Who Chose Among
Several Outlets Before Sale, by Class of Livestock Sold, and
by Outlets Used, Ohio, 1956

Farmers Who Chose Among Several Outlets							
Advantages	Terminal	Local	Auctions	Dealers	Packers	Other	Total
		Market					
Slaughter Steers and Heifers							
Convenient (or lower)							
Transportation Costs	7.1%	18.2%	26.5%	18.7%	4.8%	21.4%	17.3%
Higher Price	7.1	18.2	5.9	9.4	9.7	28.6	9.2
Good Buyer Competition	21.4	9.1	10.8	--	--	--	7.2
Higher Net Return	3.6	--	4.9	6.3	8.1	21.4	6.4
Less Shrinkage	3.6	9.1	2.9	3.1	9.7	--	4.8
Lower Selling Costs	3.6	--	--	6.3	6.5	--	2.8
Premium for Quality	--	--	--	--	--	--	--
Other	32.2	36.4	17.6	37.5	41.9	21.4	28.9
No answer or doesn't know	21.4	9.1	31.4	18.7	19.3	7.2	23.4
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other Slaughter Cattle							
Convenient (or lower)							
Transportation Costs	20.0%	28.6%	27.6%	33.3%	50.0%	11.9%	25.5%
Higher Price	20.0	14.2	12.0	13.4	--	3.4	10.7
Good Buyer Competition	6.7	--	10.9	--	--	--	6.9
Higher Net Return	--	--	1.0	3.3	--	--	.9
Less Shrinkage	--	--	2.1	3.3	--	--	1.6
Lower Selling Cost	--	--	--	--	12.5	3.4	.9
Premium for Quality	6.7	--	--	--	--	--	.3
Other	20.0	28.6	14.6	20.0	25.0	5.1	14.5
No Answer or doesn't know	26.6	28.6	31.8	26.7	12.5	76.2	38.7
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 10
(Continued)

Advantages of Principal Types of Market Outlets as Listed by
Farmers Who Used One Outlet and by Farmers Who Chose Among
Several Outlets Before Sale, by Class of Livestock Sold, and
by Outlets Used, Ohio, 1956

Farmers Who Chose Among Several Outlets							
<u>Advantages</u>	<u>Terminal</u>	<u>Local Market</u>	<u>Auction</u>	<u>Dealers</u>	<u>Packers</u>	<u>Other</u>	<u>Total</u>
<u>Slaughter Hogs</u>							
Convenient (or lower)							
Transportation costs	29.3%	26.0%	29.1%	50.0%	15.8%	— %	26.2%
Higher Price	10.4	8.3	10.4	—	10.5	42.9	10.1
Good Buyer Competition	1.7	4.2	12.5	—	—	—	4.3
Higher Net Return	3.4	2.1	—	10.0	2.6	—	2.3
Less Shrinkage	—	2.1	—	—	10.5	—	2.3
Lower Selling Cost	5.2	3.1	—	—	5.3	—	3.1
Premium for Quality	1.7	1.1	2.1	—	13.2	—	3.1
Other	29.3	27.1	14.6	10.0	18.4	42.9	23.7
No Answer or doesn't know	19.0	26.0	31.3	30.0	23.7	14.2	24.9
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<u>Slaughter Sheep (Lambs)</u>							
Convenient (or lower)							
Transportation Costs	— %	16.7%	47.7%	— %	— %	7.7%	26.0%
Higher Price	50.0	8.3	9.5	50.0	—	7.7	12.0
Good Buyer Competition	—	—	—	—	—	—	—
Higher Net Return	—	—	9.5	—	—	—	4.0
Less Shrinkage	—	—	—	—	—	—	—
Lower Selling Cost	—	—	—	—	—	—	—
Premium for Quality	—	8.3	—	—	—	7.7	4.0
Other	50.0	25.0	19.0	50.0	—	—	18.0
No Answer or doesn't know	—	41.7	14.3	—	—	76.9	36.0
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Of the 551 farmers interviewed, over 70.0 percent either stated that they had no criticisms or that they were not familiar with the market outlet (Table 11). Terminals had the highest percentage (45.5 percent) of farmers who were not familiar with their type of operation. Local markets were close second with 40.7 percent of the farmers not familiar with them. These figures are not too astounding when one observes the charts on Pages 10 and 11 and finds that there were only three terminal markets operating in the state; namely, Cleveland, Cincinnati, Dayton, and that the bulk of the local markets are concentrated primarily in the northwestern part of the state. On the other hand, auctions were by far the most familiar type of market outlet having 94 percent of the farmers being familiar with this type of outlet.

The major criticism given for terminals was that "the marketing costs were too high for the services rendered." About 2.5 percent of the farmers gave this criticism.

Collusion among buyers and/or sellers (9.4 percent) and too few buyers (8.5 percent) were the major criticisms cited against auctions. Auctions had a high percentage of criticisms in the category "Other" due to the fact that some of the criticisms only pertained to auctions. The most important were: (1) Auctioneer not working each lot of livestock enough and (2) operator or auction employees selling in own ring. Another important criticism of auctions was "rough handling of livestock."

Dealers were criticized primarily on their prices being too low (11.6 percent) and for suspicion of weights (10.2 percent). Local markets were

criticized on these same points, and for prices being too variable..

Since these criticisms no doubt reflect farmers thinking the different markets might well consider plans for eliminating the reasons for such criticisms.

The major criticism given against packers was prices were too variable (7.8 percent). By this it was meant that these farmers were of the opinion that some packers used discrimination in quoting prices to their suppliers.

Since there were few criticisms stated against a particular outlet, it can be said in summary that as a whole farmers apparently were satisfied with the functions and operations being performed by these various types of market outlets.

Table 11

CRITICISMS OF SPECIFIC TYPES OF OUTLETS BY FARMERS, BY
TYPE OF OUTLETS - OHIO, 1956

	<u>Packers</u>	<u>Auctions</u>	<u>Dealers</u>	<u>Local Markets</u>	<u>Terminals</u>	<u>Total</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
1. Familiar with this type of outlet but no criticism	38.2	40.7	43.9	43.7	41.2	41.6
2. Not familiar with this type of outlet.	37.6	7.6	21.4	40.7	45.5	30.5
3. Collusion among buyers and/or sellers.	2.7	9.4	0.0	0.1	0.7	3.6
4. Suspicion of Weight.	1.6	2.2	10.2	2.7	0.9	3.5
5. Prices are too variable.	7.8 Tab	4.2	3.4	3.3	0.7	2.9
6. Prices too low.	0.0	0.1	11.6	0.7	0.3	2.6
7. Too few buyers.	0.3	8.5	0.5	0.0	0.1	1.9
8. Marketing costs are too high for services rendered.	0.0	4.4	0.3	1.1	2.4	1.6
9. Unsanitary conditions	0.0	3.1	0.1	0.3	0.0	0.7
10. Other	11.8	19.8 ^{1/}	8.6	6.5	8.2	11.0
11. No answer or doesn't know.	0.0	0.0	0.0	0.9	0.0	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

^{1/} This percentage involved mainly those criticisms that pertained only to auction markets such as "auctioneer not working each lot of livestock enough," "operator or auction employee selling in own ring," etc.

