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Livestock auctions in Mississippi

D. W. Parvin

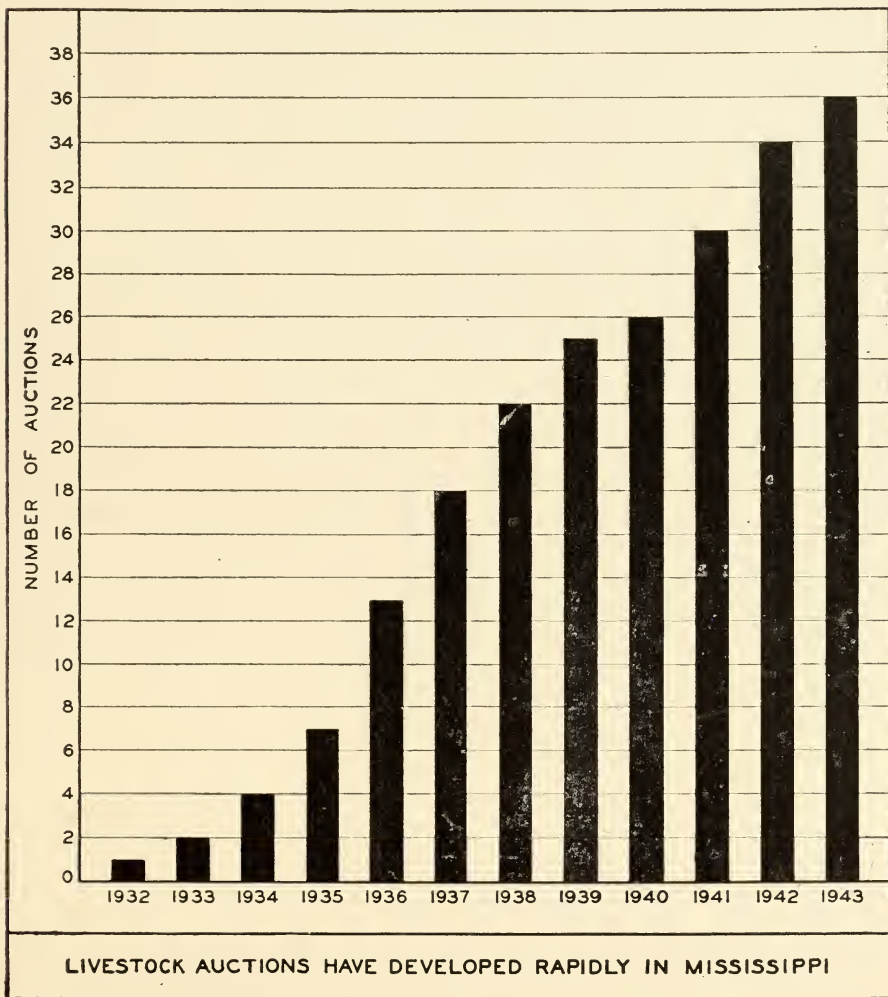
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LIVESTOCK AUCTIONS IN MISSISSIPPI



MISSISSIPPI STATE COLLEGE
MISSISSIPPI AGRICULTURAL EXPERIMENT STATION
CLARENCE DORMAN, Director



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LIVESTOCK AUCTIONS IN MISSISSIPPI

by

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During the past decade, cotton has become less important and livestock more important in the agricultural economy of the State. Many leaders in the field of agriculture feel that cotton will become even less important after the war due to the competition of foreign cotton and synthetic fibers. For this reason, farm leaders in Mississippi and the South have been looking for enterprises to off-set the anticipated decline in the value of cotton sales. Commercial production of livestock and livestock products is thought by many to fulfill this need.

Even though the increased competition to cotton production should fail to materialize and the production of cotton in the State should continue at about the same level, it would still be wise for farmers to increase their livestock enterprises so as to better utilize their labor throughout the year and in that way increase their total income.

The one-crop system of farming as practiced by most farmers in Mississippi results in the labor force being overworked a few months of the year and being more or less idle the balance of the year. Paul S. McComas and Frank J. Welch in their bulletin on farm labor requirements in Mississippi, showed that about five to six times as much work was performed on Mississippi farms in May, September, and October as in December, January, and February.¹

The farmer should no more expect to make a good living by working part of the year than should the factory worker, and everyone knows what happens to the

¹McComas, Paul S., and Welch, Frank J., *Farm Labor Requirements in Mississippi*, Mississippi Experiment Station Bulletin Number 387, 1943, p. 1.

standard of living of the factory worker when he is "laid off" for a few months. Farm management studies have shown that farmers with livestock enterprises in addition to cotton made more money than farmers depending on cotton alone. The addition of livestock enterprises allowed these farmers to increase their income by furnishing profitable employment during seasons in which they would be idle under the old system of one cash enterprise. Part of the increased income accruing to farmers with livestock enterprises can be attributed to the increased fertility of the soil resulting from the application of manure.

Objectives and Method of Study

This project is one of a series of studies dealing with the various marketing problems in Mississippi and growing out of the recent over-all study of farm production and marketing systems and facilities.² The study of farm production and marketing systems and facilities indicated that the problems connected with marketing livestock were as serious as those connected with the marketing of any other farm commodity and that auction markets were practically the only organized livestock markets in Mississippi. This study was conducted for the purpose of furnishing information that will help in the further development of a sound livestock marketing system. The study was started in the fall of 1943.

Briefly stated, the following objectives were set up to guide the course of study:

1. To study the development of livestock auctions in the State.
2. To determine the relative importance of auctions

²Miley, D. Gray, **Commercial Farm Production and Agricultural Marketing Systems and Facilities in Mississippi**, Mississippi Experiment Station Bulletin Number 394, 1943.

in the marketing of Mississippi's livestock.

3. To make an economic analysis of livestock auctions with regard to (a) their organization, (b) the practices followed in buying and selling livestock, (c) the kind of livestock handled and the prices received by consignors, and (d) their receipts and expenses.
4. To determine the attitude of farmers toward auctions.
5. To analyze the basic problems in selling livestock through auctions and to point out possible solutions.

All 37 auctions in operation in Mississippi as of November 1, 1943, were visited in October and November of the same year and complete schedules concerning volume of business, facilities, plant organization, and operating methods were obtained from 32 operators. Data concerning the volume of business were obtained from the remaining five operators. From January 1, 1943, to October 1, 1943, five auctions ceased operation. Data concerning their volume of business were obtained by the use of mail questionnaires.

The 30 auctions operating all of 1943, for which complete schedules were obtained, were divided into small, medium, and large auctions on the basis of the total value of sales in order to study the economic effectiveness of each size group. The 10 with annual sales of less than \$200,000 were classified as small, the 10 with annual sales of from \$200,000 to \$750,000 as medium, and the 10 with annual sales of over \$750,000 as large.

Prices at which animals actually sold in 1943 were tabulated from records at five large, three medium, and five small auctions. In tabulating prices only one sales day was used each month; the sale that was held closest to the fifteenth of the month, if possible. The prices of all animals sold on that particular sales day, for which the records showed kind and class, were tabulated. Some auctions had to be omitted from the sample because their records did not show the kind and class of livestock sold; others had to be omitted because they either kept no records or else kept them for less than one year. However, the sample of auctions from which price data were obtained is representative of the group as a whole.

Income and expense data were obtained from the records of two large, two medium, and three small auctions. A larger sample was impractical due to the fact that many auction operators either kept no records of receipts and expenses or else combined them with that of their other business or businesses.

In January 1944, 50 questionnaires relative to the attitude of farmers toward auctions and where they market their livestock, were mailed to each of 143 of the 216 white and 75 of the 116 colored Vocational Agriculture teachers in the State with the request that they give one to each of their vocational agricultural students. Each student was requested to carry the questionnaire home and help his father fill it out with data concerning his farm. Schedules were sent to not more than two white and two colored Vocational Agriculture teachers in each of the 76 counties having vocational agriculture schools; returns were secured from 44 counties. Questionnaires were returned by 44, or 31 percent of the white Vocational Agriculture teachers and by 12, or 16 percent of the colored Vocational Agriculture teachers. A total of 951 questionnaires were returned, of which all or part of 929 were usable.

Data relative to laws and regulations governing auctions in other states were obtained from the State Department of Agriculture or some similar agency of 46 of the other 47 states.

In addition to this information, data were obtained from books, Experiment Station bulletins, and various publications of the United States Department of Agriculture.

The Importance of and the Trends in Livestock Production in Mississippi

The total value of all farm products sold or traded amounted to \$115,353,273 in 1939, according to the 1940 census. Of this total, \$17,023,874 or 14.8 percent was contributed by livestock and livestock products. In other words, about one out of every seven dollars accruing to Mississippi farmers came from livestock and livestock products. Dairy products made the greatest contribution to the value of livestock and livestock products sold or traded. Of the \$17,023,874 of livestock and livestock products sold or traded, dairy products contributed \$7,133,306; animals sold or traded contributed \$6,588,145.

The total value of livestock and livestock products, the total value of all farm products sold or traded, and the value of cotton and cottonseed harvested were compared for 1929 and 1939 in order to determine the shifts in production during that period. When the 1929 values were adjusted to 1939 level in order to make the two sets of figures comparable, it was found that the total value of farm products sold or traded decreased 6.6 percent, or from \$123,447,673 in 1929 to \$115,353,273 in 1939. During the same period, the value of livestock and livestock products sold or traded increased 32 percent, or from \$12,900,850 to \$17,023,874 and the value of cotton and cottonseed harvested decreased 14.6 percent, or from \$105,574,355 to \$90,116,356. The total value of livestock and livestock products sold or traded amounted to 14.8 percent of all farm products sold or traded in 1939 as compared to 10.5 percent in 1929.

During the past three-quarters of a century, livestock production in Mississippi has increased at times and decreased at others. The number of livestock kept on farms ran in cycles, and this was especially true of hogs. For this reason, the average number of livestock on farms was calculated for the past seven decades in order to eliminate the effects of the cycle's fluctuations in so far as possible and in this way to determine the general trend in livestock production.

The number of animal units on farms in Mississippi increased from decade to decade from the 1870's through the 1930's, with one exception; the number on farms was about three percent higher in the decade from 1910 through 1919 than in the 1920's. The increased demand for livestock products during World War I probably accounts for this one exception. Since 1940, livestock production in Mississippi has increased considerably due to the pressure exerted by the war in the form of demands for concentrated foods to feed our soldiers and ship to our allies. See table 1.

Cattle accounts for the increased importance of livestock in Mississippi. The average number of cattle on farms increased consistently from decade to decade, whereas the average number of sheep and hogs either decreased or showed no consistent movement. The number of sheep on farms increased through the 1890's and decreased each decade after that. Hogs on farms decreased from the 1870's to the 1880's, increased each decade from the 1880's to the decade from 1910 through 1919, and then decreased during the 1920's and 1930's. The number of hogs on

Table 1. Average number of livestock on farms in Mississippi, by decades, January 1, 1867-1944

Period	All cattle	Sheep and lambs thousands	Hogs and pigs	Animal units ¹
1867-1869	577	317	1028	552
1870-1879	683	242	1059	619
1880-1889	839	328	944	716
1890-1899	850	329	1164	753
1900-1909	908	212	1108	773
1910-1919	1032	170	1203	864
1920-1929	1040	120	966	834
1930-1939	1223	84	956	951
1940-1944	1363	70	1129	1066

Source: *Livestock on Farms*, January 1, 1867-1935, B. A. E., U. S. D. A., and *Livestock Reports*, January 1, 1936-1944, B. A. E., U. S. D. A.

¹An animal unit is a mature cow or bull or the equivalent in other livestock. Two calves or heifers, 7 sheep, 14 lambs, 5 hogs and 10 pigs are the number of each usually considered to be an animal unit. Since the calves, lambs, and pigs were not given separate from the mature animals, it was assumed that half of the animals in each group could be classified as mature and that 1.5 head of cattle, 7.5 head of hogs and pigs, and 10.5 head of sheep and lambs would equal one animal unit.

farms was lower during the 1930's than any other decade except the 1880's. There were about twice as many cattle, about one-third as many sheep, and about nine-tenths as many hogs on farms in Mississippi during the 1930's as during the 1870's.

The data discussed above and summarized in table 1 permits the making of the following rather definite statements: (1) the trend in the production of cattle is upward; (2) the trend in the production of sheep is downward; (3) there is no consistent trend in the production of hogs; however, the production of hogs seems to be just about holding its own or possibly decreasing slightly; and (4) the trend in the production of all livestock is upward, due to the increasing importance of cattle on Mississippi farms.

The commercial production of livestock and livestock products is concentrated in the Black Prairie (including Oktibbeha County) and the Brown Loam (including Copiah County) Areas of the State. Lightest commercial production is found in the Delta, the Gulf Coastal, and the Lower Coastal Plain Areas. See table 2.

The commercial production of cattle is most concentrated in the Black Prairie (including Oktibbeha County) and the Brown Loam (including Copiah County), and least concentrated in the Delta, Lower Coastal Plain, and Gulf

Coastal Areas. Dairy production is concentrated in Oktibbeha County and the Black Prairie Areas, and beef production in the Brown Loam (including Copiah County) and the Black Prairie (including Oktibbeha County) Areas of the State. See table 3. Although the commer-

Table 2. Number of livestock sold per 1,000 acres of land, by type-of-farming area, Mississippi, 1939¹

Area	Cattle	Calves	All cattle	Hogs and pigs	Sheep and lambs	Total anim'l units ²
Delta	2.45	0.87	3.32	8.43	0.22	4.03
Brown Loam	6.07	5.21	11.28	7.07	0.39	9.65
Clay Hills	5.20	3.54	8.74	6.32	0.08	7.86
Oktibbeha	9.10	7.16	16.26	8.03	0.89	13.84
Black Prairie	8.14	4.51	12.65	10.35	0.68	11.84
Copiah	6.08	6.34	12.42	2.28	.....	9.55
Upper Coastal Plains	4.62	3.47	8.09	6.83	0.03	7.27
Longleaf Pine	4.87	2.91	7.78	3.98	0.20	6.87
Lower Coast'l Plains	2.42	1.45	3.87	4.11	6.01	4.27
Gulf Coastal	2.11	1.82	3.93	4.45	5.95	4.18
State	4.91	3.43	8.34	6.47	0.94	7.58

Source: Compiled from data taken from the 16th Census of United States Agriculture, first and second series.

¹All land was used instead of land in farms because of the wide variation in the proportion of land in farms between the different areas.

²See footnote to table 1.

cial production of hogs is not highly important in Mississippi, the heaviest concentration is found in the Black Prairie, Delta, and Brown Loam Areas of the State. The Lower Coastal Plain and Gulf Coastal Areas are the only areas in which the commercial production of sheep is of any importance.

Marketing Facilities Available

On November 1, 1943, there were 37 livestock auctions operating in Mississippi. These auctions are located in 29 counties and at least 1 is located in each type-of-farming area except the Gulf Coastal Area which comprises Hancock, Harrison, and Jackson Counties.

According to a recent study, there are about 1,600 livestock dealers or truck buyers in Mississippi. This is an average of about 20 per county; however, there are as many as 60 in some counties.

Table 3. Number of livestock per 1,000 acres of land, by type-of-farming areas, Mississippi, 1940¹

Area	Cows and heifers milked	Cows and heifers kept mainly for beef production
Delta	10.1	1.7
Brown Loam	16.3	7.7
Clay Hills	16.3	1.7
Oktibbeha	55.9	4.4
Black Prairie	30.4	6.8
Copiah	16.5	11.0
Upper Coastal Plains	16.0	1.9
Longleaf Pine	12.5	3.6
Lower Coastal Plains	5.2	4.4
Gulf Coastal	3.9	4.5
State	15.0	4.1

Source: Compiled from data taken from the 16th Census of United States Agriculture, first and second series.

¹See footnote 1 to table 2.

The Union Stockyards at Jackson is the only terminal public market in the State. No commission firms operate at this market. Livestock is bought by the company operating the stockyard on a grade basis all sales days of the year. The operators of this market are order buyers and ship most of their purchases out of the State. Terminal public markets, such as Memphis and New Orleans, located in nearby states, serve the livestock producers of Mississippi, especially those in adjacent areas.

In addition to the market outlets mentioned above, there are 2 packing plants, 35 local slaughterers, and 372 butchers in Mississippi to which livestock producers sometimes sell direct. Plants slaughtering over 5,000,000 pounds (dressed weight) were classified as packing plants, those slaughtering from 200,000 to 2,000,000 were classified as local slaughterers, and those slaughtering from 10,000 to 200,000 pounds were classified as butchers.

The place the auction market assumes in the livestock marketing system as a whole is dependent on who consigns and who buys the livestock. That is, the auction may be the only agency handling the livestock as it passes from the producer to the final purchaser, or it may be one of several agencies handling the livestock. For example, some livestock is consigned by farmers and bought by other farmers for further feeding or by slaughter establishments; on the other hand, livestock sometimes goes from the producer to a local dealer, from the local dealer to an auction, from the auction to a shipper, from the shipper to a public terminal market,

and from the terminal public market to a packing plant in the case of slaughter animals or back down through the same type of agencies to farmer buyers in the case of feeder, stocker, and breeding animals. However, it must be pointed out that only a part of the livestock follows these two channels to its final purchaser and that some livestock is sold directly to its final purchaser by each of the agencies mentioned above.

DEVELOPMENT OF LIVESTOCK AUCTIONS IN MISSISSIPPI

The development of livestock auctions in Mississippi has been rapid. The first auction to begin operation in Mississippi of which any record is available, was organized in 1932. Since that time, at least one additional auction has begun operation each year, with 1936 and 1937 being the 2 years in which the development of auctions was most concentrated. Almost one-third of the 37 auctions operating November 1, 1943, were organized in these 2 years. An additional one-fourth of the auctions have been organized since January 1, 1941. In general the large and medium auctions were organized at earlier dates than the small auctions. See table 4.

Table 4. Date of organization of auctions now operating in Mississippi

Year	10 small	10 medium	10 large	36 auctions ¹	
	auctions	auctions	auctions	number	percent
	number	number	number		
1932			1	1	2.8
1933		1		1	2.8
1934			1	2	5.6
1935	1	1	1	3	8.3
1936	1	2	2	6	16.7
1937		4		5	13.9
1938	1		3	4	11.1
1939	3			3	8.3
1940			1	1	2.8
1941	2	1	1	4	11.1
1942	2	1		4	11.1
1943				2	5.6
Total	10	10	10	36	100.1

Source: Survey of auction operators.

¹All auctions operating in Mississippi as of November 1, 1943, except one.

Auctions have been established in areas that were already adequately served by auctions, with the result that a number have had to discontinue operation. Also, the organization of auctions by individuals who either lacked the ability or financial backing to successfully operate them has contributed to the number that were organized, operated for a short time, and then went out of business. This statement is substantiated by the fact that successful auctions are now operating in towns where auctions had failed previously. Five, or about one out of every eight auctions operating in Mississippi on January 1, 1943, discontinued operation during the year.

Dealers were the leading promoters of auctions. Two out of every five auctions were organized by dealers. The remainder were organized by towns, farmers, businessmen cooperatives of farmers, and operators of other auctions. Five of the small, two of the medium, and six of the large auctions were promoted by traders. One medium and three small auctions were promoted by towns. See table 5.

Table 5. Promoters of auctions, 32 auctions, Mississippi, 1943

Promoters	10 small	10 medium	10 large	32 auctions	
	auctions	auctions	auctions	number	percent
Dealers	5	2	6	13	40.6
Towns	3	1		4	12.5
Farmers	1	1	2	4	12.5
Businessmen		3	1	4	12.5
Cooperatives of farmers	1		1	3	9.4
Operators of other auctions		3		4	12.5
Total	10	10	10	32	100.0

Source: Survey of auction operators.

The promoting of auctions by towns has met with failure in several instances because they were organized in order to draw trade to the town without determining whether or not they were needed. Towns with auctions have the advantage over nearby towns without auctions because farmers in many instances will take the money received for livestock and buy their supplies at that town on the same day in order to save another trip. Businessmen in other towns soon noticed this and began to agitate for a local auction. In addition to auction facilities actually built by towns, several auctions organized by dealers were financed by funds lent by local businessmen

or banks for the reason mentioned above. Eventually, those auctions that have been organized in areas where the territory they can draw from is too small, will be forced out of business. This has already happened in many instances.

Profit was the most important motive given by promoters for developing auctions. Thirteen, or 41 percent of the operators, reported that their auction was organized for the profit received. Other important reasons given for the organizing of auctions and the percentage giving each reason are: Farmers wanted outlet for livestock, 15.6 percent; businessmen wanted to draw trade to town, 12.5 percent; operator saw the need for local auction, 9.4 percent; and operator wanted to draw trade to mule barn, 6.3 percent.

All auctions in the State except one are privately operated. This auction is owned and operated by a town in connection with its fair and livestock show, and all profits are used to improve facilities. Several of the other auction barns are cooperatively owned by farmers or towns but have been leased to individuals who operate them as private businesses. The plant at one large auction is owned by a corporation which leases it to one of the members who operates the auction as a private business.

One-half the auctions are operated by partnerships and one-half by individuals. The partnerships varied from two to four members, the majority having two. A larger proportion of small auctions were operated by individuals than was the case for medium and large auctions. See table 6.

The operation of an auction is a part-time business with most operators. Three-fourths of the operators reported that they were engaged in one or more businesses in addition to operating their auction. Farming was the additional business or occupation reported most often by auction operators. Packing plant operators, bankers, dairy retailers, ginners, auctioneers, butchers, merchants, sheriffs, and sawmill operators were other businesses or occupations reported. Eight operators reported that they were not engaged in any other business. More small operators were engaged in farming than was the case for medium and large operators. Buying and selling livestock during the week was not considered as a separate occupation since most operators stated that they did this as a regular part of their auction business.

Table 6. Organization of auctions, 37 auctions, Mississippi, 1943¹

Type of organization	10 small auctions	10 medium auctions	10 large auctions	37 auctions	
	number	number	number	number	percent
Single individual	6	3	5	18	48.6
Partnership	3	7	5	18	48.6
Cooperative	1			1	2.7
Total	10	10	10	37	100.0

Source: Survey of auction operators.

¹All auctions operating in Mississippi as of November 1, 1943.

There are three types of auctions in Mississippi, the most numerous of which is the general purpose auction. Twenty, or 62.5 percent of the 32 auctions studied, fell within this classification. In addition to livestock and workstock, these auctions sell practically any type of produce or merchandise assigned to them. Second-hand machinery is probably the most important of these miscellaneous items sold. However, livestock makes up the bulk of sales at all these auctions. The livestock-mule auction was the second most important type of auction in the State, with nine auctions falling within this classification. These auctions sell livestock and workstock, with livestock making up the bulk of the sales. The third and least numerous type of auction was the straight livestock auction which sells nothing but livestock. There were 3 auctions of this type in the 32 studied. For obvious reasons a larger proportion of the small auctions was of the general purpose type than was true of medium and large auctions. See table 7.

In order to determine the importance of auctions in the livestock marketing system of Mississippi each of the 42 auction operators who operated all or part of 1943 was requested to estimate the number of animals they

Table 7. Types of auctions, 32 auctions, Mississippi, 1943

Type of auction	10 small auctions	10 medium auctions	10 large auctions	32 auctions	
	number	number	number	number	percent
Livestock		1	2	3	9.4
Livestock-mule	2	2	3	9	28.1
Livestock-mule-miscellaneous	8	7	5	20	62.5
Total	10	10	10	32	100.0

Source: Survey of auction operators.

would sell during the year. Taking into account the volume of business in the preceding 9 months and their expectations as to the balance of the year, the 42 operators estimated that during 1943 they would handle a total of 490,144 cattle and calves; 315,548 hogs and pigs; 6,312 sheep and lambs; and 15,892 mules, horses and colts; the total value of which they estimated to be \$19,663,466. An observation of the above figures will show that cattle is the most important class of livestock handled, contributing about three-fifths of the total number sold. From the standpoint of their contribution to the total value of sales, cattle are even more important. Thirty-two auction operators estimated that 71.4 percent of the total value of sales came from cattle, 22.3 percent from swine, 0.3 percent from sheep, 5.9 percent from mules, and 0.1 percent from miscellaneous sales. See tables 8 and 9.

Table 8. Estimated number of livestock sold at auctions,
42 auctions, Mississippi, 1943¹

Kind of livestock	10 small auctions	10 medium auctions	10 large auctions	Other auctions	All auctions ²
Cattle and calves	44,930	112,310	241,914	90,990	490,144
Hogs and pigs	16,060	71,650	185,433	42,405	315,548
Sheep and lambs	255	1,530	2,317	2,210	6,312
Total	61,245	185,490	429,664	135,605	812,004
Horses, mules, and colts	1,676	4,135	6,220	4,121	15,892

Source: Survey of auction operators.

¹All auctions that operated in Mississippi at any time during the year.

²Includes 2 auctions which began operation after January 1, 1943, 5 auctions which ceased operation after January 1, 1943, and 5 auctions for which complete schedules were not obtained.

Table 9. Estimated value of sales and percentage of sales from different sources, 42 auctions, Mississippi, 1943¹

Group	Value of Sales		Percentage of sales from					
	Total	Average	Cattle	Hogs	Sheep	Mules	Other	Total
Small auctions	\$ 1,160,600	\$ 116,060	78.70	14.35	.20	6.45	.30	100.00
Medium auctions	3,770,000	377,000	71.00	21.65	.45	6.80	.10	100.00
Large auctions	10,910,666	1,091,066	70.50	23.50	.25	5.65	.10	100.00
Other auctions ²	3,822,200	.....	(3)	(3)	(3)	(3)	(5)	(3)
All auctions	\$19,663,466	\$ 547,336 ⁴	71.36 ⁵	22.29 ⁵	.30 ⁵	5.94 ⁵	.11 ⁵	100.00 ⁵

Source: Survey of auction operators.

¹All auctions that operated in Mississippi at any time during the year.

²Includes 2 auctions which began operation during the year, 5 auctions which ceased operation during the year, and the 5 auctions for which complete schedules were not obtained.

³Not available.

⁴Average for the 35 auctions which operated all the year.

⁵Average for the 32 auctions for which complete schedules were obtained.

Operators of small auctions estimated that they would handle an average of 6,125 head of livestock in 1943, operators of medium auctions an average of 18,549 head, and operators of large auctions an average of 42,966 head. The average estimated value of sales was \$116,060 at small auctions, \$377,000 at medium auctions, and \$1,091,066 at large auctions. The sale of cattle was relatively more important and swine less important at small than at medium or large auctions. Small operators estimated that 78.7 percent of their total value of sales came from cattle and 14.4 percent from hogs, as compared to 71.0 percent and 21.7 percent for medium, and 70.5 percent and 23.5 percent for large auctions, respectively.

In order to determine whether or not auctions are regarded more favorably now than previously in areas where they have been established for a number of years, the number of livestock handled by 16 auctions that have been in operation 5 years or longer was computed for each of the past 5 years. It was found that the number of livestock handled per auction was 19,248 in 1939; 19,970

in 1940; 23,170 in 1941; 24,458 in 1942, and 25,190 in 1943. In other words, the 16 auctions were handling approximately one-third more livestock in 1943 than in 1939. During the same period, the number of livestock on farms increased only about one-tenth. It is significant that the number handled increased each year over the preceding year, thus indicating that the auction as an outlet for livestock has grown in favor from year to year. See table 10.

The 16 auctions discussed in the preceding paragraph were made up of three small, seven medium, and six large auctions. The number of livestock handled at the small auctions increased 44.8 percent from 1939 to 1943, those handled at the medium auctions increased 18.4 percent, and those handled at the large auctions increased 36.1 percent. However, on the basis of the increase in number handled, the increase at the large auctions is much more important. The average number of livestock handled at the large auctions increased 11,579 head during this 5-year period, the average number han-

Table 10. Estimated number of livestock handled per auction and the percentage increase over 1939, auctions that have operated 5 years or longer Mississippi, 1939-1943.

Year	3 small auctions		7 med'm auct'ns		6 large auctions		16 auctions	
	Livestock handled per auction	Increase over 1939	Livestock handled per auction	Increase over 1939	Livestock handled per auction	Increase over 1939	Livestock handled per auction	Increase over 1939
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
1939	5,744	.....	14,033	.....	32,083	.....	19,248	.....
1940	6,119	6.5	14,784	5.4	32,946	2.7	19,970	3.8
1941	7,001	21.9	15,689	11.8	39,984	24.6	23,170	20.4
1942	7,874	37.1	16,214	15.5	42,369	32.1	24,458	27.1
1943	8,258	44.8	16,613	18.4	43,662	36.1	25,190	30.9

Source: Survey of auction operators.

dled at the medium auctions increased 2,580 head, and the average number handled at the small auctions increased 2,512 head.

The area from which auctions draw their livestock varies considerably. Nine operators reported receiving all their livestock from a distance of less than 25 miles, 10 reported that they received some from a distance of from 25 to 50 miles, and 13 reported that they received some from a distance of over 50 miles. The operators estimated that they received 59.4 percent of their livestock from a distance of less than 25 miles, 27.5 percent from a distance of 25 to 50 miles, and 13.1 percent a distance of over 50 miles. See table 11.

As would be expected, small auctions draw their livestock from a smaller area than large auctions. Small operators estimated that they received 97 percent of their livestock from a distance of less than 25 miles, medium operators 69.5 percent, and large operators 49.3 percent. Large operators reported that they received 18.2 percent of their livestock from a distance of over 50 miles, medium operators 6 percent and small operators none. Nine large and four medium operators reported that they received animals from a distance of over 50 miles.

Table 11. Estimated percentage of livestock drawn from specified distances and number of auctions reporting receiving livestock each distance, 32 auctions, Mississippi, 1943.

Miles	10 small auctions		10 medium auctions		10 large auctions		32 auctions	
	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.
Less than 25	97.0	10	69.5	10	49.3	10	59.4	32
25-49	3.0	3	24.5	9	32.5	10	27.5	23
50 & above			6.0	4	18.2	9	13.1	13
Total	100.0	10	100.0	10	100.0	10	100.0	32

Source: Survey of auction operators.

Livestock is received mainly from farmers and traders, though some are consigned by the auction companies. Auction operators estimated that farmers consigned 65.3 percent of the cattle and 73.4 percent of the swine, that traders consigned 28.4 percent of the cattle and 22.2 percent of the swine, and that the auction company consigned 6.3 percent of the cattle and 4.4 percent of the swine. Some consignments were received from other auction companies, but these were included with the number consigned by traders. In other words, according to these estimates, farmers consign about 7 out of every 10 animals sold. It should be pointed out that the estimated percentage shown for farmers may be too high because some auction operators seemed to want to emphasize the fact that their auction was a farmer market rather than a trader market. See table 12.

Traders consigned a larger proportion of the livestock at small auctions than was the case at medium and large auctions. Farmer consignments were more important at large auctions than at either of the other size groups. Large operators consigned a smaller proportion of livestock to their own sale than did small and medium operators.

Table 12. Estimated percentage of livestock consigned by different groups, 32 auctions, Mississippi, 1943.

Group	Cattle and Calves				Hogs and Pigs			
	10 small auctions	10 medium auctions	10 large auctions	32 auctions	10 small auctions	10 medium auctions	10 large auctions	32 auctions
Farmers	56.3	54.5	71.0	65.5	58.8	67.0	78.0	73.4
Traders	35.1	35.9	24.4	28.4	32.6	27.9	18.4	22.2
Auction company	8.6	9.6	4.6	6.3	8.6	5.1	3.6	4.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Survey of auction operators.

The rapid development of auctions, which has resulted in their becoming the most important outlet for livestock in Mississippi, has reacted differently on the other marketing outlets. The number of local shippers has in all probability decreased, since a considerable amount of livestock is bought at auctions by packer buyers or order buyers representing packing plants who ship the animals themselves. The need for the service of the terminal public market also seems to have decreased since packer buyers ship animals directly to packing plants in many instances. On the other hand, the number of local dealers or truck buyers has increased considerably. These dealers buy mostly in the country for sale through the auction and at the auction for sale in the country.

FACILITIES AND PLANT ORGANIZATION

Facilities provided by auction companies varied greatly; in many cases they were inadequate, while in other cases they appeared quite ample. Half the auctions for which complete schedules were obtained were located within the corporate limits of towns and cities, and most of the remainder were located just outside the corporate limits. In only a few cases were auctions located as far as 2 miles from town. Seven small, four medium, and three large auctions were located within the corporate limits.

The area covered by auction facilities varied from 0.5 acre in the case of one small auction to 8 acres for one large auction. Small auctions covered an average of 2.3 acres, medium auctions 4.0 acres, and large auctions 3.8 acres. In addition, five auctions had from 11 to 150 acres of adjoining pasture land.

Buildings, Pens, and Alleys

Barns constructed specifically to house auctions were used by 23 auctions. Of the nine auctions using remodeled buildings, six were classified as small, one as medium, and two as large. The remodeled buildings included two ordinary barns, a mule barn, a polo horse barn, a warehouse, a CCC building, an oilmill shed, a garage, and a gin shed. In general, barns constructed to house auctions provided much better facilities than remodeled barns, and the most recently constructed barns showed much improvement over the older ones both in the adequacy and arrangement of facilities.

All barns are rectangular or square in shape, the

majority being rectangular. Barns varied in size from 30 by 80 feet to 200 by 300 feet. All barns averaged 14,831 square feet of floor space with small auctions averaging 5,916 square feet, medium auctions 12,748 square feet, and large auctions 28,377 square feet. Some auctions have the barn, office, rest rooms, lunch room, and sales ring under the same roof. The sales ring was located in the barn in all cases but in some cases the office, lunch room, and rest rooms were in separate buildings. In some cases lunch rooms and rest rooms were not provided; in one instance no office was provided, all book work being done on the auctioneer's stand.

One or more loading or unloading chutes were provided at all auctions with the same chutes serving both purposes in some cases. Alleys lead from the chutes to the pens where the cattle are held until they are ready to sell, and the same or other alleys connect these pens with the sales ring. The scales are located to one side of the auction ring and in many cases they open into the ring. In a few instances the scales are arranged in such a way that the weigher is stationed in the office. Other alleys connect the scales with the buyers' pens, and the buyers' pens with the loading chutes.

The number of pens per auction varied from 8 to 150 and averaged 58 for all auctions. Small auctions had an average of 27 pens, medium auctions an average of 60, and large auctions an average of 86. Of these pens, about one-third of those at small auctions were covered, about one-half of those at medium auctions, and about two-thirds of those at large auctions. A few of the small auctions had no covered pens. One large and one medium auction had all pens covered except one or two large holding pens. The area covered by outside pens averaged 0.4 acre for small auctions, 1.1 acres for medium auctions, 1.2 acres for large auctions, and 0.9 acre for all auctions.

While covered pens allow buyers to observe livestock more closely in bad weather and cut down on shrinkage in both hot and cold weather, they are more likely to harbor diseases than open pens unless they are floored with a hard-surface material that can be cleaned and disinfected easily. Open pens have the advantage of sun and air and dry out more quickly than covered pens, which may stay damp for quite some time after becoming wet. Covered pens were observed at some auctions the floors

of which were half covered in mud and water. It should be remembered that covered pens are less likely to become wet unless located on low, poorly-drained land. All pens, covered or uncovered, should have a high, well-drained location.

Eighty-four percent, or all except five auctions, had dirt floors in all pens. One medium auction had plank floors in some pens, and four large auctions had cement floors in hog pens and dirt floors in cattle and other pens. Pens with dirt floors were in fairly good condition at some auctions but they left much to be desired at others.

Fifteen operators reported the cleaning of pens after each sale, one every 2 weeks, three every month, two every 3 months, three every 6 months, seven once a year, and one reported cleaning hog pens after each sale and other pens every 6 months. It should be observed that while almost half the operators cleaned their pens after each sale, almost one-fourth of them cleaned their pens only once a year. As a group, large auctions kept their premises cleaner than medium or small auctions. Six operators of large auctions five operators of medium auctions, and three operators of small auctions reported cleaning their pens after each sale. See table 13.

Seven operators reported the disinfecting of pens after each sale, 1 every 2 weeks, 2 every month, 1 every 2 months, 3 every 6 months, 5 every year, 1 every week during wet weather, 1 irregularly, and 11 never. It must be pointed out that while one operator out of three reported that he never disinfected his pens, only one out of five reported disinfecting after each sale. Some operators that reported disinfecting do so at such infrequent intervals that effective disease control is impossible. Again

Table 13. Frequency of cleaning pens, 32 auctions, Mississippi, 1943

Frequency	10 small	10 medium	10 large	32 auctions	
	auctions	auctions	auctions	number	percent
After each sale	3	5	6	15	46.9
2 weeks			1	1	3.1
1 month	1	2		3	9.4
3 months	1		1	2	6.3
6 months	2			3	9.4
1 year	3	3	1	7	21.9
Other			1 ¹	1	3.1
Total	10	10	10	32	100.1

Source: Survey of auction operators.

¹Hog barn after each sale, cattle barn every 6 months.

it must be pointed out that sanitary conditions are more likely to be found at large than at medium or small auctions. Four operators of large auctions reported that their pens were disinfected after each sale, whereas, only two operators of medium auctions and one of the operators of small auctions reported such a procedure. See table 14.

The yard capacity at different auctions varied greatly, from less than 250 head at two small auctions to more than 2,000 head at five large auctions and averaged 1,098 head for all auctions. Small auctions had an average yard capacity of 535 head, medium auctions an average of 880 head, and large auctions an average of 1,985 head. See table 15.

The average number of livestock handled per sales day varied from less than 100 at three small auctions to over 1,500 at one large auction and averaged 468 for all auctions. Small auctions handled an average of 129 head per sales day, medium auctions an average of 375, and large auctions an average of 905. See table 16.

Table 14. Frequency of disinfecting pens, 32 auctions, Mississippi, 1943

Frequency	10 small auctions	10 medium auctions	10 large auctions	32 auctions	
	number	number	number	number	percent
Never	3	4	3	11	34.4
After each sale	1	2	4	7	21.9
2 weeks			1	1	3.1
1 month		2		2	6.3
2 months				1	3.1
6 months	2		1	3	9.4
1 year	3	2		5	15.6
Other	1 ¹		1 ²	2	6.3
Total	10	10	10	32	100.1

Source: Survey of auction operators.

¹Every week during wet weather.

²Irregularly.

Table 15. Yard capacity, 32 auctions, Mississippi, 1943

Capacity	10 small auctions	10 medium auctions	10 large auctions	32 auctions	
	number	number	number	number	percent
Less than 250	2			2	6.3
250-499	4			5	15.6
500-999	1	6		8	25.0
1000-1499	3	4	2	9	28.1
1500-1999			3	3	9.4
2000 and above			5	5	15.6
Total	10	10	10	32	100.0
Av. capacity	535	880	1985	1098	

Source: Survey of auction operators.

Table 16. Average number of livestock handled per sale day, 32 auctions, Mississippi, 1943

Number of livestock	10 small auctions	10 medium auctions	10 large auctions	32 auctions	
	number	number	number	number	percent
Less than 250	101	2		13	40.6
250-499		6		6	18.8
500 999		2	6	9	28.1
1000-1499			3	3	9.4
1500-1999			1	1	3.1
Total	10	10	10	32	100.0
Av. per auction	129	375	905	468	

Source: Survey of auction operators.

¹Three of these handled less than 100.

When these figures are compared with the average yard capacity of the different size groups, it will be observed that small auctions handled an average of 24 percent of their capacity, medium auctions 43 percent of their capacity, and large auctions 46 percent of their capacity. This does not necessarily mean that auctions have been overbuilt, since most of them are used to capacity during certain seasons of the year. At other times, the volume may dwindle to practically nothing. For example, a small sale was attended at which only 19 head of livestock was sold that day as compared to the average of 125 head per sale for the year.

Sales Pavilions and Rings

The type, size, and completeness of pavilions provided by the various auction companies varied greatly. All pavilions were located in the auction barn, although in a few instances the pavilion and a few sorting or holding pens comprised all the barn. In a few cases, the pavilion was boarded up to keep out the noise, which at times is so loud as to make it practically impossible to hear the auctioneer; this is especially true at large auctions where a large number of calves is handled.

An elevated platform boarded on the front by a rough counter or table was used by the auctioneer and one or more clerks at all auctions. This point of vantage enables the auctioneer to observe livestock and bidders more closely and the clerk to check the tag numbers of animals as they go through the ring and to check with the auctioneer as to the price if he is in doubt.

Some auctions were equipped with stoves for use during cold weather and fans for use during hot weather. Practically all auctions used artificial light in the ring, and quite a few of the larger ones were equipped with amplifiers to enable the auctioneer to make himself understood more clearly.

Most pavilions are rectangular in shape and are usually bordered on three sides by elevated seats; however, in some cases, seats are provided on only one or two sides of the ring. In some cases, permanent seats had been provided but in most cases they were planks laid on supports. The seating capacity varied from less than 100 for four small auctions to more than 400 for one each of the medium and large auctions, and averaged 181 for all auctions. Small auctions had an average seating capacity of 118, medium auctions an average of 174, and large auctions an average of 255. See table 17.

The average attendance varied from less than 100 at three small auctions to more than 500 at two large auctions, and averaged 228 for all auctions. The attendance at small auctions averaged 114, at medium auctions 190, and at large auctions 355. See table 18 on page 29. It will be observed that on an average only small auctions provided sufficient seats, the average attendance at medium and large auctions exceeding their seating capacity by 16 and 100 persons, respectively. This crowded condition is accentuated at times, since attendance is much higher during certain seasons of the year than at others.

The majority of sale rings were rectangular or square and varied in size from 15 by 15 feet to 25 by 50 feet. All sale rings averaged 604 square feet in size. Some of the better constructed rings were enclosed with a fence of steel pipes or strong lumber. In at least one instance the sales ring was completely cut off from the seats by a high fence of wire netting but in quite a few instances

Table 17. Seating capacity, 30 auctions, Mississippi, 1943¹

Seating capacity	9 small auctions	10 medium auctions	10 large auctions	30 auctions	
	number	number	number	number	percent
Less than 100	4	2		7	23.3
100-199	3	4	1	8	26.7
200-299	1	2	5	8	26.7
300-399	1	1	3	5	16.7
400-499		1	1	2	6.7
Total	9	10	10	30	100.1
Av. capacity	118	174	255	181	

Source: Survey of auction operators.

¹One small auction and one of the auctions which began operation after January 1, 1943, were omitted because the sale was held in the show pavilion of the local fair which would seat about 1,000 persons in each case.

the seats formed the boundary of the ring. Some rings that were fenced in had a row of seats on the inside of the ring for the buyers, and in at least two instances bales of hay served the same purpose.

One or more sorting or holding pens were provided by all auctions. These pens were located just outside the ring and greatly facilitated the flow of animals into the ring. At some auctions a bunch of hogs would be run into the ring together and the hog or hogs to be sold separately cut off from the bunch by means of hurdles.

Two gates to the ring were provided at all auctions, but they were so close together in a few instances that the flow of livestock was held up. The better arranged auctions had the gates at opposite ends of the ring or else far enough apart to permit another animal to enter as soon as the last bid was made on the preceding one, without interfering with its removal from the ring.

Scales

All auctions except one of the smaller ones were equipped with scales. Two operators reported that they

Table 18. Average attendance, 30 auctions, Mississippi, 1943¹

Average attendance	9 small auctions	10 medium auctions	10 large auctions	30 auctions	
	number	number	number	number	percent
Less than 100	3	1		5	16.7
100-199	5	5	2	12	40.0
200-299	1	2	2	5	16.7
300-399			3	3	10.0
400-499		2	1	3	10.0
500 and above			2	2	6.7
Total	9	10	10	30	100.1
Av. attendance	114	190	355	228	

Source: Survey of auction operators.

¹The two auctions described in the footnote to table 17 were omitted in order to make the table comparable.

sold all cattle by the head unless the consignor requested otherwise. Practically all hogs are sold by weight. Forty-five percent of the auctions were equipped with registering beam scales, the remainder being equipped with ordinary beam scales. Two small, five medium, and six large auctions were equipped with registering type scales. This type scale allows the weigher to stamp the weight on a ticket which comes in duplicate or triplicate. The weigher must record the weight by hand at those auctions where ordinary beam scales are used.

The age of scales varied from 1 to 25 years, and average 6.4 years for all auctions. The average age of scales was 8.2 years at small auctions, 6.6 years at medium auctions, and 4.3 years at large auctions. Six small, three medium, and seven large auctions have scales 5 years of age or less. See table 19.

Scales at all auctions were under cover, and in a few instances were enclosed in cases. Three auctions out of every five reported that they tested their scales them-

Table 19. Age of scales, 31 auctions, Mississippi, 1943¹

Years	9 small auctions	10 medium auctions	10 large auctions	31 auctions	
	number	number	number	number	percent
5 and under	6	3	7	17	54.8
6 - 10	1	5	2	9	29.0
11 - 20	1	2		3	9.7
21 and above	1			1	3.2
Unknown			1	1	3.2
Total	9	10	10	31	99.9
Average age of scales	8.2 ²	6.6	4.3 ²	6.4 ³	

Source: Survey of auction operators.

¹One small auction had no scales.

²Average for 9 auctions.

³Average for 30 auctions.

selves using various methods such as weighing 100 pound sacks of feed, men who have weighed elsewhere, and standard test weights; however, only two of these auctions reported using standard test weights and one of these used 50-pound weights. Eight auctions reported testing by competent testers twice a year and two auctions once a year. Of the eight reporting testing twice a year by competent testers, four came under the Packers and Stockyards Act. See table 20.

One small, three medium, and four large auctions reported the testing of scales once or twice a year by competent testers. Eight small, three medium, and six large auctions reported testing their own scales. Two operators of medium auctions who rented their facilities and who lived out of town and only visited the sales barn on sales day, reported that they did not know whether or not the scales were ever tested.

Table 20. Frequency of testing scales and agency doing testing, 31 auctions, Mississippi, 1943

Frequency	Agency doing testing	9 small auctions	10 medium auctions	10 large auctions	31 auctions	
		No.	No.	No.	No.	Pct.
Week	Auction Co.	5	3	4	13	41.9
2 weeks to 2 months	Auction Co.	2		1	3	9.7
2 months to 6 months	Auction Co.	1		1	2	6.5
6 months	Auction Co.		1		1	3.2
6 months	Competent tester		2 ¹	4 ²	7 ³	22.6
Year	Competent tester		1		1	3.2
Unknown	.....		2		2	6.5
Other	.....	14	15		2	6.5
Total	.....	9	10	10	31	100.1

Source: Survey of auction operators.

¹One by scales company and 1 by scales company under federal supervision.

²One by scales company and 3 by scales company under federal supervision.

³One by state agency.

⁴Every week by auction company, once a year by a state agency.

⁵Every week by auction company, every 6 months by scales company.

The location of the scales is an important factor in keeping an uninterrupted flow of animals going through the ring. Some scales opened directly into the ring, some were located just outside the ring, and others were separated from the ring by a holding pen. When the scales do not open directly into the ring, the flow of animals is slowed down since an extra gate is required. This extra gate also necessitates the use of an additional helper. In some cases where the scales opened into the ring the flow of animals was slowed down due to the fact that the scales gate was located too close to the gate through which the animals entered the ring. In at least one instance the scales had only one gate, which slowed up the sale considerably. To insure an uninterrupted flow of animals, the scales should open into the ring and have another gate at the opposite end so that another animal can enter the scales before the preceding one is completely out.

Value of Facilities

A considerable sum of money is invested in auctions in Mississippi. Thirty-two auction operators estimated the total value of their facilities to be \$273,292 or an average of \$8,540 per auction. When this average is applied to the five auctions for which complete schedules were not obtained, it is seen that the value of all auction property in the State exceeds \$300,000. This investment is quite heavy when one considers the fact that most auctions hold sales only once per week. In fact, the investment is so heavy under these conditions that several operators use their auction barns the balance of the week for trading in workstock or livestock in order to utilize the facilities more completely and spread the capital cost as much as possible.

The value of facilities varied from \$1,000 at one small and one medium auction to \$50,000 at one large auction. The total value of facilities averaged \$3,100 for small auctions, \$5,559 for medium auctions, and \$18,200 for large auctions. See table 21.

Seventeen or slightly more than one-half the auctions were owned entirely by their operators. Facilities at 12 auctions were leased, and those at 3 others leased in part. The facilities at auctions owned entirely exceeded in value by a considerable amount those at auctions leased in whole or in part. The value of facilities owned entirely averaged \$12,029 per auction; those partially owned, \$4,333; and those leased, \$5 200.

Some operators who leased their facilities paid a stated monthly or annual rent, others paid the owners all yardage charges collected. The annual rent averaged \$1,033 for auctions leasing all facilities, and \$243 for auctions leasing part of their facilities.

Table 21. Total value of facilities, 32 auctions, Mississippi, 1943

Value of facilities	10 small auctions	10 medium auctions	10 large auctions	32 auctions	
	number	number	number	number	percent
Under \$2500	4	3		8	25.0
\$2500-\$4999	4	3		8	25.0
\$5000-\$9999	2	2	1	5	15.6
\$10000-\$14999			4	4	12.5
\$15000-\$19999		2		2	6.3
\$20000 and above			5	5	15.6
Total	10	10	10	32	100.0
Average value of facilities	\$3,100	\$5,559	\$18,200	\$8,540	

Source: Survey of auction operators.

Personnel

The number and efficiency of personnel contributes greatly toward the success or failure of a particular auction. Employees at some auctions were energetic and seemed anxious to do a good job, while those at others were slow and indifferent. A continuous flow of animals was usually kept going through the ring at the former, while the flow of animals at the latter was likely to be slow and spasmodic. The number of employees also has much to do with the speed with which animals pass through the ring, since a small number of men, no matter how efficient, cannot keep things moving smoothly if the same man has to perform two or three jobs.

The number of employees per auction varied from 8 at 1 small auction to 39 at 1 large auction, and averaged 18 for all auctions. The auctions had an average of 1 auctioneer, 2 ringmen, 10 yardmen, 1 weigher, and 4 clerks per auction. The number of auctioneers per auction ranged from 1 to 2, ringmen from 1 to 4, yardmen from 2 to 30, weighers from none to 1, and clerks from 2 to 8. Small auctions had an average of 12 employees; medium auctions, 17; and large auctions, 25. See table 22.

Table 22. Number of employees per auction and the range in the number of employees, 32 auctions, Mississippi, 1943

Class of employee	10 small auctions		10 medium auctions		10 large auctions		32 auctions	
	no.	range	no.	range	no.	range	no.	range
Auctioneers	1	1	1	1-2	1	1-2	1	1-2
Ringmen	2	1-3	2	1-4	3	1-4	2	1-4
Yardmen	5	2-8	9	5-15	15	6-30	10	2-30
Weighers	1	0-1	1	1	1	1	1	0-1
Clerks	3	2-4	4	3-6	5	3-8	4	2-8
Total	12	8-15	17	11-25	25	14-39	18	8-39

Source: Survey of auction operators.

OPERATING METHODS

While there is some variation in the way different auction owners operate their business, in general they follow a similar procedure. That is, in most cases they vary only in the details of operation.

Mechanics of Handling Livestock

Most livestock consigned to auctions for sale is brought in on sales day; however, some operators accept consignments on other days. Thirteen operators reported that they received livestock on days other than the day of the sale; 7 reported that they did not make a practice of receiving livestock on other days; and 12 reported that they received livestock only on the day of the sale. A greater percentage of large and medium operators reported receiving livestock on days other than the sales days than did small operators.

A considerable amount of livestock is brought in after the sales start. All operators reported that they accepted consignments after the sale started; however, the majority stated that animals brought in after the selling of that particular class of livestock had been finished, were held until the end of the sale before selling. At some auctions, consignors were observed bringing in animals until shortly before the end of the sale. Some producers make a practice of going to the auction and observing prices paid for the kind of animals they have for sale before bringing their animals to the auction. If they consider prices unfavorable, they wait until a later date to deliver their animals; if favorable they deliver them that day. Other producers deliver their animals as late in the sale as possible in order to reduce the shrinkage as much as possible and in this way increase their receipts, but they defeat their own purpose in some instances, since they may receive a lower price due to some buyers having already bought all they want of that particular grade of animal. Also, experienced buyers allow for the fill in animals when they place their bids so that even if all buyers still want that kind of livestock, the total value would be no more and in many cases less, as buyers, to protect themselves, will tend to overestimate rather than underestimate the fill.

Cattle were tagged at all auctions before being penned. Some auctions tagged all swine, some only those

of small consignors, and some tagged no swine. The number of pens available for swine was usually the factor determining whether or not they were tagged. In those cases where the swine were not tagged, each consignment was placed in a separate pen and a card giving the owner's name placed on the gate. All auctions observed used the same method of tagging; a cardboard tag clipped in the ear of the animal.

The operator usually has a chute or a delivery book in which he or one of his employees records, as each consignment is received, the name of the owner, the number and kind of livestock, the tag number of each animal tagged, and the number of the pen in which untagged animals are placed. Most operators give the consignors a duplicate of the delivery sheet or ticket, only seven reporting that they did not and five of these were small operators. One of the five small operators reported that the consignor was given a duplicate if he requested it.

Cattle were sorted and sold by groups at about three-fourths of the auctions. No grading was done; the animals were merely divided into groups, usually, cows, calves, heifers, steers, and bulls. This sorting was done as the animals were unloaded at the chutes and the animals driven to specified pens. Cattle were not sorted at the balance of the auctions, each consignment usually being sold in the order in which it was received. No sorting of swine was reported, each consignor's animals being sold in the order received at all auctions. Of course, if a consignor had several hogs of about the same weight and finish they might be sold together and usually were. Cattle were sold in groups occasionally but to a lesser extent than hogs.

Auction operators reported that 84.5 percent of the cattle, 31.3 percent of the hogs, and 63.0 percent of cattle and hogs together were sold one at a time. All size-groups reported about the same percentage of cattle sold one at a time, but small auctions reported a much larger percentage of hogs sold one at a time than did either of the other groups. See table 23.

Much time could be saved for all concerned if animals were graded and sold in pooled lots instead of on a strictly ownership basis. In general, it is likely that consignors would receive more for livestock sold in this manner. Buyers will pay more for a given grade of livestock if they are assured of a sufficient volume than if they have to buy animals one at a time and risk not

Table 23. Percentage of cattle and hogs that are sold individually, 32 auctions, Mississippi, 1943

Kind of livestock	10 small auctions	10 medium auctions	10 large auctions	32 auctions
Cattle and calves	81.5	83.0	85.5	84.5
Hogs and pigs	50.0	29.0	29.5	31.3
Cattle and hogs	73.2	62.0	61.2	63.0

Source: Survey of auction operators.

having a truck load or enough to ship; a larger number of buyers would probably be attracted if they knew they could come to the auction and buy what they wanted in a few minutes and not have to sit around a number of hours in order to purchase the desired animals. This would also tend to increase prices, since an increase in the number of buyers naturally increases the competition for animals. Seeking to determine what chance this method of selling has of being introduced in the near future by the auction companies themselves, the operators were asked to give their opinion of this method of sale and what they thought producers and buyers thought of it.

Twenty-seven operators reported that they thought this method of sale would not suit the producers and five reported that they did not know. None of the operators thought producers would prefer this method of sale. Eleven operators reported that they thought buyers would prefer this method of sale, 3 that some buyers would, 1 that it would not matter to the buyers, 1 that it was doubtful if any of the buyers would, 12 that buyers would not, and 4 that they did not know. Twenty-five operators reported that they thought they would not like this method of sale, three that they would, and four that they did not know.

The most important reasons given by operators for not wanting to grade and sell livestock in pooled lots are: the consignor would not be as well satisfied as under the old system because each consignor with animals in a pool would think his animals better than the others in the same pool; this method of sale would take too much time; and the volume handled is too small for the effective use of this method of sale.

It is evident from the attitude of the operators that this method of sale has very little chance of being introduced in the near future by the auction companies themselves. Even when this method of sale is adopted, certain classes of animals such as dairy cows, breeding stock, and mules will, in most cases, continue to be sold one at a time.

The order in which livestock are sold varies to some extent among different auctions; however, the most common order of sale was (1) horses, (2) hogs, and (3) cattle. Sheep and goats were usually sold just after hogs. This pattern of sale did not vary greatly between the different size groups of auctions. See table 24.

All operators except three reported that they followed the same order of sale at all times. Of the three operators who varied the order of sale, two reported that they sold the livestock for which the most buyers were present and one reported that when bidding was dull for a particular kind of livestock, he shifted to another kind and returned to the former later in the sale. It appears that operators should follow the example set by the majority of operators and follow the same order

Table 24. Order of sale, 32 auctions, Mississippi, 1943

Order of sale	10 small	10 medium	10 large	32 auctions		
	auctions	auctions	auctions	number	percent	
Horses	number	number	number			
	first	8	4	5	17	58.6
	second		3	1	4	13.8
	third	2	2	2	8	27.6
Hogs	first	1	5	2	8	25.0
	second	7	4	7	20	62.5
	third	2	1	1	4	12.5
Cattle	first	1	1	3	7	21.9
	second	3	3	2	8	25.0
	third	6	6	5	17	53.1

Source: Survey of auction operators.

of sale at all times since the advantages gained on a particular day are more than offset by confusion among buyers as to when a particular kind of livestock will be sold on succeeding sale days. Buyers who want to buy only one kind of livestock do not like to come to the

sale and sit around for hours before the animals in which they are interested are sold. This practice, if followed extensively, will probably lead to a decrease in consignments since some buyers will, in all likelihood, discontinue patronage of the sale; and thus, the demand for and prices of livestock will be affected.

There is one other important reason why the order of sale should not be shifted. It has been reported in other states that "at some auctions the order of sale has been switched for the convenience of traders so they can purchase certain classes of stock without too much competition from farmers." In other cases, "the order is varied so that the management can run its own or traders' stock in when the bidding is active."¹ Since farmers do not always know the motive behind the shift in the order of sale, operators would do well to remove all doubt by following the same order of sale at alltimes.

The actual selling of livestock is carried on much better and faster at some auctions than at others. At some of the smaller auctions when a consignor rejects the bid, the auctioneer, or ringman in some cases, asks the consignor what he will take. The consignor sets a figure and if this is not suitable, the auctioneer or ringman makes an offer and the sale breaks down into private barter. This practice slows down the sale and should be avoided for other reasons. It will not take consignors long to realize that they are not getting top prices for their animals if the auctioneer is willing to raise the price in some cases where the bid is rejected. Under these conditions, consignors lose confidence in the auction and consignments fall off.

The rings at some auctions were so crowded with buyers and on-lookers that it was practically impossible for a person sitting in the seats provided to see the animal going through the ring. This crowded condition slows down the flow of animals through the ring, since some of the people get in the way of the animals. The examination of animals, especially dairy cows, in the ring by

¹Randell and Mann, *Livestock Auction Sales in the United States*, Farm Credit Administration, Cooperative Research and Service Division, Bulletin 35, p. 50.

the buyers takes up a great deal of time at most auctions. Several minutes may elapse after a dairy cow is run in the ring before the bidding starts while buyers "bump" the cow to determine if she is with calf, examine her teeth to determine her age, and examine her udder and teats, and milk her to determine the condition of her udder. Much selling time could be saved if these cows were examined when unloaded, the desired information placed on a card and handed to the auctioneer to read as the animal enters the ring. Auction companies should be willing to guarantee all statements made concerning animals and to refund money in case something is overlooked. This would eliminate one of the arguments given for allowing buyers in the ring. Some operators state that buyers insist on handling animals before buying, but it was observed that big buyers seldom, if ever, entered the ring for the purpose of examining the animals. Two of the largest auctions in the State allow no one in the ring but the ringmen. Thus, it is evident that the handling of animals by buyers is not essential to the success of an auction.

Twenty-two operators reported that they allowed anyone in the ring, three that they allowed anyone in the ring but discouraged it, four that they allowed only buyers and ringmen in the ring, and three that they allowed no one in the ring except the ringmen. Conditions in this respect were better at large than medium or small auctions since only four large auctions allow anyone to enter the ring without restrictions.

Five operators reported that they reserved the first row of seats for buyers, 1 that he tried to, but could not, and 26, that no seats were reserved for buyers. If the first row of seats were reserved for buyers, it is believed that very few would complain about not being allowed in the ring, because they would have an unobstructed and close view of each animal as it passed through the ring.

The selling time per animal handled varied from less than 30 seconds at one medium and four large auctions to more than 2 minutes at two small auctions and averaged 40 seconds for all auctions. Selling time per animal handled averaged 86 seconds for small auctions, 44 seconds for medium auctions, and 29 seconds for large auctions. See table 25.

Table 25. Selling time per animal handled, 32 auctions, Mississippi, 1943¹

Selling time (seconds)	10 small auctions	10 medium auctions	10 large auctions	32 auctions	
	number	number	number	number	percent
Less than 30		1	4	6	18.8
30 - 59		7	6	13	40.6
60 - 89	6	1		7	21.9
90 - 119	2	1		4	12.5
120 - 150	2			2	6.3
Total	10	10	10	32	100.1
Av. selling time	86	44	29	40	

Source: Survey of auction operators.

¹Calculated using the average number of livestock and work-stock handled per sale day and the average hours that selling began and ended.

It is evident from the figures presented above that size of business is an important factor affecting selling time per animal handled. Small auctions required more selling time per animal handled than did medium auctions and medium auctions more than large auctions. In order to try to determine if other factors affected selling time per animal handled, each size group was divided into two groups—the five fastest selling auctions and the five slowest selling auctions. When this was done, it was found that in each group the fastest selling auctions sold more livestock per sale day, employed more workers, and had more pens. Thus, it seems that in addition to size of business, the number of employees and facilities in terms of the number of pens also have some effect on selling time per animal handled. The total value of facilities did not have any consistent effect on the selling time per animal, the average value of facilities at the five fastest selling medium auctions being less than half as much as those at the slowest selling auctions in the same group.

An observation of table 26 will show that the five fastest selling medium auctions required only slightly more selling time per animal handled than the five fastest selling large auctions. Thus, it appears that a volume of 400 to 500 head of livestock is required before the operators feel that they can profitably employ a sufficient number of men to handle the livestock efficiently. The five fastest selling medium auctions employed an average of 21 workers (13 yardmen, 4 clerks, 2 ringmen, 1 auctioneer, and 1 weigher); this seems to be about the

minimum number required to keep a continuous flow of animals going through the ring.

It should be remembered that the number of animals sold one at a time is one of the most important factors determining selling time per animal handled and that

Table 26. Selling time per animal handled and factors affecting selling time, 32 auctions, Mississippi, 1943

Item	10 small auctions		10 medium auctions		10 large auctions	
	5 fastest selling auctions	5 slowest selling auctions	5 fastest selling auctions	5 slowest selling auctions	5 slowest selling auctions	5 fastest selling auctions
Selling time per animal seconds ¹	69	110	34	59	25	34
Average number of animals sold per sale day	162	114	434	332	1158	717
Average number of employees	13	10	21	13	26	24
Average number of pens	34	20	61	59	92	79
Average value of facilities, dollars	4000	2200	3000	8118	4200	12200

Source: Survey of auction operators.

¹See footnote to table 25.

small auctions sold a larger percentage of their animals in this manner than did medium or large auctions. Other factors affecting selling time per animal handled are: the arrangement of facilities; the presence or absence of buyers and on-lookers in the ring; an auctioneer who is a good judge of livestock and does not waste time seeking additional bids after the top price for a particular animal has been bid; a ringman who knows the value of livestock and can start the bidding close to the market price of the animal; and the presence or absence of barter in the ring between the auctioneer, ringman, or buyers, and the consignors who have rejected bids.

Most livestock is transported to and from auctions in trucks, more being transported to auctions in this manner than away from them. Trucks transported 97.4 percent of the livestock to auctions and 74.2 percent of it away. Trains transported 1.8 percent of the livestock to auctions and 25.5 percent of it away. Only 0.8 percent of the livestock was moved to auctions and 0.3 percent away from auctions in wagons or on foot. Trains were more important in the transportation of livestock to and from large auctions than at small or medium auctions.

Soliciting Business

Auction operators employ various methods to obtain livestock and keep up their volume of business. Most operators use some form of publicity to influence farmers and dealers to consign livestock to the auction. Only five reported that they used no form of publicity. Two others reported that they did not advertise regularly. Eighty percent of the 25 auctions advertising regularly used newspapers, 72 percent used letters or price cards, and 28 percent used the radio. Most auctions used more than one form of advertising. Twenty-four percent of the auctions used all forms of publicity mentioned above, 56 percent used two, and 24 percent used only one form of publicity.

Small auctions advertise less than medium size auctions and medium size auctions advertised less than large auctions. All large auctions reported that they advertised regularly, while only six small and seven medium auctions followed such a procedure. Records kept by auction companies also show that larger auctions do more advertising than smaller auctions. Three small auctions spent an average of \$8.33 for advertising in 1943, two medium auctions an average of \$133.75, and two large auctions an average of \$291.54. See table 28 on page 53 for a detailed account of the expenses of these auctions.

Many operators make a regular practice of buying in the country and at other auctions to supplement their consignments and thus have as large a volume as possible in order to attract buyers. Others buy in the country and at other auctions for sale through their own auction only when consignments fall off.

Some operators attempt to keep up or increase their consignments by hauling livestock free or for out-of-pocket cost. Several operators make a practice of furnishing credit to dealers with the understanding that they will buy in the country and elsewhere for sale through their auction. Still other operators attempt to increase their consignment by reducing commission charges to large consignors.

The operators should realize that some of their attempts to increase consignments by methods other than advertising may be partially or completely offset by other factors. For example, ill-feeling among small consignors due to the cutting of commission charges to large con-

signors may cause total consignments to fall off rather than increase.

Frequency of Sales

Most auctions hold sales at weekly intervals. Thirty auctions held weekly sales, four held bi-weekly sales, one held monthly sales, one held weekly sales part of the year and bi-weekly sales part of the year, and one held weekly sales part of the year. Eight small, nine medium, and eight large auctions held weekly sales in 1943.

Small operators could operate more efficiently if they held sales bi-weekly or monthly instead of weekly. By doing this, they would reduce operating expenses and at the same time, attract a larger number of buyers due to the larger volume per sale day. It is known that most large buyers shun small auctions because the small volume of livestock makes it practically impossible to purchase a load of any one grade of livestock. A larger number of buyers would, in all probability, mean an increase in competition, higher prices, and an increase in total consignment. On the other hand, it would pay some of the larger auctions to hold two sales per week if they continue to follow their present system of selling each consignment individually. Some sales last so late at night that many farmer buyers and some big buyers go home before the sale is completed, thus leaving the field to a small number of buyers with the result that prices deteriorate in some instances. However, if large operators would adopt the plan of grading and selling in pooled lots, which was discussed under the mechanics of operation, the weekly sale would give the best results.

Sales are held throughout the week. Seven sales were held on each of the first 5 days of the week and two were held on Saturday. Saturday was an unpopular sales day because many of the auctions run until late at night and do not get through checking out animals until the next morning. Sales dates were evenly scattered throughout the first days of the week because operators realize that competition among buyers is essential to the successful operation of a sale. For this reason, operators try to arrange sale dates so as to facilitate the movement of buyers from one sale to another.

The opening hour for sales ranged from 10:30 o'clock in the morning to 3 o'clock in the afternoon, with 1

o'clock being the most popular starting hour. Small auctions can start selling at 1 p. m. or later and get through before dark, whereas some large and medium auctions are forced to sell until late at night. It would seem to be wise for these operators to move the opening hour of selling up as much as possible in order to allow farmer buyers, many of whom have to leave late in the evening to do their chores, to stay and take part in the bidding as long as possible.

Selling Methods

Auctioneers hired by the management do the selling at 21 auctions, owners or part-owners at 6 auctions, and the owner or part-owner and a hired auctioneer at 5 auctions. In general, auctioneers were fairly well trained and posted as to the value of livestock; however, in some cases, they showed a lack of knowledge of the value of livestock and of training in the art of auctioneering. Most auctioneers work at more than one sale and some of them have a regular circuit that they make each week. Auctioneers who work several sales a week can afford to charge a smaller fee per sale than the auctioneer working only one or two days. This is important since it offers a way of cutting down operating expenses by reducing the auctioneer's fee which is one of the large items of cost in operating an auction.

The ringmaster starts the bidding at the majority of auctions, and in most cases the ringmaster is also the owner or part-owner of the auction. The owner or part-owner of the auction acting as ringmaster starts the bidding at 21 auctions, the owner or part-owner acting as auctioneer at 1 auction, hired ringmasters at 3 auctions, hired auctioneer at 1 auction, and anyone who desires to do so at the remaining 6 auctions. The bidding is started by the operator of the auction in order to save time. When the first bid is left to the buyers, several seconds may elapse after the animal enters the ring before a bid is made, and even when made it may be so much below market price that quite some time is required to get the bid up to market price.

In addition to the ringmaster, there were one or more assistant ringmen at most auctions. These men move about the ring and encourage bidders by calling out strong points of animals. They also assist the auctioneer in locating and identifying buyers and the clerk in getting the tag number of animals and in delivering sales slips.

In addition, they examine those animals for which examinations as to age, condition and defects are desired.

By-bidding is the practice of bidding on one's own livestock. In some cases the owner does not bid on his stock himself, but has a friend to do so. This practice is employed by consignors and auction operators in some instances to run up the prices of their stock. All operators who were questioned as to their attitude toward this practice stated that they did not allow it if it could be prevented. Some operators stated that when they caught a man bidding on his own stock, they stopped the bidding and made him carry his animals home.

Buyers could reject purchases only when they could prove that they had been misrepresented in the ring, and in practically no cases could animals be returned after having been carried away from the barn. When animals are sold without any statement being made concerning their condition, it is understood that they are being sold "as is" and cannot be rejected by the buyer under any circumstances. At most auctions, buyers of mules were allowed to try them out at the auction and reject them at that time if they proved unsatisfactory.

Animals are frequently misrepresented at auction sales. It has been reported that some traders follow the practice of running a baby calf with a "bagged up" cow that is almost dry just long enough to make it appear that the calf belongs to the cow. Misrepresentation of the age of animals is a common practice at most auctions. It is so common, in fact, that practically all traders insist on seeing the mouth of animals that are not being sold for slaughter. Falsely stating that animals are safely bred, or giving so much milk in the case of milk cows, is another form of misrepresentation. Experienced traders seldom accept these statements and examine the animals for themselves.

The sales price for all livestock sold was announced at all auctions and the name of each buyer was announced at all except three auctions. Even though the sales price and the name of the buyer is announced at practically all auctions they are announced in such a manner at many auctions as not to be understood by the untrained ear. Many farmers are critical and suspicious of auctions for this reason. When auctioneers fail

to announce the sales price and the name of the buyer, farmers are apt to infer that they are trying to "cover up" something, such as a sale to the auction operator or some friend at below market price. Also, many auctioneers in announcing the buyer call his initials or some "nickname" which is as bad as the practice of not calling names distinctly. Even though the auctioneers may be perfectly honest in this method of announcing names and prices, it should be abolished as it does leave a way open for dishonest dealings, and farmers will have more confidence in auctions and possibly consign them more livestock if prices and names are announced in such a manner as to be easily understood.

One operator reported that the name of the seller was never announced, the remaining 31 stated that the seller's name was announced if it were requested by a prospective buyer or if it were felt that the consignor's reputation was such as to add something to the sales price of the livestock. Dairy cows and heifers, breeding animals, and mules are types of animals for which the name of consignor is sometimes announced.

At most auctions there are "scalpers" present who try to purchase animals for resale on the same day at a profit. These men buy when for some reason the bidding becomes dull and resell later when bidding becomes more active. On occasions, experienced traders are able to buy animals by the head and resell them later in the day at a profit on a weight basis. Many traders also buy for resale at a later date at the same or other auctions. These men often buy low grade animals and try to unload them later at a profit on farmers who know nothing about these particular animals. In many instances an animal of doubtful quality may go through the same ring several times during one season. For example, a sale was attended at which an old gray mule was resold for the fourth time that fall according to a bystander. This practice results in inexperienced farmers finding themselves with sick or low quality livestock on their hands which may die before they are able to dispose of it, or

which will not develop into productive animals. The only course left to such farmers is to resell such animals and take their loss.

Twenty-seven operators reported that consignors guaranteed a small amount of livestock. Their estimations as to the total amount of livestock guaranteed by consignors varied from 2 to 10 percent of the total sold. Five operators stated that no livestock was ever guaranteed; and 1, of the 27 stating that some were guaranteed, said that the guarantee was no good. Dairy cows and heifers, breeding animals, and mules were the usual types of animals guaranteed.

Twenty-six operators reported they gave limited guarantees on certain kinds of livestock such as milk cows and mules. At these auctions, one of the ringmen examines the animal in the sale ring with regard to age, defects, and if safely bred, and reports his findings to the buyers. The operators stated that if the ringmen failed to call a defect or otherwise made a mistake that the purchaser's money would be refunded and that the auction company would take the livestock. All operators except one disclaimed all responsibility for guarantees made by consignors, stating that they acted as agents only. Some operators reported that they guaranteed all of their privately-owned stock sold through the ring.

Only two operators reported that buyers were not allowed to buy at the barn before the sale started. One operator reported that buyers could buy at the barn before the sale started but that so far, none had. A larger percentage of livestock was purchased prior to the sale at small than at medium or large auctions. Prior to the sale, traders purchased 2.8 percent of all livestock handled at small auctions, 2.4 percent of those handled at medium auctions, 1.5 percent of those handled at large auctions, and 1.8 percent of those handled at all auctions. See table 27.

Some farmers sell before the sale starts because they either want to leave early, do not want to risk getting an uncertain price in the ring, or want the money before the sale starts for some other reason. Others are talked into selling by smooth traders who promise them "more than they can get in the ring." Farmers would do well not to sell their animals until the sale starts since the trader will give as much for the animal in the ring as he will before the sale starts. The farmer has everything

Table 27. Percentage of livestock purchased by private treaty before the sale starts, 32 auctions, Mississippi, 1943

Percent	10 small	10 medium	10 large	32 auctions	
	auctions	auctions	auctions	number	percent
0	1		1	3	9.4
0.1-0.9		2	3	5	15.6
1	4	3	4	12	37.5
2	2	1		3	9.4
4		2	1	3	9.4
5	2	2	1	5	15.6
10	1			1	3.1
Total	10	10	10	32	100.0
Av. percent sold before sale	2.8	2.4	1.5	1.8	

Source: Survey of auction operators.

to gain and nothing to lose by waiting and selling in the ring. Many farmers, ignorant of the value of their animals, have sold them for "top prices" to traders before the sale started only to see them sell for much more in the ring. For example, one auction operator told of a trader purchasing a milk cow from a farmer for \$42.50 and reselling the same animal in the ring later in the day for \$62.50. Similar cases have been reported by other auction operators and farmers. Some auctions in this and other states have forbidden dealers or anyone else to buy in the yards prior to beginning of the sale. Perhaps this would be a good practice for all Mississippi auctions to follow.

Buying Practices

The buying of livestock at auction by the auction operator and auctioneer is one of the most criticized features of the auction market. Replies from 681 farmers regarding their attitude toward this practice showed that over half the farmers disapproved of the auctioneer buying and that about 2 out of every 5 disapproved of the auction operator buying at the sale.

In order to determine the prevalence of these practices at auctions in the State, auction operators were asked if they and their auctioneers bought at the sale. Twenty-eight operators stated that the auction management bought livestock at the sale and four that the management did not. The partners at three of the four auctions at which the management did not buy, bought live-

stock for their own private account. This leaves only one auction at which the operator or operators do not buy livestock during the sale. Fifty-six percent of the operators reported that the auctioneer bought for his own account, 22 percent that he did not, but could if he wanted to, and 22 percent that he was not permitted to. Since 22 percent of the operators stated that their auctioneer did not buy but could if he wanted to, it is evident that this practice could very easily become more prevalent than it has already.

Auction operators gave various reasons for buying at the sale. Seventeen reported that they bought livestock to fill orders; 13 reported that they were forced to take some at the first bid; 15 reported that they did so to keep up prices and protect the sale; 9 reported that they bought for profit; and 4 reported that they bought to stock their own farm.

Reasons given by operators for auctioneers buying are: for profit; to stock own farm; to keep up prices; to fill orders; to ship; and forced to take some on the first bid when starting bidding.

Although some of the reasons given by auction operators for buying in the ring themselves, and for allowing auctioneers to buy in the ring, are quite logical and should be given some consideration, it should also be remembered that these practices leave a way open for dishonest auctioneers or auction operators to take an unfair advantage of farmers and thus bring discredit to all auctions alike—the honest as well as the dishonest.

It has been reported that groups of dealers sometimes join together to bid up each other's stock until they are unloaded on some other person; it has also been reported that they do not compete with each other for the different kinds of livestock sold by farmers and thus bid them in at undermarket prices. It was observed at some auctions that one trader might buy all the poor cows, another all the fat cows, another all the big bulls, another all the sows, and so on, without very much active competition among different buyers.

Farmers accuse the auctioneers of working harder on dealer-consigned stock than on farmer-consigned stock. It was observed that at some auctions the auctioneer appeared to work harder on some stock than on other,

but there was no way of knowing who consigned the stock since the name of the consignor was seldom announced.

While dealers have been able to join together and buy livestock below market value in many instances in the past, farmers and auction operators say that this does not happen nearly so often now. Packer buyers, big order buyers, and big out-of-state stocker and feeder buyers seem to have been patronizing auctions more and more during the past few years and this probably accounts for dealers not being able to "get together" and keep down prices as often as in the past.

Weighing Practices

Practically all livestock with the exception of milk cows and breeding stock are sold by weight. Livestock is weighed after the sale at all auctions.

Only 2 operators reported that they gave both the buyer and consignor a duplicate of the scales ticket; 2 reported that they gave only the buyer a duplicate; 8 reported that they would give either a duplicate if requested to do so; and 20 reported that they gave neither the consignor nor the buyer a duplicate of the scales ticket. Patrons at large auctions are more likely to receive a duplicate of the scales ticket than patrons of small or medium auctions. Five large operators reported that they either gave, or if requested to, would give patrons a duplicate of the scales ticket, while only four medium and two small operators reported a similar procedure.

Twenty-nine percent of the operators reported that their scales were balanced every 3 to 5 drafts, 9.7 percent that they were balanced every 6 to 15 drafts, 3.2 percent that they were balanced every 30 drafts, 29 percent that they were balanced at intervals of from 5 to 30 minutes, 12.9 percent that they were balanced every hour, 6.5 percent that they were balanced from 2 to 4 times per sale, and 9.7 percent that they were balanced once per week. Scales at small auctions were balanced much less often than at medium or large auctions. Scales were balanced four times or less per sale at four small auctions, whereas

only one of the medium and none of the large auctions waited that long before balancing their scales.

Scales are not located at most auctions so as to be easily observed by patrons. They should be located in a place where patrons can watch the weighing if they desire. Auctions in some states have solved this problem by using a large-face dial scale placed in such a position as to be readily seen by all patrons in the pavilion.

A regular employee of the auction company weighs the livestock at most auctions; however, it was noticed that at some of the smaller auctions the operator would just pick up anyone to operate the scales when the sale started and that in some instances two or more persons weighed livestock the same day. Farmers have complained that at some auctions the scales were not operated by a disinterested party. For example, one farmer stated that the scales were operated by one of the big buyers and sellers.

Honest weights mean as much to farmers in dollars and cents as fair prices. High prices received by farmers can be offset by low weights, and it has been reported in other states that some operators make a practice of weighing "light" so that higher prices can be paid to producers, and thus secure their patronage. Others were reported to weigh light in order to insure the buyers nice profits and encourage them to return.²

The weighing practices discussed above tend to cause farmers to lose confidence in the auction as a place to market livestock. If all auctions would use registering scales and give each patron a duplicate of the scales ticket it would do much to inspire confidence in their weights, but this alone would not assure patrons correct weights. To dispel all doubt as to the correctness of

²Randell and Mann, *Livestock Auction Sales in the United States*, Farm Credit Administration, Cooperative Research and Service Division, Bulletin 35, p. 62.

weights, the auction company should also have the scales tested twice yearly by an official testing agency, have the scales balanced every few drafts, and have them operated by a disinterested party who is well known and respected in the community.

FINANCIAL DEALINGS AND PROBLEMS OF

AUCTION COMPANIES

The prime purpose of any business is to return a profit, and auctions are no exception. They are beset by financial problems similar to those of other businesses. Many problems of a financial nature such as what charges should be assessed, who should be given credit, and how much additional capital to invest, arise to confront the auction operator, and the decisions he makes from time to time largely determine the success or failure of his auction.

Income, Expenses, and Profits

In most cases, it was difficult to obtain reliable information as to income and expenses of different auctions. Some auction operators kept no records of income and expenses; others combined the record of the auction with that of their other business or businesses. For these reasons, it was not possible to secure these data for a very large number of auctions; however, the desired data were obtained from seven operators. These data, which are summarized in table 28, were secured from the books of the seven auction companies, and are believed to be indicative of the major sources of income and items of expense of most auctions in the State.

Eighty percent of the income at these seven auctions came from commissions, 10 percent from trading operations, 7 percent from yardage, 2 percent from hauling, and 1 percent from feed. Income from trading operations represents the difference between the amount spent for livestock and the amount received for livestock, and does not represent profits from trading, since all trading expenses, such as hauling and feed, are charged in with the

Table 28. Average income, expense, and profit, 7 auctions, Mississippi, 1943

Items	3 small	2 medium	2 large	7 auctions	
	auctions	auctions	auctions	dollars	percent
Income:	dollars	dollars	dollars	dollars	percent
Commissions	7023.32	21610.82	35826.48	19421.07	79.88
Trading operations	1261.19	.....	6240.11	2323.45	9.56
Yardage ¹	160.77	2743.42	3312.18	1799.11	7.40
Hauling	1079.36	.....	.....	462.60	1.90
Feed	379.75	.....	499.54	305.48	1.26
Total income	9904.39	24354.24	45878.31	24311.71	100.00
Expenses:					
Wages and salaries	2559.70	4335.60	8039.12	4632.75	34.13
Truck and auto expense ²	1797.44	1351.76	4259.12	2373.50	17.49
Losses ³	197.95	3288.23	3442.66	2007.99	14.80
Feed	1518.41	1192.84	2946.07	1833.34	13.15
Rent ⁴	93.23	668.42	2093.28	829.03	6.11
Office expense ⁵	360.20	403.66	872.32	518.95	3.82
Advertising	8.33	133.75	291.54	125.08	.92
Repairs & depreciation	141.54	160.34	.....	106.47	.79
Miscellaneous expense ⁶	350.39	959.60	2520.33	1144.46	8.43
Total expense	7027.19	12494.20	24464.44	13571.57	100.00
Profits	2877.20	11860.04	21413.87	10740.14	.....

Source: Records of 7 auction companies.

¹Two of the small auctions did not assess yardage charges. One large and one medium auction showed income from commissions and yardage charges as one figure on their books. The income from commissions and yardage charges was separated for these two auctions by multiplying the number of head of livestock the operator estimated he handled in 1943 by the yardage charge he assessed per head to get the 1943 income from yardage charges. This figure was then subtracted from the total income received from yardage and commission to get the income from commissions in 1943.

²Includes all hired hauling.

³Includes losses on resales, dead and lost animals, losses from trading and bad debts.

⁴One of the small, one of the medium, and both the large auctions rented their facilities.

⁵Includes such items as materials and supplies, telephone, telegraph, water, lights, heat, and charges for preparing income tax return.

⁶Includes such items as exchange, insurance, social security payments, entertaining, donations, taxes, veterinarian, and rebates.

general auction expenses. One of the medium auctions showed a net loss on trading operations; this item was shown under expenses in the loss column.

Wages and salaries amounted to 34 percent of all expenses; truck and auto expense, 17 percent; losses, 15 percent; feed, 14 percent; rent, 7 percent; office expense, 4 percent; advertising, 1 percent; repairs and depreciation, 1 percent; and miscellaneous expenses, 8 percent.

Losses, which is the third largest item of expense, are made up largely of losses on resales. This is a term used by auction operators to designate losses sustained on animals bought in the ring. Operators say they are forced to buy animals in many instances in order to protect their market, and that in most cases, they have to discount these animals in order to get rid of them.

In addition to the actual expenses of 7 auctions, the estimated weekly expense was obtained for 32 auctions. The average weekly estimated expense varied from less than \$50 for five small auctions to over \$500 for three large auctions, and averaged \$172 for all auctions. The estimated weekly expense averaged \$49 for small auctions, \$98 for medium auctions, and \$383 for large auctions. See table 29.

The weekly estimated expense only included the cash or out-of-pocket expenses and is somewhat lower than the actual average weekly expense at the auctions for which actual expenses were obtained. The average weekly expense was \$261 at the 7 auctions for which actual expenses were obtained as compared to the \$172 average estimated out-of-pocket expenses for 32 auctions. The difference between the two is made up largely of losses, with repairs and depreciation and other irregular expenses making up the balance.

Table 29. Average estimated expense per sale held, 32 auctions, Mississippi, 1943¹

Expense	10 small	10 medium	10 large	32 auctions	
	auctions	auctions	auctions	number	percent
Less than \$50	5			5	15.6
\$50-\$99	4	3		8	25.0
\$100-\$199	1	7	1	10	31.3
\$200-\$299			3	3	9.4
\$300-\$399			2	2	6.3
\$400-\$499			1	1	3.1
\$500 and above			3	3	9.4
Total	10	10	10	32	100.1
Av. expense	\$49	\$98	\$383	\$172	

Source: Survey of auction operators.

¹Does not include depreciation, repairs, losses, or the value of the operator's labor and management.

Of the seven auctions for which income and expense data were obtained three were classified as small, two as medium, and two as large. The small auctions had an average profit of \$2,877.20, the medium auctions an average of \$11,860.04, and the large auctions an average of \$21,413.87. This does not represent net profit but is the amount received by the operator or operators for their own labor and management and money invested. The figures given above do not represent what the average operator receives because half the auctions in the State are operated by partnerships of from two to four partners. However, it must be kept in mind that in most cases the operation of an auction is a part-time business and that most operators have additional income from one or more sources.

Financial Responsibility of Auctions

Auction companies perform the services of collecting from the buyer and paying the seller. Thus, failure to collect from the buyer may result in the seller going unpaid unless the auction company has ample reserves. Also, the buying of livestock by auction company may result in losses of such proportions that the company would be unable to pay the sellers.

All livestock auctions coming under the Packers and Stockyards Act are required to carry bonds in proportion to their volume of business for the protection of shippers. Five auctions in Mississippi come under this Act, and they are the only ones in the State carrying bonds. It would appear that if the federal government feels that large auctions should carry bonds to assure the protection of consignors, smaller auctions should be required to carry bonds also because, in general, they have less capital and operate on a smaller margin of profit.

Losses from bad checks or debts seem to have been kept at a minimum in 1943. Almost half the auction operators reported that they experienced no losses from bad checks during 1943. Four operators reported their losses due to bad checks were negligible; seven reported losses of less than \$500; three reported losses of from \$500 to \$1,000; and two reported losses of \$1,000 or more. One operator reported that he did not know whether or not he had any losses from bad checks or debts during the year.

In order to determine the care exercised by auction operators in regard to the financial responsibility of buyers, operators were asked what credit standards must be met before a man can buy at their auction. About half the operators reported that references were requested of new buyers. Ten operators reported that they knew all or most of the buyers and seven reported that buyers did not have to meet any credit standard before being allowed to buy. The practice followed by about half the operators of not going to the trouble of investigating buyers will result in losses sooner or later.

Although no reports were received of auctions failing to pay consignors during the past year, some auction companies did sustain losses, and if these losses had been serious, consignors at some auctions would have doubtless suffered losses. Losses to auction companies from bad checks, bad debts, and animals purchased, are light during periods of prosperity, but during periods of declining prices losses of this kind arise and often result in serious losses to auction operators and consignors. For these reasons it appears that all auction companies should be required to carry bonds to protect their consignors.

Marketing Charges

The number of services for which charges were assessed varied from one to four at different auctions. Commissions, yardage charges, insurance premiums, and weighing charges were the four charges assessed. Only 2 of the 34 auctions for which these data were obtained made all four charges.

All auctions in the state based their commission charges on a percentage of gross sales. Thirty auctions charged 5 percent commission, two charged 4 percent commission, and two based their charges on the total value of animals consigned by each individual. One of these charged 5 percent commission for consignments of less than \$500, 4 percent for consignments of from \$500 to \$1,200, and 3 percent for consignments of over \$1,200; the other charged 5 percent for consignments of less than \$500, 4 percent for consignments of from \$500 to \$1,000, and 3 percent for consignments of over \$1,000.

Sixteen auctions assessed yardage charges; of these 11 assessed a straight yardage charge of 10 cents per animal sold. Three auctions charged 25 cents each for cattle and 15 cents each for other livestock, and two charged a straight rate of 25 cents per animal. Insur-

ance premiums were charged by five auctions. Four charged 2 cents per head, and one charged 1 cent per head. Weighing charges of 5 cents per head were assessed by two auctions.

The majority of auctions made either a single charge of 5 percent commission or 5 percent plus 10 cents yardage. Sixteen auctions made no charge other than the 5 percent commission; 10 charged 5 percent commission plus 10 cents yardage. These two groups made up about three-fourths of the auctions in the State.

Charges assessed for selling mules and other workstock were usually different from the charges assessed for selling livestock. The commission charged for selling mules was on a per head basis at all except six auctions. The charges per head ranged from \$1.00 to \$3.75, with the majority charging \$2.50. In addition, 13 auctions assessed yardage charges of from 10 to 50 cents per head.

The majority of auctions assess no charge on "pass-outs," that is, the animals on which the consignor refuses the last bid. Twenty-two operators reported that they assessed no charge on "pass-outs," seven reported that they assessed the regular yardage charge, two reported that they charged \$1.00 on mules, and one reported that 25 cents was charged on mule "pass-outs."

Commission charges assessed by auctions are higher in Mississippi than in adjoining states and in the nation as a whole. Sixty percent of the auctions in Louisiana charge 4 percent commission as compared to 32 percent that charge 5 percent. One auction in Louisiana charges 3 percent commission.¹ Referring to commission charges at a group of auctions which they studied in Arkansas, Osgood and White stated that "four percent was the most common rate charged."²

Randall and Mann, in their study of livestock auctions in the United States, found that commission charges varied from 1 to 5 percent at 89 auctions which computed their charges as a percentage of gross sales and that 58 percent charged 3 percent and 16 percent charged 4 percent. Charges were computed on a per head basis at 83 auctions. The most common rates charged per head were: cattle \$1.00, calves 50 cents, pigs 25 cents, heavy

¹Baker, J. M., *Louisiana Livestock Auctions*, Louisiana Agricultural Experiment Station, Mimeographed Circular No. 10, 1940, p. 9.

²Osgood, O. T. and White, J. W., *Livestock Auctions in Arkansas*, Arkansas Agricultural Experiment Station Bulletin No. 439, 1943, p. 10.

hogs 50 cents, and sheep 25 cents.³

The computation of selling charges on a per head basis would be more equitable than basing charges on a percentage of gross sales value. The present system of assessing charges penalizes producers of good livestock by forcing them to pay three to four times as much for the same services as producers of poor livestock. This causes many producers of good grade livestock to sell through other outlets. If selling charges were computed on a per head basis, a larger proportion of the good livestock produced in Mississippi would, in all probability, be sold through auctions. Another advantage of this method of computing charges is that it would do much to stabilize the income of auction companies from year to year. This would be important during periods of declining prices because expenses usually fall slower than prices. That is, the income of auction companies would be falling faster than their expense and this could prove disastrous in some cases.

In order to determine whether or not it would pay auction operators to cut their commission charges farmers were asked if they would sell more livestock through auctions if selling charges were smaller. Of the 657 farmers reporting, 465 or 71 percent reported in the affirmative. Thus, it appears that if Mississippi auction operators would decrease their charges until they are in line with those in other states, the resulting increase in the number of animals consigned might more than offset the decreased income per animal sold. That is, by selling more animals at a smaller charge per head, their profits would probably increase rather than decrease.

Selling charges are higher at auctions than at public terminal markets for most classes of livestock, the only exception being small animals of low value. Also selling charges per head are decreased at public terminal markets for carload shipments; whereas, selling charges per head remain constant at most auctions. This causes selling charges for all animals in carload lots, except those of extreme low value, to be lower at public terminal markets than at auction markets.

Selling charges at auctions for different qualities of animals of average weight, when sold singly or in small numbers, exceeded charges at public terminal markets for all livestock except goats and sheep. See table 30. It will be observed that the auction charges for selling low

³Randall, C. G., and Mann, L. B., *Livestock Auction Sales in the United States*. Farm Credit Administration, Cooperative Research and Service Division, Bulletin 35, p. 65.

Table 30. Comparison of selling charges at Mississippi auctions¹ with those at public terminal markets, 1943.

Class of livestock and selling charges	Charge per head	
	1 head	Single deck car by rail
	dollars	dollars
Calves, (low quality, average weight 250 pounds, value \$18.98) ²		
Auction, 5 percent of gross value	.95	.95
Terminal public market	.75	.45
Calves (medium quality, average weight 300 pounds, value \$28.59) ²		
Auction, 5 percent of gross value	1.43	1.43
Terminal public market	1.25	.48
Calves (best quality, average weight 350 pounds, value \$42.35) ²		
Auction, 5 percent of gross value	2.12	2.12
Terminal public market	1.25	.51
Cows (low quality, average weight 500 pounds, value \$28.40) ²		
Auction, 5 percent of gross value	1.42	1.42
Terminal public market	1.35	.79
Cows (medium quality, average weight 750 pounds, value \$55.65) ²		
Auction, 5 percent of gross value	2.78	2.78
Terminal public market	1.35	.98
Cows (best quality, average weight 1,000 pounds, value \$95.80) ²		
Auction, 5 percent of gross value	4.79	4.79
Terminal public market	1.35	1.23
Hogs (lightweight, average weight 130 pounds, value \$15.02) ²		
Auction, 5 percent of gross value	.75	.75
Terminal public market	.40	.23
Hogs (medium weight, average weight 210 pounds, value \$26.36) ²		
Auction, 5 percent of gross value	1.32	1.32
Terminal public market	.40	.30
Hogs (heavyweight, average weight 300 pounds, value \$36.66) ²		
Auction, 5 percent of gross value	1.83	1.83
Terminal public market	.40	.35
Sheep (average value \$5.70) ²		
Auction, 5 percent of gross value	.29	.29
Terminal public market	.35	.25
Goats (average value \$2.58) ²		
Auction, 5 percent of gross value	.13	.13
Terminal public market	.35	.25

Source: Compiled from information received from auction operators, the South Memphis Stockyards Co., and the Burnette-Carter Co., Livestock Commission Agents, South Memphis Stockyards.

¹Almost half the auctions in the State make a single charge of 5 percent commission. Total marketing charges for auctions making additional charges can be calculated by adding these charges to the commission charges given above.

²The value per head is based on the average price paid as auctions. See table 43.

value animals do not exceed charges at public terminal markets greatly but that selling charges for high value animals are much higher.

In comparing the total cost of marketing at auctions and public terminal markets, it must be remembered that some auctions make additional charges for yardage, insurance, and weighing, and that transportation cost is higher for most farmers when selling through public terminal markets. The number and value of animals to be sold and the distance from each market are the factors which determine at which market the total marketing charges are lowest. The prices that can be expected to be paid at each of the two markets is the other im-

portant factor to be considered in finally determining which market to use.

PRICES

The prices reported in this bulletin were computed from the sales slips or other records of 13 auction companies. Therefore, the prices shown are averages of actual prices received by farmers for livestock sold through auctions except that selling charges have not been deducted. In comparing prices at auctions with those offered by dealers, shippers, and slaughtering establishments, farmers should deduct selling charges assessed at auctions in order to arrive at net prices.

Prices received for different grades of livestock cannot be shown because they are not sold on the basis of grades at auctions in Mississippi. Therefore, in order to show the relationship between quality and price, the prices received for each kind of livestock were arranged in order of magnitude and divided into three groups: (1) the upper 25 percent of the prices were averaged and considered as the prices received for the best quality animals; (2) the middle 50 percent were averaged and considered as the prices received for the medium quality animals; and (3) the lowest 25 percent were averaged and considered as the prices received for the poorest quality animals.

In tabulating prices, 1 sale day was used per month in 1943 for each of the 13 auctions. Prices of all animals sold on each sales day, for which the records showed the kind and class, were tabulated. A total of 21,743 individual prices were tabulated, of which 6,725 were calves sold by weight; 5,168 cattle sold by weight; 4,166 cows, heifers and cows and calves sold by head; 3,688 hogs; 1,078 goats and sheep, and 918 workstock.

Prices Received at Auctions¹

Prices received for all classes of livestock were highest in the spring and lowest in the fall. This difference in prices is due in part to the fact that, in general, farmers in Mississippi buy in the spring and sell in the fall. That is, many farmers buy feeder, stocker and breeder animals in the spring in competition with other buyers and thereby force prices up; whereas, farmers sell large numbers of animals in the fall and buy very few other than replacements for culls. Prices of livestock also decline in the fall because of the prospective cost of carrying them through the winter, and rise in spring because of their having been carried through the winter—the period in which feeding cost is highest.

¹For the monthly prices of the different qualities of livestock, see table 43 in Appendix.

Average good quality livestock sold for as much as two or three times that of average poor quality livestock. Farmers should observe the differences in these prices and endeavor to produce better quality animals. The cost of producing a good quality animal does not greatly exceed the cost of producing a low quality animal, and since the average prices received for good quality animals are much higher than prices received for low quality animals, farmers producing good quality animals should make higher profits than farmers producing low quality animals.

Prices at Small, Medium, and Large Auctions

Highest prices were paid at large auctions for all classes of livestock. Lowest prices were paid at small auctions for cattle sold by the head and for hogs; lowest prices were paid at medium auctions for cattle sold by weight. See table 31. One would expect to find the lowest prices for all classes of livestock at small auctions, and in general, this is the case. The three medium auctions from which price data were obtained are all located in dairy regions, and most of the animals sold by weight were of dairy origin. Some of the small auctions were located in areas that produced considerable beef cattle

Table 31. Average annual prices received for livestock, by size of auction, 13 auctions, 1943¹

Kind of livestock	5 small auctions	3 medium auctions	5 large auctions
	dollars	dollars	dollars
Sold by head:			
Cow and calf	64.55	67.37	74.17
Cow	56.38	60.04	63.42
Heifer	31.73	32.60	35.79
Sold by weight:			
Cows	7.00	6.83	7.84
Heifers	9.40	9.16	10.44
Bulls	8.62	8.72	8.95
Steers	9.14	9.02	10.79
All calves	9.31	8.28	10.24
All hogs	11.80	11.81	12.09

Source: Records of 13 auction companies.

¹Comparisons were not made for sheep, goats, and workstock because of the small number of price quotations for small and medium auctions.

and since beef cattle sell for higher prices per hundred pounds, the average prices received for cattle sold by weight at small auctions were higher than at the medium auctions.

The prices for all livestock at the small and large auctions are considered to be comparable because they were located in similar livestock producing areas. For this reason, prices at large and small auctions will be compared to show the effect the size of auction has on prices received for livestock.

Consignors received \$9.62 more per cow and calf, \$7.04 more per cow, and \$4.06 more per heifer at large than at small auctions. Consignors to large auctions received an average of 84 cents more per hundred pounds for cows, \$1.04 more for heifers, 33 cents more for bulls, \$1.65 more for steers, 93 cents more for calves, and 29 cents more for hogs than consignors to small auctions. In other words, producers received about 12 percent more for cattle and about 2.5 percent more for hogs at large than at small auctions.

Two factors serve to cause average prices to be higher at large than at small auctions, the first of which brings about the second. First, there are more big buyers at large than at small auctions, and the more intense competition causes prices to be higher. Second, a better grade of livestock is consigned to large auctions than to small auctions because of the larger number of buyers. Many producers will not consign their better livestock to small auctions because not enough good livestock is consigned to them to make it profitable for big buyers to attend and pay the premium that good livestock deserves over ordinary livestock.

An observation of table 32 will bear out the statements made in the preceding paragraph. Packer buyers bought slightly over half the livestock at large auctions as compared to about 15 percent at small auctions. Traders and farmers bought most of the livestock at small auctions, with the auction operator buying a considerable amount. On a percentage basis, local dealers or traders bought about twice as many animals at small as at large auctions.

The extent to which consignors reject the last bid on their livestock should give some indication of the degree to which prices are satisfactory at the different size auctions. Consignors at small auctions rejected the highest bid on 2.9 percent of the livestock going through

Table 32. Estimated percentage of livestock bought by different groups, 32 auctions, Mississippi, 1943

Buyer	Cattle and calves				Hogs and pigs			
	10 small auctions	10 med. auctions	10 large auctions	32 auctions	10 small auctions	10 med. auctions	10 large auctions	32 auc.
Traders ¹	36.7	29.0	18.6	23.1	33.2	23.4	15.5	19.2
Packers ²	14.6	40.7	51.3	45.0	17.1	45.7	50.6	46.2
Farmers	42.0	23.1	24.5	25.8	37.5	27.5	29.7	29.8
Auction company	6.7	7.2	5.6	6.1	12.2	3.4	4.2	4.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Survey of auction operators.

¹Includes order buyers not buying for packers.

²Includes order buyers buying for packers and local butchers.

the ring as compared to 1.0 percent at medium auctions, and 0.6 percent at large auctions. This would seem to indicate that prices are more satisfactory at large than at medium auctions, and at medium than at small auctions. See table 33.

Prices at Auctions Compared with Prices at other Markets

It is impossible to compare prices at auctions with those at public terminal markets because of the different methods of sale involved. Livestock are sold in groups on the basis of grade at public terminal markets, whereas, they are usually sold individually and never on the grade basis at auctions in Mississippi.

It was found that the only available method of comparing prices at auctions with those at other markets was to compare prices received for all cattle and all hogs at auctions with the average price received by farmers as reported by farmers to the United States Department of Agriculture. It is assumed that some of the reporting farmers had sold livestock at all the different types of markets and that the average price reported received by farmers is an average of the prices paid at all markets.

Table 33. Percentage pass-outs are of total livestock handled, 32 auctions, Mississippi, 1943¹

Percent pass-outs	10 small	10 medium	10 large	32 auctions	
	auctions	auctions	auctions	number	percent
Less than 1	number	number	number	13	40.6
1	3	3	2	8	25.0
2	3	1	1	5	15.6
2.5				1	3.1
3		1		1	3.1
5	4			4	12.5
Total	10	10	10	32	99.9
Av. percentage pass-outs	2.90	1.01	.62		.93

Source: Survey of auction operators.

¹Animals on which the seller rejects the highest bid.

Prices received for cattle were higher at auctions during the first 5 months of the year and lower during the last 7 months of the year than prices reported received at all markets. The average annual price of \$9.53 per hundred pounds received for cattle at auctions was slightly lower than the average price of \$9.62 received at all markets. This is a difference of about one percent. See table 34.

Prices received for hogs at auctions were lower than the prices reported by farmers at all markets in all months except February. The average price of \$11.89 per hundred pounds received for hogs at auctions was about 5 percent lower than the \$12.49 reported received by farmers at all markets.

Before it can be stated that prices at auctions are lower than those at other markets, the method by which average prices received by farmers at all markets are computed should be examined. The United States Department of Agriculture has a number of farmer reporters

Table 34. Comparison of average prices received at auctions with the average of those received by farmers at all markets by months, 1943¹

Month	Cattle		Hogs	
	Auctions	All markets	Auctions	All markets
	dollars	dollars	dollars	dollars
January	9.72	9.20	12.42	12.80
February	10.46	9.80	12.92	12.80
March	11.25	10.00	12.91	13.20
April	12.51	10.20	12.64	13.30
May	11.03	10.50	12.50	12.90
June	9.95	10.30	11.89	12.30
July	9.32	10.20	11.83	12.20
August	8.90	9.80	11.95	12.40
September	8.74	9.50	11.80	12.40
October	7.76	9.20	12.16	12.40
November	6.80	8.30	10.33	12.00
December	7.93	8.40	9.35	11.20
Year	9.53 ²	9.62 ²	11.89 ²	12.49 ²

Source: Records of 13 auction companies and the April 1943, July 1943, October 1943, and January 1944 issues of **Crops and Markets**, United States Department of Agriculture.

¹Prices received by farmers as of the 15th of the month as reported by farmers to the United States Department of Agriculture.

²Simple average. The weighted yearly average was not given for all markets, therefore the yearly average at auctions and all markets was calculated as a simple average in order to make the yearly prices comparable.

scattered over the State who report on various aspects of farming. Prices received for crops and livestock is one of the items reported by farmer reporters.

As the poor or average farmer seldom goes to the trouble of answering questionnaires or filling out reports, it is thought that most farmer reporters are among the better farmers in their communities. In general, better farmers produce better livestock than poor or average farmers, and it is, therefore, believed that prices reported by farmer reporters are for better livestock than the average grade of livestock sold in Mississippi.

After receiving the farmers' reports, the state statistician calculates the average prices received by farmers, taking into account prices received in previous months and prices received at public terminal markets during the

same month. In other words, prices reported by farmers are adjusted with an eye to past as well as present prices. An examination of prices received by farmers will show prices at auctions fluctuating to a greater extent. That is, the state statistician appears to have adjusted prices reported by farmers so as to smooth out extreme fluctuations.

Since prices declined during the last two-thirds of the year, the apparent adjusting of prices to smooth out extreme fluctuations caused the average prices received by farmers at all markets to appear higher than the average prices received at auctions which took all fluctuations of prices into account. With this in mind, it seems that prices at auctions compare rather favorably with those at all markets in the State.

FARMER ATTITUDES TOWARD AUCTIONS

In order to determine the relative importance of auctions in the livestock marketing system of Mississippi and the attitude of farmers toward auctions, it was found necessary to obtain a number of schedules from farmers. These schedules, 929 in number, were secured through the cooperation of 56 Vocational Agriculture teachers and their students.

About 25 percent of the 929 farmers reporting sold no livestock in 1943 and slightly over two-fifths bought none during the same period. Of the 700 farmers selling livestock in 1943, 179 or 25.6 percent sold one or more head through auctions, and 77 or 14.3 percent of the farmers buying livestock in 1943 bought one or more head through auctions. For the purpose of analysis, farmers were divided into small, medium, and large producers. Farmers selling less than 5 animals were classed as small producers, those selling from 5 to 20 as medium producers, and those selling 20 or more as large producers. Of the 929 farmers reporting, 510 or 54.9 percent were classified as small producers, 305 or 32.8 percent as medium producers, and 114 or 12.3 percent as large producers.

Where Farmers Sell and Buy Livestock

Auction markets are the most important single outlet for livestock in Mississippi, according to sales reports of 929 farmers. These farmers sold a total of 11,804 livestock in 1943, of which 36.3 percent were sold through auctions, 17.8 percent to other farmers, 17.8 percent to dealers or truck buyers, 13.8 percent to packing plants, 10.8 percent through terminal public markets, and 3.5 percent through other outlets. See table 35.

A greater percentage of cattle was marketed through

auctions than was the case of hogs. About 44 percent of the cattle was marketed through auctions as compared to approximately 30 percent of the hogs. Dealers and other farmers were the second and third most important outlet for cattle, whereas, other farmers and dealers were the second and third most important outlet for hogs. A greater percentage of hogs was sold to packing plants and through public terminal markets than in the case of cattle.

Large producers sold a greater percentage of their

Table 35. Number and percentage of livestock sold through various Marketing agencies, 929 farmers, Mississippi, 1943¹

Agencies sold through	Cattle and calves		Hogs and pigs		Total ²	
	No.	Pct.	No.	Pct.	No.	Pct.
Terminal public market	452	8.14	824	13.18	1276	10.81
Packing plants	695	12.52	938	15.00	1633	13.83
Dealers or truck buyers	1155	20.80	940	15.04	2095	17.75
Auctions or sale barns	2427	43.71	1862	29.78	4289	36.34
Farmers	715	12.88	1383	22.12	2098	17.77
Other	108	1.95	305	4.88	413	3.50
Total	5552	100.00	6252	100.00	11804	100.00

Source: Vocational Agriculture high school survey.

¹Of this group, 229 sold no livestock.

²Sheep were not included because of their relative unimportance in Mississippi.

livestock through auctions than did medium producers, and medium producers sold a greater percentage of their livestock through auctions than did small producers. The same was true for both packing plants and public terminal markets. Small producers sold a greater percentage of their livestock to dealers and other farmers than did medium producers and medium producers sold a greater percentage of their livestock through each of these sources than did large producers. See table 36.

The fact that 13.5 percent of the small producers, 25.6 percent of the medium producers, and 55.3 percent of the large producers sold livestock through auctions in 1943, further accentuates the effect which the number of animals the producer sells has on the marketing outlet chosen.

A summary of reports made by 607 producers who reported on how the livestock they sold was moved from the farm in 1943 shows that 58 percent of the livestock

was moved by the farmer in his own truck or trailer, 14 percent by truckers hired by the farmer, 24 percent by the buyer, and 4 percent by wagon or on foot. Sixty-one percent of the livestock sold by small producers was

Table 36. Number and percentage of livestock¹ sold through various marketing agencies by size of producer;² 929 farmers, Mississippi, 1943.

Agencies sold through	Size of producers					
	Small		Medium		Large	
	No.	Pct.	No.	Pct.	No.	Pct.
Terminal public markets	20	3.25	142	5.10	1114	13.26
Packing plants	9	1.46	98	3.52	1526	18.16
Dealers or truck buyers	267	43.34	900	32.31	928	11.05
Auctions or sale barns	72	11.69	495	17.77	3722	44.29
Farmers	221	35.88	1044	37.49	833	9.91
Others	27	4.38	106	3.81	280	3.33
Total	616	100.00	2785	100.00	8403	100.00

Source: Vocational Agriculture high school survey.

¹Cattle and hogs. Sheep were not included because of their relative unimportance in Mississippi.

²The 510 farmers selling less than 5 livestock were classified as small producers, the 305 selling from 5 to 20 as medium producers, and the 114 selling 20 or more as large producers.

moved from the farm by buyers and only 20 percent by farmers in their own or hired trucks and trailers; 54 percent of the livestock sold by medium producers was moved by buyers and 36 percent by farmers in their own or hired trucks and trailers; and 14 percent of the livestock sold by large producers was moved by buyers and 71 percent by farmers in their own or hired trucks and trailers. Small producers moved 18 percent of the livestock they sold from the farm by wagon or on foot, medium producers 10 percent, and large producers 2 percent. See table 37.

Farmers buy more livestock directly from other farmers than from any other source; purchases from auction markets were a close second. The 537 farmers who reported buying livestock in 1943 bought 37 percent of their purchases from other farmers, 33 percent through auctions, 15 percent from dealers, 8 percent from packing plants, 4 percent through public terminal markets, and

Table 37. Transportation of livestock¹ from farms, 929 farmers,² Mississippi, 1943.

Method of transportation	Farmers selling							
	1-4		5-19		20 and above		All farmers	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
By farmer in own truck or trailer	39	7.0	347	17.0	5756	71.4	6142	57.6
By hired truckers	75	13.4	395	19.3	1010	12.5	1480	13.9
By the buyer	342	61.2	1108	54.1	1134	14.1	2584	24.2
By wagon or on foot	103	18.4	196	9.6	163	2.0	462	4.3
Total	559	100.0	2046	100.0	8063	100.0	10668	100.0

Source: Vocational Agriculture high school survey.

¹Cattle and hogs. Sheep were not included because of their relative unimportance in Mississippi.

²Of the 700 farmers selling livestock in 1943, 607 filled out this section.

3 percent through other sources. See table 38.

Farmers purchased more cattle through auctions and more hogs from other farmers than from any other source. On a percentage basis almost twice as many cattle as hogs were purchased through auctions, almost the same proportion for each was purchased from other farmers. Twice as many hogs as cattle were purchased from dealers; whereas, the opposite was true in the case of public terminal markets. No cattle were purchased from packing plants as compared to 14 percent for hogs.

As was the case in selling livestock, the number of animals to be purchased has much to do with what market is patronized. In each instance, as the number of head of livestock purchased increased, the percentage of purchases from other farmers and dealers or truck buyers decreased and the percentage of purchases from auctions, packing plants, and terminal public markets increased. See table 39.

Table 38. Number and percentage of livestock bought through various marketing agencies, 929 farmers, Mississippi, 1943¹

Agency bought through	Cattle and calves		Hogs and pigs		Total ²	
	No.	Pct.	No.	Pct.	No.	Pct.
Terminal public market	169	5.90	76	2.27	245	3.95
Packing plants	.....	.....	470	14.06	470	7.57
Dealers or truck buyers	280	9.77	672	20.11	952	15.33
Auctions or sale barns	1199	41.83	829	24.81	2028	32.67
Farmers	1056	36.85	1251	37.43	2307	37.16
Others	162	5.65	44	1.32	206	3.32
Total	2866	100.00	3342	100.00	6208	100.00

Source: Vocational Agriculture high school survey.

¹Of this group, 392 bought no livestock.

²Sheep were not included because of their relative unimportance in Mississippi.

The data analyzed in this section can be summarized by saying (1) that the smaller producers sell and buy most of their livestock to or from other farmers and dealers or truck buyers at the farm, because in most cases they either do not have transportation facilities or else find it unprofitable or too much trouble to hire transportation; and (2) that the larger producers sell and buy the majority of their livestock through auctions

Table 29. Number and percentage of livestock¹ bought through various marketing agencies by number bought,² 929 farmers, Mississippi, 1943

Agencies bought through	Number of animals bought in 1943					
	1-4		5-19		20 or more	
	No.	Pct.	No.	Pct.	No.	Pct.
Terminal public markets	12	1.48	18	1.97	215	4.79
Packing plants	.....	.....	.....	.....	470	10.48
Dealers or truck buyers	109	13.46	170	18.62	673	15.01
Auctions or sale barns	63	7.78	158	17.31	1807	40.29
Farmers	596	73.58	516	56.52	1195	26.64
Others	30	3.70	51	5.58	125	2.79
Total	810	100.00	813	100.00	4485	100.00

Source: Vocational Agriculture high school survey.

¹Cattle and hogs. Sheep were not included because of their relative unimportance in Mississippi.

²Of the 537 farmers buying livestock in 1943, 388 bought less than 5 head, 113 bought from 5 to 20 head, and 36 bought 20 head or more.

and other off-farm markets because they either have adequate transportation or find it profitable to hire transportation.

Why Farmers Sell Through Auctions

In order to determine why farmers of Mississippi have made the auction their predominant livestock market farmers were asked to give their reason or reasons for selling through auctions. Of the 929 farmers returning schedules, 262 answered this question giving a total of 295 reasons for selling through auctions. While the total of 262 answers to this question out of 929 schedules may seem small at first, it must be remembered that only 179 of these farmers sold through auctions in 1943 and that probably not many of the others had sold through auctions in former years.

Higher prices was by far the most important reason given by farmers for selling through auctions, almost two out of every five giving this reason. Closeness or convenience made up 13 percent of the reasons given for selling through auctions; a ready market (can sell any and all kinds of livestock), 10 percent; only market available, 7 percent; fair prices, 7 percent; more buyers and competition, 5 percent; best market available, 2 percent; can buy at the same time, 2 percent; livestock can be carried home if prices are unsatisfactory, 2 percent; and other reasons 4 percent. Ten percent of the farmers reported that they had no particular reason for selling through auctions. See table 40.

Criticisms of Auctions

Although the farmers of Mississippi market more livestock through auctions than any other single outlet, they are still very critical of them in numerous respects. The most common criticism made was the danger of spreading diseases. The danger of spreading diseases made up 34 percent of the 462 criticisms made by the 353 farmers reporting; marketing charges too high, 14 percent; rough treatment of animals, 10 percent; low prices, 5 percent; unethical practices of auction operators and buyers, 5 percent; uncertain quality of animals purchased, 4 percent; cannot understand auctioneer, 3 percent; auctioneer bidding, 2 percent; no law governing auctions, 2 percent; inadequate facilities, 2 percent; pens not sanitary, 1 percent; auction operator bidding, one percent; other criticism, 6 percent; and no criticism, 13 percent. It is important to note that of the farmers reporting, only about one

Table 40. Reason given for selling through auctions, 262 farmers, Mississippi, 1943¹

Reason	Number	Percent
Higher prices	114	38.64
Convenient	38	12.88
Ready market	29	9.83
Only market available	21	7.12
Fair prices	20	6.78
More buyers and competition	14	4.75
Best market available	7	2.37
Can buy at the same time	6	2.03
Livestock can be carried home if prices are unsatisfactory	5	1.70
No particular reason	30	10.17
Other reasons	11	3.73
Total	295 ²	100.00

Source: Vocational Agriculture high school survey.

¹Of the 929 farmers returning schedules, 262 answered this question.

²Some farmers gave more than one reason.

out of six were completely satisfied with auctions as they are now operated. See table 41.

With regard to the spreading of diseases, farmers stated that they had bought livestock at auctions only to have them develop some kind of disease within a few days. They also brought out the fact that some operators make no attempt to keep their yard and pens clean and sanitary, and that the yard and pens at these auctions are muddy much of the time, which is very conducive to the spreading of diseases.

Farmers objected to the rough treatment of livestock for humane reasons and because of the danger of maiming or causing the animals to become sick. There is one other important reason why auction operators should not allow rough treatment of animals. The bruised spots on livestock, especially hogs, are usually a total loss when animals are slaughtered soon after being subjected to beating such as they receive at some of these markets.

The inadequacy of facilities mentioned by several farmers included the lack of pens so that too many animals are crowded together in one pen; the lack of seating space for buyers and sellers so that in many instances farmers cannot see the animals as they go through the ring; the lack of water for animals that have to stand for several hours before being sold; and lack of feed for those animals that have to stay overnight.

Some of the most important unethical practices listed by farmers as being followed or allowed by some auction

Table 41. Criticisms of livestock auctions, 353 farmers, Mississippi, 1943¹

Criticism	Number	Percent
Spreading of diseases	155	33.55
Marketing charges too high	65	14.07
Rough treatment of animals	48	10.39
Low prices	22	4.76
Unethical practices of auction operators	21	4.55
Uncertain quality of animals purchased	17	3.68
Can't understand auctioneer	15	3.25
Auctioneer bidding	8	1.73
No law governing auctions	8	1.73
Inadequate facilities	8	1.73
Pens not sanitary	6	1.30
Auction operator bidding	5	1.08
No criticisms	60	12.99
Other criticisms	24	5.19
Total	462 ²	100.00

Source: Vocational Agriculture high school survey.

¹Of the 929 farmers returning schedules, 353 filled out this section.

²Some farmers gave more than one criticism.

operators are: Sale operators take up too much time on company-owned stock and bid on their own stock; the scales are not operated by disinterested party; there appears to be too much understanding between some auctioneers and buyers; and dealers are favored over farmers in that they receive a reduction in commission charges in some instances and appear to receive higher prices for their animals.

Suggestions for Improving Auctions

Since farmers are directly concerned with auctions, they, more than anyone else, should be in position to make suggestions as to how auctions could be improved. With this in mind, farmers were asked to state any ideas they might have as to how auctions could be improved. Reports containing 397 suggestions were received from 314 farmers.

Farmers thought that some form of disease control program would do more to improve conditions at auctions than any other change that could be made. Other important suggestions made by farmers for improving auctions are: Lower the commission and other charges; handle the animals with more care; provide better auctioneers; keep the facilities more sanitary; and provide better facilities. See table 42.

Table 42. Suggestions for improving auctions, 314 farmers, Mississippi, 1943¹

Suggestions for improving auctions	Number	Percent
Some form of disease control	153	38.54
Lower commission and other charges	35	8.82
Handle animals more carefully	23	5.80
Better auctioneers	17	4.28
Keep auctions more sanitary	16	4.03
Provide better facilities	12	3.02
Have auctions readily accessible to all communities	12	3.02
Auctioneer should speak more distinctly	11	2.77
Auctioneer should not bid	6	1.51
Have seller give information about his livestock	6	1.51
Advertise the auction more	5	1.26
Provide better means of transporting livestock to auctions	5	1.26
No suggestions	59	14.86
Other suggestions	37	9.32
Total	397 ²	100.00

Source: Vocational Agriculture high school survey.

¹Of the 929 farmers returning schedules, 314 filled out this section.

²Some gave more than one suggestion for improving auctions.

In order to determine how farmers would react if some form of state regulation of auctions were in force and if such regulation would not also react to benefit auction companies, farmers were asked if they would sell more livestock through auctions if some form of state regulation such as disease control were in force. Over four-fifths of the 642 farmers reporting stated that they would sell more livestock through auctions if such regulations were in force, with only 16.5 percent replying in the negative. These figures seem to indicate that it would pay auction operators to ask for regulation to help keep down diseases rather than wait for pressure to come from other groups.

A number of auction operators indicated that they

were in favor of the State regulating auctions in order to keep down diseases. These operators realize that effective disease control is essential to the sound development of the livestock industry in Mississippi, and that many auction operators will not go to the expense of taking precautionary measures against diseases unless they are forced to do so.

REGULATION OF LIVESTOCK AUCTIONS IN OTHER STATES¹

Although a number of states have enacted legislation designed to regulate livestock auctions during the past few years, approximately one-third of the states still have no laws or regulations governing them. Sixteen of the 46 states reporting indicated that they had no laws or regulations in force. Of this 16, four reported having no regular livestock auctions and one reported having such a few that regulations were considered unnecessary. Of the 30 states having one or more regulations affecting auctions, those in 18 states are regulated by specific laws enacted to control them or by specific regulations set up to govern them by the State Livestock Sanitary Board or its equivalent. The auctions in the remaining 12 states are regulated by laws and/or regulations applying to all stockyards.

Administration of laws and/or regulations applying to auctions is delegated to some state administrative body, usually the Livestock Sanitary Board. The agency in charge of the administration of the law is given the authority to make further rules and regulations in order to carry out the act. to issue licenses, usually for a year, and to renew them or revoke them for cause.

Five auctions in Mississippi, together with a number of auctions in other states, come under Federal supervision under authority granted the Federal Government by the Packers and Stockyards Act (42 Statutes, 159 as amended). The most important provision of the Packers and Stockyards Act concerning stockyards and auctions are as follows: (1) Each auction must be bonded to secure the performance of obligations; (2) each auction operator must keep certain records and make an annual report to the Director of the Office of Food Distribution; (3) scales

¹There is no state regulation of auctions in Mississippi except in the case of two auctions which are located in a Bang's free county. All breeding cattle more than 6 months of age leaving these two auctions must pass an agglutination test for Bang's disease.

must be tested by competent agencies at suitable intervals (at least every 6 months in Mississippi); (4) each auction company must file a schedule of its commission and other charges with the Secretary of Agriculture and must give 10 days notice before they can be changed.

Sanitary Regulations

Facilities: Ten states provide for the approval of facilities by the state veterinarian or some other state official before a license is issued to the auction company. Floors of concrete or other impervious material in all pens used for swine is required by 12 states.

Cleaning and disinfecting: In 24 states, all or part of the pens, alleys, and sales rings must be cleaned and disinfected after each sale or as required by the administrative agency under the supervision of an approved veterinarian or as provided for by the administrative agency. Twelve states provide for the cleaning and disinfecting of trucks under the supervision of an approved veterinarian or as provided for by the administrative agency.

Diseased animals: Seventeen states have regulations which make it unlawful to consign and/or receive animals known to be diseased and/or exposed to diseases.

Inspection and vaccination: Twenty-five states require all animals consigned to auctions to be inspected by an approved veterinarian with the exception in some states of slaughter animals. In 24 states, all swine consigned to auctions, except for immediate slaughter, must be vaccinated for cholera unless accompanied by a certificate of vaccination. Eight states require all dairy and breeding animals consigned to auctions, except for immediate slaughter, to be tested for Bang's disease unless accompanied by a certificate signed by a qualified veterinarian.

Administrative Regulations

Licensing of operators: Twenty-five states require auction operators to have a license or permit before they can operate. The fees charged for these licenses ranged from no charge to \$125, and in most cases must be renewed annually.

Bonding of operator: Bond must be carried by auction operators in 19 states to insure faithful performance of obligations. In those states that require all auctions to carry the same value bond, the required amount varied from \$1,000 to \$10,000. Several states varied the amount of the bond, depending on the volume of business.

Keeping of records: Records of each transaction must be kept by auction operators in 21 states. Most states require the record to include the date of transaction, the name and address of buyers and sellers, and the

number and species of animals.

Weighing: Regular inspection and testing of scales is required by 11 states. The frequency of testing varies from 3 to 6 months. Bonded weightmasters are required by three states and one state makes it unlawful for the weigher to buy at the auction where he is employed.

Title warranty: Three states require the auction operator to guarantee the title to all livestock sold. In other states the auction operator must hold the sales proceeds for a specified period if there is any question as to title. If title is not established in the specified period, the operators turn the sales proceeds over to the administrative agency.

Penalties: Most states specify that any person violating any provision of the law or regulations shall be guilty of a misdemeanor and if convicted, shall be subject to fine and/or imprisonment. The penalties provided for vary from \$25 or 30 days in prison, or both, to \$1,000 or 1 year in prison, or both.

SUMMARY AND CONCLUSIONS

Auctions are the most important single outlet for livestock in Mississippi. Auction operators estimated that over 800,000 head of livestock valued at approximately \$20,000,000, were sold through Mississippi auctions in 1943. In addition, 929 farmers reported that they sold over twice as many livestock through auction markets in 1943 as through any other single outlet.

Facilities and services were inadequate at many auctions. In general, large auctions provided better facilities and services than did medium auctions, and medium auctions provided better facilities and services than did small auctions. The small volume of livestock handled at some auctions in certain areas of the State makes it unprofitable for the operators to provide adequate facilities and services. Better facilities and services could be provided if a smaller number of auctions were operating in these areas.

Some of the more important inadequacies of facilities and services at auction markets include: (1) the lack of a high, well-drained location; (2) facilities that are poorly arranged; (3) an insufficient number of pens; (4) sales rings that were too small and poorly lighted; (5) the lack of seating space for buyers and sellers; (6) failure to provide modern scales and to have them tested frequently; (7) failure to clean and disinfect yards frequently and to take or provide other disease-preventive measures; and (8) failure to provide a sufficient number of capable employees with special emphasis on auctioneers, ringmasters, and weighers.

The elimination of certain practices such as (1) by-bidding, (2) misrepresentation of livestock, (3) rough treatment of livestock, and (4) favoritism toward dealers would do much to improve conditions at most auctions.

The majority of auctions in Mississippi make either a single charge of 5 percent commission on gross sales or 5 percent plus 10 cents yardage. Additional charges for insurance and weighing are assessed by a smaller number of auctions.

Selling charges assessed by auctions are higher in Mississippi than in adjoining states and the nation as a whole, and the majority of farmers reporting stated that they would sell more livestock through auctions if those charges were reduced. Consideration should be given to the advisability of assessing charges on a per head basis rather than on a percentage of the gross sale value. Selling charges are higher at auctions than at public terminal markets for most classes of livestock, the only exception being small animals of low value.

Commission and yardage are the principal items of income to auctions. Wages and salaries, truck and auto expense, losses and feed are the most important items of expense. Profits in 1943 averaged \$2,877 at three small auctions, \$11,860 at two medium auctions, and \$21,414 at two large auctions. These figures do not represent what the average operator receives, because half the auctions in the State are operated by partnerships of from two to four partners. However, it must be kept in mind that in most cases, the operation of an auction is a part-time business and that most operators have additional income from one or more sources.

Prices paid at auctions compare rather favorably with those paid at other markets in Mississippi and were higher at large than at small auctions. Prices were highest in the spring when farmers were buying feeder, stocker, and breeder animals, and lowest in the fall when they were selling their surplus livestock. The average good quality livestock sold for as much as two or three times that of the average low quality livestock.

Legislation designed to regulate livestock auction has been enacted in about two-thirds of the states in the nation. Some of the most frequent and important regulations in force in these states are: Operators must be licensed before they can operate; bonds must be carried to insure faithful performance of obligations; records of each transaction must be kept; facilities must be approved before a license is issued; scales must be inspected and tested at regular intervals; floors must be of concrete or other impervious material in all pens used for swine; premises must be cleaned and disinfected after each sale; trucks must be cleaned and disinfected; diseased animals must not be consigned or accepted; livestock must be inspected by an approved veterinarian before they are sold; and swine, except for slaughter, must be vaccinated for cholera.

Following the lead of the majority of states, legislation should be enacted or regulations set up to regulate auctions in the interest of all persons affected by the well being of the livestock industry in Mississippi. This will be necessary because some operators will not go to the expense and trouble of providing adequate facilities and services and of taking precautionary measures against diseases unless they are forced to do so. Some operators hesitate about making these changes because they feel competitors not making similar changes would have all the advantage because of lower overhead and operating expense. If all markets were required to operate on an equal footing, this apparent advantage would disappear. Operators who operate their auctions honestly and efficiently have nothing to fear from supervision but should gain through the elimination of unfair competition and of competitors who provide inadequate facilities and services.

Although there are many instances where the operation of livestock auctions could be improved, they are the most important single outlet for livestock in Mississippi and are performing a much needed service. They offer a ready market for all classes and grades of livestock and have served to educate farmers as to the value of different grades of livestock. Even though auction markets have been operating in Mississippi only a few years, all indications point to their becoming a permanent marketing institution. Auctions with adequate facilities operated by honest, efficient management will do much to insure this permanency.

APPENDIX

Table 43. Average prices of livestock by months,
13 auctions, Mississippi, 1943

Items	Best animals	Medium animals	Poorest animals	All animals
Cow and calf (per head)	dollars	dollars	dollars	dollars
January	83.00	65.58	45.77	65.00
February	95.08	73.94	49.96	74.14
March	119.96	79.03	53.75	82.87
April	115.82	85.44	63.35	87.48
May	103.48	70.52	51.26	73.89
June	101.17	70.40	52.59	73.61
July	91.24	64.68	45.98	66.63
August	80.21	63.95	49.12	64.30
September	96.73	69.70	45.89	70.48
October	84.16	62.64	43.33	63.17
November	84.00	51.22	31.27	54.43
December	88.27	61.52	36.68	61.97
Year	96.92	69.24	48.65	70.98
Cows (per head)				
January	78.26	52.60	35.13	54.63
February	88.85	65.66	40.39	65.15
March	95.29	66.51	45.31	68.41
April	109.06	71.98	54.76	77.00
May	89.30	65.99	46.18	66.85
June	89.22	61.57	40.48	63.17
July	82.28	54.49	34.41	56.38
August	76.60	52.14	32.86	53.42
September	81.68	50.66	35.13	54.49
October	77.83	47.61	31.99	51.26
November	71.79	44.50	28.11	47.22
December	72.78	53.51	33.48	53.33
Year	87.16	59.46	40.11	61.52
Heifers (per head)				
January	44.16	27.56	18.26	29.38
February	49.81	32.79	19.69	33.77
March	54.38	34.91	23.26	36.83
April	61.01	40.85	24.69	41.84
May	57.50	39.27	27.00	40.75
June	54.22	39.97	25.47	39.91
July	46.89	33.58	19.50	33.39
August	44.78	31.66	16.82	31.23
September	39.34	26.20	16.56	27.05
October	41.36	26.13	14.89	27.10
November	40.33	23.57	14.84	25.56
December	34.55	22.73	14.24	23.54
Year	49.28	33.26	20.76	34.14

Table 43. Average prices of livestock by months, 13 auctions, Mississippi, 1943—Continued

Items	Best animals	Medium animals	Poorest animals	All animals
Cows (per cwt.)	dollars	dollars	dollars	dollars
January	10.09	8.23	6.33	8.22
February	9.82	9.33	7.18	8.92
March	11.65	9.51	6.64	9.33
April	12.91	10.90	8.30	10.75
May	12.03	10.24	8.03	10.14
June	10.85	8.23	6.02	8.33
July	10.30	8.21	6.10	8.20
August	9.32	7.23	5.31	7.27
September	9.76	7.66	5.39	7.62
October	8.35	6.59	5.10	6.66
November	8.25	5.09	4.66	5.77
December	9.31	7.16	5.16	7.20
Year	9.58	7.42	5.68	7.52
Heifers (per cwt.)				
January	11.83	10.26	8.88	10.31
February	13.14	10.68	9.33	10.96
March	(1)	(1)	(1)	13.56
April	15.49	12.34	10.39	12.58
May	(1)	(1)	(1)	12.18
June	13.33	11.98	10.00	11.84
July	12.63	10.84	9.14	10.87
August	11.57	9.95	7.99	9.87
September	10.83	9.22	7.17	9.12
October	9.75	8.36	6.79	8.32
November	9.36	8.02	6.54	7.98
December	10.74	8.96	7.32	8.99
Year	11.61	10.03	8.18	9.96
Bulls (per cwt.)				
January	11.83	10.04	8.42	10.08
February	11.81	10.20	9.08	10.32
March	13.17	11.76	10.20	11.73
April	13.32	11.72	9.91	11.67
May	12.58	10.28	9.25	10.59
June	11.31	9.81	8.41	9.84
July	11.05	9.15	8.24	9.40
August	9.68	8.69	7.90	8.74
September	10.23	8.30	7.30	8.54
October	9.81	7.79	6.66	8.01
November	8.93	7.17	5.86	7.28
December	9.02	7.67	6.74	7.77
Year	11.22	8.90	7.92	9.23

Table 43. Average prices of livestock by months, 13 auctions, Mississippi, 1943—Continued

Items	Best animals	Medium animals	Poorest animals	All animals
Steers (per cwt.)	dollars	dollars	dollars	dollars
January	12.38	11.15	9.34	11.01
February	13.35	11.96	10.06	11.84
March	14.83	13.67	11.41	13.42
April	15.66	14.10	12.17	14.05
May	(1)	(1)	(1)	12.02
June	13.42	11.68	8.63	11.38
July	12.50	10.85	9.53	10.93
August	11.29	9.57	8.25	9.67
September	12.05	9.29	7.89	9.61
October	10.38	8.34	7.40	8.60
November	9.97	8.32	6.58	8.30
December	10.53	8.99	7.19	8.93
Year	12.24	10.30	8.71	10.38
All calves (per cwt.)				
January	12.11	9.95	8.01	10.01
February	13.06	11.05	8.86	11.00
March	14.14	11.74	9.55	11.79
April	15.22	12.91	10.70	12.94
May	13.60	11.38	9.37	11.43
June	12.75	10.23	8.26	10.37
July	11.69	9.14	7.98	9.48
August	11.82	9.15	7.37	9.37
September	11.83	9.23	6.90	9.30
October	10.90	8.22	6.28	8.41
November	10.07	7.28	5.50	7.53
December	11.13	7.59	6.67	8.24
Year	12.10	9.53	7.59	9.69
Heifer calves (per cwt.)				
January	12.86	10.85	8.98	10.88
February	13.50	11.94	9.82	11.80
March	14.86	13.17	11.13	13.08
April	16.08	14.10	11.88	14.04
May	15.08	13.14	11.14	13.13
June	13.81	12.00	10.22	12.01
July	12.74	10.85	9.38	10.96
August	12.62	9.47	7.62	9.79
September	12.35	9.40	7.48	9.66
October	10.98	8.34	6.67	8.58
November	10.48	7.94	6.27	8.15
December	11.02	8.94	6.94	8.96
Year	12.90	10.63	8.73	10.72

Table 43. Average prices of livestock by months, 13 auctions, Mississippi, 1943—Continued

Items	Best animals	Medium animals	Poorest animals	All animals
Bull calves (per cwt.)	dollars	dollars	dollars	dollars
January	11.07	8.55	7.34	8.88
February	11.48	9.24	8.04	9.50
March	13.48	10.65	8.21	10.74
April	14.01	11.57	10.05	11.80
May	12.27	9.99	8.87	10.28
June	11.34	8.69	7.44	9.04
July	10.40	7.83	8.03	8.52
August	10.40	8.15	7.22	8.48
September	10.26	7.48	6.47	7.92
October	9.42	6.85	5.72	7.25
November	8.55	5.92	4.98	6.34
December	9.20	6.89	5.55	7.13
Year	10.69	8.19	7.11	8.54
Steer calves (per cwt.)				
January	12.49	10.80	8.56	10.67
February	14.07	11.78	8.51	11.54
March	14.72	12.35	10.26	12.41
April	15.70	13.58	11.11	13.49
May	14.67	12.95	9.92	12.63
June	13.83	12.08	8.97	11.75
July	13.05	10.25	8.07	10.40
August	11.87	9.54	7.67	9.65
September	12.19	8.82	7.01	9.20
October	11.76	8.68	6.22	8.83
November	10.59	8.40	5.95	8.34
December	9.58	7.58	6.03	7.69
Year	12.84	10.49	8.16	10.49
All hogs (per cwt.)				
January	13.52	12.61	10.92	12.42
February	14.05	13.07	11.48	12.92
March	14.10	13.12	11.31	12.91
April	13.65	12.83	11.26	12.64
May	13.56	12.78	10.89	12.50
June	13.36	12.04	10.12	11.89
July	13.03	12.20	9.85	11.83
August	13.37	12.49	9.38	11.95
September	13.55	12.27	9.05	11.80
October	13.49	12.39	10.34	12.16
November	12.19	10.52	8.07	10.33
December	11.28	9.44	7.24	9.35
Year	13.27	12.25	10.13	11.98

Table 43. Average prices of livestock by months, 13 auctions, Mississippi, 1943—Continued

Items	Best animals	Medium animals	Poorest animals	All animals
Hogs (240 & above) (per cwt.)	dollars	dollars	dollars	dollars
January	13.69	12.90	11.52	12.75
February	14.30	13.55	11.82	13.31
March	14.24	13.43	11.11	13.05
April	13.98	13.18	11.38	12.94
May	13.63	12.95	11.10	12.66
June	13.11	12.26	9.33	11.77
July	12.83	12.01	8.67	11.39
August	13.49	12.41	9.68	12.01
September	13.93	12.66	9.11	12.12
October	13.83	12.92	10.34	12.51
November	12.72	11.45	8.91	11.13
December	12.19	10.50	8.29	10.37
Year	13.52	12.54	10.26	12.22
Hogs (180-240) (per cwt.)				
January	13.90	13.15	11.56	12.95
February	14.21	13.43	12.00	13.27
March	14.55	13.70	12.19	13.54
April	14.12	13.36	11.98	13.21
May	13.73	13.18	11.62	12.92
June	14.99	11.49	11.02	12.25
July	13.22	12.50	10.10	12.10
August	13.70	13.21	9.02	12.34
September	14.18	13.03	10.61	12.72
October	13.96	13.16	11.38	12.91
November	12.74	11.84	9.55	11.50
December	12.03	10.47	7.80	10.19
Year	13.79	12.77	10.88	12.55
Hogs (80-180) (per cwt.)				
January	13.21	12.14	10.19	11.92
February	13.85	12.64	11.06	12.55
March	13.77	12.63	10.89	12.50
April	13.30	12.44	10.92	12.77
May	13.44	12.52	10.44	12.23
June	12.92	12.14	10.66	11.82
July	13.02	12.10	10.32	11.89
August	13.09	12.06	9.42	11.67
September	12.90	11.47	8.03	10.97
October	13.01	11.61	9.66	11.48
November	11.51	9.16	6.72	9.14
December	9.83	7.61	5.85	7.73
Year	12.87	11.81	9.68	11.55

Table 43. Average prices of livestock by months, 13 auctions, Mississippi, 1943—Continued

Items	Best animals	Medium animals	Poorest animals	All animals
Sheep (per cwt.)	dollars	dollars	dollars	dollars
January	(1)	(1)	(1)	11.80
February	(2)	(2)	(2)	(2)
March	(2)	(2)	(2)	(2)
April	(2)	(2)	(2)	(2)
May	(2)	(2)	(2)	(2)
June	(2)	(2)	(2)	(2)
July	11.26	8.46	4.84	8.26
August	11.59	9.49	4.21	8.68
September	(2)	(2)	(2)	(2)
October	9.50	8.42	7.05	8.35
November	(2)	(2)	(2)	(2)
December	(2)	(2)	(2)	(2)
Year	11.10	8.97	5.36	8.60
Sheep (per head)				
January	(1)	(1)	(1)	5.00
February	(2)	(2)	(2)	(2)
March	8.38	8.00	6.25	7.66
April	6.00	6.00	5.86	5.98
May	(2)	(2)	(2)	(2)
June	(1)	(1)	(1)	5.38
July	(1)	(1)	(1)	5.00
August	8.00	5.47	3.83	5.68
September	(1)	(1)	(1)	3.22
October	(1)	(1)	(1)	4.71
November	4.95	4.10	3.96	4.27
December	(2)	(2)	(2)	(2)
Year	6.47	5.70	4.95	5.70
Goats (per head)				
January	(1)	(1)	(1)	2.27
February	3.18	1.55	1.54	1.96
March	(1)	(1)	(1)	1.57
April	2.94	2.48	2.20	2.53
May	5.37	2.44	1.95	3.03
June	6.39	2.90	2.28	3.60
July	3.74	2.73	2.41	2.90
August	3.58	2.72	2.06	2.77
September	4.29	1.93	1.81	2.47
October	4.62	3.43	2.23	3.43
November	3.24	2.29	2.00	2.46
December	2.75	2.19	1.52	2.17
Year	3.68	2.37	1.91	2.58

Table 43. Average prices of livestock by months, 13 auctions,
Mississippi, 1943—Continued

Items	Best animals	Medium animals	Poorest animals	All animals
Mules (per head)	dollars	dollars	dollars	dollars
January	114.66	64.25	13.89	64.41
February	104.46	42.97	5.28	48.74
March	135.30	68.42	24.52	74.16
April	93.23	51.56	16.58	53.23
May	(1)	(1)	(1)	57.00
June	(1)	(1)	(1)	15.57
July	(1)	(1)	(1)	30.35
August	(1)	(1)	(1)	85.44
September	136.73	80.37	11.73	77.30
October	157.50	93.83	13.96	89.78
November	146.59	46.93	1.34	60.45
December	151.94	40.25	1.78	58.55
Year	128.43	60.02	12.38	65.11
Horses (per head)				
January	(1)	(1)	(1)	51.34
February	120.00	57.69	21.30	63.33
March	(1)	(1)	(1)	57.23
April	105.00	53.54	23.80	58.48
May	(1)	(1)	(1)	74.69
June	(1)	(1)	(1)	67.75
July	(1)	(1)	(1)	68.13
August	(1)	(1)	(1)	35.00
September	(1)	(1)	(1)	37.75
October	(1)	(1)	(1)	36.86
November	(1)	(1)	(1)	58.73
December	(1)	(1)	(1)	54.10
Year	99.71	51.86	22.87	56.04
Mares (per head)				
January	(1)	(1)	(1)	60.40
February	92.71	51.67	17.29	53.28
March	92.50	67.46	29.58	64.25
April	114.11	60.76	29.28	65.87
May	(1)	(1)	(1)	55.15
June	(1)	(1)	(1)	59.09
July	(1)	(1)	(1)	52.95
August	(1)	(1)	(1)	63.50
September	(1)	(1)	(1)	91.12
October	103.21	70.38	22.93	67.08
November	101.11	69.67	21.94	65.82
December	(1)	(1)	(1)	47.92
Year	103.46	59.75	24.69	61.72

Table 43. (Continued). Average prices of livestock by months, 13 auctions, Mississippi—1943.

Items	Best animals	Medium animals	Poorest animals	All animals
Colts (per head)	dollars	dollars	dollars	dollars
January	(1)	(1)	(1)	37.50
February	(1)	(1)	(1)	51.29
March	(1)	(1)	(1)	35.40
April	(1)	(1)	(1)	35.64
May	(2)	(2)	(2)	(2)
June	(1)	(1)	(1)	45.63
July	(1)	(1)	(1)	28.00
August	(2)	(2)	(2)	(2)
September	(1)	(1)	(1)	44.75
October	(1)	(1)	(1)	34.40
November	(1)	(1)	(1)	35.13
December	(2)	(2)	(2)	(2)
Year	60.28	36.88	23.00	38.76

Source: Records of 13 auction companies.

¹Where less than 20 sales were recorded, the averages for the best, medium and low quality animals were not given for that month.

²No sales recorded.

Note: Heifers, bulls and steers weighing over 500 pounds were classified as mature animals, whereas those weighing under 500 pounds were classified as calves.

