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Country Livestock Dealers and Local Markets in Missouri

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COLUMBIA, MISSOURI

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This publication reports in part on Department of Agricultural Economics
research project 289, Livestock Markets.

Country Livestock Dealers and Local Markets in Missouri

DURWARD BREWER

INTRODUCTION

The primary objective of this study was to analyze the characteristics and operations of livestock dealers and local livestock markets. Location of these markets and dealers, sources of purchases, sales outlets for livestock, trade areas, and general methods of operation in Missouri were investigated.

In future phases of the study, markets and marketing agencies of various types will be studied in relation to farmers' purchases and the sales of slaughter, feeder, and breeding livestock.

Prior to the study, a complete list of livestock markets and marketing agencies in the state was compiled. The state was divided into seven primary marketing areas. These areas were determined in a way that offered the greatest degree of homogeneity in market characteristics and operation, and in type of farming and livestock production. A representative statistical sample of livestock dealers and local markets was drawn from the list of livestock markets and marketing agencies for each predetermined area (Figure 1). The sample included 14 percent of all dealers and 80 percent of all local markets. The cause for this wide discrepancy in the percentage sample between country dealers and local markets was due to the variation in number and dispersion of the representative markets in various areas of the state. It was believed that this percentage rate of sampling was necessary to provide reliable statistical estimates on an area basis.

Livestock dealers and local market operators were interviewed individually during May and June of 1958. Information was recorded on a uniform schedule covering the operations of a dealer or local market for the calendar year of 1957.

For the purpose of simplicity, livestock dealers and local markets will be handled separately in this bulletin. The information obtained through interview in each area was analyzed on an area basis. Where significant differences existed among areas, the areas were separated for comparison.

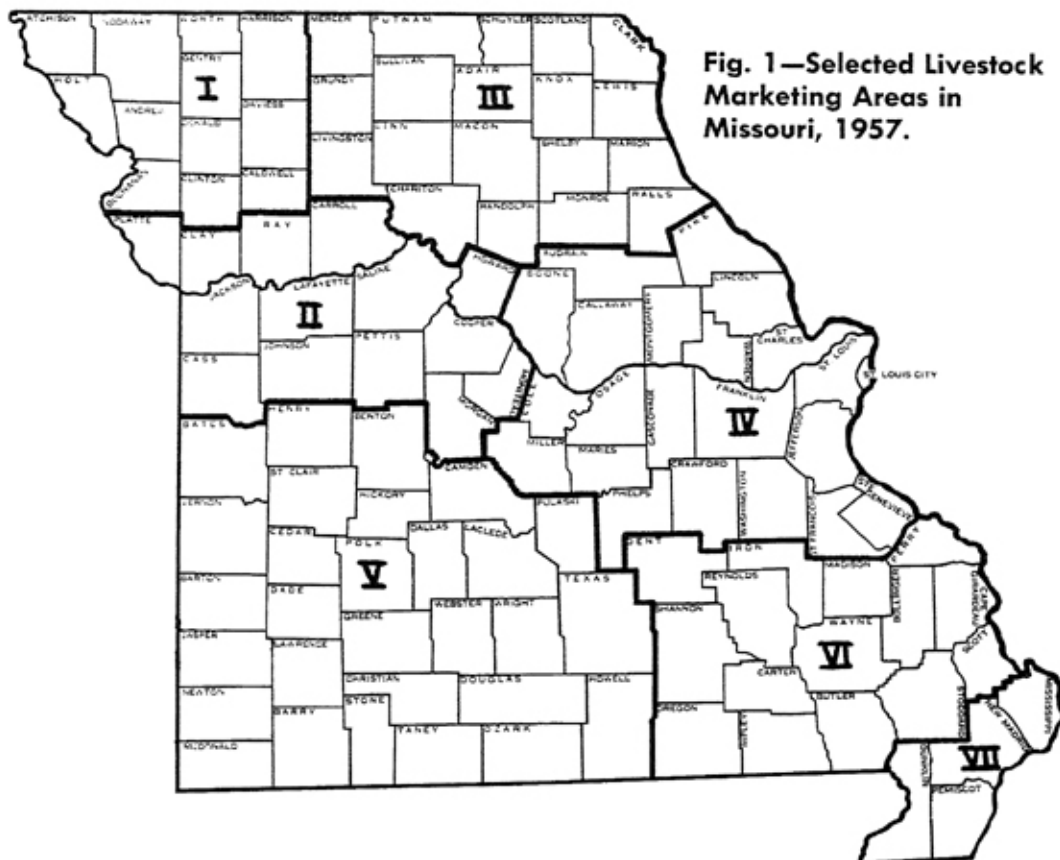


Fig. 1—Selected Livestock Marketing Areas in Missouri, 1957.

Part I

Country Livestock Dealers

Livestock dealers, as defined for this bulletin, are independent operators who buy and sell livestock for a profit. The dealer may or may not own or lease facilities. Livestock dealers are commonly called country dealers, traders, truck buyers, or traveling buyers. The most common method of operation for these dealers is to buy from livestock producers and sell to some dominant market outlet such as a terminal public market or livestock auction market. Dealers also buy from livestock auctions, other dealers, and terminal markets, then resell to other terminal markets, auction markets, packers, and

producers. Most frequently, however, dealers do their biggest volume of business with farmers.

Unlike other livestock markets, the dealer is confronted with conducting a large proportion of his total volume of business with a heterogeneous product. He buys animals of uneven quality and size, in odd lots, and singles. By sorting and grading he is generally able to offer more even and attractive lots for resale to other market outlets in the livestock industry. Livestock dealers, as they now operate, are performing a needed and desired function within the livestock marketing channel. The country dealer may perform one or many of the marketing functions, such as assemblage, transportation, storage, grading, sorting, and financing. He apparently performs these marketing functions as economically, or more so, than any other method that could be activated.

SOME CHARACTERISTICS OF LIVESTOCK DEALERS

Location.

The estimated total number of country-livestock dealers operating in the state in 1957 was approximately 500. Livestock dealers were active in approximately 95 percent of the counties of the state, but were relatively more concentrated in some areas than in others, particularly in those areas lying south of the Missouri River (Figure 2). This concentration can be explained in part by the type of farming practices in the area, soil fertility, class and type of livestock produced, and the lack of development of other livestock markets and marketing facilities.

Dealer Experience.

Most livestock dealers had been in the business of buying and selling livestock for several years. Of the dealers interviewed 49.3 percent had been dealing in livestock for 20 or more years. The length of time which the dealers had been in business varied from two years to 54 years. The average number of years of operation for the livestock dealer was 21.7 years. This length of time varied substantially among areas. The shortest average length of time was 13 years for dealers in Area VII, and the longest length of time was 29.5 years for dealers operating in Area IV. (Table 1.)

Some of the significant factors related to this difference in relative length of time that dealers had been in business were the general type of farming in an area, volume of business in particular vicinities, and the growth and development of livestock markets and marketing agencies of various types. In the three areas where the major terminal public livestock markets are found, the average number of years spent by dealers in buying and selling livestock has been greater than in outlying areas.

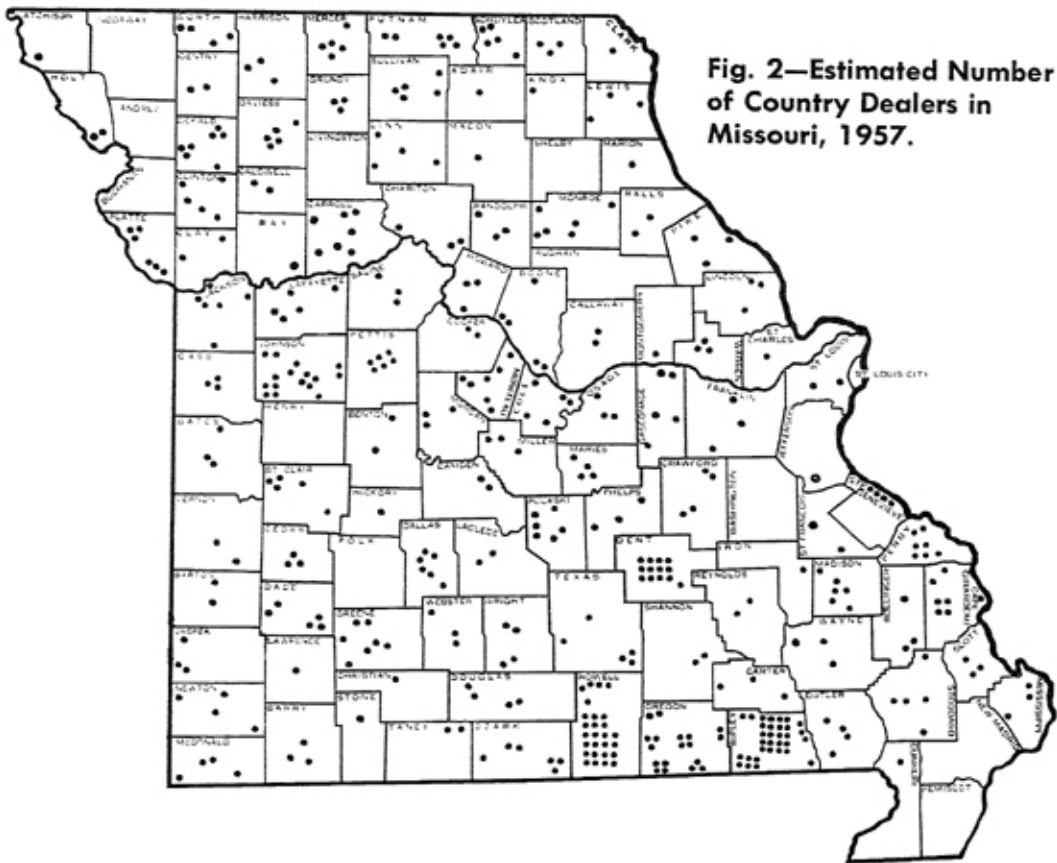


TABLE 1--PERCENT OF COUNTRY DEALERS IN BUSINESS FOR VARIOUS LENGTHS OF TIME BY MARKETING AREAS.

Area	Years						Average Number of Years
	0-10	10-20	20-30	30-40	40-50	50-60	
I	11	33	33	11	11	--	20.7
II	8	42	17	17	8	8	24.2
III	18	9	28	36	9	--	23.6
IV	18	19	9	9	27	18	29.5
V	19	44	25	6	6	--	17.9
VI	50	17	8	--	8	17	19.5
VII	25	50	25	--	--	--	13

Business Combinations.

The survey of livestock dealers indicated that 89 percent carried on other types of business in conjunction with their livestock operation during 1957. The most frequent companion enterprise was farming. Sixty percent were engaged in some type of farming. Next in order of importance was a dealer-farmer-auc-

tioneer combination, which accounted for 10.7 percent of all dealers. Dealer-trucker combinations made up 5.7 percent. See Table 2 for percentage distribution by marketing areas of various other combinations.

TABLE 2--PERCENTAGES WHO WERE FULL TIME LIVESTOCK DEALERS AND WHO HAD OTHER BUSINESSES.

Area	Full Time	Farming	Auctioneer	Trucker	Farming and Auctioneer	Other
I	30	60	10	--	--	--
II	25	58	--	--	17	--
III	--	64	--	--	27	9
IV	--	64	--	--	18	18
V	--	50	12	25	--	12
VI	17	75	--	--	8	--
VII	--	33	33	33	--	--
State	10.66	60	5.33	6.76	10.66	6.76

DEALER FACILITIES

The primary facilities of the livestock dealer consisted of trucks, pens, and pastures.

Trucks.

More than 95 percent of the dealers used trucks in their operations. Seventy-two percent of the total country dealers owned their trucks, 23 percent either leased or hired trucks for their operations, while only 5 percent did not require trucks in their dealings. The ownership of trucks by dealers varied considerably among the different marketing areas of the state. In Area VI all dealers owned their trucks while in Area III only 27 percent of the dealers owned trucks. Ownership of trucks differed for several reasons but, apparently, distance to terminal public markets had a major influence. A higher percentage of livestock dealers in the Ozark areas of the state owned their trucks than in other areas. The size of truck used by dealers in their operations varied from $\frac{3}{4}$ -ton trucks to 36-foot tandem trailers. Most dealers who owned more than one truck had a large volume, or were part-time dealers with alternate enterprises, most frequently custom trucking of livestock.

Pens.

In 1957 nearly 79 percent of the livestock dealers either owned or leased pen facilities. The percentage of dealers having use of pens did not vary substantially among areas of the state. From a low of 67 percent in Area I, to a high of 91 percent of the dealers in Area III had the use of pen facilities. The owning or leasing of holding pens by livestock dealers varied with the dealers' volumes of business; practically all major dealers in the state either owned or leased holding

pens. Country dealers who did not own or lease pens, either did not require pens in their method of operation or did not have enough volume to justify the added cost involved.

There were 52 covered pen facilities in the group of livestock dealers interviewed in the study. They had a total of 148,564 square feet of covered pen space. The average covered pen space varied from 2,100 square feet in Area IV to 264.7 square feet in Area VI. The average size of covered pens for all areas was 285.7 square feet per pen.

Scales.

Only a few of the livestock dealers owned scales, 6.7 percent of those interviewed. Country dealers either purchased livestock by the head or had the use of scale installations at local elevators, livestock auction barns, or railroads. It appeared that ownership of scales varied in relation to the dealers' volume of business in practically all cases.

Even with the surprisingly low number of scales owned by country dealers, most livestock were bought on the weight basis; 87 percent of the livestock dealers in the state purchased on weight or partly on weight basis. The seller of livestock in most cases was given his choice of sale either by head or by weight. Thirteen percent of the dealers reported that they bought almost exclusively on per head basis. It is believed that in the majority of these instances, the dealer concerned was primarily a dealer in feeder livestock, or one with a low volume operation.

SIZE OF BUSINESS

Size of business of the livestock dealer is most accurately determined by the volume of animals. Number of animals is the most widely used measure, but in some instances, depending upon the use to be made of the information, a more accurate picture may be obtained by calculating in terms of animal units. Animal unit is defined as one cow, steer or bull; two heifers; five calves; five hogs or seven sheep.

This bulletin is concerned primarily with the total head of livestock handled, and makes no reference to measurements in animal units.

The average number of head purchased by dealers in the state was 1,934. On the animal unit basis this figure would be considerably reduced. Average numbers of all the various kinds of livestock purchased by dealers were: cattle and calves, 1,082 head; slaughter hogs, 91 head; feeder pigs, 663; and sheep and lambs, 98 head.

An "Expansion Factor" was worked out on the basis of the statistical sample used in the study to view operations and total volume of livestock handled by the country dealers. Table 3 presents an overall view, giving the estimated

TABLE 3--ESTIMATED TOTAL NUMBER AND PERCENT OF ALL LIVESTOCK PURCHASED BY DEALERS FROM VARIOUS SOURCES; 1957.

Class of Livestock	Other					Total
	Farmers	Local Auctions	Dealer or Local Market	Terminal Markets	Special Feeder Sales	
Feeder Cattle and Calves	226,106	79,939	1,230	10,171	5,863	479,373
Slaughter Cattle and Calves	53,633	48,292	4,309	483	--	
Other Cattle and Calves	34,261	7,964	35	891	6,196	
Total Cattle and Calves	314,000	136,195	5,574	11,545	12,059	
Percent	65.5	28.4	1.2	2.4	2.5	
Feeder Pigs	255,022	33,565	1,803	587	2,581	333,640
Slaughter Hogs	25,756	6,090	--	--	147	
Other Hogs and Pigs	7,157	908	--	--	24	
Total Hogs and Pigs	287,935	40,563	1,803	587	2,752	
Percent	86.3	12.2	.54	.02	.82	
Feeder Lambs	19,611	5,661	--	--	--	43,791
Slaughter Sheep and Lambs	16,486	2,033	--	--	--	
Other Sheep and Lambs	--	--	--	--	--	
Total Sheep and Lambs	36,097	7,694				
Percent	82.4	17.6				
Total All Livestock	638,036	184,452	7,377	12,132	14,811	856,804
Percent	74.4	21.5	.09	1.41	1.7	

TABLE 4--ESTIMATED TOTAL NUMBER AND CLASSES OF LIVESTOCK PURCHASED BY DEALERS BY MARKETING AREAS; 1957.

Class of Livestock	Area						
	I	II	III	IV	V	VI	VII
Feeder Cattle & Calves	29,583	50,913	118,490	34,325	26,737	55,561	7,700
Slaughter Cattle & Calves	2,667	8,726	12,929	7,400	27,765	47,205	25
Other Cattle & Calves	3,550	21,055	3,309	300	14,400	6,731	--
Feeder Pigs	37,666	47,247	17,042	11,875	41,894	137,534	300
Slaughter Hogs	2,250	2,775	11,889	1,110	6,833	7,111	25
Other Hogs & Pigs	83	5,357	--	50	1,833	751	15
Feeder Lambs	5,167	6,777	11,795	--	1,533	--	--
Slaughter Sheep & Lambs	3,917	2,905	7,091	1,115	1,680	1,811	--
Other Sheep & Lambs	--	--	--	--	--	--	--
Total	84,883	145,755	182,545	56,175	122,675	256,704	8,065

total volume handled and quantities purchased by country dealers from various sources in 1957.*

Dealer concentration in specific species of livestock varied by areas. There was heavy dealer concentration in feeder cattle and sheep in Area III and in feeder pigs in Area VI. There was a lack of purchases of slaughter hogs in Area I, the most heavily concentrated slaughter hog area in the state, and a relatively high concentration of dealer purchases of slaughter cattle in Area VI, whereas in other areas dealer operations in slaughter cattle were of much less importance relative to production (Table 4).

Many factors affect the size of the livestock dealer's business. Some of the more important factors are: (a) the number and kind of livestock in a dealer's trade area; (b) the facilities which a dealer has at his disposal in the business, such as trucks, pens, scales, and pastures (these might be grouped under the factor of "capital"); (c) another enterprise in conjunction with livestock which the dealer operates; (d) location of the livestock dealer in relation to other market outlets for livestock; and (e) the age of the livestock dealer. This is not a complete list of factors affecting the size of business of the dealer, but merely those which appeared to be of major importance.

For instance, the volume of animals handled by most individual dealers varied directly with the size of their trade areas. See Table 5 for percentage of livestock obtained from various distances by marketing areas.

SOURCES OF SUPPLY

The Missouri livestock dealers obtained their supply of livestock primarily from farmers, auctions, and terminal markets. Country dealers obtained 64 percent of all cattle and calves, 83.7 percent of all hogs and pigs, and 82.9 percent of all sheep and lambs from farmers.

MARKET OUTLETS USED BY DEALERS

The number and types of market outlets available to the dealer were determining forces regarding type of markets he used in his resale of livestock. The individual dealer used an average of three different market outlets. Slaughter livestock were usually sold at the terminal public markets or to order buyers and packers. Most feeder livestock were sold either direct to the farmer or through livestock auction markets. Table 6 gives the principal outlets used and the number sold. Table 7 gives percentages of different classes of livestock sold from the seven marketing areas in the state.

Distance Livestock Was Shipped by Dealers for Resale.

The distance livestock was shipped by dealers for resale varied considerably by area and location. The major outlets used by dealers in different locations

*All sales and purchase figures used in the bulletin are based on first point of sale, and are not implied to mean final sale in any instance.

TABLE 5--PERCENTAGES OF TOTAL LIVESTOCK THAT DEALERS OBTAINED FROM VARIOUS DISTANCES; BY MARKETING AREAS; 1957.

Area	Cattle-Miles Hauled				Hogs-Miles Hauled				Sheep-Miles Hauled			
	Less 10	10-25	25-50	50+	Less 10	10-25	25-50	50+	Less 10	10-25	25-50	50+
I	12.3%	18.9%	26.1%	42.6%	22.0%	28.4%	29.4%	20.5%	21.4%	59.2%	19.4%	- %
II	23.7	22.9	18.6	34.8	16.8	26.0	14.8	42.3	29.3	36.0	27.7	7.0
III	13.9	29.3	26.0	30.7	26.5	41.7	21.9	9.8	21.7	31.1	41.3	5.8
IV	19.7	25.2	23.4	31.7	35.2	44.5	20.1	-	88.8	13.2	-	-
V	45.5	44.0	3.2	7.3	34.0	49.7	13.6	2.6	3.1	65.4	19.7	11.7
VI	11.8	29.3	29.9	29.0	35.1	49.6	10.1	5.3	100	-	-	-
VII	2.8	2.8	28.8	65.7	16.2	19.1	20.6	44.1	-	-	-	-

TABLE 6--ESTIMATED TOTAL NUMBER OF ALL LIVESTOCK SOLD BY DEALERS TO VARIOUS MARKET OUTLETS; 1957.*

Class of Livestock	Packers	Farmers	Terminal Markets	Auctions	Local Markets	Other**
Feeder Cattle and Calves	--	105,884	8,566	44,502	--	94,638
Slaughter Cattle and Calves	29,969	--	53,041	2,470	6	9,572
Other Cattle and Calves	5,919	15,816	3,718	4,095	--	161
Feeder Pigs	--	138,114	1,904	18,912	--	96,453
Slaughter Hogs	5,159	638	31,825	1,384	59	17
Other Hogs and Pigs	223	1,456	566	546	--	--
Feeder Lamb	11,086	7,264	452	3,372	--	453
Slaughter Sheep and Lambs	875	6,498	6,539	1,017	--	1,419
Total All Livestock	53,231	275,670	106,611	76,298	65	202,713

*The discrepancy between this table and Tables 3 and 4 is the result of the dealers either not recalling or not having records on all lots of livestock sold during the year 1957.

**The column headed Other includes all sales made by dealers through special auctions, to other dealers, breeder's sales, and other buyers whose total purchases made up an insignificant volume in the livestock trade.

TABLE 7--PERCENTAGES OF TOTAL NUMBER OF LIVESTOCK, BY CLASS,
SOLD BY DEALERS IN VARIOUS MARKETING AREAS; 1957.

Class of Livestock	Area						
	I	II	III	IV	V	VI	VII
Feeder Cattle & Calves	8.97	9.02	39.90	13.27	8.87	19.80	.18
Slaughter Cattle & Calves	1.58	4.29	12.66	8.50	26.02	46.92	.00
Other Cattle & Calves	11.56	29.92	.00	1.00	36.05	21.47	.00
Feeder Pigs	13.18	9.02	6.37	3.87	17.18	50.33	.05
Slaughter Hogs	5.84	8.92	33.44	7.96	17.78	25.99	.07
Other Hogs & Pigs	5.98	6.95	.00	1.79	61.32	23.82	.05
Feeder Lambs	14.00	27.10	52.13	.00	6.78	.00	.00
Slaughter Sheep & Lambs	14.27	17.77	43.38	7.26	6.24	11.08	.00
Other Sheep & Lambs	---	---	---	---	---	---	--
Total	9.70	10.01	22.59	7.86	15.82	33.91	.11

TABLE 8--PERCENTAGES OF ALL LIVESTOCK SOLD BY DEALERS
SHIPPED VARIOUS DISTANCES TO MARKET OUTLET; 1957.

Class of Livestock	Distance - Miles		
	0-50	50-250	250-Over
Cattle and Calves	50.0%	36.0%	14.0%
Hogs and Pigs	44.9	37.7	17.4
Sheep and Lambs	54.7	41.5	3.8

TABLE 9--PERCENTAGES OF CATTLE AND CALVES SHIPPED VARIOUS
DISTANCES TO MARKETS BY DEALERS IN THE SEVEN AREAS.

Area	Distance in Miles		
	0-50	50-250	250-Over
I	87.9	12.5	-
II	52.0	48.0	-
III	22.6	51.4	26.0
IV	29.5	70.5	-
V	50.8	43.8	5.4
VI	47.5	40.9	11.5
VII	94.9	5.1	-

determined this distance to a great extent. The principal type of livestock handled by dealer influenced the type of market used and distance animals were shipped. For example, most feeder stock and a major part of the dairy cows and heifers were sold back to farmers in the dealer's own trade area as replacements, while slaughter and cull animals were sold to packers, or at terminals or auction markets.

Of the total livestock sold by dealers, 48.1 percent was sold within a 50 mile radius of dealers' headquarters and 85.2 percent within a 250 miles. Only 14.7 percent went beyond 250 miles. Table 8 shows the percentages of livestock by species moved various distances for resale by country dealers. Table 9 illu-

Fig. 3—Various Markets where Feeder and Slaughter Cattle and Calves Were Bought and Sold by Country Livestock Dealers, 1957.

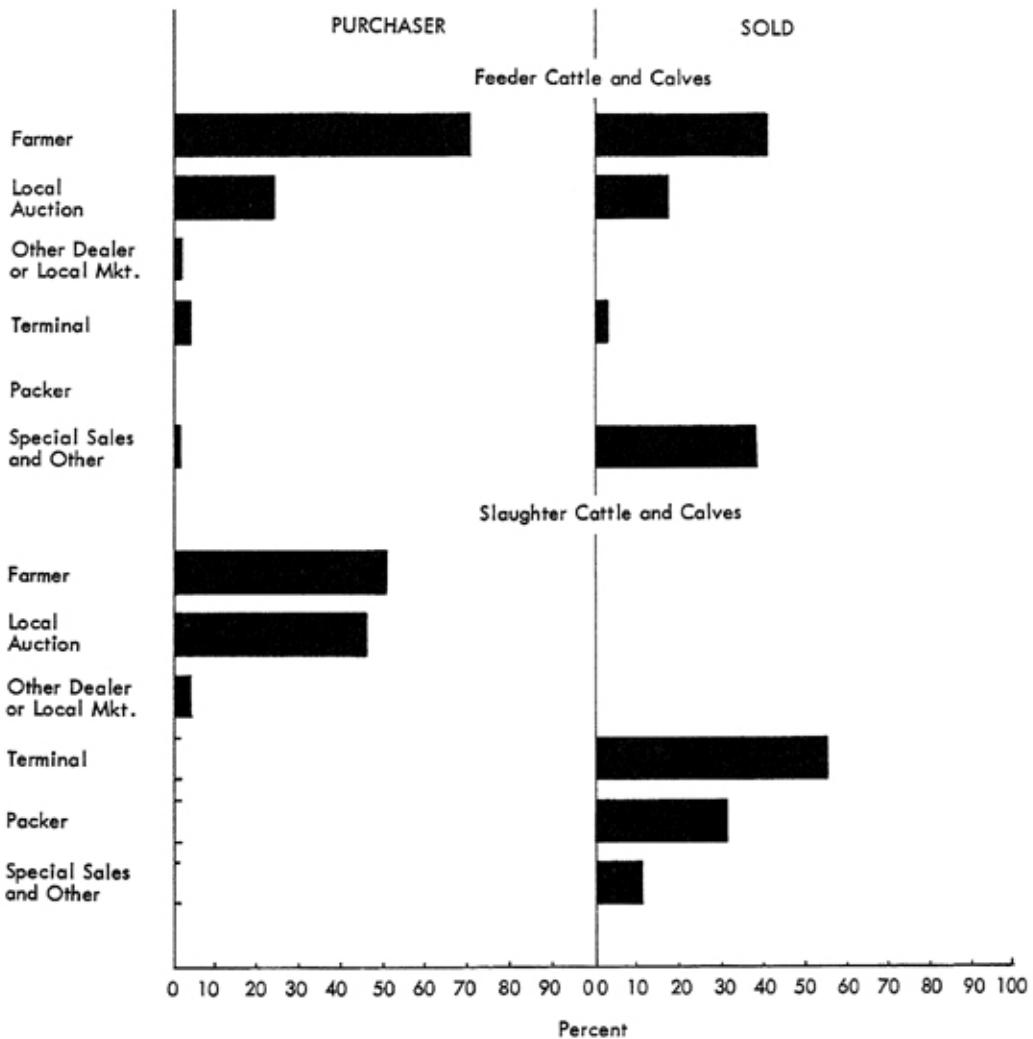
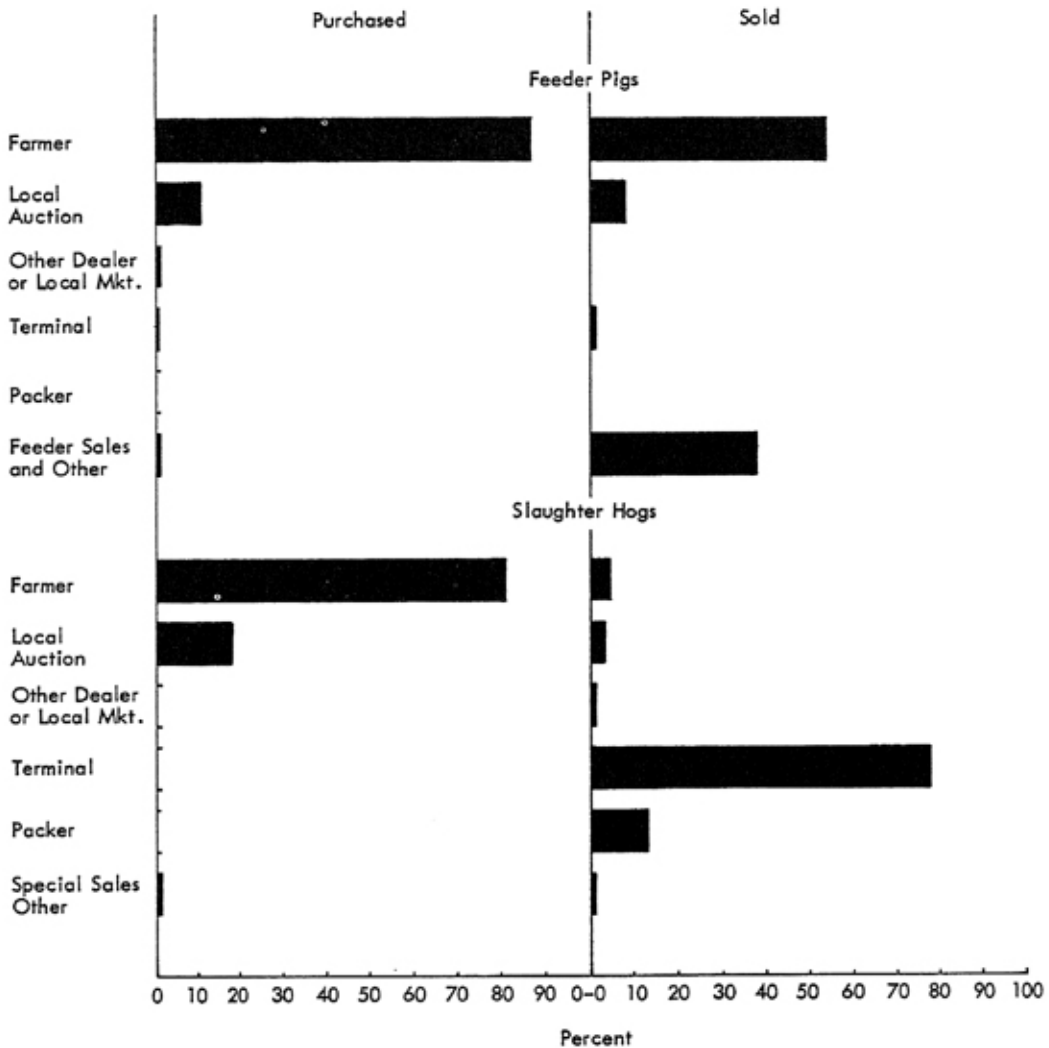


Fig. 4—Various Markets where Feeder and Slaughter Hogs and Pigs Were Bought and Sold by Country Livestock Dealers, 1957.



states the percentages of cattle and calves in the seven areas that were shipped various distances to market outlets. Tables 10 and 11 show the percentages of hogs and sheep sold by dealers various distances from point of operation. In all instances nearly 90 percent of the sheep were resold within a 50 mile radius, with the exception of Area III where over 85 percent were sold at a greater distance.

TABLE 10--PERCENTAGES OF HOGS AND PIGS SHIPPED VARIOUS DISTANCES TO MARKETS BY DEALERS IN THE SEVEN AREAS.

Area	Distance in Miles		
	0-50	50-250	250-Over
I	71.1	28.9	-
II	76.9	23.1	-
III	42.8	53.3	3.9
IV	70.5	29.5	-
V	47.7	33.5	18.8
VI	13.0	45.6	41.4
VII	100.0	-	-

TABLE 11--PERCENTAGES OF SHEEP AND LAMBS SHIPPED VARIOUS DISTANCES TO MARKETS BY DEALERS IN THE SEVEN AREAS.

Area	Distance		
	0-50	50-250	250-Over
I	89.7	10.3	---
II	100.0	---	---
III	14.4	78.1	7.5
IV	100.0	---	---
V	98.2	1.8	---
VI	100.0	---	---
VII	---	---	---

Length of Time Livestock Held Before Resale.

The total number of livestock sold by dealers corresponded closely to the total number of dealer purchases. There was, however, variation in distribution of sales of livestock by classes. Most of the livestock purchased by dealers was held for a time. Between 4 and 5 percent of the dealers held livestock less than three days. The average dealer held his purchases for a period of three to seven days, while some, who were apparently better equipped to handle livestock, held longer.

It was common for dealers to hold feeder stock longer than slaughter stock. Feeder cattle were frequently held from 30 to 90 days. In some isolated instances they were held four to six months before resale. Feeder pigs were commonly held from one to six weeks, although a small percentage of dealers held them longer.

Most slaughter livestock were resold in a relatively short period, generally only allowing for rest and feed. If livestock had to be transported considerable distances to market, they were sold when full loads were obtained or, if the dealer patronized a local auction, the day of the auction.

Sorting.

Sorting of livestock was frequently practiced by the country dealer but rarely on a 100 percent basis. Of those livestock dealers buying and selling cattle, 76 percent said that they sorted before resale. Hogs were sorted by 40 percent of the dealers before resale. Sorting is carried on by dealers in all areas of the state at about the same rate, ranging from 66.7 percent of the dealers in Area II to 87.5 percent in Area V.

BUYING AND SELLING PRACTICES

Method of Payment.

Ninety-eight percent of the dealers contacted operated on an immediate cash payment basis. When they resold livestock to other individuals or at a regular market outlet, approximately 90 percent required settlement before releasing the livestock to the buyer. The 10 percent who did not require settlement prior to release of livestock either knew the buyer personally or past experience led them to accept the credit of the buyer.

Agreements.

Few dealers had any type of working agreement with other individuals or marketing agencies in the livestock trade, either verbal or written. However, about 27 percent of the dealers did some buying on order or commission and another 8 percent bought regularly for a packer.

Sixty-one percent of the dealers said they did some buying on order for farmers or other marketing agencies with which they were associated.

Buying Charges.

Dealers practiced two methods in buying and selling livestock with the seller generally having the choice. An animal was bought or sold by either head or weight. Nearly all slaughter livestock was bought and sold by country dealers on weight basis. Light feeder pigs were primarily bought and sold on per head basis, also feeder cattle to a lesser extent.

The commission received or charged by the dealer when buying on order varied relative to the class of livestock concerned and the area where the transaction took place. In general, cattle were handled on a commission per hundred-weight basis, although a flat rate per head was not uncommon. Hogs were more generally handled on a commission per hundredweight, while feeder pigs were commonly bought on a per head charge.

Part II

Local Livestock Markets

The local market generally performs a more complete marketing service than the country livestock dealer. Several of the marketing functions performed by the local livestock markets are either uneconomical or impossible for the average country dealer to perform.

Local markets, as they are referred to in this study, are defined as markets having fixed facilities for handling livestock such as pens, scales, loading and unloading chutes. They may be owned as individual proprietorships, partnerships, corporations or cooperative associations. They are often referred to by such names as stockyards, livestock markets, and local yards. At these markets livestock are purchased from farmers or other individuals on a lot or graded basis. They are usually sorted or regraded and sold to packers, order buyers, or to other market agencies.

Local markets are fewer in number than country dealers. Approximately 80 percent of all known local markets operating in Missouri in 1957 were represented in the interviews for this study.

CHARACTERISTICS OF LOCAL MARKETS

Location.

Local markets are distributed relatively even over about two-thirds of the state with a slight concentration in the north central counties. Areas adjoining terminal markets apparently lack any type of local market agencies. The largest single area in the state having no local market facilities, as they were defined, was the southwest quarter of Missouri (Area V in Figure 5). A possible reason for the lack of development of local markets in the area was that this portion of the state was primarily a dairy region. Another factor was the nearness of two smaller terminal public markets, the Springfield terminal market and the Joplin stockyards.

Figure 5 shows the location of local markets in 1957. Since the survey, about 12 local hog markets have been established in the state.

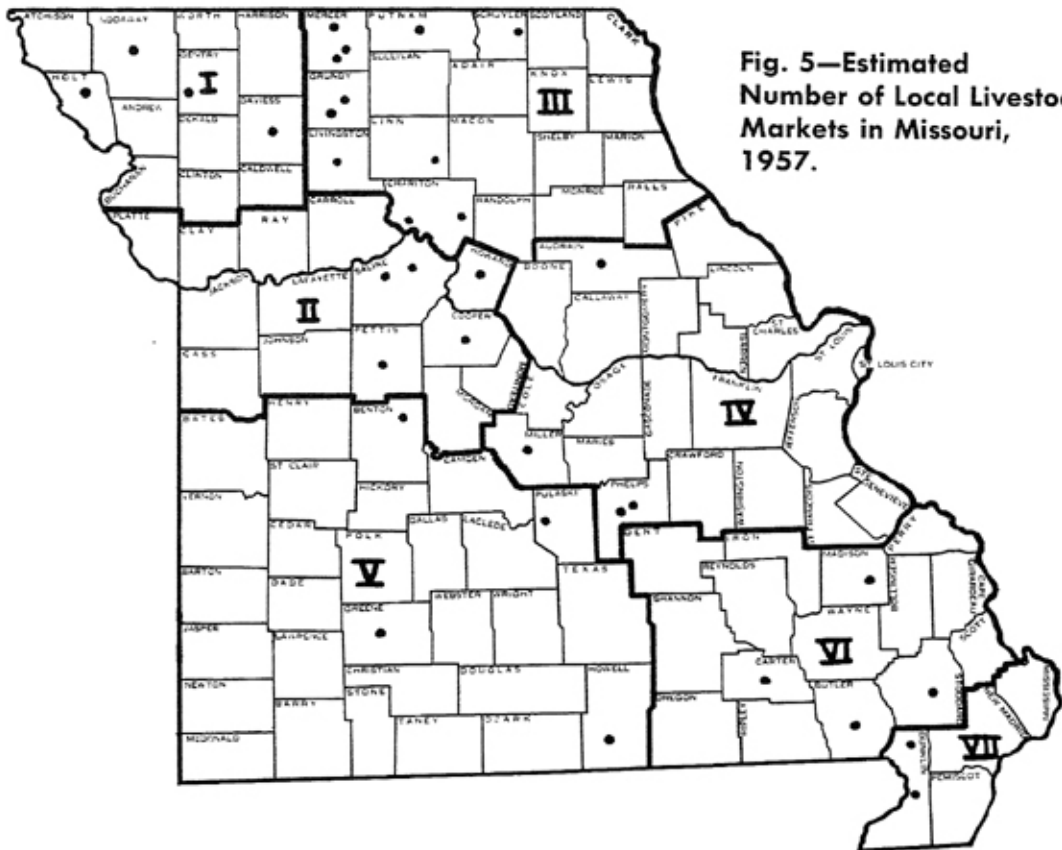


Fig. 5—Estimated Number of Local Livestock Markets in Missouri, 1957.

Experience.

The years of experience of the local livestock market operator varied from one to 50 years. Practically all operators of local markets had previous experience in livestock marketing with other agencies before becoming associated with an interior local livestock market. The average local market operator had been associated with this particular type of marketing agency for 12.5 years, 32 percent for over 15 years, and approximately 75 percent for five years or more.

Days Markets Were Open.

Unlike country dealers, local markets varied in the number of days which they were open for business. Three-fourths of the local markets were open five to six days a week. A three-day market existed in a few areas, operating Mondays, Thursdays, and Fridays. One market was open only one day a week. The number of days a market remained open depended primarily on its location in relation to livestock population, and the type and class of livestock produced in its trade area.

Business Combinations.

The local livestock market operator was less apt to be engaged in other enterprises in conjunction with his livestock business than country dealers. Fifty-eight percent of all local market operators were engaged only in livestock marketing, 26 percent were part-time farming, 11 percent were engaged in meat-packing and 5 percent in other types of business related to agriculture. The largest proportion of operators carrying on other forms of business along with the operation of a local market were those located in Areas IV, V, VI. Seventy-five percent of the operators in these areas operated some other enterprise in conjunction with the local livestock market. In Areas I, II, III, 18 percent of the operators were involved in some other enterprise. The percentage of an operator's time which was required at his market was related to the volume of livestock handled. A majority of the local markets in Areas IV, V, VI, apparently did not have the required volume of livestock to demand the full attention of the operator.

Business Organization.

Fifty-eight percent of the local markets contacted were single proprietorships. The remaining 42 percent were partnerships. No major difference was found between the single proprietorship and the partnership firm in volume of livestock handled. Business practices of the two organizations were similar in all of their operations.

FACILITIES

Truck.

The ownership of trucks was not necessary for the local market operator; however, 58 percent did own one or more trucks. For operators reporting ownership of trucks, there were 2.4 trucks per market. Those who did not own trucks either leased or hired hauling done by load or mile if transportation of livestock to other outlets was necessary. Where livestock was purchased by the buyer at the yard, the buyer furnished his own transportation for the animals in most instances.

Pens.

All of the local livestock markets maintained pen facilities, either owned or leased. Approximately three-fourths of the local markets owned pen facilities; the remainder leased pens for their operations. A total of 217 pens were under roof, an average of 15 per local market. This amounted to 52,934 square feet of covered pen space. Local market operators who were leasing facilities generally had more pens and more square feet under roof than operators who owned their pen facilities. Operators who leased pen facilities had an average of 19.6 pens

per establishment, or 6,154 square feet; operators who owned their facilities averaged 13.2 pens, or 6,030 square feet.

Since no great difference existed in volume handled by operators who leased facilities and those who owned facilities, it can be concluded that owners more fully utilized the facilities at hand, thus achieving greater plant use efficiency.

Scales.

Livestock purchases made by local market operators were primarily on a weight and grade basis. The survey indicated that 80 percent of all local markets in Missouri were equipped with scale facilities. The beam type of scale with a capacity range from five to twenty thousand pounds was used by all markets that owned scale facilities. Sixty-four percent of this group used self recording scales, and the remaining 36 percent used the hand recording type.

The local markets that did not own scales still purchased the greater volume of their livestock by weight, using nearby scale installations. Apparently, only a very small percentage of the livestock handled by local markets was bought or sold on per head basis. Where this practice did occur it most frequently involved feeder animals.

SIZE OF BUSINESS

The most accurate measure to determine size of business of the local livestock market, as for the country dealer, is: volume of animals handled for some specified period of time.

Of all livestock received at local markets, the average number of head per market in 1957 was 24,108. Slaughter hogs accounted for the largest proportion of this number; 16,369 head; cattle and calves accounted for 2,485 head per market; sheep and lambs, 2,570 head; and the remainder was made up of feeder pigs and other hogs which were not classified (Table 12).

SOURCE OF SUPPLY

Nearly half of the local markets purchased all their livestock at their yards. Two-thirds of the markets purchased more than one-half of the total livestock handled at their yards. The remaining one-third purchased more than 50 percent directly from the producers' farms. Other major sources of supply were the livestock auction markets and country dealers. Table 13 gives the total number of head of livestock purchased from various sources. Table 14 gives the percentages of total livestock received at local markets from various distances for each of the marketing areas in the state.

TABLE 12--ESTIMATED TOTAL NUMBERS OF DIFFERENT CLASSES OF LIVESTOCK
PURCHASED BY LOCAL MARKETS BY MARKETING AREAS; 1957.

Class of Livestock	I	II	III	IV	V	VI	VII
Feeder Cattle and Calves	3,000	--	18,112	--	3,750	2,063	1,540
Slaughter Cattle and Calves	1,100	--	20,981	667	3,487	566	580
Other Cattle and Calves	200	--	1,283	--	2,325	--	--
Feeder Pigs	52,500	130	--	--	900	5,028	6,600
Slaughter Hogs	94,700	104,197	86,963	51,332	7,455	14,301	33,912
Other Hogs and Pigs	300	--	--	--	180	--	--
Feeder Lambs	1,800	--	9,000	--	300	--	250
Slaughter Sheep and Lambs	1,500	--	48,285	--	300	--	250
Other Sheep and Lambs	--	--	--	--	15	--	--
Total All Livestock	155,100	104,327	184,624	51,999	18,712	21,958	43,132

TABLE 13--ESTIMATED TOTAL NUMBERS OF LIVESTOCK PURCHASED BY
LOCAL MARKET FROM VARIOUS SOURCES; 1957.

Class of Livestock	Farmers	Other			Special Feeder Sales	Total
		Local Auctions	Dealer or Local Market	Terminal		
Feeder Cattle and Calves	26,649	879	937	--	--	
Slaughter Cattle and Calves	24,158	918	2,305	--	--	
Other Cattle and Calves	3,585	105	118	--	--	
Total Cattle and Calves	54,392	1,902	3,360			59,654
Feeder Pigs	22,388	490	10,500	--	31,780	
Slaughter Hogs	309,190	6,180	63,390	--	14,100	
Other Hogs and Pigs	180	--	300	--	--	
Total Hogs and Pigs	331,758	6,670	74,190	--	45,880	458,498
Feeder Lambs	10,020	422	360	360	188	
Slaughter Sheep and Lambs	44,521	300	5,514	--	--	
Other Sheep and Lambs	15	--	--	--	--	
Total Sheep and Lambs	54,556	722	5,874	360	188	61,700
Total of All Livestock	440,706	9,294	83,424	360	46,068	579,852

TABLE 14--PERCENTAGES OF TOTAL LIVESTOCK THAT LOCAL MARKETS OBTAINED FROM VARIOUS DISTANCES; BY MARKETING AREAS; 1957.

Area	Cattle - Miles				Hogs - Miles				Sheep - Miles			
	Less 10	10-25	25-50	Over 50	Less 10	10-25	25-50	Over 50	Less 10	10-25	25-50	Over 50
I	20.0%	40.0%	37.0%	3.0%	28.7%	42.1%	10.8%	18.4%	25.0%	40.0%	5.0%	30.0%
II	.0	.0	.0	.0	28.9	34.0	36.7	.9	.0	.0	.0	.0
III	7.4	40.1	37.5	14.9	39.5	42.2	18.2	.0	6.4	10.7	43.6	39.3
IV	30.0	60.0	10.0	.0	40.0	40.0	20.0	.0	.0	.0	.0	.0
V	22.8	32.8	21.2	23.2	40.0	50.0	10.0	.0	50.0	50.0	.0	.0
VI	1.9	85.1	13.0	.0	31.0	35.9	33.1	.0	.0	.0	.0	.0
VII	40.0	50.0	10.0	.0	40.0	50.0	10.0	.0	40.0	50.0	10.0	.0

TABLE 15--ESTIMATED TOTAL NUMBER OF DIFFERENT CLASSES OF LIVESTOCK SOLD BY LOCAL MARKETS TO VARIOUS OUTLETS; 1957.

Class of Livestock	Packers	Farmers	Terminal Markets	Auctions	Other
Feeder Cattle and Calves	--	18,618	--	71	9,406
Slaughter Cattle and Calves	11,739	--	14,786	15	1,292
Other Cattle and Calves	227	2,825	430	--	327
Feeder Pigs	--	26,298	--	--	37,870
Slaughter Hogs	355,080	--	16,732	--	20,127
Other Hogs and Pigs	75	240	165	--	--
Feeder Lambs	9,000	300	--	--	1,800
Slaughter Sheep and Lambs	43,283	600	6,202	--	--
Other Sheep and Lambs	--	15	--	--	--
Total All Livestock	419,404	48,896	38,315	86	70,822

MARKET OUTLETS USED BY LOCAL MARKETS

In general, the number and types of market outlets available to the local livestock market operator for disposing of his livestock were more limited than those available to the country dealer. This is a result primarily of the major class of livestock handled by the market. This major class was slaughter hogs, which comprised over two-thirds of the total volume of animals purchased at these markets. Perishability of quality of slaughter livestock forces final sale of the animals as soon as possible; thus the packer was the local market's primary outlet. The packers received nearly 90 percent of the total volume of slaughter animals sold by local markets. Disposition of livestock sales by local markets is shown in Table 15. Relationships between sources of supply and outlets used for resale of feeder and slaughter cattle and calves are illustrated in Figure 6. Figure 7 gives the same information for feeder and slaughter hogs.

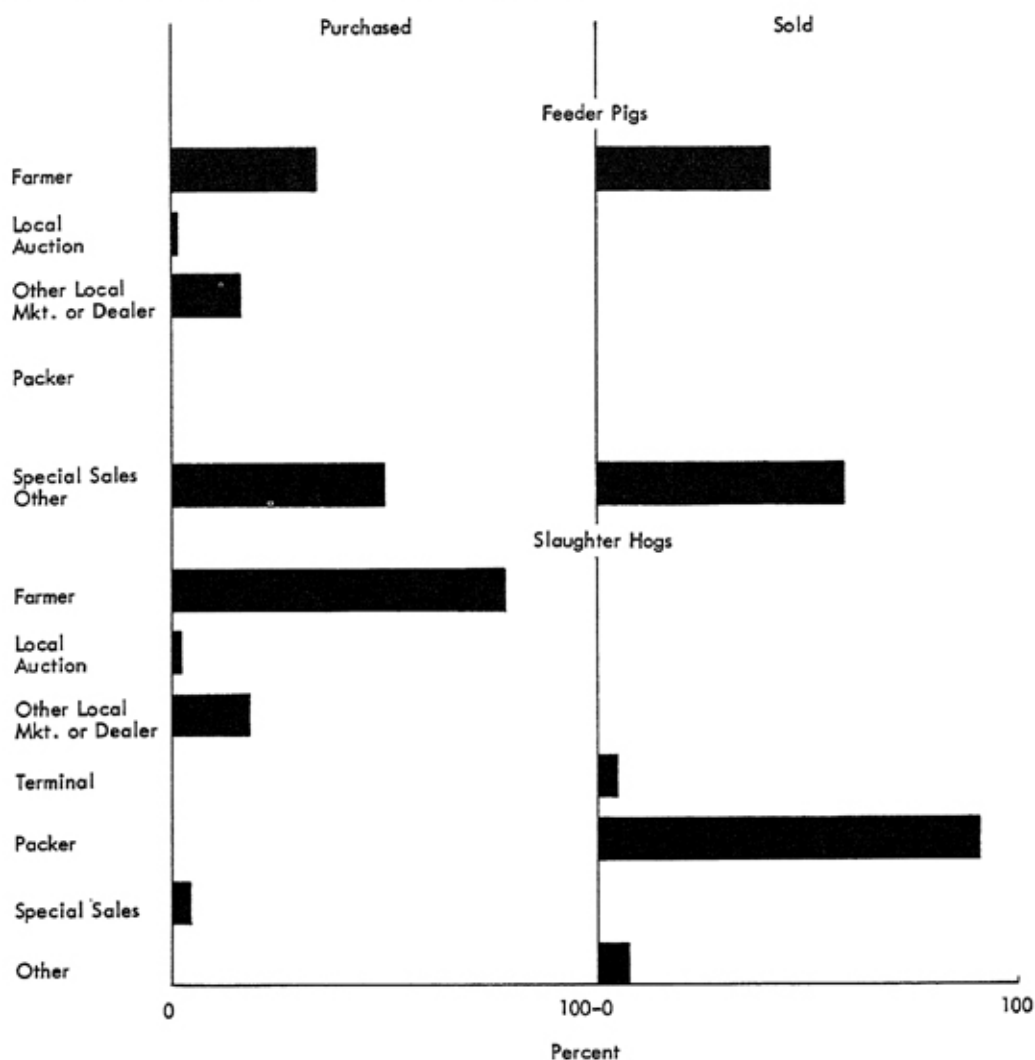
Fig. 6—Various Markets where Feeder and Slaughter Cattle and Calves Were Bought and Sold by Local Markets, 1957.



TABLE 16--ESTIMATED TOTALS OF ALL LIVESTOCK SOLD BY LOCAL MARKETS BY MARKETING AREAS, 1957.

	I	II	III	IV	V	VI	VII.
Feeder Cattle and Calves	3,000	--	18,113	--	4,650	791	1,540
Slaughter Cattle and Calves	1,100	--	20,981	668	3,938	566	580
Other Cattle and Calves	200	--	1,283	--	2,325	--	--
Feeder Pigs	52,500	130	--	--	--	4,938	6,600
Slaughter Hogs	93,700	104,197	86,963	51,322	7,455	14,391	33,912
Other Hogs and Pigs	300	--	--	--	180	--	--
Feeder Lambs	1,800	--	9,000	--	300	--	--
Slaughter Sheep and Lambs	1,500	--	48,285	--	300	--	--
Other Sheep and Lambs	--	--	--	--	15	--	--
Total All Livestock	154,100	104,327	184,625	51,990	19,163	20,686	42,632

Fig. 7—Various Markets where Feeder and Slaughter Hogs and Pigs Were Bought and Sold by Local Markets, 1957.



There was considerable variation among areas in total number of head of livestock within any one class as well as in total number of all livestock sold. Table 16 shows this variation clearly.

Distance Livestock Shipped for Resale.

The distance livestock was shipped by local markets for resale did not vary substantially among marketing areas. However, markets that more or less specialized in a particular class of livestock did vary from the state average. About 88 percent of all livestock was resold within a radius of 250 miles (Table 17).

TABLE 17--PERCENTAGES OF ALL LIVESTOCK SOLD BY LOCAL MARKETS, SHIPPED VARIOUS DISTANCES TO MARKET OUTLET, 1957

Class of Livestock	Distance - Miles		
	0-50	50-250	250-Over
All Cattle and Calves	47.7%	41.9%	10.5%
All Hogs and Pigs	2.5	75.0	25.5
All Sheep and Lambs	3.1	93.2	3.7

Hogs and sheep were shipped further for resale than cattle and calves. This is believed to be a result of the composition of the different classes and not necessarily due to the species of animal. Whereas hogs and sheep were primarily slaughter animals, a greater percentage of the cattle and calves were feeders, which were resold to farmers in the surrounding areas. This is more clearly shown in the following tables. In Table 18, note that only in Area V was there a substantial proportion of cattle sold beyond 250 mile distance. Most of the hogs in all areas were sold between a 50 to 250-mile radius (Table 19).

TABLE 18--PERCENTAGES OF ALL CATTLE AND CALVES SOLD BY LOCAL LIVESTOCK MARKETS SHIPPED VARIOUS DISTANCES TO MARKET OUTLET, BY AREAS, 1957.

Area	Distance - Miles		
	0-50	50-250	250-Over
I	20.0%	80.0%	- %
II*			
III	62.1	33.4	4.5
IV	100.0	--	--
V	20.8	43.7	35.5
VI	28.8	63.4	7.8
VII	75.0	25.0	--

*None of the local markets interviewed in this area either purchased or sold cattle and calves.

TABLE 19--PERCENTAGES OF ALL HOGS AND PIGS SOLD BY LOCAL LIVESTOCK MARKETS SHIPPED VARIOUS DISTANCES TO MARKET OUTLET, BY AREAS, 1957.

Area	Distance - Miles		
	0-50	50-250	250-Over
I	- %	94.1%	5.9%
II	.5	25.0	74.5
III	-	62.1	37.1
IV	5.2	84.9	9.9
V	15.0	85.0	-
VI	20.6	75.3	4.1
VII	5.8	94.2	-

TABLE 20--PERCENTAGES OF ALL SHEEP AND LAMBS SOLD BY LOCAL LIVESTOCK MARKETS SHIPPED VARIOUS DISTANCES TO MARKET OUTLET, BY AREAS, 1957.

Area	Distance - Miles		
	0-50	50-250	250-Over
I	20.0%	80.0%	- %
II*	--	--	-
III	--	95.7	4.3
IV*	--	--	-
V	60.0	40.0	-
VI*	--	--	-
VII	--	100.0	-

*There were found no local markets in these areas buying and selling sheep and lambs.

Length of Time Livestock Held Before Resale.

The length of time livestock was held by local markets before resale was determined by class, grade, and specie of the animal. In practically all instances, local markets held livestock for relatively short periods of time before resale. In all markets where slaughter hogs made up a substantial proportion of total volume, the length of time held ranged between 12 and 24 hours. A majority of the markets held slaughter cattle less than three days. On the other hand, local markets which did a considerable volume of trade in feeder cattle held them for longer periods. On the average, local livestock markets held animals for shorter periods of time than the average country dealer. This was primarily because of differences in quality and volume handled.

Sorting.

Surprisingly, only about 52 percent of the local markets sorted animals before resale. Of the markets that reported sorting, about 42 percent sorted 50 percent or more of their cattle and hogs before resale. The markets who sorted 100 percent of both cattle and hogs amounted to 31.6 percent of all markets included in the study. One reason for not sorting animals at several local markets might be that they bought regularly for a packer or agency, and the sorting was done later at other concentration points.

Soliciting Business.

The local market operators were asked if they solicited business in their trade areas. Over 47 percent reported that they did some soliciting, though for several local markets this was of minor importance. Approximately 52 percent did no soliciting, and the majority of these felt that soliciting would have no appreciable affect on their business. The reason given was that in most instances the market had been established for several years and was known by producers

throughout the trade area; if soliciting was practiced it would only mean an additional expense on the part of the local market operator.

Price Quotations.

Most local livestock markets furnished price quotations to their patrons in some form. There appeared to be a significant relationship between a local market's volume of business and whether or not it furnished price information. Markets reporting no price information furnished were generally small volume markets. There were three primary methods employed by local livestock markets in quoting prices: posting at the yard, telephone, and radio. Figures for the most frequently used methods were: telephone, 60 percent; radio, 20 percent; and posting prices at the yards, 20 percent.

Method of Payment.

Local markets in all areas of the state made immediate payment on receipt of livestock at their yards. In no instance did these markets make settlement for livestock received at the yard on a later date.

This practice did not hold true for all local livestock market operators when resale of livestock was made. The majority of market operators did not demand settlement before release of livestock to their customers; about 42 percent required settlement prior to release of animals to buyers.

Feeding Operation.

Feeding out of livestock was of minor importance to the average local market operator. Less than one-third of the local markets fed out any animals in connection with their buying and selling operation. About 20 percent of the operators indicated that they did some feeding of cattle. However, the total number of head of cattle fed out by all operators was relatively insignificant, amounting to less than 1,200 head. There were five local market operators who said that they fattened some hogs but total hogs fattened accounted for slightly over 2,000 head.

Agreements.

There were relatively few local markets having either written or verbal agreements in their buying and selling practices. Nearly 95 percent of the markets reported no type of agreement in their buying and selling operations. Nevertheless, about 37 percent did or would buy on order or commission for customer. In practically all instances the market operator who bought on order would either do so on a commission or a flat rate per head.

The survey revealed that 42 percent of the local markets did some buying regularly for packers. This was particularly true for markets whose primary volume was in slaughter hogs. Indications were that local livestock markets in Missouri operated without contracts and written agreements with other livestock marketing agencies.