

Livestock Market News Services in Texas

U.S. DEPARTMENT OF AGRICULTURE
OFFICE OF DISTRIBUTION
LIVESTOCK BRANCH
MARKET NEWS & TRADING DIVISION

Production & MKTG. *Production & MKTG.*

ESTIMATED SALABLE STOCK YARD RECEIPTS DATE: *July 23*

	RECEIPTS AND SHIPMENTS			
	CATTLE	CALVES	HOGS	SHEEP
FT. WORTH	600	150	100	500
SAN ANTONIO	50	50	100	
CHICAGO	9500	600	7000	2000
KANSAS CITY	2500	200	800	500
OMAHA	6000	100	7000	2000
ST. L. NAT. STRYDS	2000	500	3500	600
SIOUX CITY	3500	100	7000	1000
SO. ST. JOSEPH	2000	300	3500	1500
ST. PAUL	3200	1100	8000	3500
TOPEKA-OMAHA	27350	3700	37000	11600
CHICAGO-9 MARKS	4500	7600	54500	20550

ACT. SALABLE RECEIPTS TODAY: *97* CATTLE, *712* CALVES, *4* HOGS, *4* SHEEP
 EST. TOTAL RECEIPTS TODAY: *100* CATTLE, *925* CALVES, *4* HOGS, *4* SHEEP
 ACT. SALABLE RECEIPTS (Prev.): *97* CATTLE, *712* CALVES, *4* HOGS, *4* SHEEP
 ACT. TOTAL RECEIPTS (Prev.): *100* CATTLE, *925* CALVES, *4* HOGS, *4* SHEEP
 RAIL SHIPMENTS: *100* CATTLE, *925* CALVES, *4* HOGS, *4* SHEEP

TODAY'S MARKET - PORT CITY STOCK YARDS

CATTLE *Trading activity & price trends generally quiet - most classes fully stocked. Good - better grade slaughter calves were 60¢ to 1.00¢ quality and condition. Considerable utility slaughter calves 7.5¢ to 9.2¢ utility average bulls around 12.¢ one body much good and heavy slaughter calves brought 20.¢. Slight of bulk slaughter calves brought 14.¢ utility slaughter 12.¢ to 15.¢ Hogs - Bushband Dams 50¢ higher - Top #24.25 Dams #17.50 - 20.50*

OVER HOOS: CHICAGO KANSAS CITY
 MARKET CONDITIONS ELSEWHERE
 CHICAGO KAN. CITY YESTERDAY'S MKT.



TEXAS AGRICULTURAL EXPERIMENT STATION
R. D. LEWIS, DIRECTOR, COLLEGE STATION, TEXAS

SOURCES OF TEXAS LIVESTOCK MARKET NEWS

FEDERAL LIVESTOCK MARKET NEWS OFFICES

U. S. Department of Agriculture
Agricultural Marketing Service
233 Livestock Exchange Building
Fort Worth 6, Texas

U. S. Department of Agriculture
Agricultural Marketing Service
Amarillo Livestock Auction Co. Bldg.
Amarillo, Texas

U. S. Department of Agriculture
Agricultural Marketing Service
215 Livestock Exchange Building
San Antonio 6, Texas

U. S. Department of Agriculture
Agricultural Marketing Service
4905 Calhoun Road
Houston 4, Texas

STATE LIVESTOCK MARKET NEWS OFFICE

Texas Department of Agriculture
Market News Division
Capitol Station
Austin, Texas

AUCTION SALES REPORTED BY DAYS

Monday

Goldthwaite Abilene	Mills County Commission Co. Ranchers' and Farmers' Livestock Co.	Goats Cattle
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Tuesday

Eastland Abilene Lubbock	Sig Faircloth Livestock Commission Abilene Livestock Commission Co. Lubbock Auction and Commission Co.	Cattle Cattle Cattle
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Wednesday

Brownwood San Angelo Wichita Falls	Brownwood Auction Barn Producers Livestock Auction Co. Wichita Livestock Auction	Cattle Sheep Cattle
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Thursday

Abilene Lubbock Vernon San Angelo	Abilene Livestock Commission Co. Lubbock Auction and Commission Co. Vernon Stockyards Co. San Angelo Livestock Auction	Cattle Cattle Cattle Cattle
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Friday

Goldthwaite San Angelo	Mills County Commission Co. Producers Livestock Auction Co.	Sheep Cattle
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Saturday

San Angelo	San Angelo Livestock Auction	Sheep
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COMMISSION COMPANIES ISSUING MARKET NEWS REPORTS

Texas Livestock Marketing
Association
Livestock Exchange Building
Fort Worth, Texas

Woody-Kutch Livestock Commission
Company
Livestock Exchange Building
Fort Worth, Texas

Foley & Allen Commission Company
Livestock Exchange Building
Fort Worth, Texas

Hunnicut Livestock Commission
Company
Livestock Exchange Building
Fort Worth, Texas

Farmer Commission Company
Livestock Exchange Building
Fort Worth, Texas

Ralls Commission Company
Livestock Exchange Building
Fort Worth, Texas

John Clay and Company
Livestock Exchange Building
Fort Worth, Texas

Fifer Livestock Commission Company
Livestock Exchange Building
Fort Worth, Texas

Nored-Hutchens Commission Company
Livestock Exchange Building
Fort Worth, Texas

J. C. "Jimmie" Walsh Commission
Company
Livestock Exchange Building
Fort Worth, Texas

Crowley-Thomasen-Thorton
Commission Co.
Livestock Exchange Building
Fort Worth, Texas

Jary Commission Company
Livestock Exchange Building
Fort Worth, Texas

Shirley Commission Company
Livestock Exchange Building
Fort Worth, Texas

Cassidy Commission Company
Livestock Exchange Building
Fort Worth, Texas

John Clay and Company
Union Stockyards
San Antonio, Texas

Rocky Reagan, Jr. Commission
Company
Union Stockyards
San Antonio, Texas

AUCTIONS CIRCULATING MARKET NEWS REPORTS

Amarillo Livestock Auction Company
Box 668
Amarillo, Texas

Gulf Coast Commission Company
Box 992
Bay City, Texas

Lometa Commission Company
Lometa, Texas

Bee County Livestock Auction
Box 330
Beeville, Texas

Houston County Livestock
Commission Company
Box 368
Crockett, Texas

Robertson County Auction Company
Box 264
Franklin, Texas

LIVESTOCK NEWSPAPERS

The Weekly Livestock Reporter
Box 4185
Fort Worth 6, Texas

West Texas Livestock Weekly
Box 1606
San Angelo, Texas

LIVESTOCK MAGAZINES

The Cattleman
410 East Weatherford Street
Fort Worth 2, Texas

Sheep and Goat Raiser
Cactus Hotel
San Angelo, Texas

Texas Livestock Journal
Box 1469
San Antonio, Texas

Coastal Cattleman
Box 401
Beaumont, Texas

American Breeds
Texas Theatre
San Antonio 5, Texas

PREFACE

Modern farm production is performed primarily to sell agricultural and livestock products through the marketing channels established for each commodity. Market news provides a guide for these sales, giving the producer specific information to use in estimating the current market price or value of his produce.

Livestock market news is especially important in Texas because of the large number of cattle, sheep and hogs produced and marketed here. Three major stockyards and 154 livestock auctions provide outlets for livestock throughout the year. A statewide pattern of market news service disseminates information on receipts of livestock at the major markets and the prices paid by grade, class, weight and species. The major source of livestock market news information is the Federal Market News Service. Four Texas markets have a place in the nationwide network which provides market news coverage for livestock and other commodities. This is supplemented by state coverage of individual auction markets. Reports from these sources are spread by radio, newspaper, circulars, television and other media. It is essential that they be accurate and that they serve their purpose of providing useful information on market conditions.

The basis for livestock market news reporting is the official grade standards established for each species and class by the U. S. Department of Agriculture. Market reporters have the responsibility for accurate appraisals of market conditions in terms of these standard grades.

The reporter must know livestock and be able to make accurate estimates of grades, weights and slaughter yields to report prices properly. Uniform application of official grade standards by reporters at each market is necessary if reports are to be comparable. Field supervisors check grading and price reporting at each market and require such adjustments as are shown to be necessary by continuous grading tests given to reporters.

In recent years, the increase in direct sales of livestock, for both slaughter and feeder purposes, has received increased attention. Weekly range sales reports, including information on weather, pasture conditions, feed supplies, volume of sales and prices, are prepared for Western areas having considerable direct sales.

Despite this effort to improve market coverage and adjust to changing conditions, the market news system has met increasing criticism. Some of the reasons for this criticism are developed in this publication. Research workers are attempting to develop improvements in livestock market news.

Experiments are being conducted in different parts of the country to develop a more complete analysis of the livestock market situation as a whole and in specific locations. This includes a considerable exchange of information between markets to permit a better understanding of existing conditions and to provide some basis for predicting future marketings, demand and price changes. The present market news system is being used as a basis for these analyses. Relatively complete understanding of underlying price-making factors should permit producers to use market information to better advantage in selecting individual markets and in making necessary decisions.

This publication gives a description of the existing livestock market news coverage in Texas. Each livestock producer should know how the system operates and what information is available for his use. Only through use and through analysis of shortcomings can improvements be developed.

SUMMARY AND CONCLUSIONS

Texas is a leading livestock producing state. Cash income to Texas farmers and ranchmen on sales of livestock amounted to \$449,631,000 in 1954. Livestock are sold through stockyards, auctions and by direct sales. Since producers usually have access to several markets, it is important that they have accurate and reliable information for comparing net prices at alternative markets.

The Federal Market News Service has offices at the Fort Worth, Houston, San Antonio and Amarillo livestock markets. A livestock market news reporter is in charge of each office with responsibility for the collection and dissemination of livestock market news at that market. The reporters obtain information at the market while trading is in progress. Leased wire, press associations, radio, television, newspapers, telegraph, mailed reports, bulletin boards, telephone, personal contact and other means are used to disseminate livestock market information.

Livestock market news reporting by the State is a recent development. The State Market News Service has a livestock market reporter at Wichita Falls who collects livestock market news from several Central and West Texas auctions. Livestock market information is obtained by telephone from auctions after the sale and the combined reports for each day are telephoned to Austin for summary and dissemination. Market information is disseminated by mimeographed reports.

Commission companies are located at the Fort Worth, San Antonio and Houston Stockyards. They provide livestock market information to their customers by newspapers, mimeographed cards, letters and personal contact.

Livestock auctions are an important part of the Texas livestock marketing system. Auctions are scattered widely over the State and farmers usually have access to several auctions. The auctions disseminate market news by newspapers, radio and mailed reports. More auctions distribute market news by newspapers than any other method. The second most frequently used method is radio and mailed reports are used the least.

There are three principal difficulties with present livestock market news reports:

1. Most livestock producers are unfamiliar with the USDA standard grades on which all reporting is presumably based. They are unable to grade their own livestock accurately enough to use market reports in relating market values to these livestock.
2. Market news reports are not directly comparable among markets. Producers have a choice of markets but price quotations alone do not provide all of the information necessary to choose the market giving the greatest net returns.
3. Market news reports are inadequate for some classes of livestock, particularly stoker classes. The existing reporting system is inflexible and is aimed primarily at slaughter livestock. Coverage could be extended to the benefit of producers.

Livestock Market News Services in Texas

WILBERT H. WALTHER and JOHN G. MCNEELY*

TEXAS IS A LEADING LIVESTOCK PRODUCING STATE. The importance of livestock production as a source of income to farmers and ranchmen in Texas is shown by reports of the U. S. Department of Agriculture. In 1954, cash receipts from 4,433,000 cattle and calves amounted to \$386,619,000; cash receipts from 776,000 hogs were \$42,797,000; and 1,978,000 sheep and lambs brought \$20,215,000. Since livestock sales provide one of the major sources of cash income to Texas farmers and ranchmen, it is important that producers be provided with accurate and reliable market news information.

The types of livestock outlets used by Texas farmers and ranchmen are stockyards (or terminal public markets), auctions and direct sales. The three major stockyards in Texas are located at Fort Worth, San Antonio and Houston. Salable receipts at these markets in 1954 included 1,665,481 cattle and calves, 1,125,241 sheep and goats and 112,250 hogs, according to the Livestock Division of the U. S. Department of Agriculture (Table 1).

There were 154 livestock auction markets operating in Texas in November 1954, according to the records of the Livestock Sanitary Commission of Texas. On these markets in 1954 were sold 3,484,087 cattle and calves, 1,280,663 sheep and goats and 536,837 hogs (Table 2). These figures are inflated to the extent that the same animal often is sold more than one time at the same or a different market.

Opinions vary as to which livestock market pays the best prices and when is the optimum time to market livestock. Market price relationships for livestock change from day to day, depending on the quantities available for sale and the interest

TABLE 1. SALABLE RECEIPTS¹ AT MAJOR STOCKYARDS IN TEXAS, 1946-54²

Year	Cattle and calves	Sheep and goats	Hogs
1946	1,995,495	2,653,702	218,650
1947	2,162,616	1,982,101	294,754
1948	1,744,819	2,001,363	316,328
1949	1,371,561	1,163,976	300,052
1950	1,381,680	1,091,369	323,670
1951	1,463,060	878,757	317,551
1952	1,366,305	946,950	239,072
1953	1,725,344	955,680	92,554
1954	1,665,481	1,125,241	112,250

¹Includes livestock consigned for sale but not those sold prior to arrival on market.

²Data supplied by Livestock Division, Agricultural Marketing Service, U. S. Department of Agriculture.

*Respectively, research assistant and professor, Department of Agricultural Economics and Sociology, Texas Agricultural Experiment Station.

TABLE 2. LIVESTOCK CONSIGNED¹ TO AUCTIONS IN TEXAS, 1949-54²

Year	Cattle and calves	Sheep and goats	Hogs
1949	2,696,199	822,725	562,783
1950	3,595,574	1,009,247	644,932
1951	3,662,349	1,130,802	611,346
1952	3,161,464	653,562	533,027
1953	3,123,363	823,070	438,067
1954	3,484,087	1,280,663	536,837

¹Includes all livestock inspected at all auction sales.

²Data supplied by the Livestock Sanitary Commission of Texas.

of buyers in obtaining each class, type, grade, quality and weight.

Farmers usually have access to several different markets. Choosing the best market requires information for comparing net prices at alternative markets. The market reports must use common terminology in describing classes and grades, and they must be timely and reliable if farmers are to use them intelligently.

THE FEDERAL MARKET NEWS SERVICE

The Federal Market News Service was created to obtain information on marketings and prices of livestock and meat for dissemination to all interested parties. Its coverage in March 1955 included 35 public livestock markets, 2 direct

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marketing areas, 6 wholesale meat centers and the national wool trade reported from a central point. It provides information on market receipts, supplies, market conditions and prices at which livestock were sold for each species by class, grade and weight. This information is interchanged between markets, and smaller markets provide figures from the larger markets in their reports in addition to local data.

Most of the information provided by the individual market news offices is collected locally. Procedures used are similar at all markets.

COLLECTION OF TEXAS LIVESTOCK MARKET NEWS

Four Federal Livestock Market News reporting offices are maintained in Texas. These offices are located at the three largest stockyards and the largest livestock auction in the State. A reporter is in charge of each office to collect and disseminate livestock market news at that location.

Fort Worth is the largest livestock marketing center in Texas. In 1954, 687,053 cattle, 194,036 calves, 92,217 hogs and 871,587 sheep and lambs were sold through the Fort Worth Stockyards. This market is open to trading from 8:00 a.m. to 3:00 p.m., Monday through Friday.

The Federal Market News Service has two reporters at the Fort Worth office. One reports the cattle and calf market, and the other reports the hog and sheep market. The Fort Worth market news office is open from 6:30 a.m. to 4:30 p.m., Monday through Friday.

San Antonio is the second largest livestock marketing center in Texas. Salable receipts in 1954 indicated 337,208 cattle, 156,569 calves, 90,451 hogs, 17,429 sheep and lambs and 161,374 goats were sold through the San Antonio Stockyards. The sheep and goat market is open to trading from 8:00 a.m. to 3:00 p.m., and the cattle and calf market from 9:00 a.m. to 3:00 p.m., Monday through Friday.

The Federal Market News Service has one reporter at the San Antonio office. He reports all species. This is the only office in the United States that reports a daily goat market. The San Antonio office is open from 6:30 a.m. to 4:30 p.m., Monday through Friday.

Houston is an important Texas livestock marketing center and the fourth largest calf market in the United States. In 1954, 72,450 cattle, 218,165 calves, 2,704 hogs and 1,530 sheep and lambs were sold through the Port City Stockyards at Houston. This market is open to trading from 7:30 a.m. to 3:00 p.m., Monday through Friday. During the winter season, trading opens at 7:00 a.m.

One reporter operates the Houston market news office, reporting the cattle, calf and hog trade. In addition, he prepares a "Wholesale

Meats Report" each afternoon, Monday through Friday. This is a brief summary of the trade in wholesale meats including a breakdown of prices paid for carcasses by classes and grades. The information for this report is obtained each afternoon by telephoning packing houses and wholesalers and by visiting several of these places and observing transactions.

The Amarillo Livestock Auction is called the world's largest cattle auction. Amarillo is an important stocker and feeder market in the Southern Great Plains area. In 1954, 347,860 cattle and calves were sold through the Amarillo Livestock Auction.

Sales are held from 9:00 a.m. to 7:00 p.m. each Monday and from 9:00 a.m. to 7:00 p.m. on Tuesday, or until all livestock are sold. A sale is held on Wednesday if sufficient livestock are available to warrant it. A stocker and feeder carlot sale is held each Friday during the fall and spring. This sale starts at 1:15 p.m. and runs until all livestock are sold.

A Federal Market News Service office was opened at Amarillo in October 1952. In March 1953, this service was suspended because of lack of funds. This brief period of livestock price reporting at Amarillo demonstrated its value. Public and private groups collaborated in requests that this office be reopened, and the Federal Market News Service again began reporting the Amarillo livestock market April 5, 1954.

The cost of reporting the Amarillo market is shared equally by the State and Federal Market News Services. Although the State provides half the funds, the reporting is under the supervision of the Federal Market News Service. The office is in the Amarillo Livestock Auction Company building and is handled by one reporter. Office hours are from 8:00 a.m. to 6:00 p.m., Monday, Tuesday, Wednesday and Friday.

ESTIMATING RECEIPTS

Upon arrival at the market each morning, the market news reporters at the three stockyards obtain an estimate of livestock receipts by visiting the unloading docks or by calling the stockyards company for the information. The additional number likely to arrive during the remainder of the day is estimated, being based on experience, weather conditions and other pertinent factors. Current arrivals plus expected additional arrivals make up estimated receipts for the market for that day.

No early morning estimate of receipts is prepared at the Amarillo auction. At about 2:00 p.m., however, the auction manager gives the reporter an estimate of that day's sales. At the close of the market day, a final sales figure is obtained for use in the market news report.

Estimated receipts at markets performing this service are posted on a bulletin board (such

as the Houston board shown on the front cover) together with an estimated total from the 12 principal markets supplied over the teletype system by the Chicago market news office. This combined figure includes receipts for Chicago, Cincinnati, Denver, Fort Worth, Indianapolis, Sioux City, Kansas City, Oklahoma City, Omaha, St. Louis, South St. Joseph and South St. Paul. This 12-market total also is given for the preceding week. Additional receipts data are shown at Fort Worth for Wichita, Houston and San Antonio. The salable receipts information is made available in all types of market news reports as in the following illustration:

	Cattle	Calves	Hogs	Sheep
Fort Worth today (Estimated)	3,000	700	550	6,000
Week ago (Actual)	3,386	1,216	685	6,531
Year ago (Actual)	2,755	497	435	6,119
12 markets today (Estimated)	85,500	6,800	87,300	41,500
Week ago (Actual)	106,230	7,596	98,572	50,930
Year ago (Actual)	88,593	9,385	67,230	32,074

GENERAL MARKET NEWS PROCEDURES

Livestock market news reporters obtain information through personal interviews with buyers and sellers on the market while trading is in progress.

The reporters enter the stockyards shortly after the trading opens. They survey the stockyards to determine the classes, grades, weights and condition of livestock on the yards and their location by pens. The commission firms sort the livestock by classes, grades and weights into separate pens and most of the livestock are sold by pens. As it is almost impossible for the reporters to obtain information on all individual sales of livestock, they get a representative sample of sales of the different classes, grades and weights of livestock sold.

After the reporters have made their preliminary survey of receipts, they walk among the pens, mingling with the buyers and sellers, listening in on the bargaining and asking questions about prices paid and received for different pens of livestock (Figure 1). They also determine prevailing market conditions, including activity of trading, strength of demand and price trends for the different grades, weights, quality and condition of livestock. They may stop at the scale houses to ascertain actual weights of specific lots of livestock. After they have gathered the necessary information, they prepare a brief summary of the market so far that day. This information is distributed by leased wire and telephone and is posted on the bulletin board at the market between 9:30 and 10:30 each morning.

After the daily report has been distributed the reporters return to the stockyards. They follow approximately the same procedure as on their first round, noting any trade changes which may have occurred. After the reporters have finished their second round they prepare a closing report of the market. This report is distributed

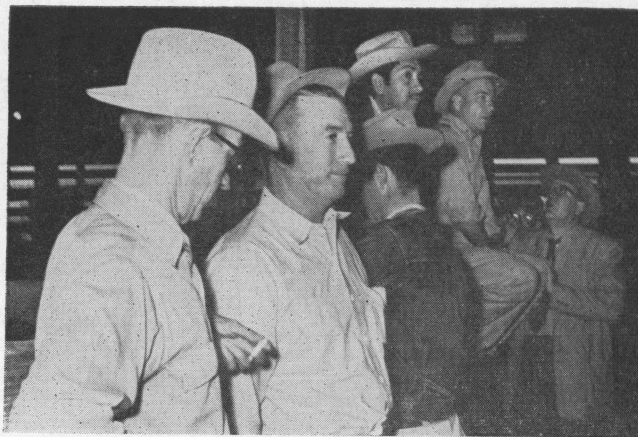


Figure 1. Market news reporter on the left observes bargaining process at the stockyards.

by leased wire and telephone, and is posted on the bulletin board sometime after the noon hour. On days when the supply of livestock is extra large and trading is slow, the reporters revisit the stockyards in the afternoon and prepare a short report of the afternoon market for distribution.

A different procedure is used in reporting from an auction because livestock are sold differently. The Amarillo market news reporter uses a work sheet listing the classes and grades of livestock sold through the Amarillo auction ring. Space is available below each grade for recording the price information. When the sale begins, the reporter finds a seat near the sales ring so that he may have a good view of the livestock as they are sold. He records on his work sheet, below the appropriate class and grade, the price paid for each sale of livestock. These prices are summarized and disseminated by the market news reporter through the leased wire system.

USE OF STANDARD GRADES IN REPORTING

The market news reporters evaluate information received from buyers and sellers and report existing market conditions. The basis for their reporting is the standard grades for livestock adopted by the U. S. Department of Agriculture. Figure 6 shows some of the grades. Descriptions of each grade are available to the market news reporters. Judgment is required to determine the grade for a particular animal or group of animals since good and poor qualities are frequently intermixed (Figure 2). The following official description of the *Good* grade of slaughter steers, heifers and cows indicates the importance of judgment in grading:

"Cattle possessing minimum qualifications for Good grade may differ somewhat in appearance because of the numerous possible combinations of varying degrees of excellence of the grade factors. In conformation, Good cattle tend to be slightly low set and compact. They are slightly thick in natural fleshing and slightly wide over the back and loin. The shoulders and hips are usually moderately neat and smoothly laid in but may appear slightly prominent in older cattle. The twist and rounds



Figure 2. Reporter evaluates the quality of hogs before reporting prices.

are usually moderately deep but may appear slightly flat with very little evidence of plumpness. There is usually a very slight fullness evident over the crops, loin, and rump. The distribution of fat may be somewhat uneven, particularly in older cattle, as evidenced by ties, rolls of fat over the loin edge and ribs, and patchiness about the tailhead. Cattle over 30 months of age carry a slight thick covering of fat and the brisket, rear flanks, and cod or udder show a marked fullness. Good cattle 18 to 30 months of age carry a slightly thin fat covering with some fullness evident in the crops, brisket, flanks, and cod or udder. Cattle under 18 months of age may have somewhat limited finish, which is largely restricted to the back, loin, and upper rib. The brisket, rear flanks, and cod or udder are slightly full. Good cattle are usually moderately smooth, and slightly refined in appearance. Some coarseness may be evident in the relatively older cattle of the Good grade."¹

Livestock market news reporters frequently must check their efficiency in grading to maintain accuracy and uniformity in the application of grade standards. A market news supervisor visits the reporters about every 6 months and checks their efficiency by having them grade specific lots of livestock alive and place them in the upper, middle or lower third of the grade. The identities of the animals are maintained through the slaughtering process, and the official grades of the carcasses are obtained for comparison. The carcass grades of the dressed animals are determined by USDA graders.

DISSEMINATION OF LIVESTOCK MARKET NEWS

A livestock market news office normally provides daily information on cattle, calves, hogs, sheep and lambs. These species are subdivided into classes which include cattle, steers, heifers, cows and bulls, with similar categories for the other species. These classes are subdivided further into grades and weights for reporting purposes. The result is a relatively large number of potential groupings into which each day's receipts of livestock can be divided.

Receipts of livestock vary widely during the week. In Texas stockyards, at least 75 percent

¹Official United States Standards for Grades of Slaughter Cattle, Production and Marketing Administration, Service and Regulatory Announcement No. 112, December 1950.

of the livestock normally arrive on Monday and Tuesday. This leaves only 25 percent for the other 3 market days. On days with light receipts, some classes, grades and weights for each species are scarce or lacking entirely. This situation is accentuated further by seasonal fluctuations in marketings of livestock.

The market news reporter is responsible for deciding whether a particular grade of livestock is available in sufficient quantity to provide a good test of prices throughout the range of the grade. One steer may fulfill all requirements for the *Good* grade and lack but a little of being *Choice*. Another steer may barely fulfill the minimum requirements for the *Good* grade and be just a little above the *Commercial* category. Those two animals, if present and if sold at a fair price, could establish the price limits for the grade.

On any market day, some grades of livestock are poorly represented. The market news reporter has the option of not reporting the grade or of combining it with another grade. The *Prime* grade, for example, is rarely quoted on Texas markets because it denotes a size and quality of fed cattle which seldom is found on these markets. The *Choice* grade is relatively scarce. It is combined frequently with the *Good* grade for reporting purposes. This widens the price range for the reported grades and increases the difficulty of interpreting prices.

The narrative portion of a market news report during March 1955 follows. It illustrates the use of classes and grades, the range of prices and the supporting statements aimed at clarifying the situation for the reader.

CATTLE

The Monday cattle run at was a little short of a week ago but was slightly above a year ago. Receipts at 12 markets showed a big reduction from last Monday's numbers and also were a little smaller than a year earlier.

Fed steers and heifers made up most of the run here. Hardly 20 percent comprised cows.

Sales on beef steers and heifers were generally steady to strong with last week's close. Cows were steady to strong, spots higher. Firm prices were paid for bulls and stocker cattle.

Good and Choice slaughter steers sold from \$18.50 to \$23.50, Utility and Commercial \$12.00 to \$17.50. A load of Club Yearlings brought \$26.00.

Good and Choice heifers cleared from \$17.00 to \$22.00, Utility and Commercial offerings \$11.00 to \$16.00.

Utility cows bulked from \$11.50 to \$12.50. A few Commercial cows brought around \$13.00 and a load reached \$14.00. Most Canners and Cutters sold at \$9.00 to \$11.00, some strong-weight Cutters to \$11.50, Shelly Canners \$8.00 and less.

Commercial bulls sold mostly at \$13.00, a few \$13.50, Cutter and Utility \$10.00 to \$12.50.

Medium and Good stocker and feeder steers sold at \$14.00 to \$20.50, other grades scarce. Hardly any heifers sold on stocker account. A few cows brought \$10.00 to \$13.00.

CALVES

The day's calf receipts here were smaller than a week ago and larger than a year ago. Supplies around the market circle were smaller than a week and year earlier.

Fully steady prices were paid for slaughter offerings with spots higher. Stockers sold about steady.

Good and Choice killers drew \$17.50 to \$20.50, a few head \$21.00. Utility and Commercial \$11.50 to \$17.00, Culls \$9.00 to \$11.00.

Medium and Good stocker steer calves turned from \$14.00 to \$20.50, Choice lots scarce. Heifers sold downward from \$17.00.

HOGS

Offerings of hogs here today were slightly under a week ago and total hogs offered at 12 markets today were about 11,300 less than arrivals last Monday.

Prices paid for butchers at some of the other markets were weaker, in spite of reduced receipts. Butcher hogs on the local market were steady to 25 cents higher than last Friday. Sows held steady. Choice 190 to 235 pounds brought \$16.00 and \$16.25. Choice 245 to 350 pound Butchers ranged from \$14.00 to \$15.75. Sows cleared from \$12.00 to \$14.50.

SHEEP AND LAMBS

About 6,000 sheep and lambs arrived here today or a few hundred short of last Monday. Offerings here today were largely lambs with shorn slaughter lambs predominating.

Trade proved very slow, with packers not entering the market until late. Prices paid for all classes appeared steady with late last week. Only a few lots of spring lambs were offered, with good and choice springers \$22.00 to \$23.50. One lot of Good and Choice wooled slaughter lambs brought \$21.00. Good and Choice shorn slaughter lambs crossed the scales from \$18.50 to \$20.00, latter price for No. 2 pelt lambs. Cull and Utility clippers were reported from \$12.00 to \$17.00. About 400 head of Good No. 3 pelt slaughter yearlings and two-year-old wethers brought \$17.00. Cull shorn slaughter ewes sold at \$6.50. Feeder lambs moved from \$16.00 to \$20.00, including shorn feeders from \$16.00 to \$18.50, mostly \$18.00 down.

The prices paid at each market having market news are recorded each day, and weekly and monthly average prices by grade are established for that market. The data which provide the basis for these averages are published in the daily and weekly market news reports. They provide a concise summary of the market prices and a basis for comparison with reports from other markets. The summary data covering the same day's report presented earlier are included here for comparison.

SLAUGHTER CATTLE & CALVES

Steers	Choice	700-1100 #	\$22.00-25.00
	Good	700-1100 #	18.00-22.00
	Commercial	All wts.	15.00-18.90
	Utility	" "	12.00-15.00
Heifers	Choice	600- 800 #	20.00-23.00
	Good	500- 700 #	16.00-20.00
	Commercial	All wts.	13.00-16.00
Cows	Utility	" "	11.00-13.00
	Commercial	" "	12.50-14.00
	Utility	" "	11.50-12.50
	Canner & Cutter	" "	8.00-11.50

Bulls	Commercial	" "	13.00-13.50
	Utility	" "	11.50-13.00
	Cutter	" "	10.00-11.50
Calves	Choice & Prime	500 # Down	19.00-21.50
	Commercial & Good	500 # Down	14.00-19.00

STOCKER & FEEDER CATTLE & CALVES

Steers	Choice	500- 800 #	20.50-22.00
	Good	500- 800 #	17.00-20.50
	Medium	500-1000 #	14.00-17.00
	Common	500- 900 #	12.00-14.00
Heifers	Choice	500- 750 #	18.00-20.00
	Medium & Good	500- 750 #	12.00-18.00
Cows	Medium & Good	All wts.	10.00-13.00
Calves (Steer)	Good & Choice	300- 500 #	17.00-22.00
	Medium	300- 500 #	14.00-17.00
Calves (Heifer)	Good & Choice	300- 500 #	15.00-20.00
	Medium	300- 500 #	12.00-15.00

HOGS (Barrows & Gilts)

Choice	160-180 #	\$15.25-15.75
"	180-200 #	15.75-16.25
"	200-220 #	16.00-16.25
"	220-240 #	16.00-16.25
"	240-270 #	15.50-16.00
"	270-300 #	14.50-15.50

SHEEP AND LAMBS

Spring Lambs		
Good & Choice		\$22.00-23.50
Lambs—shorn		
Good & Choice		
105 lbs. down		18.50-20.00
Feeder lambs		
Good & Choice		18.00-20.00

This information is disseminated in several ways. Individuals differ in their preference for obtaining market news by radio, television, newspapers or mailed report. Some people want to compare reports from different markets. The leased wire provides a fast means for bringing together the information from all of the major markets.

Leased Wire and Telegraph

The leased wire is open from 7:00 a.m. to 3:00 p.m., Monday through Friday. A teletype machine is located in the Fort Worth, San Antonio, Houston and Amarillo market news offices for receiving and transmitting market news information over the leased wire service. All offices from coast to coast connected to this system receive the reports from all other offices immediately after release through the teletype arrangement (Figure 3).

A report of the morning's hog trade at Fort Worth is sent at 9:00 a.m. and a report of the morning's hog and sheep trade is sent at 9:30 a.m. At 10:30 a.m., a summary of the trade on all classes at Fort Worth, San Antonio and Houston is sent. After the noon hour, a closing report of the markets at Fort Worth and San Antonio

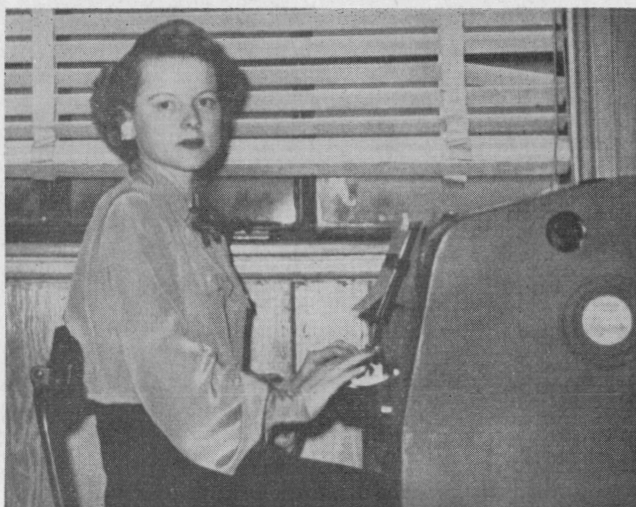


Figure 3. Sending market news reports over the leased wire system.

is transmitted. This includes a revised figure on receipts and any substantial change in prices since the earlier reports.

At 2:30 p.m. on each sales day, a summary of sales made so far that day is transmitted by the Amarillo office. The number of livestock expected to be sold that day also is given. Each morning at 8:30, the Amarillo office transmits a summary of the preceding day's sale, including the number of livestock sold. Each Friday morning, a summary of range sales in the Panhandle area is transmitted.

The Fort Worth and San Antonio market news office sends livestock market reports to Western Union by teletypewriter and telephone. Western Union transmits these reports to farmers, ranchmen, traders, packers, bankers, commercial papers and others on a subscription basis.

Press Associations and Newspapers

The Associated Press, United Press and International News Service obtain livestock market information from one or more market news offices by telephone. The press associations pass this information on to radio stations and newspapers throughout the State. A survey of daily newspapers in Texas made by the USDA in 1951 showed that 67 carried livestock market news. The market news offices furnish market information to the local newspapers by telephone.

The *Fort Worth Press* is furnished information on local receipts and the hog and sheep trade at Fort Worth at 9:30 a.m. Before 10:30 a.m., the *Fort Worth Star-Telegram* is supplied with total receipts at the 12 major markets and other Texas markets, Fort Worth hog and sheep trade report and, if available, the cattle and calf report.

The *San Antonio Express* carries a brief summary of each day's trading in the following day's newspaper. The *San Antonio News* and

San Antonio Light put a brief summary of the early morning trade in their evening edition. The *San Antonio Express* and *San Antonio News* receive their market news through their farm editor who gets the information at the market news office and calls it in to the paper. The *San Antonio Light* receives livestock market news by telephone from the market news office.

The *Houston Press* and *Houston Chronicle* are given a summary of the morning's trading around 11:00 a.m. This report is published in their evening editions. The *Houston Post* gets a lengthy summary of the day's trading which is published in the following morning's paper.

A messenger from the *Amarillo News* picks up a report of each day's trading at about 6:00 p.m. for publication in the morning edition. A summary is given of the prices paid for the different classes and grades and total sales at Amarillo together with information received from other markets.

A summary of Monday's trading at Amarillo is sent each Tuesday morning over Western Union to the *West Texas Livestock Weekly*, a newspaper published in San Angelo. The market news reporter mails a summary of each Friday's sale to this newspaper. The Amarillo office sends a summary of each day's sale over Western Union by night letter to the *Pampa Daily Spokesman*, a newspaper published in Pampa.

Radio and Television

A survey of radio stations in October 1954 by the USDA showed 91 Texas stations carrying livestock market news. This survey also showed that more radio stations carry livestock market news in Texas than in any other state (Figure 4).

Broadcasts by remote control from the Fort Worth livestock market news office are made by one of the reporters at 6:55 a.m., 9:36 a.m. and 1:50 p.m., Monday through Friday over *Station WBAP*. The early morning report includes esti-

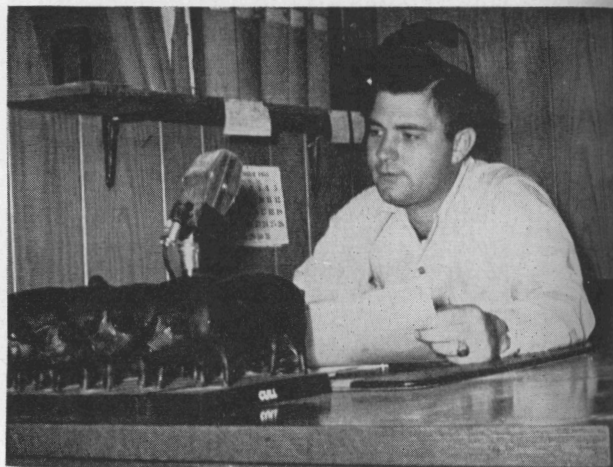


Figure 4. Broadcasting direct from the market news office.

mated receipts for that day and a report of the previous day's trading. At 9:36 a.m., estimated receipts at certain markets are given along with comparisons at 12 major markets. Also, a brief report of trading at Fort Worth until that hour is given, and a report on the hog trade at Chicago. The 1:50 broadcast includes a review of the day's livestock trade at Fort Worth and comments from other centers.

The San Antonio market news reporter does not broadcast information directly from his office but several radio stations use his information in their broadcasts. This includes a summary of the previous day's trading and estimated receipts from *KENS* at 6:15 a.m., on the Farm and Ranch Home News program; from *KITE* at 6:45 a.m. on their USDA Digest; from *KTSA* at 7:00 a.m. on the Old Trader program; and from *WOAI* at 6:15 a.m. on their Farm and Ranch program.

Additional broadcasts covering the market news for that day are made from *WOAI* at 12:15 p.m. on the News, Weather and Markets program; from *KTSA* at 12:10 p.m. on News and Markets and at 12:45 p.m. on Farm and Ranch News; and from *KONO* at 1:00 p.m. on their Farm and Ranch program. A final market news summary is broadcast from *KTSA* at 4:15 p.m. by the Texas Livestock Marketing Association, including a 10-minute summary of receipts and prices plus individual livestock sales, weights and names and addresses of consignors.

The reporter broadcasts by remote control from the market news office Monday through Friday, over Houston radio stations. At 5:45 a.m., the reporter makes a remote control broadcast over *KXYZ* giving estimates of the day's receipts and a summary of the previous day's trading. This same information is broadcast over *KTRH* at 6:00 a.m. and *KPRC* at 6:10 a.m. At 12:35 p.m. a tape-recorded broadcast is given over *KPRC* including a summary of the morning's trading at Houston, San Antonio and Fort Worth. *KTRH* makes a final broadcast at 12:50 p.m.

Each morning a summary of the previous day's sale at Amarillo is broadcast over a local radio station. The information used in this broadcast is received from the local newspaper. Another local radio station obtains price information each afternoon for use in its evening broadcast.

The Fort Worth office furnishes livestock market news information for a *WBAP-TV* farm program televised at 12:05 p.m., including Fort Worth receipts, price trends and prices by grades for all classes of livestock.

The Houston reporter makes a similar report over *KTRK-TV* each market day. He provides additional market news data for programs over *KPRC-TV* and *KGUL-TV*. These television appearances have been helpful in acquainting producers with the appearance of animals falling into the individual standard grades.

Mailed Reports

Both the Fort Worth and San Antonio market news offices mail out a Monday and weekly livestock market news report. Both carry similar information except that one is a summary of Monday's trading and the other is a summary of trading through Thursday. The reports carry receipts, a general report of the local trade on all classes and reports from other markets. They also carry regular, special and periodical reports such as the USDA Meat Production Report, U. S. Cold Storage Holdings, Weekly and Monthly Slaughter Under Federal Inspection, Cattle on Feed, Pig Crop Report and Sheep and Lambs on Feed. These market news reports are available upon request.

The Fort Worth office sends over a leased wire to the Denver Livestock Market News office each Friday afternoon a brief summary of country trading, weather information, contract sales in the country, prices of wool and mohair, condition of range and other data. This information covers the Texas and Oklahoma area and is gathered primarily from the Production Credit Associations, banks, cooperatives and reports from the Amarillo and San Antonio offices. The Denver office receives similar reports covering the San Francisco, Billings and Spokane areas and prepares a report for the Denver area. These five reports are made into one release and are disseminated by the Denver office in mimeograph form. This combined report is known as the "Range Sales Report" and is available upon request.

The Market Information Service of the USDA at Dallas mails this range report to some 167 radio stations throughout Texas, Oklahoma, Kansas, New Mexico, Colorado and a few stations in Wyoming and Nebraska.

Miscellaneous Activities

A bulletin board is located in the lobby of the Livestock Exchange Buildings at Fort Worth, San Antonio and Houston and in the Livestock Auction Company Building at Amarillo. Receipt information on the local and other major markets is posted as it is received. Also a summary of the local prices is posted as soon as this information is compiled. As reports from other markets are received by teletype, copies are hung on individual clip boards below the name of the market.

Calls are received for receipt figures, price trends, prices and other livestock market news information. This information is made available upon request. Many people come to the market news offices throughout the day for information on the local trade and trade at other markets.

Records of receipts, prices and other livestock information are kept on file. Many inquiries are received for livestock market information from members of the livestock and slaughter industry, businessmen, statisticians, professors and college students. The information requested is given to interested parties if available.

The livestock market news reporters attend various meetings of agricultural, livestock and packinghouse groups. Occasionally, the reporters do grading and judging at contests held by high schools and other educational agencies. The reporters at Fort Worth, Houston and San Antonio write a summary of each month's trading of the markets they report for *The Cattleman*, a magazine published in Fort Worth with nationwide distribution.

REPORTING BY COMMISSION COMPANIES

The commission companies are the sales agents for livestock producers at the stockyards, representing them in the sale of their livestock and performing many incidental services. The commission companies advise the livestock producers on marketing conditions by mail, telephone or personal visits. Commission companies are located at the Fort Worth, San Antonio and Houston Stockyards. The procedures used by the commission companies in disseminating livestock market news are similar, but certain procedures vary among markets.

According to the 1954 Directory of the Fort Worth Livestock Market Institute, Inc., 28 commission companies are operating at the Fort Worth Stockyards. The commission companies at Fort Worth send livestock market information to their customers by newspaper, mimeographed cards and letters.

A major source of market information about the Fort Worth stockyards is the *Weekly Livestock Reporter*, a newspaper published by the privately owned Livestock News Service located in the Fort Worth Livestock Exchange Building. This paper is sent out on a subscription basis to producers and others interested in livestock sales. Some commission companies, including Daggett and Keen Commission Company, National Livestock Commission Company, Ralls and Company and occasionally others use this publication by purchasing advertising which gives rather complete market information.

The commission companies that do not use the *Weekly Livestock Reporter* to send market information to their customers use mimeographed letters or cards. These cards and letters usually are sent weekly or semi-monthly. The cards and letters give a weekly summary of market conditions and the prices received for the different classes and grades of livestock. Some give a brief summary of weather and range conditions. These reports usually are prepared by the head salesmen of the commission companies. Prices used in reporting the market are those received for consignments handled by the commission companies.

Market reports from commission companies use some of the U. S. grades for livestock but mix in a number of nonstandardized terms such

as "rannies," "heiferette," "fair kind" and "hard canners." Following is a typical market report of a commission firm:

TUESDAY, FEBRUARY 1, 1955

Cattle receipts fairly light yesterday and today. Market steady and fairly active on all classes of cattle and calves.

A few Club Calves 27.50 to 28.50 yesterday. Best heavy steers here this week 24.00. Yesterday we sold two loads of choice heifers av. wt. 951# at 23.50.

Strictly good to choice steers and yearlings mostly 21.50 to 23.00. Medium to good 18.00 to 20.00. Fair to medium 15.00 to 17.50. Common butchers around 12.00.

Good to choice stocker steer calves, yearlings and feeders 18.00 to 21.00, fair to medium 15.00 to 17.50.

Just a few fat cows 12.00 to 12.50. Medium to good cows 10.00 to 11.50. Strong canners and cutters 8.50 to 9.50, common to medium canners 7.00 to 8.00, a few hard canners under.

Best heavy bulls around 14.00. Good kind 13.00 to 13.50. Common to medium bulls 10.00 to 12.50.

Strictly good to choice fat calves 18.00 to 19.50, a few yearling weight kind up to 20.00. Medium to good 15.00 to 17.50. Fair kind 12.50 to 14.00. Rannies and common 10.00 to 12.00.

Good to choice hogs weighing 180# to 240# 18.00 to 18.25. Overweights and medium weights 16.50 to 17.50. Packer mostly sows 14.00 to 15.00.

Fat lambs 50¢ to \$1.00 lower this week. Best woolled lambs here today at 20.00. Some choice No. 1 pelt clippers 19.00. Medium to good 17.00 to 18.00. Feeder trade very slow. Some fat fresh shorn aged wethers at 12.00 today.

Capable and experienced salesmen for all classes livestock when you consign to Commission Company.

Eleven commission companies have offices at the Union Stockyards in San Antonio. Three commission companies send copies of the USDA Weekly Livestock Market Report to their customers in company envelopes each Friday. Two commission companies prepare mimeographed cards about every 2 weeks and send them to their customers. These cards give a weekly summary of the prices paid for the different classes and grades of livestock sold on the San Antonio market. Prices reported by the USDA are used in preparing these cards.

Representatives of the six commission companies that do not distribute market information indicated that the cost of preparing and mailing the cards was greater than the benefits derived. They felt also, that since the Federal Market News Service reported the San Antonio market, information supplied by commission firms would be repetitious.

Six commission companies have offices at the Port City Stockyards in Houston. In the past, these commission companies have sent market news letters and cards to their customers, but all have discontinued this practice. Since the market is reported by the Federal Market News Service and market conditions are broadcast shortly after they are determined, the company representatives

indicated little need for further reports. They stated that the major value of individual market news letters and cards is to get the name of the commission company before potential customers.

THE STATE MARKET NEWS SERVICE

The Texas Market News Service was established in September 1951 under the Texas Department of Agriculture. Market news reporting by the State has been primarily in the fruit, vegetable, poultry and egg markets. Livestock market news reporting is a recent development.

The State provides part of the funds used to support the USDA market news offices on the San Antonio, Houston and Amarillo livestock markets. The extent of the assistance varies, depending on appropriations made available by the State Legislature.

In 1955 the State initiated market news reporting covering several Central and West Texas livestock auctions. These auctions report by telephone at the end of their sale to a State market news reporter stationed at Wichita Falls. This report summarizes the prevailing price range for individual classes and grades for each species sold. The reporter transmits this information by telephone the next morning to the State market news office for each of the auctions reporting. It is then mimeographed and circulated to all persons on the mailing list. Reports from stockyards are sometimes included. A typical State market news report follows:

"ABILENE—RANCH & FARM LIVESTOCK COMMISSION—MONDAY 7 MARCH—CATTLE 1,100. Receipts normal. Demand good. Trading active. Price trend steady. Clearance complete. SLAUGHTER CALVES—Good & Choice Slaughter 19.00-23.00, Commercial 16.00-18.00, Utility 14.00-16.00, Culls 13.00-14.00. STOCKER CALVES—Good Stocker Calves 18.00-22.00, Common & Medium Stocker 14.00-18.00. SLAUGHTER STEERS—Good & Choice Slaughter 20.00-23.00, Commercial 18.00-20.00, Utility 16.00-18.00. STOCKER & FEEDER STEERS—Good Stocker 18.00-21.00, Common & Medium 16.00-18.00. HEIFERS—Good Slaughter 18.00-20.00, Commercial 16.00-18.00, Utility 14.00-16.00, Good Stocker 16.00-18.00, Common & Medium Stockers 14.00-16.00. COWS—Commercial Slaughter 11.00-13.50, Utility 10.00-11.00, Cutter 9.00-10.00, Cannery 8.00-9.00, Good Stocker Cows 9.00-12.00, Common & Medium Stockers 8.00-9.00. PAIRS (PER PAIR)—Good Pairs 100.00-150.00, Common & Medium Pairs 70.00-95.00. BULLS—Commercial 12.50-13.50, Utility 11.00-12.00, Cutter 10.00-11.00.

ABILENE—ABILENE LIVESTOCK AUCTION COMMISSION—TUESDAY 8 MARCH—CATTLE 1,000. Receipts normal. Demand good. Trading active. Price trend steady, to strong. Clearance complete. SLAUGHTER CALVES—Good & Choice Slaughter 19.00-21.00, Commercial 17.00-19.00, Utility 14.00-17.00, Culls 11.00-13.00. STOCKER CALVES—Good Stocker Calves 20.00-21.50, Common & Medium Stocker 14.00-20.00. SLAUGHTER STEERS—Good & Choice Slaughter 20.00-22.00, Commercial 16.00-20.00, Utility 12.00-14.00, STOCKER & FEEDER STEERS—Good Stocker 20.00-21.50, Common & Medium 14.00-18.00. HEIFERS—Good Slaughter 19.00-20.00, Commercial 16.00-19.00, Utility 13.00-16.00, Good Stocker 15.00-17.00, Common & Medium Stockers 13.00-16.00. COWS—Commercial Slaughter 10.00-13.00, Utility 8.00-10.00, Cutter 9.00-11.00, Cannery 8.00-9.00, Good Stocker Cows 9.00-

11.00, Common & Medium Stockers 8.00-10.00. PAIRS (PER PAIR)—Good Pairs 110.00-145.00, Common & Medium Pairs 85.00-110.00. BULLS—Commercial 12.00-13.50, Utility 10.00-11.00, Cutter 9.00-10.00.

LUBBOCK—LUBBOCK AUCTION & COMMISSION COMPANY—TUESDAY 8 MARCH—CATTLE 1,816. Receipts normal. Demand good. Trading active. Price trend steady. Clearance complete. SLAUGHTER CALVES—Good & Choice Slaughter 18.00-21.50, Commercial 15.00-18.00, Utility 7.00-15.00, Culls 7.00-12.00. STOCKER CALVES—Good Stocker Calves 18.00-20.00, Common & Medium Stocker 14.00-17.00. SLAUGHTER STEERS—Good & Choice Slaughter 19.00-22.00, Commercial 16.00-18.00, Utility 13.00-16.00. STOCKER & FEEDER STEERS—Good Stockers 17.00-20.00, Common & Medium 15.00-17.00. HEIFERS—Good Slaughter 19.00-22.00, Commercial 15.00-17.00, Utility 12.00-15.00, Good Stocker 16.00-18.00, Common & Medium Stockers 12.00-16.00. COWS—Commercial Slaughter 11.50-13.00, Utility 9.50-11.50, Cutter 8.00-9.50, Cannery 6.50-8.00, Good Stocker Cows 9.00-11.00, Common & Medium Stockers 8.00-9.00. PAIRS (PER PAIR)—Good Pairs 125.00-140.00, Common & Medium Pairs 90.00-115.00. BULLS—Commercial 13.50-14.50, Utility 12.00-13.50, Cutter 10.00-12.00.

EASTLAND—SIG FAIRCLOTH LIVESTOCK COMMISSION—TUESDAY 8 MARCH—CATTLE 704. Receipts lighter. Demand good. Trading active. Price trend strong on Fat Cattle, little weaker on Stockers, others steady. Clearance complete. SLAUGHTER CALVES—Good & Choice Slaughter 18.00-21.50, Commercial 16.00-18.00, Utility 13.00-16.00, Culls 10.00-13.00. STOCKER CALVES—Good Stocker Calves 18.00-21.00, Common & Medium Stocker 12.00-18.00. SLAUGHTER STEERS—Good & Choice Slaughter 18.00-22.00, Commercial 15.00-18.00, Utility 12.00-15.00. STOCKER & FEEDER STEERS—Good Stocker 17.00-19.00, Common & Medium 13.00-17.00. HEIFERS—Good Slaughter 17.00-19.00, Commercial 14.00-17.00, Utility 12.00-14.00, Good Stocker 15.00-17.50, Common & Medium Stockers 12.00-15.00. COWS—Commercial Slaughter 12.00-13.00, Utility 10.00-12.00, Cutter 8.00-10.00, Cannery 6.00-8.00, Good Stocker Cows 10.00-12.50, Common & Medium Stockers 8.00-10.00. PAIRS (PER PAIR)—Good Pairs 130.00-160.00, Common & Medium Pairs 60.00-110.00. BULLS—Commercial 13.00-15.00, Utility 12.00-13.00, Cutter 10.00-12.00.

HOUSTON—WEDNESDAY 9 MARCH—CATTLE moderately active represented classes steady. Slaughter steers and yearlings and stocker classes scarce. Utility slaughter cows 11.00-13.00, Canner and cutter 9.00-11.00, few hard cows down to 7.00, Canner and Cutter bulls 11.00-13.00. CALVES moderately active mostly steady. Weak undertone. Good Slaughter calves 19.50-21.00, Choice scarce, Utility and commercial 15.50-19.50, Cull 12.50-15.00, Few good Stocker Steer Calves 19.00."

A different group of auctions is reported each day. The full list of auctions covered by days is shown on the inside front cover of this publication.

REPORTING BY AUCTIONS

Livestock auction markets are an important part of the Texas livestock marketing system. According to the Livestock Sanitary Commission of Texas, 154 livestock auction markets were operating in Texas in November 1954. On these markets in 1954 were sold 3,484,087 cattle and calves, 1,280,663 sheep and goats and 536,837 hogs (Table 2).

Texas is a leading state in the number of livestock auctions and in the number of cattle, sheep and hogs marketed by this method. A few

auctions were established before 1930, but the greatest growth has occurred during the past 15 years.

Livestock auctions are scattered widely over the State, but are concentrated in areas with high cattle population. Farmers and ranchmen usually have access to several different auctions. Choosing the auction market that will give the greatest net return requires information for comparing prices at alternative markets.

Questionnaires were sent to every auction in Texas to determine the type and frequency of market news reports circulated and methods of dissemination. The auctions disseminate market news by newspaper, radio and mailed reports. Newspapers are the most frequently used method, radio is second and mailed reports are used the least.

Seven auctions reported distributing market news by radio broadcasts. The radio broadcasts are made direct from the auction either before or after the sale (Figure 5). Four auctions reported radio broadcasts direct from the auction.

The Brenham Livestock Auction is an example of this type of broadcast. A 15-minute broadcast is made each Monday at 3:00 p.m. direct from the Brenham Auction over the Bryan, Conroe, Rosenberg and Brenham radio stations. At the beginning of the broadcast, a brief summary is given of the prices paid for the different classes and grades of livestock so far that day along with receipts broken down into classes. A description also is given of the sales made during the progress of the broadcast. At the close of the broadcast, trading activities so far that day are summarized again. Some of the higher quality livestock are sold during the broadcast.

The Amarillo Livestock Auction is an example of an auction giving a broadcast in the morning before the sale. A 15-minute broadcast is made each morning over a local radio station. It includes a summary of the previous day's sale and the number of livestock sold. Comments also are made on what is expected at that day's sale.

The Lometa Commission Company auction is the only auction which makes a radio broadcast after the sale. This broadcast is made the Saturday following the sales day at 11:55 a.m. A summary is given of the prices paid for the different classes and grades of livestock. Total cattle receipts also are given. Several representative sales are reported, giving the name and location of the seller, the type and weight of livestock sold and the price received.

Six auctions reported using mailed reports to disseminate livestock market news information to their customers. These reports usually are mimeographed cards which summarize the weekly sales at the auction from which the report is initiated. Prices paid for the different classes and grades of livestock, the number of livestock that pass through the auction ring and comments about the sale are given.

A major difference between auction market reports and those issued by the USDA offices is in the classifications covered and the terminology used. Auctions usually handle a larger proportion of stocker and feeder livestock. They provide price quotations on cows and calves sold as pairs which are never quoted by the USDA. They lump grades in the quotations and substitute local terms such as "rannies," "white-face," "shelly kind" and other descriptive terms.

The narrative phase of auction reports varies widely in form and content. Information usually is provided on volume, unusual circumstances involved in the last sale which might have a bearing on prices and finally the management invites further business. A typical auction report follows:

SALE REPORT, MONDAY, JAN. 31, 1955

One hundred thirty consignors sent a total of 558 head of livestock through the ring including 467 cattle, 74 hogs, 10 sheep and goats and 7 horses and mules.

No choice butcher calves, offered; medium to good calves, \$17.00 to \$21.00; common to medium calves, \$12.00 to \$16.75; rannies down to \$10.00.

Butcher cows, \$10.00 to \$12.80; canner and cutter cows, \$6.50 to \$9.50; shelly kind down to \$5.00.

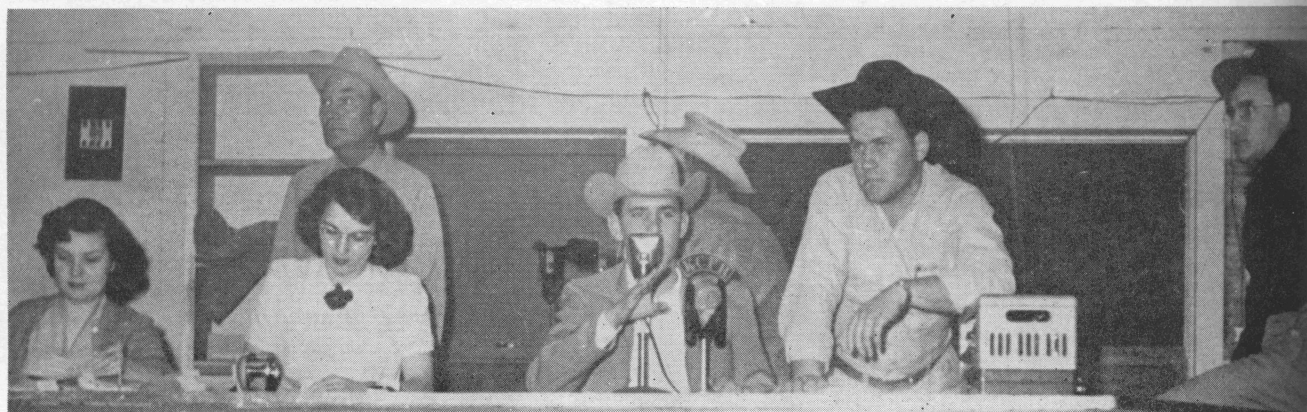


Figure 5. Broadcasting direct from the auction.

Bulls, \$10.00 to \$12.80.

White-face stocker steer calves, \$16.50 to \$19.25; white-face stocker heifer calves, \$14.00 to \$15.50.

Stocker cows, \$8.50 to \$10.50, no choice offerings.

Cows and calves, \$65.00 to \$118.00 per pair, no choice offerings.

Top hogs, \$17.75; light and heavy weight hogs, \$16.50 to \$17.00; sows \$14.00 to \$15.50; stocker hogs \$16.50 to \$17.75.

Offerings were lighter than usual, however, prices remained steady on all classes offered.

Call upon us with your livestock buying and selling and we will do our best to serve you in a satisfactory manner.

LIVESTOCK AUCTION

Newspapers are the most common method used by auctions to disseminate livestock market news, with 15 auctions using this method. The market information published in newspapers by auctions is similar to that carried in mailed reports, including a summary of prices paid and receipts. Some auctions publish information on weather conditions, supply, demand and market trends. Many auctions report representative sales. The newspaper reports vary in length from a short paragraph to several columns.

EVALUATION OF LIVESTOCK MARKET NEWS REPORTS

The existing system of livestock market news was discussed with farmers and ranchmen, livestock buyers and others interested in this type of information. It was agreed generally that the present system does not provide producers with all of the information they need to market their livestock to best advantage. Some of their specific criticisms indicate the type of action needed to improve this situation.

PRODUCER FAMILIARITY WITH STANDARD GRADES

Standard grades for each class and species of livestock are essential if persons obtaining the market news are to interpret it correctly. These grades have been adopted by the USDA for reporting and other purposes but only a few producers know and understand them.

The grades are subject to change whenever they no longer reflect accurately the price-quality relationships accepted by the livestock trade. Changes have been made in recent years in the grades for hogs and cattle. Most producers send animals of mixed grade to market and cannot correlate price received to grades of individual animals. Only a limited number of buyers and market news reporters grade live animals every day. The result is that grades are interpreted broadly and price ranges for these grades remove little of the uncertainty regarding the probable price for any particular animal.

The best attempt in Texas to show relationships between grades and prices is being made by the San Antonio Stockyards. They obtained the standard picture for each grade of livestock from the USDA and initiated a system of weekly market news reports with the price shown opposite the picture. The purpose of the pictures is to acquaint users of the information with some of the visible differences between the individual grades.

The Port City Stockyard at Houston uses television to acquaint livestock producers with the standard grades. Poloroid pictures are taken showing cattle in a given shipment and these pictures are correlated with grade pictures and prices paid to show grade-price relationships on a given day. The pictures are shown on television within hours of the transaction affecting them and circumstances bearing on the price situation are discussed. This procedure offers real possibilities for educating producers on grade distinctions over a period of time.

COMPARABILITY OF MARKET NEWS REPORTS

Livestock at all markets must be graded in exactly the same way for market news reports to permit price comparisons between markets by the producers. Market news reporters must be able to grade animals and estimate weights and dressing percentages accurately to do a good job of reporting.

Most auction operators lack knowledge of the standard grades. The terminology used by auction operators is understood only in the local market area. It is difficult to take market reports from several auctions and compare prices. It is even more difficult to compare prices reported by auctions with prices at terminal public markets.

Ordinarily prices vary considerably at the same market during the day. Prices vary even for animals within the same grade. The result then is that prices are quoted as a range such as *Good* and *Choice* slaughter calves selling for \$16.00-\$22.00. Another market news reporter might quote the same grades at \$16.00-\$20.00. The midpoint of the range is a dollar lower at the second market. Yet the only difference between the two markets may be a few better calves at the one market or a more eager buyer. The bulk of the sales may have been at the same figure.

The price paid for slaughter cattle actually is paid for meat and byproducts. In pricing cattle the buyer is thinking in terms of the weight and grade of the carcasses at the plant where they are to be slaughtered. He also considers transportation costs and the value of byproducts in determining the price to bid. Anything which affects costs affects prices. Price also is affected by competition and a number of other factors. An unpublished report of the Western Livestock Marketing Technical Committee indicates that the

following factors would have to be considered before conclusions could be drawn as to the reason for price differences among markets:

1. Names of buyers at the market, by seasons of the year, including the agency which they represent, their individual "strength" in this market (volume of cattle that they can or do handle) and their preferences as to type of livestock which they typically seek; what discounts they offer for condition.
2. The kinds and classes of cattle (sex, age, weight, grade) which come to this market, by seasons, from whom they come, i.e., producers, dealers, resales, the volume of such movement, the method of transportation to this market, the condition of the livestock, as to horns, color, fill, flesh, weight, etc.
3. The production characteristics of the area from which the bulk of livestock come to this market, also of the area to which the bulk of sales normally move, including the influences of such factors as lack or presence of winter wheat pastures and feed and pasture conditions generally.
4. The dominant characteristic of this market by seasons, as to whether it is a stocker and feeder market, a fat livestock market or a two-way market.
5. The weather and climate characteristics of the area as they affect fill, shrink, etc.
6. The weighing, handling and feeding conditions which prevail (a) for livestock moving to this market and (b) prior to sale while in the yards, including typical feeding and watering practices at this market.
7. The yard and facilities conditions at this market which might contribute to ease of inspecting livestock or speed of handling livestock through the sale.
8. Reports from agencies at this market (Packers & Stockyards, B.A.I., brand inspectors, Livestock Sanitary Board) which would list factors influencing sale conditions, i.e., sanitation, bonding, inspection, insurance.
9. Selling ability of market agencies (auctioneers, commission men); their reputation as to emphasis upon securing top price for producer; their own position in the market (agent, owner, buyer or seller of livestock); the sale policy of the market, singled, pairs, bunches, by head or by weight, and typical differentials as between these sales classes.
10. The transportation costs from this market to the ultimate destination of livestock purchased, i.e., to the Corn Belt, to wheat or Osage pastures, or to Denver, Oklahoma City or Kansas City, from Amarillo and Clovis, including feeding in transit rates, through rates, combination truck and rail rates.
11. Selling costs at this market, including commission, yardage, feed, other, and the effect of size of bunch sold on such costs.

12. The daily and seasonal variations in prices at this market for each grade and weight of livestock sold.

The subcommittee recognizes that any review such as this proposal must be kept current in order to reflect new influences or the general dynamic nature of this market. Preliminary analysis of available price data seems to indicate that price differences at different markets at the same date, for the same grade and class of livestock are due to some one or some combination of the above items, but that items 10 and 11 will of themselves fail to explain all price differences. It is for this reason that we believe some interpretative analysis of this general type should be made a part of all market studies."

Most users of market news reports do not have information on the reasons for price variations at different markets. There is a tendency for producers to use the same marketing channel for their livestock each year. This is attributable, in part, to the difficulty of interpreting reports from competing markets. The existing system of market news reporting permits little more than a comparison of price ranges for each grade of livestock. Something more than this is required for persons not in daily contact with a number of markets.

ADEQUACY OF GRADE CLASSIFICATIONS

Stocker cattle sales are made mostly in the country since there is usually a ready market for them nearby. Many small stocker buyers find it inconvenient to buy at terminal public markets because of the distance to the market and other factors. Breeding bulls, pairs (cow and calf), bred heifers, dairy cows and baby calves are not quoted in USDA market news reports released from public stockyards. Yet to many people, these quotations would be most useful. Most stocker sales are made at auctions and the Market News Service has neither the standard grades to apply to these animals nor the organization to report auction sales.

Feeder cattle also are poorly reported. A relatively small number pass through the stockyards. The bulk of the feeders are bought on contract in the country either direct or at auctions. Prices paid are affected by risk, transportation, shrinkage and quality.

The establishment of a market news office at Amarillo has helped to relieve this situation somewhat. The market news reporter at Amarillo reports some country sales in the Panhandle area. Also he reports feeder and stocker sales at the Amarillo auction, but this is only a small percentage of all feeder and stocker sales made in the State.