FORT WORTH STOCKYARDS --- Operating Procedures and Problems

TEXAS AGRICULTURAL EXPERIMENT STATION
R. D. LEWIS, DIRECTOR, COLLEGE STATION, TEXAS
The Fort Worth Stockyards is the most important single livestock market in Texas and one of the major livestock markets in the United States. Of the 60 public stockyards reported by the U.S. Department of Agriculture in 1957, Fort Worth ranked eleventh in salable receipts of cattle, sixth in calves, second in sheep and lambs and twentieth in hogs.

Annual receipts at Fort Worth during 1948-57 averaged 1,010,312 cattle and calves, 603,184 hogs and 1,058,976 sheep and lambs. Livestock offered for sale on the market averaged 77 percent of the total receipts of cattle and calves, 28 percent of hogs and 79 percent of total sheep and lamb receipts.

Responsibility for handling and selling livestock on the market is divided between the Fort Worth Stockyards and a number of independent commission firms. Twenty-nine commission firms operated at Fort Worth in 1957. The stockyards furnishes facilities and personnel to handle livestock. The commission firms do some handling and are responsible for selling the livestock.

Many buyers operate on the Fort Worth Stockyards. These may be separated into five groups—major meat packers, local slaughterers, order buyers, dealers and farmers and ranchmen. The two major packing plants adjacent to the stockyards are the most important buyers on the market. Purchases by these firms during 1948-57 represented 39 percent of salable cattle and calf receipts, 74 percent of salable hog receipts and 64 percent of salable sheep and lamb receipts.

Purchases by local slaughterers account for 16 percent of salable cattle and calf receipts, 14 percent of salable hog receipts and less than 1 percent of salable sheep and lamb receipts.

All other buyers, principally dealers and order buyers, account for the remainder of salable receipts.

The Fort Worth Stockyards faces a number of major problems. Among the most important are a decline in salable receipts, variations in daily receipts, seasonality of receipts and customer attitudes. A survey of current shippers was made to obtain some knowledge of customer opinions. These shippers expressed their opinions on stockyards facilities and services, commission firms and the Fort Worth market in general. Shippers generally were fairly well pleased with the service they receive at Fort Worth. However, many suggestions for improvement were made. Some suggestions have been carried out. Others are receiving further consideration.

ACKNOWLEDGMENTS

The research on which this report is based is cooperative between the Texas Agricultural Experiment Station and the Agricultural Marketing Service, U.S. Department of Agriculture. It was undertaken at the request of representatives of the stockyards interests in Texas.

This is the second of two reports on the Fort Worth market. The first was published by the USDA as Marketing Research Report 260, "The Fort Worth Stockyards, 1955—Proposed Facilities, Operations and Services."

A report on the operations of the Port City Stockyards, Houston, was released in 1957, and a similar report is planned on the operations of the Union Stockyards, San Antonio.

The authors make special acknowledgment to George E. Turner and Tarvin F. Webb, agricultural economists with the Transportation and Facilities Branch, Agricultural Marketing Service, USDA, for their assistance in collecting, analyzing and presenting the data in this report.

They also acknowledge the assistance of the personnel of the Fort Worth Stockyards Company who made available the information for this report, particularly W. L. Pier, division manager, and T. H. Hard, office manager.

CONTENTS

Summary ........................................ 2
Acknowledgments .................................. 2
Introduction ..................................... 3
Market Receipts .................................. 3
Stockyards Services and Charges ............... 3
Selling Agencies ................................ 5
Selling Procedures .............................. 7
Livestock Buyers ............................... 8
Packer Buyers .................................. 8
Local Butchers .................................. 9
Stocker and Feeder Buyers ..................... 10
Dealers .......................................... 10
Problems of Stockyards Operations ............. 11
Variability in Daily Receipts .................... 11
Seasonality of Receipts ......................... 12
Attitude of Shippers ............................ 13
Attitudes toward the Stockyards ............... 14
Attitudes toward Commission Firms ............ 15
Attitudes toward Fort Worth as a Market .... 15
Performance of Selling Functions .............. 16
Joint Efforts .................................... 18
Undesirable or Uncontrollable Activities ..... 18
The Privilege of the Market .................... 18
Recommendations .............................. 19

THE COVER PICTURE

The Fort Worth Livestock Exchange Building houses the offices of the Fort Worth Stockyards, commission firms, packers, railroads and government agencies, and others. A new parking lot for the convenience of patrons was completed in 1958.
FORT WORTH STOCKYARDS  - Operating Procedures and Problems

John G. McNeely and Jarvis E. Miller*

FORT WORTH HAS BEEN an important livestock center since the Civil War. It was located on the famous Eastern (Chisholm) Trail and was the last town of importance between South Texas and the railroad shipping points in Kansas and Missouri. Trails from various sections of Texas converged here and it became an early concentration point. Northern buyers began looking to Fort Worth as a major source of supply as early as 1875.

The Texas and Pacific Railroad reached Fort Worth in 1876 and established extensive cattle yards to insure obtaining a major share of the cattle shipments. Fort Worth continued primarily as a shipping center until 1890 when the Fort Worth Union Stockyards opened for business and the first packing plant was established.

This original packing company could slaughter only a fraction of the livestock passing through Fort Worth. Swift and Armour opened major packing plants in Fort Worth in 1903. This was a natural development in view of the large numbers of livestock in Texas and the excellent railroad facilities at Fort Worth. Additional smaller packing plants were established at Fort Worth during the next half century.

The present stockyards were constructed at the same time as the Swift and Armor plants and were operated under the joint management of the two packers. Construction was completed in 1902 and the packers operated the stockyards jointly until 1936.

Under the Packers Consent Decree of 1920, the national packers agreed to dispose of their financial interest in leading public stockyards. In 1936, the United Stockyards Corporation purchased the packers' interests in the Fort Worth Stockyards. In 1944, this corporation acquired the balance of stock held by minority stockholders. Its correct name is Fort Worth Stockyards Company, a division of United Stockyards Corporation.

MARKET RECEIPTS

The suitability of Fort Worth as a location for a major stockyards and packing center was demonstrated by the early growth of the market. Its volume soon placed it among the top 10 in the nation, a position it has maintained to the present time.

Figure 1 shows the trends in total receipts of livestock by species by years since 1902 when the present stockyards were established. Total receipts include both salable receipts (those which are consigned to the market for sale) and direct receipts (those which have been purchased prior to their arrival on the market). Comparisons of market volumes usually are made on the basis of salable receipts, but facilities must be provided for direct receipts, and they are an important aspect of stockyards operations at Fort Worth.

Of the 60 public stockyards reported by the USDA in 1957, Fort Worth ranked eleventh in salable receipts of cattle, sixth in calves, second in sheep and lambs and twenty-seventh in hogs. Many factors affect market receipts both seasonally and between years.

Drouth was a factor during 1947-56, with rainfall below normal to a variable extent in different parts of the State. Drouth tends to increase receipts in the short run as large numbers are shipped to balance numbers retained with available feed supplies. Over a longer period, depletion of breeding herds results in smaller calf and lamb crops and smaller market receipts.

Another factor which has affected stockyards receipts is purchases in the country by packer, feeder and stocker buyers. Purchases by packers located at Fort Worth usually pass through the market and are counted as direct receipts. Other purchases in the country bypass the market entirely since the livestock are shipped directly to the buyer.

Salable and direct receipts of livestock at Fort Worth are shown in Table 1. Salable receipts during 1948-57 represented 77 percent of total cattle and calf receipts, 28 percent of total hog receipts and 79 percent of total sheep and lamb receipts. Only hogs are purchased predominantly direct. The major packers use country buying stations and auction sales as a source of supply for hogs which arrive at the market as direct receipts.

STOCKYARDS SERVICES AND CHARGES

The Fort Worth Stockyards, as do the other major stockyards in this country, operate under the provisions of the Packers and Stockyards Act and the regulations prescribed by the Secretary of Agriculture. The stockyards companies' owners provide the necessary facilities for persons wishing to buy or sell livestock, but do not buy or sell for themselves or as an agent for others.

The United Stockyards Corporation, as owner of the Fort Worth Stockyards, provides necessary maintenance and makes such additions and

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improvements as are necessary to achieve prompt, safe and efficient handling of livestock. It operates the facilities, unloads livestock received by truck or rail, issues necessary receipts and delivers livestock to the registered marketing agency designated by the shipper.

It provides feed storage, feed and feeding equipment and makes deliveries to individual pens as requested by the selling agencies. It provides fresh water in all pens. The stockyards company weighs the livestock after sale, issues a scale ticket with copies for the buyer and seller, removes livestock from the scale after weighing and delivers it to pens assigned to buyers or to the loading docks. The stockyards company attempts to exercise reasonable care and promptness in

Figure 1. Total receipts of livestock at Fort Worth Stockyards, by species, by years, 1902-57.
penning, feeding, watering, weighing or handling livestock to prevent waste of feed, excessive shrinkage, injury, death or other avoidable loss.

The major source of income to the stockyards is from a yardage charge made on a per-head basis. Under provisions of the Packers and Stockyards Act, this charge must be accepted for filling by the USDA. Yardage charges are set at a level that is supposed to yield a "fair" return on the stockyards investment. Yardage charges in effect in 1958 were:

Cattle (except bulls 600 lb. or over) $ .98 per head
Bulls (minimum 600 lb.) 1.40 per head
Calves (400 lb. or under) .58 per head
Hogs .33 per head
Sheep .20 per head
Goats .20 per head
Horses and mules .98 per head

Smaller charges are made for livestock resold or reweighed for purposes of sale other than to the commission division to market agencies or dealers on the market or to packers who maintain a buyer on the market. Still smaller charges are levied on livestock resold or reweighed for any purposes other than in the commission division for shipment off the market, including stockers and feeders.

Livestock not subject to yardage charges are assessed charges for special service and for the use of facilities. These are principally livestock received at the stockyards for delivery or for shipment.

An additional source of revenue for the stockyards company is from the sale of feed and bedding. Prices for these products are subject to review by the USDA under the Packers and Stockyard Act. Prices include the current average cost price, f.o.b. stockyards barn plus the following handling charges on the tariff effective April 14, 1958:

Prairie hay $ .70 per cwt.
Alfalfa hay .70 per cwt.
Corn .60 per bu.
Oats .35 per bu.
Mill feeds .85 per cwt.
Bedding hay or straw .40 per bale

Facilities are available for dipping and spraying livestock, vaccinating hogs and feeding and watering intransit livestock on a fee basis. Leased facilities also are available for branding, vaccinating, dehorning or castrating livestock.

Rules and regulations are established by the stockyards and are accepted by the USDA for proper conduct and operations of the market. Basically these regulations are negative in nature, serving for the protection of the stockyards against improper use of its facilities by any person or agency operating there.

SELLING AGENCIES

On terminal markets, commission companies act as agents for shippers. They are responsible for the handling and sale of livestock. Twenty-nine commission companies operated on the Fort Worth Stockyards in 1957. The number varies from year-to-year as new companies are organized and established companies join forces or go out of business. These firms act as agents for livestock producers, representing them in the handling and sale of their livestock and performing many incidental services. The consignor selects his own selling agency.

The selling agency usually is called a commission company because an established charge is

Table 1: Salable and Direct Receipts at the Fort Worth Stockyards by Species by Years, 1948-57

<table>
<thead>
<tr>
<th>Year</th>
<th>Cattle and calves</th>
<th>Hogs</th>
<th>Sheep and lambs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Salable</td>
<td>Direct and through</td>
<td>Proportion salable</td>
</tr>
<tr>
<td>1948</td>
<td>875,103</td>
<td>238,853</td>
<td>78.5</td>
</tr>
<tr>
<td>1949</td>
<td>675,574</td>
<td>145,976</td>
<td>82.2</td>
</tr>
<tr>
<td>1950</td>
<td>649,982</td>
<td>165,351</td>
<td>79.7</td>
</tr>
<tr>
<td>1951</td>
<td>734,565</td>
<td>204,331</td>
<td>78.2</td>
</tr>
<tr>
<td>1952</td>
<td>783,976</td>
<td>173,441</td>
<td>81.9</td>
</tr>
<tr>
<td>1953</td>
<td>960,915</td>
<td>342,422</td>
<td>73.7</td>
</tr>
<tr>
<td>1954</td>
<td>881,089</td>
<td>286,708</td>
<td>75.7</td>
</tr>
<tr>
<td>1955</td>
<td>851,088</td>
<td>249,584</td>
<td>76.0</td>
</tr>
<tr>
<td>1956</td>
<td>845,676</td>
<td>296,718</td>
<td>73.1</td>
</tr>
<tr>
<td>1957</td>
<td>584,637</td>
<td>213,222</td>
<td>73.1</td>
</tr>
<tr>
<td>Average</td>
<td>778,361</td>
<td>231,951</td>
<td>77.0</td>
</tr>
</tbody>
</table>
made for its services. Each firm must register with the Secretary of Agriculture and comply with the provisions of the Packers and Stockyards Act in providing services, observing regulations and collecting charges. Reasonable selling service must be furnished without discrimination to all who request it.

Specific functions are performed by the commission companies at the stockyards. During the day shift, livestock are received from the stockyards company at the docks and are driven to the pens assigned to each commission firm.

Livestock may be sorted by size, weight, sex, age, color, condition or other factors to better satisfy potential customers and achieve higher prices. Feed is ordered from the stockyards company if the time prior to sale is sufficient to justify the expense. The livestock are watered and receive other care, such as the sprinkling of hogs if needed. The purpose is to have the livestock in the most salable condition when the market opens at 8:00 a.m. or at the time the sale is to be made.

The primary function of the commission firm is to sell livestock for the best possible price.

Achieving this price depends on the experience of the salesman, his knowledge of livestock values, information on supply and demand conditions and market trends. Individual firms vary in the amount, source and timeliness of market data available. Individual salesmen are considered to vary widely in ability and in their proficiency in selling different classes and species of livestock.

The volumes of business handled by commission firms vary widely. For purposes of comparison, the commission firms were placed in three groups, based on average volume during 1953-57. The upper third of the firms handled 62 percent of the salable cattle and calf receipts, Figure 7. The remaining two-thirds handled 38 percent of the cattle and calves. Volumes of individual firms ranged from a high of 15 to less than 1 percent of salable receipts.

In the hog-yard, the upper third of the firms handled 83 percent of the salable hogs. The range in volume was from 17 to less than 1 percent, with 12 firms handling less than 5 percent of the salable hogs.

In the sheep-yard, the upper third of the firms handled 97 percent of salable receipts, with two-thirds of the firms handling only 3 percent. The range was from 20 to less than 1 percent.

The commission firm is responsible for driving the livestock to the scale after the sale is made. It is required to mail or deliver to the producer before the end of the day following the sale an account of sale and the net proceeds from the sale. It also assumes the responsibility for collecting the amount of sale from the buyer, however, the consignor receives his money, regardless of whether the commission firm is able to collect from the purchaser. For the performance of these functions a specified amount is charged by the commission company. This charge, contained in Joint Tariff No. 12, Fort Worth Market Agencies, June 1, 1957, is:

<table>
<thead>
<tr>
<th>BULLS</th>
<th>Per head</th>
</tr>
</thead>
<tbody>
<tr>
<td>One head or more</td>
<td>$1.85</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CALVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consignments of one and one head only</td>
</tr>
<tr>
<td>Consignments of more than one head:</td>
</tr>
<tr>
<td>First 15 head in each consignment</td>
</tr>
<tr>
<td>Each head over 15 in each consignment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CATTLE</th>
</tr>
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<tr>
<td>Consignments of one and one head only</td>
</tr>
<tr>
<td>Consignments of more than one head:</td>
</tr>
<tr>
<td>First 15 head in each consignment</td>
</tr>
<tr>
<td>Each head over 15 in each consignment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consignments of one and one head only</td>
</tr>
<tr>
<td>Consignments of more than one head:</td>
</tr>
<tr>
<td>First 25 head in each consignment</td>
</tr>
<tr>
<td>Each head over 25 in each consignment</td>
</tr>
</tbody>
</table>
Figure 5. Stockyards employees deliver feed to the pens as ordered by commission firms (left). Drinking water is provided in all pens (right).

**SHEEP**

Consignments of one and one head only... .50

Consignments of more than one head:

First 10 head in each 250

head in each consignment ............. .35

Next 50 head in each 250

head in each consignment ............. .25

Next 60 head in each 250

head in each consignment ............. .20

Next 130 head in each 250

head in each consignment ............. .12

Additional charges may be collected for extra service or for the sale of breeding animals. The commission firm also makes authorized collection for yardage and transportation, and incidental deductions such as brand inspection, fire insurance and the National Livestock and Meat Board. These services are rendered for various agencies by the commission firm without charge.

**SELLING PROCEDURES**

A large number of buyers compete for the livestock available on any given day at Fort Worth. These include packers, butchers, order buyers, dealers or traders, feeders and farmers and ranchmen and minor categories. Each buyer must abide by the rules and customs of the market. The private treaty method of selling permits contact between only one potential buyer and the salesman at any given time. However, each potential buyer is supposed to have a chance to bid on any given lot of livestock.

Each person looking for livestock has the opportunity to inspect available supplies by walking through the alleys. When he sees a pen of livestock on which he wants to bid, he notifies a representative of the commission firm. He continues this inspection of the livestock until he has located all those in which he is interested and has notified the salesmen concerned.

Because of the size of the stockyards and the lack of overhead walks, it is impossible for one person to inspect all of the pens. Buyers rely on information from others to locate specialized livestock, and the larger buying concerns use a number of buyers to insure full coverage of market supplies.

By 8:00 a.m. when the market opens, the salesman for the commission company usually has been informed by potential buyers of their desires to bid. He may get additional bids by soliciting buyers whom he knows usually are interested in this class and quality of livestock, and other buyers may come by.

The salesman takes the buyers into the pen singly. When there is more than one buyer present when the market opens, the buyers usually flip a coin to see who gets first turn. The salesman is not required to take the winner of a coin

Figure 6. Personnel and facilities are provided by the stockyards for special services such as dipping, vaccinating, branding and castrating.
flip, but he usually does unless a particular buyer is thought to be ready to pay top prices immediately.

The buyer looks over the livestock and asks the price. It may be a flat price for all of the livestock or a price which permits a limited number to be cut out and sold at a lower price. This price may be accepted by the buyer, but usually he makes a lower bid. If the asking price and bid are close, they may try to reach an agreement. Otherwise, other buyers are invited to take turns and bid. The buyer willing to pay the highest price gets the livestock.

After proper identification, the buyer pays for the livestock purchased on the basis of the agreement reached with the salesman and scale weights for each separate draft of livestock. He then receives a clearance card signed by the commission agency which permits his taking the livestock from the stockyards or to another part of it.

**LIVESTOCK BUYERS**

Anyone is entitled to buy livestock at the Fort Worth Stockyards. Most of the livestock, however, are purchased by professional buyers who are at the market every day bidding on the animals of their choice. Some of these buyers represent businesses that slaughter livestock for meat. Others buy animals to be used for stocker, feeder or speculative purposes. Each type of buyer is maintained at the market only as long as his volume of purchases justifies it.

**Packer Buyers**

At Fort Worth, for statistical purposes, only Swift and Armour are considered packers while the smaller slaughterers are called local butchers. These packers buy a large portion of the salable receipts each year, as shown in Table 2.

Most Texas cattle and sheep are fed primarily on grass and come to market with considerably less finish than is true in areas having more grain. Consequently, about a third or more of the cattle and calves and a smaller proportion of sheep are bought on the market for shipment elsewhere for further feeding or grazing. Local butchers purchase sizable percentages of the salable receipts of cattle and calves and smaller proportions of other species.

The major packers are the only buyers equipped to handle large numbers of certain classes and species of livestock. This is especially true of sheep which are produced and marketed in large numbers in Texas and slaughtered in smaller numbers here, but are consumed almost entirely outside the State. Only meat slaughtered under federal inspection may be moved across state lines. The packers have plants which qualify for federal inspection and a nationwide distribution system. This accounts for their dominance in the purchase of slaughter classes of sheep.

The major packers also buy most of the heavy steers and cows. The steers are slaughtered in
### Table 2. Packer Purchases from Salable Receipts, Percentages of Salable Receipts Purchased and Salable Receipts as a Percentage of Total Packer Supplies, by Species, Fort Worth Stockyards, 1948-57

<table>
<thead>
<tr>
<th>Year</th>
<th>Cattle and calves</th>
<th>Hogs</th>
<th>Sheep</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Purchases from salable receipts</td>
<td>Proportion of total packer supplies</td>
<td>Purchases from salable receipts</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Percent</td>
</tr>
<tr>
<td>1948</td>
<td>350,005</td>
<td>40.0</td>
<td>74.1</td>
</tr>
<tr>
<td>1949</td>
<td>240,557</td>
<td>35.6</td>
<td>75.1</td>
</tr>
<tr>
<td>1950</td>
<td>214,028</td>
<td>32.9</td>
<td>70.8</td>
</tr>
<tr>
<td>1951</td>
<td>228,087</td>
<td>31.0</td>
<td>76.6</td>
</tr>
<tr>
<td>1952</td>
<td>298,010</td>
<td>38.0</td>
<td>74.4</td>
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<tr>
<td>1953</td>
<td>485,217</td>
<td>50.5</td>
<td>61.8</td>
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<tr>
<td>1954</td>
<td>373,777</td>
<td>42.4</td>
<td>58.8</td>
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<tr>
<td>1955</td>
<td>328,722</td>
<td>41.7</td>
<td>61.5</td>
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<tr>
<td>1956</td>
<td>347,039</td>
<td>40.5</td>
<td>57.7</td>
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<tr>
<td>1957</td>
<td>237,737</td>
<td>40.7</td>
<td>59.2</td>
</tr>
<tr>
<td>Average</td>
<td>310,422</td>
<td>39.3</td>
<td>67.3</td>
</tr>
</tbody>
</table>

 Obtained as follows: salable receipts less sales to butchers and to all others.


Texas, but mostly are shipped elsewhere because of the Texas preference for light-weight carcasses. The cows are killed here and boned, and the meat may be used for processed products or shipped elsewhere. The packers also are equipped to slaughter and distribute considerably more hogs than are received on the Fort Worth market. There are no federal carcass grades for hogs, and the packers have developed a strong preference for their labeled hams and bacon.

Packer buyers purchase livestock of all sizes, weights and conditions. They clean up on the market each day, putting bids on animals not desired by other buyers. This is a valuable function since the poorer quality animals are more difficult to sell and are more risky to hold for another market day.

The packers buy large numbers of livestock away from Fort Worth for slaughter there. These direct purchases are counted in the total receipts of the Fort Worth Stockyards, and most of them pass through the stockyards on their way to the packer killing floors. The combination of direct purchases and large proportions of salable receipts makes the packers a dominant influence at the Fort Worth Stockyards.

**Local Butchers**

All slaughter buyers other than Swift and Armour are listed on the market as local butchers. This includes such packing companies as Morrell, City, H. Rosenthal, Estes Brothers, Geo. Hormel, Colombia, Dallas City, Neuhoff and Texas Meat and Provision Company. It includes also a number of supermarket and chain store buyers. The scope of their purchases is indicated in Table 3.

Local butchers are important in their purchases of cattle and calves and to a lesser degree for hogs. These animals are purchased for slaughter and distribution in the Dallas and Fort Worth areas primarily.

Local butchers provide an important competitive influence for slaughter classes of livestock. However, they buy almost no lambs, and their hog purchases are extremely small compared with the total purchases of the major packers.

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*Figure 9. Overhead ramps connect the stockyards and the two major packing plants located adjacent to the yards, enabling livestock to be driven directly into these plants.*
for outstanding breeding animals. Herd bulls, than the slaughter price for superior animals. butcher buyers and often are able to pay more stockyards. These are then sorted and distributed to fill or-

cattleman and yet represent an improvement in operating on the Fort Worth market bid on these stockers in competition with the packer and butcher buyers and often are able to pay more than the slaughter price for superior animals. These are then sorted and distributed to fill orders or are sold to producers who come to the stockyards.

Texas has more beef cows than any other state, and the calf crop is correspondingly large. Most calves are born during the fall, winter and early spring and are marketed during the summer, fall and early winter. The lower quality calves and those that are in slaughter flesh are purchased largely by slaughterers, while the better quality calves are evaluated on their ability to produce profitable gains on pasture and in feedlots located largely in the Corn Belt and in California.

Dealers

The second largest buying group on the Fort Worth Stockyards is the dealers. They handle a large part of the stockers and feeders and buy some classes of slaughter livestock. They operate as order buyers, but also buy and sell livestock for their own accounts, hoping to earn a profit by assembling, sorting and selecting livestock.

Purchases by order buyers are made for an established fee approved by the Secretary of Agriculture. These charges are low because such purchases involve little personal risk since buyers do not take title to the livestock, but buy on the account of the person placing the order. Representatives of commission firms also may do order buying.

The number and proportion of salable receipts purchased other than by slaughterers is shown in Table 4. Most of those sales are to dealers. This group is extremely important in providing a demand for stocker and feeder classes of cattle and sheep.

Some dealers specialize in individual classes or species of livestock. One dealer, for example, buys most of the bulls sold on the Fort Worth market. They are sorted by size, grade or weight and are sold to packers over a wide territory.

A few dealers specialize in the top grades of feeder calves. Some handle sheep in sizable numbers. Hogs receive little attention from dealers because supplies are short and prices relatively high. Consequently, it usually is not profitable to move hogs from Fort Worth under most conditions.

The larger dealers usually have the most orders for livestock and are able to do a better job

Table 3. Purchases by Butcher Buyers from Salable Receipts and Percentages of Salable Receipts Purchased by Species, Fort Worth Stockyards, 1948-57

<table>
<thead>
<tr>
<th>Year</th>
<th>Cattle and calves</th>
<th>Hogs</th>
<th>Sheep</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Purchases from salable receipts</td>
<td>Proportion of salable receipts</td>
<td>Purchases from salable receipts</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>1948</td>
<td>136,455</td>
<td>179,843</td>
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<td>1949</td>
<td>95,334</td>
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<td>1950</td>
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<td>1951</td>
<td>348,998</td>
<td>328,399</td>
<td></td>
</tr>
<tr>
<td>1952</td>
<td>258,532</td>
<td>284,373</td>
<td></td>
</tr>
<tr>
<td>1953</td>
<td>198,986</td>
<td>135,823</td>
<td></td>
</tr>
<tr>
<td>1954</td>
<td>249,748</td>
<td>208,346</td>
<td></td>
</tr>
<tr>
<td>1955</td>
<td>243,656</td>
<td>153,627</td>
<td></td>
</tr>
<tr>
<td>1956</td>
<td>292,544</td>
<td>200,307</td>
<td></td>
</tr>
<tr>
<td>1957</td>
<td>177,817</td>
<td>134,191</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>215,329</td>
<td>208,432</td>
<td></td>
</tr>
</tbody>
</table>

Source: Fort Worth Stockyards.

Table 4. Inspected Shipments of Stocker and Feeder Livestock from Fort Worth, by Class, 1948-57

<table>
<thead>
<tr>
<th>Year</th>
<th>Cattle and calves</th>
<th>Sheep and lambs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>136,455</td>
<td>179,843</td>
</tr>
<tr>
<td>1949</td>
<td>95,334</td>
<td>178,014</td>
</tr>
<tr>
<td>1950</td>
<td>154,524</td>
<td>263,409</td>
</tr>
<tr>
<td>1951</td>
<td>348,998</td>
<td>328,399</td>
</tr>
<tr>
<td>1952</td>
<td>258,532</td>
<td>284,373</td>
</tr>
<tr>
<td>1953</td>
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<tr>
<td>1955</td>
<td>243,656</td>
<td>153,627</td>
</tr>
<tr>
<td>1956</td>
<td>292,544</td>
<td>200,307</td>
</tr>
<tr>
<td>1957</td>
<td>177,817</td>
<td>134,191</td>
</tr>
</tbody>
</table>

TABLE 5. PURCHASES BY STOCKER AND FEEDER AND ALL OTHER BUYERS FROM SALABLE RECEIPTS AND PERCENTAGES OF SALABLE RECEIPTS PURCHASED BY SPECIES, FORT WORTH STOCKYARDS, 1948-57

| Year | Cattle and calves | | Hogs | | Sheep |
|------|------------------|------------------|------------------|------------------|
|      | Purchases from salable receipts | Proportion of salable receipts | Purchases from salable receipts | Proportion of salable receipts | Purchases from salable receipts | Proportion of salable receipts |
| 1948 | 393,369 | 45.0 | 39,714 | 17.7 | 432,194 | 32.6 |
| 1949 | 317,670 | 47.0 | 59,264 | 26.7 | 384,910 | 34.6 |
| 1950 | 337,969 | 52.0 | 40,258 | 17.0 | 361,214 | 42.3 |
| 1951 | 402,877 | 54.7 | 34,845 | 15.1 | 285,745 | 45.6 |
| 1952 | 358,662 | 45.7 | 26,164 | 13.7 | 324,986 | 45.2 |
| 1953 | 336,846 | 35.1 | 12,780 | 15.7 | 224,572 | 29.9 |
| 1954 | 388,753 | 44.1 | 5,714 | 6.2 | 268,036 | 30.9 |
| 1955 | 330,821 | 41.2 | 3,827 | 3.2 | 215,389 | 25.0 |
| 1956 | 349,053 | 40.7 | 6,384 | 3.8 | 259,846 | 27.4 |
| 1957 | 256,224 | 43.8 | 6,278 | 4.8 | 154,228 | 23.4 |
| Average | 347,144 | 44.9 | 24,573 | 12.4 | 287,701 | 34.9 |


of assembling, sorting and distributing. Activities of the smaller dealers are more speculative.

At Fort Worth, buyers who do not buy regularly on the market are encouraged to buy through dealers. The dealer is more willing to sell out a few head from a lot than is a commission salesman. He is eager to sell to someone from off the market and will make the necessary credit checks while the commission salesmen tend to sell to a limited list of buyers. The dealer is supposed to be a more adept buyer than the usual outsider, and so can buy livestock cheaper even with his buying commission included.

The relative importance of stocker and feeder cattle and sheep shipments is shown in Table 5. Stocker and feeder shipments during 1948-57 accounted for approximately 62 percent of cattle and calf purchases by this group of buyers and 72 percent of sheep and lamb purchases. Stocker and feeder shipments accounted for approximately 28 percent of salable cattle and calf receipts and 25 percent of salable sheep and lamb receipts on the market. Most of the cattle shipped from Fort Worth are calves, with the next largest group being steers weighing 501 to 700 pounds.

Some feeders come to Fort Worth to purchase their livestock personally. Most, however, prefer to buy by telephone through dealers and order buyers operating regularly on the Fort Worth market. Dealers and order buyers usually outbid slaughter buyers for the cattle they want. Their purchases are based on their knowledge of prices, local supply and demand conditions and nationwide livestock prices and movements.

PROBLEMS OF STOCKYARDS OPERATIONS

Management of the Fort Worth Stockyards faces a number of problems at the conclusion of 10 years of postwar operations. Salable receipts had declined in 1957 to less than half their postwar peak for sheep, hogs and calves and were remaining relatively constant for cattle. This has resulted in a substantial decline in stockyards and commission company revenue.

During the same period, costs have continued to rise for labor, capital expenditures and other related items. Maintenance on the stockyards is a considerable expense, and it becomes increasingly difficult to maintain efficient operations as receipts decline.

Some problems are peculiar to the stockyards business and warrant special attention. Solutions to these problems are necessary if stockyards are to continue as solvent enterprises.

Variability in Daily Receipts

A major problem of stockyards operation is the tendency for livestock receipts to be concentrated during the early part of the week, declining gradually to a very low figure on Friday. Table 6 shows the percentage of receipts by days and by species for 1947, 1951 and 1955. The proportion arriving on Monday and Tuesday combined increased from about 56 percent for both cattle and calves in 1947 to about 64 percent in 1955. Friday receipts were only 6 percent of the week-

Figure 10. Loading cattle onto rail cars. Many cattle and calves are shipped from Fort Worth by rail.
TABLE 6. AVERAGE DISTRIBUTION OF TOTAL RECEIPTS BY DAYS OF THE WEEK, 1947, 1951 AND 1955

<table>
<thead>
<tr>
<th>Day</th>
<th>Cattle and calves</th>
<th>Hogs</th>
<th>Sheep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>34.3 25.7 36.6</td>
<td>32.0 30.9 33.6</td>
<td>30.3 36.4 34.5</td>
</tr>
<tr>
<td>Tuesday</td>
<td>22.4 25.1 27.7</td>
<td>14.7 16.6 17.6</td>
<td>20.8 23.1 24.1</td>
</tr>
<tr>
<td>Wednesday</td>
<td>20.4 20.2 19.3</td>
<td>18.4 19.3 19.1</td>
<td>20.5 19.8 22.4</td>
</tr>
<tr>
<td>Thursday</td>
<td>15.3 13.1 10.2</td>
<td>17.7 16.6 16.5</td>
<td>19.1 13.5 13.5</td>
</tr>
<tr>
<td>Friday</td>
<td>7.6 5.8 6.2</td>
<td>17.2 14.7 11.2</td>
<td>8.3 7.2 5.4</td>
</tr>
</tbody>
</table>

Unpublished studies by the Texas Agricultural Experiment Station indicate no tendency for prices to decline more frequently after Wednesday than before Wednesday. However, these price changes are based on the existing pattern of receipts and do not prove that prices would not fall late in the week if receipts were evened out.

Packer representatives at Fort Worth state that they would prefer level receipts. Studies of direct purchases by packers show no concentration on Monday and Tuesday of purchases away from the Stockyards. Some of the larger Texas auction markets operate late in the week, and producers show no hesitancy in marketing their livestock at that time.

Individual stockyards are working with their commission firms to develop programs for expanding shipments after Wednesday. The commission firms at Union Stockyards, San Antonio, staged a campaign to encourage larger Thursday shipments late in 1955. Shippers responded for a few weeks, and Thursday receipts gained without appreciable decreases in the early part of the week. Shippers at that market in 1956-57 reverted to their earlier daily pattern of shipments.

The Oklahoma City Stockyards is reported to have encouraged Thursday consignments with some success. Other stockyards, such as South St. Paul, have achieved fairly even daily receipts. On the Fort Worth Stockyards, there has been no united action by commission firms to obtain more uniform receipts. Some commission firms at Fort Worth state that they prefer the present pattern of receipts since it gives them the opportunity to spend the last part of the week soliciting business in the country. Any effective program to level out receipts probably will have to be initiated and pushed by the Fort Worth Stockyards Company.

Seasonality of Receipts

The pattern of total livestock receipts shows a tendency for shipments of each species to be concentrated in certain months each year. Total cattle and calf receipts are lowest during the winter and early spring and highest during the summer and early fall, Figure 12. Slightly more than half of total annual receipts occur during the 5 months, June through October. Salable receipts follow the same general pattern as total receipts.
Direct receipts, however, rise steadily from a low of 6 percent in February to a high of 11 percent in October.

Total receipts of hogs follow a seasonal pattern almost opposite from that of cattle and calves. Total and direct receipts are lowest during the summer and highest during the winter, Figure 13. Salable receipts are relatively stable and show little seasonal variation.

Total and salable sheep receipts are concentrated in the March-June marketing period, Figure 14. Over half of the year's receipts occur during these 4 months. A few commission firms handle the bulk of the lamb selling, and the spring run puts a strain on both pen space and the sales force. Direct receipts are highest in the late summer and fall.

Within these periods of peak runs, receipts on individual days reach totals far in excess of normal. The stockyards operations must have sufficient flexibility to handle these peaks while still adjusting to the extremely low receipts which may occur only a few days later. Few businesses have as little control over volume as do stockyards. Excess capacity is available, and costs are higher than returns during a large percentage of the days that the market operates.

Attitudes of Shippers

Operations of stockyards have been characterized by a tendency to undergo little or no change in facilities or in methods. The usual reason given for this lack of change has been that the users of the market complained if anything was done differently. An additional factor has been a resistance to adjustments by stockyards and commission company personnel.

A questionnaire was sent to 1,275 cattle shippers at the rate of 150 to 160 per week. This questionnaire sought the attitudes of persons using the Fort Worth market toward all phases of market operations. They were asked to make recommendations for improvements and to comment freely on present procedures.

The questionnaire was prepared jointly with representatives of the stockyards and commission companies. Weekly mailings went to persons who had shipped to Fort Worth during the past 7 days. Individual shippers were selected by commission company representatives each week, and the actual mailings were made by the stockyards company using questionnaires, and stamped envelopes provided by the Texas Agricultural Experiment Station.

Returns from the questionnaires totaled 512, or about 40 percent, indicating considerable interest on the part of the shippers. The questionnaires were summarized as received and summaries were prepared at 2 or 3-week intervals. These summaries were made available to stockyards and commission company personnel, and they took action on some of the recommendations.

Action was taken to convert the lawn in front of the Exchange Building into a parking area for customers. A lounge for shippers' families was established on the ground floor. The road leading to the hog and sheep docks was surfaced. Additional changes were considered by the management and may be made later. However, most changes suggested would be costly, and there is a limit to the improvements that can be made within any given period if normal earnings are to be sustained.

Eighteen percent of the cattle shippers questioned live less than 50 miles from Fort Worth and an additional 38 percent live 50 to 100 miles away. A sizable 26 percent have headquarters 100 to 200 miles from the stockyards, and the remaining 18 percent live more than 200 miles away. No information was obtained on the relation between size of shipment and distance traveled, but observation on the yards indicates that the smaller shipments tend to come the shortest distances.

Of shippers using pickup packing trucks and car trailers, four out of each five owned their own equipment. Only half of those using the larger trucks owned the equipment, while the
other half hired their transportation. Most farmers and ranchmen in Texas own pickups or car trailers and use them for livestock transportation.

**Attitudes toward the Stockyards**

A few questions were aimed at the group of shippers who had used their own equipment on the latest shipment to Fort Worth. Over 90 percent of this group indicated that unloading facilities were convenient, the person at the unloading dock was helpful and courteous and they were able to unload in a reasonable time. On the average, less than a half hour was spent waiting in line, filling out the waybill and getting unloaded.

They were asked whether anything could be done to improve the unloading routine. Suggestions included the following typical comments during one weekly period:

- "Yes, pave the rough, rocky approaches to the unloading docks."
- "Let pickups that don't have trailers unload at truck dock."
- "Have more help at unloading dock."
- "Yes, have waybills made out before driving in."
- "Have unloading chute for pickups so cattle won't have to jump out."
- "Need a dock for pickups."
- "Better lighting in unloading area at night."

These comments were considered by the stockyard management. One road leading to an unloading dock was hard-surfaced. Other roads and docks areas have not been improved. No special dock has been provided for pickups and cattle are still jumping out of pickups and car trailers.

About two-thirds of the consignors stated that they came to Fort Worth with their livestock, and more than two-thirds of those who came stayed until the livestock were sold. Less than a third brought along other members of the family. Many of them acknowledged a lack of parking facilities at the stockyards as a discouraging factor.

A final question requested suggestions for improving services at the Fort Worth market and for greater convenience in the use of market facilities for shippers and their families. A few of their replies follow:

- "I have none; I am satisfied."
- "Better parking near exchange building, a better market latter part of week."
- "I think it would be a good plan for the Stockyard to publish a pamphlet outlining the complete process cattle, hogs and sheep go through from the time of arrival at yards until slaughtered or returned to feed lots."
- "More honest commission men interested a bit more in helping the producer instead of themselves."
- "More buyers represented because two major companies make the Fort Worth Market."
- "Better parking facilities."
"Better facilities for unloading pickups. The present way they just fall out and bruise themselves."

"Yes, pave those rough chuggy roads."

Most of the persons shipping to Fort Worth were satisfied with the services and facilities at the market. This could be expected since the individuals contacted had just completed a shipment to this market, indicating a preference for it above competitive markets.

**Attitudes toward Commission Firms**

Shippers were asked a series of questions concerning commission firms. Almost four out of every five shipped all species of livestock to the same commission firm. Fifty-eight percent selected a commission firm on the basis of the reputation of the firm, 35 percent because of confidence in a certain salesman and 7 percent for other reasons.

Four out of five shippers had previously patronized other commission firms at Fort Worth. The reason given by almost half the shippers for changing firms was unsatisfactory salesmanship. Of lesser importance were dissatisfactions with feeding or watering, weighing and a number of other causes. A few of these comments on reasons for changing firms follow:

"During the last few years I have changed 3 or 4 times because after the salesmen handle your stock a few times, they lose interest in your business. They feel they will get it anyway."

"Had one load where there was a difference of 8¢ a pound between heifers and steers."

"Cattle were not fed according to instructions and there was not enough interest in selling."

"Salesman seemed more interested in selling to certain individuals than obtaining top prices for livestock."

The private treaty method of selling places a major responsibility on the commission company to satisfy shippers on prices received for livestock. Dissatisfaction expressed by individuals can indicate a poor selling performance by the commission salesmen or an improper evaluation of livestock values by the shipper.

About three shippers out of 10 contact a commission firm before shipping. A slightly larger percentage also contact a local buyer. About two shippers out of three get advice from commission firms in the form of market cards, personal calls, letters and telephone calls. The cattlemen who cooperated on the Fort Worth study constitute a group that favors this particular market. About one-fourth of them ship all their cattle to Fort Worth. For the group as a whole, approximately 70 percent of their cattle went to this market in 1955. Over half of them had sold some cattle at auctions during the past year, while a fourth had patronized local dealers. About one out of six sold direct to a packer, and an equal size group sold to local butchers. Less than 10 percent sold at packers' buying stations.

**Attitudes toward Fort Worth as a Market**

Although the reporting group had selected Fort Worth as their major market, they failed to agree as to the best market for the various classes of cattle. The summary following shows their answers to the question: "Where, in your opinion, do different types of cattle sell best?"

<table>
<thead>
<tr>
<th>TYPES</th>
<th>Fort Worth</th>
<th>Local auction buyer</th>
<th>Local buyer</th>
<th>Packer buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slaughter steers</td>
<td>82</td>
<td>7</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Slaughter yearlings</td>
<td>75</td>
<td>14</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Slaughter calves</td>
<td>66</td>
<td>17</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Slaughter cows</td>
<td>78</td>
<td>7</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Slaughter bulls</td>
<td>81</td>
<td>12</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Stocker or feeder steers</td>
<td>55</td>
<td>24</td>
<td>20</td>
<td>1</td>
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<tr>
<td>Stocker heifers</td>
<td>44</td>
<td>36</td>
<td>20</td>
<td>1</td>
</tr>
<tr>
<td>Stocker yearlings</td>
<td>54</td>
<td>28</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>Stocker calves</td>
<td>53</td>
<td>29</td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td>Stocker cows</td>
<td>44</td>
<td>34</td>
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<td>1</td>
</tr>
<tr>
<td>Stocker bulls</td>
<td>41</td>
<td>34</td>
<td>24</td>
<td>1</td>
</tr>
</tbody>
</table>

1Less than 1 perceent.

Comments on this question provide some of the reasoning behind the answers given:

"Sometimes I do better at auction rings; then again better at Fort Worth."

"This last year Fort Worth has been a rather poor stocker market."

"All types of Brahman and half breed cattle sell higher at local auctions with faster service, less shrink."

"You are closer to a local auction and you can tell when the hot and cold streaks are running and what is selling best."
Figure 17. The owner of the livestock or his representatives must complete the way-bill.

“No competitive bidding at Fort Worth on bulls.”

“Fort Worth on all classes most of the time.”

“Weighing conditions always make a local buyer best if he is available.”

“Stocker cattle going from ranch sold to northern buyers very often are purchased by local order buyers.”

“It is hard to give a definite answer. I check the market at both places, maybe take in a few head as a test, and ship to place paying higher price.”

“I think some of the common and plain calves bring more at auctions and cows and calves if sold by the head or in pairs.”

“Weather conditions would be a factor, but usually stockers do well in a local auction.”

There was an apparent tendency in the comments to justify the choice of a market other than Fort Worth, especially for stocker cattle. The preference for this market for slaughter cattle was pronounced. This attitude is understandable since Fort Worth is primarily a packing center. The demand for stocker cattle, however, is often good close to the supply, and local markets provide a convenient mechanism for the transfer of ownership.

One factor contributing to the comparatively low preference for Fort Worth as a stocker market is the practice by farmers and ranchmen of buying and selling a few head of stocker cattle on the same market. Less than 40 percent of the shippers had ever bought cattle or calves on the Fort Worth market. When asked why, they gave the following typical answers:

“I either raise them or buy locally.”

“Do not buy enough to pay me to go that far from home to buy.”

“Difficult and inconvenient.”

“Commission firms will hardly sell to anyone but regular yard traders.”

“Too much of a risk of bringing disease back to the ranch.”

Shippers were asked which day was most convenient for them to deliver livestock to market. Their preferences were in line with present practices, with about 60 percent listing Monday or Tuesday. No other single day was preferred to any extent, and Thursday and Friday were rated low. Since there is no good reason for Tuesday, for example, being more convenient than Friday, it is concluded that this choice of days was made on some basis other than convenience.

Shippers were asked whether they had been advised to deliver livestock to Fort Worth on any particular day. Three-fourths answered in the negative and those who admitted being advised tended to give commission companies as the source of advice and Monday or Tuesday as the days recommended.

A question was asked regarding sales made at Fort Worth on Thursday or Friday. About 60 percent of the group had made Thursday marketings, while only a third had Friday experiences. Combined sales for the 2 days were satisfactory in seven cases out of 10. This indicates no real, deep-seated objection to sales late in the week, if properly encouraged.

Performance of Selling Functions

Comments by shippers to the Fort Worth market indicated dissatisfaction with several phases of commission firm activities. This is due in part to differences of opinions among producers as to the best way to perform the selling function. Other criticisms arise from a lack of understanding by the producer of the supply and demand situation at the time his livestock were sold. Finally, some producers may have legitimate complaints that the selling job was performed improperly.

The primary purpose of providing feed and water for livestock is to restore some of the weight lost during loading and transporting to market, and to improve the general appearance of the livestock. Shippers complain that livestock are given feed which they do not have time to eat, and that prices of feed are too high. The quality also is said to be lower than is justified. Some wasting of feed is unavoidable since the period prior to sale is not completely predictable. Cases were observed, however, where poor judgment was exercised in the amount or kind of feed provided for livestock. Feed prices are delivered prices to the stockyards plus a fixed amount for handling. This charge is based on costs of handling and does not change with feed price fluctuations. It is subject to review by the Packers and Stockyards Branch, Livestock Division, Agricultural Marketing Service, USDA. Less complaints would be experienced if the feed quality were higher.
Sorting of livestock involves separation by sex, grade, color, size or some other physical basis to achieve uniformity. Stocker and feeder buyers, in particular, prefer uniform lots and slaughter buyers may require sorting. Sorted consignments sell potentially for a different price on each lot. The total return on this basis is assumed to be higher than would be paid by any buyer on an unsorted basis.

Criticisms of sorting by producers cover all aspects of the problem. A few contend that too much sorting is done, citing price differentials between heifers and steers or complaining about prices for cull animals. A more common complaint is that too little sorting is performed by commission salesmen. Lack of sorting of hogs is pointed out as a detriment to the program to develop and pay premiums for meat-type hogs. Sales to dealers on an unsorted basis are said to result in the sorting actually being performed by the dealers with sizable speculative returns. Interviews at the market indicate that the quality of sorting varies with commission firms. Some undoubtedly sell without proper sorting.

Another criticism of commission firms by consignors pertains to the actual selling operation. Ideally, commission salesmen receive bids on each lot of livestock from several potential buyers and sell to the highest bidder. The salesman has the option of selling to the first bidder or to any subsequent bidder if the amount bid is equal to or above his concept of the fair market value. Some shippers contend that favoritism is shown in accepting bids from certain packers or dealers who buy in large volume.

Some salesmen are criticized as being poor judges of livestock values. Others may not keep completely aware of changes in wholesale meat prices, receipts at other markets or other supply or demand factors affecting prices in the short run. This is brought about in part by low volume for individual firms, forcing them to use the same salesman for several classes of a single species or even several species. Salesman of this type are referred to as “bid takers.”

Part of the complaint against selling comes from persons who have tried to buy at Fort Worth. They indicate that salesmen either refuse to take their bids or say that the livestock have been sold to a dealer and suggest buying from the dealer. This gives the combined expression of favoritism to certain dealers, unwillingness to accept all bids before selling and a poor selling job.

An immediate effect of this policy is to drive prospective buyers from the market. First to be discouraged are individuals looking for a few head of stockers. They like to bring a few head of fat calves or old cows to the market and take home lighter calves. If they are unable to buy at a market, they usually prefer not to sell there either and so they take their business to the auction markets.

Another buying group that can become dissatisfied is the feeder buyers. They buy in variable number, but require reasonable uniformity in their purchases. If commission men refuse to sort available consignments, or if they sell only to packers and dealers, the feeder buyers must operate through order buyers or dealers. Many of them prefer to buy in this way and use the services of the same dealer year after year to obtain their cattle. Some feeder buyers are unwilling to buy through order buyers or dealers, preferring to purchase from the original owner. It is possible that this situation has caused many of them to do their buying in the country and at auction markets.

Criticism of sales to packer buyers are based largely on the level of prices received. Some shippers feel that the commission salesmen are not as well informed on supply and demand factors as are packer buyers. This is readily explainable in view of the large research staffs available to major packers and their wide use of modern communications to give current and complete information to all buyers. Packers also are better able to keep in touch with changes in the wholesale dressed meat quotations, since there is relatively poor coverage in this important area. Packer buyers also keep abreast of changes in yield, grade and other factors.

The major packers buy a large percentage of the livestock consigned to Fort Worth that is not suitable for stocker or feeder purposes. This means that competitive bidding is at a minimum on much of the livestock purchased by packers. Commission salesmen rely on the packer buyers to buy everything in the pens and they usually do, but they are in an excellent bargaining position. These packer buyers also have the advantage of not having to depend on the Fort Worth market alone for all of these requirements, especially on hogs. This situation occurs daily and provides a basis for shipper criticism even though the commission salesmen may be doing a good selling job.

A continuing difficulty for commission firms is the training of salesmen. In the past, major emphasis was placed on the ability of the individual salesmen to determine weight, grade and dressing percentage or, in short, to know livestock. It has been assumed that this training can be acquired best by constant association with livestock. Therefore, the best potential salesmen were those recruited from the ranks of the yard employees.

This theory worked well when a constant stream of farm boys were taking jobs at stockyards. Those with special selling ability tended to move into the line of work and replaced other salesmen as fast as they retired.

Demand for unskilled workers for industrial plants has caused most of the younger workers to seek better-paying industrial jobs. As a consequence, the yard jobs at stockyards have been filled by older or less skilled workers. Most of
them are not qualified to replace existing commission salesmen.

Meanwhile, the packers have recruited their buyers from the staffs of dealers, commission firms and more recently, from the ranks of college graduates. They have paid attractive salaries and appear to have competent buyers. These men have the additional advantage of current nationwide market information arriving by wire and telephone. It would appear that the personnel recruitment program of the packers will give them a continuing advantage over the commission salesman. This advantage can only widen as the older salesmen retire and are replaced by relatively untrained men.

Joint Efforts

Probably no other major industry lacks so completely any control over its sales force as does the stockyards industry. While the Fort Worth Stockyards has a great investment in facilities, 29 individual commission firms are actually responsible for bringing in and maintaining business on the market. The stockyards company is vitally concerned with maximizing market volume. However, each commission firm is interested in maximizing its own volume, not necessarily total volume. In obtaining new business for the market, the goals of the stockyards company and the commission firms do not conflict. However, commission firms often are more interested in gaining consignors from a competitor than in obtaining new consignors.

The stockyards company and many of the commission firms are interested in promoting and improving the market.

The management of the Fort Worth Stockyards and of the individual commission companies usually work together for the best interest of the market as a whole. It is to their mutual interest to sell farmers and ranchmen on the idea of marketing their livestock through the stockyards.

The organization used to attain cooperative effort between the stockyards company and the market organizations is the Fort Worth Livestock Market Institute, Inc. It was organized on March 7, 1950 to enable the people doing business on the stockyards to band together for mutual protection and benefit. It is chartered as a nonprofit educational foundation, aimed at any activity which promotes the welfare of the livestock industry. Activities of the Institute include establishing and financing educational programs for improving market services, explaining stockyards operations to potential consignors, supporting a series of innovations such as special stocker and feeder sales and disseminating market news and information.

A program of this size goes beyond the resources of the individual firm. It is desirable, however, for the market agencies and the stockyards to cooperate in a broad program of this type, with individual companies conducting campaigns to promote their personal business activities.

All but one of the 29 commission firms on the market are members of the Institute. Other members include 25 of the 60 active dealers and order buyers and the stockyards company. The stockyards matches the funds contributed by all others to the Institute.

Because of this joint membership, the Institute serves as a sounding board for new ideas and new and old complaints. The special stocker-feeder sales illustrate a new activity promoted actively by the Institute and some firms, but ignored or even opposed by others. Wider acceptance is given to the Institute’s market information programs. During 1957, weekly market summaries were sent to 485 weekly newspapers and 44 radio farm directors. Daily broadcasts were made on four stations and weekly broadcasts on three others. The Institute functions also in contacts with outside agencies such as the Texas Beef Council, National Livestock and Meat Board and the like.

The Institute considers programs and ideas brought to its attention by market interests, consignors, promotional groups and individuals. Periodic dairy cattle sales are suggested by persons interested in these cattle. Radio and television interests plug new or broader information programs. Decisions are made by the majority and are measured in terms of resulting business volume.

Undesirable or Uncontrolled Activities

The Fort Worth Livestock Market Institute, Inc., is an attempt to unify market interests. Some firms and individuals persist, however, in following policies which are detrimental to the market. One problem involves the permanent removal from the market of commission firms, dealers or individual employees who show a lack of integrity in protecting the interests of consignors or buyers.

The usual method for dealing with this situation is a set of rules and regulations established by the stockyards and approved by the Packers and Stockyards Branch, USDA. Each commission firm or dealer agrees to abide by these rules and failure to do so brings suspension of activities by that firm on the market. The Fort Worth Stockyards adopted a new set of regulations, “The Privilege of the Market,” effective April 14, 1958. A copy of these regulations may be obtained from the stockyards.

The Privilege of the Market

Briefly, these regulations outline the privileges of the market and the responsibilities of the stockyards and all agencies operating on the market (commission firms, dealers and buyers). The stockyards offers to grant to persons the privilege of selling, buying or trading livestock sub-
ject to the rates, charges and other regulations of
the stockyards company. It specifically reserves
the right to control the use of its property.

The stockyards specifies conditions of oper­
ating a commission firm on the market, such as
the necessity, number and qualifications of per­
sonnel and financial status. Similar conditions
are specified for the operations of dealers and
buyers.

RECOMMENDATIONS

Discussions with personnel of the stockyards,
commission companies, dealers and persons away
from the market indicate several proposals which
might be adopted as a means of strengthening
the market and improving its public relations.
The following recommendations pertain princi­
pally to the activities of the stockyard company:

Consider possible improvements in facilities
for the convenience of buyers and sellers. Among
items which should be considered are overhead
walkways, a central public address system, addi­
tional yard telephones and vantage points near
scales where consignors may watch the weighing.

Consider improved means of dealing with
small consignments, such as the development
of country concentration points. With proper
identification, these lots could be transported to mar­
ket, providing efficiencies in transportation, un­
loading and penning.

Contract for the best grades of hay and other
feed to be delivered as required, thereby reducing
storage, handling and hauling costs.

Set up and require minimum standards of op­
eration for commission firms on the market.
Items to be considered should be volume, quality
of salesmanship and the like.

Exercise greater control over the activities of
dealers and speculators.

In addition, there are problems that should be
approached on a cooperative basis by all market
interests through some medium such as the Fort
Worth Livestock Market Institute. The follow­
ing recommendations are submitted for their con­
sideration

Modernize and centralize the procedure for
handling all business transactions on the stock­
yards.

Put all stockyards and commission company
personnel in distinctive wearing apparel, identi­
fied by name and affiliation to improve relations
with consignors and visitors.

Improve procedures for buying by outsiders,
both farmers and ranchmen and smaller meat
packers, to attract new buying strength to the
market. Make shippers and outside buyers feel
welcome through service, information booths,
courtesy and correspondence.

Develop a procedure for insuring high caliber
sales personnel through training and procure­
ment. Develop on-the-job training and regular
follow-up programs for commission firm sales­
men. Information such as good salesmanship,
estimating grades and yields, use of market news
and methods of soliciting are examples of pos­
sible content of such programs.

Develop and distribute forecasts and analyses
of market situations for the use of commission
firm salesmen. This might include the develop­
ment of a local wholesale meat market news re­
port.

Provide to consignors improved advisory serv­
ices on production and marketing problems and
consider hiring a group of fieldmen to work close­
ly with producers and promote the market.
The Texas Agricultural Experiment Station is the public agricultural research agency of the State of Texas, and is one of ten parts of the Texas A&M College System.

The Texas Station is conducting about 400 active research projects, grouped in 25 programs, which include all phases of agriculture in Texas. Among these are:

- Conservation and improvement of soil
- Conservation and use of water
- Grasses and legumes
- Grain crops
- Cotton and other fiber crops
- Vegetable crops
- Citrus and other subtropical fruits
- Fruits and nuts
- Oil seed crops
- Ornamental plants
- Brush and weeds
- Insects
- Beef cattle
- Dairy cattle
- Sheep and goats
- Swine
- Chickens and turkeys
- Animal diseases and parasites
- Fish and game
- Farm and ranch engineering
- Farm and ranch business
- Marketing agricultural products
- Rural home economics
- Rural agricultural economics
- Plant diseases

Two additional programs are maintenance and upkeep, and central services.

Research results are carried to Texas farmers, ranchmen and homemakers by county agents and specialists of the Texas Agricultural Extension Service.

Today's Research Is Tomorrow's Progress