

Livestock Marketing Agencies

study of direct sales, commission firms, auctions,
based on information from 1,751 California operators

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Data for a survey of marketing agencies used by California livestock producers—ordinarily nonexistent—are available for 1949.

During that year 1,751 California operators reported sales of 425,000 head. Reduced to market equivalents this would represent 179,000 cattle—one cattle equaling three calves, four swine, or 10 sheep.

Expressed in marketing equivalents, 44% of all direct sales were made to packers and butchers, about 25% to terminal market commission firms, 11% each to other farmers and dealers, and 9% through auctions. These percentages are used only to indicate the first channel through which livestock move from producers.

Packers and butchers bought larger proportions of cattle and sheep than of hogs. Approximately 46% of the cattle were sold direct, 25% went to terminal market commission firms, 12% to other farmers, 10% to dealers, 9% to auctions.

Farmers selling sheep and lambs sent 40% direct to packers, 28% to terminal markets, 17% to dealers, 10% to other farmers, and 5% to auctions.

About 37% of the hogs sold went to packers, 28% to terminal markets, 15% to auctions, 13% to dealers, and 7% to other farmers.

Within the major stock categories—cattle, sheep, swine—were wide differences in the manner in which minor stock categories—beef steers, milk cows, slaughter hogs, lambs—were sold. Almost 62% of the steers were sent direct, while 20% were consigned to terminal market commission firms. At the other extreme, 75% of all milk heifers were sold to other farmers. A similar proportion of milk cows—largely culls—was sold through terminal markets and auctions. Auctions and dealers received 70% of the dairy calves. Beef cows, calves, and heifers went in largest proportions to packers and commission firms. Packers, commission firms, and dealers handled 92% of the lambs but less than 50% of the ewes. Other farmers and commission merchants received about 66% of the ewes.

Packers and commission firms at terminal markets took 82% of the slaughter hogs, while other farmers, dealers, and auctions were the marketing agencies for 86% of the weaner and feeder pigs.

While boar and stag sales were small, 80% went to auctions.

When selling stock, by far the larger number of farmers patronized livestock auctions, followed by terminal market commission firms, packers, other farmers, and dealers.

There were differences between the major classes of stock as to how often the different agencies were used. The largest number of cattle and hog producers were attracted by auctions. For sheepmen, terminal markets ranked first, auctions second. With cattle and hogs, the packer and butcher were third, with sheep fifth. Farmers were the fourth most frequently used customers. Dealers were used least to dispose of cattle and hogs.

Purchases of cattle were about 48% as numerous as sales, sheep 34%, and swine 44%. Proportions of purchases to sales were greater as a result, in part, of the growing feeder industry which necessitates substantial feeder cattle, sheep, and hog purchases. Replacement stocker cattle, sheep, and dairy cow purchases are another reason for the proportionately higher buying.

Combining all livestock classes, the 1,751 farmers purchased 53% from other farmers, 19% from terminal markets, 17% from dealers, and 11% through auctions. These percentages indicated the last channel through which purchases moved before reaching producers. Numerous farmers purchased no livestock.

In the case of cattle, 54% were obtained from other farmers, 18% from dealers, 16% from terminal markets, and 11% through auctions.

With both sheep and hog purchases—more restricted as to source—farmers and terminal markets accounted for over 80%. Auctions furnished almost 13% of the hogs, but only about 6% of the sheep.

Dealers, on the other hand, were the sources of 11% of the sheep, but less than 3% of the swine. Beef steers, cows, calves, and heifers were purchased in larger numbers and by more farmers from other farmers than from any other agency. Commission firms at central markets, and dealers ranked next in total volume of purchases. In numbers of actual farmers purchasing, the auction ranked after other farmers, and commission firms.

Milk animal purchases were made in about equal volume from dealers and

farmers, with auction being third. However, most farmers purchasing milk stock bought from other farmers, with auctions second, and dealers third.

The largest volumes of ewes, lambs, and other sheep were purchased from farmers. The greatest number of sheep producers bought from their fellow producers. Purchases of lambs from terminals were almost as great as those from other farmers, but the number of farmers involved was less than half when compared with those receiving lambs from other farmers. While auctions were the source for relatively few sheep, the number of farmers receiving auction purchases ranked next to those obtaining animals from their fellow producers.

The principal swine purchases were feeders and weaners. Commission firms were the source of the largest numbers, other farmers and auctions followed. Most farmers purchased from their fellow producers and auctions. Of the minor classes—sows, butcher hogs, boars, and stags—a larger number of animals were obtained by more farmers from producers than from any other agency. Auctions followed, both with respect to volume and numbers of farmers.

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