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Cooperative Marketing of  
**RANGE LIVESTOCK**  
by L.B. Mann

**FARM CREDIT ADMINISTRATION**  
COOPERATIVE DIVISION      WASHINGTON, D. C.

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Director of Information,  
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COOPERATIVE MARKETING  
*of*  
RANGE LIVESTOCK

By

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*Senior Agricultural Economist*



FARM CREDIT ADMINISTRATION

Cooperative Division

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# Cooperative Marketing of Range Livestock

**C**OOPERATIVE marketing of livestock has been carried on in the United States to some extent for over 150 years. The first local shipping association was organized in southern Nebraska as early as 1883. This movement gradually grew and developed, first with the organization of hundreds of local shipping associations and later with the establishment of large-scale commission or sales agencies in terminal markets.

This bulletin deals principally with the growth and development of cooperative livestock-marketing associations in the western range States. It is based on a study of the various problems involved in the marketing and financing of cattle and sheep produced in this territory. As a background for presentation of the results of this study, a brief statement of the development of livestock cooperatives throughout the United States is included here.

## RISE OF COOPERATIVE LIVESTOCK MARKETING

**T**HE FIRST successful cooperative terminal commission association was established in 1917 at Omaha, by the Nebraska Farmers Union, but it was after the World War that the greater growth of cooperative sales agencies occurred. The period from 1921 to 1926 was one of rapid expansion; in 1925 there were 28 cooperative commission associations in operation. By 1935 there were 49 terminal cooperative sales agencies operating on 37 public markets and 6 regional or State associations operating direct sales units at other than terminal markets. In 1935 these cooperative associations handled nearly 12,000,000 head of livestock with a total value of approximately \$216,000,000.

Acknowledgment is made of the assistance and advice of O. G. Randell, Principal Agricultural Economist, in the preparation of this bulletin, and of the helpful cooperation of the cooperative agencies in making available for study their records and other information. Credit is also due Miss Lois Mahin for assistance in the preparation of material. Much of the economic information presented in the bulletin was obtained from the Bureau of Agricultural Economics and the Forest Service, U. S. Department of Agriculture. Data were also supplied by the U. S. Department of the Interior.

The number of associations and the total volume handled by these agencies from 1918 to 1935, inclusive, appear in table 1. The number

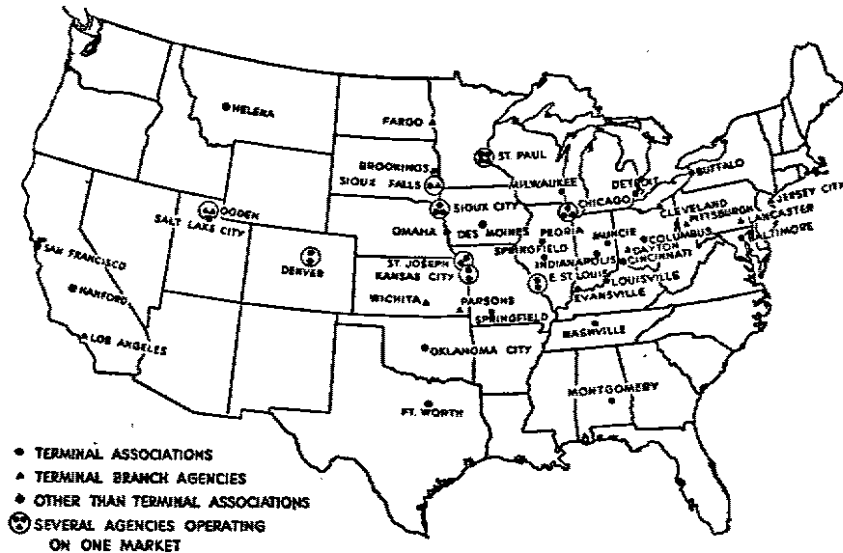


FIGURE 1.—LOCATION OF COOPERATIVE LIVESTOCK-MARKETING AGENCIES IN THE UNITED STATES, 1935.

In 1935 cooperative associations were in operation on 37 of the principal markets of the United States and served all major livestock sections of the country except Oregon and Washington.

of agencies increased from 3 in 1918, to 55 in 1935, while the livestock handled increased from 189,535 head in 1918, to 15,570,932 in 1933 and dropped to 11,870,885 in 1935. In 1935 there were 43 large-scale livestock cooperatives with 12 branch agencies in operation. Of

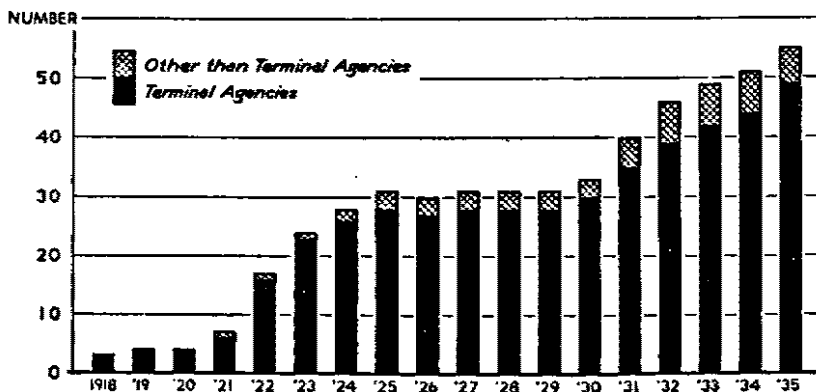


FIGURE 2.—NUMBER OF COOPERATIVE MARKETING AGENCIES HANDLING LIVESTOCK, 1918-1935.

Cooperative agencies increased from 3 in 1918 to 55 in 1935. Of this number 49 operated at terminal markets and 6 operated as direct marketing units.



these, 37 operated as terminal associations and 6 were classed as regional associations not operating at central markets but conducting

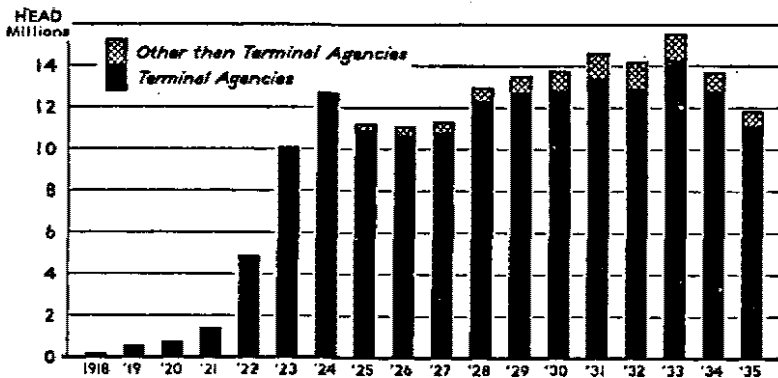


FIGURE 3.—LIVESTOCK HANDLED BY COOPERATIVE MARKETING AGENCIES, 1918-1935.

Volume of livestock handled by cooperatives increased from 189,535 head in 1918 to 11,870,885 in 1935.

a direct-to-packer or direct-to-feeder business. These 37 terminal associations controlled 49 independently operated sales agencies located at 37 central markets, as shown by figure 1. The growth in

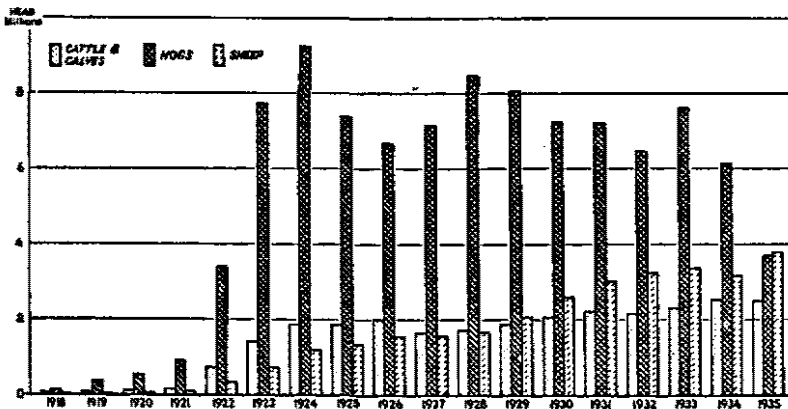


FIGURE 4.—LIVESTOCK RECEIVED BY TERMINAL-MARKET COOPERATIVE SALES AGENCIES, BY SPECIES. 1918-1935.

Cooperative cattle and sheep volume increased while hog volume decreased during this period. In 1924 approximately 75 percent of the cooperatives' receipts consisted of hogs, 15 percent cattle and calves, and 10 percent sheep; while in 1935, 37 percent were hogs, 25 percent cattle, and 38 percent sheep.

the number of terminal and regional associations from 1918 to 1935 and the volume of livestock handled by the associations for the same period are shown in figures 2 and 3; the distribution by species of the volume received, in figure 4.

TABLE 1.—LIVESTOCK HANDLED BY COOPERATIVE SALES AGENCIES IN THE UNITED STATES, 1918-1935<sup>1</sup>

Year	Terminal market agencies					Other cooperative agencies <sup>2</sup>		All cooperative agencies		
	Number of agencies	Livestock received <sup>3</sup>				Total livestock handled <sup>4</sup>	Number of agencies	Livestock handled	Number of agencies	Livestock handled
		Cattle and calves	Hogs	Sheep	Total <sup>5</sup>					
1918.....	3	30, 528	139, 483	7, 548	189, 283	189, 535	-----	-----	3	189, 535
1919.....	4	63, 876	381, 127	23, 940	563, 383	571, 887	-----	-----	4	571, 887
1920.....	4	85, 313	536, 380	29, 676	748, 255	754, 805	-----	-----	4	754, 805
1921.....	6	163, 361	912, 095	103, 101	1, 310, 628	1, 352, 660	1	44, 783	7	1, 397, 443
1922.....	16	736, 982	3, 414, 016	352, 861	4, 727, 056	4, 813, 406	1	43, 204	17	4, 856, 610
1923.....	23	1, 409, 322	7, 732, 437	733, 552	9, 933, 445	10, 037, 373	1	48, 721	24	10, 086, 094
1924.....	26	1, 893, 326	9, 239, 070	1, 202, 616	12, 382, 304	12, 624, 343	2	81, 635	28	12, 705, 978
1925.....	28	1, 881, 241	7, 377, 084	1, 350, 311	10, 666, 069	10, 954, 219	3	301, 313	31	11, 255, 532
1926.....	27	2, 003, 014	6, 687, 296	1, 581, 882	10, 333, 307	10, 661, 323	3	443, 892	30	11, 105, 215
1927.....	28	1, 678, 094	7, 149, 561	1, 598, 465	10, 426, 120	10, 793, 681	3	554, 009	31	11, 347, 690
1928.....	28	1, 751, 599	8, 483, 413	1, 686, 889	11, 921, 901	12, 339, 000	3	629, 036	31	12, 968, 036
1929.....	28	1, 904, 066	8, 054, 184	2, 093, 136	12, 051, 386	12, 755, 647	3	786, 792	31	13, 542, 439
1930.....	30	2, 088, 411	7, 259, 731	2, 609, 604	11, 957, 746	12, 857, 965	3	926, 451	33	13, 784, 416
1931.....	35	2, 238, 514	7, 216, 259	3, 040, 043	12, 494, 816	13, 422, 677	5	1, 182, 995	40	14, 605, 672
1932.....	39	2, 183, 532	6, 496, 061	3, 265, 466	11, 945, 059	12, 925, 756	7	1, 279, 016	46	14, 204, 772
1933.....	42	2, 329, 246	7, 623, 235	3, 396, 859	13, 349, 340	14, 304, 705	7	1, 266, 227	49	15, 570, 932
1934.....	44	2, 548, 710	6, 153, 275	3, 189, 668	11, 891, 653	12, 818, 274	7	892, 675	51	13, 710, 949
1935 <sup>6</sup> .....	49	2, 512, 142	3, 660, 742	3, 750, 041	9, 929, 699	11, 141, 317	6	729, 568	55	11, 870, 885

<sup>1</sup> As here used, an agency means a complete operating unit with its own manager, staff of salesmen, and accounting system. Some associations maintain agencies on more than 1 market.

<sup>2</sup> Includes some livestock sold for yard traders.

<sup>3</sup> Includes livestock not segregated by kind.

<sup>4</sup> Includes livestock purchased or sold in the country.

<sup>5</sup> Includes Illinois Livestock Marketing Association, National Order Buying Co., Iowa Live Stock Marketing Corporation, California Farm Bureau Marketing Association, Pacific States Livestock Marketing Association, Montana Livestock Marketing Association, and South Dakota Cooperative Livestock Marketing Association.

<sup>6</sup> The volume of 2 associations was estimated.

The 1934 and 1935 volume was less than that of 1933 largely because of the drought and the reduction program of the Agricultural Adjustment Administration which, together, reduced 1934 and 1935 livestock supplies available for sale at all public markets. For the entire 18-year period, however, substantial growth has been made by these cooperative agencies.

During the early years of their existence, livestock cooperatives obtained much of their volume from local shipping associations, most of it consisting of hogs from small producers. In recent years, however, this condition has changed. Cooperatives have built up their cattle and sheep departments substantially and new associations have been established throughout the western range territory (table 1, fig. 1).

## ECONOMIC FACTORS AFFECTING PRODUCTION AND MARKETING OF RANGE LIVESTOCK

**N**UMEROUS factors, such as the supply of livestock on western farms and ranches, the demand for such livestock from feeding and consuming areas, prices, droughts, seasonal marketings, and control of public-grazing lands, all exert important influences upon the production and marketing of western livestock. Some important changes in these respects have taken place throughout this western territory since 1920.

For the purpose of tracing the changes which have occurred in livestock production in this area since the World War, a comparison of cattle and sheep numbers on farms and ranches by 5-year periods and by regions was made.

### DECREASE IN NUMBER OF BEEF CATTLE IN WEST

It is apparent from table 2 and figure 5 that the trend in beef cattle production in the 17 western States since 1920 has, for the most part, been downward. Sharpest declines occurred in the southwestern range area, which includes the States of Texas, New Mexico, and Arizona. Beef cattle numbers in this area dropped from 10,097,000 head on January 1, 1920, to 7,295,000 on January 1, 1935.

The western plains area, including the Dakotas, Nebraska, Kansas, and Oklahoma, experienced the next heaviest decline in numbers, from 9,235,000 head in 1920 to 7,738,000 in 1935. The intermountain area, consisting of the six Mountain States of Colorado, Montana, Wyoming, Idaho, Nevada, and Utah, also showed a substantial reduction, from 5,241,000 head in 1920 to 4,448,000 in 1935.

The smallest decrease occurred in the Pacific coast area. Here the decline was from 2,552,000 head in 1920 to 2,245,000 in 1935, with California showing the largest decrease.

The chief factors which have influenced production and marketing of cattle in the West during the last 15 years are low cattle prices, drought conditions, and an increase in sheep production in this area.

TABLE 2.—BEEF CATTLE ON FARMS AND RANCHES IN 17 WESTERN STATES BY SPECIFIED AREAS, 1920-1935, AS OF JAN. 1

State and area	1920	1925	1930	1935
Southwestern range States:	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>
Arizona.....	1, 585	1, 263	723	785
New Mexico.....	1, 642	1, 226	1, 113	1, 014
Texas.....	6, 870	6, 115	5, 070	5, 496
Total.....	10, 097	8, 604	6, 906	7, 295
Intermountain range States:				
Colorado.....	1, 527	1, 209	1, 138	1, 263
Idaho.....	597	490	385	533
Montana.....	1, 222	1, 153	996	1, 281
Nevada.....	516	460	293	315
Utah.....	484	420	328	281
Wyoming.....	895	729	705	775
Total.....	5, 241	4, 461	3, 845	4, 448
Pacific Coast States:				
California.....	1, 493	1, 395	1, 207	1, 332
Oregon.....	691	579	476	593
Washington.....	368	307	237	320
Total.....	2, 552	2, 281	1, 920	2, 245
Western Plains and Corn Belt States:				
Kansas.....	2, 280	2, 308	2, 137	2, 316
Nebraska.....	2, 619	2, 689	2, 239	2, 333
North Dakota.....	905	821	631	536
Oklahoma.....	1, 510	1, 113	1, 133	1, 643
South Dakota.....	1, 921	1, 530	1, 097	910
Total.....	9, 235	8, 461	7, 237	7, 738
Total 17 western States.....	27, 125	23, 807	19, 908	21, 726
Total United States.....	48, 870	40, 798	33, 047	37, 291

Compiled from figures supplied by the Bureau of Agricultural Economics, U. S. Department of Agriculture.

Overexpansion at relatively high levels during the World War was followed by forced liquidation at low prices from 1920 to 1925. Cattle numbers continued to decline from 1925 to 1929, although prices improved materially beginning with 1926 and extending into 1929. Depressed business conditions from 1930 to 1934 caused low prices and again forced liquidation of western range cattle. Figure 6 shows the changes in cattle prices from 1920 to 1935. Drought conditions brought about overgrazing and short feed supplies in much

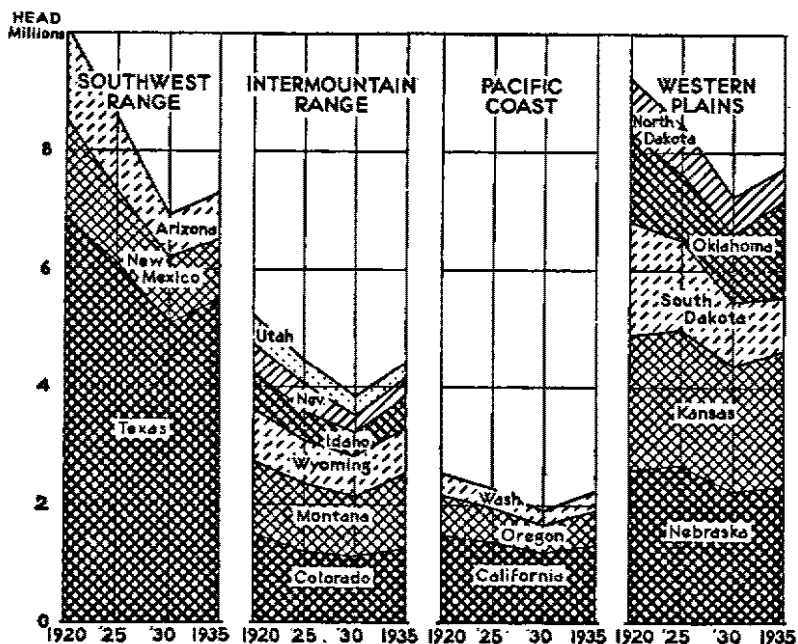


FIGURE 5.—BEEF CATTLE ON FARMS AND RANCHES FOR SPECIFIED AREAS, 5-YEAR PERIODS, 1920-1935, AS OF JANUARY 1.

The number of beef cattle declined sharply in the southwestern range and western plains areas because of the drought and liquidation brought about by economic conditions during this period.

of this territory from the period 1930 to 1934, with most serious results in 1934, when the Federal Government purchased 7,217,513 cattle in 16 of the 17 western States from June 1934 to February 1935, as shown by table 3.

A swing from cattle to sheep production by many ranch operators, because of more favorable prices for sheep and lambs, caused an expansion in sheep numbers and reduced the range available for cattle-grazing purposes.

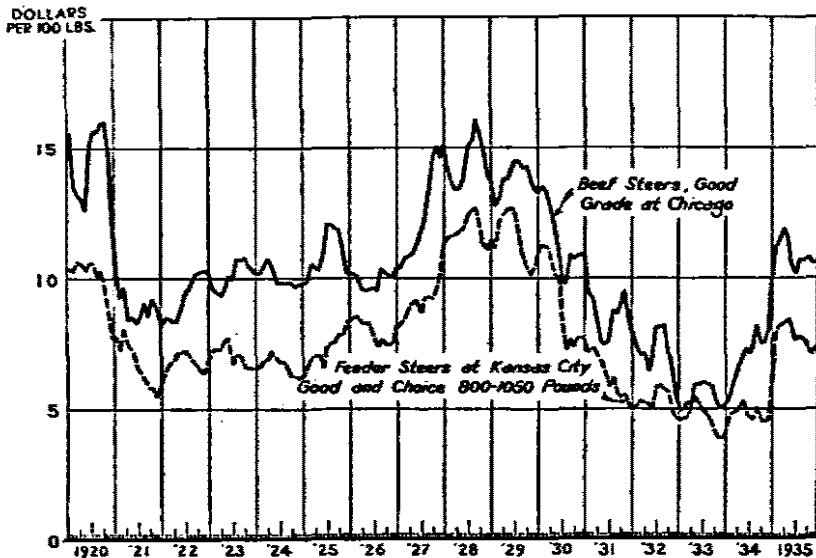


FIGURE 6.—SLAUGHTER AND FEEDER CATTLE PRICES 1920-1935.  
Low cattle prices from 1921 to 1925 and from 1930 to 1934 were responsible for much of the liquidation in western breeding herds.

TABLE 3.—GOVERNMENT PURCHASES OF CATTLE AND SHEEP IN 16 WESTERN STATES

State	Cattle purchased June 4, 1934, to Feb. 1, 1935	Sheep purchased Sept. 15, 1934, to Feb. 28, 1935
Arizona.....	101, 390	11, 347
California.....	19, 784	23, 206
Colorado.....	289, 588	207, 195
Idaho.....	41, 807	145, 664
Kansas.....	521, 171	9, 569
Montana.....	349, 989	491, 775
Nebraska.....	480, 881	24, 671
Nevada.....	36, 272	99, 260
New Mexico.....	547, 248	299, 341
North Dakota.....	970, 997	84, 023
Oklahoma.....	503, 458	2, 270
Oregon.....	12, 482	162, 779
South Dakota.....	915, 039	148, 900
Texas.....	2, 015, 615	1, 091, 346
Utah.....	126, 095	205, 551
Wyoming.....	285, 697	586, 768
Total.....	7, 217, 513	3, 593, 665
Total for United States.....	8, 280, 145	3, 609, 662

Data obtained from the report on cattle and sheep certification issued by the office of the Comptroller Field Audit Section, Agricultural Adjustment Administration, as of Jan. 31 and Mar. 23, 1935.

INCREASE IN SHEEP PRODUCTION

Unlike beef cattle, sheep population in the West, after a decline from 1921 to 1924, increased rapidly during the period 1925 to 1930. Since 1930 a moderate reduction has taken place in the intermountain and Pacific Coast States while in the Southwest, and the western Plains States, numbers continued to increase until 1934. Table 4 and figure 7 show the relative changes in sheep and lamb numbers by areas for 5-year periods from 1920 to 1935.

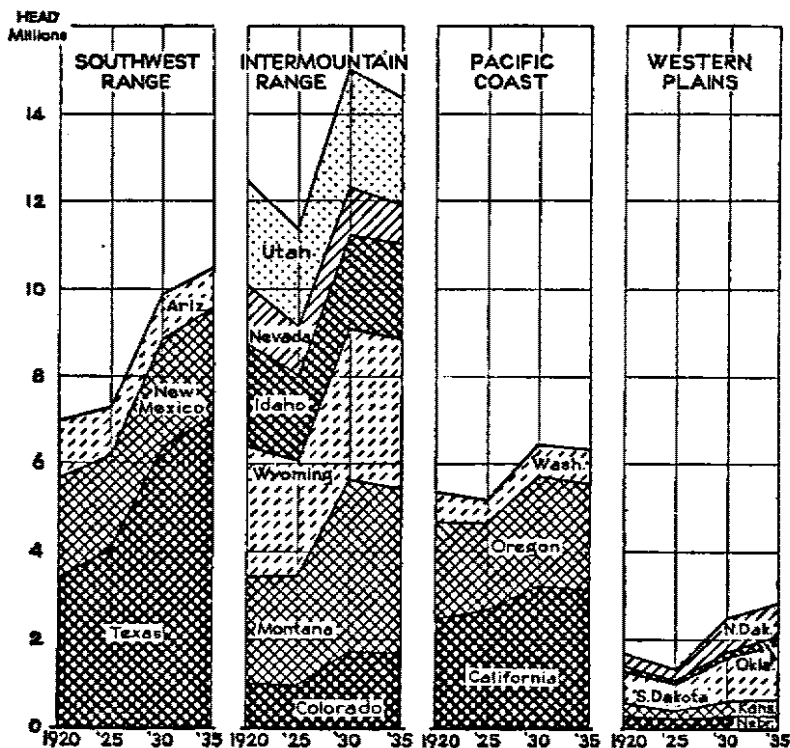


FIGURE 7.—STOCK SHEEP AND LAMBS ON FARMS AND RANCHES FOR SPECIFIED AREAS, 5-YEAR PERIODS, 1920-1935, AS OF JANUARY 1.

The number of sheep in most of the western States increased substantially from 1920 to 1930. Although some liquidation occurred during the years 1930-1933, the 1935 totals were approximately the same as those of 1930.

The greatest increase in numbers took place in the southwestern range area, where sheep numbers rose from 6,960,000 head on January 1, 1920, to 10,472,000 head on January 1, 1935. Most of this increase occurred in Texas, as Arizona showed a moderate decrease during the period.

Next to the Southwest, the intermountain area showed the largest increase in numbers; from 12,459,000 head in 1920, sheep numbers

increased to 15,029,000 in 1930, but then declined to 14,345,000 on January 1, 1935. States in this region showing the largest gains were Montana, Colorado, and Wyoming, with Nevada showing a loss each year while Utah, after showing a gain from 1925 to 1930, declined sharply from 1930 to 1935.

TABLE 4.—STOCK SHEEP AND LAMBS ON FARMS AND RANCHES IN 17 WESTERN STATES BY SPECIFIED AREAS, 1920–1935<sup>1</sup>, AS OF JAN. 1

State and area	1920	1925	1930	1935
<b>Southwestern range States:</b>	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>
Arizona.....	1,350	1,164	1,070	920
New Mexico.....	2,250	2,100	2,507	2,460
Texas.....	3,360	4,014	6,304	7,092
<b>Total.....</b>	<b>6,960</b>	<b>7,278</b>	<b>9,881</b>	<b>10,472</b>
<b>Intermountain range States:</b>				
Colorado.....	989	965	1,715	1,671
Idaho.....	2,380	1,960	2,151	2,169
Montana.....	2,420	2,474	3,940	3,740
Nevada.....	1,330	1,090	1,053	869
Utah.....	2,380	2,255	2,750	2,452
Wyoming.....	2,960	2,613	3,420	3,444
<b>Total.....</b>	<b>12,459</b>	<b>11,357</b>	<b>15,029</b>	<b>14,345</b>
<b>Pacific Coast States:</b>				
California.....	2,440	2,670	3,214	3,155
Oregon.....	2,225	1,989	2,530	2,440
Washington.....	695	534	695	710
<b>Total.....</b>	<b>5,360</b>	<b>5,193</b>	<b>6,439</b>	<b>6,305</b>
<b>Western Plains and Western Corn Belt States:</b>				
Kansas.....	285	220	359	385
Nebraska.....	241	180	258	280
North Dakota.....	299	286	760	725
Oklahoma.....	105	54	143	190
South Dakota.....	754	593	979	1,235
<b>Total.....</b>	<b>1,684</b>	<b>1,333</b>	<b>2,499</b>	<b>2,815</b>
<b>Total 17 Western States.....</b>	<b>26,463</b>	<b>25,161</b>	<b>33,848</b>	<b>33,937</b>
<b>Total United States.....</b>	<b>37,228</b>	<b>34,469</b>	<b>45,577</b>	<b>46,640</b>

<sup>1</sup> Sheep and lambs on feed are deducted from total sheep and lambs on farms and ranches. For number of sheep and lambs on feed for these years, see table 6.

Compiled from figures supplied by the Bureau of Agricultural Economics, U. S. Department of Agriculture.



TABLE 5.—SHEEP AND LAMBS ON FEED IN THE UNITED STATES BY SPECIFIED AREAS, 1920-1935 AS OF JAN. 1

State and area	1920	1925	1930	1935
Southwestern range States:	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>
Arizona.....			10	22
New Mexico.....			20	38
Texas.....			83	60
Total.....			113	120
Intermountain range States:				
Colorado.....	975	1,600	2,035	1,085
Idaho.....	90	80	129	200
Montana.....	30	105	180	155
Nevada.....	10	10	35	11
Utah.....	30	100	150	83
Wyoming.....	40	87	120	155
Total.....	1,175	1,982	2,649	1,689
Pacific Coast States:				
California.....	100	30	86	106
Oregon.....	25	50	55	75
Washington.....	15	36	40	54
Total.....	140	116	181	235
Western Plains and western Corn Belt States:				
Kansas.....	220	164	300	460
Nebraska.....	509	600	950	530
North Dakota.....		25	42	30
Oklahoma.....		10	42	175
South Dakota.....	90	89	210	130
Total.....	819	888	1,544	1,325
Corn Belt and Eastern States:				
Illinois.....	130	169	149	301
Indiana.....	105	85	113	170
Iowa.....	275	169	290	750
Michigan.....	249	236	279	150
Minnesota.....	80	41	110	350
Missouri.....	140	94	140	110
New York.....	30	30	50	50
Ohio.....	210	196	275	280
Wisconsin.....	62	68	95	81
Total.....	1,281	1,088	1,501	2,242
Total United States.....	3,415	4,074	5,988	5,611

Compiled from figures supplied by the Bureau of Agricultural Economics, U. S. Department of Agriculture.

The Pacific coast area, after a minor decline during the 5-year period from 1920 to 1925, showed substantial increases from 5,193,000 head in 1925 to 6,439,000 in 1930. Since 1930 the totals decreased slightly to 6,305,000 on January 1, 1935.

The western Plains States, while the lowest of the western areas in numbers showed rather substantial gains since 1925, increasing from a low point of 1,333,000 head on January 1, 1925, to a high point of 2,815,000 on January 1, 1935. The Dakotas, Oklahoma, and Kansas experienced the largest gains in this region.

The number of sheep and lambs fed from year to year varies widely, depending upon the supply and cost of feeds and of feeder stock. This is especially true in the range and western Plains States which are subject to crop failures because of drought.

Table 5 shows the relative importance of lamb feeding in the various States and areas for 5-year periods from 1920 to 1935. It is noted that the States of Colorado and Nebraska were consistently those of heaviest lamb-feeding operations while States such as Kansas, Montana, Utah, and Wyoming appeared to show the wider degree of change. In recent years lamb feeding has increased quite rapidly in such States as Iowa, Kansas, Oklahoma, Texas, Minnesota, and the Dakotas, partly because of heavy liquidation from western drought areas, the use of winter wheat field pastures and surplus supplies of cheap feeds in the Corn Belt States.

Some factors influencing changes in sheep numbers from 1920 to 1935 were improved prices during a part of the period, the influence of drought, short range, and the scarcity of other feeds. Unlike cattle production, which reached its high point in the cattle cycle in 1918, sheep numbers on farms and ranches reached an extremely low point in 1922. For that reason prices for sheep and lambs recovered quickly, after experiencing a break in 1921, and advanced steadily until 1925. Prices declined moderately in 1926 but were maintained on a relatively high level until 1930, as shown by figure 8. From 1930 to 1934 low prices and depressed business conditions were responsible for heavy liquidation in the intermountain area with minor reductions in the Pacific Coast States. This was not true, however, as far as the Southwest was concerned, since production continued to increase in Texas from 1930 to 1934.

Drought, short range, and feed conditions were also factors causing reductions in some of these areas from 1930 to 1934, the intermountain region again being most affected. Government purchase of sheep in 16 of the 17 western States from September 15, 1934 to February 28, 1935, totaled 3,593,665 head, as shown by table 3.

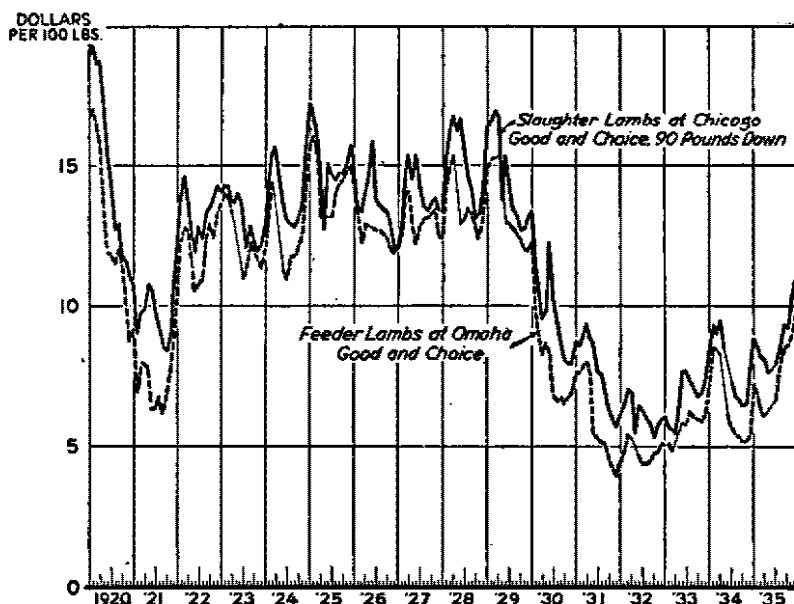


FIGURE 8.—SLAUGHTER AND FEEDER LAMB PRICES 1920-1935.

After a drastic decline in 1920-1921, lamb prices recovered in 1922 and remained on a fairly high basis until 1930. Over-expansion, drought, and depressed economic conditions were responsible for the sharp decline starting in 1930.

### FEDERAL CONTROL OF PUBLIC LANDS

An important factor which has affected and will continue to influence livestock production in 11 western range States is Federal control of the national forests and of the public domain (fig. 9). Overgrazing of some of these areas under former conditions led to regulations reducing numbers of both sheep and cattle in national forests in most of the range States during recent years.

The Taylor Grazing Act (48 Stat. 1269), approved June 28, 1934, promises to exert a far-reaching influence upon the production of both cattle and sheep grazed on the public domain. This act places in the hands of the United States Department of the Interior legal authority to administer grazing upon the public domain. The United States Department of Agriculture exercises similar authority over grazing in the national forests.

The purpose of the act is stated as follows:

To stop injury to public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development; and to stabilize the livestock industry dependent upon the public range.

The main provisions of the act are concerned with: (1) Formation of grazing districts; (2) trades or exchanges with owners of private lands

or State-owned lands; (3) additions to national forests; (4) sale of isolated tracts of 760 or more acres in extent; (5) leasing isolated tracts of 640 acres or more.

While it is too early to determine what effects such control may have on the livestock industry, it is safe to assume that it will be instrumental in better preserving the range and, by so doing, help to stabilize the industry. In the long run, it is believed by many stockmen, that intelligent Federal control of all public lands should be of great help in the development of a sounder livestock industry in the West.



FIGURE 9.—HEREFORD COW AND CALF HERD ON HIGH SUMMER RANGE IN WESTERN WYOMING.

National forests provide grazing for thousands of well-bred beef cattle.

#### INCREASED POPULATION IN PACIFIC COAST STATES

Another factor which has influenced livestock marketing from much of this western range territory has been the rapid increase in human population since 1920 in the Pacific Coast States, especially in California.

Table 6 shows that the growth in population in the Pacific Coast States has been much greater than in the country as a whole. The result of this rapid increase has been to strengthen the demand for both feeder and fat stock from the other western States. Practically all cattle west of the Continental Divide now move westward while, with the exception of a short period in the spring when early California lambs move eastward, there is a strong demand from the west coast for fat feeder and breeder sheep and lambs. The increased

demand from the Pacific Coast States has been instrumental in narrowing the price spread between values in the western range area and those at midwestern markets.

TABLE 6.—GROWTH IN POPULATION IN PACIFIC COAST STATES AND IN THE UNITED STATES, 1900-1930

State	Popula- tion in 1900	Popula- tion in 1910	Percentage of increase	Popula- tion in 1920	Percentage of increase	Popula- tion in 1930	Percentage of increase
California.....	1, 485, 053	2, 377, 549	60. 1	3, 426, 861	44. 1	5, 677, 251	65. 7
Oregon.....	413, 536	672, 765	62. 7	783, 389	16. 4	953, 786	21. 8
Washington.....	518, 103	1, 141, 990	120. 4	1, 356, 621	18. 8	1, 563, 396	15. 2
Total.....	2, 416, 692	4, 192, 304	73. 5	5, 566, 871	32. 8	8, 194, 433	47. 2
United States.....	75,994,575	91,972,266	21. 0	105,710,620	14. 9	122,775,046	16. 1

	1900	1910	1920	1930
Pacific Coast States as a percentage of United States.....	3. 18	4. 56	5. 27	6. 67

Compiled from publications of the U. S. Bureau of the Census, 1900, 1910, 1920, and 1930.

### SEASONAL MARKETING OF WESTERN CATTLE AND SHEEP

Because cattle and sheep production in the West is so largely dependent upon range pasture, which is directly affected by rainfall and feed conditions, the marketings from most of these States are quite seasonal, as shown by tables 7 and 8 and by figures 10 and 11. The heaviest marketing period for cattle from the intermountain States is during the fall from September to November. The heaviest movement from California occurs during the spring and summer, from April to July, since the winter and spring seasons in California are the principal grazing periods, as contrasted with the summer season in most of the other Western States. In April and May large numbers of cattle move out of Texas to Kansas and Oklahoma pastures and grass-fat cattle move from south Texas to markets. A heavy movement of feeder cattle and calves from west Texas also occurs during October and November.

In figure 10 are also indicated those States which carry on winter-feeding operations, as these fed cattle are marketed during the winter and spring months, from December to March. Nebraska, because of

TABLE 7.—AVERAGE MONTHLY MOVEMENT OF CATTLE AND CALVES FROM 17 WESTERN STATES, 1925-1929

State	Percentage of total moved during indicated month—											
	Janu-ary	Febru-ary	March	April	May	June	July	August	Septem-ber	Octo-ber	Novem-ber	Decem-ber
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Arizona.....	6.5	4.2	3.7	4.2	8.4	6.2	2.4	2.9	5.6	17.8	25.1	13.0
California.....	5.3	4.0	6.3	9.2	13.7	14.6	11.3	10.0	8.4	6.5	5.7	5.0
Colorado.....	8.4	5.7	8.1	7.7	6.5	3.9	2.9	3.7	7.2	18.2	19.3	8.4
Idaho.....	9.8	6.8	8.7	6.0	3.5	2.8	3.7	6.0	12.0	17.1	14.1	9.5
Kansas.....	8.1	6.7	6.4	6.3	5.4	4.8	7.8	11.9	13.5	13.4	8.5	7.2
Montana.....	3.5	1.9	2.2	2.4	1.8	1.2	2.8	11.5	21.9	29.9	16.4	4.5
Nebraska.....	8.8	7.9	9.7	8.7	9.7	9.3	7.6	6.9	9.1	9.9	6.2	6.2
Nevada.....	10.8	9.4	9.4	4.9	2.1	2.3	1.6	3.4	14.3	16.6	14.8	10.4
New Mexico.....	4.4	2.2	1.7	1.8	6.3	4.4	1.9	2.0	7.9	25.6	30.7	11.1
North Dakota.....	4.1	3.4	4.7	3.6	4.4	6.0	10.7	12.6	12.7	19.7	12.8	5.3
Oklahoma.....	7.4	5.6	6.9	4.3	3.8	6.1	11.3	15.2	15.3	11.7	6.7	5.7
Oregon.....	7.7	5.9	5.2	4.1	4.3	5.7	8.6	11.2	12.5	15.1	11.2	8.5
South Dakota.....	8.1	6.2	6.9	6.0	5.3	5.9	7.3	9.1	12.5	15.6	9.4	7.7
Texas.....	6.0	4.3	4.8	3.0	9.1	8.7	8.9	8.6	9.0	12.3	12.3	8.0
Utah.....	15.0	12.4	11.6	5.6	2.9	2.6	2.2	2.5	5.6	12.3	15.2	12.1
Washington.....	6.3	4.7	5.2	5.6	7.4	9.9	10.2	11.0	11.8	11.4	9.3	7.2
Wyoming.....	3.0	1.3	1.9	1.6	1.4	.8	1.9	8.7	22.1	31.6	20.5	5.2

Compiled from data showing receipts of livestock at public markets, obtained from the Bureau of Agricultural Economics, U. S. Department of Agriculture.



FIGURE 10.—SEASONAL MARKETINGS OF CATTLE AND CALVES FROM 17 WESTERN RANGE STATES.

The seasonal character of marketings from numerous Western States is due to climatic and feed conditions.

heavy winter feeding in that territory, shows the most evenly distributed marketing of any of the western States, while New Mexico, Wyoming, and Montana have a marketing season largely restricted to the three fall months.

Table 8 and figure 11 show even more strikingly the highly seasonal character of sheep and lamb marketings from most of the western States. Again, as in the case of cattle, the intermountain range States show the most seasonal marketings, largely during the fall months from September to November.

However, in addition to this fall movement, there are several distinct marketing periods for sheep and lambs, the most important of which are: (1) April and May, during which occur the early spring-lamb marketings from the Sacramento-San Joaquin and Imperial irrigated valleys of California and the Salt River Valley of Arizona; (2) June to September, the months of early summer, when fat lambs move from the shed-lambing districts of Idaho, eastern Oregon, and southern Washington; (3) January through March, when the heavy

TABLE 8.—AVERAGE MONTHLY MOVEMENT OF SHEEP AND LAMBS FROM 17 WESTERN STATES, 1925-1929

State	Percentage of total moved during indicated month—											
	January	February	March	April	May	June	July	August	September	October	November	December
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Arizona.....	4.1	5.5	5.9	15.5	21.0	5.6	3.8	5.6	9.0	10.5	10.3	3.2
California.....		.2	1.7	16.3	69.3	5.5	2.0	2.7	.7	.7	.6	.3
Colorado.....	6.3	11.9	17.8	16.5	6.8	1.0	1.3	2.4	10.1	18.7	4.2	3.0
Idaho.....	2.5	2.2	1.5	.4	1.3	15.3	18.4	23.0	17.6	7.8	5.9	4.1
Kansas.....	14.8	11.2	7.8	6.9	7.4	8.5	5.7	6.5	5.2	5.6	8.0	12.4
Montana.....	8.0	6.4	3.5	1.4	.3	.4	1.8	4.5	22.1	35.6	9.5	6.5
Nebraska.....	12.5	13.1	17.2	12.1	6.1	3.4	2.7	2.8	3.4	5.3	8.8	12.6
New Mexico.....	1.4	.9	1.2	1.4	2.0	.5	.2	.9	1.4	52.9	34.6	2.6
Nevada.....	4.0	2.5	1.5	.9	.8	1.7	7.0	17.0	32.8	24.1	2.9	4.8
North Dakota.....	3.9	2.3	1.7	.4	.2	.3	1.1	2.4	8.3	35.8	33.3	10.3
Oklahoma.....	15.4	9.0	4.6	3.9	7.0	9.5	9.7	8.9	10.1	5.4	6.2	10.3
Oregon.....	2.3	2.2	1.2	1.1	3.2	10.8	15.4	24.9	23.1	9.4	3.9	2.5
South Dakota.....	14.2	8.2	4.2	2.2	.8	1.0	1.6	3.6	12.4	19.0	16.6	16.2
Texas.....	4.0	3.9	5.7	10.7	14.2	12.2	7.7	5.8	12.1	13.3	5.8	4.6
Utah.....	8.3	6.8	3.9	4.4	5.1	2.4	1.7	4.3	26.2	25.8	4.9	6.2
Washington.....	2.1	1.5	1.8	1.1	1.6	4.7	15.4	20.8	27.5	15.6	5.2	2.7
Wyoming.....	4.0	3.3	3.1	1.6	.4	.3	.6	11.5	35.4	33.1	4.2	2.5

Compiled from data furnished by Bureau of Agricultural Economics, U. S. Department of Agriculture.



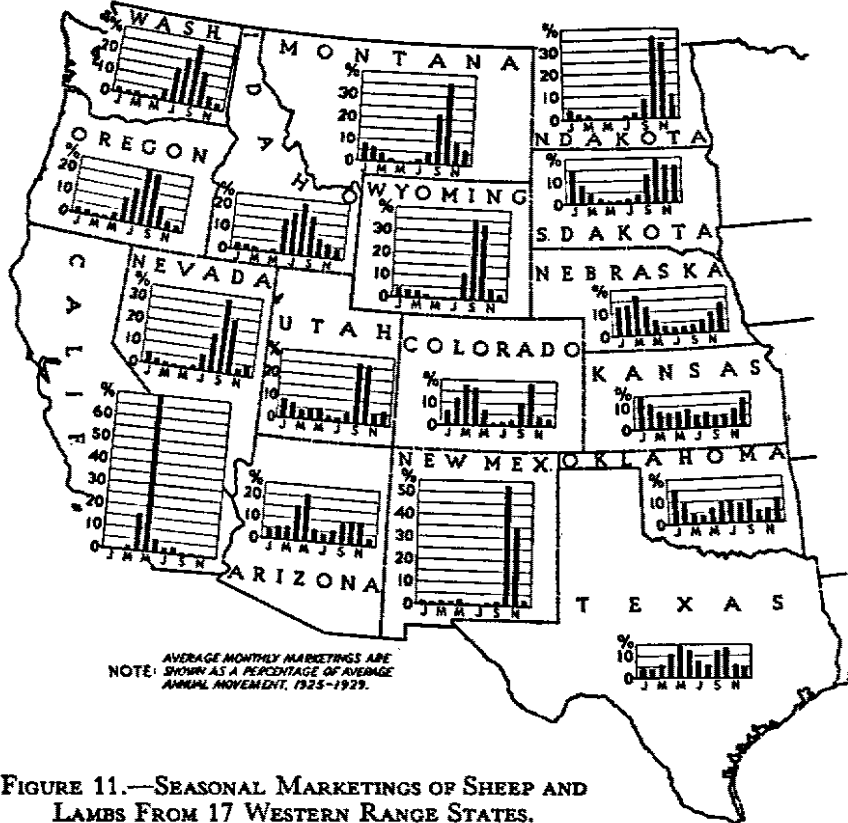


FIGURE 11.—SEASONAL MARKETINGS OF SHEEP AND LAMBS FROM 17 WESTERN RANGE STATES.

Marketing of sheep and lambs is more seasonal than that of cattle. For example, California and New Mexico each market over 85 percent of the year's volume within a 2-month period—California in the spring and New Mexico in the fall.

winter fed lamb movement occurs from the States of Colorado, western Nebraska, and Kansas; and (4) two distinct marketing periods in the case of Texas, one during the spring months from April to June when grass-fat lambs and yearlings are marketed, and a September and October movement of feeder lambs.

The States showing on the whole the most seasonal marketing periods were California, with 85 percent of its marketing during 2 months, April and May; New Mexico, with 87 percent during October and November; Wyoming, with 68 percent during September and October, and North Dakota, with 69 percent during October and November. States which showed the most even distribution throughout the year were Kansas and Oklahoma, due to their diversified farm-flock, winter-feeding, and wheat-pasturing operations.

Such highly seasonal marketings offer a real problem to the operation of a cooperative marketing association located in the western range territory, as the cooperative must handle the bulk of the year's business in a short period of time.

## SOME CHARACTERISTICS OF WESTERN RANGE LIVESTOCK-PRODUCING SECTIONS

**T**HE MAJOR portions of 12 western range States, including Texas, and sizable parts of five Great Plains States constitute the principal breeding and grazing grounds for cattle and sheep in the United States. On January 1, 1936, according to estimates of the Bureau of Agricultural Economics, approximately 44 percent of all cattle and 54 percent of the beef cattle, as well as 72 percent of the sheep and lambs on farms and ranches in the United States were located in 17 western States.

The distribution of beef cattle and calves, and sheep and lambs in the 17 western States, as of April 1, 1930, is shown in figures 12 and 13.

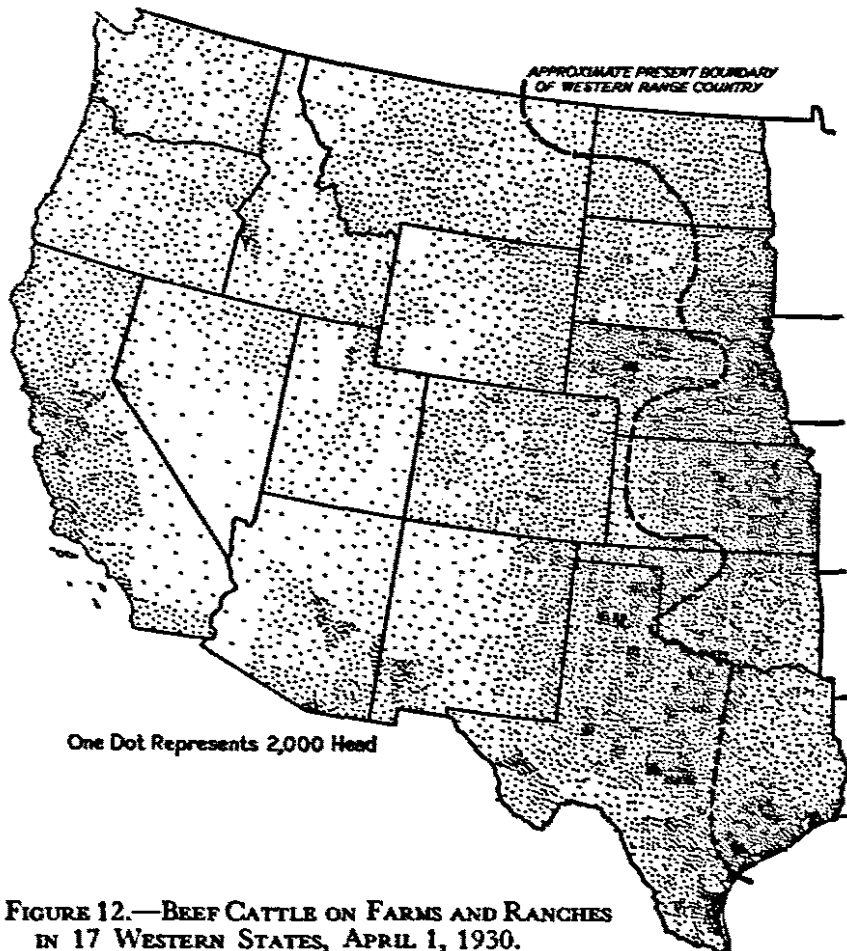


FIGURE 12.—BEEF CATTLE ON FARMS AND RANCHES IN 17 WESTERN STATES, APRIL 1, 1930.

This western region is the principal breeding ground for beef cattle in the United States, producing approximately 54 percent of the country's total. These States furnish most of the desirable feeder cattle and calves fattened in the Corn Belt. (Based on data obtained from Bureau of the Census, U. S. Department of Commerce.)

This vast area includes some 172,084,580 acres of public domain, 134,028,732 acres of national forest reserves, 53,976,026 acres in Indian reservations, and 53,124,825 acres in State lands, most of which are utilized largely for the grazing of cattle and sheep (table 9).

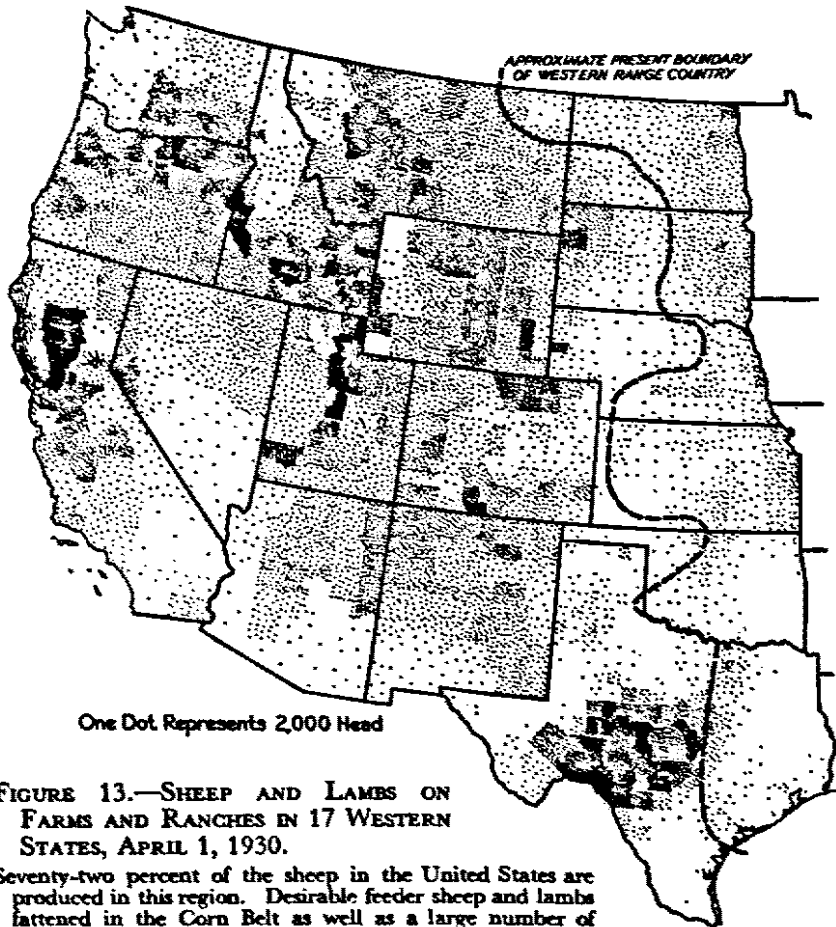


FIGURE 13.—SHEEP AND LAMBS ON FARMS AND RANCHES IN 17 WESTERN STATES, APRIL 1, 1930.

Seventy-two percent of the sheep in the United States are produced in this region. Desirable feeder sheep and lambs fattened in the Corn Belt as well as a large number of grass-fat lambs come from these States. (Based on data obtained from the Bureau of the Census, U. S. Department of Commerce.)

The western States, with the exception of California and Washington, produce more cattle and sheep than they consume. For that reason this area may be considered a surplus-producing area of feeder and grass-fat cattle and sheep. Each year it must find outlets and markets for large numbers of its cattle and calves, sheep and lambs in midwestern, eastern, and Pacific coast markets. Figures 14 and 15 indicate the fact that producers in this area are forced to market a high percentage of their surplus in distant markets, principally in the Middle West and East.

TABLE 9.—ACREAGE OF PUBLIC DOMAIN, STATE LANDS, NATIONAL FORESTS, AND INDIAN RESERVATIONS IN 17 WESTERN STATES, 1935<sup>1</sup>

State	Public domain <sup>2</sup>	State land <sup>3</sup>	National forests <sup>4</sup>	Indian reservations <sup>5</sup>	Total acreage
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Arizona.....	13, 203, 600	8, 138, 500	11, 389, 464	22, 237, 608	54, 969, 172
California.....	16, 576, 463	797, 954	19, 163, 818	417, 908	36, 956, 143
Colorado.....	7, 545, 773	3, 182, 102	13, 547, 537	458, 298	24, 733, 710
Idaho.....	10, 510, 421	3, 343, 359	19, 675, 239	477, 785	34, 006, 804
Kansas.....		47, 364			47, 364
Montana.....	6, 176, 931	4, 861, 998	16, 157, 372	6, 209, 339	33, 405, 640
Nebraska.....		1, 601, 549	206, 026		1, 807, 575
Nevada.....	51, 270, 277	113, 218	4, 980, 334	1, 039, 132	57, 402, 961
New Mexico.....	13, 078, 285	12, 633, 813	8, 537, 036	5, 085, 460	39, 334, 594
North Dakota.....	146, 301	1, 855, 045		1, 106, 444	3, 107, 790
Oklahoma.....		987, 657	153, 760	3, 156, 032	4, 297, 449
Oregon.....	13, 012, 158	720, 686	13, 525, 795	1, 623, 212	28, 881, 851
South Dakota.....	516, 680	2, 814, 851	1, 066, 622	5, 787, 829	10, 185, 982
Texas.....		3, 601, 290			3, 601, 290
Utah.....	25, 011, 021	2, 500, 000	7, 540, 807	1, 828, 869	36, 880, 697
Washington.....	709, 646	2, 336, 667	9, 612, 900	2, 540, 232	15, 199, 445
Wyoming.....	14, 327, 024	3, 588, 772	8, 472, 022	2, 007, 878	28, 395, 696
Total.....	172, 084, 580	53, 124, 825	134, 028, 732	53, 976, 026	413, 214, 163

<sup>1</sup> In cases where 1935 data were not available the latest authentic figures obtainable were used.

<sup>2</sup> Circular No. 1306, General Land Office, Department of the Interior, July 1, 1933.

<sup>3</sup> Assembled from State reports, August 1935.

<sup>4</sup> Forest Service, U. S. Department of Agriculture, June 30, 1935.

<sup>5</sup> Commissioner of Indian Affairs, Department of the Interior, Oct. 15, 1935.

<sup>6</sup> U. S. Department of Agriculture. Farm Lands Available for Settlement. Farmer's Bull. 1271. See p. 38.

For many years the marketing of cattle and sheep surpluses was done largely on an individual basis to speculators, private commission agencies, and direct-to-packer buyers. Only within recent years have cooperatives become established in much of this region. In view of these conditions, this territory offers a fertile field for the development of strong cooperative marketing associations which can efficiently and economically market the livestock produced here.

#### PRINCIPAL MARKETS FOR LIVESTOCK FROM WESTERN STATES

Livestock producers in the 17 Western States have access to a large number of markets, both eastern and western. Table 10 and figure 16 show the principal public markets for cattle and calves from these States for the year 1933. It should be pointed out, however, that there is some duplication of shipments, especially to Utah markets, such as Ogden and Salt Lake, and to Denver (fig. 16) where a considerable part of such livestock stops for feed and water and is diverted

to midwestern or west coast markets. Numerous markets, other than those shown in table 10, receive some livestock from these States but not in large numbers; also, a sizeable volume (not included in

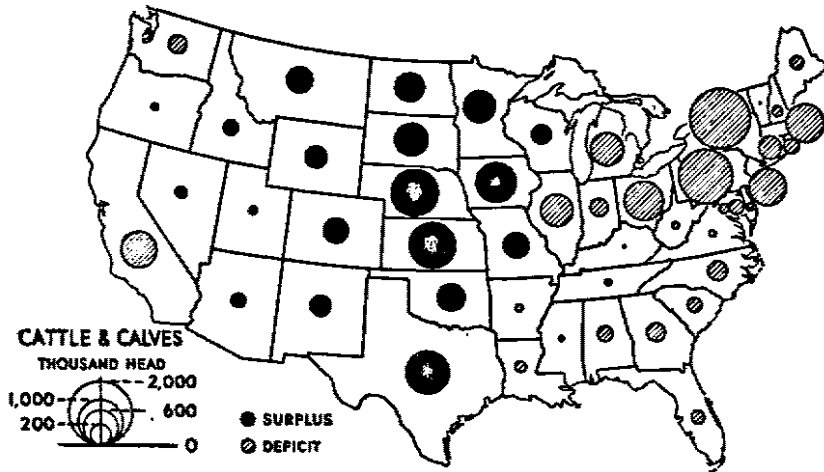


FIGURE 14.—SURPLUS AND DEFICIT AREAS OF CATTLE PRODUCTION BY STATES, 1930-1933.

With few exceptions, surplus cattle comes from States west of the Mississippi River. Nebraska, Kansas, Iowa, and Texas produce the greatest surplus for consumption in the eastern deficit States while most of the surplus produced in the western mountain region moves to California and Washington.

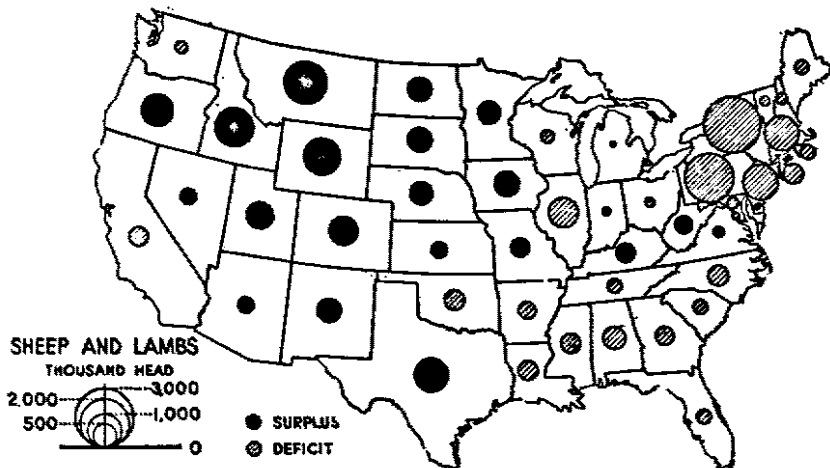


FIGURE 15.—SURPLUS AND DEFICIT AREAS OF SHEEP AND LAMB PRODUCTION BY STATES, 1930-1933.

With the exception of Kentucky and the Virginias, surplus sheep production is located largely west of the Mississippi River. Montana, Idaho, Wyoming, Oregon, and Texas produce the greatest surplus, although most of the western range and Plains States are of considerable importance. The greatest deficit area is located in the northeastern section with a small deficit area in California and Washington.

TABLE 10.—PERCENTAGE OF TOTAL SHIPMENTS OF CATTLE AND CALVES SHIPPED TO INDICATED STOCKYARD MARKETS FROM EACH OF 17 WESTERN STATES, 1933

Market	Arizona	California	Colorado	Idaho	Kansas	Montana	Nebraska	Nevada	New Mexico	North Dakota	Oklahoma	Oregon	South Dakota	Texas	Utah	Washington	Wyoming
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
California markets.....	94.7	99.6						97.1	40.8			34.5		11.0	50.4		
Chicago.....			5.6		2.4	31.3	7.3			9.2			10.9				
Denver.....			68.8						14.5								21.3
Fort Worth.....									14.5					57.8			
Kansas City.....			4.7		66.5		4.3		19.8		24.1			15.7			
New Orleans.....														5.2			
Oklahoma City.....											46.1						
Omaha.....			11.1				69.5										56.1
Portland.....				31.5								62.8				20.3	
St. Joseph.....					12.0												
St. Louis.....											10.1						
St. Paul.....						30.6				74.5			10.6				
Seattle.....				12.8												21.8	
Sioux City.....						9.4	12.1			15.5			48.9				7.7
Sioux Falls.....												22.5					
Spokane.....						12.4										54.6	
Utah markets.....				48.8				2.6							47.2		6.1
Wichita.....					12.1						8.8						
All others.....	5.3	.4	9.8	6.9	6.0	16.3	6.8	.3	10.4	.8	10.9	2.7	7.1	10.3	2.4	3.3	8.8

Compiled from data obtained from Bureau of Agricultural Economics, U. S. Department of Agriculture.

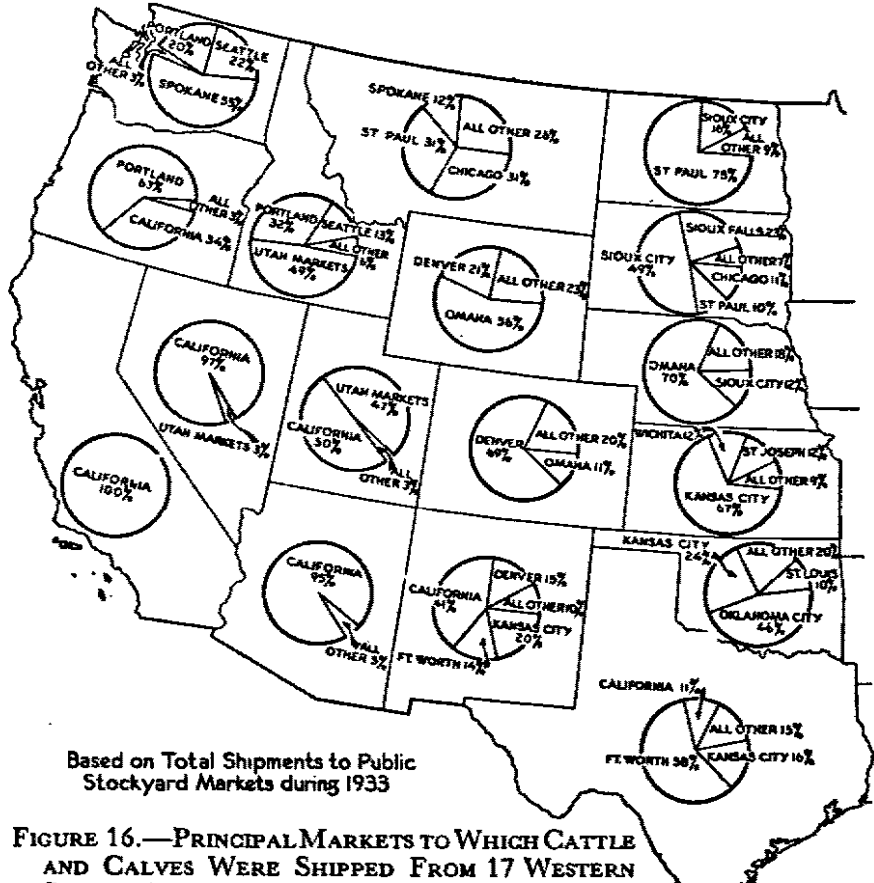
TABLE 11.—PERCENTAGE OF TOTAL SHIPMENTS OF SHEEP AND LAMBS SHIPPED TO INDICATED STOCKYARD MARKETS FROM EACH OF 17 WESTERN STATES, 1933

Market	Arizona	California	Colorado	Idaho	Kansas	Montana	Nebraska	Nevada	New Mexico	North Dakota	Oklahoma	Oregon	South Dakota	Texas	Utah	Washington	Wyoming
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
California markets.....	48.1	21.2						50.2	6.9			26.6			34.5		
Chicago.....			15.0	5.0		29.7	11.4			11.6			11.4			35.6	24.4
Denver.....	15.2	16.2	52.0	26.9				3.9	48.2			13.7		8.7	12.3		27.9
Fort Worth.....														49.2			
Kansas City.....	34.0		14.3		62.7				22.7		13.2			27.0	7.6		
New Orleans.....																	
Oklahoma City.....											68.5						
Omaha.....		8.6	6.0	12.2			66.6					7.4	11.1				34.2
Portland.....												11.0				7.3	
St. Joseph.....		3.4	11.0	4.8	14.7		10.1		11.9			4.0		4.4			3.0
St. Louis.....									4.3					6.0			
St. Paul.....						48.1				74.5			8.7			32.2	
Seattle.....																9.6	
Sioux City.....						3.3	9.0			13.8			58.5				5.0
Sioux Falls.....													9.8				
Spokane.....																9.5	
Utah markets.....		44.2		46.3		8.2		38.3				30.5			37.0		
Wichita.....					14.6						12.8						
All others.....	2.7	6.4	1.7	4.8	8.0	10.7	2.9	7.6	6.0	.1	5.5	6.8	.5	7.7	8.6	5.8	5.5

Compiled from data obtained from Bureau of Agricultural Economics, U. S. Department of Agriculture.

these figures) moves direct to west coast and midwestern packers from these States.

Principal markets for sheep and lamb shipments from 17 Western States are shown in table 11 and figure 17. It will be noted that a larger percentage of sheep and lambs than of cattle and calves moves to midwestern markets. This is because most of the western range



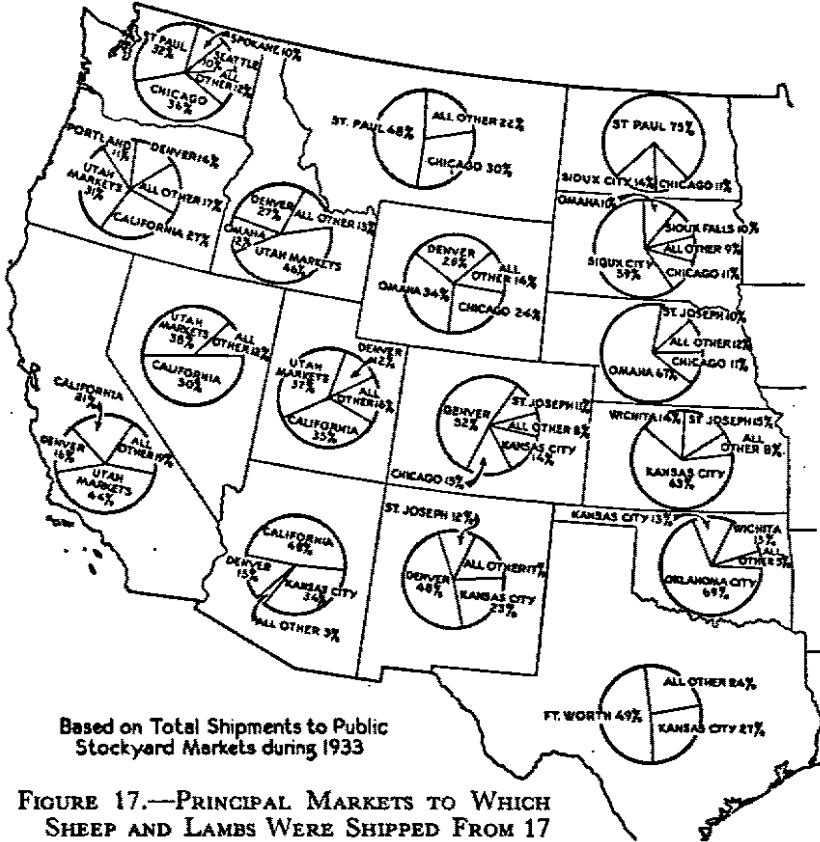
Based on Total Shipments to Public Stockyard Markets during 1933

FIGURE 16.—PRINCIPAL MARKETS TO WHICH CATTLE AND CALVES WERE SHIPPED FROM 17 WESTERN STATES, 1933.

Most of the cattle produced west of the Continental Divide move to Pacific coast markets while those east of the Divide move to Corn Belt markets or feeders.

States are heavier producers of sheep than of cattle. Here again, however, considerable duplication occurs through reshipments from Utah markets, such as Ogden and Salt Lake, and from Denver to midwestern and west coast markets. The percentage of shipments of sheep and lambs from California to out-of-State markets is high because a large volume of California early fat lambs moves to eastern markets or direct to packers. These tables and charts, however, do provide a fairly accurate picture of the marketings from these States to the principal public markets.





Based on Total Shipments to Public Stockyard Markets during 1933

FIGURE 17.—PRINCIPAL MARKETS TO WHICH SHEEP AND LAMBS WERE SHIPPED FROM 17 WESTERN STATES, 1933.

Sheep and lambs from this area move both to west coast and to midwestern markets. Many shipments to the Utah markets of Ogden and Salt Lake are diverted to mid-western and west coast markets.

### DEVELOPMENT OF COOPERATIVE MARKETING IN THE RANGE TERRITORY

COOPERATIVE marketing of livestock was slower to develop in the range States than in the Midwest and East because of conditions peculiar to this area. Early attempts of western livestock producers to organize and operate cooperative sales agencies were not uniformly successful.

Among the most important of these early organizations was the Cooperative Livestock Commission Co., organized under Colorado law in 1906 by the American National Livestock Association, National Wool Growers Association, Corn Belt Meat Producers Association, Texas Cattle Raisers Association, and Colorado Livestock Association. This association was organized in April 1906, and started operations in September 1906. Agencies were established at Chicago,

Kansas City, and South St. Joseph. After operating for about 2½ years, however, the association was forced to close its agencies in 1909, largely because of discrimination on the part of traders and buyers.

The first successful livestock cooperative established on a western market was the Farmers Union Livestock Commission of Denver, which was organized in July 1919, by the Colorado Farmers Union, and the Nebraska Farmers Union (fig. 18). This agency has operated successfully for the last 17 years. Much of its business comes from farmers in the diversified farming and feeding areas of eastern Colorado and western Nebraska, rather than from large ranch operators.

In the southwestern range territory the Cattle Raisers and Producers Commission Co., Fort Worth, Tex., was organized in 1922. This agency operated until 1928, when it discontinued business on account of lack of support and decreased volume.

The Producers Commission Association, Oklahoma City, Okla., was organized in 1923 by livestock producers in Oklahoma. Lack of producer support, coupled with discrimination on the part of other agencies on the market, compelled the association to suspend operations in February 1926.

The Producers Cooperative Livestock Marketing Association, Los Angeles, Calif., was organized October 15, 1924, by the Millard County Farm Bureau, of Fillmore, Utah. It operated on the Los Angeles market for about 8 months. Its doors were closed on June 10, 1925, because of lack of volume.



FIGURE 18.—TYPICAL MARKET SCENE IN THE CATTLE DIVISION OF THE DENVER STOCKYARDS.

Thousands of fat and feeder cattle from the intermountain region are marketed through these yards annually.

On the Pacific coast members of the California Cattlemen's Association organized, in 1925, a cooperative sales agency to sell grass-fat cattle from California and adjacent territory to Pacific coast packers located in California. This association was known as the Western Cattle Marketing Association. It operated from 1925 to 1934, when it was reorganized as the Pacific States Livestock Marketing Association, which agency is still in operation.

The California Farm Bureau Marketing Association was organized in 1918 by representatives of local county farm bureaus in the San Joaquin Valley and is still active. This association, which maintains its headquarters at Hanford, Calif., operates a number of local hog auctions throughout this territory. While, in the past, sales have been restricted almost entirely to hogs, there is a growing demand for the association to handle other species of livestock.

## SLOW GROWTH OF WESTERN LIVESTOCK COOPERATIVES

### *Individualistic Character of Producers*

Probably in no section of the United States is the spirit of individualism more dominant than among the large cattle and sheep producers of the range States. This pioneering spirit, while commendable in many ways, has been one of the major factors in retarding the development of cooperative enterprises. Unlike farmers in the Middle West, range operators market their cattle and sheep in full carloads and sometimes even in trainloads. Because of climatic conditions, this stock has to be marketed during a short period each year, usually in the fall. On account of the size of their operations, range producers were catered to by livestock commission firms on the large central markets and frequently were given preferential service in the form of market information and sales. Many of these large producers felt that they did not need the assistance of a cooperative in the disposal of their stock.

During this period the mountainous nature of the territory, the great size of the ranches and the consequent lack of communication served to isolate many ranchmen for months at a time and they, therefore, had little in common with their fellow ranchmen. It was only at the fall or spring round-up, at spring shearing corrals, or at a few large stockmen's meetings during the winter months that they had an opportunity to discuss matters of mutual interest with each other. Such a condition did not tend to develop a cooperative spirit but rather to intensify an individualistic attitude toward cooperative efforts.

### *Few Local Marketing Associations in Area*

The local shipping-association movement, which was the foundation for cooperative sales development in the Middle West during the period from 1911 to 1922, had little effect in this western territory. According to information in the files of the Cooperative Division of the Farm Credit Administration, there were 20 local shipping associations operating in 12 western range States in 1921 and only 23 such associations in 1934. Of this number nine were located in Montana and five in Colorado. The rest were in Idaho, California, Texas, Wyoming, and Oregon. Much of the success of the present terminal livestock marketing associations in the Middle West is attributed to the experience gained by producer-members in the operation of local associations. This experience was for the most part lacking in the range territory.

### *Divergent Interests of Ranchmen and Farmers*

With the development of irrigation and of dry-farming projects in the West, hundreds of small farmers from the East and Middle West took up homesteads or bought irrigated tracts and started farming operations. Many of these farmers gradually worked into the livestock business on a small scale. Frequent misunderstandings developed between the large range operators and these small farmers and stockmen because of the fencing of water and range. Some of this divergence in interests still persists and, as a result, it has been difficult to interest the large and small producers in working together in a cooperative enterprise.

The opposing interests of sheepmen and cattlemen of the West also hindered progress in cooperative marketing in much of this area. Disputes occurred over grazing territory and water rights. Some cattlemen felt that sheep were responsible for ruining the public range, and they became especially bitter toward the hundreds of so-called tramp sheep operators who owned nothing but their flocks and roamed over the public domain at will. However, in recent years many ranchmen have diversified their operations, running both cattle and sheep. Also, with the passage of State grazing laws, with the control of national forests, and the passage of the Taylor Grazing Act, some of this difficulty should be reduced or eliminated.

### *Influence of Commercial Interests*

Western range operators, as a whole, because of the size and extent of their operations, have required large amounts of credit from local banks, from midwestern stockyards, and from eastern banks. Officials of these institutions usually were uninformed as to the advantages of cooperative marketing and were in some cases actually opposed to such methods. Some of these credit institutions were owned or

controlled by stockyards companies, livestock commission agencies, and packers, many of whom did not look with favor upon the cooperative method of transacting business. Furthermore, it was reported that some credit institutions received a commission for originating business for certain private marketing agencies.

Interest rates charged the growers were in many cases very high and creditors often exerted considerable influence over the stockman's method of production and marketing.

In addition to the influence of credit institutions, established private livestock commission agencies in the large western and mid-western markets, as well as large speculators operating in the western territory, were very strongly opposed to the development of cooperative marketing agencies in this area.

While this influence on the part of bankers and established commercial marketing agencies has waned to some extent in recent years, it has been a potent factor in retarding the growth of cooperative marketing among stockmen in the West.

#### *Direct Buying and Feeding by Packers*

There is little doubt that the packers' system of direct buying and of feeding livestock has been another handicap to the growth of cooperative marketing throughout the West.

The direct buying methods of packers, especially on the Pacific Coast, also has contributed to the lack of cooperative marketing development there. Packer-buyers deal directly with the ranchman on his ranch and, as a result, the ranchman feels that the element of uncertainty as to price is eliminated. Furthermore, many of these large operators have access to radio and other market information and consider themselves as capable of selling their stock as a trained salesman. They fail to take into consideration, however, the fact that the well-informed packer buyer who is buying livestock daily is apt to be a better judge of weights, dressing percentage, shrink, quality, grade, and market values than the producer who sells his cattle or lambs once or twice a year. Packers are better informed on supply and demand, as well as general conditions affecting prices of livestock. They also have more information on short-time trends and prospects.

Western packers have for years purchased thousands of cattle and sheep in feeder condition and have finished them in their own feed lots, the reasons advanced being that they could not rely upon the uncertain supply of fat stock from the adjacent areas. While there has been, no doubt, some foundation for this contention, many stockmen feel that the packers' main reason for carrying on feeding operations is to exert some control over the price paid for all livestock. To offset this supply situation, increased feeding is being developed in the West by ranchmen and farmers.

### *Short Marketing Season*

Climatic conditions have a tendency to force marketings of livestock from much of the range area into a limited period in the late summer and fall. It has been difficult for a cooperative to exist on this highly seasonal business. However, winter feeding in irrigated sections throughout the West and on the Pacific coast is increasing, and this highly seasonal movement is not so much of a problem as it has been in the past.

### CONDITIONS TENDING TO FURTHER COOPERATION

#### *Need for Efficient Marketing and Credit Systems*

The fact that the western range States produce large surpluses of cattle and sheep, most of which must be marketed to midwestern and eastern consuming sections, points to the need for an economical as well as an efficient marketing system. In the past, much of this marketing has been handled by large speculator-buyers and packers who either contracted for livestock for future delivery or purchased it at the time growers found it necessary to sell. In the case of feeder stock, frequently the same animals changed hands several times between their original sale by the producer and their final purchase by the Corn Belt feeder. As a result, so much extra cost was added that the possibility of the Corn Belt feeder making a profit on his feeding operations was likely to be very limited or altogether lacking. Feeder stock shipped to public markets frequently was sold and reshipped to other markets, changing hands several times before reaching the feeder. Not only did this method of handling increase the spread between producer and feeder, but it frequently caused stock to contract disease or become sick from other conditions.

#### *Limitations in Direct Marketing by Individuals*

In order to reduce this unnecessary expense between producer and feeder, several of the larger cattle ranchers, particularly, in the southwestern range area in Texas, started selling their cattle and calves direct to Corn Belt feeders. To carry on this type of business satisfactorily, however, it was necessary for this feeder stock to be graded carefully as to quality and weight, since Corn Belt operators who fed only a load or two of cattle or lambs desired a uniform lot which would be ready for market at the same time.

Another advantage of this type of marketing was that livestock shipped direct from the range was less apt to contract disease. Furthermore, stock handled in this manner was more uniform in quality and breeding, and the individual animals out of the same herd or section were easier to handle than those from different herds and sections.

When such business was carried on between individuals who were thousands of miles apart, certain difficulties arose: The two individ-

uals were usually not acquainted with each other; the ranch producer could seldom go to the feeding districts and find an outlet for his stock; the ranch producer hesitated to ship his stock to a feeder whose reliability was unknown. From the feeder's standpoint, he desired as a rule only a load or two of cattle or lambs, while the grower might wish to dispose of his entire year's output at one marketing transaction. All of these factors were real obstacles limiting the growth of the direct-to-feeder business between individual growers and feeders.

### *Influence of Corn Belt Feeder Pools*

With the growth of cooperative marketing associations in the Middle West the opportunity for service along these lines presented itself to the marketing associations. By means of pooling orders of



FIGURE 19.—LOADING 4,400 POOL LAMBS, AN ENTIRE TRAINLOAD, AT WAMSUTTER, WYO.

Each fall, western cooperatives pool thousands of lambs owned by members for shipment direct to Corn Belt and eastern feeders.

their members, Corn Belt associations were in a position to deal directly with large ranch producers on entire herds of cattle or sheep. The first such attempt by cooperatives on a sizable scale occurred in the fall of 1925 when the Producers Commission Association of Kansas City, Mo., cooperating with several other Corn Belt agencies, established a cattle and calf pool and purchased approximately 3,400 head from Texas ranchmen.

During this same fall a lamb pool was organized by the Producers Livestock Commission Association of East St. Louis and the Chicago Producers Commission Association. During that season approximately 68,000 lambs were purchased on the ranges in Wyoming and Montana and shipped direct to Corn Belt feeders (fig. 19). A more

detailed discussion of the growth and development of feeder pools is given later in this bulletin. (See pp. 53-54.)

This system of marketing feeder stock direct from ranch to feed lot, while having its limitations, appealed to many western ranchmen. It was apparent that it could be operated best through an association rather than by individuals. This was one of the principal reasons contributing to the organization of cooperatives in the range territory by western ranchmen.

### *Disadvantages of Individual Selling*

In order to meet the well-organized direct-buying system of packers in many sections of the West, the need for cooperative selling agencies to protect the growers' interests became apparent. This was especially true in sections where the west coast packers bought most of their livestock direct. Ranchmen who were more or less isolated and out of touch with market values and grades for long periods of time learned that, except possibly during periods of steady markets, they could not hope to compete advantageously with well-trained packer buyers who were kept closely informed as to market prices and market demand.

During periods of rapidly rising or falling prices the seller is at a distinct disadvantage. This was well demonstrated during the late winter and early spring months of 1934-35 when many stockmen sold their cattle to buyers as much as \$1 to \$2 per 100 pounds under their market value. Many producers have learned that they need the services of a well-informed and trained sales agency to sell their livestock, whether it goes direct to the packer from the ranch or is sold on a central market.

### *Lack of Dependable Financing*

Following the World War, during which livestock prices had risen to fictitiously high levels and ranchmen had accumulated heavy indebtedness, both for breeding stock and for ranch properties, many producers were hard hit and were forced to liquidate their herds. Others, in order to save their holdings, incurred additional indebtedness.

This period of liquidation in the cattle business continued from 1921 to 1925, during which time cattle numbers in the West were sharply reduced. Decreased numbers and improved industrial conditions caused cattle prices to rise sharply during 1927 and 1928 and continue on a fairly high level until the business depression in the fall of 1929. Cattlemen, after experiencing a long period of low prices prior to 1927, started to restock and to hold back breeding stock during the favorable price period 1927 to 1929. As a result, when banks were forced to call their loans late in 1929, many stockmen



had to liquidate their cattle on demoralized and sharply lower markets.

Sheep population, unlike that of cattle, was at a relatively low level at the close of the war and, while the depression of 1921 caused considerable liquidation during that year, prices recovered quickly and advanced sharply with only minor set-backs during the period from late 1921 to 1929. During the 10 years starting in 1920, sheep growers in the 17 western States rapidly expanded their production from 26,463,000 head in 1920 to 33,848,000 head in 1930, while total numbers on farms and ranches in the United States increased from 37,228,000 head in 1920 to 45,577,000 head in 1930. By far the greatest portion of this increase occurred in the West.

Stimulated by the hope of continued high prices and by the liberal extension of credit, many sheepmen expanded their operations and increased rather than reduced their indebtedness during the 8 years of high sheep and lamb prices, and were thus totally unprepared to meet conditions arising from the depression.

Beginning in the summer of 1929 prices broke sharply and banks were forced to call loans, causing heavy liquidation on already over-supplied and demoralized markets. Many well-established sheepmen were forced out of business and large numbers retained little, if any, equity in their outfits. During the period from June 30, 1929, to June 30, 1934, the number of banks in the 12 western range States decreased from 3,331 to 2,091.<sup>1</sup>

To maintain adequate sources of credit for the livestock industry, the Federal Government, through the Reconstruction Finance Corporation, loaned millions of dollars to western banks and livestock-loan agencies. The federally organized regional agricultural credit corporations loaned over 300 million dollars to farmers and stockmen of the country, the larger part of which went directly for the support of range livestock operations.

As a result of their disastrous experiences of 1921 and 1930, many western ranchmen became convinced of the need for a more stable and dependable system of livestock financing at interest rates in line with the earning capacity of the industry. It was felt that such a system should not depend upon the fluctuating demands of private bank depositors but should be cooperative in nature and controlled by men who were interested in the livestock business.

Desire on the part of western stockmen for a more stable credit structure, better adapted to the needs of their industry, was one of the principal reasons which led to the organization of cooperative credit and marketing associations throughout the West, beginning in 1930. The growth and development of cooperative financing is discussed more fully in a later section. (See pp. 71-81).

<sup>1</sup> Compiled from annual reports of the Comptroller of Currency, U. S. Treasury Dept., 1929 and 1934.

*Need for Market Information Service*

In early years, livestock producers were accustomed to depend for market information on private commission agencies. Such information for the most part was based upon "hunches" or "curbstone" opinions of salesmen. These reports were usually of a "bullish" nature, the main idea being to attract business to a certain firm or market. Little of the information was based upon careful research or study.

During the last 16 years the Bureau of Agricultural Economics of the United States Department of Agriculture has developed an increasingly broad and efficient market-news service by placing trained market reporters at the principal livestock markets and disseminating daily market information by telegraph, radio, and press.<sup>2</sup>

At first glance it appears that such a service should be all that is necessary to keep the livestock producer well informed as to the value of his product. In such brief wire or press reports, however, quotations are given for the most part on a fairly wide grade and weight classification range, and prices frequently show a wide spread for each class. In the second place, these reports are limited largely to daily price trends and quotations and, except in a broad manner, they do not furnish the producer with information as to short-time trends and prospects. Finally, very few producers are sufficiently well trained in market-grade classification to interpret these quotations intelligently.

To supplement these daily market reports, therefore, livestock producers felt the need for more detailed information, such as quotations on their particular grade or weight of livestock on hand, the best time and place to market their stock, and some indication as to future market trends. In addition, they realized the value of personal inspection and appraisal by a trained salesman as an aid in choosing the time and place of marketing.

Such information can best be supplied by the cooperative if that agency is functioning properly. An outstanding illustration of the type of market information which is being supplied by some cooperatives to their members is the service afforded by the research department of the National Live Stock Marketing Association. This national association, which consists of 22 stockholder-member agencies with operating sales units on 27 markets throughout the United States, employs a trained livestock market-research analyst who assembles information from all available sources and, after careful study, arrives at conclusions regarding future markets and trends. This information is made available to thousands of livestock producers and feeders,

<sup>2</sup> Local market-news offices are located at Fort Worth, Oklahoma City, Wichita, Denver, Ogden, South San Francisco, Los Angeles, North Portland, and Casper (Wyo.), as well as at all important midwestern and eastern markets. A seasonal office is maintained at Scotts Bluff, Nebr., during the winter-fed lamb movement from that region.

both in the Corn Belt and in the western range territory. Such a service has proved invaluable in assisting the stockman to plan his production, feeding, and marketing program.

In addition, the cooperative, as indicated above, can go farther than other market news agencies in personalizing this advisory service and in giving it frequently on an individual basis.

Packers have for years maintained extensive research departments under the direction of highly trained technical experts, who furnish the buying departments with the most authentic information regarding prospective supplies, demand, and prices, as well as endeavor to forecast future trends and prospects. Cooperatives which have developed reliable and dependable market information perform a valuable service to livestock producers.

## LARGE-SCALE LIVESTOCK COOPERATIVES IN THE RANGE TERRITORY

**W**HILE growth of cooperative livestock marketing in the range territory has been slower than in midwestern and eastern sections, yet considerable progress along this line has been made, especially since 1930. In 1935 there were 10 cooperative associations operating in the range States in addition to those located at midwestern markets.

Cooperatives in the range territory consist of two principal types, namely, those associations operating largely as terminal-market sales agencies and those of a regional nature which operate largely as direct-marketing associations. However, several of the so-called terminal associations in this area also operate an extensive direct country purchasing and selling business, largely of feeder cattle and lambs. The organization set-up, operating methods, growth, and development of some of these western cooperatives is described in further detail below.

The following are representative of the terminal marketing associations:

Farmers Union Livestock Commission, Denver, Colo.

Farmers Union Livestock Commission, Ogden, Utah.

Intermountain Livestock Marketing Association, Denver, Colo.

Texas Livestock Marketing Association, Fort Worth, Tex.

Oklahoma Livestock Marketing Association, Oklahoma City, Okla.

Producers Livestock Marketing Association, Salt Lake City, Utah.

Typical direct marketing associations are:

Pacific States Livestock Marketing Association, San Francisco, Calif.

TABLE 12.—LIVESTOCK HANDLED BY THE FARMERS UNION LIVESTOCK COMMISSION, DENVER, COLO., 1919-1935

Year	Sold on Denver market	Purchased on market	Total handled
<b>Cattle and calves:</b>	<i>Head</i>	<i>Head</i>	<i>Head</i>
1919.....	2, 029	-----	2, 029
1920.....	9, 725	-----	9, 725
1921.....	9, 350	-----	9, 359
1922.....	11, 668	-----	11, 668
1923.....	8, 782	4, 611	13, 393
1924.....	11, 383	6, 295	17, 678
1925.....	10, 146	5, 727	15, 873
1926.....	10, 694	-----	10, 694
1927.....	12, 621	5, 480	18, 101
1928.....	12, 398	9, 513	21, 911
1929.....	17, 908	8, 896	26, 804
1930.....	23, 728	9, 105	32, 833
1931.....	23, 918	4, 622	28, 540
1932.....	33, 137	3, 019	36, 156
1933.....	35, 825	1 5, 495	41, 320
1934.....	32, 353	2, 518	34, 871
1935.....	31, 212	7, 410	38, 622
<b>Hogs:</b>			
1919.....	8, 126	-----	8, 126
1920.....	43, 245	-----	43, 245
1921.....	45, 142	-----	45, 142
1922.....	61, 172	-----	61, 172
1923.....	83, 776	7, 967	91, 743
1924.....	113, 925	2, 057	115, 982
1925.....	75, 042	1, 022	76, 064
1926.....	49, 195	-----	49, 195
1927.....	60, 055	1, 091	61, 146
1928.....	99, 297	165	99, 462
1929.....	84, 149	134	84, 283
1930.....	81, 265	-----	81, 265
1931.....	84, 700	-----	84, 700
1932.....	78, 209	-----	78, 209
1933.....	57, 379	-----	57, 379
1934.....	75, 282	1, 034	76, 316
1935.....	35, 473	2, 202	37, 675

1 Estimated from ear loadings.

TABLE 12.—LIVESTOCK HANDLED BY THE FARMERS UNION LIVESTOCK COMMISSION, DENVER, COLO., 1919-1935—Continued

Year	Sold on Denver market	Purchased on market	Total handled
	<i>Head</i>	<i>Head</i>	<i>Head</i>
Sheep:			
1919.....	1,961		1,961
1920.....	5,215		5,215
1921.....	4,216		4,216
1922.....	6,052		6,052
1923.....	7,665	2,527	10,192
1924.....	110,221	1,820	112,041
1925.....	219,681	3,447	223,128
1926.....	167,182		167,182
1927.....	56,675	41,112	97,787
1928.....	83,369	56,218	139,587
1929.....	112,113	43,938	<sup>2</sup> 270,808
1930.....	146,387	37,355	183,742
1931.....	118,880	23,885	142,765
1932.....	164,171	4,930	169,101
1933.....	159,276	<sup>1</sup> 10,250	169,526
1934.....	154,199	30,892	185,091
1935.....	158,466	15,622	174,088
Total:			
1919.....	12,116		12,116
1920.....	58,185		58,185
1921.....	58,717		58,717
1922.....	78,892		78,892
1923.....	100,223	15,105	115,328
1924.....	235,529	10,172	245,701
1925.....	304,869	10,196	315,065
1926.....	227,071	21,139	248,210
1927.....	129,351	47,683	<sup>3</sup> 177,182
1928.....	195,064	65,896	<sup>4</sup> 262,623
1929.....	214,170	52,968	<sup>2</sup> 381,895
1930.....	251,380	46,460	297,840
1931.....	227,498	28,507	256,005
1932.....	275,517	7,949	283,466
1933.....	252,480	<sup>1</sup> 15,745	<sup>1</sup> 302,880
1934.....	261,834	34,444	296,278
1935.....	225,151	25,234	250,535

<sup>1</sup> Estimated from car loadings.

<sup>2</sup> Includes 114,737 sheep handled in country transactions.

<sup>3</sup> Includes 143 animals to traders.

<sup>4</sup> Includes 1,663 animals to traders.

<sup>5</sup> Includes 34,653 animals handled in country transactions.

Montana Livestock Marketing Association, Helena, Mont.

South Dakota Livestock Marketing Association, Brookings,  
S. Dak.

California Farm Bureau Marketing Association, Hanford, Calif.<sup>3</sup>

### TERMINAL MARKETING ASSOCIATIONS

#### *Farmers Union Livestock Commission, Inc., Denver, Colo.*

The Farmers Union Livestock Commission, Inc., of Denver, was organized July 1, 1919, by the Colorado State Farmers Union and was incorporated the same year with an authorized capitalization of \$50,000, divided into shares of common stock of \$10 each. Each member was required to subscribe for at least one share of stock, which entitled him to vote. In 1929 the articles of incorporation were amended and value of shares was reduced to \$1 each. Dividends are not paid to a member until he owns 10 shares, but all patronage dividends are allowed to accumulate until the 10-share requirement is met. Capital stock draws up to 8 percent interest annually, if earned, and earnings above that amount up to 10 percent go into a surplus fund.

The number of stockholder-members in 1935 totaled about 1,500, of whom approximately 20 percent were range operators and 80 percent farmers and small livestock growers and feeders. A board of five directors elected for terms of 3 years each is selected by the stockholders at their annual meeting held in January.

The cooperative's volume of business handled from 1919 to 1935 is shown in table 12.

#### *Farmers Union Livestock Commission, Ogden, Utah*

The Farmers Union Livestock Commission, at Ogden, was organized and incorporated on August 31, 1931, by the Farmers Union Livestock Commission associations of Omaha and Denver. The original capital of \$10,000 was supplied jointly by these two associations which own the entire common stock.

Neither ownership of capital stock nor signing of a marketing agreement is required of individual members. The association's membership now includes the members of such organizations as the Utah Farm Bureau, the Idaho Wool Growers and local units of the Farmers Union.

A board of three directors supervises the management of the association. These directors consist of the presidents of the Farmers Union Livestock Commission Associations of Omaha and Denver and the president of the Utah Farm Bureau Federation.

<sup>3</sup> The California Farm Bureau Marketing Association operates hog-auction markets in the San Joaquin Valley of California. This bulletin deals primarily with range cattle and sheep marketing and for that reason does not include this hog-marketing agency.

The association operates both a sale and purchase business on the Ogden yards and, during recent years, it has handled a considerable volume of country direct-feeder lamb business. At one time the association endeavored to develop an order-buying business to supply hogs from the midwestern territory to Pacific coast packers, but this did not prove satisfactory and was abandoned. The volume of livestock sold and purchased, both on the Ogden market and in the country, for the period from 1932 to 1935 is shown by table 13.

TABLE 13.—LIVESTOCK HANDLED BY THE FARMERS UNION LIVESTOCK COMMISSION, OGDEN, UTAH, 1932-1935

Year	Sold on Ogden market	Purchased on market	Country sales and purchases	Total handled
	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>
<b>Cattle and calves:</b>				
1932.....	3,350	2,435	-----	5,785
1933.....	2,869	305	-----	3,174
1934.....	1,273	142	-----	1,415
1935.....	2,134	833	-----	2,967
<b>Hogs:</b>				
1932.....	66,786	23,585	-----	90,371
1933.....	6,398	760	-----	7,158
1934.....	2,151	312	-----	2,463
1935.....	4,053	305	-----	4,358
<b>Sheep:</b>				
1932.....	21,580	6,022	-----	27,602
1933.....	48,532	10,578	22,718	81,828
1934.....	40,653	5,750	40,424	86,827
1935.....	49,170	11,626	25,004	85,800
<b>All livestock:</b>				
1932.....	91,716	32,042	-----	123,758
1933.....	57,799	11,643	22,718	92,160
1934.....	44,077	6,204	40,424	90,705
1935.....	55,357	12,764	25,004	93,125

*Intermountain Livestock Marketing Association, Denver, Colo.*

The Intermountain Livestock Marketing Association, of Denver, Colo., was organized in June 1930, as a nonstock cooperative, and incorporated under the Cooperative Marketing Act of the State of Colorado. The association started active marketing operations in September 1930.

Stockmen from the States of Colorado, New Mexico, Wyoming, Nebraska, Montana, and Utah, as well as several livestock associations within these States, were active in the organization of this association. In 1935 the association's membership totaled 6,100 while the total number of patrons served was approximately 7,500.

Despite strenuous opposition by old-line commission firms and dealers shortly after it started operations, the association has made steady and marked progress since 1931, as indicated by its volume of business handled (table 14).

TABLE 14.—LIVESTOCK HANDLED BY THE INTERMOUNTAIN LIVESTOCK MARKETING ASSOCIATION, DENVER, COLO., 1930-1935

Class of livestock and year	Sold on Denver market	Purchased on market	Country sales and purchases	Total handled
<b>Cattle and calves:</b>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>
1930.....	22, 679	10, 953	-----	33, 632
1931.....	31, 859	5, 793	4, 606	42, 258
1932.....	30, 229	4, 358	341	34, 928
1933.....	38, 460	4, 563	-----	43, 023
1934.....	38, 530	3, 631	1, 282	43, 443
1935.....	55, 864	4, 646	1, 941	62, 451
<b>Hogs:</b>				
1930.....	1, 983	667	-----	2, 650
1931.....	14, 994	805	-----	15, 799
1932.....	33, 319	-----	-----	33, 319
1933.....	69, 724	445	-----	70, 169
1934.....	38, 948	-----	-----	38, 948
1935.....	25, 209	-----	-----	25, 209
<b>Sheep:</b>				
1930.....	31, 558	127, 149	-----	158, 707
1931.....	141, 024	33, 556	154, 513	329, 093
1932.....	195, 356	10, 670	39, 034	245, 060
1933.....	195, 782	7, 606	127, 297	330, 685
1934.....	333, 974	20, 965	135, 275	514, 677
1935.....	337, 305	15, 993	241, 407	594, 705
<b>All livestock:</b>				
1930.....	56, 220	138, 769	-----	194, 989
1931.....	187, 877	40, 154	159, 119	387, 150
1932.....	258, 904	15, 028	39, 375	313, 307
1933.....	303, 966	12, 614	127, 297	443, 877
1934.....	411, 452	24, 596	136, 557	597, 068
1935.....	418, 378	20, 639	243, 348	682, 365

<sup>1</sup> Includes 24,463 breeder-feeder contract lambs.

In addition to its market operations at Denver, the association has built up a large direct country order business in feeder lambs and cattle, through its contact with Corn Belt and eastern cooperatives.

A credit service handled by a separately incorporated credit corporation, known as the Intermountain Livestock Credit Corporation, is another valuable service furnished patrons of the marketing association. This credit corporation was set up with the assistance of the National Live Stock Marketing Association, of which the Intermountain Association is a member.



*Texas Livestock Marketing Association, Fort Worth, Tex.*

The Texas Livestock Marketing Association of Fort Worth, Tex., was incorporated in March 1930, as a nonstock association under the Cooperative Marketing Act of the State of Texas. The association began active operations on July 23, 1930. Prominent stockmen of Texas took an active part in forming the new association.

The board of directors consists of 24 men elected by the members, each for a 3-year term. Eight of these are elected annually at their meeting in March. The association is not connected with any farm organization, but consists entirely of individual stockmen.

TABLE 15.—LIVESTOCK HANDLED BY THE TEXAS LIVESTOCK MARKETING ASSOCIATION, FORT WORTH, TEX., 1930-1935

Year	Sold on Fort Worth market	Purchased on market	Country sales and purchases	Total handled <sup>1</sup>
<b>Cattle and calves:</b>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>
1930 <sup>2</sup> .....	19, 627	5, 664	5, 389	30, 680
1931.....	66, 488	2, 986	607	70, 081
1932.....	66, 678	2, 184	19, 151	88, 013
1933.....	59, 465	1, 523	24, 352	85, 340
1934.....	65, 224	1, 782	12, 725	79, 731
1935.....	96, 230	1, 628	25, 911	123, 769
<b>Hogs:</b>				
1930 <sup>2</sup> .....	348			348
1931.....	1, 953	203		2, 156
1932.....	5, 240			5, 240
1933.....	25, 851			25, 851
1934.....	11, 763	291	27	12, 081
1935.....	13, 325	73	36	13, 434
<b>Sheep:</b>				
1930 <sup>2</sup> .....	9, 109	1, 260	16, 330	26, 699
1931.....	148, 673	6, 504	12, 175	167, 352
1932.....	192, 482	5, 703	26, 978	225, 163
1933.....	115, 259	9, 299	54, 146	178, 704
1934.....	62, 019	2, 586	28, 635	93, 240
1935.....	93, 372	1, 814	31, 741	126, 927
<b>All livestock:</b>				
1930 <sup>2</sup> .....	29, 084	6, 924	21, 719	57, 727
1931.....	217, 114	9, 693	12, 782	239, 589
1932.....	264, 400	7, 887	46, 129	318, 416
1933.....	200, 575	10, 822	78, 498	289, 895
1934.....	139, 006	4, 659	41, 387	185, 052
1935.....	202, 927	3, 515	57, 688	264, 130

<sup>1</sup> These figures include some livestock handled for traders.

<sup>2</sup> The association operated only 5½ months in 1930.

The Texas association furnishes its members with the following services:

- (1) Sale and purchase of livestock on the Fort Worth market.
- (2) Direct sale of feeder stock from ranch to Corn Belt or eastern feeders, either to individual buyers or through Corn Belt cooperatives.
- (3) Leasing Kansas and Oklahoma pastures and supervising the orderly marketing of Texas cattle off these pastures.
- (4) Field service solicitation for other cooperative associations through which Texas livestock is marketed.

In addition to these marketing services, the Texas association, through a separately incorporated credit corporation, known as the National Finance Credit Corporation of Texas, furnishes several million dollars in loans to Texas stockmen. This credit corporation was established, at the time the marketing association was set up, as one of six credit units of the National Live Stock Marketing Association, of which association the Texas marketing agency is a member-stockholder. The volume of business handled by the association from 1931 to 1935 appears in table 15.

*Oklahoma Livestock Marketing Association, Oklahoma City, Okla.*

The Oklahoma Livestock Marketing Association was organized in July 1931, and incorporated under the Cooperative Marketing Act of 1923, of the State of Oklahoma, with an authorized capital of \$25,000 consisting of 10,000 shares of common stock, par value \$1 per share, and 150 shares of preferred stock at \$100 per share. Of the total authorized stock, \$10,000 was paid in.

Each member is required to purchase at least one share of common stock. Total number of patrons in 1935 was estimated at 7,000, of which 3,000 were stockholder-members.

The board of directors consists of 11 men, each of whom is elected for a 3-year term. All directors reside in Oklahoma.

The Oklahoma association, unlike most other cooperatives, entered into a 5-year agreement with an already established private commission agency under which the cooperative employed the sales agency to operate a selling and buying service on the Oklahoma market.

At the end of the 5-year period the cooperative owns outright the sales agency, after paying for the physical equipment.

In addition to its operations on the Oklahoma City market, this association also operates quite extensively in the country through the handling of stocker and feeder cattle and lambs direct from ranch to feed lot.

A separately incorporated livestock financing institution organized by livestock producers, known as the National Live Stock Credit Corporation of Oklahoma, furnishes livestock credit to members and

patrons of the marketing association. This credit corporation is one of six similar associations which were set up jointly by the National Live Stock Marketing Association and by Oklahoma stockmen at the time the marketing association was established. The Oklahoma Marketing Association is also a stockholder-member of the National Live Stock Marketing Association. The volume of business handled by the association from 1931 to 1935 appears in table 16.

TABLE 16.—LIVESTOCK HANDLED BY THE OKLAHOMA LIVE STOCK MARKETING ASSOCIATION, OKLAHOMA CITY, OKLA., 1931-1935

Class of livestock and year	Sold on Oklahoma City market	Purchased on market	Country sales and purchases	Total handled <sup>1</sup>
<b>Cattle and calves:</b>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>
1931 <sup>2</sup> .....	5, 441	-----	-----	5, 441
1932.....	32, 669	5, 992	222	38, 883
1933.....	37, 376	7, 236	340	44, 952
1934.....	42, 318	8, 555	936	51, 809
1935.....	65, 233	28, 468	1, 152	94, 853
<b>Hogs:</b>				
1931 <sup>2</sup> .....	3, 163	-----	-----	3, 163
1932.....	34, 430	154	-----	34, 584
1933.....	57, 549	143	-----	57, 692
1934.....	25, 765	37	-----	25, 802
1935.....	20, 069	3	-----	20, 072
<b>Sheep:</b>				
1931 <sup>2</sup> .....	1, 933	-----	-----	1, 933
1932.....	25, 261	610	20, 104	45, 975
1933.....	25, 385	422	14, 090	39, 897
1934.....	18, 199	1, 187	56, 337	75, 723
1935.....	62, 860	214	21, 124	84, 198
<b>All livestock:</b>				
1931 <sup>2</sup> .....	10, 537	-----	-----	10, 537
1932.....	92, 360	6, 756	20, 326	119, 442
1933.....	120, 310	7, 801	14, 430	142, 541
1934.....	86, 282	9, 779	57, 273	153, 334
1935.....	148, 162	28, 685	22, 276	199, 123

<sup>1</sup> These figures include some livestock handled for traders.

<sup>2</sup> The association operated only 3¼ months in 1931.

### *Producers Livestock Marketing Association, Salt Lake City, Utah*

The Producers Livestock Marketing Association of Salt Lake City, Utah, was organized on April 5, 1935, by livestock producers of the States of Utah, Wyoming, Nevada, and Idaho. The association was incorporated in April 1935, under the Cooperative Act of the State of Utah, on a capital-stock basis. Authorized capital of \$27,000

TABLE 17.—LIVESTOCK HANDLED BY PRODUCERS LIVESTOCK MARKETING ASSOCIATION, OF SALT LAKE CITY, UTAH, MAY 15 TO DEC. 31, 1935

Agency	Sold on market					Hogs purchased on market	Country sales and purchases					Total handled
	Cattle	Calves	Hogs	Sheep	Total		Cattle	Calves	Hogs	Sheep	Total	
	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>
Central agency (Salt Lake City).....							1, 046		3, 151	205, 909	210, 106	210, 106
North Salt Lake branch.....	3, 705	492	7, 754	30, 540	42, 491	5, 938						48, 429
Ogden branch.....	1, 769	55	687	43, 276	45, 787		146			19, 279	19, 425	65, 212
Los Angeles branch.....	8, 250	1, 947	2, 241	14, 960	27, 398		1, 825	65			1, 890	29, 288
Total for association.....	13, 724	2, 494	10, 682	88, 776	115, 676	5, 938	3, 017	65	3, 151	225, 188	231, 421	353, 035

consisted of 2,000 shares of common stock at \$1 par value and 2,500 shares of preferred stock at \$10 par value. Dividends on preferred stock are limited to 6 percent. Of the total authorized capital stock, \$12,877 was paid in to December 30, 1935.

The association started active operations in May 1935, at both the Salt Lake and Ogden markets, and in June the association took over an already established commercial sales agency on the Los Angeles market.

Membership in this association is restricted to bona-fide livestock producers and farmers, who are required to purchase one share of common stock and who sign a marketing agreement with the association.

A board of 15 directors is elected annually on a district basis from the various States by the stockholder members at the annual meeting.

The Producers association of Salt Lake operates regular terminal sale and purchase services on the North Salt Lake, Ogden, and Los Angeles markets, and, in addition, a direct purchasing and selling service of both feeder and fat stock from producer to feeder and from producer to packer.

A credit service is also available to the association's members and patrons through a separately incorporated livestock credit corporation, known as the Wasatch Livestock Loan Co., of Salt Lake. This credit association is one of six similar credit agencies which were organized jointly by the National Live Stock Marketing Association of Chicago and local livestock producers. Table 17 shows the volume of business handled by the Producers Livestock Marketing Association for 6½ months of 1935.

### REGIONAL DIRECT-MARKETING ASSOCIATIONS

While practically all of the associations described above carry on considerable direct-feeder business, the three mentioned below restrict their operations entirely to the direct movement of feeder or fat stock and maintain little or no terminal-market sales service.

#### *Pacific States Livestock Marketing Association, San Francisco, Calif.*

The oldest association of this direct-marketing type is the Pacific States Livestock Marketing Association, at San Francisco, Calif.

This association was organized originally in 1923, as the California Cattleman's Association, and was incorporated under the civil code of the State of California by leading cattle producers of the State. Active operations were delayed until April 1925 by an outbreak of foot-and-mouth disease in California. In 1929, the association's name was changed to the Western Cattle Marketing Association and, on January 6, 1934, it was reorganized, the articles of incorpora-

tion amended, and the name again changed, to the Pacific States Livestock Marketing Association.

The association has an authorized capital of \$25,000, consisting of 25,000 shares of common stock of \$1 par value. Dividends on

TABLE 18.—LIVESTOCK HANDLED BY THE PACIFIC STATES LIVESTOCK MARKETING ASSOCIATION, SAN FRANCISCO, CALIF., 1925-1935

Year	Country sales and purchases	Sold on South San Francisco market <sup>1</sup>	Total handled
<b>Cattle and calves:</b>	<i>Head</i>	<i>Head</i>	<i>Head</i>
1925.....	142, 795		142, 795
1926.....	186, 468		186, 468
1927.....	162, 108		162, 108
1928.....	122, 329		122, 329
1929.....	108, 176		108, 176
1930.....	124, 543		124, 543
1931.....	101, 400		101, 400
1932.....	93, 965	4, 425	98, 390
1933.....	75, 622	6, 317	81, 939
1934.....	54, 879	3, 706	58, 585
1935.....	<sup>2</sup> 86, 019	485	86, 504
<b>Hogs:</b>			
1931.....	<sup>3</sup> 3, 211		3, 211
1932.....	<sup>3</sup> 1, 796	236	2, 032
1933.....		74	74
1934.....		25	25
1935.....		19	19
<b>Sheep:</b>			
1932.....		6, 691	6, 691
1933.....	3, 094	6, 386	9, 480
1934.....	14, 517	1, 169	15, 686
1935.....	41, 658	524	42, 182
<b>All livestock:</b>			
1925.....	142, 795		142, 795
1926.....	186, 468		186, 468
1927.....	162, 108		162, 108
1928.....	122, 329		122, 329
1929.....	108, 176		108, 176
1930.....	124, 543		124, 543
1931.....	104, 611		104, 611
1932.....	95, 761	11, 352	107, 113
1933.....	78, 716	12, 777	91, 493
1934.....	69, 396	4, 900	74, 296
1935.....	127, 677	1, 028	128, 705

<sup>1</sup> South San Francisco branch agency discontinued March 1935.

<sup>2</sup> Includes 21,116 cattle handled on breeder-feeder contracts in 1935 and 59 cattle and calves purchased on terminal market.

<sup>3</sup> Hogs shipped on order from North Dakota and South Dakota.

such stock are limited to 8 percent. Membership is limited to producers of livestock, who purchase one share of stock.

A board of seven directors is elected annually by stockholders at the annual meeting in April. Directors are elected by districts as follows: Nevada 1, Oregon 1, Arizona 1, California 2, and at large, 2.

This association was organized for the purpose of marketing cattle direct from ranch to packer or feeder. While the reorganization plan provided for expansion of its services to include operation on terminal markets, very little along this line has been done. For the years 1932 to 1935, the association maintained selling service on the South San Francisco yards, but handled only a limited volume. In the spring of 1935 this service was abandoned. While the association's principal business has always been in the sale of grass-fat cattle from ranch to packer, it has also purchased feeder cattle and lambs.

In 1935 the Pacific States Livestock Marketing Association had a membership of approximately 700 stockmen. The association is a member-stockholder of the National Live Stock Marketing Association. The volume of business handled by the association, by years, from 1925 to 1935, is shown in table 18.

In addition to its marketing service, the association has, since August 1931, operated a livestock credit service as a separately incorporated company. This loan company, known as the Tri-State Credit Corporation, was organized in August 1931 as one of six similar corporations affiliated with the National Live Stock Marketing Association. Credit through this corporation has been made available to patrons and members of the marketing association.

#### *Montana Livestock Marketing Association, Helena, Mont.*

The Montana Livestock Marketing Association, Helena, Mont., was organized and incorporated in April 1932, by Montana livestock producers under the Cooperative Marketing Act of the Civil Revised Code of Montana of 1921, and began operations in the following fall.

The volume of business handled on a contract-feeding and direct-sale basis by the association from 1932 to 1935 is shown in table 19.

The association is controlled by a board of five directors who are elected by the members at the annual meeting in January to serve for 1-year terms. Membership is restricted to producers or organizations of producers of livestock who sign a marketing agreement with the association.

The services of this association are limited to the handling and marketing of feeder cattle and lambs direct from growers to Corn Belt feeders and cooperatives representing feeders, on a contract or sale basis. It maintains no terminal marketing service or credit service.

TABLE 19.—LIVESTOCK HANDLED BY THE MONTANA LIVESTOCK MARKETING ASSOCIATION, HELENA, MONT., 1932-1935

Year	Cattle and calves	Sheep and lambs	Total
	<i>Head</i>	<i>Head</i>	<i>Head</i>
1932.....		44, 000	44, 000
1933.....	2, 202	71, 711	73, 913
1934.....	2, 482	124, 000	126, 482
1935 <sup>1</sup> .....	800	160, 000	160, 800

<sup>1</sup>A large portion of this livestock was sold direct to Corn Belt feeders.

*South Dakota Cooperative Livestock Marketing Association,  
Brookings, S. Dak.*

The South Dakota Cooperative Livestock Marketing Association was organized by stockmen of South Dakota on April 22, 1932, and incorporated in the same month under the cooperative act of that State. The association was organized with an authorized capital of \$70,000, consisting of 20,000 shares of preferred stock at \$10 per share and 50,000 shares of common at \$1 per share.

The control of the association is vested in a board of nine directors, who are elected for 1-year terms at the annual meeting in January. This organization is closely associated with the South Dakota Wool

TABLE 20.—LIVESTOCK HANDLED BY THE SOUTH DAKOTA COOPERATIVE LIVESTOCK MARKETING ASSOCIATION, BROOKINGS, S. DAK., 1932-1935

Year	Country sales and purchases	Contract feeding	Total handled
	<i>Head</i>	<i>Head</i>	<i>Head</i>
<b>Cattle and calves:</b>			
1932.....			
1933.....	53		53
1934.....	88		88
1935.....			
<b>Sheep and lambs:</b>			
1932.....	5, 360		5, 360
1933.....	24, 881	3, 545	28, 426
1934.....	33, 914	9, 000	42, 914
1935.....	79, 040	960	80, 000
<b>Total:</b>			
1932.....	5, 360		5, 360
1933.....	24, 934	3, 545	28, 479
1934.....	34, 002	9, 000	43, 002
1935.....	79, 040	960	80, 000



Marketing Association and uses the personnel of that association. Membership is limited to actual livestock producers who purchase one share of common stock. In 1935 the association had about 200 members.

The association's marketing service is primarily that of moving feeder cattle and lambs direct from the range producer to the Corn Belt feeder within the State of South Dakota. The association does not maintain a credit service in the form of a credit corporation but cooperates with local production credit associations, local banks, and other lending institutions in financing feeders.

Table 20 shows the volume of business handled by the association from 1933 to 1935.

## THE RANGE COOPERATIVE IN OPERATION

### "DUAL-PURPOSE" OR TERMINAL-DIRECT METHODS OF OPERATION

COOPERATIVE livestock marketing associations operating in the range territory have been called upon to perform more diversified services than most of the midwestern or eastern agencies. This is due to the fact that most of the western associations carry on direct country sales and purchase services in addition to their regular terminal sales service. The operations of such "dual-purpose" cooperative sales agencies in the range territory are divided into three main divisions; namely, sales and purchase, office, and field service. All of these departments operate under the supervision of a manager who is employed by and is responsible to a board of directors.

The sale and purchase department consists of sales and yarding divisions for cattle, hogs, and sheep on the terminal market. In some associations this department also supervises the direct country sale and purchase work, while in others the country operations are concentrated in a separate division.

It is the function of this department to see that livestock consigned to the association is promptly yarded, fed, watered, sorted, weighed, and sold to a responsible buyer and at the highest price obtainable on that day's market. Trained salesmen are employed who are informed as to market supplies and outlets and know how to judge yields as well as market values. The livestock is sold by the salesmen of the cooperatives to all classes of buyers on the market—packer buyers, order buyers, traders, small city butchers, and others. In all cases, the shipper remains the owner of the stock until it is sold to a buyer on the market.

In addition to providing the sales service, the cooperative association also purchases feeder stock for farmers. This service is per-

formed by one of the salesmen, in some cases, while in others a separate department with separate buying personnel does the purchasing. Feeder stock is bought from other commission firms, from traders, and also from the cooperatives' own alleys.

The office department has three main divisions—publicity, accounting, and transportation. Some associations also maintain a credit service division. Others handle all their loans through a separate credit corporation which is closely associated with the marketing association.

The publicity division handles the general publicity of the organization, which includes the issuance of market reports, stocker and feeder letters, articles for publication in farm papers, and radio broadcast material. It also attends to much of the correspondence, advertising, and printing, and in some associations carries on a large part of the educational work.

The accounting division is responsible for the keeping of all books and records, for the sending out of account sales, money returns to shippers, for collections and disbursements, and for the preparation of various financial and statistical reports.

The claim and transportation division furnishes information to shippers, as to freight rates and proper routing of shipments, checks, files, and collects all claims against carriers, and checks all freight bills. By working with the railroads, this department also seeks to obtain better running schedules and improved scale and stockyard facilities at local loading points.

Two associations operate a supply-purchasing department. Through this service ranch supplies, such as feed, wool sacks and twine, salt, and ranch equipment, are purchased wholesale and sold to the members at a small profit to the association.

The field-service departments in most western associations have restricted their field activities to individual solicitation methods, similar to those of private commission agencies. Much of this work is carried on by each association's salesmen in conjunction with a limited number of regular field representatives. These men not only solicit business for their own associations, but in several instances they also do field work for midwestern associations into whose markets some of the livestock from this western area moves. A working field-service arrangement of this sort between several of the midwestern and western associations helps eliminate costly duplication of field work and is of advantage to both agencies. The originating agency is reimbursed for all livestock marketed out of its trade territory to the various midwestern cooperatives.

A limited number of educational meetings are held each year by some associations, but this type of field work has not been pushed as much as throughout the midwestern and eastern territory.

*Direct-Marketing Operations of Western Terminal Associations*

The above description of duties and services applies primarily to the cooperative's terminal-marketing activities. In addition to these, some of the western associations maintain a separate division for direct marketing. Services rendered by this division include the formation of lamb pools, the listing of livestock for sale, and the solicitation of orders from feeders in the Corn Belt and from western grazers. In some associations, this service also includes the filling of orders from packers for fat stock.

Such a service involves a great deal of travel and supervision. Usually the association works through selected key men located in the principal producing and feeding areas. It is the duty of these men to obtain accurate information as to the available supplies of cattle and sheep in their area, to obtain a listing of the stock for sale by classes, grades, and weights, and to obtain from the owner his asking price.

Likewise, associations in the feeding sections, representing the feeder, solicit orders which stipulate kind, grade, and weight of livestock desired, time of delivery, and offering price. Wherever possible a reasonable part payment or deposit should be obtained from the feeder-purchaser, so as to protect the association.

With this information at hand the western association, acting mainly in the interest of the producer, endeavors to bring about an agreement between seller and buyer, or the Corn Belt association representing the buyer, as to price, by means of telephone, telegram, or letter, and closes the deal. It frequently becomes necessary to contract for feeder cattle or lambs several weeks or even months before actual time of delivery. In such cases a deposit is usually obtained from the feeder-purchaser or from his association so as to insure completion of the sale and to supply a margin of protection to the seller.

This system, however, has certain disadvantages from the standpoint of both the grower and the feeder. It sometimes happens, for example, that after a part payment has been made to the grower or seller by the feeder-buyer or by his association, the seller for various reasons fails to deliver the feeder stock at the time agreed upon, or fails to deliver the number, class, grade, or weight of stock stipulated in his contract. Since the purchasing association representing the feeder has already made a deposit it usually feels under obligation to go through with the deal, even though this course causes some dissatisfaction and, at times, a financial loss to the association. In order to assure both parties a fair settlement, it might be advisable to place the deposit, together with the contract, in escrow with a local bank or some reliable, disinterested party.



FIGURE 20.—SORTING RANGE LAMBS AT LOADING POINT IN NORTH-WESTERN COLORADO.

Lambs should be sorted for quality, weight, and degree of finish before shipment in order to fill orders satisfactorily.

From the standpoint of an association which is purchasing stock direct for feeders, it is essential that the association protect itself against unnecessary speculative loss by obtaining a reasonable part payment from the feeder-purchaser, at the time the order is placed.

When the time arrives for shipping the feeder stock, fieldmen from the range associations and sometimes the representative of the feeder-purchaser, sort and load the feeder stock and bill it to the purchaser (fig. 20). In cases where there is a lack of sorting pens and scale facilities, it is frequently agreed that this sorting and weighing will be done by the representative of one or both of the cooperatives at some feeding-in-transit yard or terminal market through which the stock must move to its destination. Since the average Corn Belt feeder wants only a load or two of cattle or lambs and desires them to be uniform as to weights and quality, this type of handling is proving to be more satisfactory. One of the weakest features of direct marketing of feeder stock from range to feed lot has been this matter of obtaining accurate weights and uniform grading. The in-transit sorting system above described, unless stock is sorted carefully at loading points, is essential if orders are to be filled in a satisfactory manner.

While most of the western terminal associations carry on some direct country sales and purchases, the greater amount of this type of marketing activity is handled by the Intermountain Livestock Marketing Association and Farmers Union Livestock Commission of Denver, the Texas Livestock Marketing Association of Fort Worth, and the Producers Livestock Marketing Association of Salt Lake.

### *Breeder-Feeder Contract Operations*

In addition to their direct country purchases and sales of feeder lambs and cattle, several of the cooperatives have handled thousands of feeder lambs and cattle upon a "breeder-feeder" contract basis. The most important of the western associations to transact this type of business are the Intermountain Livestock Marketing Association of Denver, the Montana Livestock Marketing Association of Helena, Mont., the Oklahoma Livestock Marketing Association of Oklahoma City, and the South Dakota Livestock Marketing Association of Brookings, S. Dak.

"Contract feeding" involves an agreement between the grower and the feeder under which the feeder lamb or steer is shipped on a feed-in-transit billing to a feeder to be finished for market (figs. 21 and 22). In all cases the grower retains title to the livestock until final sale and settlement is made. Contracts are of different types and vary from year to year as prices for feed and feeding stock change. The terms of the contract also vary with the location of the feeding territory and the quality, grade, age, and weight of the animals to be fed as well as



FIGURE 21.—WYOMING-BRED CALVES ON FEED NEAR DENVER, COLO.  
The feeding of calves as baby beef is increasing each year, both in this section and in the Corn Belt.



FIGURE 22.—LAMBS IN WINTER FEED LOTS NEAR FORT COLLINS, COLO.  
Plenty of alfalfa hay, beet pulp, and grain makes for well-finished market lambs.

with the kinds of feed. During certain seasons of surplus feed in the feeding areas, with a shortage of finances for feeding operations and a low price of feeder stock in the range territory, "breeder-feeder" contracting becomes popular. During years of short feeder livestock supplies, plentiful feed in feeding areas, and an abundance of credit, the use of the breeder-feeder contract is limited.

Nevertheless, a considerable number of ranch producers as well as Corn Belt feeders feel that there are real possibilities in a cooperative arrangement between grower and feeder who pool their interests and jointly assume the prospect of profit or risk of loss. Under this arrangement the range producer is enabled to continue marketing over a longer time. This relieves him from the necessity of marketing his unfinished product during a period when markets are glutted and prices consequently lowered. The producer is able also to carry his raw product, the feeder lamb or steer, one step nearer the processor, and the resultant improved quality and finish enable him to market his stock in a higher price bracket.

The breeder-feeder contract, likewise, benefits the feeder. The speculative element in his feeding operations is reduced, since his risk is limited to his own feed and labor. In addition, this system allows the feeder to operate during years when credit is limited, or available only at high cost.

Experience during the past few years, however, has demonstrated that there are certain fundamental weaknesses in the operation of this system, which must be faced and eliminated as far as possible. Where proper supervision and careful handling have not been present,

abuses have crept in and heavy losses have been sustained by feeders and growers alike.

In order to eliminate the possibilities of such abuses, the following essential points which should be incorporated into feeding contracts have been drawn up. This selection is based on the recommendations for improvement in feeding contracts by a special committee of the National Live Stock Marketing Association.<sup>4</sup>

1. *Contract weight.*—On every contract there should be recorded the actual number of animals, their shrunk weight, as well as the weight to be used as a basis for determining the interest of the breeder and feeder in said stock. Such weights should, wherever possible, be taken at an intermediary point by a disinterested party, after reasonable rest and fill.
2. *Title.*—
  - (a) The contracts should specify that the title to the livestock will remain in the name of the breeder, free from liens or other encumbrances which are not definitely set forth in the contract and agreed to by both parties.
  - (b) Responsibility of the feeder should begin at the intermediary point at which the livestock is weighed.
3. *Freight and feed.*—The contract should specify whether the grower or feeder is to pay all costs, including freight, feed, weighing, etc., incident to moving livestock from ranch to feeder's unloading station.
4. *Responsibility of feeder.*—The contract should be specific. In all cases provisions should be set forth requiring the feeder to use proper kinds and amounts of feeds, and methods of feeding and handling livestock, which under normal conditions will assure the finishing of said stock for market in the period of time covered by the contract.
5. *Grading.*—The contract should specify the type, grade, and weight, and provide for tolerance. (Too often, uneven weights, type, and quality of feeder stock are furnished, making it impossible to finish out and market in uniform load lots.)
6. *Supervision.*—All contracts should provide for a supervisor who will give constant supervision to livestock while on feed. The supervisor should also make regular reports and have authority to take charge of stock and place it with another feeder when necessary.

<sup>4</sup>The National Live Stock Producer. CONTRACT FEEDING DECREASING, MANAGERS' COMMITTEE REPORTS, 13 (10): 6.

7. *Division of proceeds.*—Contracts should be specific as to the division of the proceeds, supervision, and marketing costs between grower and feeder.
8. *Death loss.*—Responsibility for death loss should be set forth, with the maximum liability to the grower specified.
9. *Consent of mortgagee.*—The contract should contain a clause for the consent of the mortgagee on livestock and on feed.
10. *Landlord waiver.*—The contract should contain a clause for a landlord waiver in States where such a waiver is required by law.
11. *Freight lien.*—Where funds are furnished by a third party for payment of freight, the contract should contain a clause making such a loan a first lien on the livestock.
12. *Filing contracts.*—All contracts should be filed or recorded in the county where livestock is fed.
13. *Marketing clause.*—In cases where cooperatives are interested in placing or supervising operations, a clause should provide how and through what agency or agencies the stock shall be marketed. An example of a contract of this type is that used by the Intermountain Livestock Marketing Association of Denver. (See appendix A.)

This breeder-feeder contract system lends itself ideally to the cooperative method of operation. An arrangement by which the range producer designates his western association to deal with another cooperative, representing the feeder, in the placing and supervising of feeding operations has proved to be the most satisfactory system both to grower and feeder. The western cooperative association serving the grower is in a position to see that his interests are protected in the weighing and grading of his feeder stock and in the placing of it through reliable Corn Belt or eastern feeding associations. The cooperative serving the feeder also renders valuable service to the grower in placing his feeder stock with reliable and experienced feeders, and in rendering a supervision and marketing service.

Where these services are carefully performed by the cooperative association the grower has little cause for complaint as to the method of handling his feeder stock. However, where stock is handled through promoters or directly between grower and feeder who are a long distance apart many abuses can creep in which may result in heavy losses to the grower. During the drought of 1934, many thousands of feeder lambs were handled throughout the Corn Belt, in some cases resulting in losses to both grower and feeder. These hazards may be minimized through the use of a reliable supervising agency in placing the lambs, in supervising their feeding, and in marketing.<sup>4</sup>

<sup>4</sup> For more complete discussion of the breeder-feeder contract system, see RANDALL, C. G., CONTRACT FEEDING OF LAMBS AND CATTLE. Farm Credit Administration, Cooperative Division. [in press].



It can readily be seen from the above discussion that several of these western cooperative marketing associations are now rendering a more diversified service to their members than are most commission firms, cooperative or otherwise, located on the terminal markets of the Midwest. In order to outline more clearly the general organization and operating set-up of a typical "dual-purpose" terminal-direct marketing association figure 23 is presented.

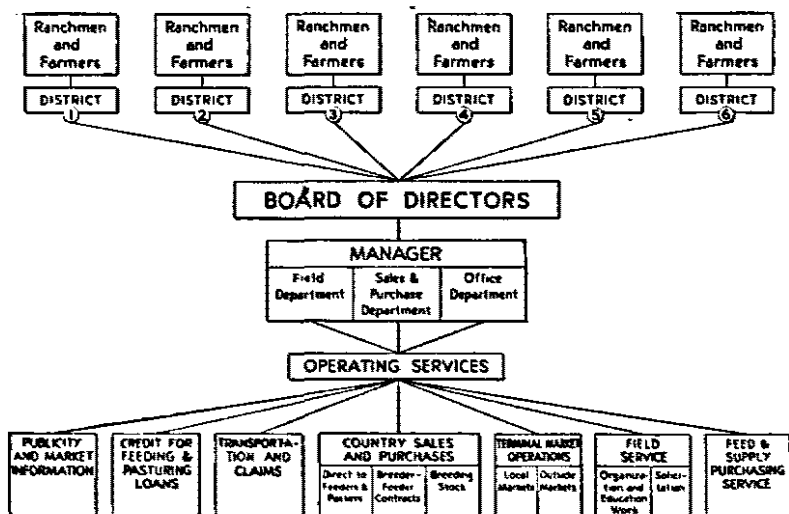


FIGURE 23.—ORGANIZATION AND OPERATING SET-UP OF "DUAL-PURPOSE" TERMINAL-DIRECT MARKETING ASSOCIATION.

In order to supply their member patrons with a complete marketing service several western cooperatives have expanded their operations to include both terminal and direct sales.

### REGIONAL DIRECT-TO-PACKER METHOD OF OPERATION

Direct marketing of fat cattle and lambs, as well as hogs, has for years been the general practice in such States as California and the irrigated feeding territories of Utah, Idaho, Arizona, and Nevada. In these States, therefore, the growth of central markets such as those long established in the Middle West and East, has been fairly recent, and their development much less widespread than in other areas. The first central market in California was established in 1922 at Los Angeles; another at South San Francisco in 1927; and a third at Stockton in January 1934.

A typical example of a direct-to-packer marketing association in the West is the Pacific States Livestock Marketing Association, San Francisco, Calif., formerly the Western Cattle Marketing Association.

This association performed a valuable service for its patrons during the period from 1925 to 1929 and handled a sizable volume of business. (See table 18.)

The association's original marketing plan was built entirely around sale of cattle and calves direct from ranch to packer. Two main offices were maintained, one at San Francisco and one at Los Angeles, but no terminal sales agencies were operated at either of these markets. In addition, the territory was divided into some 15 or 20 districts where local field representatives rendered a sales service during the marketing season. In addition, their duties were to keep informed on such matters as supplies of cattle in their territories, feed and range conditions, classification of available cattle, packer demand, local sales, cattle values, and most favorable markets. These agents were in daily touch with the central offices through which they were furnished all available information. The central office solicited orders from packers, and sold the cattle through its field agents to the packer-buyers. In some instances, the buyers and salesmen went together to close the deal on the ranch; in others, the sale was made by the association without actual inspection by the buyer.

Because of the large volume of stock under its control, the association was able to sustain livestock prices during the years 1925-1927<sup>6</sup> for grass-fat cattle on a higher level as compared with Missouri River markets than had been maintained in previous years. During the winter of 1927, the association, in order to hold up the price in California, shipped out several thousand head of cattle to mid-western and northern markets although, in so doing, it sustained heavy losses.

In addition to the marketing service, the association maintained a traffic department for the purpose of auditing freight bills, filing and collecting claims, and representing the members in general traffic matters. A credit rating of packers was maintained for the protection of the member against loss. The association also rendered a supply-purchasing service through which stockmen were supplied with feed and ranch supplies at practically wholesale prices.

High operating costs due to its decentralized field-service plan, low cattle prices, reduced volume, and income, an increased movement into California of cattle from areas such as New Mexico, Texas, and midwestern States, areas over which the association had no control, all tended to weaken the influence of the association as a marketing agent for members' livestock. In addition, an increasing number of small producers, as well as some of the larger operators, who were not members of the association, began to use the central markets of Los Angeles and South San Francisco to sell their livestock. As a result, in some instances the association was unable to dispose of its members' stock direct at satisfactory prices.

<sup>6</sup> Western Cattle Marketing Association. THE COOPERATIVE MARKETING OF BEEF CATTLE. 1927 and 1931. illus.

Some of the directors and members, realizing the association was handicapped by having no central marketing outlets, attempted, in 1932, to establish a separate cooperative sales agency on the South San Francisco market which would offer a sales service to those producers who preferred to use the terminal market. Little real effort was made, however, to push this agency, and in the spring of 1935 it was abandoned. Sharp differences of opinion as to the advantage of terminal-market service arose among the members of the association, with the result that there was a definite split in the membership in December 1933.

In the spring of 1934, reorganization was perfected and the new association, the Pacific States Livestock Marketing Association, took over the marketing activities of the Western Cattle Marketing Association. The California Cattleman's Association, a grower's organization which had been closely affiliated with the old association, withdrew and operated as a separate organization with no marketing activities. A sharply reduced volume and income forced the Pacific States Livestock Marketing Association to make drastic reductions in personnel and to curtail most of its field office operations in 1934. In 1935, however, the association began an aggressive campaign to build up its membership through the organization of local associations.

As operated during 1935, the association gave its members three types of sales service. The first was a sales advisory service via telephone, telegram, or letter, for which the member paid a small maintenance fee per car. Second, the association's field salesman might actually bring a packer-buyer to arrange a deal with a member, in which case the member paid a full commission. Third, the association might simply send a packer-buyer to the member. In this instance, the deal was made between member and buyer without the assistance of the association's fieldman; consequently, a lower charge per car was made. In addition to its direct sale of fat stock, the association also purchased and sold feeder cattle and sheep.

#### WEAKNESS OF DIRECT OR TERMINAL MARKETING SYSTEM ALONE

While it is recognized that in the Pacific coast region the direct-to-packer method of sale is more popular, nevertheless, this system alone, whether carried on by the individual or by the marketing association, has certain weaknesses which cannot be ignored. The individual is handicapped by lack of reliable market information as well as training in sales ability when trading with a well-informed and expert packer-buyer, who knows market values, dressing percentages, and market grades. Likewise, an association that operates strictly a direct

country-marketing service, may be unable to dispose of its members' livestock direct at satisfactory prices at times when sufficient supplies are coming into terminal central markets either from California or from other States.

Some of the packers buy a large share of their supplies on the Los Angeles and South San Francisco markets. With no sales agency on the market, a direct-marketing association at times finds itself somewhat handicapped. The growth in receipts both at Los Angeles and at South San Francisco (tables 21 and 22) illustrates the fact that these central markets are developing and must be taken into account by a cooperative marketing agency operating in that region.

A straight terminal sales agency in this region, likewise, has its weak points. The west coast markets can easily be oversupplied with

TABLE 21.—LIVESTOCK RECEIPTS AT LOS ANGELES MARKET, 1925-1935

Year	Cattle	Calves	Hogs	Sheep	Total
1925.....	169, 533	77, 302	217, 404	29, 693	493, 932
1926.....	198, 499	69, 185	198, 897	46, 143	512, 724
1927.....	193, 910	64, 051	220, 405	33, 774	512, 140
1928.....	190, 665	56, 945	299, 605	40, 732	587, 947
1929.....	202, 481	61, 817	217, 455	69, 828	551, 581
1930.....	205, 733	69, 890	146, 285	181, 205	603, 113
1931.....	237, 404	78, 120	68, 578	232, 453	616, 555
1932.....	228, 668	71, 499	52, 712	195, 831	548, 710
1933.....	229, 231	68, 059	29, 515	139, 445	466, 250
1934.....	365, 827	101, 673	35, 713	207, 468	710, 681
1935.....	321, 518	96, 847	46, 210	186, 283	650, 858

Compiled from annual reports of the Los Angeles Stockyard Co.

TABLE 22.—LIVESTOCK RECEIPTS AT SOUTH SAN FRANCISCO MARKET, 1927-1935

Year	Cattle	Calves	Hogs	Sheep	Total
1927.....	65, 807	9, 306	156, 860	180, 017	411, 990
1928.....	70, 540	8, 118	253, 453	210, 684	542, 795
1929.....	72, 580	6, 070	259, 029	237, 212	574, 891
1930.....	89, 753	9, 296	218, 306	298, 909	616, 264
1931.....	85, 208	5, 843	218, 284	369, 288	678, 623
1932.....	74, 108	3, 399	188, 253	331, 784	597, 544
1933.....	84, 193	6, 408	198, 408	292, 992	582, 001
1934.....	104, 262	17, 201	195, 859	242, 226	559, 548
1935 <sup>1</sup> .....	93, 108	11, 601	167, 911	237, 877	510, 497

<sup>1</sup> U. S. Department of Agriculture. Crops and Markets, February 1936.

Compiled from the eighth annual report of the Union Stockyards Co., South San Francisco.

livestock and, once this happens, since livestock already at the market must be sold, the terminal agent is compelled to accept the packer's price. Furthermore, some of the largest independent packers on the coast operate almost entirely in the country and only occasionally buy through the central markets.

To meet this situation, therefore, a plan for a "dual purpose" type of sales service, both on and off terminal markets, is offered. Figure 24 illustrates a suggested operating set-up for this type of association.

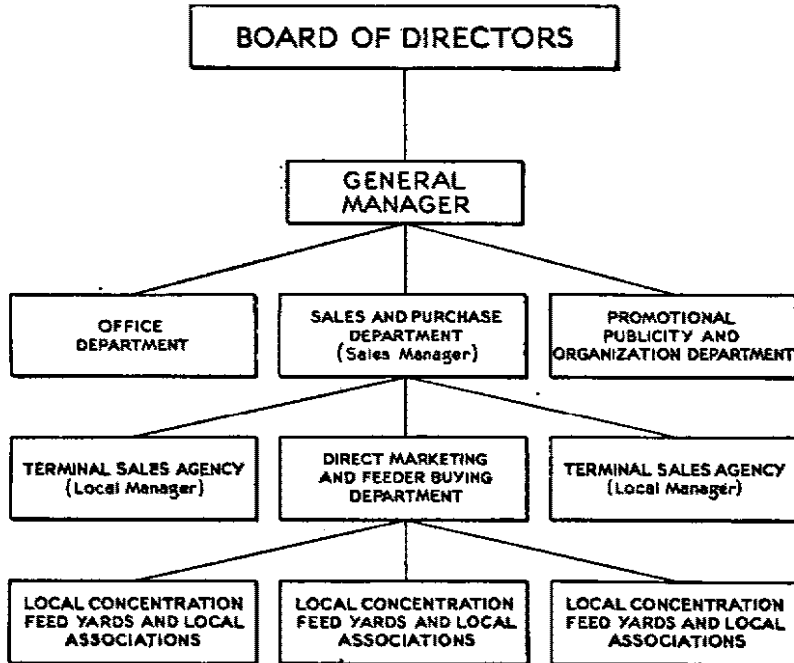


FIGURE 24.—SUGGESTED OPERATING PLAN FOR LIVESTOCK MARKETING ASSOCIATION IN THE PACIFIC COAST REGION.

Although the direct-to-packer type of marketing is most common in this region, such a system alone fails to serve the industry efficiently, especially the small producer. For that reason a combination direct and terminal system, which would coordinate both methods of selling through one central association, is suggested.

This operating set-up has the following advantages over either a straight, direct-marketing association or a terminal sales agency. The sales and purchase operations are coordinated through one central agency, whose chief functions would be to furnish reliable market information, to develop outlets, make contacts with packers, and keep prices of the various sales units in line with true market demand and values. This does not mean that all sales would be made by the central office, but that each terminal or local sales office can make sales to local packers operating in its territory, provided its prices compare favorably with those offered by outside buyers.

This plan provides for terminal sales agencies at Los Angeles, South San Francisco, and Stockton, in charge of local managers who act as salesmen on each market. Each day the general sales manager of the central association will be advised of market conditions and sales from each of these offices, and these local managers, in turn, furnished with the latest market advice from the central office.

In addition to the terminal market sales offices, this plan proposes the establishment of several concentration feed yards to be operated under the control of the central association (fig. 25). These yards



FIGURE 25.—CATTLE FEEDING IN COMMERCIAL FEED LOTS NEAR LOS ANGELES, CALIF.

The byproducts of sugar beets and cotton, as well as surplus dried fruits, hay, and limited quantities of grain are fed to cattle in California.

should be located in areas of fairly cheap and plentiful feed supplies, near sugar factories, cottonseed mills, etc., on main line railroads where feeding and sorting-in-transit privileges could be utilized. In addition to providing facilities for dry-lot feeding it would be desirable to have available at, or near, these feed yards some irrigated pastures where stock could be held cheaply for a time.

The advantages of having such a system of feeding yards in connection with the direct and terminal sales service of the marketing association may be summarized as follows:

1. Development of local feeder markets where thin livestock could be sorted and sold to farmer feeders. Such a system would offer an opportunity for the small farmers to purchase their feeder stock, and this should tend to encourage more farm feeding. Such a condition would benefit the producer of thin feeder livestock.

2. Fat stock could be sold to local interior packers as well as to those located on terminal markets.
3. The sales agency has an opportunity to divert livestock to several markets or direct to different packers.
4. Range producers are offered an opportunity to "finish out" their own thin stock at these local feed yards, or at least to hold them back temporarily at a time of glutted markets.
5. Feeding yards offer a means of controlling the flow of livestock to market.

This system of concentration feed yards, together with a combination of terminal and direct-sales agencies, under the supervision of a central marketing association, offers considerable advantages in its coordination of sales, its influence on orderly marketing and in its development of feeding operations by farmer-feeders, rather than by a few large packers or commercial feeders.

Furthermore, it should be possible to coordinate field and promotional work under such a set-up. Managers of both terminal and local feed yards should also act as field representatives and build up local support in their territories.

#### ORGANIZATION AND MEMBERSHIP PROBLEMS

Livestock cooperatives operating in the range territory are confronted with numerous problems which do not occur in the Middle West or East. Sparse population, long distances between ranches, and few central meeting points, make it difficult to hold meetings.

In addition to these physical obstacles, the individualistic character of western stockmen, the lack of common understanding between large-range operators and small farmers, and some ill-feeling between sheep and cattle producers have all been real hindrances to the growth of cooperative effort.

However, a cooperative in this area does not need a large number of individual members in order to develop a substantial volume of business, because of the size of individual operations. Furthermore, the construction of good roads, the increased use of the automobile and truck, the improved methods of communication by means of the radio, telephone, and mail, have materially reduced some of these former obstacles.

#### *Field Work and Educational Methods*

Reports from western cooperatives indicate that by far the most common method of doing field work is that of "individual solicitation", similar to that used by all private "old-line" commission companies. While it is conceded that such a system is expensive, most associations feel that this is the best means of obtaining business. This work is carried on by the associations' salesmen as well as by regular field solicitors.

A few of the associations follow the practice of holding a limited number of educational meetings and having a representative attend some of the annual cattle and sheep growers' meetings each year.

Until recently, however, little effort was made by most of the range cooperatives to develop local associations or to build up local interest and leadership by means of educational meetings.

Only one association reported the use of the radio in any form and this association used it for only a limited time each season, during the marketing of fed lambs from a restricted area. From the standpoint of effectiveness, the radio offers the best means of reaching large numbers of producers scattered over a wide area. A radio program giving producers timely and reliable market information, as well as facts pertaining to the cooperative and its method of doing business, is a valuable asset to any association.

Some cooperatives still make use of market cards and market letters while others have discontinued their use except for limited mailing purposes. Market letters, which contained short interesting facts concerning the association's growth and accomplishments, accounts of actual sales, with a description of the livestock, and a brief account of the market were reported to be the most valuable as business getters. Other associations make use of market newspapers and agricultural and livestock journals for advertising purposes.

A combination of several of these forms of publicity and educational work, such as is used by some of the midwestern cooperative agencies, would appear to be the most effective. For example, the radio might be used for special market information broadcasts and for a limited amount of general cooperative educational material. A radio program might also include information about other commodity cooperatives, such as the wool-marketing associations, together with information concerning related farm or livestock organizations. Speeches or articles prepared by specialists from the agricultural colleges on timely subjects of interest to stockmen are also of value. Interesting material might also be obtained from the research department of the association, from the Department of Agriculture, or from agricultural colleges on prospective market conditions. The association could also use the radio for special announcements as to the time and place of future meetings to be held throughout the territory, and to advise prospective feeders of special plans for the purchase or sale of feeder stock.

Some cooperatives find the use of a special house organ which goes to their members each week or month to be of value. Others publish a summary of the market, and a market prospectus in the county newspapers each week.

Regardless of the type of publicity or educational work carried on, one of the most effective means of increasing membership and volume



is to establish strong local or regional associations and develop keymen as local leaders through which it can keep its membership informed and interested.

Western cooperatives have made only limited use of the extension service, county agents, and vocational teachers in much of this western territory. A closer working relationship between the cooperative associations and these educational agencies, as well as with general farm organizations and cooperatives marketing other commodities should be helpful. In other words, the cooperatives should make use of all avenues through which interest in their programs can be developed among stockmen and farmers.

### *Membership and Marketing Agreements*

Requirements for membership vary considerably. Some associations require that each member also be a member of a recognized farm or livestock organization. Others simply require that a member be a bona-fide producer of livestock, while others require the member to purchase a share or shares of stock and sign a marketing agreement.

Very few of the associations operating in the West require any type of marketing agreement of their members. A few associations use a very liberal and elastic agreement. At the time they were organized, several of these associations made an attempt to tie up their members on a more or less rigid marketing agreement, but most of them have now abandoned this practice.

The chief reasons given for the elimination of marketing agreements were that it was too costly to sign up members in this way; that stockmen, while willing to support the association with part of their business, usually would not agree to tie up all their volume, especially that sold locally or direct in the country. Most of the associations feel that their membership must be built up and held on the basis of service rendered rather than under a rigid contract.

Too frequently, the member, rather than sell through his cooperative, uses it simply as a source of information and a means of getting bids which he uses in making a better deal with a competitor. Where too many members follow such a practice, the association's volume and revenue may be seriously affected. To avoid losses from such causes a few associations use an elastic type of marketing agreement, such as that of the Producers Livestock Marketing Association of Salt Lake, which appears in appendix B. Under the terms of this agreement, the member may sell his livestock at home, direct to a packer or local buyer, or he may have it sold by the association—either direct or at a terminal market. When he sells at home, the member pays his association a small maintenance fee for the marketing information service and bids furnished him by the association.

When he sells his livestock through his cooperative, he pays the regularly established commission.

An elastic and liberal contract has an additional advantage, especially during the early stages of a cooperative's development, in that it puts the member under a moral obligation to his association. This is particularly true in areas where direct-marketing is carried on extensively.

### *Selection of Directors*

The manner of electing directors varies considerably with the different associations. In three associations, directors are elected by the members or stockholders at the annual meeting, on a district basis; in others the directors are elected by the members, irrespective of districts. In some associations general farm organizations select the directors. The length of a director's term varies from 1 to 3 years. Most of these associations report that only a very limited number of members or stockholders attend the annual meetings, much of the voting being done by proxy. This tends to leave the control of the association in the hands of a relatively small group, a condition which is not desirable from a cooperative standpoint.

It would seem more feasible in all instances to district the territory and to elect directors by districts. If district meetings of members and stockholders were held prior to the annual meeting a larger proportion of the members could be reached and, at these meetings, delegates could be elected to represent the district at the annual meeting. Also, at these district meetings the director from that district could be nominated. Such meetings offer an opportunity for the association to inform the members of the year's operations, and to discuss with them problems and methods of operation. This type of educational and informational meeting keeps the member informed and interested in his association, and makes him feel that he has a voice in the control of his own cooperative.

### OPERATING PROBLEMS

While in many respects the same problems of operation confront all livestock cooperatives, yet associations operating in the western range territory have some problems peculiar to themselves.

### *Seasonal Character of Receipts*

One of the most outstanding and most difficult problems with which cooperatives must cope is that of the widely varying volume of receipts, a condition caused by the seasonal character of marketing in much of this area (see figs. 10 and 11). An analysis of the distribution of the yearly receipts for the 3-year period, 1931-33, of a typical western association shows that 73 percent of its cattle business for the entire year was received from September through December,

while 79 percent of its sheep and lamb receipts came during the three fall months, September through November. In order to provide adequate facilities for handling this peak movement, the cooperative is forced to employ a personnel considerably larger than it needs during the remainder of the year.

### *High Costs Due to Fluctuating Volume*

The associations that are required to maintain sufficient trained personnel to carry the peak loads, find themselves overmanned during a large portion of the year, and carrying a resulting heavy overhead expense.

A comparison of the highly seasonal character of the volume and the wide difference in handling cost per deck of livestock handled by two western associations, with the volume and costs of that handled by two typical Corn Belt associations, is shown in figure 26. In the case of the Corn Belt agencies, the volume was evenly distributed throughout the year, and the handling cost per deck showed only slight variations from month to month, while the volume handled by the western associations fluctuated greatly and the cost per deck showed a correspondingly wide variation. The data show that as volume increases cost per deck decreases.

### *Competition Faced by Western Cooperatives*

Associations operating in the West are faced with several different types of competition, the most important of which are direct buying-and-feeding activities of packers and operations of private traders and commission firms.

In much of this area, producers favor direct sales to packer buyers, especially of cattle and lambs going to the west coast. This is partly because west coast markets can easily be oversupplied with stock, temporarily, in which case the producer feels that he is at the mercy of the buyers.

Much of the direct buying for California and other west coast trade is done by independent packers. While several of the large packers maintain plants on the Pacific coast, probably in no section of the United States do the large packers experience as active competition as west of the Continental Divide. This competition is more pronounced in cattle than in lambs which still move in large volume to the midwestern and eastern markets.

In addition to the practice of buying for immediate slaughter, several of the packers operate large commercial feed lots in the West where they feed thousands of cattle and lambs which they have purchased direct from the producers, along with the finished livestock.

Another type of competition which the cooperative faces is that of speculators and commission firms who buy outright or contract for thousands of lambs and cattle each year. It was generally admitted

that a high percentage of the receipts of private commission firms operating on several of the west coast markets consists of livestock bought by themselves, or by local speculators whom they financed.

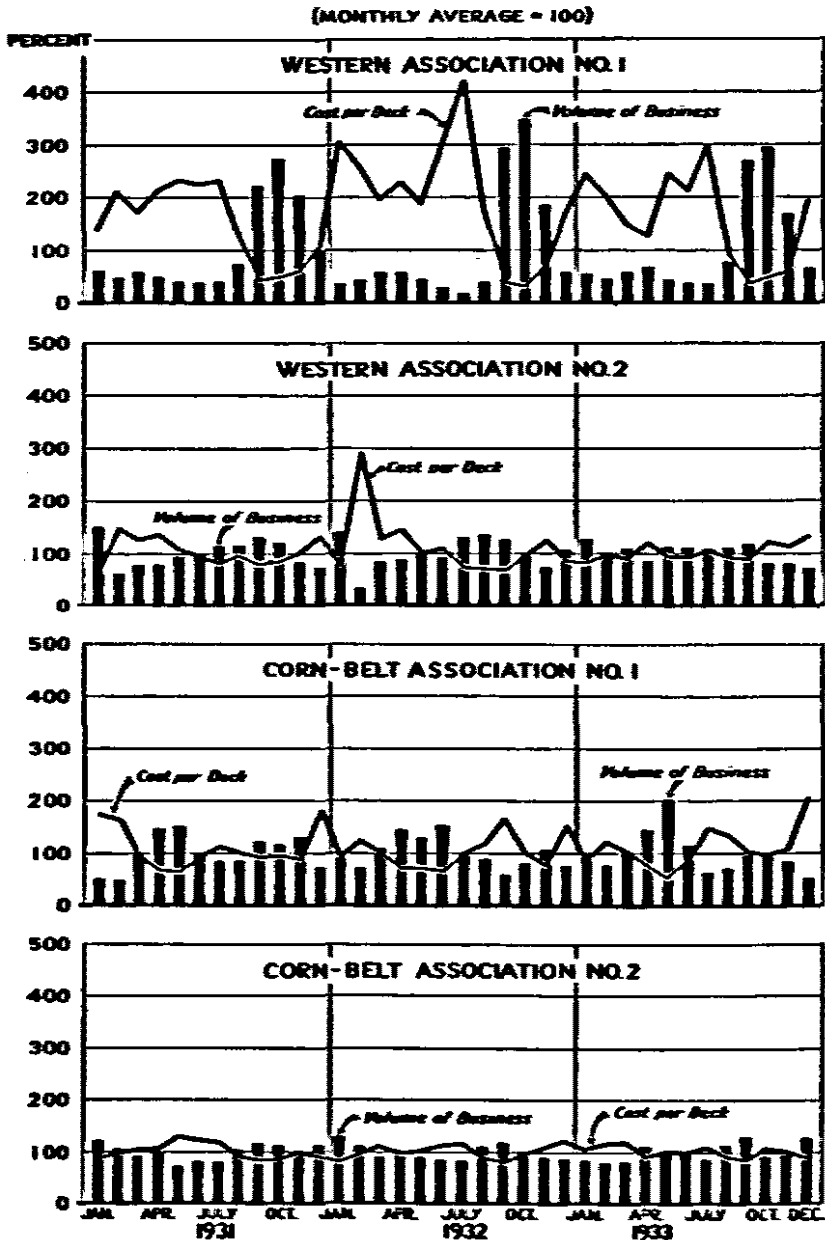


FIGURE 26.—VOLUME OF BUSINESS HANDLED AND OPERATING EXPENSES PER DECK BY MONTHS FOR FOUR TERMINAL COOPERATIVE LIVESTOCK MARKETING ASSOCIATIONS, 1931-1933.

Volume of business handled bears a direct relation to the operating expenses per deck.

In order to meet this direct buying on the part of packers, speculators, and private commission firms, several cooperatives, especially those serving the west coast, have established direct-to-packer marketing service. The cooperative, with trained salesmen and with accurate current market information, together with reliable outlets both to eastern and western packers and to public markets, should be in a position to market livestock to better advantage than the individual producer.

## COOPERATIVE FINANCING OF LIVESTOCK IN RANGE TERRITORY

**W**HILE several attempts had been made to establish cooperative livestock credit institutions in the western range territory, following the organization of the Federal intermediate credit banks under the provisions of the Agricultural Credits Act of 1923 (42 Stat. 1461), very little headway was made until 1930, because of a lack of original capital necessary to organize and capitalize such credit associations.

### CREDIT INSTITUTIONS ORGANIZED BY COOPERATIVE LIVESTOCK MARKETING ASSOCIATIONS

Three of the midwestern cooperatives had, as early as 1924, organized livestock credit corporations, which rediscounted their livestock loans with Federal intermediate credit banks. These credit corporations confined their loan activities almost entirely to the Corn Belt, and it was not until the organization of the National Live Stock Marketing Association in 1930 that a cooperative credit structure affiliated with cooperative marketing was established in the range territory. This national association, which was organized by 15 large-scale cooperative marketing associations, located largely in the Corn Belt and in the East, incorporated as a part of its operating program a subsidiary finance unit, known as the National Feeder and Finance Corporation.

One of the functions of the National Feeder and Finance Corporation was to assist regional livestock cooperatives, especially those in the western range territory, to establish cooperative credit corporations. The National Live Stock Marketing Association invested a substantial amount of funds in the National Feeder and Finance Corporation which, in turn, purchased the common or voting stock in six regional livestock credit corporations. This represented approximately 80 percent of the capital investment of the corporations, the remaining 20 percent of the preferred stock having been supplied by local and regional cooperative marketing associations and by individual ranchmen and farmers. That portion of the capital furnished by the National Feeder and Finance Corporation was in-

TABLE 23.—INFORMATION CONCERNING 5 COOPERATIVE CREDIT CORPORATIONS SERVING THE WESTERN RANGE STATES AND OWNED BY COOPERATIVE MARKETING ASSOCIATIONS

Name of association	Headquarters	Year organized	Owned and operated by—	Territory served
Intermountain Live Stock Credit Corporation.	Denver, Colo.	1931	National Live Stock Marketing Association in conjunction with Intermountain Live Stock Marketing Association.	Colorado, southern Wyoming, New Mexico, western Nebraska, western Kansas.
National Finance Credit Corporation of Texas.	Fort Worth, Tex.	1931	National Live Stock Marketing Association in conjunction with Texas Live Stock Marketing Association.	Texas.
National Live Stock Credit Corporation of Oklahoma.	Oklahoma City, Okla.	1932	National Live Stock Marketing Association in conjunction with Oklahoma Live Stock Marketing Association.	Oklahoma, eastern New Mexico, and northern Texas.
Tri-State Live Stock Credit Corporation.	San Francisco, Calif.	1931	National Live Stock Marketing Association in conjunction with Pacific States Live Stock Marketing Association.	California, western Nevada, southern Oregon, and Arizona.
Wasatch Livestock Loan Co. <sup>1</sup>	Salt Lake City, Utah.	1930	National Live Stock Marketing Association in conjunction with Producers Live Stock Marketing Association of Salt Lake City, Utah.	Utah, western Colorado, eastern Nevada.

<sup>1</sup> This corporation was organized in 1925, but reorganized as a part of the national credit set-up in 1930.

vested largely in United States Government securities and Federal land bank bonds which were then pledged to the various Federal intermediate credit banks as security for all loans made to, or notes discounted for, the credit corporations by the banks. This gave these credit corporations a borrowing and rediscounting privilege equal to several times the amount of their paid-in and unimpaired capital and surplus. Funds invested in the National Feeder and Finance Corporation were obtained by the National Live Stock Marketing Association largely through borrowings from the Federal Farm Board, organized under the Agricultural Marketing Act of 1929.

The six credit corporations established under this arrangement were the following:

Intermountain Livestock Credit Corporation of Denver, Denver, Colo.

National Finance Credit Corporation of Texas, Fort Worth, Tex.

National Livestock Credit Corporation of Oklahoma, Oklahoma City, Okla.

Tri-State Livestock Credit Corporation of California, San Francisco, Calif.

Wasatch Livestock Loan Co., Salt Lake City, Utah.

National Live Stock Credit Corporation of St. Louis, Chicago, Ill.<sup>7</sup>

With the exception of the Wasatch Livestock Loan Co. and the National Live Stock Credit Corporation of St. Louis, both of which had been in operation for a number of years, these corporations were established in 1931 and 1932. The two older loan companies, when taken over, were reorganized on a basis similar to that of the new corporations. Location, date of organization, and territory served by the five western corporations serving the range territory, appear in table 23.

These five credit corporations at December 31, 1935 had a total paid-in capital of \$2,371,825. Loans including renewals for 1935 were \$34,802,786 while the total loans made by these corporations for the period from 1930 to 1935, inclusive, were \$112,822,724.

In addition to the credit corporations discussed above, several of the Corn Belt and eastern cooperatives organized credit associations in conjunction with their marketing operations.

Among the first of these credit associations were the Farmers Union Credit Association, formed by the Farmers Union Livestock Commission of St. Joseph, Mo., and the Producers Livestock Credit Corporation of St. Louis, organized jointly by the Chicago Producers Commission Association of Chicago and the Producers Livestock Commission Association of East St. Louis. Both of these credit corporations were organized in 1924. The original capital of these credit corporations was supplied from surplus earnings of the marketing associations.

<sup>7</sup> This corporation operates largely in the Corn Belt territory.

TABLE 24.—INFORMATION CONCERNING 8 COOPERATIVE CREDIT CORPORATIONS SERVING THE CORN BELT STATES AND OWNED AND OPERATED BY COOPERATIVE MARKETING ASSOCIATIONS

Name of association	Headquarters	Year organized	Owned and operated by—	Territory served
National Live Stock Credit Corporation of St. Louis. <sup>1</sup>	Chicago, Ill.	1924	National Live Stock Marketing Association in conjunction with 10 producers' marketing agencies located in Corn Belt feeding areas.	Corn Belt States of Iowa, Illinois, Indiana, Ohio, Missouri, eastern Kansas, eastern Nebraska, eastern South Dakota, Kentucky, southern Minnesota, Wisconsin, and Michigan.
Central Live Stock Loan Co.	St. Paul, Minn.	1928	Central Cooperative Association.	Minnesota, South Dakota, North Dakota, and Wisconsin feeding districts.
Farmers Union Live Stock Commission Credit Co.	Omaha, Nebr.	1926	Farmers Union Live Stock Commission.	Eastern Nebraska, western Iowa feeding districts tributary to Omaha.
Farmers Union Credit Association.	St. Joseph, Mo.	1924	Farmers Union Live Stock Commission.	Missouri, Kansas, and Nebraska feeding areas tributary to St. Joseph.
Farmers Union Live Stock Credit Association.	Sioux City, Iowa.	1931	Farmers Union Live Stock Commission.	Eastern Nebraska, northwestern Iowa, and southeastern South Dakota.
Farmers Union Agricultural Credit Corporation.	Sioux Falls, S. Dak.	1931	Farmers Union Live Stock Commission.	Eastern South Dakota, western Minnesota, northwestern Iowa.
Producers Live Stock Credit Association.	Columbus, Ohio.	1932	Producers Commission Association of Columbus, Cleveland, Pittsburgh, and Buffalo.	Ohio, western Pennsylvania, western New York, and West Virginia.
Producers Agricultural Credit Association.	Indianapolis, Ind.	1930	Producers Commission Association of Indianapolis.	Indiana and Illinois.

<sup>1</sup> This credit corporation was first established in 1924 and reorganized in 1930 as the Producers Livestock Credit Corporation of St. Louis.



In 1935 eight credit corporations owned by midwestern and eastern livestock marketing associations were in operation. The names, location, date of organization, and territory served by these eight corporations are shown in table 24.

These eight credit associations reported on December 31, 1935, a total paid-in capital of \$717,400. Loans, including renewals for the year 1935, totaled \$6,878,637, while total loans made from date of organization through 1935 were \$26,931,867.

### *Operating Methods of Livestock Credit Corporations*

The operating methods employed by most of the livestock credit corporations are similar so that the description which follows applies, in a general way, to all of them.

*Types of loans.*—Loans are made on cattle and sheep for grazing and feeding purposes.

*Applications for loans.*—The prospective borrower makes application for a loan, furnishes a financial statement, and the corporation, after an examination of his collateral, determines whether credit will be granted and for what amount.

*Maturity.*—The period for which these loans are made depends mostly upon the need and purpose. All loans are limited to 12 months, but may be extended upon examination and reinspection at maturity, provided the collateral is sufficient to warrant their extension, and all other conditions surrounding the loans are satisfactory.

*Security.*—A chattel mortgage is taken upon the borrower's livestock and feed, so as to insure the corporation against loss. Mortgages also include increase as well as wool and mohair on sheep and goats.

*Rediscounts with Federal intermediate credit banks.*—Practically all loans are offered for discount to the Federal intermediate credit bank serving the district in which the credit corporation is located. The amount of paper which a Federal intermediate credit bank will carry under the indorsement of a credit corporation depends upon a number of factors, including the amount of the corporation's unimpaired capital, the manner in which such capital is invested, the amount of good additional collateral pledged with the bank, the character of the corporation's management and its operating policies. The ratio of discounts to paid-in capital usually ranges between 3 to 1 and 8 to 1. Under the law governing the credit banks no paper may be discounted for, and no loans may be made to, any agricultural credit corporation if the resulting total liabilities of such corporation will exceed 10 times its paid-in and unimpaired capital and surplus. These credit corporations have invested most of their capital in United States Government obligations or other liquid securities, which have been deposited with the Federal intermediate credit banks as additional collateral.

*Rate of interest.*—The interest rate charged the borrower by the corporation on paper rediscounted with any Federal intermediate credit bank is limited by regulations of the Farm Credit Administration to a maximum of 3 percent per annum over the prevailing loan and discount rate of the Federal intermediate credit bank. Interest rates vary from time to time, depending upon the rates at which the intermediate credit bank sells its debentures to the investing public.

### *Other Types of Credit Service by Cooperatives*

In addition to the credit available through the credit corporations for grazing and feeding purposes, several of the cooperative marketing associations have funds available to make the following types of loans:

1. Part payment advances on stocker and feeder cattle or sheep which are purchased for future delivery.
2. Freight advances:
  - (a) Advances for payment of freight on the movement of livestock under "breeder-feeder" contracts. Such a system greatly facilitates the handling of a large volume of lambs and cattle during seasons when the "breeder-feeder" contract type of operation is used.
  - (b) Advances for payment of freight on normal movement of livestock from range to pasture areas, such as the movement of Texas grass cattle to the Flint Hills pasture section of Kansas or the Osage country of Oklahoma.
3. Advances for the purchase of stocker and feeder animals. In this case the association purchases stocker and feeder cattle and sheep from the grower. Usually, the association endeavors to secure orders from its patrons for certain classes and grades of feeder stock in carload lots, prior to the time the purchases are made. Where this is not done, the cooperative is placed in a speculative position.

In buying livestock direct from the range, however, it is frequently impossible to sort out a part of the grower's herd as he wishes to sell the entire crop of cattle or lambs at one transaction. For that reason it is necessary for the purchasing agency to be in a position to buy the livestock and sort them into uniform lots, according to various feeder or packer requirements. Such a practice is followed by several of the Corn Belt associations in filling orders for their members and patrons during periods when feeder stock of the right kinds is difficult to obtain.

### *Effect of Credit Service Upon Volume*

With few exceptions, cooperative livestock marketing associations feel that credit service is one of their most valuable assets in maintaining volume of business. Some western range associations estimated

that fully 25 to 30 percent of their business was directly or indirectly obtained through their loan service, while several Corn Belt associations estimated it was responsible for 10 to 15 percent of their volume. It is a well-known fact that some of the strongest and best-known private commission companies have been those which were able to supply credit facilities to their range and feeding patrons, and it is evident that cooperative marketing of livestock in the western range States made slow progress until cooperatives furnished a credit service in conjunction with their marketing operations.

### *Sound Policies Protect Both Lender and Borrower*

These credit corporations operated during one of the most trying periods in livestock financing history, from 1929 to 1934. Average values of cattle on farms and ranches in 11 western States declined from \$53.72 per head in 1930 to \$17.30 per head in 1934. Sheep values dropped from \$9.13 to \$4.01 per head during the same period.<sup>8</sup> In addition to this drastic shrinkage in livestock values, severe droughts occurred throughout most of this territory from 1931 to 1934.

While the operation of cooperative credit corporations, on the whole, has been successful, it should be recognized that during periods of relatively high livestock prices there is always a danger of lending too liberally. One has only to look back over the years, and note the failures of scores of private banks and loan companies, to be convinced of this fact. For that reason, it behooves the management of all cooperative lending institutions to appraise their loans carefully and, during periods of high prices, to influence their borrowers to reduce their obligations as much as possible through liquidation. By following such a program the corporation protects its own interests as well as those of its borrowers by maintaining both in a sound position. Likewise, during periods of unduly depressed values, credit corporations can be of great service in extending loans on a reasonable basis rather than forcing liquidation on already demoralized markets.

### CREDIT FACILITIES ESTABLISHED BY THE FEDERAL GOVERNMENT

Because of the extreme shortage of livestock credit in 1931 and 1932, the Federal Government came to the aid of banks and stockmen in much of the range territory. This was done through the establishment of regional agricultural credit corporations by the Reconstruction Finance Corporation in 1932. These corporations were placed under the direction of the Farm Credit Administration in May 1933. They were entirely Government owned and operated, made direct loans to farmers and stockmen, and helped to save many operators from bankruptcy. Many of these loans were later rediscounted with the Federal intermediate credit banks.

<sup>8</sup> Compiled from figures in U. S. Department of Agriculture Yearbooks, 1932 and 1934.

These corporations, however, were established only to meet the existing emergency. Following the passage of the Farm Credit Act of 1933 (48 Stat. 257), a new and more permanent system of cooperative production and marketing credit was established.

By Executive order of the President, effective May 27, 1933, the Farm Credit Administration was created, in which were combined the various existing Federal agencies dealing with the credit needs of agriculture. Of these activities, two were already firmly established, the Federal land banks and the Federal intermediate credit banks. The Farm Credit Act of 1933 provided for the establishment of banks for cooperatives and for production credit corporations and associations, to round out the type of permanent financial facilities available through the Farm Credit Administration.

Federal land banks make long-time loans upon first mortgages on farm and ranch lands.

Banks for cooperatives make loans to farmers' cooperative marketing, purchasing, and farm business service associations as follows:

1. *Operating loans* (other than on the security of commodities) are made to provide working capital or revolving funds to finance current operations or to pay expenses pending collection from sales or receipt of a commodity loan. They may be used to promote "effective merchandising of agricultural commodities and food products thereof" or they may be used for any other proper operating purpose.
2. *Facility loans* are available for the purposes of buying, building, or leasing physical property required by cooperatives for the operation of their business or for the purpose of refinancing the cost of buying, leasing, or building the facilities.
3. *Commodity loans* are made available to cooperative associations for the purpose of enabling them to make advances to their grower-members on commodities delivered to the associations and to pay the costs of marketing such commodities. Loans to cooperative purchasing associations are made principally for the purpose of assisting them in carrying their necessary inventories.

Federal intermediate credit banks discount paper for financing institutions, such as production credit associations, banks, livestock loan companies, and agricultural credit corporations, which make loans for agricultural and livestock production. They are authorized, also, to make loans to cooperative associations composed of persons engaged in producing agricultural commodities. Such loans, ordinarily, are secured by warehouse receipts or shipping documents covering commodities delivered to the associations by their members, although other collateral may be accepted when approved by the Governor of the Farm Credit Administration. Since the passage of

the Farm Credit Act of 1935, loans of the character formerly made to cooperative associations by the Federal intermediate credit banks are made largely by the banks for cooperatives. They are not authorized to make loans to individual farmers or stockmen.

Production credit corporations assist in the organization of local production credit associations, provide part of the initial capital of these local associations and supervise their operations. These local associations provide short-term credit to farmers and stockmen for all general agricultural purposes.

#### *Production Credit Associations*

Production credit associations in the western range territory may be grouped generally in two classes, namely, State-wide or regional associations engaged in making only large-scale livestock loans, and smaller local associations, which handle all types of production loans, including smaller livestock loans.

Figure 27 shows the location of the 555 production credit associations operating in the United States in 1935. Of this number, 178 were located in the 17 western States.

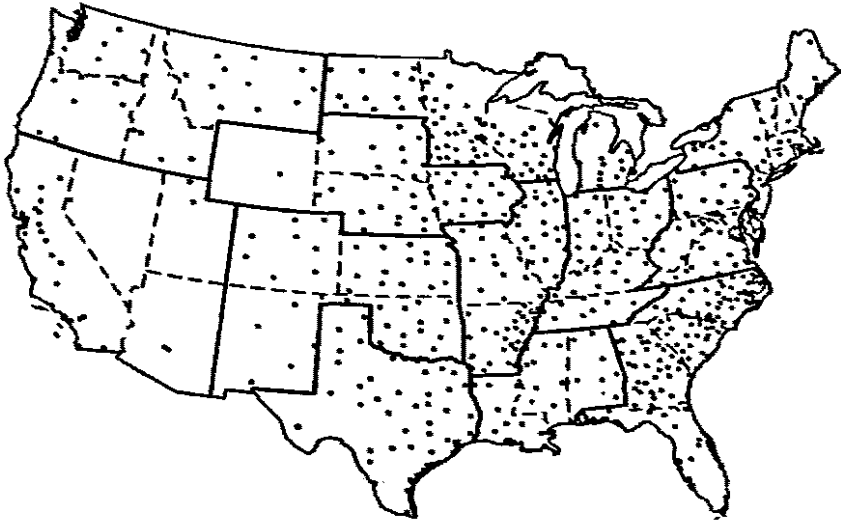


FIGURE 27.—PRODUCTION CREDIT ASSOCIATIONS

There were 555 local and regional production credit associations in the United States in 1935, 178 of which were located in 17 western States. These associations, composed of farmers and ranchmen, make loans for the production of crops and livestock and for other general agricultural purposes.

Each local production credit association is a cooperative organization of farmer-borrowers, established for the purpose of making available seasonal and short-term credit to farmers and stockmen for all general agricultural purposes.

*Initial capitalization.*—The initial paid-in capital of each local association was provided by a production credit corporation, 1 of which is located in each of the 12 farm credit districts. The production credit corporations were established and their original capital supplied by the Farm Credit Administration. Only class A stock of a local production credit association may be purchased by a production credit corporation. This stock is nonvoting and is preferred as to assets in case of liquidation, but not as to dividends. The farmer-borrower is required to own, at the time of borrowing, class B stock of the association on the basis of \$5 worth of stock for every \$100, or fraction thereof, of the amount he borrows. This entitles him to one vote in the management of the association's affairs, including the election of directors.

*Source of loan funds.*—Each production credit association obtains its loan funds largely by rediscounting borrowers' notes with the Federal intermediate credit bank of the district. Practically all of the capital of these associations is invested in United States Government obligations or other prime securities, the greater part of which is pledged with the Federal intermediate credit banks as additional security for paper discounted by the banks for the associations.

*Security.*—Loans made are offered for rediscount only to the Federal intermediate credit bank in the district. Primary security consists of first liens on livestock, crops, and other personal property. Loans also may be made on the security of negotiable warehouse receipts covering farm products in storage.

*Maturity.*—Loans are made for periods ordinarily not exceeding 12 months, but with certain types of loans, such as production loans on livestock, a renewal of the unpaid balance may be made for a further period if the security and other conditions surrounding the loan remain satisfactory.

*Interest rates.*—Rates of interest charged borrowers vary with the discount rate of the Federal intermediate credit bank. Under existing regulations the rate charged the borrower may not be more than 3 percent above that charged the production credit association by the bank.

## RELATIONSHIP OF COOPERATIVE CREDIT TO COOPERATIVE MARKETING

Each of the above-described sources of cooperative credit, whether furnished directly by the stockman's own marketing association, through a credit corporation controlled by the association, or through his local production credit association, offers several advantages to the stockman or farmer. For example, loans may be arranged on a basis better adapted to the borrower's requirements, and the general

attitude of these lending agencies is favorable to cooperative development. Such a credit system is a distinct aid to cooperative marketing.

Not only can marketing associations benefit from cooperation with production credit associations but, at the same time, these marketing agencies can be of real assistance to the local credit associations. Many of the Corn Belt and western marketing associations work closely with local production credit associations in providing a purchasing service of feeder cattle and lambs for the borrowers, as well as reliable marketing outlets for both their thin and finished stock. The production credit association benefits by having its borrowers served efficiently and economically and also is protected in knowing that when the livestock is sold, the proceeds will be applied on the loans through the cooperative.

Furthermore, a cooperative marketing association is usually in a position to supply a local production credit association with reliable information as to market trends and values. The two organizations working together should be in a position to help stabilize the livestock industry through an intelligent financing and orderly marketing program.

## MIDWESTERN COOPERATIVES HANDLING RANGE LIVESTOCK

**T**HOUSANDS of head of cattle and sheep from the western range States are marketed at Missouri River and midwestern markets as far east as Chicago. In fact, for years these points have been considered the logical outlets for much of the range livestock. Recently, however, an increasing volume of feeder lambs and cattle has been marketed direct from the ranch to feed lot, and buying of fat stock by packers has also increased materially.<sup>9</sup> Nevertheless, these midwestern market centers are still of importance in the marketing of range livestock as indicated by tables 25 and 26 and by figures 28 and 29, which show the volume of sheep and cattle shipments from 17 Western States received at each of the principal livestock markets for the years 1930 to 1933.

The results of a study of 19 terminal cooperative agencies operating on 9 midwestern markets and of 1 direct marketing agency, operating largely a feeder cattle and lamb purchasing service in the Corn Belt, are included in this bulletin.

<sup>9</sup> Livestock cooperatives in Indiana and Ohio have also purchased an increased volume of cattle and lambs direct from western range areas in recent years.

TABLE 25.—CATTLE AND CALVES FROM 17 WESTERN STATES RECEIVED AT PRINCIPAL MARKETS, 1930-1933

Market	1930		1931		1932		1933	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total
	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Percent</i>
Kansas City.....	1, 894, 100	21. 25	1, 712, 897	20. 45	1, 589, 082	22. 38	1, 427, 661	19. 43
Omaha.....	1, 338, 188	15. 01	1, 421, 216	16. 96	1, 167, 885	16. 45	1, 209, 507	16. 46
Fort Worth.....	948, 761	10. 64	738, 370	8. 81	643, 733	9. 06	618, 162	8. 41
Denver.....	591, 512	6. 64	508, 657	6. 01	424, 242	5. 97	417, 924	5. 69
Sioux City.....	543, 271	6. 09	538, 339	6. 43	320, 584	4. 51	510, 212	6. 94
St. Joseph.....	382, 806	4. 29	330, 879	3. 95	257, 628	3. 63	274, 057	3. 73
St. Paul.....	380, 675	4. 27	399, 974	4. 77	281, 037	3. 96	348, 835	4. 75
Oklahoma City.....	357, 484	4. 01	280, 257	3. 35	289, 130	4. 07	319, 282	4. 35
Wichita.....	354, 820	3. 98	301, 479	3. 60	249, 722	3. 52	256, 514	3. 49
Chicago.....	321, 971	3. 61	463, 732	5. 54	284, 354	4. 00	360, 454	4. 91
Los Angeles.....	275, 623	3. 09	315, 524	3. 77	300, 167	4. 23	297, 290	4. 05
St. Louis.....	263, 705	2. 96	291, 577	3. 48	180, 144	2. 54	124, 739	1. 70
Portland.....	129, 253	1. 45	126, 440	1. 51	107, 960	1. 52	111, 440	1. 52
Ogden.....	118, 056	1. 32	104, 692	1. 25	75, 950	1. 07	96, 572	1. 31
San Francisco.....	99, 049	1. 11	91, 051	1. 09	77, 507	1. 09	90, 601	1. 23
Sioux Falls.....	72, 692	. 82	112, 707	1. 35	67, 663	. 95	116, 625	1. 59
Salt Lake City.....	66, 332	. 74	59, 586	. 71	52, 851	. 74	66, 167	. 90
New Orleans.....	36, 370	. 41	10, 361	. 12	57, 229	. 81	51, 698	. 70
Spokane.....	29, 557	. 33	45, 185	. 54	37, 467	. 53	57, 635	. 78
Seattle.....	28, 572	. 32	34, 618	. 41	33, 472	. 47	32, 210	. 44
Other markets.....	681, 309	7. 66	495, 427	5. 90	603, 624	8. 50	559, 045	7. 62
Total to stockyards.....	8, 914, 106	100. 00	8, 377, 968	100. 00	7, 101, 431	100. 00	7, 346, 630	100. 00

Compiled from data obtained from U. S. Department of Agriculture, Bureau of Agricultural Economics.



TABLE 26.—SHEEP AND LAMBS FROM 17 WESTERN STATES RECEIVED AT PRINCIPAL MARKETS, 1930-1933

Market	1930		1931		1932		1933	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total
	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Percent</i>
Omaha.....	3, 250, 621	19. 62	3, 335, 248	17. 47	2, 234, 241	13. 61	2, 002, 357	12. 85
Denver.....	2, 059, 372	12. 43	2, 476, 599	12. 98	2, 833, 821	17. 26	2, 893, 612	18. 56
Ogden.....	1, 958, 680	11. 82	2, 468, 491	12. 93	2, 039, 266	12. 42	2, 055, 113	13. 18
Kansas City.....	1, 806, 486	10. 90	2, 055, 824	10. 77	1, 640, 343	9. 99	1, 476, 705	9. 47
Chicago.....	1, 661, 273	10. 03	2, 005, 967	10. 51	1, 382, 261	8. 42	1, 459, 326	9. 36
St. Joseph.....	1, 245, 728	7. 52	1, 166, 440	6. 11	1, 011, 164	6. 16	900, 886	5. 78
Sioux City.....	932, 848	5. 63	997, 908	5. 23	562, 084	3. 42	602, 173	3. 86
St. Paul.....	923, 249	5. 57	1, 148, 622	6. 02	1, 003, 671	6. 11	1, 008, 834	6. 47
Salt Lake City.....	585, 179	3. 53	664, 158	3. 48	528, 699	3. 22	533, 689	3. 42
Fort Worth.....	425, 169	2. 57	845, 114	4. 43	1, 103, 573	6. 72	690, 869	4. 43
San Francisco.....	298, 909	1. 80	369, 288	1. 93	331, 784	2. 02	292, 992	1. 88
Los Angeles.....	181, 205	1. 09	232, 453	1. 22	195, 831	1. 19	139, 445	. 89
Portland.....	177, 299	1. 07	236, 454	1. 24	205, 570	1. 25	188, 210	1. 21
St. Louis.....	134, 533	. 81	172, 220	. 90	173, 014	1. 05	177, 653	1. 14
Wichita.....	111, 180	. 67	103, 721	. 54	118, 375	. 72	149, 061	. 96
Seattle.....	53, 968	. 33	58, 874	. 31	50, 777	. 31	61, 463	. 39
Oklahoma City.....	50, 021	. 30	88, 426	. 46	166, 054	1. 01	98, 051	. 63
Spokane.....	29, 132	. 18	77, 641	. 41	46, 495	. 28	70, 213	. 45
Sioux Falls.....	6, 179	. 04	22, 921	. 12	24, 186	. 15	57, 020	. 37
Other markets.....	679, 576	4. 09	560, 321	2. 94	770, 745	4. 69	730, 547	4. 70
Total to stockyards.....	16, 570, 607	100. 00	19, 086, 690	100. 00	16, 421, 954	100. 00	15, 588, 219	100. 00

Compiled from data obtained from U. S. Department of Agriculture, Bureau of Agricultural Economics.

Since most of these midwestern cooperatives have been operating continuously from 10 to 15 years, and since considerable published information on their history and development is available, this study has been restricted largely to their operations in the handling of range livestock, their methods of carrying on field work, their costs of

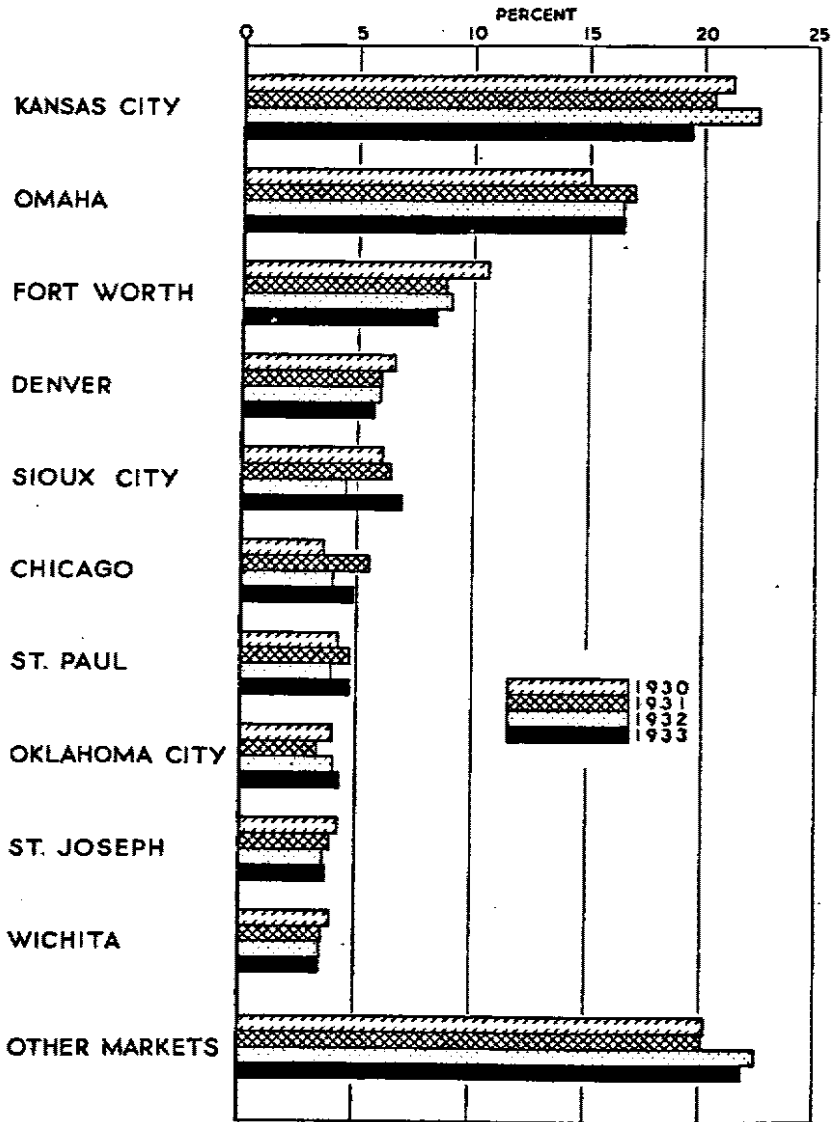


FIGURE 28.—CATTLE AND CALF RECEIPTS AT 10 PRINCIPAL MARKETS FROM 17 WESTERN RANGE STATES, 1930-1933.

Because of their location adjacent to the eastern edge of the range producing territory, such markets as Kansas City, Omaha, and Fort Worth receive the highest percentage of this volume.

operation, and their working relationship with other cooperatives operating in the range territory.<sup>10</sup>

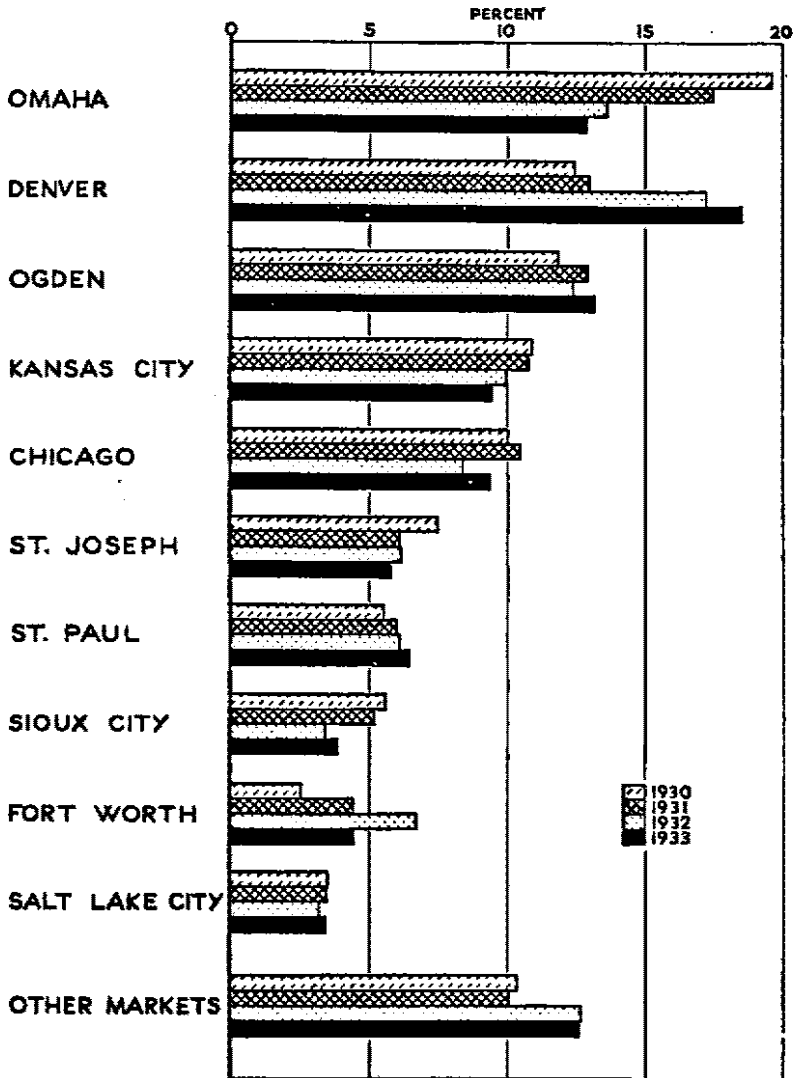


FIGURE 29.—SHEEP AND LAMB RECEIPTS AT 10 PRINCIPAL MARKETS FROM 17 WESTERN RANGE STATES, 1930-1933.

Omaha, Denver, and Ogden were the leading sheep markets during this period, the two latter showing marked increases in percentages of total receipts. It should be pointed out, however, that a sizable portion of the receipts of these two western markets is not sold locally but moves on to markets farther east.

<sup>10</sup> See Randall, C. G. COOPERATIVE MARKETING OF LIVESTOCK IN THE UNITED STATES BY TERMINAL ASSOCIATIONS. U. S. Dept. Agr. Tech. Bull. 57, 111 pp., illus. 1928 and Nourse, E. G., and Knapp, J. G. THE COOPERATIVE MARKETING OF LIVESTOCK. 486 pp., illus. 1931. (Brookings Inst. Econ. Pub.)

## FIELD METHODS USED IN RANGE TERRITORY BY MIDWESTERN COOPERATIVES

Cooperative associations reported various methods of carrying on field activities in the range territory, of which the most important were:

(1) Individual solicitation by regularly employed field representatives and salesmen; (2) cooperative field service arrangements between midwestern associations and range associations, under terms of which the range associations perform field service for the midwestern agency in the range territory; and (3) ownership of western range cooperatives by midwestern cooperatives.

Opinions differ as to the best method of carrying on field work in the western territory, but the practice followed by several of the associations at such markets as Chicago, Kansas City, St. Louis, St. Joseph, and Sioux City, of paying a field service fee for each carload of livestock originating in territory served by each western range cooperative, appears to produce satisfactory results. Under this type of operation the western association is able to develop an active field service department, which is on the ground all the year round, endeavoring to originate business, not only for itself but also for midwestern agencies.

It is believed that the local range association operating much closer to its home base and knowing where the livestock is located, is able to create this business at much less cost than an association several hundred miles distant. One weakness of such a system, however, lies in the fact that the ranchman may desire the expert opinion of a man from a certain midwestern market to inspect and appraise his stock before shipment. Some Corn Belt associations, to offset this, send their salesmen out into the range territory prior to or during the heavy movement of livestock and this salesman or representative works with the local association's fieldman.

The Farmers Union Live Stock Commission Co. at Omaha, cooperating with the Farmers Union Livestock Commission Co. at Denver, owns jointly the Farmers Union Livestock Commission at Ogden, Utah, and pays part of the cost of field service in that territory.

The Central Commission Association of St. Paul has followed the practice of maintaining several field representatives in the western range territory during the marketing season, for the purpose of soliciting business.

### OBTAINING AND FILLING ORDERS FOR FEEDER STOCK

Various methods are used by cooperative associations in the Middle West, in developing their feeder purchasing business. Before the opening of the feeder season in the fall, several of these associa-

tions hold educational meetings throughout the nearby heavy feeding districts.

At these meetings farmers are furnished with the latest and most reliable information as to the statistical position of each branch of the livestock industry, the estimated supply of feeder stock, condition of the fat-stock market, prospective feed supplies, cost of feed, current prices of feeder cattle and lambs, and prospective market for finished stock for several months in advance.

The association also endeavors to assist the feeder in determining the kind and number of livestock to purchase, taking into consideration the type and quantity of feed he has available, and assists him in working out his particular feeding problem. At these meetings, or following them, the prospective feeder patrons furnish the associations with orders as to the kind and number of stock they desire to purchase and also stipulate approximately the price they wish to pay.

Usually, in addition to the associations' representatives, someone from the agricultural extension department of one of the agricultural colleges is present to explain the most practical methods of feeding different kinds and weights of livestock, taking into consideration local conditions. Also, a representative of a local production-credit association in the territory, or of the cooperative's own credit corporation, outlines its methods of financing feeding operations.

Cooperative associations which have held these educational feeder meetings find them beneficial, both from the standpoint of rendering service to the feeder-patron and from the standpoint of increasing feeder business. Other methods used in promoting feeder business



FIGURE 30.—FEEDER ALLEY OF A COOPERATIVE COMMISSION ASSOCIATION AT SOUTH ST. PAUL, MINN. \*

During the fall run of cattle from the West, Corn Belt buyers flock to midwestern central markets to purchase feeders.

include the radio, special feeder market letters, personal solicitation by local representatives, and newspaper advertising.

The methods used chiefly by cooperatives in purchasing feeder stock for their patrons include the following:

1. *Purchases of feeders on terminal markets.*—The oldest and still the most common means of obtaining feeder stock is by purchase from central or terminal stockyard markets (fig. 30). Under this plan the association obtains an order from a feeder and endeavors to purchase the kind and weight of stock desired, at about the price which the feeder desires to pay. Sometimes the feeder is present at the time the stock is purchased; sometimes orders are filed with the association several days or weeks in advance, with the idea of purchasing stock when the kind desired arrives and can be bought at a reasonable price. On most markets feeder cattle and lambs are purchased from specialized feeder traders, although some of the larger cooperatives deal directly with the feeder-purchaser and the grower.

2. *Country direct operations.*—In recent years an increasing number of Corn Belt feeders have been buying their feeder cattle and lambs direct from the range. Rather than go to the expense of doing the work individually, however, many feeders have found it more practical to place their orders with their cooperative. In this case the Corn Belt association either sends its own buyer into the range country and buys direct from the individual ranchman or deals directly through the cooperative marketing association serving that territory. Such a practice is being followed commonly by several cooperative agencies in the Middle West and East. Under this



FIGURE 31.—SORTING LAMBS AT FEEDING-IN-TRANSIT STATIONS IN ILLINOIS ON THEIR WAY TO MARKET.

Near the principal midwestern livestock markets large feeding stations are maintained so as to enable ranchmen to sort their fat and feeder lambs and move them into the markets and on to feeders in an orderly manner.

system feeder cattle or lambs are sorted either at western loading points or at some feed yard en route (fig. 31) by a representative of the association and are shipped direct to the feeder's unloading station.



FIGURE 32.—GENERAL VIEW OF THE YARDS OPERATED BY THE IOWA LIVESTOCK MARKETING CORPORATION, OF DES MOINES, IOWA.

A large volume of western feeder cattle and lambs is sold each year through these yards to Corn Belt feeders.

3. *Auction or feed-yard sale methods.*—Some Corn Belt associations purchase outright, feeder cattle and lambs direct from the range and assemble them at centrally located feed yards or concentration points. Farmers are notified prior to the arrival of this stock, and efforts are made to obtain as many orders as possible. This plan is being followed by the Iowa Livestock Marketing Corporation, at Des Moines (fig. 32); by the Central Cooperative Association, of South St. Paul, at a branch feeder market at St. James, Minn.; and by several of the cooperatives in Ohio. The Producers Commission Association, of Columbus, Ohio, uses the public-auction system in addition to private sales.

The direct-purchase or auction system appeals to many feeders who desire to inspect, personally, the livestock which they buy. However, such a system has a tendency to place the cooperatives in a speculative position which is far from desirable. To offset this and to protect the association against undue risk, bona-fide orders with a reasonable down payment should be obtained from the feeder before any large lot of feeder stock is purchased. On steady or rising markets this outright-purchase system by the cooperative works satisfactorily, but on falling markets it can easily cause heavy losses to the association unless sufficient orders with accompanying deposits are obtained in advance.

4. *Combination direct and terminal service.*—During the 1935 season a start was made by the Chicago Producers Commission Association at Chicago and the Producers Commission Association, Kansas City, in the development of a combination plan, whereby feeder livestock might be purchased either at terminal markets or direct from the range. A joint feeder-buying department was set

up by these two associations, with buying offices at Chicago and Kansas City.

This department received, regularly, information as to supplies, kinds, weights, and prices of feeder cattle and calves, both from the range and from several of the principal Missouri River and western markets. With this information at hand, the purchasing department was in a position to fill to best advantage the orders for feeder stock received. In some instances orders were filled from the terminal market at Chicago or Kansas City, while in others a better purchase was made at the Denver or Fort Worth market, or direct from the range in Texas, Colorado, Nebraska, or New Mexico.

Whenever possible, these orders were filled through cooperatives on other markets or through one of the range territory marketing associations, direct from the country. However, the buying department was not limited to trade with these associations, but could also buy direct from individual ranchmen or from other marketing associations. At times the buyer for the purchasing department went to the range territory and bought stock direct.

In addition to this elastic policy with regard to the source of the stock purchased, the associations, according to their published statements, gave patrons the option of the following types of service:

1. Cattle purchased either on the market or on the range were insured for 100 percent of their value against loss in shipment and for 50 percent of any loss from any cause for a period of 20 days after they were received. All cattle were also doubly vaccinated. The total charge for such purchasing service ranged from 20 to 25 cents per 100 pounds, depending upon the weight of the cattle or calves. This service charge included all buying commissions.

2. Where the purchaser did not desire this full service he could pay a commission of 10 cents per 100 pounds, or if he stipulated that he desired to have his order filled at the Chicago or on the Kansas City market he paid the regular buying commission at those markets.

Under this plan the feeder department was in a position to select the most opportune markets or areas in which to buy certain classes of feeder stock and could order from one point or another, to the advantage of the purchaser. This plan also helped to increase business for some of the western agencies which were far away from the Corn Belt and could not, without a great deal of expense, build up an order business.

The joint feeder-buying department assumed responsibility for the satisfactory filling of these orders, according to specifications. In order to do this most of the stock was routed through feed yards adjacent to some terminal market and, at these yards, was sorted to suit the orders. Any inferior stock was then moved into the market and sold. This system eliminated much of the former trouble with uneven weights and grades of stock shipped direct from the range.



*Problems in Filling Orders for Feeder Stock*

Agencies which carry on an extensive feeder-buying business are confronted with several problems, among which are: (1) High turn-over in patrons; (2) losses because of adjustments on account of unsatisfactory filling of orders, freight, and feed costs; (3) excessive telephone and telegraph expenses; and (4) failure to use standard uniform grades.

All cooperative associations, as well as private commission agencies, are confronted with the problem of satisfying their patrons. At times, on rapidly fluctuating and especially on falling markets, there is a tendency for the producer to become dissatisfied with the sale or purchase of livestock. This is especially true where feeder cattle or lambs are purchased direct from the range. For that reason the management of a cooperative should give careful study to the extent of its turn-over in patrons so as to determine, if possible, the causes of dissatisfaction. Turn-over in patrons indicates the percentage of total customers of the association who fail to transact business with the association during subsequent years. The ratio can be expressed in percentages and compared 1 year with another. The results of a

TABLE 27.—TURN-OVER OF STOCKER AND FEEDER PURCHASERS OF LIVESTOCK FROM A COOPERATIVE MARKETING ASSOCIATION FOR THE PERIOD 1930-1933, SHOWING NUMBER AND PERCENTAGE OF TOTAL FOR 4-YEAR PERIOD

Years in which purchases were made	Cattle and calves		Sheep		Total	
	Purchasers	Percentage of total	Purchasers	Percentage of total	Purchasers	Percentage of total
	Number	Percent	Number	Percent	Number	Percent
1933 (only).....	417	19.05	58	33.33	475	20.13
1932, 1933.....	115	5.25	-----	-----	115	4.87
1932 (only).....	421	19.24	30	17.24	451	19.09
1931, 1932, 1933.....	45	2.06	-----	-----	45	1.90
1931, 1932.....	57	2.61	-----	-----	57	2.42
1931 (only).....	338	15.44	25	14.37	363	15.37
1931, 1933.....	28	1.28	2	1.15	30	1.28
1930, 1931, 1932.....	31	1.42	1	.57	32	1.35
1930, 1931, 1932, 1933.....	34	1.55	1	.57	35	1.48
1930, 1931, 1933.....	24	1.10	2	1.15	26	1.10
1930, 1931.....	77	3.52	3	1.73	80	3.38
1930, 1932.....	41	1.87	3	1.73	44	1.86
1930, 1932, 1933.....	22	1.02	1	.57	23	.97
1930 (only).....	502	22.94	48	27.59	550	23.28
1930, 1933.....	36	1.65	-----	-----	36	1.52
<b>Total.....</b>	<b>2,188</b>	<b>100.00</b>	<b>174</b>	<b>100.00</b>	<b>2,362</b>	<b>100.00</b>

study of the turn-over of feeder purchasers of one cooperative live-stock commission association for a 4-year period are shown in table 27 and figure 33.

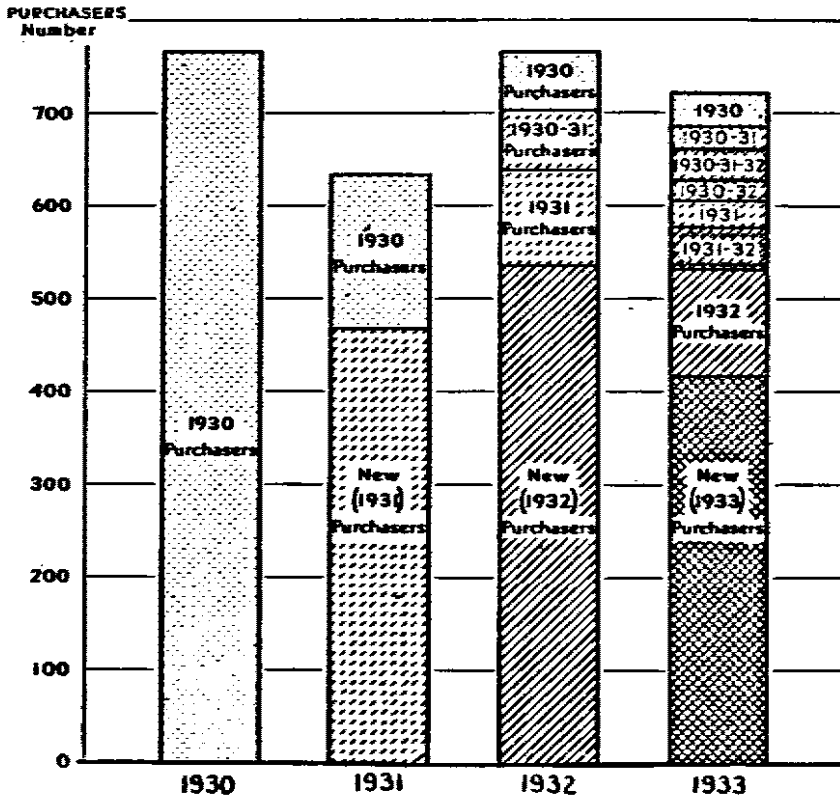


FIGURE 33.—NUMBER OF PURCHASERS BUYING STOCKER AND FEEDER CATTLE FROM A COOPERATIVE COMMISSION ASSOCIATION IN YEARS INDICATED.

The turn-over in stocker and feeder purchasers is relatively high.

Because of the high turn-over of patrons, it is essential that the cooperative associations make constant efforts to improve their method of filling orders by careful selection and by keeping the prospective purchaser closely informed as to the character of market supplies and values. It should be understood, however, that a considerable part of the turn-over from year to year may be accounted for by the fact that some patrons do not feed stock every year; others may purchase their stock at different markets or direct from the country, and still others may discontinue feeding operations or move out of the territory. This makes it necessary for the association continually to develop new business in order to offset this certain loss of patrons from year to year.

Losses from the making of adjustments with purchasers who are dissatisfied with the quality, price, or shrink on feeder stock can never be entirely eliminated, but they can be kept down by careful filling of orders, by obtaining from customers in advance bona-fide orders with a reasonable part payment and by prior investigation of the purchaser's financial and moral standing. By obtaining a reasonable deposit there is less chance for a feeder to back down on his order and refuse to accept the stock even though it is up to specifications. This refusal to take stock contracted for happens most often when the market drops sharply after an order has been placed.

Cooperatives filling orders direct from range to feed lot have had the most difficulties along this line. The eastern and Corn Belt agencies originating such orders can assist by making sure that the prospective customer definitely states the kind, weight, and quality of stock he wishes to purchase and the price he desires to pay. The agency filling the order, however, can eliminate much of the trouble by exercising care to fill orders according to specifications. Where that is impossible, the agency should get in touch with the purchaser and obtain his approval of a change in the order. Associations which carry on an extensive direct feeder-buying business should include in their handling charge a margin sufficient to provide a reasonable reserve to cover such losses.

In order to reduce the number of complaints on direct shipments, some cooperatives have followed the practice of having stock shipped from the range territory stop off at an intermediate feeding-in-transit point, near a terminal market, where shipments can be sorted carefully to suit each order as to weight, quality, and price. "Sort-offs" or rejected animals are then sent on into the terminal market for sale. By this method, these associations have been able to reduce complaints materially.

Associations handling a large volume of feeder buying necessarily are forced to use the long-distance telephone and the telegraph frequently. However, this practice can be abused and, unless care is exercised, such expense can go far toward offsetting the income from the feeder department. Telephone or telegraph costs of obtaining and filling orders have been known to run as high as 10 percent of the association's income.

Some of the difficulties and complaints arising from the filling of feeder orders might be reduced if uniform grades of feeder stock were generally understood and used by the cooperatives. Considerable work has been done along this line but more care in filling orders by grade is needed.

TABLE 28.—ORIGIN OF LIVESTOCK RECEIPTS OF 13 COOPERATIVE MARKETING AGENCIES OPERATING ON WESTERN AND MIDWESTERN MARKETS, SHOWN AS A PERCENTAGE OF TOTAL RECEIPTS OF EACH AGENCY, 1934

State of origin	Percentage of receipts at various markets originating in indicated States												
	Chi- ago	Fort Worth	Den- ver	Kan- sas City	Okla- homa City	Omaha	Sioux City	Sioux Falls	San Fran- cisco	St. Joseph	St. Louis	St. Paul	Des Moines <sup>1</sup>
Arizona.....								4.0					
California.....								79.0					
Colorado.....	2.9		55.4	6.4		1.0			2.7				1.0
Idaho.....	.5		22.5				0.9		.2				1.5
Kansas.....	.4	0.5	2.7	34.2					21.9	0.5			2.0
Montana.....	1.1						.1					6.0	
Nebraska.....	.5		4.8	.6		92.0	13.2		13.7				10.0
Nevada.....								10.0					
New Mexico.....			.5	.5									3.0
North Dakota.....							1.1					8.0	
Oklahoma.....	.3	1.2		3.4	99.2				.6	.9			2.5
Oregon.....	.1		2.2					5.5					3.0
South Dakota.....	.2					.5	13.8	68.0				5.0	
Texas.....	.8	98.3	.1	4.7	.8				1.5	1.7	.6		15.7
Utah.....	.2		5.5	.5									
Washington.....	3.1												
Wyoming.....	.2		6.3			1.0							2.0
Total 17 Western States.....	10.3	100.0	100.0	50.3	100.0	94.5	29.1	68.0	100.0	40.8	2.0	19.0	40.7
All other States.....	89.7			49.7		5.5	70.9	32.0		59.2	98.0	81.0	59.3
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

<sup>1</sup> This is a direct-marketing agency not operating on a central market.

## LIVESTOCK HANDLED BY COOPERATIVES ON WESTERN AND MIDWESTERN MARKETS

### ORIGIN OF RECEIPTS OF 13 COOPERATIVES

**I**N ORDER to determine the territory served and the importance of western business handled by cooperatives operating on western and midwestern markets, an analysis of the receipts of 13 representative associations was made as shown in table 28.

Several of these associations receive practically all of their shipments from one State, notable examples being the associations operating at Fort Worth, Oklahoma City, and Omaha, while other associations receive their shipments from a widely diversified area, such as the associations located at Chicago, Denver, and Kansas City. Reasons for this difference are probably the size and location of the market on which the association operates. Certain markets, such as Fort Worth and Oklahoma City, draw their supplies largely from one State, while markets such as Chicago, Kansas City, and Denver draw from a large territory. The location of a market and its importance as a packing and distributing center are important factors influencing shipments to that market and to the cooperatives operating there.

Another reason for the wide variance in origin of shipments shown by cooperatives is the difference in methods used in obtaining business. Some associations concentrate their efforts upon their nearby trade territory, while others solicit business from a wider area. Some cooperatives, because of their close tie-up with a general farm organization, depend largely upon the members of that organization to supply their volume. This limits the territory served to specialized farming and feeding sections. Other associations, because of their credit and field service relations with range cooperatives, have been able to obtain considerable business from distant States.

The percentage of western business handled by several of the midwestern agencies is relatively small, as shown by table 28.

Reasons advanced for this limited volume were:

1. High cost of field work in originating western business.
2. Lack of organization in the range territory.
3. Strength of established commercial agencies in the West.
4. Lack of credit facilities for financing western range operators.
5. Highly seasonal character of western business, necessitating increased sales personnel for only a few months of the year.

TABLE 29.—LIVESTOCK SOLD AND PURCHASED BY COOPERATIVE MARKETING AGENCIES ON 4 WESTERN MARKETS, 1931-1934

Year and market	Livestock sold on market								Live- stock pur- chased on market	Total live- stock handled on mar- ket <sup>2</sup>
	Cattle and calves		Hogs		Sheep		All livestock			
	Num- ber	Percent- age of market receipts consigned for sale <sup>1</sup>	Num- ber	Percent- age of market receipts consigned for sale <sup>1</sup>	Num- ber	Percent- age of market receipts consigned for sale <sup>1</sup>	Number	Percent- age of market receipts consigned for sale <sup>1</sup>		
1931:										
Denver.....	55, 777	12. 7	99, 694	28. 1	259, 904	14. 0	415, 375	15. 7	68, 661	484, 036
Fort Worth.....	66, 488	8. 8	1, 953	1. 8	148, 673	14. 2	217, 114	11. 1	9, 693	226, 807
Oklahoma City <sup>3</sup> .....	5, 441	2. 0	3, 163	1. 1	1, 933	2. 2	10, 537	1. 7	-----	10, 537
1932:										
Denver.....	63, 366	16. 9	111, 528	29. 7	359, 527	16. 4	534, 421	18. 1	22, 977	557, 398
Fort Worth.....	66, 678	10. 8	5, 240	3. 9	192, 482	17. 7	264, 400	14. 4	7, 887	272, 287
Oklahoma City.....	32, 669	11. 7	34, 430	8. 9	25, 261	16. 1	92, 360	11. 2	6, 756	99, 116
Ogden.....	3, 350	8. 9	66, 780	48. 8	21, 580	5. 7	91, 716	15. 3	32, 042	123, 758
1933:										
Denver.....	74, 285	17. 8	127, 103	16. 5	355, 058	12. 2	556, 446	13. 6	28, 359	584, 805
Fort Worth.....	59, 465	9. 8	25, 851	7. 6	115, 259	16. 8	200, 575	12. 3	10, 822	211, 397
Oklahoma City.....	37, 370	11. 8	57, 549	8. 5	25, 385	26. 2	120, 310	11. 0	7, 801	128, 111
Ogden.....	2, 809	6. 7	6, 398	7. 7	48, 532	13. 4	57, 700	11. 9	11, 643	69, 442
1934: <sup>4</sup>										
Denver.....	70, 883	14. 9	114, 230	16. 1	488, 173	16. 5	673, 280	16. 3	59, 040	732, 320
Fort Worth.....	65, 224	10. 6	11, 763	6. 8	62, 019	15. 1	139, 006	11. 6	4, 659	143, 665
Oklahoma City.....	42, 313	7. 0	25, 765	8. 6	18, 119	24. 1	86, 282	8. 8	9, 770	96, 061
Ogden.....	1, 273	1. 6	2, 151	2. 7	40, 653	12. 2	44, 077	8. 9	6, 204	50, 281

<sup>1</sup> Receipts consigned for sale do not include packer direct or through shipments.

<sup>2</sup> Do not include animals handled for traders.

<sup>3</sup> Figures are for 3 1/2 months only.

<sup>4</sup> Government drought cattle and sheep were not included in 1934 receipts at markets.

## LIVESTOCK HANDLED BY COOPERATIVES ON FOUR WESTERN MARKETS

The volume of livestock sold by cooperative marketing agencies on four western markets and the percentage of the total market receipts consigned to cooperatives for sale during the 4-year period 1931 to 1934, are shown in table 29. Analysis of these figures indicates that, on a percentage basis, livestock sales by these cooperative associations have about held their own during this period. Percentages for 1934 ranged from 8.7 percent to 16.3 percent.

The percentage of total market receipts consigned to cooperatives varies considerably by species, as well as between markets. Associations at three markets show an increase in percentage of cattle sold by cooperatives in 1934 as compared with 1931, although the 1934 percentages are under those of 1932 and 1933. Associations at two of the four markets show an increase in cattle volume and associations at other markets a slight decrease during this period. The drought of 1934 may account for some of this reduction.

Percentages of hogs sold cooperatively at Ogden show a large decline in 1933 and 1934 as compared with 1931 and 1932. This is because, during 1931 and 1932, one cooperative at Ogden operated a western hog order-buying department which was later discontinued. In the case of the associations operating at Fort Worth and Oklahoma City, the percentages have been maintained or increased during this period.



*U. S. Forest Service*

FIGURE 34.—TRUCKING IDAHO LAMBS FROM SAWTOOTH MOUNTAIN SUMMER RANGE TO MARKET.

Instead of trailing lambs from summer ranges, many stockmen now truck them direct to loading points or to western markets, thus saving time and shrink.

With sheep, percentages have been maintained or increased at four markets, while the total number sold at Denver, Oklahoma City, and Ogden shows an increase in 1934 as compared with 1931. At Fort Worth the total number of sheep sold has decreased although the percentage of market receipts sold shows a slight increase in 1934 over 1931.

### *Methods of Transportation*

Due to long distances, as well as to the mountainous nature of the country tributary to several of the western markets, trucking of livestock has not replaced rail shipments to as great an extent as it has at midwestern and eastern markets. Nevertheless, on several of the markets trucking has increased rapidly in recent years (fig. 34). Table 30 and figure 35 show the percentage of livestock consigned for sale by each method of shipment, to each of four western markets.

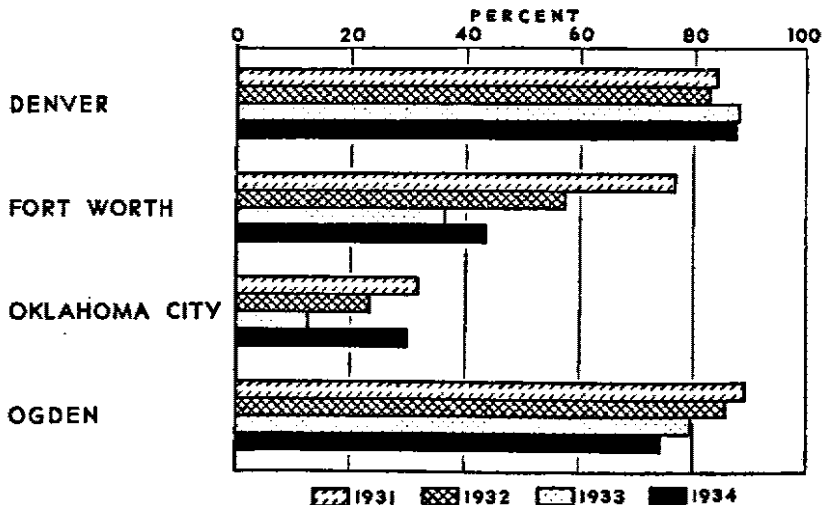


FIGURE 35.—PERCENTAGE OF LIVESTOCK CONSIGNED FOR SALE AT FOUR WESTERN MARKETS WHICH ARRIVED BY RAIL, 1931-1934.

Denver and Ogden markets showed but slight decline in percentage of rail receipts during the 4-year period, while Fort Worth and Oklahoma City registered substantial decreases because of a swing from rail to truck transportation in their market areas.

It is interesting to note that on all of these markets cattle and calf volume arriving by rail has steadily declined each year with the exception of 1934. That year an abnormal increase in rail shipments occurred because of drought and the Government cattle and sheep purchase program, since most of this stock arrived by rail. Cattle and calf truck shipments ranged from 35 percent at Denver to 57 percent at Oklahoma City for the year 1934.

Hogs constituted the highest percentage of any species arriving by truck ranging from 37 percent at Denver to 92 percent at Oklahoma



TABLE 30.—RAIL AND TRUCK RECEIPTS AS PERCENTAGES OF TOTAL RECEIPTS OF LIVESTOCK CONSIGNED TO ALL AGENCIES FOR SALE AT 4 WESTERN MARKETS, 1930-1934<sup>1</sup>

Market and year	Percentage of all receipts arriving by rail				Percentage of all receipts arriving by truck			
	Cattle and calves	Hogs	Sheep	Total	Cattle and calves	Hogs	Sheep	Total
<b>Denver:</b>								
1930.....	87.3	62.9	96.8	88.9	12.7	37.1	3.2	11.1
1931.....	77.8	33.0	95.4	84.1	22.2	67.0	4.6	15.9
1932.....	68.6	17.6	96.5	82.9	31.4	82.4	3.5	17.1
1933.....	70.0	61.8	97.6	88.0	30.0	38.2	2.4	12.0
1934.....	65.2	63.2	97.0	87.5	34.8	36.8	3.0	12.5
<b>Ogden:</b>								
1930.....	82.2	58.5	91.8	85.7	17.8	41.5	8.2	14.3
1931.....	78.8	65.3	94.9	89.1	21.2	34.7	5.1	10.9
1932.....	76.0	72.9	92.7	85.8	24.0	27.1	7.3	14.2
1933.....	44.0	58.0	88.8	79.6	56.0	42.0	11.2	20.4
1934.....	59.9	55.3	82.3	74.2	40.1	44.7	17.7	25.8
<b>Fort Worth:</b>								
1930.....	78.6	40.4	84.5	75.7	21.4	59.6	15.5	24.3
1931.....	72.3	31.1	84.6	76.6	27.7	68.9	15.4	23.4
1932.....	54.0	21.2	63.6	57.3	46.0	78.8	36.4	42.7
1933.....	36.0	12.2	48.2	36.2	64.0	87.8	51.8	63.8
1934 <sup>2</sup> .....	51.3	10.6	37.9	43.3	48.7	89.4	62.1	56.7
<b>Oklahoma City:</b>								
1930.....	54.2	20.1	26.5	37.5	45.8	79.9	73.5	62.5
1931.....	39.9	21.8	37.5	31.8	60.1	78.2	62.5	68.2
1932.....	26.5	9.0	52.4	23.2	73.5	91.0	47.6	76.8
1933.....	19.2	8.2	21.7	12.6	80.8	91.8	78.3	87.4
1934.....	43.1	8.2	9.4	29.9	56.9	91.8	90.6	70.1

<sup>1</sup> Consigned for sale represents receipts after packer directs and through shipments have been deducted.

<sup>2</sup> Number consigned for sale includes drought cattle and calves and sheep purchased by the Government. This livestock was not offered for sale at the terminal market but it was impossible to determine the amount arriving by rail and truck. Most of it came in by rail.

City during 1934. Sheep and lambs showed the smallest percentage of any species shipped by truck.

The most important rail markets for all species were Denver and Ogden, largely because of their location as intermediary transit points and the mountainous character of the territory tributary to these markets. The most important truck markets were Oklahoma City and Fort Worth. Both of these markets are located in a prairie or plains territory easily served by trucks.

The percentage of livestock arriving by truck and rail at the cooperative agencies varied widely, as indicated by table 31 and figure

36. The associations operating on the Ogden and Denver markets received the highest percentage of all species by rail, while the co-operative volume at Oklahoma City came largely by truck.

The highest percentages shipped by rail were for sheep and lambs; approximately 96 percent at Denver and Ogden in 1934. The highest percentage arriving by truck consisted of hogs at Oklahoma City, with approximately 98 percent, during 1934. Cattle and calf shipments were more evenly divided between truck and rail, ranging from 18 percent by rail at Oklahoma City to 63 percent at Denver, for the year 1934.

In order to handle quickly and efficiently the increased number of small shipments resulting from this change in transportation methods, cooperatives have increased their yard and office force at several markets. In some areas the truck operator acts not only as a transportation agency but also as a local buyer and speculator.

TABLE 31.—RAIL AND TRUCK RECEIPTS OF LIVESTOCK CONSIGNED FOR SALE TO COOPERATIVE AGENCIES ON 4 WESTERN MARKETS SHOWN AS PERCENTAGES OF TOTAL COOPERATIVE RECEIPTS, 1931-1934

Market and year	Percentage of cooperative receipts arriving by rail				Percentage of cooperative receipts arriving by truck			
	Cattle and calves	Hogs	Sheep	Total	Cattle and calves	Hogs	Sheep	Total
<b>Denver:</b>								
1931.....	82.0	52.7	96.8	83.6	18.0	47.3	3.2	16.4
1932.....	74.6	28.0	96.5	79.6	25.4	72.0	3.5	20.4
1933.....	69.5	16.7	95.7	74.8	30.5	83.3	4.3	25.2
1934.....	63.4	10.4	96.6	78.5	36.6	89.6	3.4	21.5
<b>Fort Worth:</b>								
1931.....	82.8	48.8	92.4	89.1	17.2	51.2	7.6	10.9
1932.....	72.6	36.9	80.7	77.8	27.4	63.1	19.3	22.2
1933.....	48.2	14.2	64.6	53.5	51.8	85.8	35.4	46.5
1934.....	38.5	11.3	55.1	43.6	61.5	88.7	44.9	56.4
<b>Oklahoma City:</b>								
1931.....	53.2	12.3	58.8	44.5	46.8	87.7	41.2	55.5
1932.....	39.2	6.6	55.0	31.3	60.8	93.4	45.0	68.7
1933.....	24.0	6.6	20.6	14.9	76.0	93.4	79.4	85.1
1934.....	17.9	1.5	6.2	10.5	82.1	98.5	93.8	89.5
<b>Ogden:</b>								
1931.....	96.4	96.8	100.0	98.1	3.6	3.2	-----	1.9
1932.....	89.9	97.9	95.0	96.9	10.1	2.1	5.0	3.1
1933.....	76.7	69.2	94.9	91.1	23.3	30.8	5.1	8.9
1934.....	60.4	39.5	95.5	91.8	39.6	60.5	4.5	8.2

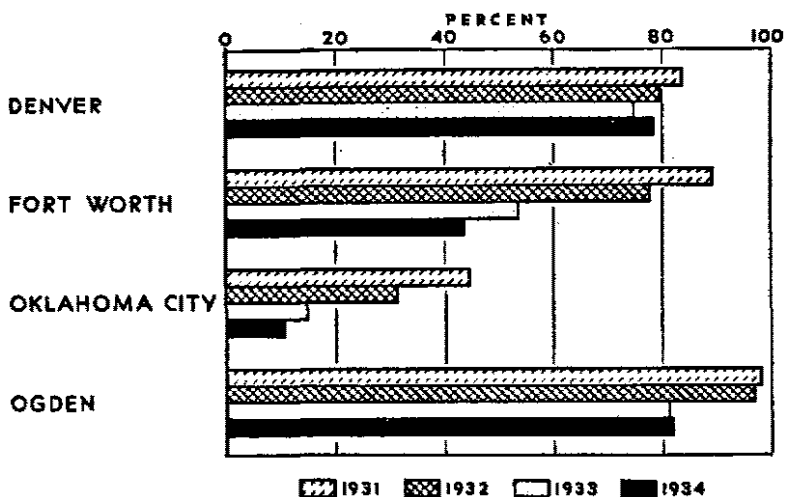


FIGURE 36.—PERCENTAGE OF LIVESTOCK CONSIGNED FOR SALE TO COOPERATIVE AGENCIES ON FOUR WESTERN MARKETS WHICH ARRIVED BY RAIL, 1931-1934.

Cooperative consignments on Fort Worth and Oklahoma City markets show a marked trend from rail to truck, while those associations operating on the Denver and Ogden markets experienced but slight change during the 4-year period.

### LIVESTOCK HANDLED BY COOPERATIVES AT NINE MIDWESTERN MARKETS

The period from 1931 to 1934 was one of the most difficult in the history of cooperative livestock marketing. Sharply declining livestock prices increased direct buying on the part of packers; decentralization of the packing industry, a rapid increase in shipments by motor truck, together with the decline in local livestock-shipping associations, all were detrimental to the growth and development of cooperative marketing associations operating on terminal markets in the Middle West.

In addition to these circumstances, the number of hogs was sharply reduced in 1933 by the program of the Agricultural Adjustment Administration. The drought of 1934 was responsible for a still further reduction in livestock consigned to central markets.

Extremely low prices for livestock during most of this period accentuated terminal marketing costs and led to increased sales direct to packers or to local buyers. Likewise, with sharply curtailed livestock supplies coming to the markets, the competition from private commission firms became much more keen.

In the face of all these handicaps, however, livestock cooperatives made a very creditable showing, as shown in table 32. A com-

TABLE 32.—VOLUME OF LIVESTOCK SOLD AND PURCHASED, AND PERCENTAGE OF MARKET RECEIPTS SOLD BY 19 COOPERATIVE MARKETING AGENCIES ON 9 MIDWESTERN MARKETS, 1931-1934

Market and year	Sold on the market								Live-stock purchased on market	Total livestock sold and purchased on market	Live-stock sold or purchased in country	Total livestock handled
	Cattle and calves		Hogs		Sheep		Total sold on market					
	Head	Percent	Head	Percent	Head	Percent	Head	Percent	Head	Head	Head	Head
1931:												
Chicago.....	213, 258	7. 8	826, 217	14. 8	573, 779	17. 0	1, 613, 254	13. 8	56, 934	1, 670, 188	291	1, 670, 479
Kansas City.....	151, 907	7. 8	240, 576	18. 0	120, 049	5. 3	512, 532	9. 3	275, 044	787, 576	2, 294	789, 870
Omaha.....	66, 532	4. 0	477, 021	13. 7	186, 210	5. 6	729, 763	8. 6	72, 729	802, 492	.....	802, 492
Sioux City.....	72, 517	8. 7	527, 122	25. 6	136, 155	11. 4	735, 795	15. 9	42, 336	778, 131	104	778, 235
Sioux Falls.....	29, 001	19. 3	231, 542	26. 4	4, 780	18. 0	265, 323	25. 2	.....	265, 323	.....	265, 323
St. Joseph.....	84, 003	17. 2	281, 474	22. 1	79, 695	5. 5	445, 172	13. 8	16, 408	461, 580	.....	461, 580
East St. Louis.....	292, 626	25. 0	1, 027, 856	34. 6	189, 383	28. 7	1, 509, 865	31. 4	12, 759	1, 522, 624	.....	1, 522, 624
St. Paul.....	531, 879	39. 2	1, 568, 700	48. 6	427, 619	37. 1	2, 528, 198	44. 0	108, 567	2, 636, 765	3, 200	2, 639, 965
Wichita.....	35, 659	5. 6	57, 036	20. 3	9, 074	8. 5	101, 769	14. 5	11, 944	113, 713	.....	113, 713
1932:												
Chicago.....	217, 598	9. 2	757, 611	17. 4	508, 868	18. 4	1, 484, 077	15. 6	42, 929	1, 527, 006	.....	1, 527, 006
Kansas City.....	150, 321	8. 1	221, 461	16. 3	165, 669	9. 0	537, 451	10. 6	300, 678	838, 129	19, 580	857, 709
Omaha.....	59, 210	4. 1	429, 636	14. 2	161, 724	7. 5	650, 570	9. 8	46, 653	697, 223	.....	697, 223
Sioux City.....	57, 158	9. 9	403, 796	20. 7	89, 697	12. 5	550, 651	17. 0	32, 368	583, 019	.....	583, 019
Sioux Falls.....	22, 669	26. 1	125, 751	31. 3	4, 753	20. 9	153, 173	30. 0	.....	153, 173	.....	153, 173
St. Joseph.....	71, 953	16. 8	242, 254	20. 6	80, 034	6. 7	394, 241	14. 1	24, 033	418, 874	.....	418, 874
East St. Louis.....	282, 544	26. 5	954, 865	36. 4	203, 905	28. 7	1, 441, 314	32. 7	15, 671	1, 456, 985	.....	1, 456, 985
St. Paul.....	493, 162	41. 0	1, 289, 503	49. 8	402, 893	39. 2	2, 185, 558	45. 3	90, 138	2, 275, 696	25, 946	2, 301, 642
Wichita.....	30, 836	12. 0	68, 506	16. 9	8, 301	6. 8	107, 643	13. 7	5, 599	113, 242	.....	113, 242

1933:													
Chicago.....	237, 482	10. 3	901, 054	19. 2	590, 491	22. 1	1, 729, 027	17. 9	38, 114	1, 767, 141	-----	1, 767, 141	
Kansas City.....	145, 459	8. 5	319, 308	15. 4	150, 833	9. 0	615, 600	11. 3	325, 269	940, 869	50, 702	991, 571	
Omaha.....	66, 720	4. 4	390, 113	13. 5	167, 352	9. 6	624, 185	10. 1	31, 174	655, 359	42, 218	697, 577	
Sioux City.....	69, 135	8. 5	415, 437	18. 2	112, 333	14. 2	596, 905	15. 1	33, 098	630, 003	-----	630, 003	
Sioux Falls.....	27, 336	9. 8	123, 822	14. 5	12, 334	13. 1	163, 492	13. 3	-----	163, 492	-----	163, 492	
St. Joseph.....	81, 823	17. 2	295, 513	17. 4	66, 794	5. 8	444, 130	13. 3	21, 312	465, 442	-----	465, 442	
East St. Louis.....	325, 728	29. 1	1, 130, 843	34. 0	193, 826	29. 4	1, 650, 397	32. 3	3, 216	1, 653, 613	-----	1, 653, 613	
St. Paul.....	509, 833	39. 0	1, 309, 298	47. 9	444, 235	42. 7	2, 263, 366	44. 5	96, 902	2, 360, 268	2, 258	2, 362, 526	
Wichita.....	31, 616	12. 3	78, 275	14. 1	8, 383	5. 6	118, 274	12. 3	11, 023	129, 297	-----	129, 297	
1934:													
Chicago.....	266, 110	10. 2	718, 722	19. 1	424, 281	21. 0	1, 409, 113	16. 8	48, 790	1, 457, 903	-----	1, 457, 903	
Kansas City.....	159, 558	4. 0	182, 099	14. 4	127, 694	8. 7	469, 351	6. 9	247, 040	716, 391	20, 362	736, 753	
Omaha.....	86, 222	4. 7	387, 476	14. 0	189, 545	13. 4	663, 243	11. 0	29, 471	692, 714	46, 475	739, 189	
Sioux City.....	92, 989	11. 2	460, 346	22. 3	149, 337	17. 3	702, 672	18. 7	20, 787	723, 459	266	723, 725	
Sioux Falls.....	37, 788	12. 1	113, 978	14. 6	33, 421	12. 8	185, 187	13. 7	-----	185, 187	2, 825	188, 012	
St. Joseph.....	98, 893	16. 6	302, 339	19. 1	67, 816	6. 7	469, 048	14. 7	15, 501	484, 549	809	485, 358	
East St. Louis.....	301, 573	30. 1	849, 196	35. 6	150, 965	26. 5	1, 301, 734	32. 9	6, 610	1, 308, 344	-----	1, 308, 344	
St. Paul.....	540, 993	42. 6	867, 683	46. 1	402, 925	37. 6	1, 811, 601	42. 9	95, 417	1, 907, 018	13, 478	1, 920, 496	
Wichita.....	31, 002	10. 4	38, 257	15. 0	8, 098	5. 8	77, 357	11. 1	6, 127	83, 484	-----	83, 484	

TABLE 33.—RAIL AND TRUCK RECEIPTS OF LIVESTOCK CONSIGNED FOR SALE TO 17 COOPERATIVE AGENCIES OPERATING ON 9 MIDWESTERN MARKETS, SHOWN AS PERCENTAGES OF TOTAL COOPERATIVE RECEIPTS, 1931-1934

Market and year	Percentage of receipts arriving by rail				Percentage of receipts arriving by truck			
	Cattle and calves	Hogs	Sheep	Total	Cattle and calves	Hogs	Sheep	Total
<b>Sioux City:</b>								
1931.....	36.2	23.1	48.4	29.5	63.8	76.9	51.6	70.5
1932.....	41.1	21.8	44.4	28.1	58.9	78.2	55.6	71.9
1933 <sup>1</sup> .....	23.8	15.4	25.1	18.4	76.2	84.6	74.9	81.6
1934 <sup>1</sup> .....	13.0	5.0	18.9	9.7	87.0	95.0	81.1	90.3
<b>Omaha:</b>								
1931.....	62.6	53.5	76.3	61.6	37.4	46.5	23.7	38.4
1932.....	50.9	38.2	70.8	48.9	49.1	61.8	29.2	51.1
1933.....	40.0	27.8	71.6	43.6	60.0	72.2	28.4	56.4
1934.....	35.5	14.0	65.0	34.8	64.5	86.0	35.0	65.2
<b>Kansas City:</b>								
1931.....	75.6	46.3	61.9	58.6	24.4	53.7	38.1	41.4
1932.....	66.5	31.4	69.9	53.1	33.5	68.6	30.1	46.9
1933.....	54.4	23.5	66.9	41.5	45.6	76.5	33.1	58.5
1934.....	52.3	9.7	63.3	38.8	47.7	90.3	36.7	61.2
<b>St. Paul:</b>								
1931.....	63.9	69.8	80.7	70.4	36.1	30.2	19.3	29.6
1932.....	56.1	60.1	75.8	62.2	43.9	39.9	24.2	37.8
1933.....	50.1	50.1	74.0	54.7	49.9	49.9	26.0	45.3
1934.....	42.1	33.5	65.7	43.2	57.9	66.5	34.3	56.8
<b>St. Louis:</b>								
1931.....	60.9	62.9	57.9	61.9	39.1	37.1	42.1	38.1
1932.....	44.3	37.5	41.0	39.4	55.7	62.5	59.0	60.6
1933.....	35.5	23.7	34.2	27.3	64.5	76.3	65.8	72.7
1934.....	25.7	15.0	23.2	18.4	74.3	85.0	76.8	81.6
<b>Sioux Falls:</b>								
1931 <sup>2</sup> .....	4.8	4.9	4.8	4.9	95.2	95.1	95.2	95.1
1932 <sup>2</sup> .....	3.1	.7	-----	1.1	96.9	99.3	100.0	98.9
1933 <sup>2</sup> .....	2.3	.6	-----	.8	97.7	99.4	100.0	99.2
1934 <sup>2</sup> .....	2.0	.1	4.7	1.3	98.0	99.9	95.3	98.7
<b>Chicago:</b>								
1931.....	82.2	81.0	93.0	85.4	17.8	19.0	7.0	14.6
1932.....	71.5	67.8	87.6	75.1	28.5	32.2	12.4	24.9
1933.....	57.1	49.7	85.2	62.8	42.9	50.3	14.8	37.2
1934.....	44.3	31.0	80.7	48.5	55.7	69.0	19.3	51.5
<b>Wichita:</b>								
1931.....	41.9	6.7	2.2	18.7	58.1	93.3	97.8	81.3
1932.....	24.5	1.9	13.0	9.2	75.5	98.1	87.0	90.8
1933.....	10.6	.8	3.0	3.6	89.4	99.2	97.0	96.4
1934.....	8.2	.2	9.3	4.3	91.8	99.8	90.7	95.7
<b>St. Joseph:</b>								
1931.....	66.9	8.9	69.5	39.5	33.1	91.1	30.5	60.5
1932.....	34.9	11.7	42.5	22.3	65.1	88.3	57.5	77.7
1933.....	29.0	3.9	27.8	12.2	71.0	96.1	72.2	87.8
1934.....	18.9	2.6	26.9	9.6	81.1	97.4	73.1	90.4

<sup>1</sup> Includes the volume of only 2 of the 3 associations on the market.

<sup>2</sup> Includes the volume of only 1 of the 2 associations on the market.

parison of the 1934 volume and percentage sold by cooperative agencies on the nine markets with that of 1931 brings out the following facts: (1) Cattle and calf receipts for the year 1934 show a gain in volume sold cooperatively on eight of the nine markets over that sold in 1931, while in percentage of receipts sold cooperatively, six markets showed a gain and three a loss for the same years; (2) in hogs, as would be expected, eight of the nine markets show a loss in volume of receipts sold cooperatively while six also show a loss in percentage of market receipts sold cooperatively; (3) in the case of sheep and lambs, on five of the nine markets the cooperative showed a loss in volume in 1934 as compared with 1931, but in percentage of total receipts, six showed a gain and only three a loss for the same years.

In total volume of all species sold cooperatively, eight of the nine markets showed a loss in 1934 as compared with 1931, but five markets showed a gain in percentage of total receipts.

The sharp reduction in hog supplies was chiefly responsible for the reduction in volume of receipts handled by most midwestern cooperatives. Nevertheless, several cooperatives substantially increased both their cattle and sheep volume during this 4-year period.

### *Methods of Transportation*

Analysis of the data in table 33 indicates a wide difference in the percentage of truck and rail receipts sold by midwestern cooperatives operating on different markets as well as between species of livestock received at the same market. Receipts show, however, a pronounced swing from rail to truck shipments arriving at all nine markets during the period from 1931 to 1934 (fig. 37).



FIGURE 37.—TRUCKS UNLOADING AT St. LOUIS MARKET.

At midwestern markets trucks transport from 50 to 95 percent of the total livestock received.

Cooperative agencies receiving the highest percentage of their total supplies by truck during this period were those located at Sioux Falls, Wichita, St. Joseph, and Sioux City, while those receiving the smallest percentages in this way were located at Chicago, St. Paul, Kansas City, and Omaha.

The highest percentage of all species arriving at all markets by truck was of hogs. From 90 to 99.9 percent of the hogs received by cooperatives at the Kansas City, Sioux City, St. Joseph, Wichita, and Sioux Falls markets during 1934 arrived by truck.

The lowest percentage of truck receipts was of sheep and lambs, although this percentage substantially increased at all markets during the period. Cooperatives operating at Chicago, St. Paul, and Omaha received the smallest percentage of sheep by truck—from 19 to 35 percent in 1934, while those agencies located at Sioux Falls and Wichita received the highest percentage by truck in 1934—from 90 to 95 percent.

In the case of cattle and calves, those agencies receiving the lowest percentages by truck were located at Kansas City, Chicago, St. Paul, and Omaha, with percentages ranging from 47.7 percent to 64.5 percent in 1934. Agencies with highest percentages of truck shipments of cattle and calves were those located at Sioux City, Wichita, and Sioux Falls, where from 87 to 98 percent of the cattle and calf receipts arrived by truck.



## ANALYSIS OF INCOME AND EXPENSE OF 13 WESTERN AND CORN BELT COOPERATIVES

### SOURCES OF INCOME

**A**NALYSIS was made of the income and expenses of 3 western livestock marketing agencies and 10 Corn Belt livestock cooperatives. The western range agencies obtained approximately 68 percent of their income from commissions on sales at the market, while Corn Belt associations received over 96 percent of their total income from this source. Nearly 7 percent of the income of the three western associations whose records were analyzed was derived from commissions on purchases on the market in contrast with less than 2 percent for the Corn Belt agencies. Likewise western associations obtained nearly 14 percent of their income from country operations as compared with one-tenth of 1 percent for Corn Belt associations. This wide difference may be largely accounted for, of course, by the fact that a high percentage of western range volume consists of feeder cattle and lambs for which an outlet to midwestern feeders must be found. The percentage of the total income of 3 representative western and 10 Corn Belt associations, drawn from various sources, is shown in table 34 and figure 38.

TABLE 34.—AVERAGE PERCENTAGE OF TOTAL INCOME DERIVED FROM INDICATED SOURCES BY 3 WESTERN AND 10 CORN BELT COOPERATIVES, 1934

Source of income	Percentage of total income	
	Western cooperatives	Corn Belt cooperatives
	<i>Percent</i>	<i>Percent</i>
Sales commissions.....	68.1	96.3
Purchase commissions.....	6.8	1.9
Country operations.....	13.8	.1
Miscellaneous income.....	11.3	1.7
Total income.....	100.0	100.0

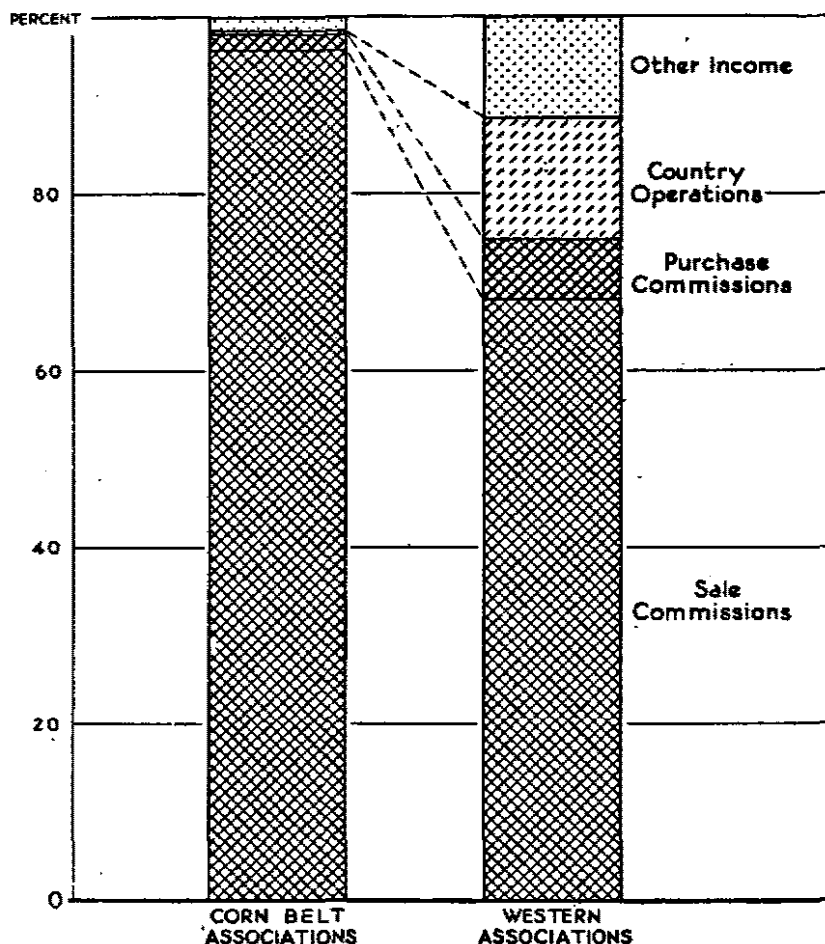


FIGURE 38.—PERCENTAGE OF AVERAGE INCOME FROM VARIOUS SOURCES FOR 10 CORN BELT AND 3 WESTERN LIVESTOCK MARKETING ASSOCIATIONS, 1934.

Western associations received a higher percentage of their income from other than terminal operations than did Corn Belt agencies.

### MAJOR EXPENSE ITEMS

A study of the major items of operating expense of the same western range and Corn Belt associations reveals wide differences in the relative amounts expended for various items (table 35 and fig. 39). For example, the Corn Belt agencies expended nearly 35 percent of their income for salaries paid salesmen, buyers, and yardmen, as compared with 25 percent expended for this purpose by the western associations. Corn Belt associations also spent approximately 15 percent of their income for office salaries, as compared with 8 percent for range agencies. For salaries of field men, however, the western range

agencies expended 9.8 percent or nearly seven times as much of their income as did the Corn Belt associations.

TABLE 35.—PERCENTAGE OF TOTAL INCOME EXPENDED FOR MAJOR ITEMS OF OPERATING EXPENSE BY 3 WESTERN AND 10 CORN BELT COOPERATIVES, 1934

Expense item	Percentage of total income	
	Western cooperatives	Corn Belt cooperatives
<i>Salaries:</i>	<i>Percent</i>	<i>Percent</i>
Selling, buying, yarding.....	25.2	34.7
Office.....	8.0	14.8
Administration.....	5.1	4.1
Solicitation.....	9.8	1.4
<i>General office expense:</i>		
Telephone and telegraph.....	5.6	2.2
Advertising.....	3.5	4.4
Office supplies.....	6.1	9.1
Travel, field service.....	15.3	6.1
Miscellaneous.....	14.6	7.1
Savings.....	6.8	16.1
Total income.....	100.0	100.0

Telephone service was another large item of expense with western associations—averaging 5.6 percent of their income, as compared with 2.3 percent for Corn Belt agencies. Western agencies spent 15.3 percent for travel, as compared with 6.1 percent for Corn Belt associations. These differences are accounted for by the longer distances to be covered and the sparser population in the territory served by the western associations. In addition, most western associations operate a direct country purchase-and-sale business in feeder stock, which entails heavy travel and telephone expense, while Corn Belt agencies as a whole carry on only a limited amount of such business.

Savings made by Corn Belt agencies amounted to 16.2 percent of the total incomes, as compared with 6.8 percent made by range agencies. One of the principal reasons for this difference in savings is the fact that the Corn Belt associations operating from 10 to 15 years have built up their membership and business over this period, while most range associations are new and have been forced to expend a higher percentage of their income to create business and to "sell" their program.

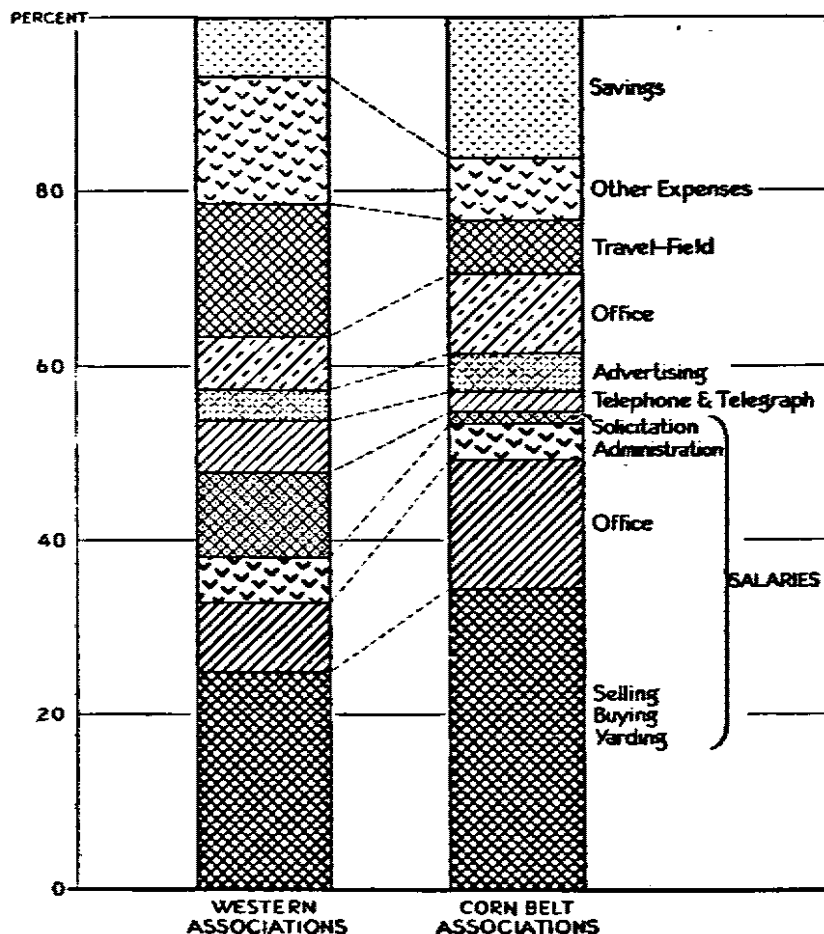


FIGURE 39.—PERCENTAGE OF AVERAGE INCOME EXPENDED FOR ITEMS OF OPERATING COST BY 10 CORN BELT AND 3 WESTERN LIVESTOCK MARKETING ASSOCIATIONS, 1934.

Expenses incurred in getting and maintaining volume of business by western associations were higher than those of Corn Belt agencies, largely because of the larger territory served and lack of local organization.

The major expenses of getting and maintaining business, which include solicitation salaries, field service, advertising costs, and a large portion of telephone expense, amount to approximately 34 percent of total income for the western associations compared with 14 percent for the Corn Belt associations. The higher proportion spent by the western associations in this manner is due chiefly to the fact that western agencies use the individual solicitation type of field work, serve larger and more sparsely settled territories, and have little or no organized local support; while Corn Belt associations operate in a more densely populated and more restricted area and rely on group

meetings and the organization of local associations, which is more economical from a travel and field-service standpoint.

Many Corn Belt associations are closely associated with general farm organizations which carry on much educational and promotional work and help to build up the cooperatives' membership and volume, while western associations perform most of this work themselves. Several Corn Belt agencies concentrate their efforts in a very limited trade area, close to their markets, which means that field work is largely carried on by the sales force and the manager.

From the practical point of view it would appear that western associations should give every consideration to means of reducing the high expenditure for getting and maintaining business. This may be accomplished to a great extent by building up local associations, cooperating with other marketing associations, stock-growers' and farmers' organizations, and the various State extension departments in the development of an efficient field service.

#### SUGGESTIONS FOR DEVELOPING ADDITIONAL INCOME

The expense brought about by the highly seasonal character of the volume handled by most range associations, as well as high costs of field-service operations, brings out the need for the development of a more balanced business throughout the year. Several possible methods by which a partial balance might be effected are summarized here:

1. Range associations, whose volume consists largely of grass-fat and feeder cattle and lambs, might make a special effort to develop their winter and early spring feeding volume of cattle and lambs and to increase their hog business.

2. Those associations which have paid little attention to the development of truck volume from close-in territory could well afford to concentrate more on this type of business by the formation of local trucking units to serve the irrigated- and dry-land farmer-stockmen.

3. A third possibility lies in the more efficient use of the field and sales employees during slack periods. This is particularly true of the personnel in the sheep departments. In practically every territory where a livestock cooperative operates, there is also a cooperative wool association. Both of these associations deal with sheep producers. The wool association, however, is busiest from March to July, while the heavy marketing season of the livestock associations runs from August to December.

It seems practicable, therefore, that the wool-marketing association and the range-livestock association serving the same territory and the same growers might make joint use of some of their field personnel. Thus, the same employees might serve the livestock association during

the fall movement of feeder lambs and the wool marketing association for several months during the spring. An arrangement of this sort would materially reduce the permanent personnel required by both associations. Both the wool and livestock associations would also benefit from a combined field-service program. Joint wool and livestock meetings could be held during the winter months. Where the livestock associations are closely affiliated with a livestock loan company, the company's field force could work closely with both marketing associations.

4. The operation of a supply-purchasing department, offers another possibility for additional revenue as well as increased service to patrons. Each year ranchmen have to buy thousands of dollars' worth of feed and supplies such as cottonseed cake, hay, grains, salt, fencing, wool bags and twine, and numerous other standard ranch supplies. By pooling their orders through their association, they are able to effect material savings in costs. This "side-line" business would also bring in additional income to the association. Purchasing operations should be largely restricted to ranch and farm supplies and efforts made to have patrons anticipate their needs and place orders in advance for feed and supplies, wherever possible. Many other successful marketing cooperatives, such as those handling fruits, poultry, and dairy products, have for years operated subsidiary purchasing departments handling articles needed by their members in the operation of their farms and ranches.

5. A fifth method which the western associations might employ for increasing revenue is the conduct of an aggressive field-service program for originating business in nearby territory for itself as well as for other cooperatives. At certain times of the year many of the grass-fat and winter-fed cattle and lambs move to markets east or west of the association. By proper field work much of this livestock could be turned to Corn Belt or west coast cooperatives and the originating association thus receive a field-service fee from these sales agencies. Such a program is being employed by several associations which are member-agencies of the National Live Stock Marketing Association.

## PROGRESS MADE BY WESTERN AND MID-WESTERN ASSOCIATIONS

**W**HILE it is difficult to measure accurately the actual accomplishments of cooperatives except in statistics of business handled, a study of their methods of operation and services rendered furnishes ample proof of the achievements of western and midwestern livestock marketing associations. Some of the more important of these are discussed below.

*Volume of western associations' business increased.*—The volume of business handled by cooperative marketing associations at Denver, Fort Worth, Oklahoma City, and Ogden has shown a substantial increase from 1931 to 1934. In 1934 the five cooperatives on these four western markets handled a total of 1,022,333 head of livestock as compared with 721,380 head in 1931. In addition to these transactions on the terminal markets, the same associations handled a total of 275,641 head in the country in 1934 as compared with 171,901 in 1931. In 1935, ten cooperatives operating in western territory handled a total of 2,246,537 head of livestock, as compared with 1,033,854 in 1931.

Receipts on central markets in the Middle West declined from 1931 to 1935 because of the rapid growth of direct packers' buying, the decentralization of the packing industry, the decline of local shipping associations, and the drastic reduction of hog supplies coming to markets. The volume of hogs sold by midwestern cooperatives substantially declined; but the volume of cattle and sheep handled by most of the associations during the same period increased. Notwithstanding this general decline, several cooperatives substantially increased their percentage of total livestock sold on the markets on which they operated during this period.

*Marketing expenses reduced.*—One of the major objectives in the organization of cooperative marketing associations in the West and Middle West was to furnish complete and efficient marketing service at cost. While it is true that several of the associations now operating in this territory are less than 6 years old, and during their early years had to expend a large portion of their income in field organization work, yet considerable progress has been made in reducing marketing costs to members and patrons.

One of the most important savings, although very difficult to determine exactly, has been due to the reduction in speculative profit and unnecessary handling costs in the moving of feeder cattle and lambs direct from range to feed lot by the cooperatives.

In addition to these intangible savings through the handling of direct shipments, the cooperatives on several western markets voluntarily reduced their commissions in 1932 and 1933 by from 15 to 35 percent. From information supplied by six western cooperatives it is estimated that from the time of establishment of these agencies through 1934 they have saved their members and patrons approximately \$300,000 in the form of patronage dividends and reduced commissions.

On several of the western markets the Secretary of Agriculture, after an investigation by the Packers and Stockyards Division, ordered commission rates to be lowered. In several cases these lowered rates were in line with the reductions already made by cooperatives. It can be said, therefore, that western livestock cooperatives reduced marketing costs not only to their own patrons but to some extent to all shippers to their respective markets.

An analysis of 12 associations<sup>11</sup> operating on the 7 largest midwestern markets shows that these cooperatives effected even more substantial reductions in marketing costs, either by lowered commission charges or by patronage refunds to their members and patrons. Total savings reported by these associations, from the time they were established through 1934, were approximately \$7,800,000, a saving of from 10 to 50 percent of commissions paid by the members.

*Improved services rendered.*—Western cooperatives have been active in expanding the direct movement of feeder stock from range to feed lot, either on an individual basis or through the formation of calf and lamb pools, as well as in the handling of feeder stock on feeding contracts. With the cooperation of midwestern associations they have moved many thousands of lambs and cattle through these channels direct to the Corn Belt feeder.

Numerous western cooperatives have supplied their members with livestock-credit service through their own livestock credit corporations. These corporations have been able materially to assist ranchmen and feeders during one of the most trying periods of the livestock business, by providing credit at reasonable interest rates. In 1935, 13 western and midwestern credit corporations, owned and operated by livestock cooperatives, made total loans of \$41,681,423.

Cooperatives have been active in obtaining improved transportation service from railroads and trucks. They have aided in obtaining reduced freight rates and have collected thousands of dollars in claims for their members. In addition, they have been instrumental in effecting improved methods of sorting, weighing, and selling truck shipments.

*Cooperatives a stabilizing influence.*—Some cooperatives that handle a large volume of business on their markets exercise a stabilizing

<sup>11</sup> Includes 12 associations operating on Chicago, Kansas City, Omaha, St. Paul, Sioux City, St. Joseph, and East St. Louis markets.



influence upon prices. By obtaining additional outlets for livestock, cooperatives have been able to strengthen their bargaining position. By developing an orderly movement, over a longer period of time, of grass cattle from sections such as the Flint Hills in Kansas and Osage in Oklahoma, cooperatives have helped to regulate the flow of cattle shipments to several markets.

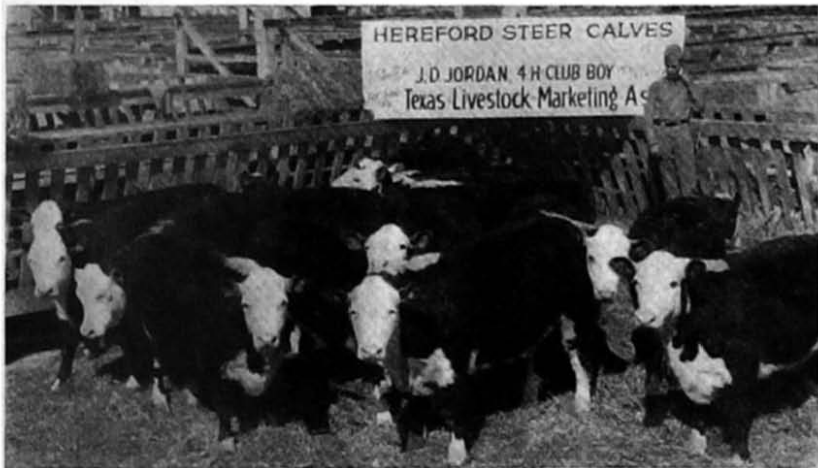


FIGURE 40.—CHOICE BABY BEEF CALVES FED AND EXHIBITED BY 4-H CLUB BOY.

Cooperatives are active supporters of boys' and girls' club work.

*Educational work.*—Cooperatives have carried on several types of educational work among producers to promote more efficient production and marketing. Associations have invited livestock producers and other interested groups to the markets so that they might study the problems of marketing livestock at first hand and become better acquainted with marketing methods and practices.

They have assisted with the educational work carried on by boys' and girls' clubs and vocational departments of high schools, by means of market tours, grading demonstrations, and the supplying of educational material for class work (fig. 40). The associations have worked with extension departments of agricultural colleges in arranging livestock-grading demonstrations (fig. 41) and otherwise informing farmers and stockmen as to market classes and grades. Feeder meetings, tours, and educational meetings have been held in order to assist livestock producers in their production, feeding, and marketing problems.

*Market information service.*—One of the most valuable services which cooperatives have rendered to their members and patrons has been to supply growers and feeders with unbiased market information which has proved of assistance to them in selecting the time, place,

and method of marketing their livestock. In addition to the use of the radio and the market letter for such purposes, cooperatives frequently give service on a more personal basis. Field men visit the ranch in person to advise with the producer and to give their estimates of grades, values, and weights of livestock. Since the member feels that the cooperative's field man is, in a sense, his own representative, this service is especially sought.



FIGURE 41.—TYPICAL LAMB-GRADING DEMONSTRATION SCENE AT A LOCAL ASSOCIATION'S YARDS IN CLINTON COUNTY, OHIO.

Midwestern cooperative marketing associations hold livestock-grading demonstrations for the purpose of informing their members as to standard market classes and grades.

*Mutual benefits of business between western cooperatives and Corn Belt and eastern agencies.*—Every year agencies in the range territory and those located on the midwestern markets fill orders for thousands of feeder cattle and lambs which are shipped into the trade territory of Corn Belt and eastern associations. Range agencies cooperate with Corn Belt and eastern agencies in many cases by supplying them with the purchaser's name and address, the kind of stock purchased, and the approximate time when the finished stock will be ready for market. Such information enables the cooperative in the feeding territory to make new contacts with feeders and thus increase its business. To illustrate the importance of such a service the feeder shipments of two western associations are shown in figures 42 and 43. Likewise the midwestern and eastern agencies are of assistance in building up the business of the western agencies by placing hundreds of orders for feeder cattle and lambs each season.

During 1935 a cooperative at Kansas City purchased approximately 43,000 feeder cattle and calves which were moved into 17 Mid-

western and Eastern States. Likewise, an association located at Denver during 1935 shipped over 257,000 head of lambs and ewes into 10 Midwestern and Eastern States and 2 Western range States.

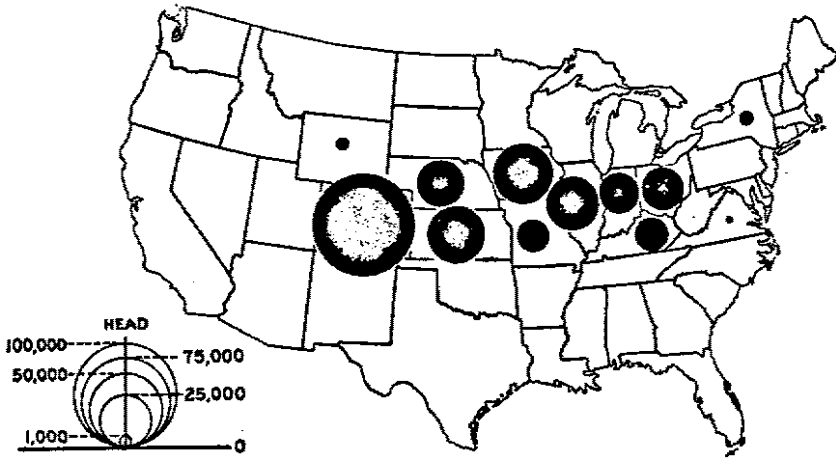


FIGURE 42.—DESTINATION OF LAMBS AND EWES MARKETING DIRECT TO FEEDERS BY A WESTERN ASSOCIATION.

This association sold 257,000 ewes and lambs for producers in 11 Western States to feeders of 10 Corn Belt and Eastern States during 1935.

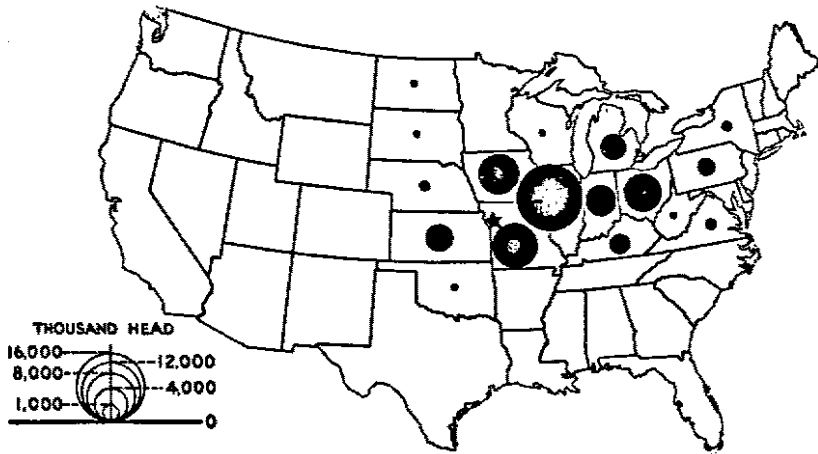


FIGURE 43.—DESTINATION OF CATTLE AND CALVES PURCHASED BY A MID-WESTERN AGENCY.

This association purchased 42,900 cattle and calves for feeders in 17 Midwestern and Eastern States during 1935.

## OPPORTUNITIES FOR FURTHER PROGRESS IN RANGE TERRITORY

**T**HE POSSIBILITIES for increase in the volume of livestock marketed cooperatively in the Western States are great. Within the past few years cooperative associations, to be sure, have obtained a firm foothold in this region; but with the yearly shipments from 17 Western States to public stockyard markets estimated at approximately 8,000,000 cattle and calves and nearly 17,000,000 sheep and lambs for the years 1930 to 1933, it is evident that the percentage marketed cooperatively is still far from what might be developed.

Many former barriers to cooperative growth, such as financial restrictions imposed by private lending agencies, domination of strongly entrenched speculators and private commission agencies, lack of unbiased and reliable market information, poor transportation systems over bad roads, and general lack of cooperative enterprise and leadership, largely due to the individualistic character of western ranchers, have been changed to a considerable extent.

In order to capitalize on the opportunities presented, however, western cooperatives must offer livestock producers a well-rounded program which includes direct and terminal sales and purchase service, reliable and current market information, improved outlets, and a more efficient and economical system of merchandizing their livestock.

### POSSIBILITIES FOR INCREASE IN MARKETING VOLUME

*"Direct and contract" cattle and lambs.*—The rapid growth of direct feeder cattle and lamb marketing, as well as contract-feeding enterprises, make it imperative that cooperatives supply the most efficient methods for handling these so-called new methods of marketing.

*Early spring lambs.*—Another marketing field into which the western cooperatives well might move is that of marketing the more than 1,500,000 early spring lambs, about 500,000 of which annually move out of California to midwestern and eastern packers.<sup>13</sup> In addition to the California movement, approximately 80,000 Arizona early lambs from the Salt River Valley are marketed each season.

*Hogs.*—While this study has been limited largely to the marketing of cattle and sheep, yet it should be pointed out that there are also opportunities in the marketing of hogs, especially in such areas as

<sup>13</sup> California Cooperative Crop Reporting Service, Mar. 25, 1936. California and U. S. Departments of Agriculture. Sacramento.

California and other Pacific Coast States. From 1,000,000 to 1,600,000 hogs are shipped annually into the States of California, Oregon, and Washington from the western Corn Belt, as well as from such States as Colorado, Idaho, and Montana. Practically all this hog volume is handled by speculators, order buyers, or packer buyers in the producing areas, and moves either direct to west coast packers or to markets. Much of this business passes through such terminal markets as Denver, Ogden, and Salt Lake, where cooperatives are located, before it is diverted to west coast points.

By cooperation with midwestern marketing associations at terminal markets or at country concentration points, western associations might develop an order-buying business for supplying hogs to western packers. This would increase the volume of business and, consequently, the income of the western associations during the off seasons for cattle and lamb marketing. This additional business would tend to distribute the overhead expenses more evenly throughout the year. At the same time, such additional outlets would be of value to Corn Belt agencies during periods of heavy supplies.

*Use of standard livestock grades essential.*—In order to operate any of these direct marketing or purchasing enterprises efficiently and satisfactorily, cooperatives must develop and utilize standard grades or classifications for both feeder and fat stock. Although considerable research and educational work in describing and defining standard grades has been done by the Bureau of Agricultural Economics and by the research department of the National Live Stock Marketing Association, the trade generally has been slow to adopt and put this grading system into actual use.<sup>13</sup>

Cooperatives should take the lead in using standard grades in order to eliminate, to a large extent, the difficulties encountered in filling direct feeder or fat stock orders. Furthermore, the sale and purchase of livestock on a graded basis makes the daily market reports more practical and more nearly reflects the true market value of his livestock back to the producer. It also is one of the best means of educating the producer as to the value of improved quality and finish of his livestock.

<sup>13</sup> Further information concerning market classes and grades of livestock may be found in the following publications: Slater, D. J. *MARKET CLASSES AND GRADES OF CATTLE*. U. S. Dept. Agr. Bull. 1464, 88 pp., illus. 1927.

Burk, L. B., Gibbons, C. E., and Foster, M. T. *MARKET CLASSES AND GRADES OF LAMBS AND SHEEP*. U. S. Dept. Agr. Circ. 363, 34 pp., illus. 1936.

U. S. Department of Agriculture. *MARKET CLASSES AND GRADES OF STOCKER AND FEEDER STEERS*. Bureau Agr. Econ. Rept., 14 pp., illus. 1934 (mimeographed).

Conway, H. M. *CATTLE HANDBOOK FOR THE GROWER AND FEEDER*. 64 pp., illus. 1935. (Pub. National Live Stock Marketing Association.)

## POSSIBILITIES FOR IMPROVED SERVICE.

*Cooperative marketing and credit as stabilizers of the livestock industry.*—With the establishment of cooperative credit both through production credit associations and through subsidiaries of cooperative marketing agencies, the machinery has been set up for stabilizing the cattle and sheep industry through intelligent application of financing and marketing methods. The livestock industry consequently now has access to a stable line of credit at reasonable interest rates through a farm credit system. Cooperative marketing associations should take the lead and shoulder their responsibility by working closely with these local cooperative credit and other interested financing institutions.

*Cooperatives as "pace-setters."*—Too often cooperatives, as well as private companies which have developed a reasonably successful business, are prone to rest on their oars and float along with the current instead of directing their course toward constant improvement. Instead of being satisfied that they are rendering as good service as their competitors, cooperatives should be ahead of the procession. In other words, they should be "pace-setters" or pioneers in leading the way toward the development of improved methods of marketing livestock.

*Efficiency in distribution a challenge to cooperative effort.*—The present wide spread between prices received by the livestock producer and those paid by the consumer has been one of the major causes for the unsatisfactory condition of the livestock industry. This spread can be attributed largely to the present costly methods of purchasing, processing, transporting, and selling livestock and livestock products.

These excessive costs at times create artificial surpluses by restricting the consumption of meat. What livestock producers need and desire is that their livestock products flow smoothly into consumer channels at a minimum cost, so as to widen, rather than restrict, the outlets and increase meat consumption.

Likewise, producers should be interested in seeing that their livestock and livestock products are bought and sold on a standard grade basis, so that the consumer will be protected. Considerable progress in Government meat grading has been made during recent years, and some packers grade the bulk of their better quality meat. However, this system could be improved and extended to include all processors and retailers of meat.

Little can be done by producers individually to correct or improve the present situation, but cooperatively much can be accomplished. Unless producers realize the need for concerted action and put these

matured plans into effect, they can expect little improvement from the handlers and distributors of livestock and meat products.

*Educational program.*—Education in cooperative livestock marketing in most of the western territory is an open field with its surface barely scratched. Relatively few producers are acquainted with the aims, purposes, accomplishments and possibilities which a cooperative has to offer. It is the cooperative's job to supply this information and to see that producers in its territory have every opportunity to become informed as to its programs and services. Such educational work can be carried on by personal contacts, by meetings where information is clearly presented, by radio, by advertising, circular letters, or any other well-planned means for giving publicity to the cooperative program.

### BROADER ASPECTS OF COOPERATIVE LIVESTOCK MARKETING

Too often managers and directors of cooperative associations are so close to their own business that they are unable to take a broad view of the whole field. Likewise, they are frequently unable or unwilling to recognize the weaknesses within their own organization and to make needed changes which will insure the association's continued growth and development. It may prove healthful, therefore, in an analytical study of the operations of cooperatives to consider some of the weak as well as the strong points.

*Destructive competition between cooperatives.*—From an unbiased viewpoint one of the most glaring weaknesses of cooperative marketing associations is the antagonistic attitude, often resulting in the use of destructive tactics and general lack of cooperation, between cooperatives operating on the same markets or in the same territory.

It is recognized that where two cooperatives are located on the same market keen competition for business is to be expected, but too often in such cases there also exists a lack of cooperation in sales policies and of general business ethics. Both cooperative agencies should have for their aim the development of a more orderly and efficient marketing system of the producers' livestock and, with control of a large volume, the strengthening of the producers' bargaining power. Cooperatives should work together on many broad general projects which will benefit the livestock industry. At times they should combine their volume in order to exert a stabilizing and strengthening influence upon the market price. Again, one association may be of assistance to another by offering additional outlets for certain kinds of stock.

*Cooperation with other organizations.*—Several western range associations have developed working relationships with other coopera-

tives, both in their own territory and in the Midwest, yet much more could be accomplished along the lines of joint field service and educational work by further cooperation with general farm and stock growers' organizations.

A more extensive use of the facilities afforded by the various State extension and vocational education departments for the information and education, both of the younger generation and the adult farmers and ranchmen, as to the value of cooperative effort has proved to be very advantageous in midwestern and eastern territories and might well be adopted by western agencies.

Cooperation between western and Corn Belt agencies operating in each other's territory is especially needed. Considerable progress along this line already has been made by several of the western and midwestern associations, but there still remains much to be gained by a closer working relationship between agencies in these regions, both in field service and in the development of a more efficient marketing service.

With the passage of the Taylor Grazing Act, machinery has been set up to control grazing on the public domain through the organization of local grazing units. These grazing associations offer an excellent means of contact with ranchmen operating in the local range districts and can form a nucleus around which local marketing units can be built.

The establishment of numerous production-credit associations throughout the range territory, through which the livestock producers and feeders can obtain operating credit without becoming indebted to lending agencies unfavorable to cooperatives, offers another opportunity for the growth of cooperative marketing. Livestock cooperatives should endeavor to work closely with the secretaries and local boards of directors of these credit associations to the mutual benefit of both organizations.



## SUMMARY

COOPERATIVE marketing of livestock has been slower to develop throughout most of the western range territory than in the Middle West and East.

Among the numerous obstacles standing in the way of cooperative growth the most important were as follows:

1. Individualistic character of western ranchmen.
2. Isolation due to long distances and to topography of country.
3. Lack of local marketing organizations.
4. Divergent interests of large ranchmen and small farmers, cattle and sheep producers.
5. Unfavorable attitude of some private banking interests and of traders and private-marketing agencies.
6. Direct packer buying and feeding activities.
7. Highly seasonal character of shipments due to climatic conditions.

The factors favorable to its growth were:

1. Need for a more efficient marketing and credit system.
2. High cost of marketing.
3. High interest rates on loans.
4. Need for more reliable market information.
5. Need for organized selling to compete with organized packer buying.

Although several early attempts were made to organize cooperatives in this region, the first successful terminal association to be established was the Farmers Union Livestock Commission, Inc., of Denver, Colo., formed in 1919. During the period from 1918 to 1930, two regional or direct marketing associations were established. These were the Western Cattle Marketing Association of San Francisco, Calif., and the California Farm Bureau Marketing Association of Hanford, Calif. From 1930 to 1935, 7 cooperative livestock marketing associations were organized and operated successfully, making a total of 10 associations operating in 1935. For the year 1935 the 10 associations operating handled a total of 2,246,537 head of livestock.

There are two principal types of cooperative associations in the range territory; namely, those operating largely as terminal market-sales agencies and those of a regional nature which operate as direct-marketing associations. Of the 10 western associations operating in 1935, 6 were of the terminal type and 4 were of the direct-marketing type.

These western associations perform more diversified services than most of the midwestern or eastern agencies. Several of the western

associations carry on a direct sales and purchase service in addition to their regular terminal-marketing activities. Principal services rendered members and patrons include:

1. Yarding, feeding, and selling of livestock on terminal markets.
2. Purchase of feeder stock on terminal markets and in the country.
3. Reliable market information and selective marketing service.
4. Improved transportation services, and filing and collection of transportation claims.
5. Educational field service.
6. Direct-to-feeder and, in some associations, direct-to-packer sales service.
7. "Feeder contract" service.
8. Livestock credit.
9. Ranch supply purchasing service.
10. Pasture leasing and supervision.
11. Orderly marketing service.

Most cooperatives find it difficult to keep their members informed and interested in their association, especially in the western territory where distances are great and membership is widely scattered. Unlike the producers in the Middle West and East, ranchmen do not have the opportunity to get together in local meetings easily and often. Nevertheless, there are ways in which a progressive cooperative can build up its local organization and membership.

Most of the field work carried on consists of individual solicitation. Such a system is expensive and is a very slow means of increasing membership and volume. Some progress has been made recently, however, by several western associations, in the holding of educational meetings, the forming of local lamb pools and, to a limited extent, in the organization of local-marketing associations in their territory.

Some of the western cooperatives have not yet successfully dealt with the problem of developing interest among, and dispensing information to, members. This may be accomplished by an intelligently organized and directed field-service program which includes the use of the radio, educational meetings, the development of local organizations, and the use of well-directed advertising and other publicity. Joint radio programs with other cooperative associations, farm organizations, stock growers' groups and the various State agricultural colleges can be made both interesting and beneficial.

The method of selecting directors varies considerably with different associations. Some are elected annually on the basis of districts; others are elected at large, while in some associations directors are selected by general farm organizations. Attendance at annual meetings as a rule has been very limited. This has created the undesirable situation of leaving the control of the association in too few hands. By districting the association's territory and by holding, prior to the

annual meeting, district meetings where delegates are appointed and directors nominated, much of this lack of interest can be overcome and a more democratic type of cooperative organization can be developed.

One of the most difficult of the operating problems faced by range cooperatives is that of widely varying volume. Climatic conditions in much of this area are such that the movement of cattle and sheep to market is concentrated largely in 3 or 4 months each year. An association is thus forced to be overmanned for a large portion of the year in order to have a personnel large enough during peak periods.

The expense resulting from this situation may be more evenly distributed by cooperative arrangements with wool-marketing associations for field work; by the development of truck volume, increase of hog and winter-fed cattle and lamb receipts, and the development of a field service to originate business for midwestern agencies. Some associations have supplemented their marketing income during slack periods by the addition of a ranch supply-purchasing department.

Western livestock production and marketing is dependent to a large extent upon financing, as in the past private credit agencies have largely dictated the marketing operations of their borrowers. These agencies were for the most part unfavorable to cooperative effort. One of the principal incentives in the organization of several western cooperative marketing associations was the desire on the part of ranchmen to build a cooperative credit system, adapted to the needs of the livestock industry and free from domination of lending agencies unfavorable to cooperatives. The establishment of cooperative credit institutions, controlled by cooperative marketing associations, was, therefore, a logical development.

The first successful cooperative credit corporations in the Western Range States were those organized and established by the National Live Stock Marketing Association, in conjunction with several cooperative livestock-marketing associations on western markets and with ranchmen and farmers, in 1930 and 1931. During the period from 1931 to 1935 loans made totaled \$112,822,724.

In addition to the cooperative credit institutions serving this western region, midwestern marketing associations own and operate eight credit corporations, two of which were established as early as 1924. These eight corporations had, in 1935, a total capitalization of \$717,400 and have loaned a total of \$26,931,867 from the time they were organized through 1935.

Livestock cooperatives consider their credit service one of the most valuable assets in building up and holding their volume of business. Such concerns have rendered many livestock producers a valuable

service at reasonable interest rates during a period when private credit was difficult to obtain.

With the passage of the Farm Credit Act of 1933, a new system of local production credit associations was organized. These local associations are cooperative in set-up and offer a line of production credit to all farmers and ranchmen at reasonable rates and on a cooperative basis. In 1935 there were 555 of these local credit associations in the United States, 178 of which were located in the 17 Western States.

Through cooperation farmers and stockmen are offered an opportunity to build up a successful agricultural credit and marketing system adapted to their needs. Such a system of intelligently operated cooperative credit, combined with orderly marketing, should go a long way toward stabilizing the livestock industry.

Nineteen cooperatives located at 9 midwestern markets handle a considerable volume of western livestock shipments, although the bulk of their business comes from the Corn Belt States.

These Corn Belt associations have become firmly established during a period of 10 to 18 years and have become of increasing importance in the marketing of livestock at the terminal markets. That a better cooperative working relationship between midwestern and western marketing associations is developing is evidenced by the increased volume of western cattle and sheep handled by these Corn Belt agencies in recent years. The rapid increase in direct range-to-feed-lot marketing and contract feeding of livestock are concrete examples of what cooperation between agencies of these two regions is accomplishing. In addition, the cooperative field service arrangements between several midwestern and western associations have been instrumental in eliminating duplication of solicitation and have reduced field-service costs.

Much can still be done, however, toward improving these relationships between associations, to the benefit of both western and Corn Belt members.

Among the more important accomplishments of cooperatives serving this western and midwestern territory might be included:

1. Soundly established cooperative marketing agencies now operate on all principal livestock markets and serve all major livestock areas with the exception of a small portion of the Pacific Northwest.

2. Volume of business handled by most livestock cooperatives has shown a steady growth during the last 10 years, in spite of many obstacles. In recent years, hog volume has declined because of reduced supplies and changed marketing methods.

3. Improved services have been rendered livestock producers both in the West and in the Corn Belt. This applies especially to the direct movement of feeder stock from producing to feeding areas.

4. A livestock credit service adapted to the needs of the livestock industry and providing credit at reasonable rates of interest has been established by cooperative marketing associations in the western and midwestern areas. These credit organizations operated successfully during one of the most trying periods in livestock financing history, from 1930 to 1934, and rendered valuable service to many stockmen who were unable to obtain financial aid otherwise.

5. Cooperatives have been active in providing a claim and transportation service which has saved their members thousands of dollars. Improved rail and truck service, as well as reduced freight rates, have been obtained through the organized efforts of these cooperative agencies.

6. On several markets where cooperatives control a substantial portion of the receipts, a stabilizing influence has been exerted. This is especially valuable during periods of rising or falling markets. By obtaining additional outside outlets, some cooperatives have strengthened their bargaining power and have increased prices. Through the development of an orderly movement of grass cattle from the Southwest and a selective market service, cooperatives have been able to stabilize to a considerable degree market prices for certain classes of cattle.

7. Cooperatives have been active in carrying on educational work and in improving the quality of livestock produced by members.

8. Some cooperatives have furnished a greatly improved market information service by means of radio, market letters, research findings and personal contact.

9. Western and Corn Belt cooperatives have not only saved their members approximately \$8,000,000 in cash refunds and lowered commissions on western and midwestern terminal markets, up to and including 1934, but have reduced the speculative margins in the handling of feeder stock from the range to Corn Belt feeders, through the development of their direct-marketing activities.

10. Some cooperatives have been "pace setters" or pioneers in developing new operating methods and in providing improved marketing services.

Possibilities for increased growth in the western range States are great. To date livestock cooperatives in much of this territory have been forced to spend most of their time and energy in obtaining a foothold and in maintaining themselves. Most of them are now beyond that experimental or formative stage and should be in a position to show marked progress in the future, provided they broaden their educational program and develop an elastic type of marketing service adapted to changing means of transportation and methods of packer and feeder buying.

## APPENDIX A

## INTERMOUNTAIN LIVESTOCK MARKETING ASSOCIATION

## LAMB FEEDING AGREEMENT

THIS AGREEMENT, made and entered into this ----- day of -----, 193--, by and between ----- of -----, hereinafter called the grower, and -----, of -----, hereinafter called the feeder.

WITNESSETH: That the grower hereby agrees to deliver to the feeder about ----- head of feeder lambs between the ----- day of -----, 193--, and the ----- day of -----, 193--, the exact delivery date to be at the grower's option, but delivery to be made within the above-described limits unless prevented by weather conditions or other circumstances not within his control; that said lambs are to be weighed at shipping point with fleeces dry, after 12 hours off feed and water, which weight shall be the contract weight, said lambs to be delivered to the feeder on board cars at feeder's unloading point in sound health and good condition, on the ----- railroad, the exact number of lambs and the said contract weight to be shown on the attached certificate, executed at time of delivery of said lambs, which certificate is hereby made a part of this agreement.

IT IS FURTHER UNDERSTOOD AND AGREED, That the feeder or his agent will take charge of said lambs and unload the same at feeding point and will generally and in all respects carefully look after and properly care for, feed, and fatten said lambs, and the feeder further agrees not to feed any other lambs than those covered by this agreement and owned by said grower.

That said lambs are to be kept free from disease, clean, free from burrs, and in good merchantable condition by said feeder, and are to be fed on good wheat pasture, sheltered, and cared for by said feeder, under the supervision of said grower or his agent.

That the grower will stand up to two (2%) percent of any death loss sustained, the feeder to furnish the pelts as evidence of such death loss, but that the grower is to be to no expense whatsoever in caring for, feeding, watering, and sheltering said lambs or for any veterinary services that may be required, and should the feeder for any reason make default in keeping or performing any of the terms and conditions of this agreement to the satisfaction of the grower, or his agent, or in any respect fail, neglect, or refuse to properly care for said lambs, then, and in that event, the grower, or his agent, may, at his option, take possession of said lambs and terminate and cancel this agreement.

That the title to all of said lambs shall at all times remain in the grower, free and clear of any claims, charges, or liens for costs or expenses incurred by the feeder in carrying out the terms of this contract, and the grower, or his agent, shall have sole control of the selling and marketing of said lambs.

That said feeder hereby agrees to deliver all, or any portion, of said lambs f. o. b. cars at feeding point, whenever the grower, or his agent, may so direct.

That in the event any of said lambs covered by this agreement are shipped, marketed, or moved from the feeding location without authorization of the grower, or his agent, the feeder hereby waives and forfeits all claims to any of the proceeds of sale of said lambs.

That the sales proceeds accruing to the grower and feeder shall be remitted to Intermountain Livestock Marketing Association, Denver, Colo., hereinafter called the association, for the credit and advice of said grower and said feeder.

That the grower hereby agrees to pay, on said contract weight, all freight and railroad feed charges, and marketing costs from original loading point to feeder's station and from feeder's station to market, and the feeder hereby agrees to pay freight and marketing expense on the gain in weight, and said grower and feeder hereby agree that said association shall act as agent for both the grower and feeder and shall supervise the feeding, care, and marketing of said lambs, also that said association shall receive for such services, the sum of twenty-seven (27¢) cents per head on the original loading count and five (5%) percent of said gain; of which ten (10¢) cents shall be paid by the grower and seventeen (17¢) cents and the said five (5%) percent, by said feeder, said charges to be deducted from the returns to each party.

That subject to the terms and conditions hereof, if said lambs are sold as fat lambs said feeder shall receive all of the gain in weight at market price at time of sale less his share of the charges as hereinabove provided, as his sole compensation for his performance of the terms and conditions of this agreement, or if for any reason said lambs, or any part thereof, are sold as feeders, said feeder hereby agrees to pay said grower one (1¢) cent per pound on the gain on such feeders; and in either of said events said feeder agrees to pay said association five (5%) percent of said gain as hereinabove provided, the amount of gain to be determined, when all of said lambs have been reweighed at the marketing point, by deducting said contract weight from the total weight at marketing time after all of said lambs have been marketed.

## REMARKS:

EXECUTED in triplicate by said grower and feeder on the date first above written.

Witness: ----- (Grower).  
 Witness: ----- (Feeder).

Feeder's address: -----  
 Feeder's station: -----

## CERTIFICATE OF DELIVERY AND ACCEPTANCE

## CONTRACT LAMBS

TO INTERMOUNTAIN LIVESTOCK MARKETING ASSOCIATION,  
 Denver, Colo.

There has this ----- day of -----, 193..., been delivered into my hands by the ----- Railway Company, at -----, Kansas, station, -----, head of ----- shipped by ----- from -----, station, said ----- to be fed by me under contract, the car in which they arrived this day being numbered -----.

I have made a careful inspection of the above-described -----, and hereby accept them for the purpose of feeding under a feeding contract.

I hereby further accept the contract weight of ----- pounds, as shown on the contract which has been signed by me.

## REMARKS:

Witnessed by:

-----,  
 Supervisor.

-----,  
 Feeder.

(EXECUTE IN DUPLICATE.)

## APPENDIX B

## PRODUCERS LIVESTOCK MARKETING ASSOCIATION OF SALT LAKE CITY

## MARKETING AGREEMENT

This agreement made as of the..... day of....., 19...., by and between the Producers Livestock Marketing Association of Salt Lake City, Utah, hereinafter called the "Association", and the undersigned, hereinafter called the "Producer", witnesseth:

WHEREAS the Producer is desirous of becoming a member of the Association and of having the livestock produced by him handled and marketed by the Association on a cooperative basis.

Now, THEREFORE, in consideration of the mutual covenants herein set forth the parties hereto agree as follows:

1. The Producer hereby subscribes for one share of common stock of the Association of the par value of One Dollar (\$1.00) per share and the Association hereby acknowledges receipt of One Dollar (\$1.00) in cash payment therefor.

2. The Producer agrees:

(a) To market through the Association all of Producer's livestock that is marketed on any terminal market where the Association or the National Livestock Marketing Association maintains or has a designated marketing agency.

(b) To pay a fee of one cent per head on lambs and hogs and ten cents per head on cattle sold by the Producer without the services of the Association. This fee is intended to cover the cost of providing marketing information service and such other assistance as the Producer may request, providing the Association does not directly make the sale or furnish the buyer for such livestock sold by the Producer.

(c) To pay one dollar per head on cattle, ten cents per head on lambs and fifteen cents per head on hogs where the Association effects the sale of the Producer's livestock direct to the buyer.

(d) To pay one dollar per head on cattle, ten cents per head on lambs, and fifteen cents per head on hogs where the Association places such Producer's livestock under breeder-feeder contracts.

3. The Association agrees to furnish to the Producer the following services:

(a) An authentic and confidential market information service.

(b) A terminal market service at those markets where member agencies of the National Livestock Marketing Association maintain or have a designated agency.

(c) A direct marketing service from Producer to Feeder or from Producer to Processor.

4. Where the Producer elects to consign his livestock to a terminal market agency (which is a member of the National Livestock Marketing Association) the usual commission and yardage cost on that market will apply, and the Producer shall pay no additional fees to the Association.

5. The Producer agrees to the articles of incorporation and by-laws of the Association, and it is understood and agreed that the Producer may cancel this contract in the month of November of any year, if he is not indebted to the Association or its affiliated credit agencies, by giving written notice to the Association of his intention to cancel the same and such cancellation shall be effective on the first day of January following.



FARM CREDIT ADMINISTRATION

IN WITNESS WHEREOF the parties hereto have affixed their hands and seals as of the day and year first above written.

PRODUCERS LIVESTOCK MARKETING ASSOCIATION  
OF SALT LAKE CITY,

By.....  
Its  
PRODUCER.....  
ADDRESS.....

Sign, detach, and mail to Producers Livestock Marketing Association, First National Bank Building, Salt Lake City.

PRODUCERS LIVESTOCK MARKETING ASSOCIATION OF SALT LAKE CITY  
MARKETING AGREEMENT

Number..... District.....  
Name..... Address.....  
Sheep..... Cattle.....

(Do not fill in this side)

## APPENDIX C

LARGE-SCALE COOPERATIVE LIVESTOCK-MARKETING  
ASSOCIATIONS, 1935

## LOCATION AND YEAR OF ORGANIZATION

Agency	Address	Year operations began
California Farm Bureau Marketing Association.	Hanford, Calif. . . . .	1918
Central Cooperative Association . . . . .	South St. Paul, Minn. . . . .	1921
Branch agency . . . . .	Fargo, N. Dak. . . . .	1935
Chicago Producers Commission Association . . . . .	Chicago, Ill. . . . .	1933
Eastern Livestock Cooperative Marketing Association, Inc.	Baltimore, Md. . . . .	1931
Branch agency . . . . .	Jersey City, N. J. . . . .	1933
Do . . . . .	Lancaster, Pa. . . . .	1934
Evansville Producers Commission Association.	Evansville, Ind. . . . .	1923
Equity Cooperative Livestock Sales Association, Inc.	Milwaukee, Wis. . . . .	1922
Farmers Live Stock Commission Co. . . . .	East St. Louis, Ill. . . . .	1921
Farmers Livestock Commission Co. <sup>1</sup> . . . . .	Springfield, Mo. . . . .	1926
Farmers Union Live Stock Commission . . . . .	Chicago, Ill. . . . .	1922
Farmers Union Livestock Commission, Inc. . . . .	Denver, Colo. . . . .	1919
Farmers Union Live Stock Commission Co. . . . .	Kansas City, Mo. . . . .	1918
Branch agency . . . . .	Wichita, Kans. . . . .	1923
Do . . . . .	Parsons, Kans. . . . .	1935
Farmers Union Livestock Commission <sup>2</sup> . . . . .	Ogden, Utah. . . . .	1931
Farmers Union Live Stock Commission . . . . .	Omaha, Nebr. . . . .	1917
Farmers Union Live Stock Commission . . . . .	St. Joseph, Mo. . . . .	1917
Farmers Union Live Stock Commission Co. . . . .	South St. Paul, Minn. . . . .	1922
Farmers Union Live Stock Commission . . . . .	Sioux City, Iowa . . . . .	1918
Farmers Union Livestock Commission Co. . . . .	Sioux Falls, S. Dak. . . . .	1929
Illinois Livestock Marketing Association . . . . .	Chicago, Ill. . . . .	1931
Intermountain Livestock Marketing Association.	Denver, Colo. . . . .	1930
Interstate Livestock Cooperative Association . . . . .	South St. Paul, Minn. . . . .	1931
Iowa Live Stock Marketing Corporation . . . . .	Des Moines, Iowa . . . . .	1930
Livestock Producers Association, Inc. <sup>3</sup> . . . . .	Montgomery, Ala. . . . .	1929
Michigan Live Stock Exchange . . . . .	Detroit, Mich. . . . .	1922
Montana Livestock Marketing Association . . . . .	Helena, Mont. . . . .	1932
Oklahoma Livestock Marketing Association . . . . .	Oklahoma City, Okla. . . . .	1931

<sup>1</sup> Started as Missouri Farmers' Association Livestock Commission.<sup>2</sup> Operated jointly by Farmers' Union Livestock Commission Companies of Omaha, Nebr., and Denver, Colo.<sup>3</sup> Superseded the Alabama Farm Bureau Cooperative Commission firm, Apr. 15, 1933.

Agency	Address	Year operations began
Pacific States Livestock Marketing Association. <sup>4</sup>	San Francisco, Calif.....	1925
People's Cooperative Sales Agency, Inc.....	South St. Paul, Minn.....	1923
Peoria Producers Commission Association.....	Peoria, Ill.....	1922
Producers Commission Association.....	Indianapolis, Ind.....	1922
Producers Commission Association.....	Kansas City, Mo.....	1923
Producers Commission Association.....	Sioux City, Iowa.....	1923
Producers Cooperative Commission Association.	Buffalo, N. Y.....	1922
Producers Cooperative Commission Association.	Cincinnati, Ohio.....	1925
Branch agency.....	Dayton, Ohio.....	1935
Producers Cooperative Commission Association.	Columbus, Ohio.....	1929
Joint agency.....	Cleveland, Ohio.....	1923
Do.....	Pittsburgh, Pa.....	1923
Producers Live Stock Commission Association.	East St. Louis, Ill., and St. Louis, Mo.....	1922
Producers Live Stock Commission Co.....	Springfield, Ill.....	1920
Producers Live Stock Association.....	Muncie, Ind.....	1925
Producers Live Stock Marketing Association.....	Louisville, Ky.....	1931
Producers Livestock Marketing Association.....	St. Joseph, Mo.....	1931
Producers Livestock Marketing Association.....	Salt Lake City, Utah.....	1935
Branch agency.....	Ogden, Utah.....	1935
Do.....	Los Angeles, Calif.....	1935
Progressive Farmers Cooperative Commission.	Sioux City, Iowa.....	1933
Branch agency.....	Sioux Falls, S. Dak.....	1935
South Dakota Cooperative Livestock Marketing Association.	Brookings, S. Dak.....	1932
Tennessee Producers Live Stock Marketing Association.	Nashville, Tenn.....	1932
Texas Livestock Marketing Association.....	Fort Worth, Tex.....	1930

<sup>4</sup> Superseded Western Cattle Marketing Association (1925-1934) and the Western Livestock Marketing Association (1932-1934), April 1934.

