

Cooperative Marketing of Livestock at Cincinnati

by H. H. Hulbert

FARM CREDIT ADMINISTRATION

Cooperative Research and Service Division

WASHINGTON, D. C.

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of Livestock at Cincinnati
by the
*Producers Cooperative
Commission Association*

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Summary

SUCCESSFUL cooperative marketing, developed around the needs of the livestock producer and built entirely upon service to him with a minimum of membership requirements, is demonstrated by the Producers Cooperative Commission Association at Cincinnati.

The association is a cooperative corporation of the nonstock type. Membership is easy to obtain—the only requirement is that members be bona fide livestock producers. Provisions imposing compulsion in any form are wholly lacking. No marketing agreements or contracts are required. Applicants for membership make no investment in the association when they are accepted as members. Members and patrons are free to patronize or not to patronize the association. In maintaining business volume, the association relies on its ability to render satisfactory sales services.

The association was formed to obtain for farmers certain advantages through ownership of their own cooperative organization. Specifically, farmers sought to lower costs of marketing, to improve services at the Cincinnati stockyards, and to correct unfair and discriminatory trade practices in the marketing of livestock. Through progressive policies pursued during its 14 years of operation, the association has done much to accomplish the objectives for which it was organized. An analysis of the operations and an appraisal of the achievements of this association should be valuable, therefore, to other livestock cooperatives as a gage for measuring their own progress.

The association functions principally as a sales agent for its members and patrons, charging a commission or brokerage fee for its services. All livestock handled is received on consignment and sold on a weight basis. Pooling is not employed in any form; each individual consignment is sold on its merits. Risks involved in market fluctuations are assumed by the producers; no prices are guaranteed.

The association has no way of gaging its receipts in advance of their arrival. It never knows from day to day how little or how much livestock it will have to offer for sale. Each producer determines independently his own day and time of marketing, and this makes volume uncertain. The association accepts all livestock consigned to it by producers. In general, all stock is sold on the day of arrival.

Growth of motortruck transportation, local markets, livestock auctions, and direct-to-packer marketing has exerted a pronounced influence on receipts at the Cincinnati market. For the market as a whole, receipts show an irregular downward trend, reflecting increased competition from these other forms of marketing. This influence has tended to hem in the terminal market and to insulate it from much of

its former volume. Contrary to this trend, association receipts have shown, in general, an increase.

Cincinnati has become almost exclusively a truck market for livestock. More than 90 percent of the total receipts of the market now arrive by truck, whereas 75 percent arrived by rail when the association first opened for business in 1925.

The association handles approximately 35 percent of all receipts at the Cincinnati market. It sells a somewhat higher percentage of the total market truck receipts than of the total rail receipts. The association now receives practically no livestock from local shipping associations, although in 1925 such organizations were an important source of supply. Shipping associations became less popular as livestock trucking developed and many local associations starved from lack of volume.

In 1935 the association established a branch at Dayton, Ohio, and in 1937 a second branch at Lexington, Ky. The branches were formed as integral parts of the parent organization. Local affairs of each branch are administered by an advisory operating committee selected by the members. Final decisions on policies, however, rest with the board of directors of the parent organization. Each branch financed its own organization through funds raised locally by subscription from producers.

In spite of the liberal membership policies adopted by the association, only 53 percent of the 18,513 patrons who used the association at Cincinnati in 1937 were members.

A study of patron deliveries for the 3 years 1935 to 1937 shows a startlingly large and consistent turn-over among patrons. Based on this study only about 45 percent of each year's patrons are regular consignors; the rest are "in and outers" who ship one year and drop out the next. Approximately 30 percent of each year's patrons use the association only 1 year. About 83 percent of the patrons who consign year after year are members; whereas 80 percent of the patrons who use the association for 1 year only are nonmembers. The regular consignors, however, supply at least 74 percent of the association's annual volume compared with about 12 percent for the group which use the association for 1 year only.

The association derives all its income, with the exception of interest and profits on investments, from commissions charged for the sale of livestock. From its total income, the association pays all expenses of operation. Amounts remaining constitute savings of the association. Savings, at the discretion of the board of directors, may be distributed as patronage dividends or used for the establishment of reserves.

Commissions are levied generally on a per head or per car basis and do not fluctuate with the value of livestock sold. The percentage of

value absorbed by commissions, therefore, is greater in periods of low prices than in periods of high prices, because commissions remain fixed, whereas wide swings occur in livestock prices. During the first 14 years of the association's operations, commissions amounted to about 2 percent of the sales value of the livestock, and expenses of operations absorbed 1.3 percent. Savings for the same period amounted to 0.78 percent of the sales value; patronage dividends to 0.56 percent; and reserves to 0.22 percent.

In the first 13 years total savings of the association amounted to \$684,388, or slightly less than 38 cents per dollar of income. Of this amount \$545,760 was due to members and \$138,628 to nonmembers. The directors have adopted a liberal policy for the payment of patronage dividends since they have become convinced that the association is adequately financed. During the 3 years 1935 to 1937, patronage dividends averaged 83 percent of total savings. Both members and nonmembers have an equity in patronage dividends declared, but payment of patronage dividends is restricted to members only. Members receive their patronage dividends in cash, whereas dividends accruing to nonmembers are credited to them on the books of the association. Total patronage dividends declared since organization amount to \$519,755, the equivalent of approximately 71 percent of all savings.

Reserves of the association are noninterest-bearing working capital accumulated from yearly savings and distributed on the books of the association to the credit of the members and nonmembers who have contributed the business. The ratio of member reserves to nonmember reserves is approximately 4 to 1. In 1934 the directors initiated a policy of revolving reserves from year to year, but after 2 years this policy was discontinued. At the close of 1937 reserves of the association totaled \$174,045.

Cooperative Marketing of Livestock at Cincinnati
by the
Producers Cooperative Commission Association

Introduction

DECLINES in livestock prices coupled with increases in marketing costs following the World War tended to focus attention of livestock producers on marketing problems. Cost of marketing livestock had been gradually increasing for many years prior to 1920;¹ but as long as prices remained fairly satisfactory from the standpoint of the producer, there was little organized protest from farmers against rising marketing costs. When livestock prices broke sharply, however, in 1920, and costs of distribution remained firm or showed a tendency to increase, agitation began to develop among producers for reduced marketing costs. Cooperative marketing was regarded as the most promising means of accomplishing the desired result.

Producers were not interested merely in reducing marketing costs. For years complaints had been directed against poor services and unfair discriminatory market practices, such as the refusal on the part of trade interests to sell stockers and feeders direct to farmers without paying a margin to traders. Producers were convinced that such practices reacted to their detriment and loss. The Federal Trade Commission's report on the Meat Packing Industry in 1919 substantiated this point of view.

NOTE.—The author is especially indebted to George F. Henning, Department of Rural Economics, Ohio State University; Paul M. Mitchell and T. G. Hornung, Extension Economists, Purdue University; and John B. Roberts, Assistant in Marketing, University of Kentucky, for assistance in making contacts with producers and in obtaining field schedules; and to officers and employees of the association for many suggestions and for much help in making records available.

¹ Randell, C. G. COOPERATIVE MARKETING OF LIVESTOCK IN THE UNITED STATES BY TERMINAL ASSOCIATIONS, U. S. Department of Agriculture, Tech. Bull. 57. 111 pp., illus. 1928. See p. 5.

Producers, however, had no way of correcting the trade practices of which they complained, nor were they in a position to develop the facts which would substantiate and justify a complaint. Furthermore, there was no unbiased agency, outside of the courts, to which a producer could carry his complaint with assurance of a fair hearing. The courts offered little protection against unfair practices unless producers could present convincing evidence. This they usually could not do. Consequently, producers felt that correction of unfair market practices and improvement in sales service were two of the major objectives which cooperative organization could accomplish.

In June 1921, Congress enacted the Packers and Stockyards Act (42 Stat. 159) partly as a result of the fight put up by stockmen's organizations for a Federal statute. This measure, among other things, was designed to regulate market charges and to eliminate unfair trade practices. Administration of the act was delegated to the United States Department of Agriculture. In its administration the Department of Agriculture has emphasized the principle of open competitive markets for livestock, free from unjust and discriminatory practices. The act brought stockyard and commission charges at all the larger livestock markets of the country under regulation of the Secretary of Agriculture. Rates and charges were to be determined scientifically.

Proceedings affecting rates and charges at the Cincinnati market have been held under the act; and yardage, feed, and commissions are now substantially lower than before the law was passed.

To many observers, passage of the Packers and Stockyards Act removed most of the reasons advanced by farmers for cooperative organization. The idea of cooperative organization for the marketing of livestock, however, had been steadily growing; and while the Packers and Stockyards Act promised relief from many inequities suffered by producers, its passage did not deter them from organizing. On the contrary producers were apparently spurred to action. Discussion of the possibilities of cooperative marketing had the effect of imbuing many producers with the desire of going into business for themselves. They became convinced that marketing costs could be cut through cooperative effort. Furthermore the Packers and Stockyards Act extended certain protection to producer groups, the benefits of which earlier attempts at cooperative marketing did not have. Consequently, plans for the organization of livestock marketing associations went forward with increased vigor and greater confidence than before the act was passed.

From 1922 to 1925, 21 terminal cooperative livestock sales agencies were formed. Most of the associations organized during these years closely followed the organization pattern proposed by the Committee

of Fifteen,³ which had been appointed by the American Farm Bureau Federation to study livestock marketing and to draft a plan of action. The committee reported in November 1921. Organization of terminal livestock cooperative associations followed rapidly for the next 4 years.

Development and Structure of the Producers Cooperative Commission Association

Formation of Association

THE Producers Cooperative Commission Association at Cincinnati, one of the last livestock sales agencies to be formed under the impetus given to cooperative livestock marketing by the report of the Committee of Fifteen of the American Farm Bureau Federation, was incorporated under the cooperative marketing laws of Ohio on October 8, 1924; and on February 10, 1925, it opened for business. Preliminary work of organization was carried on with thoroughness and deliberateness for 2 years by producers, county agents, and others who had decided that there was need for a cooperative at the Cincinnati market. On April 6, 1923, representative stockmen from 6 southwestern Ohio counties met and formed the Southwestern Ohio Livestock Shippers Association, and shortly afterward they invited the cooperation of Indiana and Kentucky stockmen and their organizations in the formation of a central sales agency. Numerous meetings were held throughout 1923 and 1924. A committee of 15 producers, 5 each from Ohio, Indiana, and Kentucky, was selected to draft plans for organization. The cooperation of all organized producer groups within the Cincinnati area was sought by the committee, and partly as a result of these efforts of the committee, the association has had, from the beginning, the backing and the support of most organized farm groups in the area.

Among these organizations the farm bureau, through its county and its State organizations, and the granges in Ohio and Indiana were particularly active in fostering the new cooperative. In fact, 40 percent of the farmers who were interviewed in these two States in connection with this study indicated that they had first heard of cooperative livestock marketing through their local farm bureaus and granges. Active support of the two organizations enlisted wide interest and enabled the association to carry its program to the individual livestock producer at a minimum cost.

³ Nourse, E. G., and Knapp, J. G. THE COOPERATIVE MARKETING OF LIVESTOCK. Brookings Inst. Inst. Econ. Pub. 40. 486 pp., illus. 1931. See pp. 122-156.

The original capital of the association consisted of \$36,000 raised by a campaign in Indiana and Ohio. Kentucky did not participate in the early financing. Equal amounts were assigned to the two States, and definite quotas were apportioned among counties lying within the market area. The total amount raised was loaned by State farm bureaus of Ohio and Indiana, county farm bureaus in territory adjacent to the Cincinnati market, livestock-shipping associations in Ohio and Indiana, and the Ohio Livestock Cooperative Association. As evidence of their loans, organizations were given conditional notes bearing 6 percent interest and payable when earned, and individuals making subscriptions to county quotas were given certificates of indebtedness.

At the close of the first year's business the association had retired \$18,000 in conditional notes and certificates of indebtedness, paying them from savings; and 1 year later it had paid off the balance of its loans with interest. Thus within 2 years the association had retired its original indebtedness completely. Furthermore, it had also established reserves from savings aggregating approximately \$28,782.

As the association has grown, it has expanded from a single central sales unit at Cincinnati to include a branch agency established in 1935 at Dayton, Ohio, and another established in 1937 at Lexington, Ky. In order to stimulate competition and maintain a clear-cut distinction at all times between the buyers' and, sellers' interests, it has organized the Farmers Feeder & Order Co. which was incorporated as a subsidiary of the Producers Cooperative Commission Association in 1934. This company serves entirely as a buying organization through which orders from producers for feeder livestock and from out-of-town packers for fat stock are cleared.

Membership

Requirements

Membership in the Producers Cooperative Commission Association is entirely voluntary, and compulsion in any form, such as contracts or marketing agreements, is wholly lacking. Applicants for membership make no investment in the capital structure of the organization, and membership costs nothing. The association is extremely democratic and is not selective except for the provision in the bylaws that membership "is limited to individuals, partnerships, associations and corporations who are bona fide producers of livestock * * * and cooperative livestock marketing associations and corporations composed of producers of livestock."

The terms of this membership provision have been arrived at after extensive revision with changes tending in general toward liberaliza-

tion. As originally planned, membership in the association was made contingent upon membership in the Ohio Farm Bureau Federation, the Ohio Livestock Cooperative Association, the Indiana Farm Bureau Federation, or in some local service organization in Indiana. No provision was made at the outset for members from Kentucky, because the State had no active farm organization and the organizers wished eventually to place membership in Kentucky on the same basis as membership in Ohio and Indiana. The question of membership in the State, however, came to a head when the association began to handle shipments of livestock from Kentucky immediately after it first opened for business; and at that time, after careful consideration, the association decided to waive its requirement of membership in a farm organization in the case of Kentucky and States other than Ohio and Indiana, and to put membership within these States on an individual basis.

In 1930 direct membership was made available to livestock producers in Indiana and Ohio also. Members of the farm bureau in these two States are still members of the association as formerly, but farm bureau membership is no longer a prerequisite to association membership. The bylaws as amended at that time provide that individual members may receive patronage dividends from the association without the necessity of belonging to the farm bureau.

While the vote was overwhelmingly in favor of the amendments to open membership, the decision was received with reservations in some quarters. Farm-bureau leaders pointed out that if individuals could participate in the benefits of the associations without belonging to the farm bureau, the value of farm-bureau membership was lessened. On the other hand, it was contended that there were thousands of livestock farmers who were interested in cooperative livestock marketing, but who were not interested in the general farm-bureau program and probably would never become members of the farm bureau. Consequently, it was argued that, if farm-bureau membership should be required as a prerequisite to membership in the association, it would have a tendency to limit the association's effectiveness by limiting its growth and its field of operation.

A survey of livestock producers undertaken in connection with this study showed that many farmers still feel that membership in the farm bureau is prerequisite to membership in the association.

There are at present (1939), as a result of this 1930 amendment, two methods by which producers become members; first, patrons may be inducted into membership by virtue of belonging to a farm organization approved by the board of directors, and second, patrons may become members by signing an application for membership in the association.

A membership card for the latter group is obtained without cost. However, the patron agrees that 25 cents, the subscription price to the National Livestock Producer, may be deducted from proceeds due him from the sale of his livestock or from savings which may accrue to his credit. To date subscriptions have been paid by the association from accrued savings.

Associations applying for membership on behalf of their members are required to file a certified list of their membership with the Producers Cooperative Commission Association. Originally the bylaws provided that a nontransferable certificate of membership should be issued by the association to each member. The association found this provision cumbersome, and in February 1927 the bylaws were amended to provide that only a record of membership should be made by the association.

With respect to tenure of membership, the bylaws, as first adopted, provided that any member who ceased to ship through the association for 1 year forfeited his membership. This provision was somewhat difficult of application, however, and at the second annual meeting the bylaws were amended to provide for forfeiture of membership only after a member had ceased to ship for 3 consecutive years. A still later amendment provides for continuous membership until terminated by the board of directors.

The association requires no contracts or marketing agreements with members. There is, in fact, no requirement other than a moral one on the part of members to market their livestock through the association. The association legally has little protection, therefore, against the solicitation of competitors. In effect, the association says to the producer, "Join with us, but if you are not satisfied, go elsewhere and see if you can do better." Private interests are free to solicit and to win business from members of the association if they can convince them that such a course is to their interest. Members are frequently subjected to pressure and persuasion to abandon their association, and undoubtedly this is responsible for part of the patronage turn-over from year to year.

Under these conditions, the association has no guarantee of volume. It is perhaps surprising, therefore, that an organization having so few membership requirements should rise to the position of leadership held by the association ever since its formation. It would seem that the association might find itself weak and impotent. On the contrary, it is recognized as the strongest single factor on the selling side of the market throughout the Cincinnati area. Looseness and flexibility of organization, which are ordinarily regarded as points of weakness rather than points of strength in any organization, apparently have not handicapped the association. Instead freedom of action and of individual decision, which finds no restriction through membership

in the association, has had its appeal to the average livestock producer; and members of this association are relieved of the straight-jacket feeling which iron-clad contracts so frequently entail.

Livestock cooperatives, in general, have made little use of marketing agreements. Associations have developed without the necessity of contracts because livestock is marketed under conditions different from those of other agricultural products and presents different problems. Livestock associations rarely incur extensive debts at organization. They seldom require large investments in facilities. Most associations sell for cash and make immediate final settlement with patrons. A volume sufficiently large to pay overhead expenses is essential, but livestock associations have felt little necessity to employ marketing agreements to guarantee patronage and volume.

The flexibility of the cooperative organization is based on the theory that if the association delivers a superior service, the producer will make use of this service in the marketing of his product. And conversely, if the association does not render satisfactory service, it has no right to expect or demand the patronage of the producer. On this basis the association has built its business and established its reputation.

The loose form of organization coupled with open competition for business has in fact tended to keep the association active, aggressive, and self-reliant. In establishing itself and in maintaining its present position, the association has had to withstand strong competition. It has had no opportunity to take root and to develop in a sheltered spot. It has been exposed to attack from many sides and has been forced to meet the test of "survival of the fittest." Sincerity of purpose and honesty of administration have helped to gain for it the confidence of producers throughout the trade territory. These attributes, however, have not been substitutes for service. Service is still the strongest factor by which each member measures the efficiency and the success of this cooperative association.

Growth in Number of Patrons

The number of producers served by the association has increased from 8,589 in 1925 to 18,513 in 1937, as shown in table 1. This represents an increase of 115 percent in 13 years. Marked changes in the distribution between member and nonmember patrons have occurred during this time. The number of members as reflected by their patronage records has doubled, reaching a high of 13,864 in 1934, and the number of nonmembers has trebled, reaching a high of 8,724 in 1937. Steady increases in the number of members during the years 1930 to 1934, inclusive, followed the opening of membership to any bona fide livestock producer. Declines to 9,789 during the suc-

ceeding 3 years at Cincinnati may be attributed to the opening of the branch agencies at Dayton and Lexington. It must be remembered that this is not a real decline, since each branch served many members in place of the central unit at Cincinnati. In 1937 the Dayton branch handled business for 2,529 shippers and the Lexington branch for 6,492. The upward swing in the nonmember patrons at Cincinnati was sufficiently strong to maintain steady increases in spite of the opening of the local markets at Dayton and Lexington.

TABLE 1.—MEMBER AND NONMEMBER PATRONS OF THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-37

Year	Patrons			Proportion of total patrons	
	Member	Nonmember	Total	Member	Nonmember
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Percent</i>	<i>Percent</i>
1925.....	6, 279	2, 310	8, 589	73	27
1926.....	6, 468	3, 963	10, 431	62	38
1927.....	7, 076	4, 579	11, 655	61	39
1928.....	10, 868	5, 376	16, 244	67	33
1929.....	9, 268	8, 347	17, 615	53	47
1930.....	9, 539	8, 012	17, 551	54	46
1931.....	10, 217	6, 508	16, 725	61	39
1932.....	10, 903	7, 554	18, 457	59	41
1933.....	12, 869	7, 008	19, 877	65	35
1934.....	13, 864	7, 463	21, 327	65	35
1935.....	12, 177	7, 882	20, 059	61	39
1936.....	10, 633	8, 684	19, 317	55	45
1937.....	9, 789	8, 724	18, 513	53	47

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio. Dayton figures from Mar. 10, 1935, and Lexington figures from May 17, 1937, are not included.

The ratio of members to nonmembers has fluctuated rather widely from year to year. Oddly enough, the largest percentage of members and the smallest percentage of nonmembers occurred in 1925 during the association's first year of operation. Particularly significant among the changes is the irregular downward trend since 1925 in the percentage of members as compared with the percentage of nonmembers. In 1928, 67 percent of the total patrons were members; whereas, in 1929 only 53 percent were members, representing a decline of 14 percent. Several other years show variations of from 5 to 10 percent. The relatively steady increase in the nonmember group has continued in spite of the fact that every year the association makes substantial expenditures for educational and membership work throughout its territory to interest as many producers as possible in cooperative livestock marketing.

When the association voted to open its membership in 1930, a pronounced increase in membership followed, but it did not result in a correspondingly pronounced decrease in nonmembers as might have been expected. Membership in the association increased 45 percent during the 5-year period 1930 to 1934, following the passing of the amendment, but the number of nonmembers declined only 7 percent. In recognition of the tendency for nonmembers to increase in number when the association opened its branch agency at Lexington it adopted the policy at Lexington of making every patron a member.

An effort was made to gage the percentage of total business furnished by members and the percentage furnished by nonmembers by using as a yardstick the changes in the patronage refunds paid to members and the patronage refunds held for nonmembers. In 1937, the directors declared a patronage refund of \$35,781, the equivalent of 25 percent of the commissions paid that year. Of this amount the association refunded \$26,892 to members and credited \$8,889 on its books to nonmembers. If it is assumed that the association paid patronage refunds to all members who were eligible to receive them, 75 percent of the total 1937 business of the association came from members and 25 percent from nonmembers (table 2). In the same year, 53 percent of the total patrons of the association were members, and 47 percent were nonmembers. Thus of the total business handled by the association,

TABLE 2.—PROPORTIONS OF TOTAL BUSINESS CONTRIBUTED BY MEMBERS AND BY NONMEMBERS OF THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, AS INDICATED BY YEARLY SAVINGS AND PATRONAGE REFUNDS, 1925-37

Year	Percentage of total business		Average saving		Average patronage refund	
	From members	From nonmembers	Per member	Per nonmember	Paid to members	Held for nonmembers
	<i>Percent</i>	<i>Percent</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1925.....	86	14	2.73	1.21	1.38	0.61
1926.....	80	20	3.21	2.17	1.82	.74
1927.....	78	22	4.02	1.77	1.93	.85
1928.....	76	24	4.01	2.55	2.27	1.44
1929.....	74	26	4.16	1.61	2.72	1.05
1930.....	77	23	3.39	1.17	2.60	.90
1931.....	82	18	4.56	1.60	2.89	1.02
1932.....	84	16	4.38	1.32	3.55	.97
1933.....	88	12	5.80	1.48	4.15	1.05
1934.....	81	19	4.49	2.01	3.54	1.59
1935.....	77	23	3.96	1.84	3.19	1.48
1936.....	78	22	4.55	1.58	4.03	1.39
1937.....	75	25	3.51	1.30	2.75	1.02

Sources: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

75 percent was supplied by the 53 percent of the patrons who were members, and the remaining 25 percent by the 47 percent of the patrons who were nonmembers. In other words, the annual volume of business consigned by an average member in 1937 was nearly three times larger than the volume of business furnished by an average nonmember. Annual consignments by members have averaged substantially more in size than consignments from nonmembers each year since the association began business.

On the basis of these figures, the incentive to become a member of the association seems to be less for the small patron than for the large patron. The business of the small patron entitles him to only a modest patronage refund because his volume is limited, while that of the large patron brings a sizable patronage refund in the course of a year's operations. If the refunds of the small patrons were more significant, doubtless more of them would become members in order to get these refunds, if for no other reason.

Average patronage refunds per member showed a rising trend for the first 9 years, reaching a peak of \$4.15 in 1933. Since that date average patronage refunds per member have declined somewhat, although 1936 showed an average refund of \$4.03. Average non-member refunds also showed a general tendency to increase, although there has been considerable fluctuation from year to year. With the exception of 1928 the average annual volume of business from each member has been more than double that of each nonmember.

Patron Turn-over

There is a startlingly large and consistent patron turn-over from year to year. For the 3-year period from 1935 through 1937 it is estimated on the basis of a representative cross-section of the association's business during that period that 33,500 producers used the services of the association. An analysis of the extent to which these patrons deliver consistently or withdraw in 1 year, in some instances to return in another, is shown in table 3. On the basis of the sample taken, it appears that from 44 to 47 percent of each year's patrons continue to ship to the association for 3 years or longer; an additional 14 to 15 percent, on the average, continue to use the association for 2 consecutive years; approximately 6 percent of the patrons use the association every alternate year. The sample indicates that 28 to 33 percent of each year's patrons are shippers who use the association but 1 year. Part of these 1-year shippers may have used the association prior to 1935, and part of them may become regular shippers subsequent to 1937.

Ordinarily, a high rate of turn-over is regarded as an indication of dissatisfaction, generally because the service is poor. Contacts with

farmer-patrons, however, gave no confirmation of dissatisfaction on their part commensurate with the indicated yearly turn-over, as apparently less than 7 or 8 percent of each year's patrons stopped using the association through dissatisfaction with the services rendered. (See p. 73.)

TABLE 3.—PATRON PERFORMANCE OF THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, DURING THE 3-YEAR PERIOD, 1935-37

Periods of delivery	Percentage of patrons who delivered in—		
	1935	1936	1937
1935, 1936, 1937.....	46	44	47
1935, 1936.....	15	14	-----
1935, 1937.....	6	-----	7
1936, 1937.....	-----	14	15
1935.....	33	-----	-----
1936.....	-----	28	-----
1937.....	-----	-----	31
All groups ¹	100	100	100

¹ In 1935 the association did business with 20,059 patrons, in 1936 with 19,317, and in 1937 with 18,513.

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio. Computations of the number of patrons making deliveries are based on percentages obtained from a sample of 1,000 members and nonmembers.

A large proportion of the association's total receipts comes from patrons who used the association during all 3 years, as shown by table 4. For example, in 1937, 47 percent of the patrons accounted for 54 percent of the cattle, 70 percent of the calves, 75 percent of the hogs, and 85 percent of the sheep handled by the association. These figures definitely show that there is a group of consistent consignment patrons within the association who furnish the bulk of the volume from year to year. While this group is somewhat larger than the group of patrons using the association for 1 year only, it is several times more important from the standpoint of business volume.

Shippers who use the association for 1 year only, as indicated by such figures as are available, contribute volume that may be called of the windfall variety—that is, it comes to the association for no particular reason, and it leaves for no particular reason. This conclusion is borne out by the fact that well over 70 percent of the shippers who use the association for 1 year only make one consignment; 53 percent of the consignments made consist of only one head; 80 percent of these patrons are nonmembers. In other words most of the consignments from this group of patrons appear to come from in-and-

out shippers who are drifters or floaters, some of whom have but an acre or two on the outskirts of town and who sell only one or two veal calves a year. Their income from livestock is probably not a sufficiently significant part of their total income to give them any decided opinions on livestock marketing. Consequently, the shipper of this type is apt to use the association occasionally along with most other available forms of livestock marketing.

TABLE 4.—PERCENTAGE DISTRIBUTION OF RECEIPTS OF THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, FROM PATRONS IN SPECIFIED DELIVERY GROUPS, BY KIND OF LIVESTOCK, 1935-37

Group	Percentage of sample delivered by group			
	Cattle	Calves	Hogs	Sheep
1935 patrons delivering in—	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
1935, 1936, 1937.....	59	72	82	80
1935, 1936.....	14	9	6	9
1935, 1937.....	4	6	2	1
1935 only.....	23	13	10	10
Total.....	100	100	100	100
1936 patrons delivering in—				
1935, 1936, 1937.....	33	72	73	80
1935, 1936.....	13	8	3	11
1936, 1937.....	14	10	13	4
1936 only.....	40	10	11	5
Total.....	100	100	100	100
1937 patrons delivering in—				
1935, 1936, 1937.....	54	70	75	85
1936, 1937.....	16	11	13	7
1935, 1937.....	4	4	2	1
1937 only.....	26	15	10	7
Total.....	100	100	100	100

Source: Records of Producers Cooperative Commission Association, Cincinnati, Ohio.

Approximately 83 percent of the 3-year shippers were members; 17 percent were nonmembers. While the ratio of members to nonmembers is higher for this group than for any other, it would seem that an even larger percentage of the association's consistent consignors would have become members after shipping to the association for 3 successive years.

Most patrons of the association use its services infrequently. This is because they either consign only part of their livestock to

the association or have only a limited quantity of livestock to sell. Producers who ship consistently year after year use the association most in each year, whereas patrons who ship for 1 year only use it least. The group of patrons who made shipments during each of the 3 years from 1935 to 1937 averaged between 4 and 5 consignments per year per patron, while those who used the association for 1 year only averaged less than 1.5 consignments per patron per year. Over 70 percent of the 1-year shippers made only one consignment to the association. The average member uses the association much more frequently than the average nonmember. About 65 percent of the total nonmembers made but one consignment a year compared with only 23 percent for members. Very few nonmembers make more than 4 consignments a year, whereas about 50 percent of the members deliver from 3 to 8 consignments a year.

Organization Control

Ultimate control of the association is vested in the membership, since the official acts of the association are subject to approval of the membership. Each member is entitled to vote upon policy and other matters that come up for decision at meetings. Furthermore, the members elect the directors, to whom they delegate the power of repre-

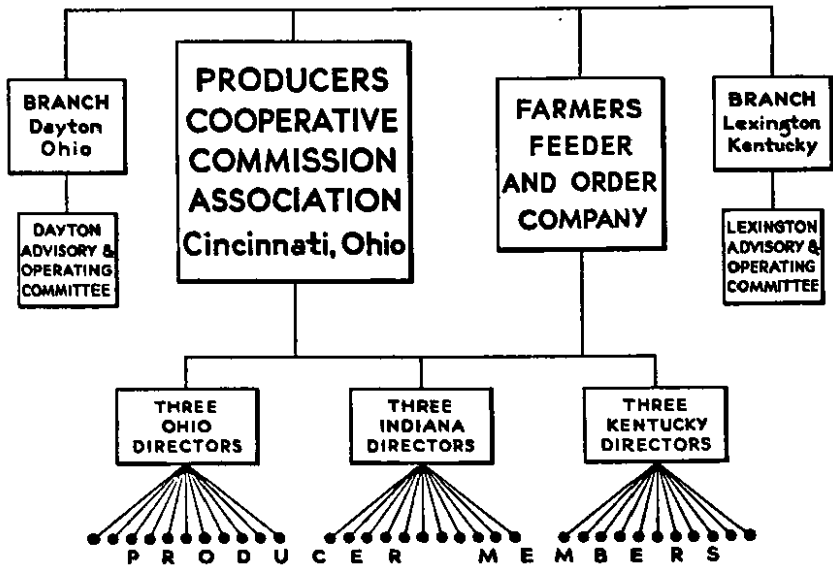


FIGURE 1.—PLAN OF ORGANIZATION OF THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO.

The association is governed by a board of nine directors elected by the members. The branch agencies at Dayton, Ohio, and Lexington, Ky., are supervised by local advisory and operating committees elected from the membership of each branch.

senting them in the administration of the association. The directors select the manager, and he in turn chooses the personnel actively responsible for the conduct of the association. The plan of organization is shown by figure 1.

Each of the branch agencies at Dayton and Lexington has an advisory and operating committee selected from members and patrons of the branch to advise the board of directors of the parent association and to carry out policies determined by the board. One or more of the directors serves on each committee, and in this way a close working relationship is maintained with the board.

Voting Privileges

Voting privileges as outlined in the bylaws provide that every member shall be entitled to one vote, with the added provision that when members of the association are also members of local cooperative associations, such members may be represented by delegates, and the delegates may cast a number of votes equal to the entire list of members of such local cooperative association.

Previous to 1935 the provision that the voting power of members should be equal and that each member should have one vote was partially nullified, particularly for Ohio and Indiana, by a further provision that one delegate might be seated for each 100 members of a local cooperative association. Under this plan it is conceivable that the number of members of the farm bureau in any county, for example, might have determined the number of voting delegates from that county at meetings of the association. Thus the voting power in Indiana and Ohio was based on farm bureau membership rather than patronage and active participation in the association. Under this plan of representation there might be little connection between the number of active members of the association from any county and the number of voting delegates seated at meetings of the association from that county. One county might have a farm-bureau membership of 500, who might all be patrons of the Producers Cooperative Commission Association, while another county might have a farm-bureau membership of 500 with only 200 patrons of the association. Under the bylaws of the Producers Cooperative Commission Association each county would be entitled to five delegates at meetings.

Since February 1935 only members who have transacted "business with the association since the beginning of the past calendar year" may be counted in determining the number of delegates. Thus, if a county farm bureau or local cooperative corporation has a membership of 500, but only 200 of its members actively patronize the Producers Cooperative Commission Association, the organization is entitled to only 2 delegates rather than 5, as formerly. This change in the bylaws

not only places control of the association in the hands of its active patrons, but equalizes the voting rights of members and eliminates the danger of loading a meeting with delegates representing producers who are not patrons of the association.

Producer patrons from States other than Ohio, Indiana, and Kentucky have no direct vote in association affairs, although they may qualify as members and receive patronage dividends from the association. The volume of business received from outside States, however, is small.

Directors

The bylaws of the association provide for a board of nine directors elected for a term of 3 years. Since 1935 the market area has been divided into three districts consisting of district 1, the territory west of the Ohio-Indiana State line and north of the Ohio River in the State of Indiana; district 2, the territory east of the Ohio-Indiana State line and north of the Ohio River in the State of Ohio; district 3, the territory south of the Ohio River in the State of Kentucky. Each district is divided into three subdistricts, and provisions are made for the nomination of directors "by patronizing members of each subdistrict transacting business with the association since the beginning of the past calendar year." Directors are nominated at or before the time of the annual meeting. After nomination in the subdistricts the names of the nominees are presented to the general meeting, and the directors are elected by vote of the members from all States, the same as formerly.

The turn-over among directors from 1925 to 1939 has not been large. During a period extending over 14 years there have been but 13 replacements. Four directors have been defeated for reelection; 5 have resigned to assume other duties, and 4 have died in office. The last incorporating director on the board died in March 1939; four directors have served on the board for 11 years or more, and 1 has served for 10 years.

Directors' attendance at meetings.—During the first 3 years the board of directors met quarterly; later, as business expanded, bimonthly; and since September 1929, at monthly intervals. In addition to regular meetings, special board meetings have been called occasionally to consider emergency matters arising in connection with the conduct of the association.

Attendance at board meetings has been well maintained and shows keen interest on the part of directors in the affairs of the association. Over the 13-year period since organization the attendance record, which makes no allowance for absence for any cause whatsoever—injury, sickness, or death within a director's family—shows an average attendance of 92 percent. Three directors have an attendance record

of better than 96 percent for a 10-year period; and one director has missed but 3 of the 143 meetings held during the 13 years. Directors are paid a per diem allowance of \$10 a day plus actual and necessary expenses incurred in connection with their attendance at meetings. They receive no other compensation, although they may devote much additional time to association affairs throughout the whole year.

The minutes of the board meetings show full discussions and careful consideration of all problems with which the association has been faced. With few exceptions, all major decisions of the board have been unanimous. In fact, time and effort have been contributed so freely and unstintingly in the formulation of sound policies for the conduct of the association that much of the credit for the association's achievements can be laid at the door of the directors.

Significant policies adopted.—The more significant policies adopted by the board of directors include a roll-call vote on all motions carrying an appropriation of funds; a provision in the bylaws that "no director shall serve as manager, salesman, or employee of the association"; and another provision against speculation of any kind in connection with the conduct of association business.

All major policies are worked out by the entire board of directors, and each director assumes equal responsibility with the others for the conduct of the association and the determination of policies. There is no executive committee. The association has never felt the need of an executive committee since the board of directors as now constituted is neither large nor cumbersome, and the market area served is fairly compact, so that costs of holding meetings of the full board are not prohibitive. Thus the association has avoided the friction that sometimes develops between executive committees and boards of directors.

Field work of directors.—In addition to attending the regular monthly meetings of the board, all directors do a certain amount of field work for the association. Frequently they are scheduled to speak at local meetings and farmers' institutes in their districts; and they are constantly called upon to discuss informally association affairs.

While directors are not paid for field services performed for the association, an unusual situation exists in Indiana. Since 1926 the association's field service work in that State has been performed under the direction of the Indiana Farm Bureau Federation by two men who had already been elected to the board of directors of the Producers Cooperative Commission Association. They are employed and paid by the Indiana Farm Bureau Federation rather than by the association. A large part of the funds that make their employment possible, however, is derived by the Indiana Farm Bureau from the association.

Keeping directors informed.—The directors must keep themselves informed about association affairs, since members' opinions of both the directors and the association are apt to be based on the directors' knowledge of the policies of the association. Several means toward this end have been adopted. Personal copies of the minutes of all meetings are mailed promptly to each director, so that each may recall clearly the steps by which the board reached its decisions. Of course, the association expects each director to exercise reasonable discretion in the care and use of the minutes entrusted to him.

Each director receives a copy of the balance sheet and the operating statement, together with a statement showing the volume and the origin of all livestock handled.³ Since a standard form has been adopted for these reports, changes in balance sheet, income and expense accounts, and volume from month to month are readily apparent and easily checked. In addition, their accessibility helps the directors in interpreting the reports of the manager and in recalling the discussions that ensued at board meetings.

In recent years the association has followed the practice of issuing weekly mimeographed news letters, which are circulated to directors, county agents, and livestock marketing committeemen. The letters usually give a brief summary of the livestock markets, together with the volume of business handled by the association for the week; and frequently they also give timely marketing advice to livestock shippers. Announcements of market tours and association meetings are also carried by the weekly letters.

Furthermore, each director receives the National Livestock Producer, which keeps him informed on national developments in cooperative livestock marketing.

For a number of years the directors of the association have attended at association expense the annual meetings of the National Livestock Marketing Association and the annual meetings of the American Institute of Cooperation. Meetings of this nature exert a broadening influence on directors by giving them an opportunity to look beyond the problems of their own association and to see the larger aspects of marketing through the interchange of ideas with other directors and with leaders in other marketing fields. Many of the ideas and much of the information absorbed can be applied to the marketing problems confronting their own cooperatives.

As a general rule the association endeavors to put copies of the agenda of all meetings in the hands of directors as far in advance of each meeting as possible. This procedure not only serves to advise each director of the topics to be discussed; but it affords him a better opportunity to weigh pros and cons of proposed actions in advance of meetings, and thus tends to prevent ill-considered actions, which frequently are those enacted on the spur of the moment.

³ For sample copies of monthly financial statements, see Appendix, pp. 266-268.

Meetings

The bylaws of the association provide for an annual membership meeting and such special meetings as may be called by the president or requested by a majority of the board of directors. A majority of the members present at any annual or special meeting of the membership constitutes a quorum for the transaction of business. No special membership meetings have ever been called. The annual meeting of the association has thus been the only general membership gathering held in any year.

The annual meeting has come to be regarded as a gala event—a sort of field day or holiday—where producers are welcome to come and bring their families. Attendance has been steadily increasing for several years, until on February 24, 1938, it reached 1,626 (fig. 2). This may be compared with an attendance of 250 at the fifth annual meeting held February 20, 1930.

The date is set several weeks in advance, and wide publicity is given it. Speakers of national prominence are scheduled on the program. Dinner is provided by the association free of charge for all those in attendance. Costs for advance announcements by pamphlet and radio, for entertainment, dinner, and other expenses, which together approximate \$2,000 for each annual meeting, during recent years have been paid from educational reserves. As a democratic gathering of livestock producers, the annual meeting has value from an organization standpoint, and attendance should be encouraged.

There is no doubt that large enthusiastic meetings have a certain inspirational effect difficult to obtain in any other way. Nevertheless they have very definite limitations from the standpoint of accomplishment. Even though the programs are planned carefully and executed with dispatch, the very size of the meeting presents obstacles which are difficult to overcome. Large meetings are generally awkward and somewhat cumbersome. There is always a certain amount of confusion. The audience frequently has difficulty in hearing the program. Large crowds are an effective ban to free and open discussion since many members prefer to remain silent rather than attempt to speak before a large audience. The program must of necessity be limited to general reports covering operations of the association. It is impossible to give more than the highlights in the time that is available. The day is always crowded, and but little opportunity can be afforded the membership for discussion of marketing problems. Consequently the annual meeting is not a good place to give or receive much information concerning the conduct of the association.

With an attendance of from 1,500 to 1,600 people each year, it would seem that the association was enjoying a high degree of mem-



FIGURE 2.—ANNUAL MEETING HELD IN FEBRUARY 1938.

Attendance is a good gage of membership participation and interest.

bership participation. That would mean, however, a turn-out of only 16 percent of the members and 9 percent of the patrons—provided all those in attendance are either members or patrons, and clearly not all of them are members or patrons.

An analysis of the registration cards, which showed the names, the addresses, the counties, and the States of those attending the annual meeting held in February 1938, yields some interesting information on patron and member attendance. Altogether 1,626 were reported present. Of this number 882 were men and 744 were women. The association would be overlooking a most valuable contact if it failed to encourage the attendance of wives of members and patrons at annual meetings. When attendance was counted by families, rather than by individuals, the percentage of members and patrons was so sharply reduced that it represented not more than 9 percent of the members or 5 percent of the patrons. Even these figures may be somewhat large, since only 62 producers out of a total of 599 interviewed during the course of this study indicated that they had ever attended an annual meeting of the association.

Members attending the meeting do not represent as widely distributed territory as might be wished for the association. While the Cincinnati market area is relatively compact, a round trip of 200 to 250 miles, which is too great a distance for many farmers—particularly during bad winter weather—causes many of the outlying counties that contribute considerable volume to the association to have very little attendance, if any, at the annual meetings.

This is borne out by analysis of the attendance record at the thirteenth annual meeting. Ninety percent of the representation at the

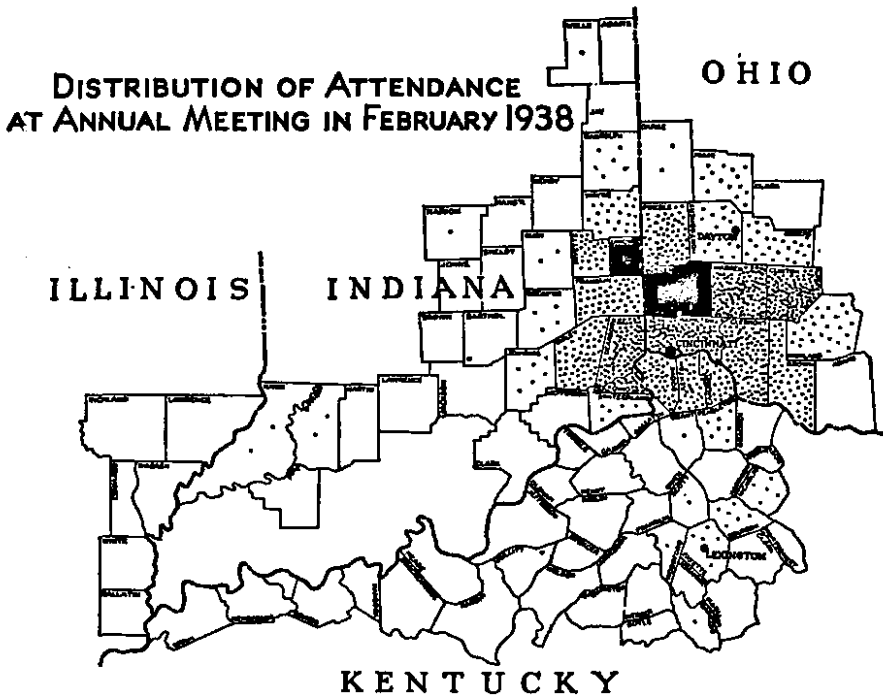


FIGURE 3.

The thirteenth annual meeting had an attendance of 1,626 persons; 1,071 from Ohio, 420 from Indiana, and 112 from Kentucky. Ninety percent of those attending lived within a radius of 60 miles of Cincinnati.

meeting came from areas within 50 to 60 miles of the Cincinnati market (fig. 3, table 5). Of the total attendance 25.8 percent came from Indiana, 65.9 percent from Ohio, 6.9 percent from Kentucky, and 1.4 percent from other States. Butler County, Ohio, with 28.4 percent of the total of those attending the meeting, led all other counties in attendance. Union County, Ind., with 8 percent of the total, was second. Outlying counties like Knox and Daviess Counties in Indiana; Adams, Clarke, and Darke Counties in Ohio; and Grant, Scott, Owen, and Harrison Counties in Kentucky each had only one or two representatives present.

Since organization of the Dayton and the Lexington branches, the association has partially adopted the policy of holding district meetings. In 1938, branch meetings were held at both Dayton and Lexington. The areas served by each of these branches roughly correspond to two of the nine director districts outlined in the bylaws. Nominations for directors to serve from each of these districts could be made at the annual meeting of the branches and confirmed at the yearly meeting of the association at Cincinnati. From this beginning,

the policy of holding district meetings could easily be expanded until it would embrace all districts.

The district meetings have had a number of distinct advantages. In the first place, the meeting is brought close to the membership and brings out producers who would not attend the more distant central meeting at Cincinnati. Next, the smaller district meeting gives the membership more time for consideration and discussion of the marketing problems of the particular area, emphasizes the importance of local committees, and gives these committees more opportunity to function and to participate in the affairs of the association.

TABLE 5.—ATTENDANCE AT ANNUAL MEETING OF PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, BY DIRECTOR DISTRICTS, FEBRUARY 1938

State and district	Attendance from area	Percentage of total attendance
Indiana, district 1:	<i>Number</i>	<i>Percent</i>
Subdistrict A.....	413	25.4
Subdistrict B.....	5	.3
Subdistrict C ¹	2	.1
Total.....	420	25.8
Ohio, district 2:		
Subdistrict A.....	723	44.5
Subdistrict B.....	291	17.9
Subdistrict C.....	57	3.5
Total.....	1,071	65.9
Kentucky, district 3:		
Subdistrict A.....	93	5.7
Subdistrict B.....	18	1.1
Subdistrict C.....	1	.1
Total.....	112	6.9
Other States.....	23	1.4
Total attendance.....	1,626	100.0

¹ The director from subdistrict C of district No. 1 is nominated by the Indiana Farm Bureau Federation and is elected at large.

Source: Records of Producers Cooperative Commission Association, Cincinnati, Ohio.

Major Trends in Receipts

MARKED changes have occurred in the character and the volume of livestock receipts at the Cincinnati market since the association opened for business. These changes become apparent through consideration of market receipts; association receipts; receipts of the market and the association as shown by rail and truck deliveries and by consignments from shipping associations; and variations in receipts by States, by months, and by days.

Receipts at the Cincinnati Market

Receipts at the Cincinnati market during the years 1925-37 have declined for all species of livestock, for some more than for others, so that the total receipts for each species were lower in 1937 than in 1925 (Appendix, table 23). Some species have fluctuated widely; others have declined more or less steadily. Hogs have twice established new highs of well over a million head only to be followed a year or two later by new lows. Part of the losses in hog receipts since 1933 can be attributed undoubtedly to the reduction program of the Agricultural Adjustment Administration. In 1936 and 1937 hog receipts recovered substantially from their low of 1935.

Total cattle receipts declined steadily from 1925 until 1932, when they showed a slight upward trend, which has continued from year to year until 1937. Total calf receipts show a declining trend from 1925 through 1937. A low point was reached in 1937.

Sheep and lamb receipts have also fluctuated widely over the 13-year period. Low points were established from 1928 to 1930 to be followed by gains in 1931 and 1932. The gains came chiefly when several Kentucky auction markets, at the insistence of buyers, agreed to establish a 3-percent shrink on lambs. This practice was regarded as unfair and discriminatory by growers; as a result many producers abandoned the auction markets, and receipts at the Cincinnati market, where lambs were sold on their scale weights without shrinkage, increased sharply. When the 3-percent shrink was later removed by several auctions, a large part of the Kentucky lamb business drifted back to the auctions, and receipts at Cincinnati declined to another low in 1937.

Association Receipts

The volume of business handled by the association has given it a dominant position at the Cincinnati market. Association receipts may be advantageously discussed from the standpoint of percentages of total market receipts, number of head, and size of consignments.

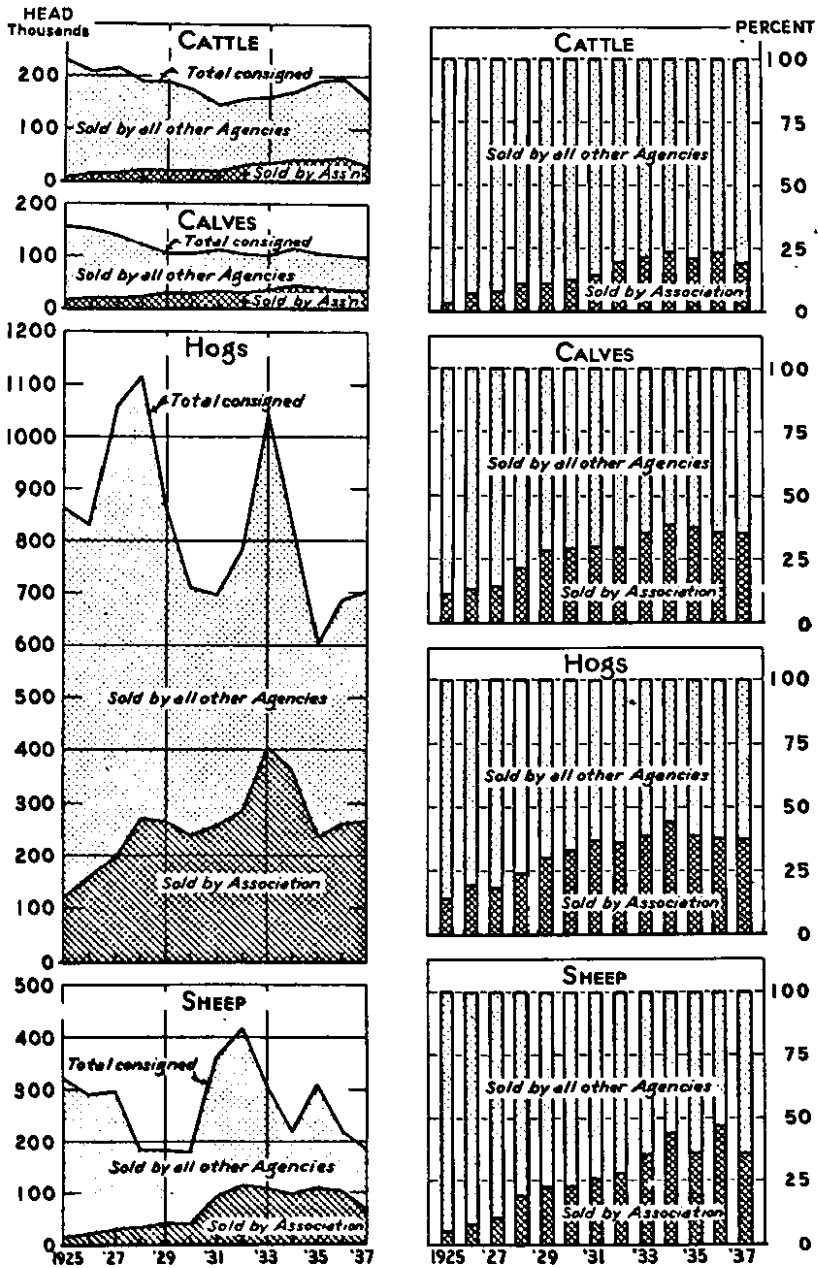


FIGURE 4.—LIVESTOCK CONSIGNED FOR SALE AT CINCINNATI UNION STOCKYARDS AND PORTION OF TOTAL SOLD BY PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, 1925-37.

Receipts of the association show an upward trend in both numbers and percentages. Cincinnati market receipts fluctuate more sharply from year to year than those of the association.

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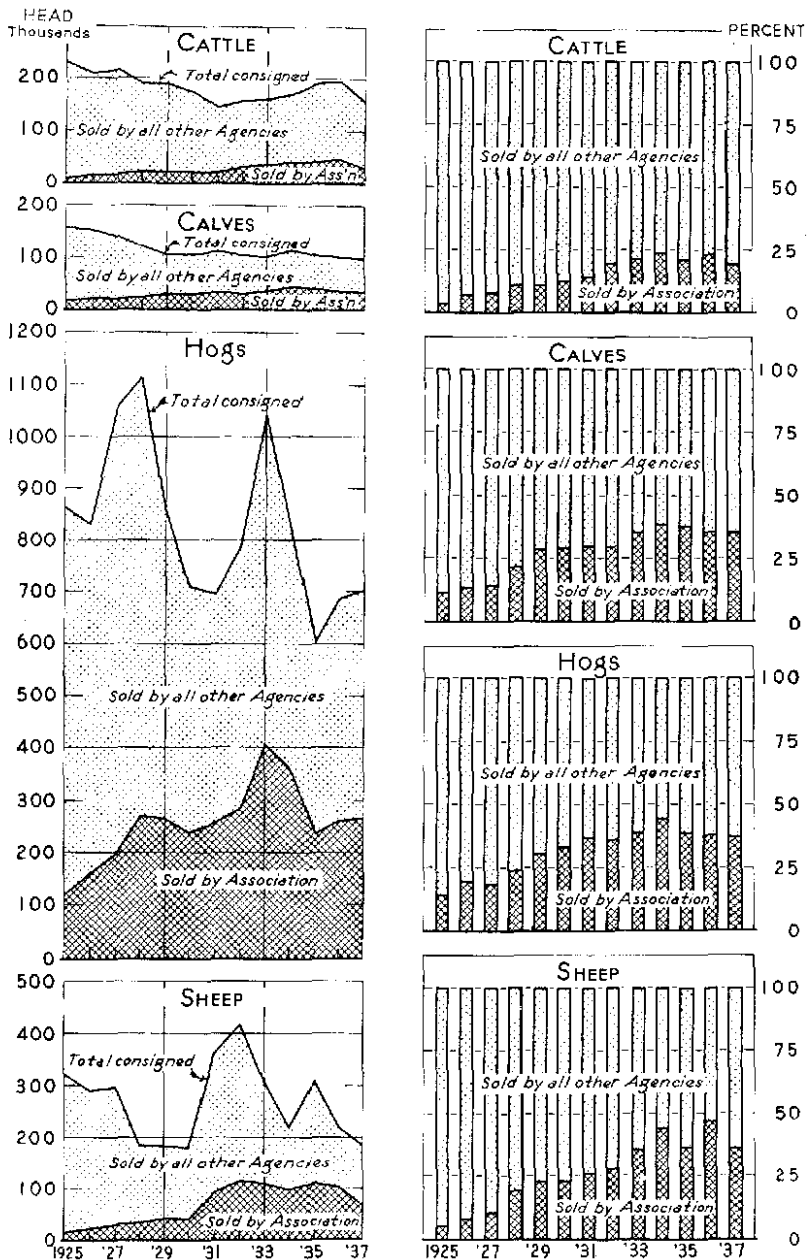


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From 1925 to 1937 notable progress was made in increasing and maintaining the percentage of business handled by the association. In 1934 the association handled 40.9 percent of the total business at the market, which is the largest percentage of the market receipts sold by the association in any year since organization. In 1937 receipts dropped again; that is to 34.7 percent of the total livestock sales at Cincinnati, the lowest percentage of total receipts the association has handled since 1932. The loss, which was particularly heavy in the case of cattle and sheep mostly from Kentucky, can be traced directly to the opening of a branch agency at Lexington in May 1937.

The association's percentages of total market business by species with but few exceptions have increased steadily in all departments from year to year. Its early business, like that of most livestock cooperatives, was confined largely to hogs and calves. In 1926, only 1 year after organization, the association handled 13.8 percent of the calves, 19.1 percent of the hogs, 7.2 percent of the cattle, and 8.2 percent of the sheep and lambs sold at the Cincinnati market (fig. 4, Appendix, table 23). Since 1926 percentages in the cattle department have shown a healthy growth, but this department is still somewhat behind the calf, the hog, or the sheep departments.

Calf receipts reached 38.7 percent in 1934 and have shown but slight variation from 1933 to 1937. The highest percentage of hog receipts came in 1934, with 44 percent of all market hog sales. The sheep department has shown a rapid growth since 1932 in terms of percentages of total Cincinnati sales, increasing from 27.8 percent in that year to 46.5 percent in 1936. From 1936 to 1937, however, the percentages of total Cincinnati market receipts declined 10.3 percent, undoubtedly because many patrons marketed their lambs at Lexington rather than at Cincinnati.

In terms of number of head sold, the association handled its largest volume of cattle, 44,711 head, representing 23 percent of total market receipts, in 1936. Its largest volume of calves, 45,235 head, which was equivalent to 38.7 percent of the market receipts, was sold in 1934. In 1933 hog sales swelled to 404,811 head partly because of the heavy marketings resulting from the pig-reduction program. This total was 38.9 percent of the total market receipts at Cincinnati. The largest numbers of sheep and lambs handled occurred in 1932 when the total reached 116,741 head, or 27.8 percent of the total market receipts at Cincinnati.

Association receipts appear to be more stable than those of the market. Over a period of years they show less fluctuation and do not reach the sharp peaks and valleys shown by receipts for the market. For example, in the case of hogs, market receipts from 1928 to 1931 fell precipitously, but receipts of the association declined only moderately; and in the case of sheep, market receipts rose sharply

TABLE 6.—PROPORTION OF TOTAL CONSIGNMENTS RECEIVED FROM MEMBERS AND FROM NONMEMBERS OF PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, CLASSIFIED BY NUMBER OF SPECIES IN EACH CONSIGNMENT, AVERAGE FOR THE 3 YEARS 1935-37

Consignments consisting of—	Members	Nonmembers	Total
1 species only:	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Cattle.....	13.8	16.7	14.6
Calves.....	34.5	42.6	36.4
Hogs.....	26.4	21.4	25.1
Sheep.....	13.5	13.0	13.4
Total.....	88.2	93.7	89.5
2 species.....	11.0	6.1	9.7
3 or more species.....	.8	.2	.8
Total.....	100.0	100.0	100.0

Source: Records of Producers Cooperative Commission Association, Cincinnati, Ohio.

TABLE 7.—PROPORTION OF TOTAL RECEIPTS AND CONSIGNMENTS TO THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, BY SIZE OF SHIPMENTS, AVERAGE FOR THE 3 YEARS 1935-37

Size of shipment (head)	Percentage of total receipts				Percentage of total consignments			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
1.....	21.3	62.9	1.6	0.6	59.2	80.3	17.2	11.1
2.....	10.9	23.7	1.6	.9	15.2	15.2	8.8	7.9
3.....	6.0	6.7	1.5	.9	5.6	2.9	5.4	5.2
4.....	5.9	3.1	2.0	1.6	4.0	1.0	5.5	6.9
5.....	3.9	1.5	2.6	1.8	2.1	.4	5.9	6.2
6.....	5.1	-----	2.8	1.8	2.4	-----	5.2	5.3
7.....	5.7	-----	2.8	1.8	2.3	-----	4.4	4.3
8.....	7.4	.6	2.7	2.4	2.6	.1	3.7	5.2
9.....	4.8	.3	2.7	1.0	1.5	(¹)	3.3	1.9
10.....	4.2	.4	3.8	3.2	1.2	(¹)	4.1	5.4
11-20.....	24.8	.8	27.2	18.6	3.9	2.1	19.7	22.7
21-30.....	-----	-----	23.3	9.5	-----	-----	10.2	6.8
31-40.....	-----	-----	12.1	5.3	-----	-----	3.8	2.6
41-60.....	-----	-----	11.2	11.1	-----	-----	2.5	3.4
61-100.....	-----	-----	2.1	8.6	-----	-----	.3	1.8
101-160.....	-----	-----	-----	30.9	-----	-----	-----	3.3
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Less than 0.1 percent.

² All consignments of more than 10 head of cattle and of calves.

Source: Records of Producers Cooperative Commission Association, Cincinnati, Ohio.

from 1930 to 1933 and then fell back while receipts of the association maintained practically all their gain.

Most consignments handled by the association consist of only one species⁴ of livestock (table 6). From 1935 to 1937, 1-species consignments made up 89.5 percent of the total of all its consignments. Straight consignments of calves accounted for 36.4 percent of the 1-species total. Only about 10 percent of the consignments handled by the association are mixed consignments consisting of more than one species. Nonmembers deliver fewer mixed consignments than members.

The size of the average livestock consignment handled by the association has been decreasing since 1925. The loss in size of the individual consignments, however, has been offset by more frequent consignments, and the total volume of business of the association has been expanding. The trend indicates a sharp increase in small consignments and a marked decline in large and carlot consignments. To an extent this trend is accounted for and measured by the shift from rail to truck transportation. An estimate of the size of consignments by species and the percentage of total receipts in each group for the 3-year period 1935 to 1937 is shown in table 7.

Eighty percent of the association's cattle consignments consisted of lots of 3 head or less; 98.4 percent of the calf consignments consisted of 3 head or less; 74 percent of the hog receipts were in lots of from 11 to 60 head; and 50 percent of the sheep and lamb receipts in lots of 41 head or more. About 59 percent of the association's cattle consignments and 80 percent of its calf consignments consisted of only 1 head.

Rail and Truck Receipts

Rail receipts of all species have declined sharply since 1925 (fig. 5) both for the market as a whole and for the association. The association has held its rail business much better than the general market, as is clearly shown by the increases in percentage of total rail business handled by the association from year to year (fig. 6 and Appendix, table 24). Its rail consignments come mostly from local shipping associations (p. 33).

In the case of cattle the market rail receipts totaled 178,098 head in 1926. The association handled 5 percent of this total. In 1937 rail receipts of cattle for the market totaled only 26,540 head, and the association handled 3,714 head, or 14.0 percent. Between 1926 and 1937, rail receipts of cattle at the market declined 85.1 percent, while those of the association decreased only 58.5 percent.

Market rail receipts of calves have declined steadily from 1925 to 1937 at a greater rate than association rail receipts. In fact, during

⁴ Although cattle and calves are of one species, it seems desirable to show calves separately inasmuch as they are handled as a separate division of the business.

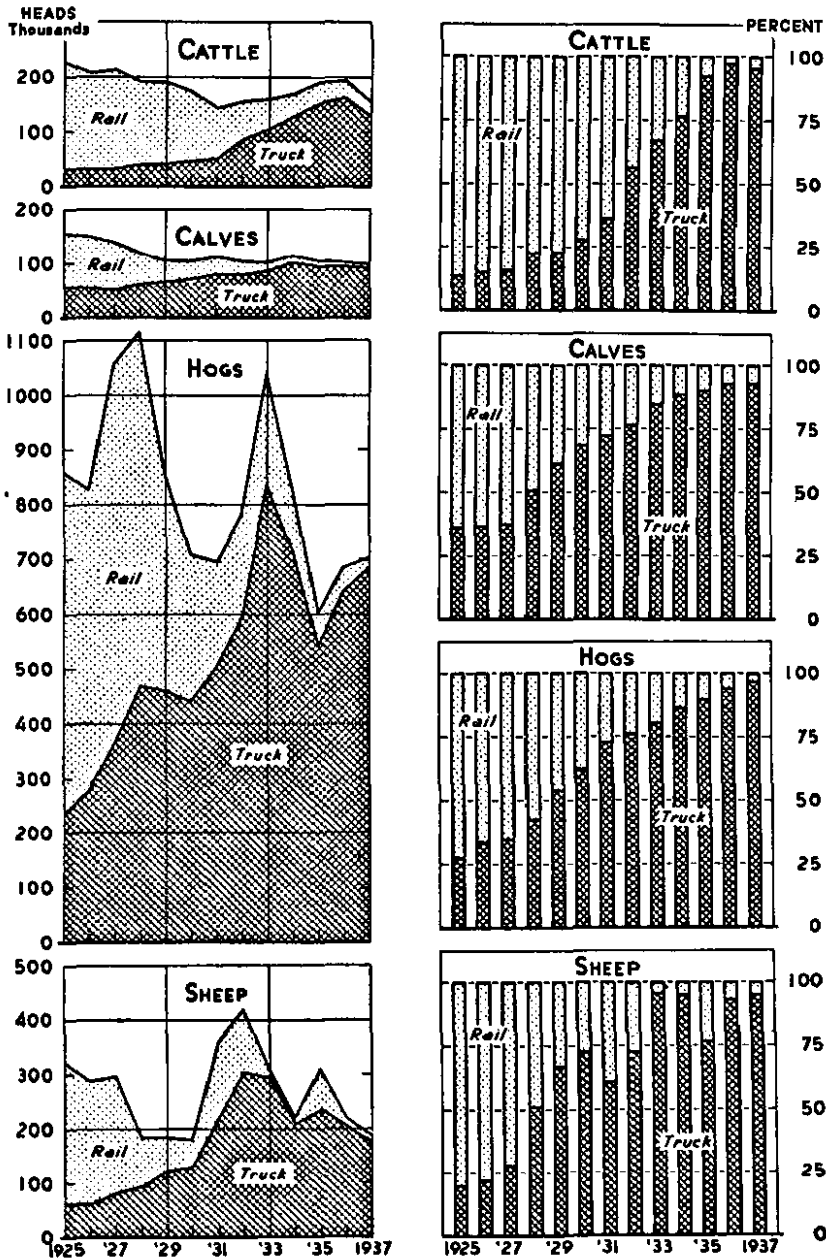


FIGURE 5.—RAIL AND TRUCK RECEIPTS AT CINCINNATI UNION STOCKYARDS SHOWN BOTH AS NUMBER OF HEAD AND AS PERCENTAGE OF TOTAL RECEIPTS, 1925-37.

During the period from 1925 to 1937, Cincinnati has become almost exclusively a truck market for livestock. In 1937 more than 90 percent of all livestock received was delivered by motortruck.

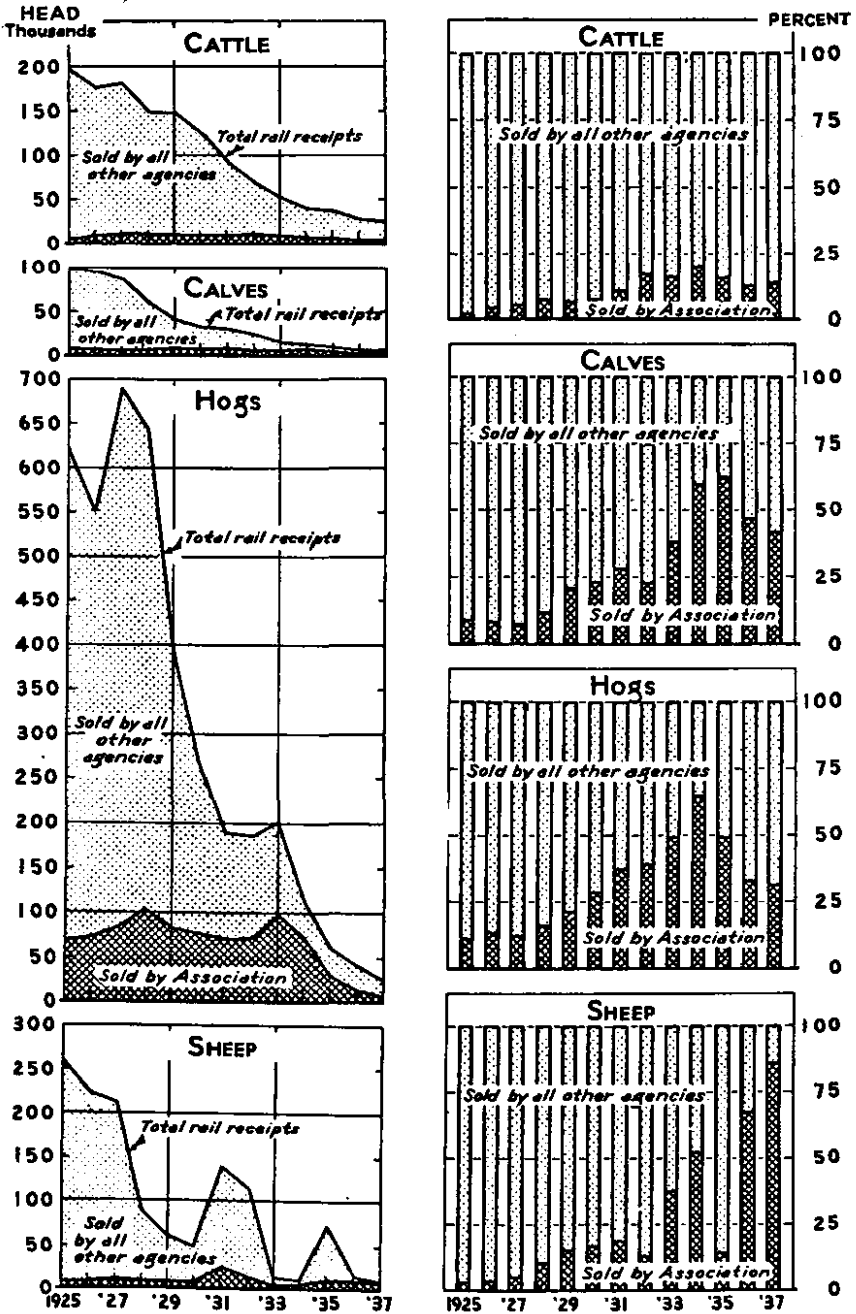


FIGURE 6.—RAIL RECEIPTS OF LIVESTOCK CONSIGNED FOR SALE AT CINCINNATI UNION STOCKYARDS AND PORTION OF TOTAL RAIL RECEIPTS SOLD BY PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, 1925-37.

Rail receipts of livestock at the Cincinnati market have declined precipitously from 1925 to 1937. The association's volume of rail receipts shows less decline than that of the market.

several years association receipts of calves gained substantially, while receipts for the market declined sharply. Since 1926, market rail receipts of calves have declined 92.6 percent, while rail receipts of calves for the association have declined but 62.8 percent.

In 1926, 549,013 hogs were delivered to the Cincinnati market by rail. Of this number the association handled 74,258 or 13.5 percent. In 1937, only 24,553 head of hogs were received by rail for the entire market, and of this number the association sold 7,755 head, representing 31.6 percent. That is, since 1926, rail receipts of hogs at the Cincinnati market have shrunk 95.5 percent, while rail receipts of the association have shrunk 89.6 percent.

Rail receipts of sheep and lambs show more irregularity and sharper fluctuations than those of any other species of livestock. Sharpest increases have occurred in 1931 and 1935 and sharpest decreases in 1933 and 1936. It is significant that in 1933 and 1934 and again in 1936 and 1937, when market receipts of sheep by rail were smallest, the association's percentage of that total was the largest. Between 1926 and 1937, rail receipts of sheep and lambs for the market have declined 95.6 percent, while rail receipts to the association have decreased but 3.4 percent.

Truck receipts of all species have increased sharply since the association began operations in 1925 (fig. 7, Appendix, table 25). In most instances association receipts have kept pace with or exceeded those of the Cincinnati market as a whole, in only a few years have they failed to reflect general market gains. In 1931 its cattle receipts lagged, and in 1930 its sheep receipts were lower while those of the market had increased.

Truck receipts of cattle at the Cincinnati market show steady gains from 1925 to 1936. In 1937 they were sharply lower. For the last 10 years the association has handled approximately 23 percent of the truck receipts of cattle at the market. A large part of the loss in cattle volume to the market and most of the decline in truck receipts of cattle to the association during 1937 are traceable to the opening of the branch sales agency at Lexington.

Calf receipts by truck at the market have shown an irregular upward trend. There were 55,103 head consigned by truck in 1926 and 92,448 head in 1937. The association sold 23.5 and 35 percent of these totals, respectively. Between 1926 and 1937, truck receipts of calves for the market increased 68 percent, while receipts of calves consigned to the association increased 150 percent.

In 1926, 280,429 hogs were delivered to the Cincinnati market by truck; and in 1937, 678,944 head. The association sold 30 percent of the first total and 37.9 percent of the second. In 1934, the association sold 40.6 percent of the total truck receipts of hogs consigned to the market. Compared with 1926, truck receipts of hogs in 1937

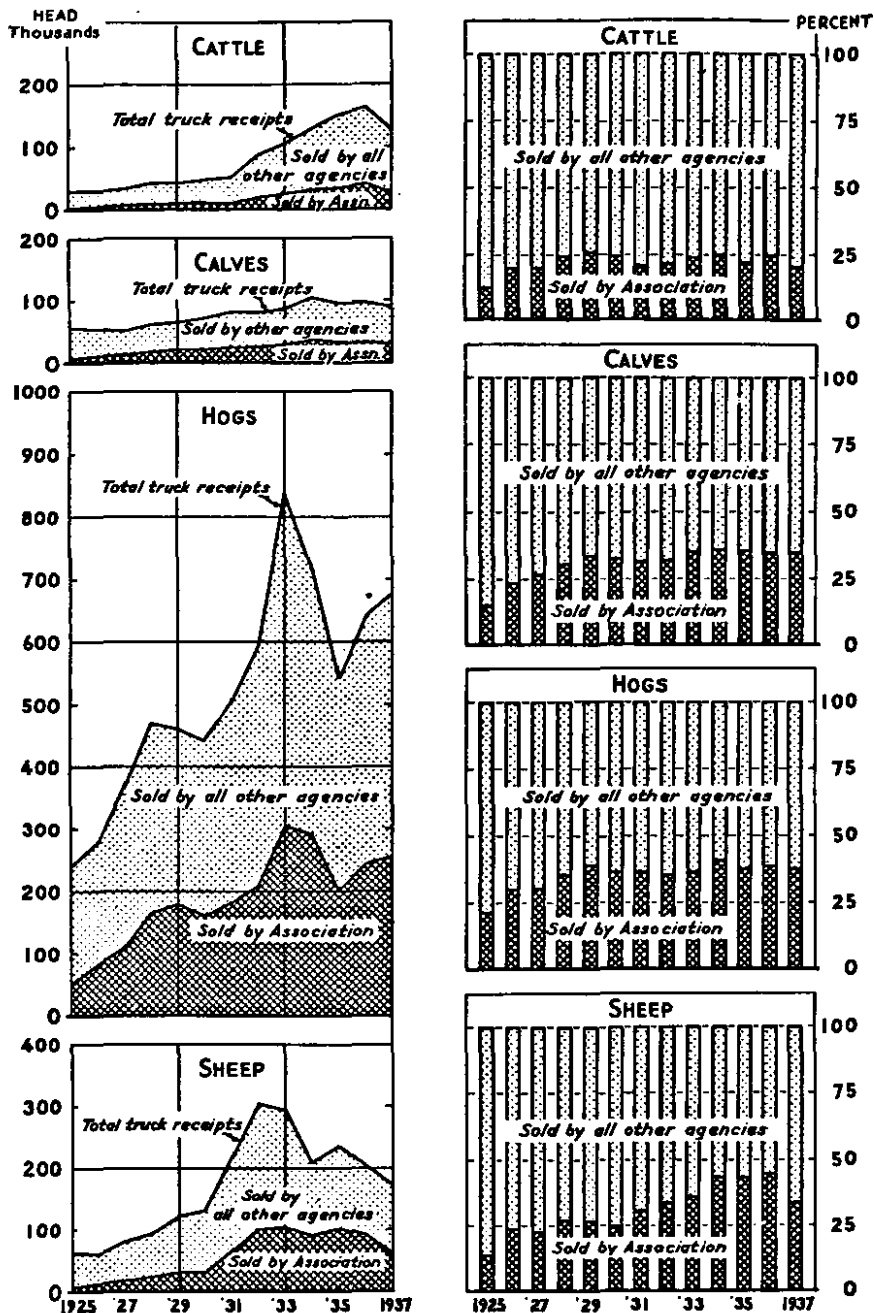


FIGURE 7.—TRUCK RECEIPTS OF LIVESTOCK CONSIGNED FOR SALE AT CINCINNATI UNION STOCKYARDS AND PORTION OF TOTAL TRUCK RECEIPTS SOLD BY PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, 1925-37.

Truck receipts of livestock at the Cincinnati market have increased rapidly from 1925 to 1937. Truck deliveries to the association have more than kept pace with the growth in truck receipts at the market.

at the market have increased 142 percent, while truck receipts of the association have increased 206 percent.

In general, truck receipts of sheep and lambs handled by the association have increased faster than those of the market as a whole as is clearly shown by the advance in association sales from 23.8 percent of the market total in 1926 to 33.4 percent in 1937. That is, since 1926 truck receipts of sheep and lambs at the market in 1937 have increased 181 percent, while receipts of the association have increased 295 percent.

In 1925 approximately 45 percent of the livestock handled by the association was delivered by truck. In 1937, 87.4 percent of the cattle, 91.6 percent of the calves, 97.1 percent of the hogs, and 87.4 percent

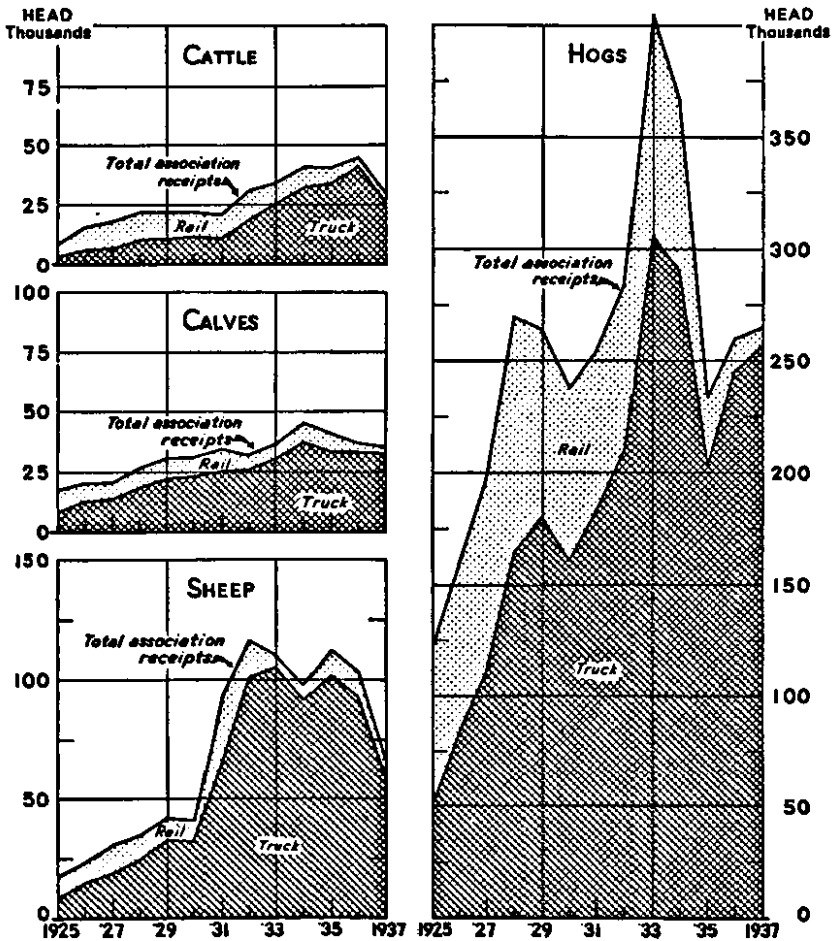


FIGURE 8.—RAIL AND TRUCK SHIPMENTS RECEIVED BY THE ASSOCIATION AT CINCINNATI, 1925-37.

Truck receipts of all species of livestock are continuing to expand. Loss in cattle and sheep volume at Cincinnati in 1937 was due to the opening of a branch agency at Lexington that year.

of the lambs handled by the association came by truck (fig. 8, Appendix, table 26).

Cattle receipts of the association were the last to be affected by truck transportation. For several years following 1925, rail receipts of cattle held their own in competition with truck receipts. It was not until 1932 that the percentage of the association's total cattle receipts by rail showed much decline. Since 1932, however, the percentage of the association's receipts of cattle by rail has declined rapidly. In 1936, it touched a low of 8.4 percent of the association's total cattle receipts but recovered to 12.6 percent in 1937.

Truck receipts of calves by the association increased steadily for the 10-year period 1925 to 1934. Rail receipts, on the other hand, have fluctuated somewhat irregularly but have shown a sharply declining trend during the last 4 years. Compared with 1925, rail receipts of calves by the association in 1937 showed a decline of 68 percent.

With the exception of 1930 the rail receipts of hogs as percentages of all hogs handled by the association have shown a steady decline from 1925 to 1937. The 1937 rail volume of hogs to the association, which was the smallest since operations began in 1925, was only 11 percent of the 1925 volume.

For several years the association's rail receipts of sheep and lambs have been small. In 1933, only 4.9 percent of the association's total sheep and lamb receipts were delivered by rail. The balance came to market by truck. Currently about 90 percent of the association's sheep and lamb business is delivered by truck.

Consignments from Shipping Associations

The Producers Cooperative Commission Association, which began operations at a date roughly coinciding with the crest⁵ of the local livestock shipping association movement in the Corn Belt, has never received livestock from a great number of such local associations. This may be explained by the fact that local shipping associations have not developed in the Cincinnati territory to the same extent as in other parts of the Corn Belt. In Ohio, and to a certain extent in Indiana, livestock shipping associations are organized on a county basis; and while this tends to increase the size of the operating units, it restricts the number of associations formed. In Kentucky, cooperative shipping associations have never developed extensively. In place of shipping associations, Kentucky has had, since 1922, a system of auction selling through local markets.⁶

⁵ Elsworth, R. H. *STATISTICS OF FARMERS' COOPERATIVE BUSINESS ORGANIZATIONS, 1920-1925*. F. C. A. Bull. 6. 129 pp., illus. 1936. See p. 65.

⁶ Johnson, E. C. and Phillips, C. D. *QUALITY AS A FACTOR IN THE PRICE OF KENTUCKY LAMBS*. Kentucky Agr. Expt. Sta. Bull. 302. 122 pp., illus. 1930.

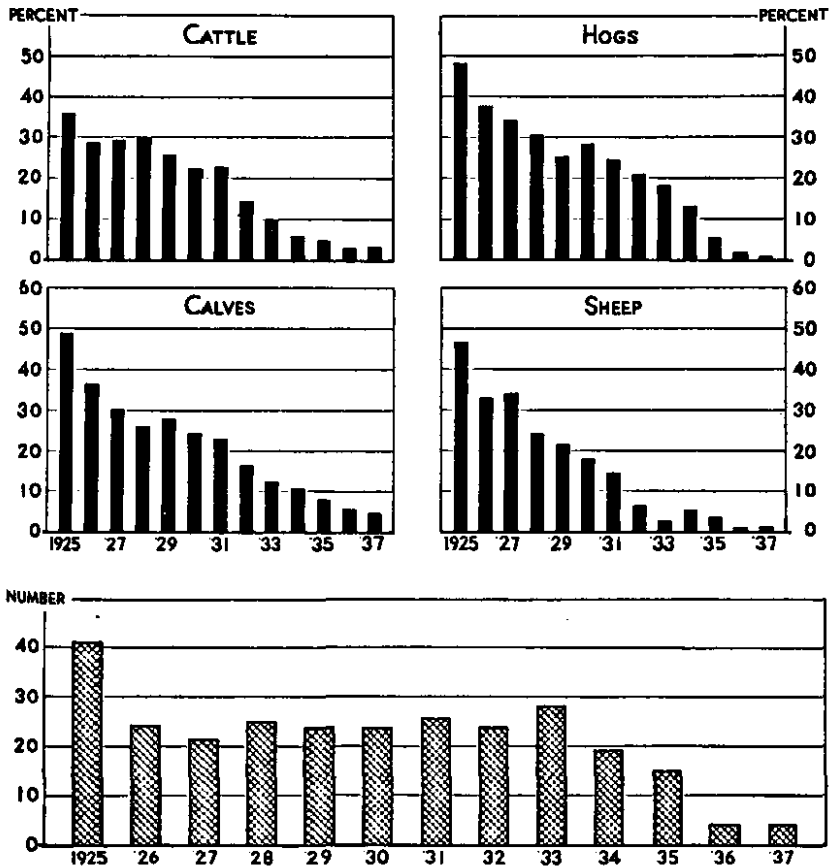


FIGURE 9.—BUSINESS SUPPLIED BY SHIPPING ASSOCIATIONS TO PRODUCERS COOPERATIVE COMMISSION ASSOCIATION.

Shipping associations have practically disappeared from the market area.

Shipping association volume has declined drastically since 1925 (fig. 9, Appendix, table 27). This has been coincident with the decline in rail receipts, since a large part of the rail consignments came from shipping associations.

The decline may be illustrated by the case of the Highland Livestock Co. and other associations that have been substantial contributors to the volume of the Producers Cooperative Commission Association. The Highland Livestock Co. is located at Hillsboro, Highland County, Ohio, about 50 miles from the Cincinnati market. From 1925 through 1928 it led all other shipping associations in volume furnished to the Producers Cooperative Commission Association. In 1928 the company was paid a patronage dividend of \$1,586 on business transacted with the association that year, and it maintained a dominant position in cooperative livestock-marketing circles in the county until 1932.

Since that date its importance has declined rapidly, and little livestock is being currently received from it. In fact, recent reports indicate that the original association is now inactive. Growth of livestock trucking, coupled with the establishment of a privately owned livestock auction at Hillsboro and competition from other livestock cooperatives, has contributed to the decline of this local association.

From 1929 to 1937 the Washington Township Shipping Association,⁷ of Washington, Ind., and the Knox County Farm Bureau, of Vincennes, Ind., each of which is located more than 200 miles from Cincinnati, led all other shipping associations in volume consigned to the Cincinnati Producers. Although until recent years these associations did not feel the effect of livestock trucking to the same extent as associations located within 50 or 100 miles of Cincinnati, by 1937 the volume received from them had become very small. Livestock trucking and truck buyers have materially weakened both organizations and, since 1935, producers have marketed a large part of their volume direct to packers and through other channels.

It will be seen from these facts that Ohio and Indiana have lost practically all their local livestock shipping associations. Kentucky and Tennessee did not have many even when the movement was at its height. In 1937 only one association in Ohio, two in Indiana, and one in Illinois—all of which, with the exception of the one at Hillsboro, Ohio, are located from 200 to 300 miles from Cincinnati—consigned livestock to the Cincinnati Producers. Thus, it appears that the outlying associations, or those located at some distance from terminal markets, have withstood competition and changing conditions best.

The decline of the local livestock shipping association movement has been ascribed to numerous factors by managers and others formerly engaged in the movement. Chief among these causes are (1) inexperienced management, (2) failure of the associations to adopt new operating practices to meet changing conditions, (3) growth of interior packers and privately owned local markets and auctions, (4) extension of direct-to-packer marketing, and (5) increase in the number of trucks and truck buyers.

The loss of shipping-association business has presented a major problem to the Producers, necessitating changes in its operating methods. First, the loss has forced the association to pay more attention to the development of trucking. Second, as shipping associations acted as assembling units and points of local contact between the livestock producer in the country and his marketing agent at Cincinnati, their loss has necessitated changes in the field service and business-getting methods employed by the organization

⁷ Reorganized as the Daviess County Shipping Association in 1933. See Lister, J. H., and Randell, C. G. ANALYSIS OF THE OPERATIONS OF A COOPERATIVE LIVESTOCK CONCENTRATION POINT, U. S. Dept. Agr. Circ. 142. 32 pp., illus. 1931.

in order to reestablish in some cases and to maintain in others its membership relations. Most of the shipping associations of the area had grown up around general farm organizations, and in its plan of field service close working relationships between the general farm organizations and the association in Cincinnati had seemed logical.

Many observers of marketing trends feel that the livestock-shipping-association movement is decadent and will never be restored to a position of importance as a factor in the cooperative marketing of livestock. In fact, some further contraction in shipping association numbers is expected.

Recently, however, some terminal marketing associations have taken the lead in encouraging the formation of local shipping associations⁶ for the assembly and the transportation of livestock to market by truck. Among these may be listed the Central Cooperative Association at St. Paul, the Equity Cooperative Livestock Sales Association at Milwaukee, and the Producers Cooperative Commission Association at Cleveland. The development of truck associations may result in the restoration of many local shipping associations that formerly depended solely on rail transportation. The Producers has taken no part as yet in the development of truck shipping associations.

Variations in Association Receipts, by States

Receipts of livestock from each State of the market area show a sharp upward trend since organization of the association in 1925. Marked fluctuation occurs by States (fig. 10 and Appendix, table 28). During the first 2 years of operation, the bulk of the association's cattle receipts came from Ohio and Indiana. Kentucky furnished only about 11 percent. Since 1927, however, the percentage of the association's cattle volume originating in Kentucky has climbed sharply and declined only with the opening of the Lexington branch in May 1937. This does not indicate an unfavorable downward trend in the number of head of cattle received from Ohio and Indiana. On the contrary, volume from these States has not only been maintained from year to year but has shown some growth. The 1937 cattle business from Ohio was more than double that of 1926. It indicates only that the Kentucky cattle business has increased at such a rapid rate since 1931 that it has overshadowed the increased receipts from Indiana and has somewhat minimized the large gain in cattle volume shown by Ohio.

The upward trend is manifest in the receipts of calves from all States of the market area but is more pronounced in the case of Kentucky than in the case of Ohio or Indiana.

⁶ For discussion see Potter, A. F. OPERATION AND FINANCING OF MOTORTRUCKS BY COOPERATIVES. American Cooperation, 1936: 273-276.

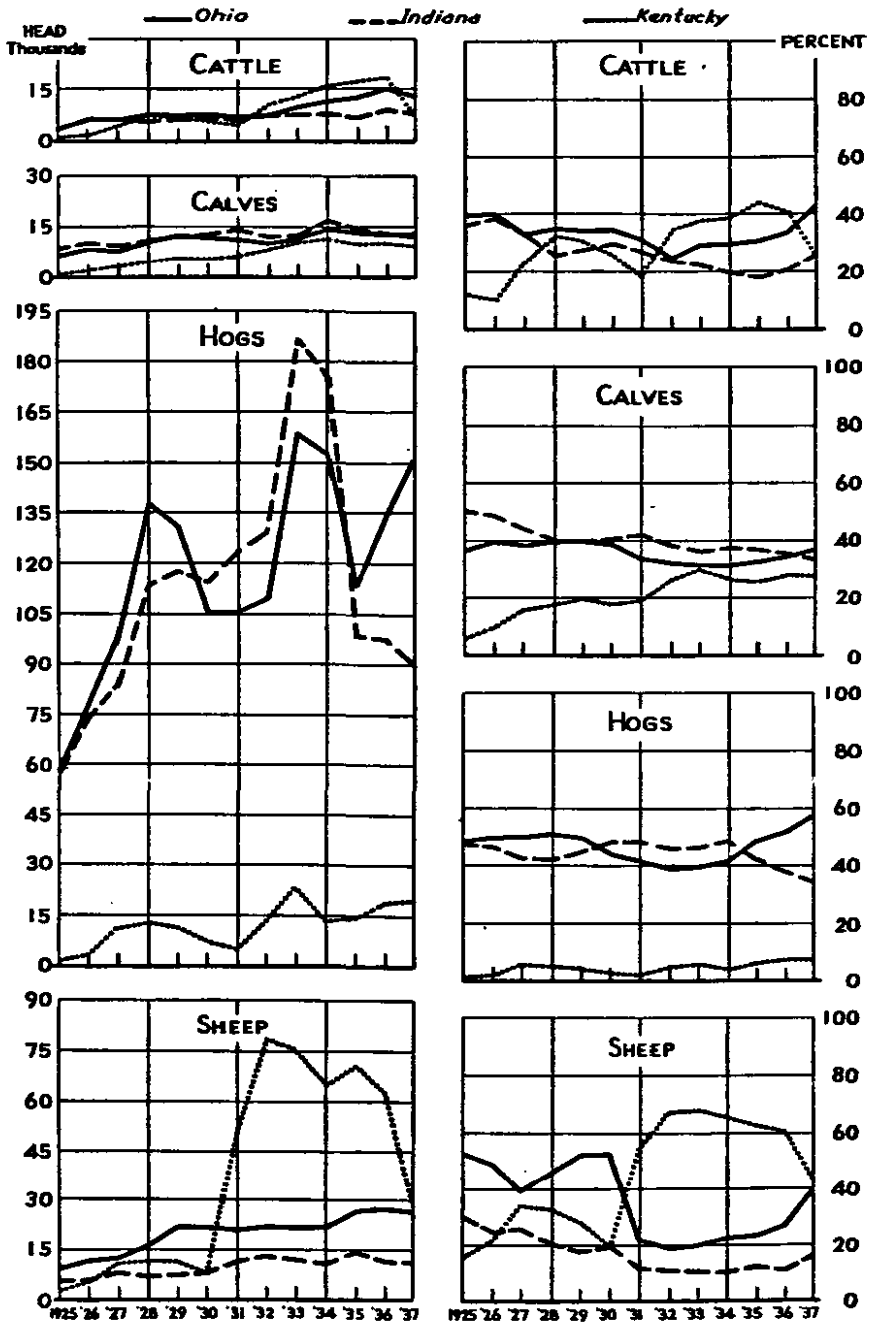


FIGURE 10.—LIVESTOCK RECEIPTS BY STATES SHOWN BOTH AS NUMBER OF HEAD AND PERCENTAGE OF TOTAL ASSOCIATION RECEIPTS, 1925-37.

Growth in volume of livestock receipts since organization has been much more marked in some States than in others. Kentucky showed the greatest growth in cattle and sheep business until the association opened a branch agency at Lexington in 1937.

Ohio and Indiana together have furnished from 85 to 90 percent of the hog volume handled by the association since organization. Kentucky is not a hog-producing State primarily, and her hog volume has been relatively small. From 1925 through 1929 Ohio consigned more hogs to the association than Indiana; in 1930 Indiana assumed the leadership, but since 1935 the hog volume from Ohio has again exceeded that of Indiana.

From 1925 to 1930 sheep and lamb receipts of the association were relatively unimportant. The areas of Ohio and Indiana tributary to the Cincinnati market are not heavy sheep-producing districts; and in Kentucky, where most of the lambs received at the Cincinnati market originate, the association had not been successful in developing much lamb business. In 1931 the volume of Kentucky lambs sold by the association, as compared with the receipts of the previous year, increased more than 500 percent. Kentucky lamb volume has been well maintained since 1931, and the receipts from both Ohio and Indiana have increased simultaneously. Cincinnati volume of Kentucky lambs was cut sharply in 1937 through the opening of a branch sales agency at Lexington.

Reasons for the shifts in the association's volume between States of the market area for the most part are difficult to identify. There has been no marked change in production throughout the area. Competition for business is no less keen in one State than in another. Funds expended for field service and educational work have been allotted on the same basis for all States.

For Kentucky, cattle and lamb volume show a sharp increase since 1931 coincident with the employment of well-known native-born Kentucky cattle and lamb salesmen to give advice and service to producers in the State in connection with their marketing problems. Amendments to the bylaws of the association extending equal representation to Kentucky on the board of directors also exerted an influence in the direction of increased volume. The same reasoning, however, does not explain the trend in business volume shown by Ohio and Indiana. Both States have had equal representation on the board of directors since 1925. Furthermore, the association employed salesmen from both Ohio and Indiana shortly after the organization was formed.

Monthly Distribution of Receipts

Livestock receipts vary from year to year, but the peaks and valleys of each year's volume are confined within definite seasonal limits and come at approximately the same time each year. Droughts, rainfall, and price levels may temporarily shift the time of marketing slightly forward or backward, but over a period of years these temporary shifts

are leveled out. Figure 11 and Appendix, table 29, show the distribution of the association's receipts by months from each State of the market area based on 7-year averages.

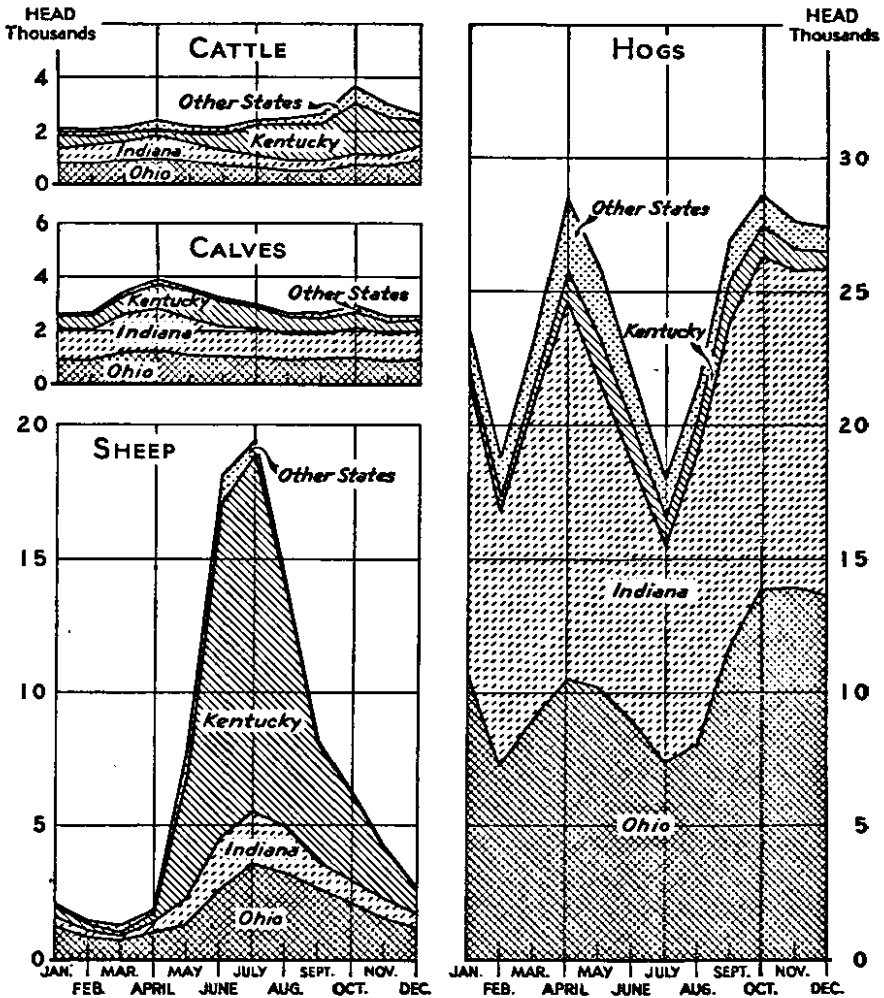


FIGURE 11.—DISTRIBUTION OF RECEIPTS BY MONTHS AND BY STATES, BASED ON 7-YEAR AVERAGES, 1929-35.

Livestock receipts from the different States of the market area form a definite pattern from year to year.

Heaviest marketings of cattle at Cincinnati occur normally in October and November. During the late summer and fall months there is always a marked expansion in receipts of Kentucky grass cattle. In fact, receipts of Kentucky cattle largely account for the October and November seasonal peak, since marketings of cattle from Ohio and Indiana are not unusually heavy at that season of the year. Heaviest receipts of cattle from Ohio and Indiana occur normally in April. Lightest cattle receipts from Ohio and Indiana come in

August and September. In many respects, cattle receipts from the different States of the market synchronize with one another in that seasons of heaviest receipts from one State coincide with seasons of lightest receipts from other States. The Cincinnati market, therefore, does not have the problem of seasonal cattle receipts to the same extent as many other livestock markets of the country.

Dairying is followed extensively in much of the trade territory of the Cincinnati market. Cows are usually bred to freshen in the late winter or early spring.

The peak movement of calves from Ohio and Indiana comes during March and April, whereas the peak from Kentucky is not reached until May and June. Lightest calf receipts from Ohio and Indiana come in August and September, from Kentucky in November and December.

There are two peaks in hog receipts each year at the Cincinnati market. One is established during April and May, and the other during October, November, and December. On the basis of marketings, the spring pig crop in the area appears to be somewhat larger than the fall crop. This is generally true for the country as a whole. Seasonal low points in hog receipts occur during February and July. Hogs show the least variation in receipts from month to month of any species of livestock handled at Cincinnati.

Receipts of sheep and lambs at the Cincinnati market are highly seasonal. In a normal year, more than 70 percent of the annual receipts of the association arrives during the 4-month period from June through September, and this leaves only 30 percent to be marketed during the remaining 8 months of the year. Receipts consist principally of spring lambs from Kentucky marketed largely from June to September. Very few western lambs are fed in the Cincinnati market area, and for the first 4 months of the year sheep receipts at Cincinnati are exceedingly light.

Total monthly receipts by species for the market and for the association expressed as percentages of the total head marketed over the 7-year period from 1929 to 1935 are shown in the Appendix, table 30, and figure 12. Figure 12 shows the seasonal distribution and variation in receipts between the market and the association. In general, the trade territory of the association and of the market are identical, and receipts of the association should closely parallel those of the market.

The slight differences between market and association receipts may be explained by the fact that the association does not draw uniformly from all parts of the market area; some areas give it strong support, others have few members and little business. In general, the peak periods for receipts of each species for the market coincides with those of the association.

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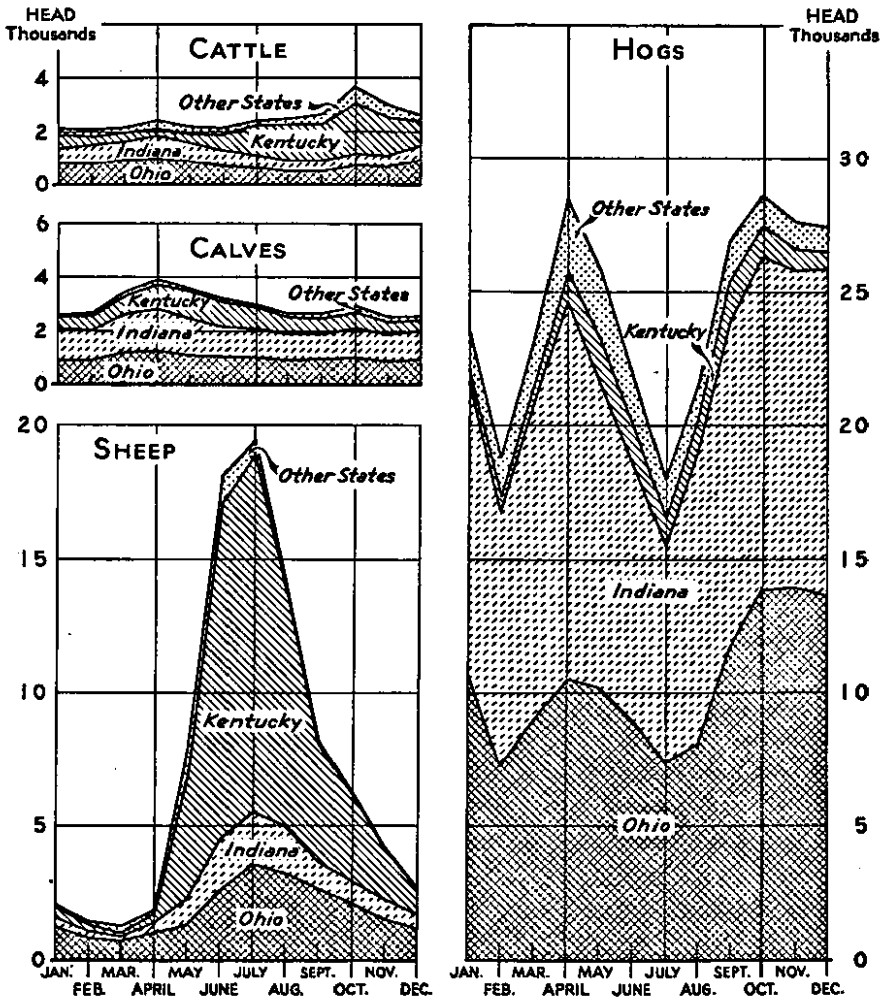


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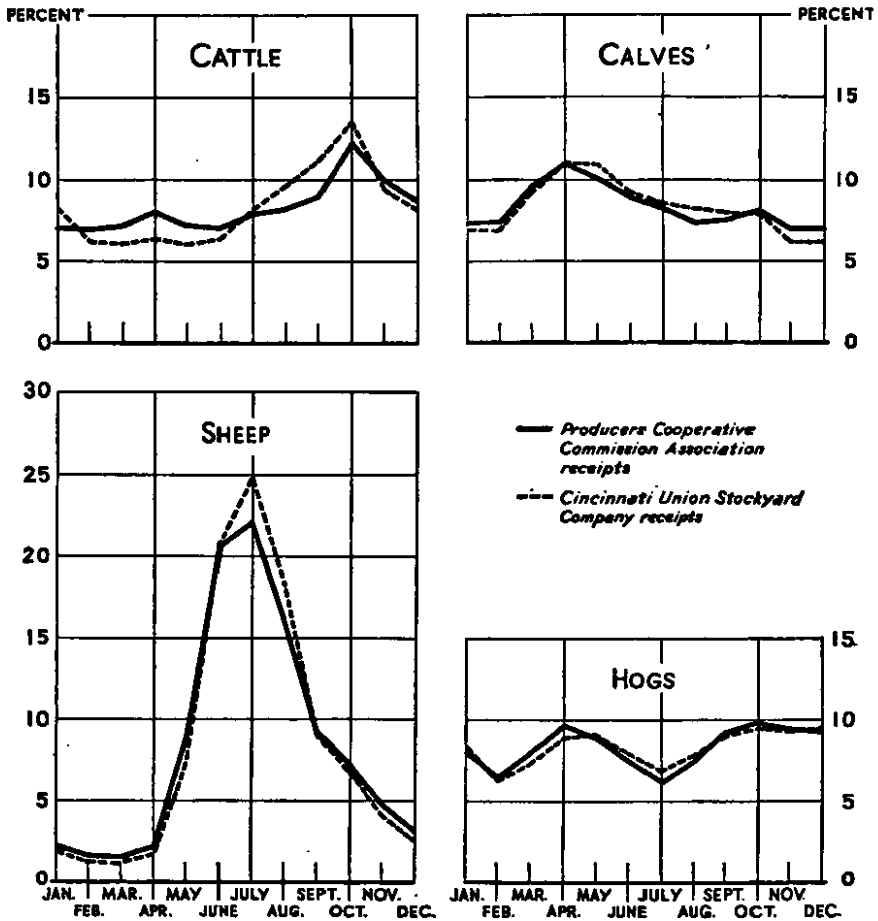


FIGURE 12.—AVERAGE MONTHLY RECEIPTS SHOWN AS PERCENTAGES OF AVERAGE ANNUAL RECEIPTS, 1929-35.

There is a close correlation between receipts of the market and those of the association. Association receipts show a slightly more even distribution among months of the year than those of the market.

If volume were distributed uniformly throughout the year, 8.3 percent of the total yearly receipts of all species would be handled each month. It may be merely a coincidence but in the cases of cattle, calves, and sheep, the receipts of the association, based on 7-year averages, show a slightly more even distribution from month to month than those of the market. In the case of hogs, the seasonal peaks of association receipts during the period occurred before those of the market and went slightly higher than those for the market. On the other hand, the low point in association receipts established in July was less than the low point in market receipts.

Daily Distribution of Receipts

Importance attaches to the distribution of receipts between days of the week because of the influence exerted on the day-to-day trend in prices and on the general tone of the market. While packers' slaughter ordinarily is gaged with an eye to prospective receipts, together with prospective demand, undue concentration of volume on any day may unsettle and glut the market. Table 8 and figure 13 have been prepared with a view to showing the distribution of receipts by species among the days of the week. The percentages are based on daily receipts covering a full calendar year. In determining the percentage of cattle receipts arriving on Monday, for example, the cattle receipts of all Mondays throughout the year were totaled and this total was then related to the yearly receipts in terms of percentage.

Receipts for Monday were the largest in the week for cattle and for hogs. On the average, 43 percent of each week's cattle receipts, which is the greatest concentration of volume for any species on one day, arrives on Monday. Tuesday is the largest day for calves and for sheep. In the case of calves, this is partially accounted for by the fact that many truckmen use Tuesday as a pick-up day for single head and small lots of livestock. Saturday's volume is insignificant for all species as it averages about 5 percent of the week's total. Distribution during the remaining week days for each species is fairly even.

For the most part, the day of the week to market livestock, barring storms and blocked highways, is entirely up to the producer and his preference, judgment, or convenience. Some producers prefer Monday. Others select some other day. There is no conclusive evidence

TABLE 8.—PROPORTION OF RECEIPTS ARRIVING EACH DAY OF THE WEEK AT THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1931

Days of week	Percentage of total receipts for the year			
	Cattle	Calves	Hogs	Sheep
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Mondays.....	43	17	23	16
Tuesdays.....	13	28	20	27
Wednesdays.....	13	19	15	17
Thursdays.....	12	16	16	17
Fridays.....	14	17	19	19
Saturdays.....	5	3	7	4
Total.....	100	100	100	100

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio. The year 1931 was selected because receipts in that year were not affected by drought or by the Agricultural Adjustment program.

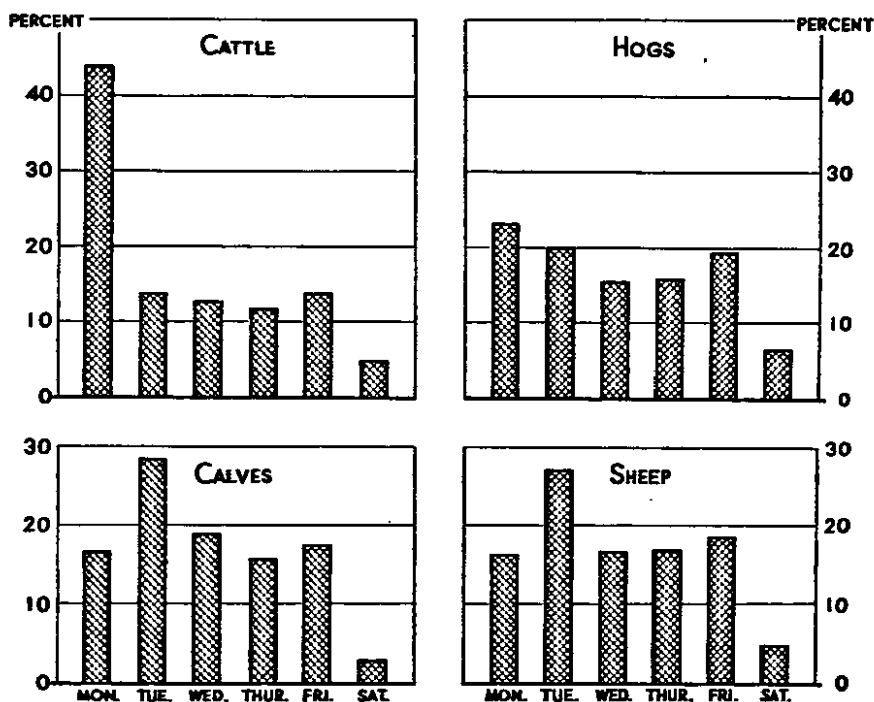


FIGURE 13.—DAILY DISTRIBUTION OF RECEIPTS AT CINCINNATI BASED ON 1-YEAR AVERAGES.

Receipts of all species are distributed unevenly among the days of the week. The greatest concentration of volume usually occurs on the first 2 days of each week. Saturday is always the smallest market day.

to show that one day is consistently better marketwise than another.⁹ Undue concentration of volume on any day, however, should be discouraged from the standpoint of the producer, because when daily receipts are too large to be readily absorbed by the trade, they contribute to glutted, demoralized markets and emphasize short-term, day-to-day, price fluctuations. When prices break as a result of bunching shipments, several days of moderate receipts may be required before prices recover their former levels.

From the standpoint of administration and operation of a livestock sales agency, undue concentration of volume on any day creates a problem of utilization of labor. Most employees are hired by the year and paid by the month irrespective of the volume of business. When a large part of the total weekly volume is handled on 1 or 2 days of the week, the association of necessity is forced to employ more labor to handle the peak loads than would be needed if the volume were equally distributed. Thus concentration of cattle volume on Mon-

⁹ R. M. H. CHANGES IN DAILY HOG RECEIPTS AND PRICES. Armour's Livestock Bureau. Monthly Letter to Animal Husbandmen. XIV-3. 11 pp., illus. 1935.

days may partially account for the relatively higher operating costs in the cattle department.

Aside from the efforts of the association, producers have received little encouragement to distribute their marketings between days of the week or seasons of the year with the thought of equalizing receipts. Stockyard companies in the past have frequently advertised that they will take care of all livestock that comes, that there is room for all. Commission men have advised farmers to get their livestock to market on a certain day. As a result, livestock is sometimes bunched disastrously. The association frequently warns its patrons of market gluts and lower markets in an effort to protect their interests. Yet for the Cincinnati market as a whole, it was noted that more than 64 percent of the week's supply of cattle arrived on some Mondays. As high as 40 percent of the calves, 33 percent of the hogs, and 47 percent of the week's supply of sheep and lambs have arrived on other single days of the week.

It must be remembered, however, that from the standpoint of the packer, daily receipts are a significant measure of the selling pressure which producers are exerting on the market on any particular day. Under ordinary conditions packers aim to gear the urgency of their demand to prospective receipts. When receipts are heavy, buyers usually are less active bidders than when receipts are light. Through education the association has an opportunity to further discourage undue concentration of volume on any day of the week.

Operating Statistics

THE Producers Cooperative Commission Association derives all its income, with the exception of interest and profits on investments, from commissions charged for the sale¹⁰ of livestock. The association has never felt the necessity of a retain¹¹ for capital purposes because operations have been profitable from the beginning and the association has strengthened its financial position from earnings year after year. As the association has improved its financial position through the establishment of reserves, the proportion of income derived from commissions has tended to decline and the proportion derived from other income, to increase. From its total income the association pays all expenses of operation. Amounts remaining after payment of operating expenses constitute the savings of the association. Savings are

¹⁰ Commission on orders for feeders and livestock purchased for slaughter purposes are credited to the Farmers Livestock Feeder & Order Co., a subsidiary organization.

¹¹ While the charges for selling livestock at the terminal markets are subject to regulation under the Packers and Stockyards Act, it is believed the members of a cooperative association of producers may agree to the deduction of a definite retain for capital purposes if they choose.

available for the declaration of patronage dividends or the establishment of reserves at the discretion of the board of directors. Reserves are invested principally in bonds, livestock loans, and other interest-bearing obligations. It is the return from these investments which makes up the major portion of other income. The association has been fortunate in its investment policy.

Commissions, Costs, and Savings

Relation to Sales Value

Commissions for the purchase and sale of livestock are levied generally on a per head or a per car basis at uniform rates by all agencies operating at the same terminal market.¹² Ordinarily commission charges are not influenced by the value of livestock sold. In other words, in the expression of the trade, "Commissions are always steady" irrespective of changes in livestock values. Thus the percentages of sales value absorbed by the commissions of all agencies at the market tend to fluctuate inversely with the price level of the livestock sold.

Over the 13-year period from 1925 through 1937, the Producers' commissions on livestock totaled \$1,750,663, or 2.04 percent of the total sales value of \$85,617,462 (table 9). In percentages of sales value, commissions ranged from a low of 1.34 percent in 1925 and 1926, years of high-average livestock prices, to a high of 3.51 in 1932, a year of low-average livestock prices.

Operating expenses apparently are not directly related to livestock prices, yet they tend to show in percentages of sales value the same inverse relationship as commissions. This may be explained by the fact that operating expenses, like commissions, are more or less constant from year to year. Operating expenses, of course, increase somewhat with volume, but not so fast proportionately as volume.

Operating expenses for the 13-year period totaled \$1,125,921, or 1.32 percent of gross sales. In other words, an average of 1.32 cents of each sales dollar was spent to operate the association. A low of 0.87 cent per dollar of sales was reached in 1925 and 1926 and a high of 2.30 cents in 1932. The percentage of income necessary to cover expenses of operation has varied from a low of 53.4 percent in 1933 to a high of 69.1 percent in 1937. This is an extreme fluctuation of 14.7 percent.

Since percentages of sales value absorbed by commissions and operating expenses move in the opposite direction to livestock prices, savings of the association when related to sales value show the same

¹² Commissions at terminal livestock markets like Cincinnati are subject to regulation under the Packers and Stockyards Act of 1921, but rates are not required to be uniform.

TABLE 9.—COMMISSIONS, EXPENSES, SAVINGS, DIVIDENDS, AND RESERVES, AS RELATED TO THE VALUE OF LIVESTOCK SOLD BY THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-38

Year	Total sales	Commissions ¹	Operating expenses	Savings			Proportion of total sales value				
				Total	Patronage dividends	Reserves	Commissions	Operating expenses	Savings		
									Total	Patronage dividends	Reserves
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent
1925.....	4,155,018	55,880	36,113	19,893	10,082	9,816	1.34	0.87	0.48	0.24	0.24
1926.....	6,099,902	81,873	53,336	29,342	14,744	14,598	1.34	.87	.48	.24	.24
1927.....	6,162,558	97,250	61,836	36,589	17,505	19,084	1.58	1.00	.59	.28	.31
1928.....	7,839,846	129,746	² 75,444	57,245	32,457	24,808	1.65	.96	.73	.41	.32
1929.....	8,351,300	135,807	85,823	52,069	33,952	18,117	1.63	1.03	.62	.41	.22
1930.....	6,992,043	128,121	90,594	41,717	32,030	9,687	1.83	1.30	.60	.46	.14
1931.....	5,404,953	143,740	³ 91,448	57,026	36,139	20,887	2.66	1.69	1.06	.67	.39
1932.....	4,367,982	¹ 153,455	100,457	57,788	46,036	11,752	3.51	2.30	1.32	1.05	.27
1933.....	5,375,198	182,385	106,380	85,039	60,795	24,244	3.30	1.98	1.58	1.13	.45
1934.....	5,846,719	162,812	110,904	77,208	60,937	16,271	3.13	1.90	1.32	1.04	.28
1935.....	7,757,559	151,725	101,741	62,682	50,575	12,107	1.96	1.31	.81	.65	.16
1936.....	8,927,228	164,746	109,739	62,112	54,916	7,196	1.85	1.23	.70	.62	.08
1937.....	8,337,097	² 143,123	102,106	45,673	35,761	9,892	1.72	1.22	.55	.43	.12
1938.....	7,522,176	135,306	101,149	42,023	33,826	8,197	1.80	1.34	.56	.45	.11
Total or average.....	93,139,638	1,835,968	1,227,070	726,411	519,756	206,656	2.03	1.32	.78	.56	.22

¹ Other income not included in commissions collected.

² Commission rates were reduced June 1, 1932, and Nov. 1, 1937.

³ Educational expenditures made from reserves since 1928 not included.

Source: Records of Producers Cooperative Commission Association, Cincinnati, Ohio. Business of the Dayton and Lexington branches was not included.

trend. In other words, savings, as shown by the percentages of sales value, have been more significant in times of low prices than in times of high prices. Total savings for the 14 years reached \$726,411 on December 31, 1938, and averaged 0.8 percent of the value of the livestock sold.

As volume has grown, the percentage of income absorbed by the expenses of operation has tended to decline, and the percentage of savings has tended to increase. This indicates a normal, healthy relationship. There were exceptions to this rule in 1929 and again in 1932, probably in the latter case because a reduction in commission rates went into effect on June 1, 1932. In 1936 volume increased 479 decks, but expenses as a percentage of income rose 2.0 percent over the prior year. The smallest percentage of income taken by expenses was in 1933 when the association handled its largest volume (fig. 14, table 10). It should be pointed out that the percentage of income allocated to expenses has been steadily increasing since 1933, and the percentage of savings available for dividends has been declining during the same period.

In explanation of the high percentage of income absorbed by expenses in 1937, two facts are important; namely, the opening of the

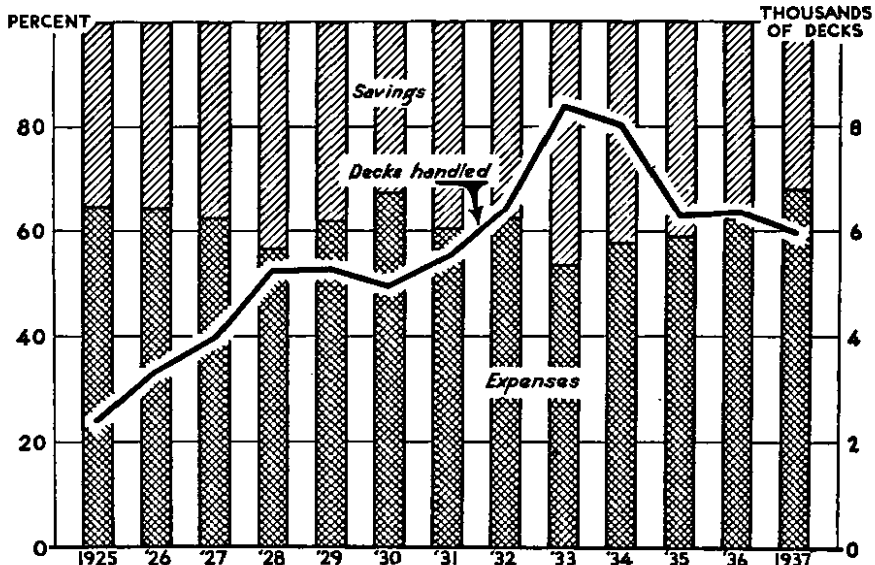


FIGURE 14.—EXPENSES AND SAVINGS AS RELATED TO VOLUME.

In general the percentage of income taken by operating expenses tends to decline as volume increases.

TABLE 10.—RELATION OF VOLUME TO EXPENSES AND SAVINGS, AND TO REFUNDS AND RESERVES, PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-38

Year	Volume of receipts	Percentage of income used for—		Percentage of savings used for—	
		Expenses	Savings	Refunds	Reserves
	Decks	Percent	Percent	Percent	Percent
1925.....	2,381	64.5	35.5	50.7	49.3
1926.....	3,325	64.5	35.5	50.3	49.7
1927.....	3,977	62.8	37.2	47.8	52.2
1928.....	5,253	56.9	43.1	56.7	43.3
1929.....	5,285	62.2	37.8	65.2	34.8
1930.....	4,951	68.5	31.5	76.8	23.2
1931.....	5,524	61.6	38.4	63.4	36.6
1932.....	6,449	63.5	36.5	79.7	20.3
1933.....	8,393	55.6	44.4	71.5	28.5
1934.....	8,022	59.0	41.0	78.9	21.1
1935.....	6,265	61.9	38.1	80.7	19.3
1936.....	6,744	63.9	36.1	88.4	11.6
1937.....	5,919	69.1	30.9	78.3	21.7
1938.....	6,110	70.6	29.4	80.5	19.5

Source: Records of Producers Cooperative Commission Association, Cincinnati, Ohio. Business of Dayton and Lexington branches was not included.

branch agency at Lexington and the reduction in commission rates in November 1937. Since the extent of the effect of the branch openings could not be accurately foretold in advance, it was difficult to adjust expenses immediately to the reduced volume.

In 13 years the association showed total savings of \$684,388 (table 11), or slightly less than 38 cents per dollar of income. According to carefully kept association records showing the share of each individual member or patron, savings on member business totaled \$545,760; and those on nonmember business, \$138,628. Thus, of the total savings, 80 percent had been derived from members and 20 percent from nonmembers.

For a full understanding of the trends in costs and savings from year to year, the fact that certain expenditures formerly charged to current operating expenses have been paid each year since 1928 from nonmembers' share of patronage dividends must be taken into consideration.

TABLE 11.—ALLOCATION OF NET SAVINGS BETWEEN MEMBERS AND NONMEMBERS, PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-37

Year	Total net savings	Amount allocated to—	
		Members	Nonmembers
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1925.....	19, 898	17, 102	2, 796
1926.....	29, 342	23, 467	5, 875
1927.....	36, 589	28, 470	8, 119
1928.....	57, 245	43, 559	13, 686
1929.....	52, 069	38, 589	13, 480
1930.....	41, 717	32, 322	9, 395
1931.....	57, 026	46, 587	10, 439
1932.....	57, 788	47, 800	9, 988
1933.....	85, 039	74, 695	10, 344
1934.....	77, 208	62, 234	14, 974
1935.....	62, 682	48, 188	14, 494
1936.....	62, 112	48, 426	13, 686
1937.....	45, 673	34, 321	11, 352
Total.....	684, 388	545, 760	138, 628

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

In 1928 the association initiated a policy of paying certain educational expenditures from reserves of prior years rather than from current operating income. This policy has been expanded from year to year. Had these expenditures been made from current operating income, as was done prior to 1928, rather than from reserves of former years, net savings would have been reduced substantially, and

costs of operation would have been higher. In 1937 the association used \$9,556.16 of reserves of prior years for the foregoing purposes. To obtain comparable operating statements for each year, the expenses paid from reserves have been treated as current operating expenses for the year in which they were made. This procedure tends to modify the operating results shown by the association in each year since 1928, but from the standpoint of comparative results from year to year the figures are more comparable.

Costs by Species

Commissions, costs, and net savings derived from each species of livestock handled have been analyzed in order to compare costs and operating results. In making such an analysis the association was considered as a whole and the figures were developed only for the purpose of appraising relative costs rather than determining whether or not the association should continue to operate a particular division of its business. If such a determination were desirable it should be made on an extra-cost basis, since each division of the business is related and the dropping of any department would affect all others. Commissions and salesmen's and yardmen's salaries were allocated directly to the cattle, the calf, the hog, and the sheep divisions, while all other items of income, office salaries, administrative expenses, and expenses paid from reserves, which could not be allocated directly, were prorated among the various divisions.

Proration was made on a percentage basis using total commission income as 100 percent. In 1937, for example, since commissions from cattle equaled 18 percent of the association's total commission income from all species, this percentage was used in determining the amount of other income, office salaries, administrative expenses, and expenses paid from reserves applicable to the cattle department. Amounts applicable to the hog, the sheep, and the calf departments were determined in a similar manner.¹³

The results of the analysis show highest operating costs in the cattle and the sheep departments (fig. 15, Appendix, tables 31 and 32). Salaries are the most important item of expense. On the average, they absorbed 39.9 percent of commission income. Salaries in the cattle and the sheep departments absorbed relatively more of each dollar income than those in the hog and the calf departments.

¹³ On the basis of proration of expenses by departments, differences in operating costs by species in any year are in reality only a measure of differences in labor costs as reflected by salesmen's and yardmen's salaries. It is felt, however, that the results furnish a close approximation of operating costs and savings in each department. It is assumed that commission rates levied on the various species of livestock bear a close relationship to the costs of operation for the various departments concerned. These rates prior to 1921 were based on the judgment of trade interests, which had evolved from the experience of many years. Since November 1937, a new schedule of commission rates negotiated by the association in cooperation with the commission men at the Cincinnati market has been adopted.

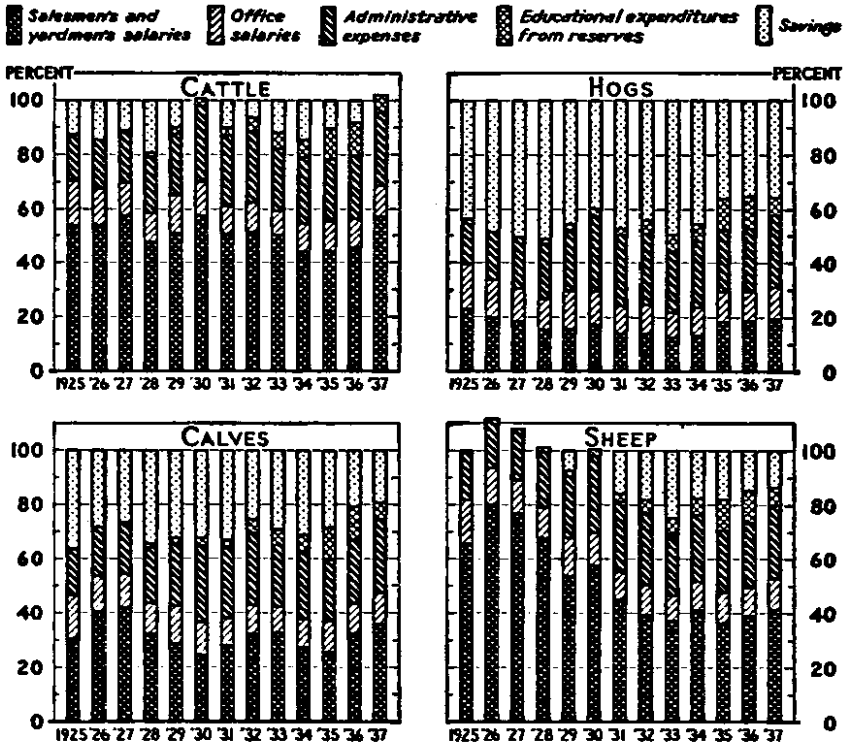


FIGURE 15.—PROFIT AND LOSS PER DOLLAR OF INCOME FOR EACH SPECIES OF LIVESTOCK HANDLED 1925-37.

Savings from different species of livestock are unequal from year to year. Operating costs are highest in the cattle and the sheep departments, and lowest in the calf and the hog departments.

Employees are frequently shifted from one division to another to take care of peak loads, but insofar as possible these shifts in personnel among different divisions have been taken into consideration.

Net savings showed a wide variation not only by years, but also by species. Savings in the calf and the hog departments have been more consistent from year to year.

After the payment of patronage dividends and the setting up of reserves in accordance with the action of the board of directors, the cattle and the sheep divisions have shown deficits every year since 1925. The same is true of the calf department with the exception of 1925 and 1930 when small surpluses were shown. The hog department, on the contrary, has shown earnings over and above its patronage dividend and its reserve requirements every year through 1937. In fact, these earnings have been large enough to more than offset the deficits in other departments. When expenses paid from reserves of prior years are charged to current operations, deficits

in the cattle, the calf, and the sheep divisions are increased, and earnings of the hog department are reduced by the amount of the expenditures made.

Cost per Head

There are a number of ways of determining costs in the livestock commission business. Formerly costs were computed on a carload or deck basis; but since the advent of livestock trucking, cost figures on a head basis have largely superseded cost figures on a carlot basis.

Costs per head, as used in this bulletin, are based on yearly averages. In order to arrive at the average commission per head by species, from which it is necessary to start in deriving the average cost per head, commission income from each species was divided by the number of cattle, calves, hogs, and sheep handled. Salaries of salesmen and yardmen were segregated by departments, divided by the number of head handled to determine the average sales and yard cost per head, and charged direct to the department concerned (fig. 16 and Appendix, tables 33 and 34). Office salaries and administrative expenses were prorated among departments according to the ratio of total commission income from each species to total yearly commission income from all species. The resulting figures were divided by the number of head of each species handled to ascertain the average cost per head for office salaries and administrative expenses. The sum of the average salesman's and yardman's salaries, together with office salaries and administrative expenses per head, deducted from the average commission income per head gives the average per head savings from commission income by species.

Commission income per head declined slightly for all species except hogs from 1925 to 1937 (fig. 16). During this period there were two changes in commission rates on the Cincinnati market, a reduction of approximately 17 percent effective June 1, 1932, and an additional cut of 10 percent in November 1937. The effect of these reductions in commission rates is apparent in the average income per head for each species for 1932 and for 1937, but not fully apparent in each case until the following year. Most of the reductions in commission rates were made in the charges on carlot or large-consignment business. Rates on small consignments, made up mostly of truck business, were left at approximately their former levels. The great increase in truck volume thus has tended to keep the average commission income per head fairly constant from year to year. From 1925 to 1937 operating results ranged from a loss of 1.3 cents per head to a gain of 17.6 cents per head in the cattle department, and in the sheep and lamb department from a loss of 2.8 cents per head to a gain of 5.6 cents. Savings on calves ranged from 12.3 to 21.8 cents per head during the period, and savings on hogs from 12.3 to 16.7 cents.

Under normal conditions in the livestock commission business,

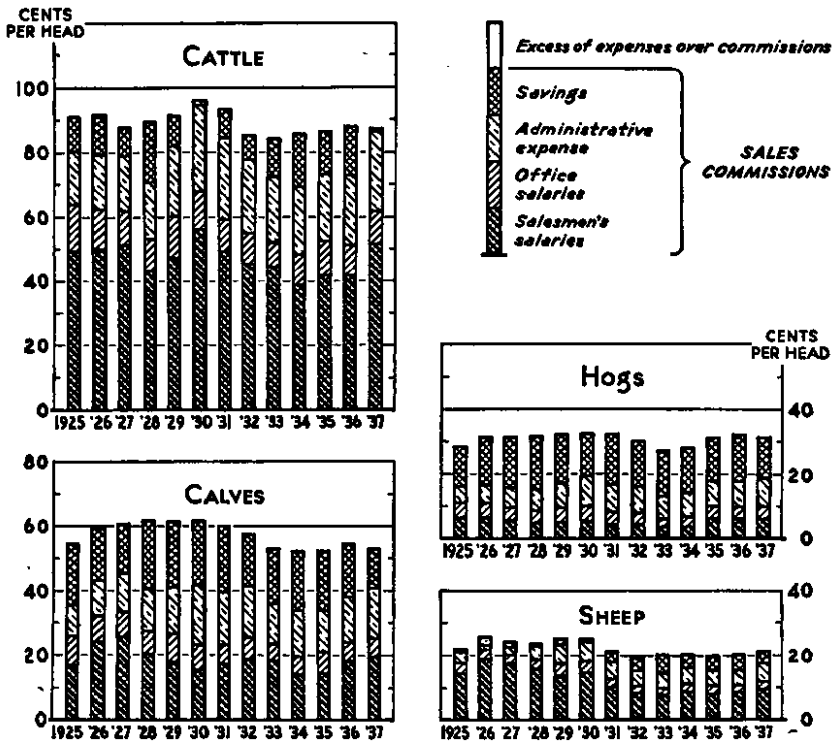


FIGURE 16.—INCOME FROM COMMISSIONS, OPERATING EXPENSES, AND SAVINGS PER HEAD (EXCLUSIVE OF OTHER INCOME AND EXPENSES PAID FROM RESERVES) FOR PRODUCERS' COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-37.

Most of the association's savings per head are realized from calves and hogs. Cattle and sheep contribute little toward savings. Salaries and labor costs are relatively higher in the cattle and the sheep departments than in the calf and the hog departments.

there is a close correlation between the volume and the savings shown by the cattle, the calf, the hog, and the sheep departments. Operating charges, however, are of necessity somewhat inelastic, as an association must be manned to meet peak-load requirements at all times with little adjustment for seasonal and day-to-day variations in volume. After operating expenses have been covered, savings accumulate rapidly, because ordinarily most increases in volume entail but little increase in personnel.

When volume is increased, operating costs per head have shown a tendency to decline and savings have increased. When volume has declined, costs per head have increased and savings have been reduced. At times, income in the cattle and the sheep departments has been insufficient to cover operating expenses, and losses have been shown. These losses have been offset by gains in the calf and the hog departments.

Costs per Patron

In order to approximate the average yearly volume per patron, individual producers consigning livestock to the association were counted, and to this total the estimated number of individuals making consignments through shipping associations was added. The resulting total was used in computing the average commission income, expenses, and savings per patron.

Average commission income per patron thus derived has fluctuated irregularly from 1925 to 1937 (table 12). The general trend, however, has been slightly upward during the period, in spite of reductions in commission rates in 1932 and in 1937. This would seem to indicate a slight increase in the average volume per patron during the period. Some variation in average commission per patron from year to year is to be expected, since marketings are influenced by weather conditions, size of crops, market prospects, and other important factors.

Sales costs have fluctuated between a low of \$2 and a high of \$2.67 per patron. Office costs have shown an irregularly downward trend. Administrative expenses, on the other hand, have shown a tendency to increase during the period. Total expenses per patron have fluctuated from \$4.20 in 1925 to \$5.68 in 1936.¹⁴ Savings per patron from year to year are closely correlated with volume.

TABLE 12.—AVERAGE INCOME FROM COMMISSIONS, EXPENSES, AND SAVINGS PER PATRON OF THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-37

Year	Income from commissions	Expenses				Savings
		Sales	Office	Administrative	Total	
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1925.....	6.50	2.07	1.07	1.06	4.20	2.30
1926.....	7.85	2.61	1.06	1.44	5.11	2.74
1927.....	8.34	2.67	1.03	1.60	5.30	3.04
1928.....	7.99	2.07	.91	1.66	4.64	3.35
1929.....	7.71	2.00	1.10	1.77	4.87	2.84
1930.....	7.30	2.11	.94	2.11	5.16	2.14
1931.....	8.59	2.26	.90	2.31	5.47	3.12
1932.....	8.31	2.26	.92	2.26	5.44	2.87
1933.....	9.18	2.27	.88	2.20	5.35	3.83
1934.....	8.57	2.10	.94	2.16	5.20	3.37
1935.....	7.56	2.28	.93	1.86	5.07	2.49
1936.....	8.53	2.58	.94	2.16	5.68	2.85
1937.....	7.73	2.48	.88	2.15	5.51	2.22

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio. Other income and expenses paid from reserves were not considered in this tabulation.

¹⁴ These figures do not include expenses paid from reserves.

Costs per Sale

A somewhat different picture of operating results is shown when income, costs, and savings are computed on a per sale basis as shown in table 13. The data are presented as a simple arithmetical average based on the operating results compiled by the association without regard for the separate departments of the business or the various species of livestock handled.

TABLE 13.—AVERAGE INCOME, EXPENSES, AND SAVINGS PER ACCOUNT SALE, PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-37

Year	Account sales made	Income from commissions	Expenses				Savings
			Sales	Office	Administrative	Total	
	<i>Number</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1925.....	12, 899	4. 33	1. 38	0. 72	0. 70	2. 80	1. 53
1926.....	20, 675	3. 96	1. 31	. 54	. 73	2. 58	1. 38
1927.....	23, 808	4. 08	1. 31	. 50	. 79	2. 60	1. 48
1928.....	33, 282	3. 90	1. 01	. 45	. 81	2. 27	1. 63
1929.....	36, 910	3. 68	. 95	. 52	. 85	2. 32	1. 36
1930.....	35, 833	3. 58	1. 03	. 46	1. 04	2. 53	1. 05
1931.....	36, 972	3. 89	1. 02	. 41	1. 05	2. 48	1. 41
1932.....	41, 761	3. 67	1. 00	. 41	1. 00	2. 41	1. 26
1933.....	52, 772	3. 46	. 86	. 33	. 83	2. 02	1. 44
1934.....	60, 045	3. 04	. 75	. 33	. 77	1. 85	1. 19
1935.....	57, 978	2. 62	. 79	. 32	. 65	1. 76	. 86
1936.....	61, 444	2. 68	. 81	. 29	. 68	1. 78	. 90
1937.....	56, 336	2. 54	. 81	. 29	. 71	1. 81	. 73

Source: Records of Producers Cooperative Commission Association, Cincinnati, Ohio. Figures do not include either income from sources other than commissions or expenses paid from reserves.

Commission income per account sale has shown an interrupted but distinctly downward trend from \$4.33 in 1925 to \$2.54 in 1937. The fact that a new low record for commission income per sale was established last year would seem to indicate that the bottom for average commission income per account sale is yet to be reached and that the average income per sale and the average size of consignments may be even smaller in future years than they were in 1937. It should be pointed out again, however, that the droughts of 1934 and 1936, coupled with the reduction program of the Agricultural Adjustment Administration, are partially responsible for the drops during the last 2 years.

The trend in sales costs per sale has been unmistakably downward. Although expenditures for salesmen's and yardmen's salaries for all departments show an upward trend from 1925 to 1937, average salesmen's and yardmen's costs per sale declined from \$1.38 in 1925 to

\$0.75 in 1934. Since 1934 they have shown a tendency to increase slightly, broken only in 1937 when the association spent \$5,000 less for salesmen's and yardmen's salaries than in 1936 because part of its personnel at Cincinnati was transferred to branch operations at other points.

Office costs per account sale exhibit the same downward trend as sales costs.

Administration expenses per account sale in general reversed the trend shown by commission income, sales cost, and office cost until 1931. Since then they have conformed to the trends set by the other items of expense. The decrease in costs since 1931 has been materially influenced by the fiscal policies of the association authorizing payment of expense items formerly classified as administrative expenses from the educational reserves of the association. This policy has resulted in reducing the number and amount of items charged to administrative expense and is largely responsible for the decline in average administrative expense per account sale.

As might be expected from the foregoing, the total expense per account sale shows a downward trend from 1925 to 1937. During the first 6 years, average costs fluctuated irregularly, but since 1930 the trend has been downward.

On the basis of the figures presented in table 13, it might be contended that all account sales which did not show a gross commission in excess of \$1.81 in 1937 were handled at a loss by the association. From the standpoint of average costs based on the volume of business for 1937, this conclusion would be correct. However, as pointed out in a previous section, the commission business is a business of increasing returns (p. 51), and until an association's personnel is worked to capacity, size of consignments affect total operating costs but little. Thus, consignments that showed a commission income of less than \$1.81 in 1937 did not cover average operating costs, yet the income derived from these consignments went a long way toward covering the fixed costs of doing business.

Average savings per account sale in 1937 were less than half those of 1925. Average commission income per sale showed a decline of slightly less than 42 percent from 1925 to 1937. Expenses per account sale declined 35 percent during the same period, and savings per account sale showed a decline of 54 percent. The influence of the expense items paid from educational reserves during the last 5 years should not be overlooked in the interpretation of these figures.

Allocation of Savings

Savings available for reserves and patronage dividends are calculated on the basis of combined income from all species, together with income

from investments and all other sources, minus total expense of salaries and administration.

The association has followed a conservative policy in the handling of its savings from operations. During the early years, when the establishment of reserves was essential to the building of a strongly financed organization, it paid out only about 50 percent of its savings and retained the balance as a reserve for working capital. In later years, when the directors became convinced that the organization was adequately financed, a more liberal patronage dividend-policy was adopted and less money was set aside as reserves.

Patronage Dividends

Patronage dividends are based on savings as reflected by the financial statement of the association at the close of each year. They represent a return of a certain percentage of the commissions paid by patrons during the year. Payment is restricted by the bylaws of the association and by Federal statute¹⁵ to members only. Members receive their patronage dividends in cash, whereas savings on non-member business are carried on the books in such a way as to show the amounts attributable to the patronage of each nonmember. Thus, when patronage dividends are declared, since the rate is based on the combined earnings from both member and nonmember business, the member profits from nonmember business to the extent, but only to the extent, that added volume reduces the cost of operation of the association.

The association has adhered to the general rule that to qualify for patronage dividends a patron must be a member during the year in which the saving was made. The bylaws do not state specifically when a patron must become a member in order to receive patronage dividends. Membership is not retroactive; the organization set-up provides no method by which nonmembers of one year may become members in another year and claim patronage dividends earned on their business when they were nonmembers.

The bylaws do not state whether patronage dividends should be based on the combined commission from all species of livestock handled, or should be calculated separately for each species from the commissions collected for the species. The distinction would not be important if final results were substantially the same. Results, however, are divergent, depending upon which interpretation is applied in computations.

The association has followed the practice of basing its patronage dividends upon combined commission income from all species and has not attempted to make a separate patronage dividend on each

¹⁵ Sec. 306 of the Packers and Stockyards Act of 1921.

species. From the standpoints of simplicity and practical operation, this method has much to commend it. The other method, that of varying the rate of dividend by species, may lead to misunderstandings, confusion, and complications, since handling costs of no two species are identical in any one year and it is hard to determine accurately how much overhead should be charged to each department. Difficulties would certainly occur, for example, if the association showed savings of 25 percent on cattle, 50 percent on hogs, and nothing on sheep, since separate dividend rates would be established for cattle and hogs and nothing would be paid on sheep.

Under the present system of dividend distribution, no inequity results if patrons ship all species of livestock. Most patrons, however, ship no more than two species. Differences in costs of operation, therefore, are not always averaged out. For example, in 1937, before deduction of certain current expenses paid from reserves of prior

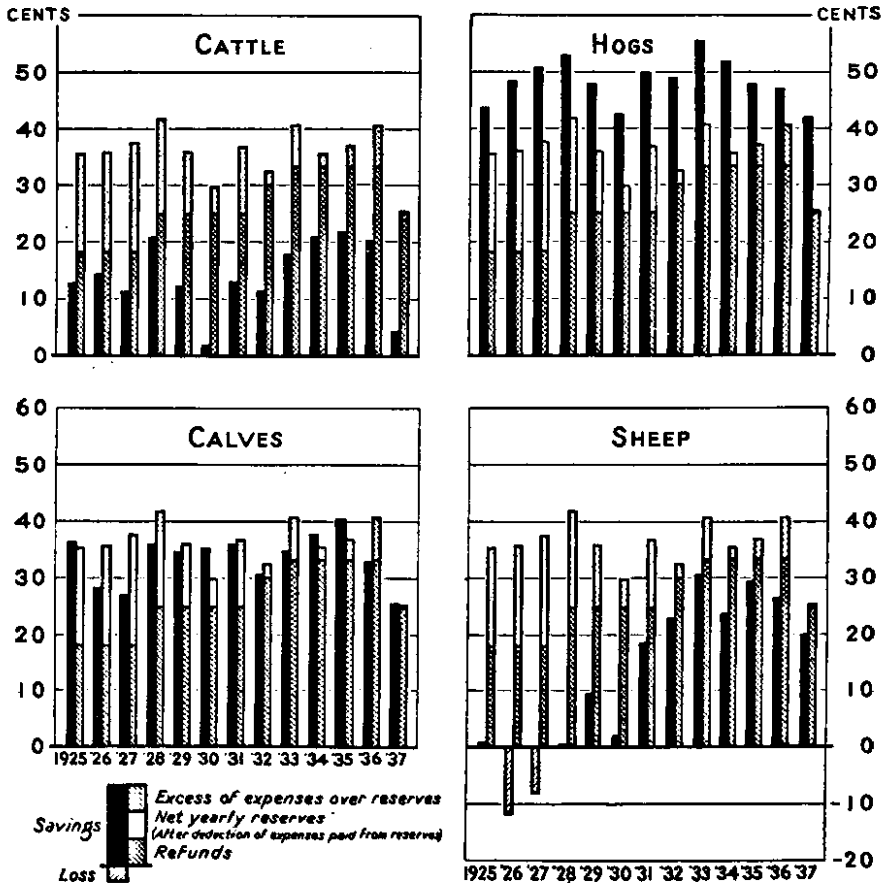


FIGURE 17.—SAVINGS, REFUNDS, RESERVES, AND RESERVE EXPENDITURES PER DOLLAR OF INCOME, 1925-37.

With the rates of refunds and reserves established annually by the board of directors, cattle, sheep, and, to a lesser degree, calves received more than their proportionate share of the savings, while hogs received proportionately less.

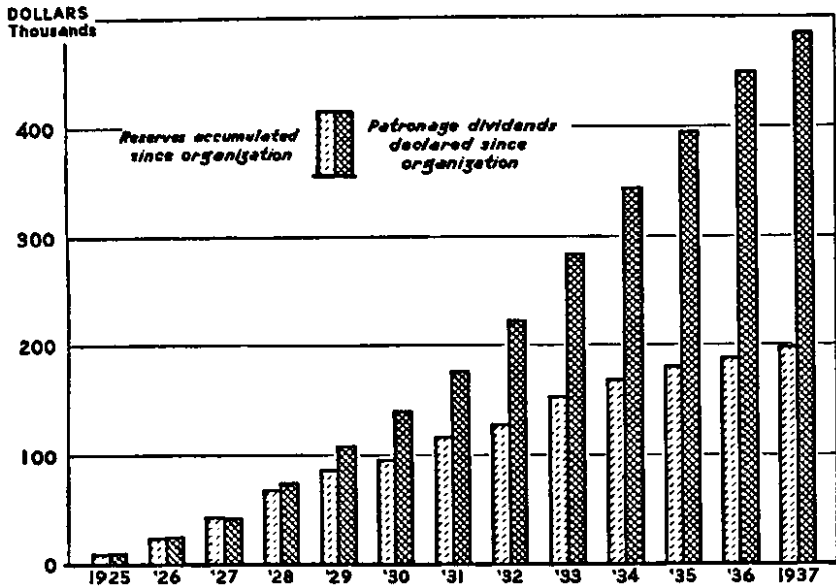


FIGURE 18.—ACCUMULATION OF NET EARNINGS SHOWING PATRONAGE DIVIDENDS AND RESERVES, 1925-37.

From its organization through 1937, the association declared patronage dividends of \$485,929 and placed \$198,459 in reserve. Dividends declared equal 71 percent of all earnings for the period.

years had been made, the association showed savings of 4.5 cents in the cattle department out of each dollar of income received, 25.6 cents in the calf department, 42.1 cents in the hog department, and 20.1 cents in the sheep department (table 32, fig. 17). It showed average savings of 31.9 cents per dollar of commission income from all species of livestock combined. The association declared a patronage dividend of 25 cents per dollar of commission income from all species and set aside the balance of 6.9 cents per dollar of commission income as a reserve.

When these rates of patronage dividends and reserves are applied to the savings shown by each division of the business, deficits of 27.4 cents in the cattle department, 6.3 cents in the calf department, and 11.8 cents in the sheep department per dollar of income are created, and earnings of 10.2 cents per dollar of income are made in the hog department. Deficits on cattle, calves, and sheep were absorbed by surplus savings on hogs after the payment of patronage dividends and the setting aside of reserves. Hogs furnish approximately 50 percent of the association's income; and while earnings per dollar of income on hogs were much less than the deficits per dollar of income on cattle and sheep, they were sufficient, nevertheless, to offset the deficits because the association receives more dollar income from hogs than from any other source.

Out of net savings of \$684,388, accumulated from 1925 to 1937, the association declared patronage dividends of \$485,929 (fig. 18 and table 14), that is 71 percent of all savings. The balance was placed in reserve. Both members and nonmembers have an equity in the patronage dividends declared and in the amounts placed in reserve.

TABLE 14.—DISTRIBUTION OF PATRONAGE DIVIDENDS TO MEMBERS AND NONMEMBERS, PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-37

Year	Total dividends declared	Amount paid to members	Amount held for nonmembers
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1925.....	10, 082	8, 666	1, 416
1926.....	14, 744	11, 792	2, 952
1927.....	17, 505	13, 623	3, 882
1928.....	32, 437	24, 680	7, 757
1929.....	33, 952	25, 165	8, 787
1930.....	32, 030	24, 814	7, 216
1931.....	36, 139	29, 522	6, 617
1932.....	46, 036	38, 746	7, 290
1933.....	60, 795	53, 408	7, 387
1934.....	60, 937	49, 087	11, 850
1935.....	50, 575	38, 878	11, 697
1936.....	54, 916	42, 811	12, 105
1937.....	35, 781	26, 892	8, 889
Total.....	485, 929	388, 084	97, 845

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

When patronage dividends are declared, the rate established by the board of directors is applied to all accounts, both member and nonmember, and the amount of dividend due each patron is computed separately. The difference between the savings shown by each individual account and the patronage dividend declared by the directors is carried to reserves.

In 1928, however, the association was granted permission by the Packers and Stockyards Administration to pay certain educational expenditures from the nonmembers' share of the patronage dividend. From 1928 to 1937 the association disbursed \$98,600 for educational purposes from earnings on nonmember business. On December 31, 1937, patronage dividends declared on nonmember business totaled \$97,845. The association has, therefore, spent all patronage dividends declared on nonmember business to date for educational purposes.

Reserves

Reserves of the association are noninterest-bearing working capital, which is distributed on the books of the association to the credit of the members and nonmembers who contributed the business. The accumulation of reserves by years is reflected in figure 19 and table 15. By December 31, 1937, reserves set aside out of savings since 1925 totaled \$198,459. The ratio of member reserves to nonmember reserves was approximately 4 to 1.

At the close of 1934, the tenth year of operation, the reserves being sufficient to meet any ordinary business needs, the directors declared a patronage dividend equal to the 1925 reserve as a further distribution on 1925 business. At the same time, the association added 8 percent of its 1934 savings to reserves. Thus, while \$9,816 representing the 1925 reserve was declared as a further patronage dividend on 1925 business, the association added \$16,271 to reserves from 1934 savings, and the net result was an increase in total reserves of \$6,455. The next year the directors withdrew 1926 reserves amounting to \$14,598 and added \$12,107 to reserves from 1935 savings. While the original 1925 and 1926 patronage dividends to members had been 18 percent, the return of the reserves of those years brought total

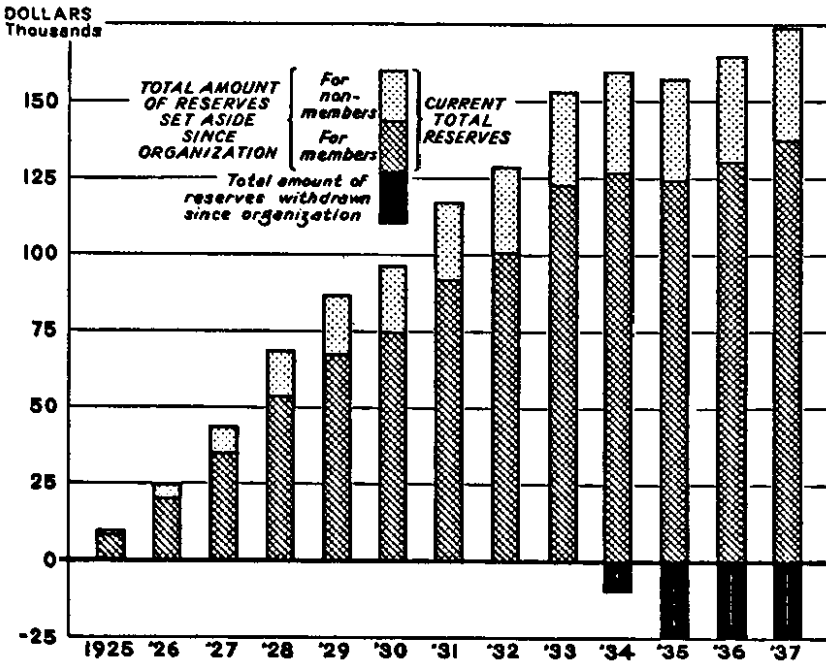


FIGURE 19.—ACCUMULATION OF RESERVES, 1925-37.

Conservative financial policies have built a strong financial organization.

TABLE 15.—DISTRIBUTION OF RESERVES TO MEMBERS AND NONMEMBERS, PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-37

Year	Total reserves	Amount held for members	Amount held for nonmembers
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1925.....	9,816	8,437	1,379
1926.....	14,598	11,675	2,923
1927.....	19,084	14,848	4,236
1928.....	24,808	18,879	5,929
1929.....	18,117	13,425	4,692
1930.....	9,687	7,507	2,180
1931.....	20,887	17,065	3,822
1932.....	11,752	9,053	2,699
1933.....	24,244	21,286	2,958
1934.....	16,271	13,147	3,124
1935.....	12,107	9,310	2,797
1936.....	7,196	5,615	1,581
1937.....	9,892	7,429	2,463
Total.....	198,459	157,676	40,783

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

patronage dividends for 1925 and 1926 up to 35.5 percent and 35.8 percent respectively. Total reserves held by the association on December 31, 1937, amounted to \$174,045.

In distributing the 1925 and 1926 reserves to members, the association made a sincere effort to have the money reach the member who had contributed the business. During 10 years, however, many changes had taken place. Some members had died. Others had moved away. Shipping associations that were flourishing in 1925 and 1926 were mostly dormant or dissolved. Under these circumstances, where shipments had been received from a shipping association, now inactive, the agency adopted the policy of paying each individual shipper his share of the dividends. In the case of any member who had died in the 10-year interval, the association endeavored to return the payment to the family of the deceased member. By adopting a liberal policy with respect to the distribution, the association has been successful in returning more than 90 percent of the member reserves. The other 10 percent, due members who could not be located, was held by the association. Nonmember reserves amounted to \$4,302 and were likewise held by the association. These undistributed portions of the reserves became available for educational purposes.

The Producers Cooperative Commission Association has no shares of stock outstanding and no certificates of indebtedness aside from

those issued to finance the Dayton and the Lexington branches. The association's reserves have been established entirely out of savings and are in the form of book credits to members and nonmembers alike. The records reflect year by year each patron's share in the association's reserve.

Field Service and Education

IN approaching the problem of field service and education, two main questions should be considered: (1) What are the requirements of an adequate field-service and educational program; and (2) does the program employed by the association meet these requirements?

Once the objectives of a field-service program are outlined and agreed upon, it should not be difficult to determine whether the policies being followed conform to the standards laid down. With a definite list of qualifications, an association should be able to mark its own score card with respect to the adequacy of its program.

Objectives

In general, a cooperative field-service and educational program must meet three requirements. It should (1) reach the entire membership either directly or indirectly, (2) build permanent local support for the association, and (3) develop a thoroughly informed membership.

In its efforts to meet the first requirement, it may be necessary for the association to develop a program designed to promote an interest in cooperation in general and to offset the particular difficulties that a livestock cooperative has in reaching all its members. Farmers in this country have a wide choice of markets. They have not accepted cooperative marketing as the only way to sell livestock. Associations must, therefore, make frequent contacts with members if they are to hold their business and continue to grow. Consequently, the educational and field-service work must continue to reach the entire membership.

Faced with this situation, the Producers association recognized the importance of membership contacts from the standpoint of growth and stability of the cooperative livestock movement, and spent increasing amounts of time, effort, and money for extending its membership contacts.

The problem of reaching approximately 20,000 widely scattered members and patrons with an effective field-service program is not an easy one, especially since at best contacts with the actual producers are generally infrequent and often difficult. As a rule, they are restricted to the three or four times a year at which livestock is marketed. Even if each producer came to market with his livestock every time he had any for sale, such contacts would be inadequate. Many producers, however, now ship by commercial truck, and as a result

the association has the opportunity of meeting only the trucker. While this unquestionably is a valuable contact, cooperative associations cannot accept it as a substitute for meeting the producer himself.

The second requirement, that of building permanent local support for the association, has necessitated vigorous action. It would seem that continued expenditure of funds for field service and education year after year should eventually result in a steady volume of business at a diminishing cost if the work has been well done. Rapidly shifting conditions in livestock marketing during the last 10 years, however, have exerted an undermining tendency on whatever form of permanent local support the association has built.

For example, the local shipping associations, which in 1925 supplied from 36 to 49 percent of the business of the Cincinnati Producers, are now mostly inactive. The extension of good roads and the growth of livestock trucking have resulted in the rise of the truck buyer, who cruises from farm to farm buying livestock and hauling it direct to market. There has been a large increase in direct-to-packer marketing during the last 10 years. Local livestock markets in nearly every section are now bidding for business that formerly came to the Cincinnati market. Within the last 3 or 4 years there has been a marked expansion in livestock auctions.

In order to build up permanent local support under these conditions, the association has been finding it necessary to take a vigorous lead in organizing local groups to gradually take over a larger part of the field-service and educational work in each community. The association has so far been able to shift but little responsibility to local groups.¹⁶

Formerly, when the shipping associations functioned and local managers paid either on a salary or on a commission basis were fighting for business, volume came more easily and at a smaller cost. Responsibility for getting business was centered at home, and the shipping association formed a convenient contact between the individual shipper and his sales agency at Cincinnati. When the shipping associations disappeared, other means of maintaining and of stimulating interest in cooperative livestock marketing became necessary.

County livestock-marketing committees were tried. The work of the committee was largely advisory in nature. In contrast with the shipping association, livestock-marketing committees do not actively engage in marketing and have no paid employees. Competitors watched the development of livestock-marketing committees with interest. Committeemen were frequently approached by competitors for the purpose of inducing them to abandon the committee idea and to consign their own livestock outside the association. Even under

¹⁶ Raper, L. E. SECURING PARTICIPATION IN MEETINGS. *Cooperative Marketing Journal* 12 (2): 64-65. Washington, D. C.

ideal conditions the committee plan is difficult to administer effectively, because frequently it lacks definiteness and involves sacrifice in time without compensation; but with artificial handicaps it becomes an impossibility in some communities. There are a few outstanding livestock-marketing committees in the Cincinnati territory, but as a rule the committees have not assumed the responsibility for getting business that was originally expected of them.

The third requirement, an informed membership, has long been recognized as the strongest bulwark against sabotage and misinformation that any cooperative association can have. The association should not side-step its responsibility. An informed member appreciates the services of the association and is not apt to fall a victim of the propaganda of competitors. A well-rounded field-service program gives the producer an understanding of the value of grade and quality of his product. He sees production and marketing linked together. He realizes the need of research and its importance in planning future marketing. He realizes the interlocking relationships between his cooperative and other cooperative associations, and gradually he comes to regard livestock marketing as a national problem rather than a purely local one.

Nevertheless, among cooperatives there seems to be a difference of opinion regarding the giving of information. Some organizations supply information generously, while others give practically none. A member seeking specific information of an educational character should look to the association for it. On the other hand, all general information regarding the affairs of the association should be taken to the member; otherwise, he will not receive it. Experience shows that the member will not write for it, and few members will ask for such information.

On the whole, the association has made marked progress in this direction, but the survey made in connection with this study indicates that there is still much to be done. Most farmers of the area know that the Producers Cooperative Commission Association operates at the Cincinnati market, and they know that the association refunds a part of the commission charges to members each year as a patronage dividend. Of a list of patrons and former patrons, however, only about 65 percent had a clear idea of how membership in the association was obtained. Approximately 80 percent of the patrons and former patrons interviewed could not name the director from their district. Less than 25 percent of them had ever visited the offices of the association. More than 90 percent stated that no one from the association had ever visited or called on them at their farms. Eighty percent had never attended an annual meeting. Sixty percent stated that as far as they knew no livestock meetings had been held in their county or territory. These figures are some-

what startling in view of all the field-service and educational work the association has done, and they emphasize the seriousness of the membership problem.

Expenditures

Many questions are involved in evaluation of field-service and educational policies. Has the field-service and educational program been conducted economically and efficiently with full value received for every dollar expended? How much has been spent for these purposes? How much can the association afford to spend? What forms of field service have shown the best results? Has the field-service and educational program built a permanent membership?

While the results of field-service and educational policies are difficult, if not impossible, to measure exactly, an attempt has been made to gather information that may be enlightening to the membership and helpful to the board of directors in formulating the association's future field-service and educational policies.

From 1925 to 1936 the amounts expended by the association for field service and education increased rather steadily from \$2,942 to \$37,126 (table 16, fig. 20). These figures are taken from the annual loss and gain statements of the association and include, in addition, field-service and educational expenditures made from reserves of prior years and not charged to current operating expenses.

TABLE 16.—DECKS OF LIVESTOCK HANDLED AND AVERAGE EXPENSE PER DECK FOR FIELD SERVICE, PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-37

Year	Decks handled	Expense of field service	
		Per deck	Total
	Number	Dollars	Dollars
1925.....	2, 381	1. 24	2, 942
1926.....	3, 325	1. 53	5, 089
1927.....	3, 977	2. 70	10, 740
1928.....	5, 253	4. 07	21, 359
1929.....	5, 285	4. 19	22, 141
1930.....	4, 951	5. 21	25, 819
1931.....	5, 524	4. 44	24, 527
1932.....	6, 449	4. 23	27, 249
1933.....	8, 393	3. 87	32, 470
1934.....	8, 022	4. 49	36, 020
1935.....	6, 265	5. 87	36, 802
1936.....	6, 744	5. 51	37, 126
1937.....	5, 919	3. 88	22, 977

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

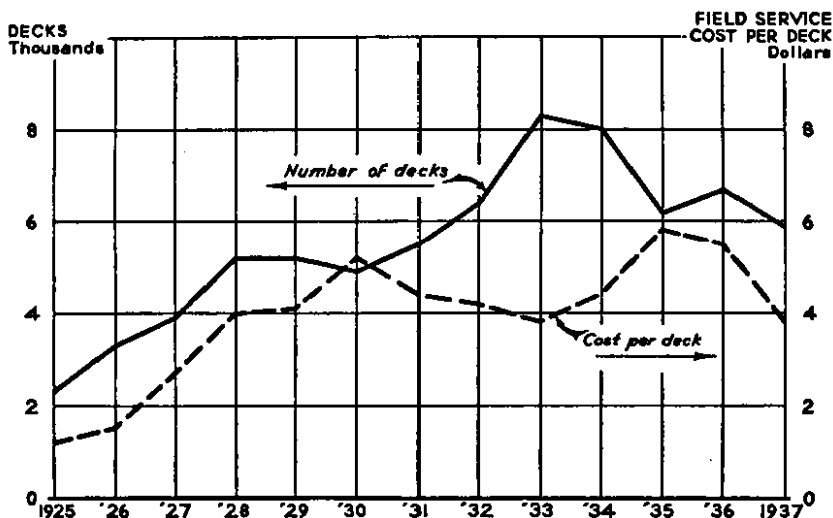


FIGURE 20.—NUMBER OF DECKS OF LIVESTOCK HANDLED AND AVERAGE FIELD-SERVICE COST PER DECK, 1925-37.

The trend of field-service costs per deck was upward from 1925 to 1935. Since 1935 these costs have been substantially reduced.

It should not be inferred from these figures that the association has constantly added to its field-service budget without making any eliminations. On the contrary, some field-service expenditures have been reduced; others have been entirely eliminated. Over the 13-year period, however, the increases in field-service and educational expenses each year have more than offset the reductions in expenses, with the result that the total expenditures show an increase each year with the exceptions of 1931 and 1937.

It is difficult to draw a sharp line between field-service and educational expenses, and other forms of expense. Field-service and educational expenses, however, generally include the following:

1. Automobile, travel, and market-tour expenses.
2. Advertising, calendars, and radio broadcast costs.
3. Dues and subscriptions.
4. Meetings, 4-H and other club expenses.
5. Incidental expenses for telephone, telegraph, postage, and similar items.

There should be a somewhat close relationship between field-service expenditures and volume of business handled. The amounts spent for field service and education from 1925 to 1937 have increased much faster than the volume of business handled. The association spent \$1.24 per deck of livestock handled for field service and education in 1925 against \$3.88 per deck in 1937, with a high of \$5.87 per deck in

1935. In recent years expenditures for field service and education have apparently outstripped growth in volume. From 1934 through 1936, the association was fighting to retain its volume in the face of smaller livestock marketings throughout its territory, and consequently there was an abrupt increase in field-service costs while business volume was declining sharply.

Where field-service expenditures are disproportionate to the volume produced, a close examination of the facts would seem warranted. Field-service expenditures, like other items of expense, are easy to expand but difficult to contract. There is always the temptation to add to rather than deduct from them. Furthermore, an association that has always shown a surplus and does not feel the necessity of scrutinizing and questioning every item of expense is more apt to approve expenditures than an association that has shown frequent deficits.

Although the number of patrons served by the association increased steadily from 8,589 in 1925 to 21,327 in 1934 and then declined moderately after 1934, field-service expenditures per patron were more than three times as large in 1937 as in 1925 (table 17, fig. 21). From 1925 to 1928, average field-service costs per patron rose from 34 cents to \$1.31; from 1930 to 1932 they showed slight variation; but in 1933 they resumed an upward trend, and in 1936 averaged \$1.92. Expenditures for field service and educational work were substantially reduced in 1937.

TABLE 17.—AVERAGE EXPENSE OF FIELD SERVICE PER PATRON, PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-37

Year	Patrons	Expense of field service	
		Per patron	Total
	<i>Number</i>	<i>Dollars</i>	<i>Dollars</i>
1925.....	8, 589	0. 34	2, 942
1926.....	10, 431	. 49	5, 089
1927.....	11, 655	. 92	10, 740
1928.....	16, 244	1. 31	21, 359
1929.....	17, 615	1. 26	22, 141
1930.....	17, 551	1. 47	25, 819
1931.....	16, 725	1. 47	24, 527
1932.....	18, 457	1. 48	27, 249
1933.....	19, 877	1. 63	32, 470
1934.....	21, 327	1. 69	36, 020
1935.....	20, 059	1. 83	36, 802
1936.....	19, 317	1. 92	37, 126
1937.....	18, 513	1. 24	22, 977

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

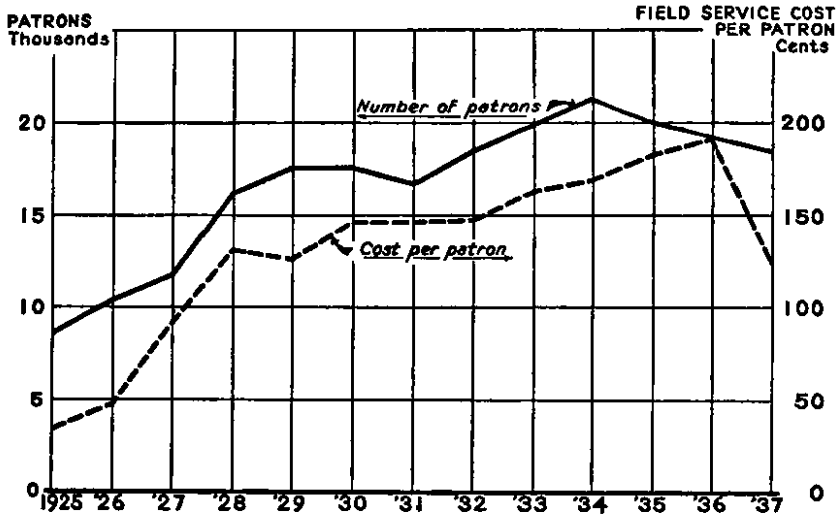


FIGURE 21.—AVERAGE FIELD-SERVICE COST PER PATRON AND NUMBER OF PATRONS, 1925-37.

From 1925 to 1936, field-service cost per patron tended to increase with the number of patrons served. In 1937 the field-service cost per patron was sharply reduced.

Review of Work Done

The field-service and educational work of the association has been furthered by membership in the National Livestock Marketing Association; friendly collaboration with farm bureaus and granges in its territory; its own field staff, annual meetings, and market tours; 4-H clubs; and by other means.

The association was a member first of the National Livestock Producers Association, an overhead organization composed of 12 terminal cooperative livestock marketing associations, and then of the National Livestock Marketing Association, which was formed in May 1930 and took over the National Livestock Producers Association when that organization became inactive. Dues of the "National" are assessed against each member agency on the basis of 50 cents a single deck and 75 cents a double deck for each car of livestock handled. The expenditure is primarily educational and promotional. Membership in the National association has afforded an opportunity to discuss common problems, to cooperate with other associations engaged in the same line of business, and to participate in formulating broad cooperative policies. Moreover, the association publishes monthly for its members and patrons the National Livestock Producer, which is of unquestioned worth from an educational standpoint.

One significant criticism of the National Livestock Producer was made by producers in the Cincinnati market area; namely, that it

contains very little information about the activities of the Producers Cooperative Commission Association at Cincinnati. Patrons of the Cincinnati Producers like to read about their own market and their own cooperative association. While they have a passive interest in the activities of other cooperatives, they have a primary interest in their own organization. The National Livestock Producer is the only field-service and educational medium that reaches all patrons of the association.

In Ohio and Indiana the county farm bureaus and the local granges have formed convenient groups through which to conduct field service and education in cooperative livestock marketing. Frequent meetings have been scheduled and held in conjunction with both organizations. At these meetings representatives of the association are afforded an opportunity to contact farmers and to discuss marketing problems. The meetings are helpful, and educational in nature; but not many county farm bureaus or local granges up to the present time have assumed much responsibility for getting or maintaining business. In Kentucky there has been no farm-bureau organization in much of the Cincinnati market area, and the association has used other means of membership contact.

Early in its development, the Producers adopted the policy that field-service work in Ohio and Indiana should be rendered through the Ohio Farm Bureau Federation and the Indiana Farm Bureau Federation at a cost not to exceed 1 cent per 100 pounds. Prior to this arrangement, expenses for travel and other field-service items incurred out of the Cincinnati office were charged against the field-service budgets of Indiana and Ohio. Later the policy of setting aside 1 cent per 100 pounds for field service was extended to all States served by the association. In February 1930 the board voted to increase the field-service budget from 1 to 2 cents per 100 pounds on all livestock handled.

From February 1925 through December 1937, a total of \$160,004 has been appropriated for field service and education. Amounts set aside for field-service work in Indiana were paid to the farm bureau; those for work in Ohio, to the Ohio Livestock Cooperative Association. Kentucky field-service funds were administered directly by the Cincinnati association.

In Ohio the program was first administered through the Ohio Livestock Cooperative Association, an overhead service organization formed in 1923 to serve Ohio livestock cooperatives in coordinating and directing field work within the State. The Producers Cooperative Commission Association, together with other cooperative agencies, contributed toward the expense of employing fieldmen to solicit business and to carry on a general educational program throughout the State for the various livestock cooperatives under the direction

of the secretary-manager of the Ohio Livestock Cooperative Association. After several years' operation, differences arose between the cooperative groups, and as a result the Producers Cooperative Commission Association withdrew from membership in the Ohio Livestock Cooperative Association.¹⁷ Since June 1, 1934, the Producers Cooperative Commission Association has assumed full responsibility for planning, developing, and conducting its own field-service program in the State. It employs one full-time fieldman, whose work has been devoted exclusively to southwestern Ohio, and from time to time a second fieldman to work in the same area in Ohio.

In Indiana the field-service program has been administered by the livestock-marketing department of the Indiana Farm Bureau, a department set up purposely for encouraging the development and growth of the livestock cooperatives within the State. The department is financed largely by sums paid by the terminal cooperatives handling livestock from Indiana. In a large measure, the terminal cooperatives have delegated their field-service and educational work to the bureau.¹⁸ Three men who are paid from the field-service fund created by the livestock cooperatives are responsible to the Farm Bureau for the work. Under this plan of operation, field-service policies are determined by a "policy committee" on which the livestock cooperatives are represented; but in actual practice many of the field-service policies are formulated within the livestock-marketing department. For purposes of organization, the State has been divided into three districts, and each fieldman has been assigned a different territory in which to work. A general program of field work is outlined by the livestock-marketing department at the beginning of each year. Aside from this general outline, however, each man plans his own work and schedules his own meetings. Conferences are held from time to time, and periodic reports are made to the Indiana Farm Bureau.

Field work in Kentucky has been a problem ever since the formation of the Producers Cooperative Commission Association. Numerous plans for field service have been suggested and tried, only to be abandoned at a later date. Plans for field service through the Kentucky Farm Bureau Federation were considered at one time. The formation of a Kentucky Livestock Cooperative Association, similar to the Ohio Livestock Cooperative Association, was also discussed. At another time the association employed a fieldman to promote the

¹⁷ The Ohio Livestock Cooperative Association was dissolved in 1935.

¹⁸ Agencies participating in the plan contribute varying amounts to the field-service budget on livestock originating in Indiana: Producers Cooperative Commission Association, Cincinnati, Ohio, 2 cents per 100 pounds, less field expenses incurred at Cincinnati; Producers Commission Association, Indianapolis, Ind., \$1 per car; Producers Commission Association, Buffalo, N. Y., 15 percent of gross commissions; Producers Cooperative Commission Association, Columbus, Ohio, 1 cent per 100 pounds; Producers Livestock Marketing Association, Louisville, Ky., \$1 per car on business in 1937 only; Evansville Producers Commission Association, Evansville, Ind., to January 1, 1938, no contribution.

organization of cooperative livestock shipping associations. Kentucky has developed no strong general farm organization in the Blue Grass. A large part of the field work in Kentucky, therefore, has been done with individuals rather than with groups. Since 1931 the association has accrued field-service reserves at the rate of 2 cents per 100 pounds on all Kentucky business handled. During the last few years the association has relied largely on personal farm-to-farm solicitation for getting business. Several well-known Kentucky stockmen have been employed temporarily each year to develop business for the association from their counties. The work of these temporary fieldmen, coupled with the personal contact of salesmen from the market, has constituted in a large measure the field-service program of the association in Kentucky.

The inability of the Producers Cooperative Commission Association to make more headway with its field-service program in Kentucky helped for a time to promote the idea that Kentucky was open territory. As a result, several cooperative agencies entered the State in competition with one another. Misunderstandings arose, and a joint meeting designed to improve working relationships and establish definite policies in the best interests of cooperative livestock marketing was held by these competing agencies.

Little work has been done by the association in developing business from Tennessee and Illinois. Occasional trips have been made to Tennessee, and the association has been invited to participate in meetings from time to time. The volume of business from Tennessee, however, has not been sufficient to warrant expenditure of large sums for field service in the State. At times, depending on market conditions, the volume of business from Illinois has been considerable. In July 1928 the association contracted for field service with the Illinois Agricultural Association. From 1929 to 1933 the association's annual volume of Illinois business rose from 60 decks to 528. Since 1933 Illinois volume to the association has shown a marked decline. The volume of Illinois business to Cincinnati is dependent on competitive market-price relationships. At times Cincinnati enjoys a favorable price relationship with other markets and Illinois shipments increase. At other times when the price differential is small Illinois volume declines.

It has long been customary for salesmen to go to the country to meet producers and to inspect or appraise their livestock. This is a personal service rendered by the association in the hope of obtaining the business of the farmers visited. Many of these trips are made upon specific request when farmers have livestock ready for market and want advice as to when and where to ship it. Other trips are made by salesmen in order to renew acquaintances with shippers and

to familiarize them with the services offered by the association. Farmers like recognition, and they welcome personal calls at their farms. These personal contacts and special services have assumed added significance with the pronounced trend toward decentralization in livestock marketing and the increase in competitive activity at country points in recent years. In many communities, however, the agency whose man is on the job at the time the livestock is shipped has the opportunity of selling it. This is one instance when, in the words of the fieldman, it pays to be the last man rather than the first.

One of the important factors in the association's field-service and educational program is its annual meeting which has grown to record proportions in recent years (p. 19). By taking pride in each meeting and by making it an event, the association has attracted a wide following. In addition to the annual meeting, the association holds many local and county meetings throughout the year for the exchange of information and the discussion of association problems. In many communities the meetings are built around the local livestock-marketing committees or county farm bureaus.

The association began broadcasting daily reports of the Cincinnati livestock market in February 1928 and continued until December 1934, when the service was taken over by the Bureau of Agricultural Economics of the United States Department of Agriculture.

By a cooperative arrangement with the Producers commission associations of Indianapolis, Buffalo, and Pittsburgh, under which these agencies reported their markets and also shared in the expense of the broadcast, the net cost of the market broadcast to the Cincinnati Producers was kept at approximately \$250 per month.

The radio market broadcast was the most effective piece of field-service and educational work performed by the association. Stockmen throughout the association's trade territory based their decisions on reports furnished by the association. A survey of livestock pro-



FIGURE 22.—DEMONSTRATION OF LAMB GRADES, CLINTON COUNTY LAMB AND FLEECE IMPROVEMENT ASSOCIATION, WILMINGTON, OHIO.

The association employs five grades, ranging from premium to cull.



FIGURE 23.—PENS OF GRADED LAMBS, CLINTON COUNTY LAMB AND FLEECE IMPROVEMENT ASSOCIATION, WILMINGTON, OHIO.

About 1,000 lambs are received and graded on loading days.

ducers made in connection with this study indicated that the present broadcast of the markets is satisfactory, but many producers throughout the territory would prefer to have the market broadcast made by the association. They point out that the present broadcast does not have the breadth of interpretation of market conditions that was formerly given in association reports.

From the beginning, the Producers Cooperative Commission Association has sponsored and supported the 4-H club movement. From an educational point of view, this has proved to be a farsighted policy, and the association is now beginning to reap the benefits of this long-range program.

Well-planned, well-conducted market tours form one of the best and most economical methods of field service and education, and one peculiarly well adapted to local organization and planning. The object of a market tour is to acquaint producers with the methods used in the sale and marketing of livestock. Producers from a county or a township ordinarily accompany the county agent or the agricultural extension worker of the State college to the livestock market. The producers see livestock unloaded, yarded, graded, sold, weighed, and killed. Each operation is explained and producers are free to ask questions. The patron who participates in such an activity signs up in advance and also shares in the expense of the tour.

Quality improvement is one of the important objectives of cooperative marketing. In this connection, work of organizations similar to the Clinton County Lamb and Fleece Improvement Association of

Clinton County, Ohio,¹⁰ is significant. (See figs. 22 and 23.) The Clinton County association has taken out membership for its members in the Cincinnati association. This organization affords a practical demonstration of what can be accomplished through cooperative action in breed improvement and in obtaining premium prices for products of high quality. Over a period of 4 years, more than 80 percent of the lambs marketed by this association were sold by the Producers in the two top grades at prices nearly a dollar per 100 pounds above the average market price.

Handling Complaints

EVEN the most carefully conducted livestock cooperative receives some complaints from its shippers. Adequate provision for their handling should be included in the administrative set-up.

Every complaint should be thoroughly investigated. If the association is at fault, responsibility should be fixed and the inequity corrected. If the patron is in error, the case must be handled tactfully to avoid incurring ill will. At best it is impossible to avoid all misunderstandings, since shippers sometimes develop unreasonable complexes when their interests are involved in claims against the association. At such times it is imperative that the association follow clearly defined policies and treat all patrons impartially. It is better to lose a patron than to compromise a complaint for which there is no justification. As a rule, however, most complaints are settled amicably and producers are convinced that the association attempts to treat them fairly.

Nature of Complaints

As a part of this study, 499 livestock producers in selected counties tributary to the Cincinnati market in Ohio, Indiana, and Kentucky, were interviewed to discover their attitudes toward the association. The survey revealed a wide assortment of well-considered criticisms and ideas. For example, the interviews clearly indicate the importance of courtesy, personal contact, and attention to detail on the part of employees of the association. Producer psychology is such that relatively unimportant happenings frequently determine where a shipper will market his livestock.

In answer to the question, "Do you have any criticism of the association," 78 percent of the producers replying indicated that they had none, and 22 percent listed one or more criticisms, based mostly on their personal experiences.

¹⁰ Bluck, W. L., and Hammans, C. W. ON THE ROAD TO BETTER MARKETS. The Clinton County Lamb and Fleece Improvement Association. 36 pp., illus. 1937.

Most complaints fall into three general classes: weights, grades, and prices. There are more complaints against grades and prices than against weights. Many producers know less about grades and prices in relation to current market values than about weights; in fact the term "owner blindness" is frequently applied to them. There are some complaints also of a more or less general nature concerning sales policies, and association personnel.

In considering the first three classes of complaints, it is well to recognize that often there is considerable overlapping between classes. For example, a shipper may file a complaint that his cattle sold at too low a price when in reality they sold at the top of their grade; or a patron may complain that his lambs were improperly graded and consequently did not bring as much money as they should have.

Weight Complaints

Complaints on weights originate from many sources. Some shippers weigh their livestock at home on scales of unknown accuracy just prior to shipping. Some base their complaints on estimated weights. Other producers feed heavily just before loading and complain because of abnormal shrink. Still others register complaints over dockage.

On repeated investigations the association has seldom found complaints on weights justified. Obviously weights taken over untested local scales cannot be accepted in place of weights taken over regularly tested scales at the stockyard²⁰ by disinterested weighmasters. Shippers who weigh their livestock at home just before shipment, therefore, should be certain that the scales used are accurate. Otherwise their local weights will be of little value in the settlement of any differences that may arise in connection with shipments.

Furthermore, weights based on the shipper's estimate or the truck driver's guess are of no value; yet patrons sometimes have been very insistent in pressing complaints against the association when they had no better evidence to support their claims. All such claims have been disallowed.

The association has also refused to recognize complaints of excessive shrinkage. When evidences of heavy feeding or stuffing prior to loading are observed, the association sometimes makes a notation at the time of receiving such livestock, as a precaution against future complaint. As a policy, the association discourages excessive feeding both at home and at the market. If livestock is fed at the market, the association endeavors to obtain a normal fill.

Dockage sometimes causes misunderstanding and complaints on the part of shippers. Dockage is an arbitrary deduction of 20 to 40 pounds from the weight of pregnant sows and 70 pounds from the weight

²⁰ The Packers and Stockyards Act requires the regular testing of all scales at public markets under its supervision.

of stags to compensate for differences in quality and condition. Some markets employ professional dockers, but at Cincinnati hogs subject to dockage are determined by agreement between the buyer and seller. If the association, when selling, agrees to dockage of hogs that the shipper feels are not subject to dockage, complaints are registered. Only a limited number of complaints, however, arise from dockage.

Sorting and Grading Complaints

Complaints of grading and sorting constitute a relatively high percentage of the total number of complaints received.²¹ Most of these are based on misunderstanding of grades. Only a few producers can accurately grade and classify their own livestock. Some shippers complained that the association grades "hard." Several producers told of experiences where their livestock was broken up and sold in more lots than seemed necessary to protect their interests. When grading is necessary, patrons expect it to be done entirely by association employees. Shippers recognize the buyer's right to check the grade of all livestock purchased, but they view with suspicion any attempt by the buyer to participate in the grading prior to purchase.

A more general understanding and a wider application of the livestock grades and standards promulgated by the United States Department of Agriculture would tend to clarify this situation and to eliminate many complaints of grading and sorting.

The cooperative method of marketing offers an excellent opportunity to extend grade standardization work, since the cooperative contact is largely with producer groups and can be related directly to the problems of livestock marketing by salesmen who have a practical knowledge of market classes and grades. Grading demonstrations and breed improvement work carried on by the cooperatives also have given producers a better understanding of grades and values. Only a relatively small percentage of producers have been reached to date, however. Furthermore, the work requires a systematic follow-up program, for producers cannot be given a comprehensive understanding of market grades and classes of livestock at one meeting. Interest in the problem can be aroused at community grading demonstrations, and considerable information can be imparted; but the job is of such size that cooperation and understanding between packers, sales agencies, market news reporters, extension workers, and agricultural colleges is necessary before real progress can be made. Furthermore, there must be a more general acceptance and use of market classes and grades of livestock by the trade if grade standards are to be recognized by producers.

²¹ Hulbert, H. H. ORGANIZATION AND OPERATION OF THE ILLINOIS LIVESTOCK MARKETING ASSOCIATION, F. C. A. Bull. 5, 140 pp., illus. 1936.

Price Complaints

Complaints of prices received are more frequent than any others. As previously stated, they are closely tied up with complaints on grade. Some complaints on price result from misinterpretation of market reports. The producer places too much emphasis on the "market top" and too little on the "bulk of sales." Ordinarily less than 10 percent of the sales are made at the market top price. Other producers become convinced, through reading market reports or talking with neighbors, that their livestock ought to bring a certain amount of money. Although this opinion may bear little relation to the market quotations, they are disappointed when market returns fail to justify their expectations. Such patrons may accuse the association of "giving their livestock away" when in fact the sale may have been an outstanding one—grade and quality considered.

Other complaints sometimes result from tactics of competitors who learn of the producer's intention to ship to the association and intentionally "overbid" or appraise his livestock above the market for the express purpose of making him dissatisfied with the association's sales.

Complaints may be held at a minimum by efficient operation. Education should tend to lessen the number of complaints, since many are based on a lack of understanding. There will always be a certain number of complaints, however; some from "chronic kickers" who feel that they get maximum service only by registering frequent complaints, and some from those patrons who try to get preferred treatment and higher prices by making complaints and by threatening to ship elsewhere.

Criticisms Reflecting Shipper Attitudes

The attitudes of shippers are so important that special steps should be taken to use them constructively in directing the progress of the association.

Size of association.—Some producers feel that the association at Cincinnati has become too big for efficient operation. They point out that with its present volume of business it is no longer possible to give individual attention to all sales.

It is true that as volume increases it becomes increasingly difficult, from an administrative point of view, to maintain personal contacts. There are more demands on the time of the administrative heads, and there is apt to be less time for the individual shipper unless the association has recognized the importance of personal contacts and organized its personnel to provide for them. Observation indicates that the association at Cincinnati is constantly endeavoring to improve its contacts with members and patrons. This problem of individual attention is a live one and demands continuous study.

Selling policies.—On many occasions the association has controlled from 30 to 40 percent of the daily market receipts and has influenced the day-to-day trend of livestock prices on the Cincinnati market to such an extent that its leadership entails certain responsibilities. While at times the association may have made errors in judgment, concentration of volume in the hands of an intelligent, aggressive sales agency, using the best market information available, should be a point of bargaining strength rather than a point of weakness from the standpoint of the producer. Volume in the hands of one agency lends a cohesion to market policies not otherwise attainable.

Some producers feel that the association salesmen "sell too fast" and do not give all livestock a thorough "work out" before accepting bids. Some patrons, observing operations at Cincinnati, have gained the impression that employees hurry through their duties with a view to getting "cleaned up" and away from the yards as early as possible. Other shippers feel that sales are made fast in order to keep the yards and pens clear of livestock. There is little justification for criticisms of this nature, but they should serve as a warning to the association of the care it must continually exercise in the conduct of its business.

Employees' attitudes.—Shippers' impressions of the association are gained largely through contacts with employees. Since every employee is a potential contact agent, the association needs to exercise care in the selection of employees. An employee is of more value to the association if, in addition to being a thorough worker, he is a good mixer and makes friends easily.

In answer to the question, "Are you satisfied or dissatisfied with the employees of the association," 84 percent of those replying indicated that they were satisfied. Prominent among the criticisms of the 16 percent who expressed some dissatisfaction was a lack of friendliness on the part of association employees. Producers feel that employees should recognize them, become acquainted with them, and take an interest in their welfare. Many patrons expect personal attention from association employees when they come to market. Men shipping to the association for the first time criticized it for lack of attention. As some expressed themselves, it doesn't take long for anyone to say "Hello."

A few shippers criticized the feeding of livestock. Some stated that association employees had not carried out their feeding instructions. Others criticized association employees for not giving the livestock sufficient time to fill after it had been fed. Producers, when present, watch these details carefully; and although they may say nothing at the time, they carry away a definite impression of the association. Insofar as practical, therefore, employees should endeavor to follow shippers' wishes in regard to feeding, and make no attempt to substitute their own ideas.

Extreme care needs to be exercised in marking the prices on all scale tickets. Every precaution should be taken to avoid mistakes that may lead to misunderstandings and hence to criticisms from this source. Marking the correct price on a scale ticket is just as important as filling out the correct amount on the check—in fact, it is only one step removed. Every scale ticket should, therefore, be marked plainly and legibly by the salesman when making the sale.

Rough handling.—A few shippers complained of rough handling of livestock at the stockyards. Their criticisms were not directed specifically at association employees but at stockyards methods in general.

From the beginning, the association has recognized its responsibility to producers in curbing preventable losses arising from the rough handling of livestock in its care. Furthermore, the association has cooperated with the stockyards company and with packers in a program of education carried on through the Ohio Livestock Loss Prevention Association, which traces the cause of livestock losses and which, through publicity and education, seeks their elimination. In loss prevention, the association works with many groups, including producers, truckmen, railroads, commission men, and packer employees. Through its work all agencies are apprized of the causes of livestock losses and the importance of their elimination.

Employees of the Producers Cooperative Commission Association are instructed in the careful handling of livestock entrusted to their care. Rough handling is not countenanced and where practiced is considered sufficient ground for dismissal of the employee. To guard against complaints for which it should not be expected to assume responsibility, the association records any evidence of previous rough handling when the stock is received.

Unwarranted Complaints

At times the association is subjected to criticisms and complaints over which it may have no control. For example, if prior to delivery to the association, livestock belonging to different owners has been mixed or an error in identification has been made, unknown both to the owners and to the association, the owners suffering the damage are inclined to place the responsibility on the association. While such mix-ups are not common, they do occur, and the association is sometimes placed in the position of bearing the brunt of the shipper's complaint when it is in no way responsible for the error.

Mistakes in Identification

When livestock is unloaded at the stockyards, it is received by stockyard employees who count, invoice, yard, and issue receipts

for each shipment separately. In the case of rail shipments stockyard employees merely verify the information and the head count shown by the bill of lading. Before taking delivery of any livestock the association signs a receipt, the original of which the stockyards company retains for its records. A copy of the receipt used by Cincinnati Union Stockyards Co. to record truck deliveries accompanies the livestock and is preserved by the association. The receipt shows the date on which the livestock was received, the name of the truckman, the name of the owner, the consignee, the number of head, and the species.

In truck shipments, the stockyard company accepts the word of the truckman as to the ownership of the livestock and its identity. The company has no way of ascertaining whether this is right or wrong unless the owner has accompanied the shipment and is present at the time it is unloaded. When the association in turn takes delivery from the stockyard company, it rarely has more information in regard to ownership and identity than has the company. Consequently if the stockyard company has issued a receipt to a truckman for the wrong livestock, the error is passed on to the association, which is thus victimized by a circumstance over which it had no control.

Although the association is not responsible until it takes delivery from employees of the stockyard company, the average producer is inclined to place the blame for errors on the association, since it is to the association that he consigns his livestock and from which he receives his sales returns.

Loose Handling Methods

Loose handling methods employed in present-day truck transportation lead to enough mistakes and mix-ups to suggest that changes, revision, and standardization of practices are needed in the interest of accuracy and sound business.

Bills of lading are rarely used in the transportation of livestock by truck, although a few States by statute require their use. Livestock consigned direct from farm to market by truck is picked up at the farm and counted into the truck as it is loaded. Sometimes it is marked for identification, but frequently it is not. It is seldom weighed at home prior to loading unless the producer has scales of his own. Many truckmen give no receipt to the farmer, and require the farmer to sign no papers in regard to the shipment. Frequently the only record made at the time the livestock leaves the farm is a pencil notation by the trucker on a slip of paper or in a notebook giving the producer's name, the number of head loaded, and perhaps a brief description of the livestock. Frequently the livestock is picked up at night, and at times the farmer is not present when it is loaded. It is not uncommon for the producer to fail to specify where he wants

his livestock marketed and whom he wants to sell it. There is a tendency among many producers to entrust these "details" to the honesty and judgment of the truckmen. Under these conditions it is not surprising that errors sometimes occur.

Truck Buyers

Some truckmen not only offer their services for hire, but also act as buyers. They tour the country, offering either to haul livestock at a stated rate or to buy it outright if the owner prefers. Their trading ability, plus an intimate knowledge of market values and a close contact with commission men, combines to make them shrewd buyers. A truck may reach market with a load of livestock part of which has been consigned by producers and part of which is owned by the truckman. From the standpoint of the producer this is apt to be an unhealthy situation. Ownership of a part of the livestock by the truck operator creates a financial interest and a moral hazard on his part to which it is hard to be indifferent. This financial interest, plus the loose truck-handling methods outlined in the preceding paragraph, help to explain some of the errors in delivery which occur from time to time.

Paid Truckmen

Some truckmen are unfriendly to the association. Others, working in close cooperation with certain private commission agencies, have in their contacts with producers an influence which may be used against the association rather than for it. When there is some doubt in the mind of the producer as to where he should consign his livestock a casual remark on the part of the trucker may resolve this doubt against the association.

Dockets of the Packers and Stockyards Administration show that at times some commission agencies have employed truckmen as solicitors to originate business for them at country points. These truck solicitors have been paid according to a definite understanding and agreement by the commission agencies on the basis of the volume of livestock originated and trucked to the agencies.²² Where such conditions exist the truckman has ceased to be an unbiased transportation agent and has become instead a paid employee of the commission firm. Truckmen operating under such arrangements are paid not only by the producer for hauling the livestock but by the commission agency for originating it. The truckman thus has a financial interest in the livestock he hauls in addition to his interest as a transportation agent. Frequently this interest is not in harmony either with the interest of the producer or the interest of the association.

²² Packers and Stockyards Docket 536.

Since truckmen working under such arrangements receive more for hauling livestock to other agencies than they do for hauling it to the association, it is not difficult to understand why they might discourage consignment to the association. Because of this situation, producers consigning livestock to the association against the advice or wish of truckmen should exercise reasonable precaution to guard against errors in identification and to insure delivery of their livestock to the association.

Significance of Transportation to Cooperative Marketing of Livestock

WITHOUT adequate transportation facilities, livestock producers are handicapped in their efforts to market their livestock cooperatively, since cooperation requires a certain degree of assembly and concentration. Producers may be sympathetic to the cooperative method of marketing and yet unable to patronize a cooperative association because they lack adequate transportation facilities. Transportation is thus one of the prime considerations in the cooperative marketing of livestock.

Prior to the rapid growth of motortruck transportation, the percentage of livestock marketed by rail was much larger than it is at present (1939). From 1925 to 1934 much of the territory of the association in Ohio and Indiana was served by local livestock-shipping associations, using rail transportation exclusively; in Kentucky there was never much shipping-association development in the area served by the Producers. The shipping association served as a local assembly point for livestock, and its facilities were available to all producers. In a territory having shipping associations, the only transportation problem faced by producers desiring to market their livestock cooperatively was the problem of delivery to the local point. Ordinarily, this did not involve a long haul, and transportation was not a particularly important problem from the standpoint of the individual producer.

When the shipping associations declined, however, and rail consignments decreased, transportation generally assumed a much more important role, particularly for the small producer who could not ship to market by rail unless his shipment was combined with those of other producers. In areas where rail shipments were practically discontinued numbers of producers were forced to rely wholly on truck transportation to reach the markets they were accustomed to patronize. Under these circumstances producers either sold at home, if trucks were not available, or consented to have their livestock trucked elsewhere for sale. Producers marketing only two or three head at one

time were not always free to ship where they chose but had to ship wherever the truck happened to go. Truckmen and truck routes thus exert an influence on the movement of livestock and producers sometimes find it difficult to get their livestock to the market they select at the time they want it to be there.

Truck transportation has thus become the key to livestock marketing in much of the territory served by the association. When the association began operations in 1925 approximately 23 percent of the livestock receipts at the Cincinnati Union Stockyards were delivered by motortruck. In 1937, 83 percent of the cattle, 93 percent of the calves, 97 percent of the hogs, and 95 percent of the sheep and lambs came to the Cincinnati market by truck. Since practically no rail cars are received from nearby territory and most rail shipments received at Cincinnati originate in territory located 200 miles or more from the market, the association must look to motortruck transportation for most of its volume.

Livestock trucking for the most part is a business for the individual. There are a few partnerships and a few livestock-trucking companies, but the number of individual truckmen is far greater than these. While no accurate classification of truckers hauling livestock to the Cincinnati market is available it is estimated that fully 45 percent consists of farmers who haul their own livestock or the livestock of other producers, and the remaining 55 percent is divided about equally between commercial haulers and livestock buyers.

The truck has tended to scatter the livestock transportation business among many agencies. Instead of 40 trains a day delivering 75 percent of the livestock to the Cincinnati market, there are now 800 trucks a day from every part of the territory delivering more than 90 percent of the livestock (fig. 24). Each of these trucks is a transportation system unto itself which furnishes a door-to-door pick-up delivery service, and in which each truckman is his own solicitor, his own assembling agent, his own engineer, and his own terminal delivering agent all in one. Each truck covers a definite territory and charges a certain rate for its services. Thus, instead of looking to a limited number of railroads for the delivery of most of its livestock, the association must now look to many hundred truckmen.

The growth of truck transportation has exerted a marked influence on membership relations and has emphasized the importance of personal contact between the producer and the association. With most of the shipping associations gone, the contacts that the farmer once had with the association are now had largely with truckmen. It is not uncommon for truckmen to deliver livestock to the association from producers who are entirely unknown to the association. The same situation used to occur when the bulk of the livestock was delivered by rail, but during this period the association had an oppor-



FIGURE 24. ACTIVITIES AT THE TRUCK UNLOADING DOCKS.
Hundreds of trucks each day deliver livestock to the Cincinnati Union Stockyards.

tunity to establish its producer contacts through local livestock-shipping associations. The growth of trucking has thus tended to diminish rather than increase the association's contact with members and patrons. From the standpoint of education and an informed membership this is not regarded as an altogether healthy situation. Such lack of contact is apt to divorce the member from the association.

Sales Policies

ALL livestock handled by the association is received on consignment. The association has no agents, employees, or field representatives who buy livestock in the country and bring it in for sale.

The consignment method of operation offers but little risk from the standpoint of the association. Livestock is delivered for sale, and a standard commission or brokerage applicable to all patrons is deducted from the sales proceeds to cover the cost of the service rendered. The association endeavors to obtain full market prices for all livestock handled; but it guarantees no prices and thus holds its risks to a minimum. Risks involved in market fluctuations are stood by the producer. If prices advance on the day he has livestock on the market, the producer may profit by the increase in price. If prices decline, the producer stands the loss.

The association endeavors to sell all receipts on the day of arrival. On days when heavy receipts or limited demand may result in dull

markets which make sales impossible except at unwarranted concessions in price, the association may carry livestock over from one day to the next at the risk and expense of the consignor; or the owner may direct the association to delay sale until the following day. If the following day's market is higher, the producer may profit to the extent of the advance in price; if the market is lower, he may lose to the extent of the decline. Additional costs for feed are charged to the owner whose stock is carried over.

As a general rule, however, little stock is carried over from one day to the next. The market close may find unsold scattering lots of cattle on which the buyers and the salesmen of the association could not agree about price. These lots seldom include veal calves and lambs because they quickly lose their bloom and condition so that carrying them over would be more likely to increase the producer's losses than to add to his profits. Hogs are carried over sometimes at the risk of the owner, depending on market conditions.

The association does not employ pooling in any form. Each producer's livestock is handled separately and sold individually unless the owner directs otherwise. Livestock of several owners may be loaded in the same truck or car, but it is separated according to ownership marks upon its arrival at market. Members of a local shipping association, however, may agree among themselves to have their livestock sold together, in which event the association handles it as a single consignment.

Each consignment presents an individual problem, and it is the job of the salesman to determine how it will sell to best advantage. The association prices all livestock according to its grade and class. Usually stock of like class, weight, and quality sells within a narrow price range although each producer's consignment is sold separately. Occasionally the association sells mixed lots of livestock belonging to one owner without grading them, when in the judgment of the salesman they will net more than when graded.

Except in rare instances, the salesmen assume full responsibility for making sales and obtaining satisfactory prices. Their experience in selling, their judgment of livestock values, and their knowledge of market conditions qualify them to deal with buyers on fairly equal terms. The manager exercises general supervision over sales and prices but seldom injects himself into the actual process of selling. The management runs test checks on sales performance from time to time, but it is hard to set up standards for judging the efficiency of the sales force especially since the classes and grades of livestock vary widely. It is difficult to judge whether or not salesmen are doing a good job of selling. Opinions based on observation require an intimate knowledge of current livestock values and cannot be accepted fully as a reliable gage of sales efficiency. The association is thus forced to rely in

a large measure on the sales ability and trading skill of its salesmen to insure getting fair values for all livestock sold.

The best barometer of sales efficiency yet found is the degree of satisfaction or dissatisfaction exhibited by producers and patrons toward association sales. Satisfactory sales are evidenced by continued patronage. Farmers are usually satisfied if their livestock is sold "in line" with quoted market values. They seldom complain if they get the market price. Selling "in line," however, simply means that the other livestock of similar grade and quality is being sold for the same price.

Market Information

Daily during trading hours the association receives by telegraph from several of the principal livestock markets information giving receipts and prevailing prices for all classes and grades of livestock. This information is promptly relayed to each sales division. Current market information interpreted in the interest of the producer is always an important part of an effective sales program for cooperative associations. When prices are erratic and markets are moving fast it is indispensable if sacrifice sales are to be avoided.

Cooperation Among Sales Agencies

At most livestock markets there is little coordination on the selling side of the market. The position of the seller is notably weak compared with that of the buyer. Supplies are usually divided in the hands of many commission agencies, whereas demand is concentrated in relatively few hands.

These selling interests frequently fail to present a united front in efforts to maintain prices and a stabilized market. Salesmen are pitted against one another. What should be bargaining strength turns out to be bargaining weakness. The result contributes to erratic, sharply fluctuating markets that shake the confidence of the producer and often prove injurious to the buyer. Many farmers in recent years have ceased to send their livestock to terminal markets because they have lost confidence in them. A large proportion of these producers would probably return to terminal markets if they were convinced that the market agencies were cooperating among themselves in an effort to maintain and to stabilize prices rather than competing with one another for a larger share of the commissions paid by producers.

To serve the best interests of producers and buyers, the livestock markets of the country should present a picture of constructive cooperation between all market agencies. The cooperative agencies

should recognize an opportunity to set the example in this respect not only within their own organization but in cooperation with other associations and agencies.

Attempts to Increase Competition Among Buyers

Early in its operations the association ascertained that the market demand at Cincinnati frequently was insufficient to absorb the volume of livestock offered on a particular day without unduly depressing prices. Consequently, the association sought to bolster demand by encouraging out-of-town packers to place buying orders for livestock at Cincinnati. It was felt that increased packer demand would develop a stronger market and prevent price declines out of line with other markets.

In 1928, the association took out membership in the National Order Buying Co., a cooperative association whose principal function was to solicit and to fill buying orders for out-of-town packers, which connection it maintained until 1934. In this way a clear line of demarcation between buying interests and selling interests could be maintained. This distinction was considered important, because the association recognized it would be difficult for one agent to represent both buyer and seller impartially in the same transaction. The association wished to be known among its members and patrons strictly as a sales agency representing the interests of the producer. In 1934 the association severed its connection with the National Order Buying Co. and formed its own subsidiary organization, the Farmers Feeder & Order Co.

Both the National Order Buying Co. and the Farmers Feeder & Order Co. brought some outside competition to the market. During 1928 and 1929 purchases were confined to calves and lambs; in 1930 they were expanded to include both cattle and hogs. Some purchases were made from other agencies on the market, but the bulk of all livestock handled by the organizations was purchased from the Producers Cooperative Commission Association.

Neither the National Order Buying Co. nor the Farmers Feeder & Order Co. was ever very active in the cattle division. Total purchases of slaughter cattle averaged less than 2 percent of the total receipts of the association from 1928 to 1938. Since 1934, however, the association has cleared its purchases of feeders through the Farmers Feeder & Order Co., and thus has swelled the total cattle purchases to some extent. The feeders were all sold at Cincinnati. Slightly more than 27 percent of the slaughter cattle purchased by the National Order Buying Co. and the Farmers Feeder & Order Co. were shipped out. The others were resold at Cincinnati. Thus, as far as the cattle division is concerned, neither the National Order Buying Co. nor the

Farmers Feeder & Order Co. brought much additional competition to the market.

In the calf division these buying agencies were much more active. The volume of such business transacted has been a significant part of the total; for several years since 1928 it averaged 25 percent of the total calf receipts at the market. Of these purchases approximately 70 percent have been made from the Producers Cooperative Commission Association and 30 percent from other agencies on the market. Approximately 45 percent of all calves handled by the association were purchased either by the National Order Buying Co. or by the Farmers Feeder & Order Co. Of the calves purchased, 56 percent were resold at Cincinnati and 44 percent shipped out. The volume of business transacted has thus been of sufficient size to exert an influence on the Cincinnati calf market.

Hogs purchased by the National Order Buying Co. and the Farmers Feeder & Order Co. have been almost exclusively from the association. Such purchases have never averaged more than 5 percent of association receipts. Practically all hogs purchased were resold on the Cincinnati market; less than 2 percent were shipped away.

The National Order Buying Co. and the Farmers Feeder & Order Co. have been particularly active in the purchase of sheep and lambs. From 1931 to 1934 the association sold more than 60 percent of its total sheep and lamb receipts to these agencies. More than 87 percent of the total sheep and lamb purchases handled by these agencies were made from the association and only 13 percent from other agencies on the market. Ninety-one percent of the sheep and lambs purchased were shipped away from Cincinnati. The proportion of the sheep and lamb business handled by these buying agencies and their large volume of shipments have a direct bearing on the price at Cincinnati.

The association's efforts to develop additional buying competition at the Cincinnati market were received with misgivings by some interests. Competing sales agencies felt that if the association were successful in developing new outlets, it might not share them impartially and their business might be adversely affected. Buying interests felt that if the plans were successful they might be forced to pay higher prices. Thus, the association received but little cooperation from other market agencies in its efforts to expand outlets. At the same time, it ran the risk of losing favor with local buyers by sponsoring policies they might consider detrimental to their interests.

In pushing its aim of expanded market outlets, it has been impossible for the association to avoid all conflicts of interests. From the beginning the association has been confronted with the problem of harmonizing the activities of the National Order Buying Co. and the Farmers Feeder & Order Co. with both the buying and the selling interests at the Cincinnati market. The situation has called for tact

and diplomacy since the interests of buyers and sellers seldom run parallel. Gradually, however, the employees of the National Order Buying Co. and the Farmers Feeder & Order Co. have been accepted by other market interests as legitimate buyers. The policy of bidding freely on livestock anywhere in the yards rather than limiting purchases to the association helped to harmonize policies with those of other sales agencies. Local buying interests were somewhat slower than the sales agencies to accept the program. They viewed the buyers of the association much as bidders are regarded at an auction. They disliked to bid on livestock under such conditions, but fair and impartial treatment of all buyers has enabled the program to function with but little discord.

It would be difficult to prove statistically what the effects of the expanded-market-outlet policy sponsored by the association have been. In the calf division there is less speculative buying than formerly. More calves are being sold to packers and order buyers without first going through speculative channels than were sold before the association set out to expand market outlets. Prices are reported more satisfactory and less erratic than formerly. In the cattle, hog, and sheep divisions results have been less apparent.

The One-Price Hog Market

For years Cincinnati commission men have endeavored to maintain a "one-price market" for hogs; that is a market wherein no price variations occur between the opening and the closing quotations after prices for various grades and weights of hogs have once been established for the day. With few exceptions the association has been able to adhere to this policy. On occasions when ready clearance of all receipts cannot be effected the association frequently weighs the hogs left in its hands to the Farmers Feeder & Order Co. at the price established for that day. When receipts are heavy and the carry-over may be large, this policy demands courage since it involves risk and may result in loss as well as profit. Frequently, however, later on the same day buyers may be convinced that they cannot obtain their requirements at lower prices elsewhere and the association has an opportunity to resell the same hogs it has weighed to the Farmers Feeder & Order Co. at the same prices and at the same weights. On other occasions, the Farmers Feeder & Order Co. may be forced to carry over considerable numbers of hogs from one day's market to the next and to run the risk of loss or gain. Little, if any profits have resulted from these operations.

The one-price-market policy has several advantages. It eliminates price fluctuations which at many markets amount to as much as 25 cents per 100 pounds between the opening and the close of the day.

Moreover, aside from the question of shrink, producers have little interest in whether their hogs are sold early or late since prices remain constant during the day under this system of selling. The policy, however, is criticized on the ground that it only postpones the fluctuation and at times accentuates the advance or break which usually takes place the following day.

The one-price-market policy has effectively eliminated the speculator²⁸ from the hog market at Cincinnati. Traders do not care to buy hogs in a slow market unless they can do so at a price 15 to 25 cents per 100 pounds lower than the market. This cannot be done if the one-price policy is rigidly adhered to. Although this plan has eliminated the hog speculator, it has put the risk formerly assumed by him on the commission agencies that follow the "weigh-up" plan—that is, weigh stock to themselves when it cannot be satisfactorily disposed of to buyers at once.

The one-price-market policy has its disadvantages from the standpoint of operation. First, with an established price good for the day, farmers no longer feel it necessary to get their hogs to market early; and a large proportion of the receipts arrive late in the forenoon. Many producers wait for the early morning broadcast before deciding to load their trucks for market. Frequently, less than 30 percent of the day's receipts is on hand when the market opens. This makes it impossible to accurately forecast supplies and creates uncertainty for buyers and sellers alike. Buyers can be given no assurance that they will be able to fill their requirements from supplies in sight or expected. Sellers, on the other hand, are handicapped in disposing of receipts to best advantage because they have no gauge of total supplies.

Second, late arrival of livestock contributes to delayed market activity. Salesmen are inclined to wait until they can obtain an estimate of the day's receipts before beginning to sell. Any errors in judgment are particularly important in a one-price market. For example, the association may believe that receipts for a given day are going to be light and on this assumption may help to establish the market on a higher base; then, if supplies prove to be heavier than expected, packers may refuse to take all the hogs. This may lead to "weigh-up" losses under the one-price policy, since commission men usually take title to unsold hogs left in their pens. On the other hand, if heavy receipts are expected but fail to materialize, the association along with other sales agencies may sell more freely than supplies would seem to warrant. One of the chief problems in maintaining a one-price market is the establishment of daily prices that will assure full clearance of each day's receipts.

²⁸ As used in this bulletin, speculator refers to individuals who purchase at a risk for future sale at a profit.

Branch Operations

IN MARCH 1935 the Producers Cooperative Commission Association of Cincinnati opened a branch agency at Dayton, Ohio, and in May 1937 a second at Lexington, Ky. This expansion seemed advisable largely because the development of livestock auctions and the direct-buying activities of packers was short-circuiting the Cincinnati market and the association. Both methods of sale brought the livestock markets closer to the producer and encouraged the farmer to sell nearer home.

When farmers market locally through auctions or direct to packers, their transportation and marketing charges are less than when they consign to the terminal market. On the other hand, live-weight prices at most local points are lower than at the Cincinnati market by approximately the difference in transportation and marketing charges. Therefore, the savings from marketing locally are not necessarily passed on to producers in higher net returns. Prices, however, seem to center around a level which tends to keep the livestock in the territory and to make shipment to Cincinnati unprofitable.

The organization thus had the choice of either decentralizing its operations or losing a large part of the business from these nearby areas. Through the establishment of these branches, the association has sought to retain its volume and to improve its competitive position and influence throughout the area it regards as its logical territory. It recognized the importance of terminal markets and the significance of having a substantial volume of livestock moving through them as a factor in price making. Many local markets and direct-buying packers throughout the area base their prices on terminal-market quotations; and by decentralizing its operations, the association hoped to more effectively compete with direct-to-packer marketing and to meet the livestock auctions on their own ground.

As a further objective, the association has sought to narrow the spread between Cincinnati prices and Dayton prices—particularly on calves, hogs, and lambs. The association proceeded on the theory that Dayton prices should be little, if any, lower than Cincinnati prices on the same grade and quality of livestock. Actually, prices at Dayton had been averaging substantially below Cincinnati prices for many years. The association felt that this condition exerted a drag on the association's efforts to maintain prices at Cincinnati, since part of the meat processed at Dayton is sold in Cincinnati and surrounding territory.

Financing Plan

All the original capital necessary to finance the branch offices was subscribed by livestock producers living in the vicinity of Dayton

or Lexington. The association, at the time, had sufficient reserves available for the purpose but insisted that it would be wiser for the producers who wanted the branches established for their own use to provide the necessary original capital.

Although this decision delayed the opening of the branches somewhat, it was a means of determining rather definitely before any investment was made how well patrons would support the proposed undertaking. Willingness on the part of the prospective member to put his own money into the enterprise could be regarded both as a pledge of sincerity and as a measure of the interest to be expected. Furthermore, the financing plan had the additional advantages of preventing any hasty and ill-considered action by the association and of giving the producers experience in working together and in making decisions.

Assistance and advice in organizing and planning the branches was freely given by association personnel, but the responsibility was made to rest primarily on producers of the Dayton and Lexington areas. Accordingly, meetings were scheduled throughout the territory and committees appointed in each county to make a systematic canvass for the purpose of soliciting funds. Capital requirements were apportioned among the counties and each committee set out to raise its apportionment. The Dayton branch was asked to raise \$15,000 and the Lexington branch \$25,000. Raising funds by personal solicitation required much time, effort, and hard work on the part of the leaders.

Certificates of indebtedness were used to evidence subscriptions to capital. Solicitors were authorized to accept either cash or notes at the time subscriptions were taken. As the notes were paid, they were exchanged for certificates of indebtedness. A \$10 certificate of indebtedness was used at Dayton and a \$25 certificate at Lexington. The certificates were to be retired from earnings at the discretion of the board of directors of the association.

Several months were needed to raise the minimum capital necessary to start operations. Subscriptions fell somewhat short of the goals established. At Dayton approximately \$12,000 was pledged, \$10,080 in cash and the balance in notes, at the time the agency opened. Payments on notes have since increased the funds raised locally to \$11,085. At Lexington, producers raised \$21,585 in cash before the opening of the branch.

Financial participation was distributed over a wider group at Dayton than at Lexington. This was partly because the Dayton certificate was smaller in value. There are more large farmers and landowners in the vicinity of Lexington than around Dayton, however, and their subscriptions averaged higher. At Dayton 1,080 farmers subscribed \$10,080, at Lexington 454 farmers subscribed

\$21,585. From the standpoint of cooperative organization, wide participation is usually regarded as a point of strength.

Organization Set-up

Both branches are integral parts of the Producers Cooperative Commission Association at Cincinnati. A producer-member at Dayton or Lexington is also a member at Cincinnati. For purposes of local administration, however, the patrons of each branch have selected an advisory and operating committee whose principal function is to supervise operations at each point and to make to the board of directors recommendations pertaining to policies. Members of the board of directors of the central association sit on the advisory and operating committee of each branch in order to keep thoroughly conversant with local operations and to report recommendations of the committees to the board.

All decisions of policy relating to branch operations rest with the board of directors. Reports covering operations at each branch are made at the regular monthly meetings of the board. Operations at each branch are under the direct supervision of a local manager. Close contact with the branch offices, however, is maintained by the general manager at Cincinnati, and the personnel at each of the branches is responsible to him. Branch personnel has been employed locally, for the most part, and paid from branch funds. A complete set of office records is maintained at each branch office. Administrative expenses applicable to both branches, as well as the Cincinnati office, are prorated between agencies. When patronage dividends are paid, a different rate may be established for each agency, depending upon its savings and financial position.

Through this well-integrated set-up the association has sought to harmonize policies and to avoid competition between cooperatives. Experience shows that where two cooperatives operate in the same market area, the desire to increase business and to make a showing frequently leads to rivalry and competition, destructive to the producers' interest. By considering the territory surrounding Cincinnati, Dayton, and Lexington as one market area rather than three, the association has sought to achieve unity of policies within the area with respect to maintenance of prices, membership, and field service.

The organization plan seems to be functioning well, but it is still too early to predict definite success.

Operating Results

At Dayton, the establishment of a branch of the association seems to have brought new life to the market. Volume increased from 1935 to 1938 with no marked increase in livestock numbers throughout the

area. For several years prior to 1935 the Dayton market had been declining in importance, and there was a general lack of confidence in the market as it was then conducted. Since the association entered the market in 1935, however, receipts of all species of livestock offered for sale have increased steadily (table 18); in fact, most of the increase in market receipts at Dayton is accounted for by the added volume furnished by the association. Cattle receipts at the Dayton market in 1937 were the highest since 1930. The same was true for calves. Hog receipts at Dayton in 1938 were the highest in 8 years with but one exception. Sheep and lamb receipts at the market in 1938 were the highest on record. This trend is contrary to that shown by most other terminal livestock markets of the country during the same period.

TABLE 18.—NUMBER OF LIVESTOCK SOLD AT DAYTON, OHIO, MARKET BY SPECIES, 1930-38

Year	Cattle	Calves	Hogs	Sheep
1930.....	18,901	7,802	97,468	7,983
1931.....	15,152	7,158	75,793	6,677
1932.....	14,570	6,215	55,060	6,353
1933.....	14,481	5,920	¹ 80,444	6,772
1934.....	21,918	6,962	39,512	4,878
1935.....	21,571	9,297	50,073	15,877
1936.....	20,741	9,283	69,780	15,919
1937.....	22,212	10,208	74,477	21,549
1938.....	22,052	8,857	76,096	24,995

¹ Includes pigs marketed in connection with the reduction campaign of the Agricultural Adjustment Administration.

Source: Records of Dayton Union Stockyards Co.

The association has handled a relatively large percentage of the total market receipts at Dayton since opening for business (table 19). Receipts of the association have more than kept pace from year to year with the increase shown by the market. In addition to the receipts at the market, the association made some sales of cattle, calves, and sheep for patrons in the country. These country sales have been combined with the volume handled on the market.

Shortly after the establishment of the agency, the association designated a "lamb day" each week when lambs would be handled. This concentrated the lambs available on a particular day in sufficient numbers to interest outside packer competition.

The question of outlets for hogs is one of the most troublesome problems at Dayton. Local packers are accustomed to buy their hogs for slaughter direct from producers or from other sources, and

they do not support the market regularly. Under these conditions, the association has been forced to look elsewhere for outlets and has attempted to develop outside orders for hogs while at the same time encouraging local packers to patronize the market. The combination of uncertain demand factors together with limited supplies has handicapped the association in maintaining a fixed differential between Dayton and Cincinnati prices. The association's attempts to establish a "light-hog day," similar to the "lamb day" have not proved successful.

TABLE 19.—LIVESTOCK SOLD BY THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION AT DAYTON, OHIO, 1935-38

Year	Number sold				Percentage of market sales			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
1935.....	5, 664	2, 710	21, 588	8, 895	26	29	43	56
1936.....	¹ 7, 645	¹ 3, 366	29, 872	¹ 9, 831	37	36	43	62
1937.....	¹ 8, 882	3, 507	28, 839	¹ 13, 773	40	34	39	64
1938.....	¹ 11, 422	3, 121	31, 803	¹ 16, 113	52	35	42	64

¹ Includes country sales.

Source: Records of Producers Cooperative Commission Association, Cincinnati, Ohio.

When the Dayton branch was established, the association sought, among other things, to raise the price level of calves, hogs, and lambs at Dayton. For several years prior to 1935, hog prices fluctuated from 35 to 50 cents lower than Cincinnati. Lamb prices were well over a dollar a hundred pounds lower than Cincinnati. The association felt that these differentials were wider than justified.²⁴

A yearly summary of the differences in prices paid at the two markets is presented in table 20. Comparing these differences, it may be seen that the spread in prices between Cincinnati and Dayton has been materially narrowed since the association began operations at Dayton in 1935. In day-to-day trading, hog prices at Dayton are from 5 to 10 cents per 100 pounds nearer those at Cincinnati than formerly; calf prices 25 cents per 100 pounds; and sheep and lamb prices \$1 per 100 pounds.

In obtaining prices on hogs, three weight groups were used; 180 to 200 pounds; 200 to 225 pounds, and 225 to 250 pounds. This range in weight will cover most of the hogs marketed from Ohio farms. If the price paid for hogs weighing 180 to 200 pounds on a particular day was \$8.80 to \$9 per 100 pounds, two kinds of prices were used.

²⁴ For further comparison of prices at Cincinnati and Dayton see Henning, G. F., and Poling, E. B. ANALYSIS OF THE LIVESTOCK SITUATION IN OHIO. Ohio Agr. Expt. Sta. Bull. 101. 24 pp., illus. 1937. (Mimeographed.)

First, the price of \$9 was used as the top quotation. Then the top and bottom prices for that grade were averaged. In the example just given, the average of \$8.80 and \$9 would be \$8.90. Thus two quotations on each of the three weight groups of hogs were obtained.

TABLE 20.—AVERAGE AMOUNT THAT CINCINNATI TOP PRICES FOR HOGS, LAMBS, AND CALVES EXCEEDED DAYTON TOP PRICES, 1931-37

[Cents per 100 pounds]

Year	Hogs, 180-260 pounds	Lambs	Calves
1931.....	52	141	77
1932.....	34	124	58
1933.....	34	112	52
1934.....	35	134	45
1935.....	25	62	36
1936.....	24	26	37
1937.....	28	22	35

Source: Adapted from Henning, G. F., and Poling, E. B. ANALYSIS OF THE LIVESTOCK PRICE SITUATION IN OHIO. Ohio Agri. Expt. Sta. Bull. 101, 1937. [Mimeo.]

The differences between the market prices of hogs classified by weight groups are shown in table 21. In all comparisons a decided narrowing is apparent since 1935. By subtracting the 1935 differentials from an average of the 4 preceding years, some indication is obtained of the actual amount per 100 pounds by which the Dayton price of hogs approached the Cincinnati price during the year. On the 180- to 200-pound hogs the average of the top and bottom quotations at Dayton for 1935 was 20 cents nearer the Cincinnati price than it had averaged during the preceding 4 years. On top quotations of 180- to 200-pound grade, the Dayton price was 12 cents nearer Cincinnati than it had averaged from 1931 through 1934. However, the association was unable to maintain the margin established in 1935 on 180- to 200-pound hogs; in 1936 and 1937 the price differential between Dayton and Cincinnati widened. This seems to indicate that much of the advantage gained on light-weight hogs in 1935 has been lost.

A comparison of prices of 200- to 225-pound hogs shows that the improved margin established in 1935 has been maintained in 1936 and 1937 and in some instances slightly improved.

It is still too early to appraise branch operations from the standpoint of financial results. Evidence to date indicates that costs are somewhat higher where operations are decentralized, than where volume is concentrated at one point. In other words, the same volume of business could be handled more economically from one point than from three points.

TABLE 21.—AMOUNT BY WHICH THE CINCINNATI PRICE OF HOGS, CLASSIFIED BY WEIGHT RANGES, EXCEEDED THE DAYTON PRICE, 1931-37

[Cents per 100 pounds]

Year	Difference between average of top and bottom quotations for hogs ranging in weight from—			Difference between top prices for hogs ranging in weight from—		
	180-200 pounds	200-225 pounds	225-250 pounds	180-200 pounds	200-225 pounds	225-250 pounds
1931.....	52	43	39	54	46	55
1932.....	35	34	27	32	32	39
1933.....	49	26	26	46	27	29
1934.....	50	35	34	47	30	29
1935.....	27	20	16	33	20	21
1936.....	41	19	15	37	19	17
1937.....	48	19	16	48	19	17

Sources: Adapted from Henning, G. F., and Poling, E. B. ANALYSIS OF THE LIVESTOCK PRICE SITUATION IN OHIO. Ohio Agri. Expt. Sta. Bull. 101. 1937. [Mimeo.]

The Dayton agency, however, has shown modest savings each year since the branch was established. The Lexington branch closed its first year with a small saving. No patronage dividends have been paid to members at either Dayton or Lexington, although in November 1938 the directors voted to return half of the value of each certificate of indebtedness issued at Dayton with interest at 5 percent.

The establishment and operation of the Dayton and the Lexington branches had tended to reduce receipts of the association at Cincinnati, particularly in the cattle and the sheep departments. The trend is reflected to a lesser extent in hogs and calves. The association's 1937 cattle receipts at Cincinnati were the lowest since 1931. Sheep and lamb receipts were the lowest since 1930.

Combined marketings through the association at Cincinnati, Dayton, and Lexington, however, in 1937 established a new all-time record of 594,920 head (table 22).

Combined cattle receipts of the association in 1938 were substantially higher than those of any other year since organization; calf and sheep receipts declined somewhat in 1938, but hog receipts exceeded those of any other year with the exception of 1933 and 1934.

These figures indicate that while branch operations have reduced the volume of business handled by the parent company at Cincinnati, they have been instrumental in enabling the association to market a larger percentage of the total production of the area than ever before.

TABLE 22.—NUMBER OF LIVESTOCK SOLD BY THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION AT CINCINNATI AND DAYTON, OHIO, AND LEXINGTON, KY., 1935-38

Year	Cattle	Calves	Hogs	Sheep
1935.....	45, 741	42, 817	255, 193	121, 506
1936.....	52, 356	40, 190	289, 128	112, 987
1937.....	56, 283	43, 742	313, 119	181, 776
1938.....	58, 855	37, 022	343, 491	150, 168

Source: Records of Producers Cooperative Commission Association, Cincinnati, Ohio.

Conclusions and Recommendations

THE Producers Cooperative Commission Association of Cincinnati, during its first 13 years of operation, has grown from an association serving 8,589 patrons to one serving 18,513; and, in approximate figures, from a volume of 165,000 head of livestock to 396,000 head, exclusive of 198,000 head handled by its branch agencies. Since the association makes no requirements of its members and patrons other than that they be livestock producers, its growth and its present position at the market demonstrate that marketing agreements and contracts with members are not necessary to guarantee patronage. Volume and patronage have been attracted to the association strictly on a service basis and in open competition with every other agency handling livestock at the Cincinnati market.

The number of members served by the association has doubled and the number of nonmembers has trebled since 1925. Following the opening of membership in 1930 to any bona fide livestock producer, the number of members increased 45 percent during the next 5 years; but the number of nonmembers declined only 7 percent. In spite of the ease with which patrons can become members of the association the number of nonmember patrons reached a new high in 1937. The association's experience shows, therefore, that liberal membership policies do not necessarily insure that a large percentage of the patrons will become members.

To overcome the persistent tendency toward an increased number of nonmembers, the Lexington branch makes every patron a member when he transacts business with the association. For this purpose a form is provided on the back of the checks covering livestock sales proceeds, whereby the patron makes application for membership in the association when he endorses the check. While this method of securing members is legal, it remains to be demonstrated from the standpoint of organization whether it will result in a strong coopera-

selling approximately one-third of all the livestock offered for sale at Cincinnati, compared with 9 to 10 percent during its first 2 years of operation.

The association shows much less fluctuation in receipts from year to year than the market as a whole. This would seem to indicate that the association's business is somewhat more stable than that of the market although it is difficult to assign reasons to account for this condition.

Rail business at Cincinnati has shrunk to negligible proportions in recent years, but the association has held its volume of rail receipts much better than the market. This is accounted for by the fact that while the association is handling a smaller and smaller volume from shipping associations, it still does receive some business from them by rail; whereas individual farmers, upon whom most of the rest of the market is dependent for rail business, have almost entirely ceased to ship by rail. For the present at least there is little opportunity for the association to increase its volume of rail business.

The truck business of the association has kept pace or exceeded the growth in truck receipts at the market. Field work, personal contacts, meetings, market tours, and radio broadcasts all have played a part in selling the services of the association to producers and truckmen. In the future the association may wish to consider assisting local groups to develop definite truck routes in certain parts of the market area. A truck transportation system built around local membership groups would give the association additional membership contacts and, if properly developed, should result in an increasing volume of business.

While there is much variation in volume by days, analysis fails to indicate that one day of the week is consistently better marketwise than another. Undue concentration on certain days of the week, however, exerts a temporary selling pressure on the market, which might be lessened considerably if receipts were more evenly distributed. In view of the generally small receipts on Saturdays the association in cooperation with other agencies on the market might take the lead in establishing a 5-day market, provided all other markets in the area would take similar action.

The association is the leader on the Cincinnati market both in size and in policy making. From the standpoint of size it has probably reached a position where further gains in volume would not materially increase its effectiveness as a marketing organization. Added volume is not necessary for it to exert maximum influence in the direction of lower marketing costs, improved service, and cleaner market practices. At the present stage of cooperative organization, leadership at any market entails responsibilities that it is well to share with others.

In 14 years the association has sold more than 93 million dollars worth of livestock at Cincinnati for its members and patrons and has collected more than one and three-quarters million dollars in commissions for its services. It has expended one and a quarter million dollars for operating expenses, and has utilized the balance of its commission income to pay patronage dividends, and to establish operating reserves. Throughout its operations the association has attempted to give an improved and enlarged marketing service, but the cost of operations have been kept at a level which permitted the payment of reasonable patronage dividends each year. It has endeavored to avoid overemphasis on patronage dividends and low operating costs at the expense of sales service, recognizing that these items ordinarily account for less than 2 percent of the gross proceeds of sale, whereas selling affects 100 percent of the sales proceeds. Operating statistics indicate that the association should continue to place its major emphasis on development and improvement of its sales service rather than upon low operating costs and large patronage dividends.

The association has never followed the practice of mailing individual statements to members and patrons showing each his volume of business and his share in savings, reserves, and patronage dividends. Use of such statements perhaps would tend to develop a more pronounced feeling of ownership and responsibility on the part of the rank and file of the membership toward the association than now exists. The statements would impress each patron with the part he has played in creating the savings and reserves of the association and tend to prevent development of the concept that the association is independent of its membership.

With the trend toward decentralization in livestock marketing, the association, in its field-service program, should concentrate its membership and business-getting efforts on the nearby close-in business which, in all probability, will always come to terminal markets irrespective of other trends. There is some indication that in the past the association's field-service work has been scattered and spread over too wide a territory to be effective. Out of a list of patrons and former patrons only about 65 percent had a clear idea of how membership was obtained; 80 percent could not name the director from their district; less than 25 percent had ever visited the offices of the association; 90 percent stated that no one from the association had ever visited their farms; 80 percent had never attended an annual meeting; and 60 percent stated that so far as they knew no livestock meetings had been held in their county. Thus the results of field-service work to date in much of the territory served by the association indicate a need for a broader, more definite, and more clearly defined educational program. The work seems sufficiently important to justify the employment of a director of field service and education to

plan and coordinate the program for the entire market area. In this connection fuller utilization of local groups and livestock marketing committees should be encouraged.

Few complaints of the association's services are received. Most of those made relate to prices, grades, and weights. A large portion of them result from misconception on the part of the producer as to the grade and weight of his livestock. Further education in classes and grades and a closer adaptation of market reports to fit these grades would assist materially in reducing complaints.

Other complaints arise from mix-ups and errors in identification, which sometimes occur before the livestock reaches the association. Among the precautionary measures that should eliminate trucking mistakes may be listed: Use of bills of lading in consigning livestock and a more general use of marks for identification. In lieu of official bills of lading, shippers should insist on being furnished with copies of the trucker's invoice at the time of loading. The invoice should give the date, the name of the shipper, the number of head, the weight if known, a general description of the animals shipped, a record of the owner's marks of identification, and the rate charged for hauling. The invoice should be made in quadruplicate so that the truckman, the shipper, the stockyards company, and the commission agent each has a copy. The trucker's invoice should be signed by the shipper at the time of loading and receipted by the stockyards company at the time of unloading. Association employees at the time of taking delivery could compare the truckmen's invoice with the receipt issued by the stockyards company, and any differences could be noted immediately.

The association does not sell on the basis of any fixed and constant grade standards. Livestock may be closely sorted or it may be sold on the basis of a very liberal sort. Grades are flexible and are shifted up and down from week to week and from season to season as the market demands. The association, in common with other livestock cooperatives and private sales agencies, should work toward a program wherein livestock will be sold and quoted on the basis of recognized grades and weights. Grades should be kept constant and variation in market demand for different weights and grades should be measured entirely by price fluctuations. Failure to sell on the basis of fixed grades may be one of the important factors undermining terminal marketing and the effectiveness of the cooperative program.

Thus far, the association has made little use of sales meetings for discussion of supply-and-demand conditions and other factors that influence market prices. It would seem that short, regularly scheduled sales meetings held prior to the opening of each day's market would be helpful in the formulation of sales policies. In addition to imparting information, such meetings, if properly conducted, would

tend to give salesmen more of a sense of unity and cooperation than they now have.

At the sales meetings a review of the previous day's markets should be given. Market activity, prices, and clearances effected should be studied carefully in conjunction with prospective receipts for the day. Current reports on the dressed-meat trade should also be available. A few simple charts recording such background data as receipts, price differentials, and prices should be kept up to date for two or three other markets in the area. Sales meetings should aim to strengthen the selling side of the market. The meetings should give salesmen rather definite ideas, based on the best information available, as to what the market action any day should be.

Truckmen have become the transportation system for livestock throughout the Corn Belt. Trucking is largely an unorganized, unregulated business. Many of its present methods are loose, unsound, and unbusinesslike. Competition is fierce, rates are low, and the turn-over among truckmen is high. As many as 900 trucks have delivered livestock to the Cincinnati market in 1 day. State regulations, standardization of trucking practices, and improved business detail—such as the use of truck bills of lading—should help to correct undesirable features.

The association has an opportunity to ally itself more closely with truckmen whose goodwill is invaluable. For example, the association in its contacts with truckmen, could assist them in acquiring the best and most economical form of fire, theft, public liability, transit, and cargo insurance. Consideration might also be given to the establishment of a cooperative gasoline station at Cincinnati or other arrangements for special prices whereby truckmen could effect savings in gasoline, oil, and grease. The association might also assist truckers by developing a back-haul business in wholesale farm supplies and other commodities. At times truckmen might like to have salesmen and other employees of the association travel with them on trips to the country inspecting livestock. In this way, the salesman becomes familiar with trucking problems and the truckman becomes familiar with marketing problems.

From many standpoints, organization and development of local trucking units would seem to offer one of the best opportunities for the reestablishment of producer contacts, since of necessity every livestock producer has some interest in transportation. Organization of local truck transportation facilities should thus have an appeal to a wide group of producers, particularly if there should be a prospect of economies in operation. In addition to affording the association a convenient group through which to carry on its education and field-service program, the formation of local trucking units should insure regular, dependable service at reasonable hauling rates to all producers.

By encouraging producers to organize and control their own local truck transportation system for livestock, the association will have an opportunity to familiarize itself with the livestock-transportation problems in each community and to share in their solution.

Branch agencies offer interesting possibilities in meeting the trend toward decentralization and the competition of local markets and livestock auctions. At Dayton and Lexington, the association has found that branch operation and administration is a major undertaking, not just a side-line operation. When branches are to be formed, extreme care should be exercised in determining their need, in choosing their location, and in selecting their personnel. The branches at Dayton and Lexington were under consideration for several years before they were finally established. Local producers raised all of the funds necessary to finance each branch independently of the reserves maintained by the parent company. The association's success in branch operation, therefore, has not come by chance but as a result of carefully laid plans and much hard work.

It is still too early to appraise the association's policies in establishing branch agencies to meet the trend toward decentralized marketing and to carry the livestock market nearer the producer. At Dayton, however, where the association has had a branch in operation for more than 3 years, definite progress is apparent. Market receipts have been materially increased, prices at Dayton have been raised in comparison with prices at Cincinnati, and the branch has shown modest savings each year since it was organized. In 1937 combined marketings of the association represented a larger percentage of the total production of the market area than ever before.

Regulation should apply equally to all livestock markets. Many local markets and livestock auctions, however, operate without regulation or supervision. They do their own weighing, issue their own market reports, and determine their own schedule of rates and charges. They are not required to give bond or to show financial responsibility. Each local market establishes its own trade practices and code of ethics. From a competitive angle this gives unregulated local markets and livestock auctions an advantage over the terminal markets. The association and other livestock interests may wish to consider making recommendations for equal regulation of all livestock markets to correct present competitive inequalities.

Appendix.—Basic Statistical Data

Producers Cooperative Commission Association

Union Stockyards

Cincinnati Ohio

Balance Sheet Dec. 31, 1937

ASSETS

Current:

Cash.....		\$900. 00
Bank—The Central Trust Co.....		892. 51
U. S. bonds.....	112, 191. 40	
Notes receivable.....		1, 658. 64
Livestock loans.....		49, 707. 07
Accounts receivable—Trade.....		34, 742. 01
Accounts receivable—Sundry.....		2, 056. 28

Total current assets.....		\$202, 147. 91
Investments: Stock in other cooperative associations.....		20, 961. 00

Fixed assets:

Furniture and fixtures.....	\$11, 887. 37	
Less: Reserve for depreciation.....	7, 050. 22	
		4, 837. 15
Automobiles.....	5, 529. 24	
Less: Reserve for depreciation.....	3, 992. 61	
		1, 536. 63

Total fixed assets.....		6, 373. 78
Deferred Items.....		1, 768. 47

Total assets.....		231, 251. 16
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LIABILITIES AND NET WORTH

Current liabilities:

Notes payable.....	\$10, 000. 00
Accounts payable.....	53. 63

Total current liabilities.....	\$10, 053. 63
Reserves for field work.....	7, 322. 38

Net worth:

Reserves.....	164, 153. 07
Treasurer's account.....	4, 000. 00
Savings—1937.....	45, 722. 08

Total net worth.....	213, 875. 15
Total liabilities and net worth.....	231, 251. 16

Producers Cooperative Commission Association
Union Stockyards
Cincinnati, Ohio

Statement of Loss and Gain

Item	December		Year 1937
	1936	1937	
Income:			
Commissions:			
Cattle.....	\$2, 881. 80	\$1, 931. 50	\$25, 772. 20
Calves.....	1, 256. 90	830. 65	18, 718. 15
Hogs.....	7, 825. 05	7, 292. 95	84, 180. 65
Sheep.....	887. 36	688. 40	14, 451. 65
Total commission income.....	12, 851. 11	10, 743. 50	143, 122. 65
Expenses:			
Salaries:			
Cattle.....	1, 676. 64	1, 124. 98	14, 949. 80
Calves.....	565. 00	575. 00	6, 771. 00
Hogs.....	1, 326. 64	1, 235. 98	16, 150. 67
Sheep.....	765. 00	300. 00	6, 051. 54
Office.....	1, 299. 98	1, 369. 98	16, 321. 31
Automobiles.....	40. 02	69. 76	366. 33
Directors.....	251. 26	188. 41	3, 474. 79
General.....	1, 010. 66	630. 70	4, 837. 62
Traveling.....	202. 63	221. 46	2, 848. 44
Bonds.....	100. 00	100. 00	1, 200. 00
Depreciation.....	100. 00	100. 00	1, 200. 00
Field work.....	1, 353. 57	1, 044. 75	11, 999. 62
Office, stationery.....	300. 00	300. 00	5, 648. 93
Unemployment taxes.....	730. 52	109. 06	1, 389. 77
Social security.....		28. 51	610. 62
Postage.....	450. 00	307. 00	3, 509. 85
Rent.....	118. 52	123. 42	1, 447. 03
Telephone.....	156. 91	157. 88	2, 156. 49
Items charged off.....	102. 62	180. 29	180. 29
Crippled stock.....	76. 10	79. 73	942. 87
Total expenses.....	10, 626. 07	8, 246. 91	102, 056. 97
Total savings on commissions.....	2, 225. 04	2, 496. 59	41, 065. 68
Additional income:			
Dayton producers.....		480. 00	480. 00
Investments—Interest.....	569. 10	224. 93	3, 012. 76
Interest from loans.....	122. 81	21. 81	1, 163. 64
Net savings.....	2, 916. 95	3, 223. 33	45, 722. 08

TABLE 23.—LIVESTOCK CONSIGNED FOR SALE AT CINCINNATI UNION STOCKYARDS AND PROPORTION OF TOTAL SOLD BY PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, 1925-37

Year	Cattle			Calves			Hogs			Sheep		
	Total market consignments	Association's receipts		Total market consignments	Association's receipts		Total market consignments	Association's receipts		Total market consignments	Association's receipts	
		Total	Percentage of market		Total	Percentage of market		Total	Percentage of market		Total	Percentage of market
	<i>Head</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Head</i>	<i>Percent</i>
1925.....	228,489	8,348	3.6	156,114	17,738	11.4	859,415	122,066	14.2	323,331	17,579	5.4
1926.....	209,582	15,144	7.2	151,185	20,894	13.8	829,442	158,373	19.1	288,830	23,708	8.2
1927.....	215,953	17,715	8.2	140,522	20,454	14.6	1,057,512	197,619	18.7	297,496	30,765	10.3
1928.....	191,517	21,795	11.4	121,750	26,193	21.5	1,115,772	269,236	24.1	183,939	34,998	19.0
1929.....	190,361	21,554	11.3	107,442	30,892	28.8	855,764	264,074	30.9	183,339	41,968	22.9
1930.....	174,126	21,920	12.6	105,403	30,825	29.2	710,659	238,790	33.6	179,548	40,642	22.6
1931.....	144,052	20,956	14.5	113,436	34,639	30.5	695,507	255,067	36.7	360,588	93,491	25.9
1932.....	156,228	30,682	19.6	105,612	31,506	29.8	783,401	283,998	36.3	419,398	116,741	27.8
1933.....	159,362	34,049	21.4	101,863	36,160	35.5	1,040,548	404,811	38.9	309,409	110,741	35.8
1934.....	170,181	40,372	23.7	116,892	45,235	38.7	828,702	364,381	44.0	222,261	97,636	43.9
1935.....	191,035	40,077	21.0	106,097	40,107	37.8	604,330	233,595	38.7	310,307	112,614	36.3
1936.....	194,337	44,711	23.0	103,294	36,824	35.6	686,329	259,256	37.8	221,998	103,156	46.5
1937.....	154,721	29,420	19.0	99,524	35,345	35.5	703,497	264,796	37.6	185,841	67,350	36.2

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

147621-39-9

MARKETING LIVESTOCK IN CINCINNATI

Producers Cooperative Commission Association
Union Stockyards
Cincinnati, Ohio

Statement of Loss and Gain

Item	December		Year 1937
	1936	1937	
Income:			
Commissions:			
Cattle.....	\$2, 881. 80	\$1, 931. 50	\$25, 772. 20
Calves.....	1, 256. 90	830. 65	18, 718. 15
Hogs.....	7, 825. 05	7, 292. 95	84, 180. 65
Sheep.....	887. 36	688. 40	14, 451. 65
Total commission income.....	12, 851. 11	10, 743. 50	143, 122. 65
Expenses:			
Salaries:			
Cattle.....	1, 676. 64	1, 124. 98	14, 949. 80
Calves.....	565. 00	575. 00	6, 771. 00
Hogs.....	1, 326. 64	1, 235. 98	16, 150. 67
Sheep.....	765. 00	300. 00	6, 051. 54
Office.....	1, 299. 98	1, 369. 98	16, 321. 31
Automobiles.....	40. 02	69. 76	366. 33
Directors.....	251. 26	188. 41	3, 474. 79
General.....	1, 010. 66	630. 70	4, 837. 62
Traveling.....	202. 63	221. 46	2, 848. 44
Bonds.....	100. 00	100. 00	1, 200. 00
Depreciation.....	100. 00	100. 00	1, 200. 00
Field work.....	1, 353. 57	1, 044. 75	11, 999. 62
Office, stationery.....	300. 00	300. 00	5, 648. 93
Unemployment taxes.....	730. 52	109. 06	1, 389. 77
Social security.....		28. 51	610. 62
Postage.....	450. 00	307. 00	3, 509. 85
Rent.....	118. 52	123. 42	1, 447. 03
Telephone.....	156. 91	157. 88	2, 156. 49
Items charged off.....	102. 62	180. 29	180. 29
Crippled stock.....	76. 10	79. 73	942. 87
Total expenses.....	10, 626. 07	8, 246. 91	102, 056. 97
Total savings on commissions.....	2, 225. 04	2, 496. 59	41, 065. 68
Additional income:			
Dayton producers.....		480. 00	480. 00
Investments—Interest.....	569. 10	224. 93	3, 012. 76
Interest from loans.....	122. 81	21. 81	1, 163. 64
Net savings.....	2, 916. 95	3, 223. 33	45, 722. 08

TABLE 23.—LIVESTOCK CONSIGNED FOR SALE AT CINCINNATI UNION STOCKYARDS AND PROPORTION OF TOTAL SOLD BY PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, 1925-37

Year	Cattle			Calves			Hogs			Sheep		
	Total market consignments	Association's receipts		Total market consignments	Association's receipts		Total market consignments	Association's receipts		Total market consignments	Association's receipts	
		Total	Percentage of market		Total	Percentage of market		Total	Percentage of market		Total	Percentage of market
	Head	Head	Percent	Head	Head	Percent	Head	Head	Percent	Head	Head	Percent
1925	228,489	8,348	3.6	156,114	17,738	11.4	859,415	122,066	14.2	323,331	17,579	5.4
1926	209,582	15,144	7.2	151,185	20,894	13.8	829,442	158,373	19.1	288,830	23,708	8.2
1927	215,953	17,715	8.2	140,522	20,454	14.6	1,057,512	197,619	18.7	297,496	30,765	10.3
1928	191,517	21,795	11.4	121,750	26,193	21.5	1,115,772	269,236	24.1	183,939	34,998	19.0
1929	190,361	21,554	11.3	107,442	30,892	28.8	855,764	264,074	30.9	183,339	41,968	22.9
1930	174,126	21,920	12.6	105,403	30,825	29.2	710,659	238,790	33.6	179,548	40,642	22.6
1931	144,052	20,956	14.5	113,436	34,639	30.5	695,507	255,067	36.7	360,588	93,491	25.9
1932	156,228	30,682	19.6	105,612	31,506	29.8	783,401	283,998	36.3	419,398	116,741	27.8
1933	159,362	34,049	21.4	101,863	36,160	35.5	1,040,548	404,811	38.9	309,409	110,741	35.8
1934	170,181	40,372	23.7	116,892	45,235	38.7	828,702	364,381	44.0	222,261	97,636	43.9
1935	191,035	40,077	21.0	106,097	40,107	37.8	604,330	233,595	38.7	310,307	112,614	36.3
1936	194,337	44,711	23.0	103,294	36,824	35.6	686,329	259,256	37.8	221,998	103,156	46.5
1937	154,721	29,420	19.0	99,524	35,345	35.5	703,497	264,796	37.6	185,841	67,350	36.2

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

147821-39

MARKETING LIVESTOCK IN CINCINNATI

TABLE 24.—RAIL RECEIPTS OF LIVESTOCK CONSIGNED FOR SALE AT CINCINNATI UNION STOCKYARDS AND PORTION SOLD BY PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, 1925-37

Year	Cattle			Calves			Hogs			Sheep		
	Total market rail consignments	Association's rail receipts		Total market rail consignments	Association's rail receipts		Total market rail consignments	Association's rail receipts		Total market rail consignments	Association's rail receipts	
		Total	Percentage of market		Total	Percentage of market		Total	Percentage of market		Total	Percentage of market
	<i>Head</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Head</i>	<i>Percent</i>
1925	198, 101	4, 698	2. 4	99, 369	9, 278	9. 3	619, 724	70, 937	11. 4	260, 086	8, 947	3. 4
1926	178, 098	8, 940	5. 0	96, 082	7, 936	8. 3	549, 013	74, 258	13. 5	226, 198	8, 804	3. 9
1927	182, 240	11, 017	6. 0	88, 367	6, 599	7. 5	689, 785	85, 768	12. 4	214, 137	11, 916	5. 6
1928	148, 881	11, 400	7. 7	59, 730	7, 360	12. 3	644, 506	104, 891	16. 3	89, 930	10, 001	11. 1
1929	147, 723	10, 683	7. 2	41, 268	8, 686	21. 0	394, 177	83, 712	21. 2	60, 904	9, 589	15. 7
1930	125, 761	10, 095	8. 0	33, 328	7, 715	23. 1	268, 985	77, 768	28. 9	48, 977	8, 618	17. 6
1931	91, 853	10, 075	11. 0	31, 558	8, 969	28. 4	191, 239	71, 703	37. 5	140, 974	26, 788	19. 0
1932	68, 310	11, 603	17. 0	24, 735	5, 674	22. 9	187, 569	73, 364	39. 1	114, 494	15, 393	13. 4
1933	53, 127	8, 662	16. 3	15, 658	5, 975	38. 2	202, 066	99, 450	49. 2	14, 455	5, 470	37. 8
1934	39, 880	8, 070	20. 2	13, 386	8, 020	59. 9	113, 102	73, 781	65. 2	11, 400	6, 011	52. 7
1935	37, 975	6, 047	15. 9	10, 594	6, 623	62. 5	61, 185	30, 159	49. 3	73, 096	10, 517	14. 4
1936	29, 067	3, 759	12. 9	7, 579	3, 543	46. 7	42, 051	13, 842	32. 9	15, 492	10, 448	67. 4
1937	26, 540	3, 714	14. 0	7, 076	2, 954	41. 7	24, 553	7, 755	31. 6	9, 894	8, 509	86. 0

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

TABLE 25.—TRUCK RECEIPTS OF LIVESTOCK CONSIGNED FOR SALE AT CINCINNATI UNION STOCKYARDS AND PORTION SOLD BY PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, 1925-37

Year	Cattle			Calves			Hogs			Sheep		
	Total market truck consignments	Association's truck receipts		Total market truck consignments	Association's truck receipts		Total market truck consignments	Association's truck receipts		Total market truck consignments	Association's truck receipts	
		Total	Percentage of market		Total	Percentage of market		Total	Percentage of market		Total	Percentage of market
	Head	Head	Percent	Head	Head	Percent	Head	Head	Percent	Head	Head	Percent
1925	30,388	3,650	12.0	56,745	8,460	14.9	239,691	51,129	21.3	63,245	8,632	13.6
1926	31,484	6,204	19.7	55,103	12,958	23.5	280,429	84,115	30.0	62,632	14,904	23.8
1927	33,713	6,698	19.9	52,155	13,855	26.6	367,727	111,851	30.4	83,359	18,849	22.6
1928	42,636	10,395	24.4	62,020	18,833	30.4	471,266	164,345	34.9	94,009	24,997	26.6
1929	42,638	10,871	25.5	66,174	22,206	33.6	461,587	180,362	39.1	122,435	32,379	26.4
1930	48,365	11,825	24.4	72,075	23,110	32.1	441,674	161,022	36.5	130,571	32,024	24.5
1931	52,199	10,881	20.8	81,878	25,670	31.4	504,268	183,364	36.4	219,614	66,703	30.4
1932	87,918	19,079	21.7	80,877	25,832	31.9	595,832	210,634	35.4	304,904	101,348	33.2
1933	106,235	25,387	23.9	86,205	30,185	35.0	838,482	305,361	36.4	294,954	105,271	35.7
1934	130,301	32,302	24.8	103,506	37,215	36.0	715,600	290,600	40.6	210,861	91,625	43.5
1935	153,060	34,030	22.2	95,503	33,484	35.1	543,145	203,436	37.5	237,211	102,097	43.0
1936	165,270	40,952	24.8	95,715	33,281	34.8	644,278	245,414	38.1	206,506	92,708	44.9
1937	128,181	25,706	20.1	92,448	32,391	35.0	678,944	257,041	37.9	175,947	58,841	33.4

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

MARKETING LIVESTOCK IN CINCINNATI

TABLE 26.—RECEIPTS OF LIVESTOCK BY RAIL AND TRUCK AT PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, 1925-37

Year	Cattle received					Calves received				
	By rail	By truck	Total	Percentage of total receipts		By rail	By truck	Total	Percentage of total receipts	
				By rail	By truck				By rail	By truck
	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Percent</i>	<i>Percent</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Percent</i>	<i>Percent</i>
1925	4,698	3,650	8,348	56.3	43.7	9,278	8,460	17,738	52.3	47.7
1926	8,940	6,204	15,144	59.0	41.0	7,936	12,958	20,894	38.0	62.0
1927	11,017	6,698	17,715	62.2	37.8	6,599	13,855	20,454	32.3	67.7
1928	11,400	10,395	21,795	52.3	47.7	7,360	18,833	26,193	28.1	71.9
1929	10,683	10,871	21,554	49.6	50.4	8,686	22,206	30,892	28.1	71.9
1930	10,095	11,825	21,920	46.1	53.9	7,715	23,110	30,825	25.0	75.0
1931	10,075	10,881	20,956	48.1	51.9	8,969	25,670	34,639	25.9	74.1
1932	11,603	19,079	30,682	37.8	62.2	5,674	25,832	31,506	18.0	82.0
1933	8,662	25,387	34,049	25.4	74.6	5,975	30,185	36,160	16.5	83.5
1934	8,070	32,302	40,372	20.0	80.0	8,020	37,215	45,235	17.7	82.3
1935	6,047	34,030	40,077	15.1	84.9	6,623	33,484	40,107	16.5	83.5
1936	3,759	40,952	44,711	8.4	91.6	3,543	33,281	36,824	9.6	90.4
1937	3,714	25,706	29,420	12.6	87.4	2,954	32,391	35,345	8.4	91.6

	Hogs received					Sheep received				
1925.....	70, 937	51, 129	122, 066	58. 1	41. 9	8, 947	8, 632	17, 579	50. 9	49. 1
1926.....	74, 258	84, 115	158, 373	46. 9	53. 1	8, 804	14, 904	23, 708	37. 1	62. 9
1927.....	85, 768	111, 851	197, 619	43. 4	56. 6	11, 916	18, 849	30, 765	38. 7	61. 3
1928.....	104, 891	164, 345	269, 236	39. 0	61. 0	10, 001	24, 997	34, 998	28. 6	71. 4
1929.....	83, 712	180, 362	264, 074	31. 7	68. 3	9, 589	32, 379	41, 968	22. 8	77. 2
1930.....	77, 768	161, 022	238, 790	32. 6	67. 4	8, 618	32, 024	40, 642	21. 2	78. 8
1931.....	71, 703	183, 364	255, 067	28. 1	71. 9	26, 788	66, 703	93, 491	28. 7	71. 3
1932.....	73, 364	210, 634	283, 998	25. 8	74. 2	15, 393	101, 348	116, 741	13. 2	86. 8
1933.....	99, 450	305, 361	404, 811	24. 6	75. 4	5, 470	105, 271	110, 741	4. 9	95. 1
1934.....	73, 781	290, 600	364, 381	20. 2	79. 8	6, 011	91, 625	97, 636	6. 2	93. 8
1935.....	30, 159	203, 436	233, 595	12. 9	87. 1	10, 517	102, 097	112, 614	9. 3	90. 7
1936.....	13, 842	245, 414	259, 256	5. 3	94. 7	10, 448	92, 708	103, 156	10. 1	89. 9
1937.....	7, 755	257, 041	264, 796	2. 9	97. 1	8, 509	58, 841	67, 350	12. 6	87. 4

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

TABLE 27.—BUSINESS SUPPLIED BY SHIPPING ASSOCIATIONS TO PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1925-37

Year	Cattle			Calves		
	Total association receipts	Consigned by shipping associations	Percentage of total association receipts	Total association receipts	Consigned by shipping associations	Percentage of total association receipts
	<i>Head</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Head</i>	<i>Percent</i>
1925-----	8,348	2,995	35.9	17,738	8,658	48.8
1926-----	15,144	4,269	28.2	20,894	7,635	36.5
1927-----	17,715	5,136	29.0	20,454	6,136	30.0
1928-----	21,795	6,414	29.4	26,193	6,817	26.0
1929-----	21,554	5,445	25.3	30,892	8,495	27.5
1930-----	21,920	4,861	22.2	30,825	7,432	24.1
1931-----	20,956	4,777	22.8	34,639	7,851	22.7
1932-----	30,682	4,333	14.1	31,506	5,114	16.2
1933-----	34,049	3,289	9.7	36,160	4,556	12.6
1934-----	40,372	2,283	5.7	45,235	4,717	10.4
1935-----	40,077	1,895	4.7	40,107	3,197	8.0
1936-----	44,711	1,162	2.6	36,824	2,064	5.6
1937-----	29,420	895	3.0	35,345	1,598	4.5
Total-----	346,743	47,754	13.8	406,812	74,270	18.3

	Hogs			Sheep		
1925.....	122,066	58,657	48.1	17,579	8,204	46.7
1926.....	158,373	59,047	37.3	23,708	7,795	32.9
1927.....	197,619	67,124	34.0	30,765	10,428	33.9
1928.....	269,236	81,423	30.2	34,998	8,390	24.0
1929.....	264,074	66,345	25.1	41,968	8,962	21.4
1930.....	238,790	67,144	28.1	40,642	7,139	17.6
1931.....	255,067	62,527	24.5	93,491	13,331	14.3
1932.....	283,998	59,679	21.0	116,741	7,194	6.2
1933.....	404,811	72,956	18.0	110,741	2,691	2.4
1934.....	364,381	47,532	13.0	97,636	4,948	5.1
1935.....	233,595	11,956	5.1	112,614	4,379	3.9
1936.....	259,256	3,714	1.4	103,156	797	0.8
1937.....	264,796	2,002	0.8	67,350	814	1.2
Total.....	3,316,062	660,106	19.9	891,389	85,072	9.5

Source: Records of Producers Cooperative Commission Association, Cincinnati, Ohio.

TABLE 28.—LIVESTOCK RECEIPTS OF PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, BY STATES, 1925-37

CATTLE

Year	Ohio ¹		Indiana		Kentucky ¹		Other States		Total receipts
	Total from State	Percentage of association receipts	Total from State	Percentage of association receipts	Total from State	Percentage of association receipts	Total from other States	Percentage of association receipts	
	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>	<i>Percent</i>	<i>Head</i>
1925.....	3, 271	39. 2	2, 989	35. 8	995	11. 9	1, 093	13. 1	8, 348
1926.....	6, 044	39. 9	5, 831	38. 5	1, 494	9. 9	1, 775	11. 7	15, 144
1927.....	5, 810	32. 8	5, 858	33. 1	4, 044	22. 8	2, 003	11. 3	17, 715
1928.....	7, 600	34. 9	5, 611	25. 7	7, 079	32. 5	1, 505	6. 9	21, 795
1929.....	7, 435	34. 5	5, 969	27. 7	6, 660	30. 9	1, 490	6. 9	21, 554
1930.....	7, 606	34. 7	6, 507	29. 7	5, 652	25. 8	2, 155	9. 8	21, 920
1931.....	6, 515	31. 1	5, 657	27. 0	3, 956	18. 9	4, 828	23. 0	20, 956
1932.....	7, 561	24. 6	7, 233	23. 6	10, 657	34. 7	5, 231	17. 1	30, 682
1933.....	9, 920	29. 1	7, 742	22. 7	12, 829	37. 7	3, 558	10. 5	34, 049
1934.....	11, 829	29. 3	8, 001	19. 8	15, 713	38. 9	4, 829	12. 0	40, 372
1935.....	12, 413	30. 9	7, 165	17. 9	17, 503	43. 7	2, 996	7. 5	40, 077
1936.....	15, 109	33. 8	9, 433	21. 1	18, 158	40. 6	2, 011	4. 5	44, 711
1937.....	12, 763	43. 4	7, 541	25. 6	7, 403	25. 2	1, 713	5. 8	29, 420

CALVES

1925.....	6,489	36.6	8,991	50.7	945	5.3	1,313	7.4	17,738
1926.....	8,310	39.8	10,160	48.6	1,977	9.5	447	2.1	20,894
1927.....	7,817	38.2	8,959	43.8	3,143	15.4	535	2.6	20,454
1928.....	10,368	39.6	10,458	39.9	4,628	17.7	739	2.8	26,193
1929.....	12,307	39.8	12,167	39.4	5,909	19.1	509	1.7	30,892
1930.....	11,951	38.8	12,673	41.1	5,319	17.2	882	2.9	30,825
1931.....	11,663	33.7	14,571	42.1	6,351	18.3	2,054	5.9	34,639
1932.....	10,099	32.1	11,970	38.0	8,037	25.5	1,400	4.4	31,506
1933.....	11,420	31.6	12,906	35.7	10,549	29.2	1,285	3.5	36,160
1934.....	14,162	31.3	16,846	37.2	11,734	26.0	2,493	5.5	45,235
1935.....	13,147	32.8	14,755	36.8	10,047	25.0	2,158	5.4	40,107
1936.....	12,625	34.3	12,904	35.1	10,102	27.4	1,193	3.2	36,824
1937.....	12,872	36.4	11,659	33.0	9,531	27.0	1,283	3.6	35,345

¹ Volume of Dayton branch since Mar. 10, 1935, and volume of Lexington branch since May 17, 1937, not included with Ohio and Kentucky totals.

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

TABLE 28.—LIVESTOCK RECEIPTS OF PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, BY STATES, 1925-37—Con.

HOGS

Year	Ohio ¹		Indiana		Kentucky ¹		Other States		Total receipts
	Total from State	Percentage of association receipts	Total from State	Percentage of association receipts	Total from State	Percentage of association receipts	Total from other States	Percentage of association receipts	
	Head	Percent	Head	Percent	Head	Percent	Head	Percent	Head
1925.....	58, 839	48. 2	57, 714	47. 3	1, 234	1. 0	4, 279	3. 5	122, 066
1926.....	78, 873	49. 8	73, 536	46. 4	2, 767	1. 8	3, 197	2. 0	158, 373
1927.....	97, 891	49. 5	83, 537	42. 3	11, 121	5. 6	5, 070	2. 6	197, 619
1928.....	137, 826	51. 2	113, 765	42. 2	12, 905	4. 8	4, 740	1. 8	269, 236
1929.....	130, 932	49. 6	117, 994	44. 7	11, 151	4. 2	3, 997	1. 5	264, 074
1930.....	105, 123	44. 0	114, 741	48. 0	7, 095	3. 0	11, 831	5. 0	238, 790
1931.....	105, 576	41. 4	123, 561	48. 4	4, 743	1. 9	21, 187	8. 3	255, 067
1932.....	109, 761	38. 7	129, 231	45. 5	13, 086	4. 6	31, 920	11. 2	283, 998
1933.....	158, 505	39. 2	186, 343	46. 0	23, 034	5. 7	36, 929	9. 1	404, 811
1934.....	152, 221	41. 8	175, 583	48. 2	13, 459	3. 7	23, 118	6. 3	364, 381
1935.....	113, 175	48. 4	98, 170	42. 0	14, 188	6. 1	8, 062	3. 5	233, 595
1936.....	134, 347	51. 8	97, 365	37. 6	18, 685	7. 2	8, 859	3. 4	259, 256
1937.....	151, 470	57. 2	89, 997	34. 0	19, 040	7. 2	4, 289	1. 6	264, 796

SHEEP

1925.....	9, 190	52.3	5, 384	30.6	2, 657	15.1	348	2.0	17, 579
1926.....	11, 515	48.6	5, 799	24.5	5, 134	21.6	1, 260	5.3	23, 708
1927.....	12, 063	39.2	7, 980	25.9	10, 482	34.1	240	.8	30, 765
1928.....	16, 043	45.8	7, 091	20.3	11, 480	32.8	384	1.1	34, 998
1929.....	21, 949	52.3	7, 511	17.9	11, 543	27.5	965	2.3	41, 968
1930.....	21, 456	52.8	7, 972	19.6	7, 894	19.4	3, 320	8.2	40, 642
1931.....	20, 364	21.8	11, 201	12.0	50, 718	54.2	11, 208	12.0	93, 491
1932.....	22, 029	18.9	13, 120	11.2	78, 296	67.1	3, 296	2.8	116, 741
1933.....	21, 715	19.6	12, 042	10.9	75, 228	67.9	1, 756	1.6	110, 741
1934.....	21, 783	22.3	10, 624	10.9	64, 300	65.9	929	.9	97, 636
1935.....	26, 330	23.4	14, 029	12.4	70, 385	62.5	1, 870	1.7	112, 614
1936.....	27, 420	26.6	11, 605	11.2	62, 128	60.2	2, 003	2.0	103, 156
1937.....	26, 483	39.3	11, 143	16.5	29, 259	43.5	465	.7	67, 350

¹ Volume of Dayton branch since Mar. 10, 1935, and volume of Lexington branch since May 17, 1937, not included with Ohio and Kentucky totals.

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

TABLE 29.—DISTRIBUTION OF RECEIPTS OF THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, BY MONTHS AND BY STATES, BASED ON 7-YEAR AVERAGE, 1929-35

Month	Cattle					Calves				
	Ohio	Indiana	Kentucky	Other States	Total	Ohio	Indiana	Kentucky	Other States	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>
January	843	551	491	210	2,095	961	1,088	470	81	2,600
February	791	750	344	202	2,087	918	1,101	533	98	2,650
March	954	708	313	190	2,165	1,204	1,407	717	112	3,440
April	994	865	240	314	2,413	1,290	1,561	905	142	3,898
May	868	709	324	298	2,199	1,125	1,321	1,057	99	3,602
June	691	607	582	225	2,105	1,002	1,123	952	102	3,179
July	627	446	1,147	171	2,391	991	1,086	820	90	2,987
August	500	422	1,349	233	2,504	890	977	669	108	2,644
September	524	378	1,383	383	2,668	907	935	630	199	2,671
October	703	485	1,865	656	3,709	1,018	1,064	598	222	2,902
November	663	418	1,453	455	2,989	877	979	486	181	2,523
December	880	559	932	247	2,618	924	1,058	440	104	2,526
Total	9,038	6,898	10,423	3,584	29,943	12,107	13,700	8,277	1,538	35,622

	Hogs					Sheep				
January	10,624	11,032	513	1,416	23,585	1,240	369	382	89	2,080
February	7,225	9,600	515	1,504	18,844	821	279	256	97	1,453
March	8,967	11,874	711	1,820	23,372	778	143	146	244	1,311
April	10,523	14,115	1,086	2,721	28,445	1,038	390	353	104	1,885
May	10,211	11,363	1,664	2,672	25,910	1,307	968	4,565	1,031	7,871
June	8,982	9,489	1,502	1,856	21,829	2,606	1,929	12,609	975	18,119
July	7,378	8,063	1,057	1,484	17,982	3,587	1,989	13,342	510	19,428
August	8,063	10,876	1,219	1,356	21,514	3,266	1,764	8,914	96	14,040
September	11,725	12,147	1,518	1,524	26,914	2,700	997	4,444	64	8,205
October	13,855	12,503	1,137	1,123	28,618	2,122	841	3,320	42	6,325
November	13,906	11,844	804	1,073	27,627	1,571	733	1,897	30	4,231
December	13,584	12,184	667	990	27,425	1,196	526	967	31	2,720
Total	125,043	135,090	12,393	19,539	292,065	22,232	10,928	51,195	3,313	87,668

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

TABLE 30.—AVERAGE MONTHLY RECEIPTS BY SPECIES, AS A PERCENTAGE OF AVERAGE ANNUAL RECEIPTS, FOR THE MARKET AND FOR THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, 1929-35

Month	Cattle		Calves		Hogs		Sheep	
	Market receipts	Association receipts	Market receipts	Association receipts	Market receipts	Association receipts	Market receipts	Association receipts
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
January.....	8.03	7.00	6.93	7.30	8.40	8.07	1.80	2.37
February.....	6.25	6.97	6.95	7.44	6.22	6.45	1.26	1.66
March.....	6.18	7.23	9.37	9.66	7.39	8.00	1.16	1.50
April.....	6.48	8.06	10.98	10.94	8.99	9.74	1.60	2.15
May.....	6.08	7.34	10.98	10.11	9.12	8.87	7.48	8.98
June.....	6.44	7.03	9.36	8.92	7.94	7.47	20.70	20.67
July.....	8.21	7.99	8.63	8.39	6.80	6.16	24.89	22.16
August.....	9.70	8.36	8.36	7.42	7.82	7.37	18.42	16.01
September.....	11.24	8.91	8.01	7.50	9.06	9.22	9.18	9.36
October.....	13.66	12.39	7.97	8.15	9.42	9.80	6.78	7.21
November.....	9.48	9.98	6.22	7.08	9.31	9.46	4.13	4.83
December.....	8.25	8.74	6.24	7.09	9.53	9.39	2.60	3.10
Total.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

TABLE 31.—PROFIT AND LOSS STATEMENT OF PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, BY SPECIES, COMPUTED ON A PERCENTAGE BASIS, 1925-37

Classification	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Cattle:	<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>	<i>Percent</i>
Commission income.....	99.0	99.0	98.8	98.7	98.5	96.8	96.8	97.0	95.3	97.2	92.3	96.2	96.8
Other income.....	1.0	1.0	1.2	1.3	1.5	3.2	3.2	3.0	4.7	2.8	7.7	3.8	3.2
Total income.....	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
Salesmen's and yardmen's salaries.....	53.9	54.0	57.6	47.4	51.0	57.6	50.9	51.5	50.1	44.0	44.0	45.5	57.2
Office salaries.....	16.3	13.4	12.2	11.3	14.0	12.4	10.1	10.7	9.2	10.6	11.4	10.7	11.4
Administrative expense.....	17.1	18.2	19.0	20.5	22.7	28.0	26.0	26.4	22.9	24.5	22.7	23.6	26.9
Total expense.....	87.3	85.6	88.8	79.2	87.7	98.0	87.0	88.6	82.2	79.1	78.1	79.8	95.5
Savings recorded by association.....	12.7	14.4	11.2	20.8	12.3	2.0	13.0	11.4	17.8	20.9	21.9	20.2	4.5
Expenses paid from reserves.....				1.6	2.3	2.7	2.9	5.0	5.8	6.4	11.7	11.9	6.5
Savings computed.....	12.7	14.4	11.2	19.2	10.0	- .7	10.1	6.4	12.0	14.5	10.2	8.3	-2.0

MARKETING LIVESTOCK IN CINCINNATI

TABLE 31.—PROFIT AND LOSS STATEMENT OF PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, BY SPECIES, COMPUTED ON A PERCENTAGE BASIS, 1925-37—Continued

Classification	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Calves:	<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>	<i>Percent</i>
Commission income.....	99.0	99.0	98.8	98.7	98.5	96.8	96.8	97.0	95.3	97.2	92.3	96.2	96.8
Other income.....	1.0	1.0	1.2	1.3	1.5	3.2	3.2	3.0	4.7	2.8	7.7	3.8	3.2
Total income.....	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
Salesmen's and yardmen's salaries.....	30.3	40.1	41.9	32.3	28.5	24.3	27.9	32.2	32.9	27.1	25.5	32.7	36.0
Office salaries.....	16.3	13.4	12.2	11.3	14.0	12.4	10.1	10.7	9.2	10.6	11.4	10.7	11.4
Administrative expense.....	17.1	18.2	19.0	20.5	22.7	28.0	26.0	26.4	22.9	24.5	22.7	23.7	27.0
Total expense.....	63.7	71.7	73.1	64.1	65.2	64.7	64.0	69.3	65.0	62.2	59.6	67.1	74.4
Savings recorded by association.....	36.3	28.3	26.9	35.9	34.8	35.3	36.0	30.7	35.0	37.8	40.4	32.9	25.6
Expenses paid from reserves.....				1.6	2.3	2.7	2.9	5.0	5.8	6.4	11.7	11.9	6.5
Savings computed.....	36.3	28.3	26.9	34.3	32.5	32.6	33.1	25.7	29.2	31.4	28.7	21.0	19.1
Hogs:													
Commission income.....	99.0	99.0	98.8	98.7	98.5	96.8	96.8	97.0	95.3	97.2	92.3	96.2	96.8
Other income.....	1.0	1.0	1.2	1.3	1.5	3.2	3.2	3.0	4.7	2.8	7.7	3.8	3.2
Total income.....	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

Salesmen's and yardmen's salaries.....	23.0	20.0	18.1	15.2	15.5	17.2	14.0	14.0	12.4	13.0	18.2	18.8	19.6
Office salaries.....	16.3	13.4	12.2	11.3	14.0	12.4	10.1	10.7	9.2	10.6	11.4	10.6	11.4
Administrative expense.....	17.1	18.2	19.0	20.5	22.7	28.0	26.0	26.4	22.9	24.5	22.7	23.6	26.9
Total expense.....	56.4	51.6	49.3	47.0	52.2	57.6	50.1	51.1	44.5	48.1	52.3	53.0	57.9
Savings recorded by association.....	43.6	48.4	50.7	53.0	47.8	42.4	49.9	48.9	55.5	51.9	47.7	47.0	42.1
Expenses paid from reserves.....				1.6	2.3	2.7	2.9	5.0	5.8	6.4	11.7	11.9	6.5
Savings computed.....	43.6	48.4	50.7	51.4	45.5	39.7	47.0	43.9	49.7	45.5	36.0	35.1	35.6
Sheep:													
Commission income.....	99.0	99.0	98.8	98.7	98.5	96.8	96.8	97.0	95.3	97.2	92.3	96.2	96.8
Other income.....	1.0	1.0	1.2	1.3	1.5	3.2	3.2	3.0	4.7	2.8	7.7	3.8	3.2
Total income.....	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
Salesmen's and yardmen's salaries.....	65.6	80.1	76.8	67.7	53.7	57.5	45.1	39.7	37.2	41.1	36.3	39.0	41.5
Office salaries.....	16.3	13.4	12.2	11.3	14.0	12.4	10.1	10.7	9.2	10.6	11.4	10.7	11.4
Administrative expense.....	17.1	18.2	19.0	20.5	22.7	28.0	26.0	26.4	22.9	24.5	22.7	23.7	27.0
Total expense.....	99.0	111.7	108.0	99.5	90.4	97.9	81.2	76.8	69.3	76.2	70.4	73.4	79.9
Savings recorded by association.....	1.0	-11.7	-8.0	.5	9.6	2.1	18.8	23.2	30.7	23.8	29.6	26.6	20.1
Expenses paid from reserves.....				1.6	2.3	2.7	2.9	5.0	5.8	6.4	11.7	11.9	6.5
Savings computed.....	1.0	-11.7	-8.0	-1.1	7.3	-.6	15.9	18.2	24.9	17.4	17.9	14.7	13.6

Source: Records of the Producers' Cooperative Commission Association, Cincinnati, Ohio.

TABLE 32.—DISTRIBUTION OF SAVINGS, DIVIDENDS, RESERVES, AND RESERVE EXPENDITURES COMPUTED ON A PERCENTAGE BASIS, PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, BY SPECIES, 1925-37

Classification	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Cattle:	<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>	<i>Percent</i>
Savings recorded by association.....	12.7	14.4	11.2	20.8	12.3	2.0	13.0	11.4	17.8	20.9	21.9	20.2	4.5
Patronage dividends paid.....	18.0	18.0	18.0	25.0	25.0	25.0	25.0	30.0	33.3	33.3	33.3	33.3	25.0
Reserves set aside.....	17.5	17.8	19.6	18.5	13.3	7.6	14.7	7.6	13.3	9.0	8.0	4.4	6.9
Net difference.....	-22.8	-21.4	-26.4	-22.7	-26.0	-30.6	-26.7	-26.2	-28.8	-21.4	-19.4	-17.5	-27.4
Expenses paid from reserves.....				1.6	2.3	2.7	2.9	5.0	5.8	6.4	11.7	11.9	6.5
Excess of savings after distribution..	-22.8	-21.4	-26.4	-24.3	-28.3	-33.3	-29.6	-31.2	-34.6	-27.8	-31.1	-29.4	-33.9
Calves:													
Savings recorded by association.....	36.3	28.3	26.9	35.9	34.8	35.3	36.0	30.7	35.0	37.8	40.4	32.9	25.6
Patronage dividends paid.....	18.0	18.0	18.0	25.0	25.0	25.0	25.0	30.0	33.3	33.3	33.3	33.3	25.0
Reserves set aside.....	17.5	17.8	19.6	18.5	13.3	7.6	14.7	7.6	13.3	9.0	8.0	4.4	6.9
Net difference.....	.8	-7.5	-10.7	-7.6	-3.5	2.7	-3.7	-6.9	-11.6	-4.5	-.9	-4.8	-6.3
Expenses paid from reserves.....				1.6	2.3	2.7	2.9	5.0	5.8	6.4	11.7	11.9	6.5
Excess of savings after distribution..	.8	-7.5	-10.7	-9.2	-5.8	0	-6.6	-11.9	-17.4	-10.9	-12.6	-16.7	-12.8

Hogs:													
Savings recorded by association	43.6	48.4	50.7	53.0	47.8	42.4	49.9	48.9	55.5	51.9	47.7	47.0	42.1
Patronage dividends paid	18.0	18.0	18.0	25.0	25.0	25.0	25.0	30.0	33.3	33.3	33.3	33.3	25.0
Reserves set aside	17.5	17.8	19.6	18.5	13.3	7.6	14.7	7.6	13.3	9.0	8.0	4.4	6.9
Net difference	8.1	12.6	13.1	9.5	9.5	9.8	10.2	11.3	8.9	9.6	6.4	9.3	10.2
Expenses paid from reserves				1.6	2.3	2.7	2.9	5.0	5.8	6.4	11.7	11.9	6.5
Excess of savings after distribution	8.1	12.6	13.1	7.9	7.2	7.1	7.3	6.3	3.1	3.2	-5.3	-2.6	3.7
Sheep:													
Savings recorded by association	1.0	-11.7	-8.0	.5	9.6	2.1	18.8	23.2	30.7	23.8	29.6	26.6	20.1
Patronage dividends paid	18.0	18.0	18.0	25.0	25.0	25.0	25.0	30.0	33.3	33.3	33.3	33.3	25.0
Reserves set aside	17.5	17.8	19.6	18.5	13.3	7.6	14.7	7.6	13.3	9.0	8.0	4.4	6.9
Net difference	-34.5	-47.5	-45.6	-43.0	-28.7	-30.5	-20.9	-14.4	-15.9	-18.5	-11.7	-11.1	-11.8
Expenses paid from reserves				1.6	2.3	2.7	2.9	5.0	5.8	6.4	11.7	11.9	6.5
Excess of savings after distribution	-34.5	-47.5	-45.6	-44.6	-31.0	-33.2	-23.8	-19.4	-21.7	-24.9	-23.4	-23.0	-18.3

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

TABLE 33.—PROFIT AND LOSS PER HEAD, PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, BY SPECIES, 1925-37

[Cents]

Classification	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Cattle:													
Commissions per head.....	91.1	91.8	88.0	89.7	91.7	95.0	93.8	85.7	84.5	85.8	86.8	88.1	87.6
Salesmen's and yardmen's salaries.....	49.6	50.1	51.4	43.1	47.5	56.5	49.3	45.5	44.4	38.8	41.4	41.7	51.7
Office salaries.....	15.0	12.4	10.8	10.3	13.1	12.2	9.8	9.5	8.1	9.4	10.8	9.8	10.3
Administrative expense.....	15.8	16.9	16.9	18.7	21.2	27.6	25.3	23.2	20.2	21.7	21.4	21.6	24.4
Total.....	80.4	79.4	79.1	72.1	81.8	96.3	84.4	78.2	72.7	69.9	73.6	73.1	86.4
Savings on commissions only.....	10.7	12.4	8.9	17.6	9.9	-1.3	9.4	7.5	11.8	15.9	13.2	15.0	1.2
Other income.....	1.0	.9	1.1	1.2	1.4	3.1	3.1	2.7	4.2	2.5	7.3	3.5	2.8
Savings as recorded by association.....	11.7	13.3	10.0	18.8	11.3	1.8	12.5	10.2	16.0	18.4	20.5	18.5	4.0
Expenses paid from reserves.....				1.5	2.2	2.6	2.8	4.4	5.1	5.7	11.0	10.9	5.8
Savings computed.....	11.7	13.3	10.0	17.3	9.1	- .8	9.7	5.8	10.9	12.7	9.5	7.6	-1.8
Calves:													
Commissions per head.....	54.9	59.5	61.0	62.1	61.8	62.0	60.2	57.8	53.2	52.6	52.6	54.5	53.0
Salesmen's and yardmen's salaries.....	16.8	24.1	25.9	20.3	17.9	15.6	17.3	19.2	18.4	14.6	14.6	18.5	19.7
Office salaries.....	9.1	8.1	7.6	7.1	8.8	7.9	6.3	6.4	5.1	5.8	6.5	6.1	6.2
Administrative expense.....	9.5	10.9	11.8	12.9	14.3	17.9	16.2	15.8	12.8	13.2	12.9	13.4	14.8
Total.....	35.4	43.1	45.3	40.3	41.0	41.4	39.8	41.4	36.3	33.6	34.0	38.0	40.7

Savings on commissions only.....	19.5	16.4	15.7	21.8	20.8	20.6	20.4	16.4	16.9	19.0	18.6	16.5	12.3
Other income.....	.6	.6	.7	.8	.9	2.0	2.0	1.8	2.6	1.5	4.4	2.1	1.7
Savings as recorded by association.....	20.1	17.0	16.4	22.6	21.7	22.6	22.4	18.2	19.5	20.5	23.0	18.6	14.0
Expenses paid from reserves.....				1.0	1.5	1.7	1.8	3.0	3.2	3.5	6.7	6.7	3.5
Savings computed.....	20.1	17.0	16.4	21.6	20.2	20.9	20.6	15.2	16.3	17.0	16.3	11.9	10.5
Hogs:													
Commissions per head.....	28.5	31.6	31.5	31.8	32.6	32.7	32.5	30.4	27.6	28.5	31.3	32.5	31.8
Salesmen's and yardmen's salaries.....	6.6	6.4	5.8	4.9	5.1	5.8	4.7	4.4	3.6	3.8	6.2	6.3	6.4
Office salaries.....	4.7	4.3	3.9	3.6	4.6	4.2	3.4	3.4	2.7	3.1	3.9	3.6	3.7
Administrative expense.....	4.9	5.8	6.0	6.6	7.5	9.5	8.8	8.3	6.6	7.2	7.7	8.0	8.9
Total.....	16.2	16.5	15.7	15.1	17.2	19.5	16.9	16.1	12.9	14.1	17.8	17.9	19.0
Savings on commissions only.....	12.3	15.1	15.8	16.7	15.4	13.2	15.6	14.3	14.7	14.4	13.5	14.6	12.8
Other income.....	.3	.3	.4	.4	.5	1.1	1.1	.9	1.4	.8	2.6	1.3	1.0
Savings as recorded by association.....	12.6	15.4	16.2	17.1	15.9	14.3	16.7	15.2	16.1	15.2	16.1	15.9	13.8
Expenses paid from reserves.....				.5	.8	.9	1.0	1.6	1.7	1.9	4.0	4.0	2.1
Savings computed.....	12.6	15.4	16.2	16.6	15.1	13.4	15.7	13.6	14.4	13.3	12.1	11.9	11.7

TABLE 33.—PROFIT AND LOSS PER HEAD, PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, CINCINNATI, OHIO, BY SPECIES, 1925-37—Continued

[Cents]

Classification	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Sheep:													
Commissions per head.....	21.4	23.3	22.5	23.5	25.7	24.8	21.4	19.5	20.3	20.9	20.1	20.4	21.5
Salesmen's and yardmen's salaries.....	14.6	18.8	17.4	16.1	14.0	14.8	10.1	8.0	7.9	8.8	7.9	8.3	9.2
Office salaries.....	3.6	3.1	2.8	2.7	3.6	3.2	2.3	2.2	1.9	2.3	2.5	2.3	2.5
Administrative expense.....	3.8	4.2	4.3	4.9	5.9	7.2	5.8	5.3	4.9	5.2	4.9	5.0	6.0
Total.....	22.0	26.1	24.5	23.7	23.5	25.2	18.2	15.5	14.7	16.3	15.3	15.6	17.7
Savings on commissions only.....	-.6	-2.8	-2.0	-.2	2.2	-.4	3.2	4.0	5.6	4.6	4.8	4.8	3.8
Other income.....	.2	.2	.3	.3	.4	.8	.7	.6	1.0	.6	1.7	.8	.7
Savings as recorded by association.....	-.4	-2.6	-1.7	.1	2.6	.4	3.9	4.6	6.6	5.2	6.5	5.6	4.5
Expenses paid from reserves.....				.4	.6	.7	.6	1.0	1.2	1.4	2.5	2.5	1.5
Savings computed.....	-.4	-2.6	-1.7	-.3	2.0	-.3	3.3	3.6	5.4	3.8	4.0	3.1	3.0

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

TABLE 34.—DISTRIBUTION OF SAVINGS, DIVIDENDS, RESERVES, AND RESERVE EXPENDITURES OF THE PRODUCERS
COOPERATIVE COMMISSION ASSOCIATION, PER HEAD, BY SPECIES, 1925-37

[Cents]

Classification	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Cattle:													
Savings recorded by association.....	11.7	13.3	10.0	18.8	11.3	1.8	12.5	10.2	16.0	18.4	20.5	18.5	4.0
Patronage dividends paid.....	16.4	16.5	15.8	22.4	22.9	23.7	23.4	25.7	28.1	28.6	28.9	29.3	21.9
Reserves set aside.....	15.9	16.3	17.2	16.6	12.2	7.2	13.8	6.5	11.2	7.7	6.9	3.9	6.0
Net difference.....	-20.6	-19.5	-23.0	-20.2	-23.8	-29.1	-24.7	-22.0	-23.3	-17.9	-15.3	-14.7	-23.9
Expenses paid from reserves.....				1.5	2.2	2.6	2.8	4.4	5.1	5.7	11.0	10.9	5.8
Excess of savings after distribution.....	-20.6	-19.5	-23.0	-21.7	-26.0	-31.7	-27.5	-26.4	-28.4	-23.6	-26.3	-25.6	-29.7
Calves:													
Savings recorded by association.....	20.1	17.0	16.4	22.6	21.7	22.6	22.4	18.2	19.5	20.5	23.0	18.6	14.0
Patronage dividends paid.....	9.9	10.7	11.0	15.5	15.4	15.5	15.0	17.3	17.7	17.5	17.5	18.1	13.3
Reserves set aside.....	9.6	10.6	11.9	11.5	8.2	4.7	8.8	4.4	7.1	4.7	4.2	2.4	3.7
Net difference.....	.6	-4.3	-6.5	-4.4	-1.9	2.4	-1.4	-3.5	-5.3	-1.7	1.3	-1.9	-3.0
Expenses paid from reserves.....				1.0	1.5	1.7	1.8	3.0	3.2	3.5	6.7	6.7	3.5
Excess of savings after distribution.....	.6	-4.3	-6.5	-5.4	-3.4	.7	-3.2	-6.5	-8.5	-5.2	-5.4	-8.6	-6.5

MARKETING LIVESTOCK IN CINCINNATI

TABLE 34.—DISTRIBUTION OF SAVINGS, DIVIDENDS, RESERVES, AND RESERVE EXPENDITURES OF THE PRODUCERS COOPERATIVE COMMISSION ASSOCIATION, PER HEAD, BY SPECIES, 1925-37—Continued

[Cents]

Classification	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Hogs:													
Savings recorded by association.....	12.6	15.4	16.2	17.1	15.9	14.3	16.7	15.2	16.1	15.2	16.1	15.9	13.8
Patronage dividends paid.....	5.1	5.7	5.7	7.9	8.1	8.2	8.1	9.1	9.2	9.5	10.4	10.8	8.0
Reserves set aside.....	5.0	5.6	6.2	5.9	4.3	2.5	4.8	2.3	3.7	2.6	2.5	1.4	2.2
Net difference.....	2.5	4.1	4.3	3.3	3.5	3.6	3.8	3.8	3.2	3.1	3.2	3.7	3.6
Expenses paid from reserves.....				.5	.8	.9	1.0	1.6	1.7	1.9	4.0	4.0	2.1
Excess of savings after distribution..	2.5	4.1	4.3	2.8	2.7	2.7	2.8	2.2	1.5	1.2	- .8	- .3	1.5
Sheep:													
Savings recorded by association.....	- .4	- 2.6	- 1.7	.1	2.6	.4	3.9	4.6	6.6	5.2	6.5	5.6	4.5
Patronage dividends paid.....	3.8	4.2	4.0	5.9	6.4	6.2	5.3	5.8	6.8	7.0	6.7	6.8	5.4
Reserves set aside.....	3.7	4.1	4.4	4.3	3.4	1.9	3.1	1.5	2.7	1.9	1.6	.9	1.5
Net difference.....	- 7.9	- 10.9	- 10.1	- 10.1	- 7.2	- 7.7	- 4.5	- 2.7	- 2.9	- 3.7	- 1.8	- 2.1	- 2.4
Expenses paid from reserves.....				.4	.6	.7	.6	1.0	1.2	1.4	2.5	2.5	1.5
Excess of savings after distribution..	- 7.9	- 10.9	- 10.1	- 10.5	- 7.8	- 8.4	- 5.1	- 3.7	- 4.1	- 5.1	- 4.3	- 4.6	- 3.9

Source: Records of the Producers Cooperative Commission Association, Cincinnati, Ohio.

Other Publications Available

In addition to this bulletin, the following publications on farmers' cooperative organizations are published by the Farm Credit Administration:

Cooperative Purchasing of Farm Supplies

Bulletin No. 1, *Joseph G. Knapp and John H. Lister*

Accounting Principles for Cooperative Cotton Gin Associations

Bulletin No. 2, *Otis T. Weaver*

Cooperative Marketing of Agricultural Products

Bulletin No. 3, *Ward W. Fetrow*

Cooperation in Agriculture, a Selected and Annotated Bibliography, Bulletin No. 4, *Chastina Gardner*

Organization and Operation of the Illinois Livestock Marketing Association, Bulletin No. 5, *H. H. Hulbert*

Statistics of Farmers' Cooperative Business Organizations, 1920-1935, Bulletin No. 6, *R. H. Elsworth*

Cooperative Marketing of Range Livestock

Bulletin No. 7, *L. B. Mann*

* **Mutual Irrigation Companies in California and Utah**

Bulletin No. 8, *Wells A. Hutchins*. Superintendent of Documents, Washington, D. C., 25 cents

Membership Relations of Cooperative Associations

Bulletin No. 9, *J. W. Jones*

* **Marketing Policies of the California Walnut Growers Association**

Bulletin No. 10, *Harry C. Hensley and Neil H. Borden*. Superintendent of Documents, Washington, D. C., 20 cents

Organization and Operating Problems of Nebraska Cooperative Creameries, Bulletin No. 11, *T. G. Stitts and Gordon C. Laughlin*

Analysis of the Business Operations of Cooperative Cotton Gins in Oklahoma, 1933-34, Bulletin No. 12, *Otis T. Weaver and Omer W. Herrmann*

Transportation of Milk in the Philadelphia Milkshed

Bulletin No. 13, *John J. Scanlan*

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Business Analysis of the Utah Poultry Producers' Cooperative Association, Bulletin No. 19, *John J. Scanlan*

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- Problems and Trends in Farmers' Mutual Fire Insurance**
Bulletin No. 23, *V. N. Valgren*
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Bulletin No. 24, *Leland Spencer*
- Relative Prices to Producers Under Selected Types of Milk Pools**
Bulletin No. 25, *T. G. Stitts, E. W. Gaumnitz, and Others*
- A Statistical Handbook of Farmers' Cooperatives**
Bulletin No. 26, *French M. Hyre, Whiton Powell, and Others*
- Cooperative Purchasing Through the Illinois Farm Supply Company and Its Member County Service Companies**, Bulletin No. 27, *John H. Lister*
- Accounting Procedure for Cooperative Grain Elevators**
Bulletin No. 28, *E. B. Ballow*
- Terminal Fruit Auctions as Marketing Agencies for Farmers' Cooperatives**, Bulletin No. 29, *Kelsey B. Gardner*
- Operations of Cooperative Grain Elevators in Kansas and Oklahoma, 1931-32 to 1936-37**, Bulletin No. 30, *Harold H. Hedges*
- Cooperative Farm Supply Purchasing in the British Isles**
Bulletin No. 31, *Joseph G. Knapp*
- Cooperative Milk Marketing in Louisville and Other Nearby Cities**, Bulletin No. 32, *Wm. C. Welden and T. G. Stitts*
- Cooperative Marketing of Fleece Wool**, Bulletin No. 33, *James M. Coon*
- Early Developments in Cooperative Cotton Marketing**
Circular No. C-101, *O. W. Herrmann and Chastina Gardner*
- Organization and Operation of Cooperative Irrigation Companies**
Circular No. C-102, *Wells A. Hutchins*
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