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A MARKET NEWS SERVICE FOR LIVESTOCK AUCTIONS IN SOUTH DAKOTA

by

Gerald E. Marousek

Bachelor of Science Degree at South Dakota State College, 1951

A Thesis

Submitted to the Faculty

of

The South Dakota State College

of

Agriculture and Mechanic Arts

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In Partial Fulfillment of the Requirements

For the Degree of Master of Science

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A MARKET NEWS SERVICE FOR LIVESTOCK AUCTIONS
IN SOUTH DAKOTA

By
Gerald E. Marousek

This thesis is approved as a creditable independent investigation by a candidate for the degree, Master of Science, and acceptable as meeting the thesis requirements for this degree, but without implying that the conclusions reached by the candidate are necessarily the conclusions of the major department.

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CHAPTER I

INTRODUCTION

Auction sales are an important marketing medium for livestock in this country today. This method of selling is not a new or a novel one. The selling of livestock through auctions was probably adapted from Great Britain, and first used in this country in the early nineteenth century. These sales were most often held to dispose of imported and domestic breeding stock. The first regularly scheduled auction sale with publicly consigned merchandise was established at Union, Iowa, in 1904. 1/

From this beginning the number of livestock auctions increased, especially after 1930. This increase was particularly rapid in the twelve Western States where only about eight auctions were in operation in 1925; 119 were reported in 1937 and 456 in 1949. 2/

The volume of business handled by these Western auctions totaled \$847,277,000 in 1948. Some individual auctions had annual sales of over \$20,000,000 but the average of all sales for 1948 was \$1,895,500. The average gross value for each sale held was \$34,400 for all auctions in the West. 3/

1/ Austin A. Dowell and Knute Bjorka, Livestock Marketing, McGraw-Hill, New York, 1941, pp. 194-195.

2/ Harold Abel and Dee A. Broadbent, Trade in Western Livestock at Auctions, 1. Development, Relative Importance, and Operations, Bulletin 352, Utah Agricultural Experiment Station, Logan, Utah, 1952, p. 41.

3/ Ibid., pp. 84-85.

In South Dakota the number of livestock auctions and volume of livestock marketed through them have similarly increased over the past years. The number of cattle sold by South Dakota livestock auction agencies from 1938 to 1954 shows an increase in volume for almost every year (Table I).

Table I
Number of Cattle Sold Annually by South Dakota
Livestock Auction Agencies, 1938 to 1954 1/

Year (July 1-June 30)	Thousands of Head
1938-39	287
1939-40	326
1940-41	352
1941-42	392
1942-43	385
1943-44	338
1944-45	423
1945-46	511
1946-47	585
1947-48	617
1948-49	668
1949-50	802
1950-51	814
1951-52	704
1952-53	819
1953-54	911

1/ Data from South Dakota Livestock Sanitary Board, Pierre, South Dakota.

The importance of auctions in the marketing of South Dakota livestock is indicated by the proportion of total livestock marketed that was sold through auctions in 1950. Thirty-four per cent of all cattle, twelve per cent of all sheep and lambs, and twenty per cent of all hogs

marketed in the State were sold through auctions that year. 4/ For certain classes the proportion was much greater. Forty-four per cent of the stocker and feeder cattle and calves sold in 1950 moved through auctions; in the Northeast area fifty-two per cent were marketed through auctions. 5/ Seventeen per cent of the sheep and lambs sold as feeders in the State were marketed through auctions, with thirty-seven per cent sold in this way in the East River area. 6/

South Dakota farmers and ranchers purchased many of their feeder cattle through livestock auctions. Fifty-six per cent of the feeders bought were obtained through auctions in 1950. Of those purchased in the West River area seventy per cent were obtained through auctions. In two northern areas ninety per cent or more were acquired in this way. Even in the Southeast areas of the State, near the Sioux Falls and Sioux City public markets, forty-five per cent or more of the feeder cattle bought by farmers and ranchers were purchased through livestock auctions. 7/

Need for the Study

Livestock is the immediate source of nearly two-thirds of the cash farm income in South Dakota. Sale of cattle and calves account for one-fourth of the State's farm income, and fifty-eight per cent of the cattle sold are marketed as stockers and feeders. 8/

Feeder and stocker classes of livestock are an important part of

4/ South Dakota Livestock, 1867-1952, South Dakota Crop and Livestock Reporting Service, Sioux Falls, South Dakota, 1953, pp. 15, 32, and 44.

5/ Ibid. p. 16.

6/ Ibid. p. 32.

7/ Ibid. p. 22.

8/ Ibid. pp. 3 and 13.

South Dakota agriculture and any service that will aid in their marketing will be important to the welfare of the State's farmers and ranchers.

Market information on agricultural commodities bought and sold has become important for the successful farmer and rancher. In South Dakota market information on livestock and grain are of most importance to farmers and ranchers. A recent study in Ohio found that a majority of the farmers in that State considered livestock market reports more important than any other commodity report. 9/ The only impartial livestock market reports that the farmers of South Dakota can now obtain are those issued by the Federal Market News Service on the terminal markets.

At the present time the only market news information available on livestock auction sales in South Dakota is through radio broadcasts, newspaper accounts, and mailed cards sponsored and financed by the auction agencies. This information is of only limited value because quality and condition of the livestock is not given. Unless the reader personally knows the herd or flock from which the described animals came, he cannot place a value on his own stock from the information given. The value of such a report is also reduced inasmuch as the sponsor is not regarded as an impartial agency.

Considering the importance of livestock in South Dakota agriculture, the numbers of livestock sold through auctions in South Dakota, and the importance placed on livestock market news by farmers and ranchers, it would seem desirable that market news coverage of the principal livestock

9/ Francis Burwell McCormick, An Analysis of the Market News Service for Livestock and Grain in Ohio With Special Reference to the Media of Radio and Daily Newspapers, Unpublished Ph. D. Thesis, Ohio State University, Columbus, Ohio, 1953, p. 5.

auctions be provided in South Dakota by an impartial agency. To be of use to producers the reports issued must be made available to them.

Market news reports of auction sales should provide information that will enable the farmer and rancher to compare auction prices accurately for any particular class of livestock with prices offered by other marketing alternatives and give the information necessary for him to estimate the value of his own livestock within reasonable limits.

Objectives of the Study

The objectives of this study are to determine the feasibility of operating a market news service for livestock auctions in South Dakota, the cost of operating the service, and whether or not it would be beneficial to the farmers and ranchers in the State.

Procedure

An experiment was set up to operate an auction market news service in South Dakota. The South Dakota Department of Agriculture reported the sale of feeder and stocker cattle and calves each week at from seven to ten of the larger auctions during the fall and winter of 1953-54. A market news reporter attended each sale reported, recording price and grade as the animals passed through the ring. Total receipts for the sale, buyer strength, trends, and any other pertinent information were noted. Each Friday evening the two reporters met to compile the weekly auction report. An overall summary of the week's sales was filed with the news agencies on Saturday morning. This report appeared in daily newspapers and was broadcast over radio stations. A more detailed

report, showing prices and conditions for each sale, was mimeographed and sent to persons on a mailing list.

The cost of operating a service was calculated on the basis of the results of the experiment. Various combinations as to the number of sales reported and the methods used to disseminate the report gave several alternate cost figures.

At the end of the reporting season a survey of farmers and ranchers was made concerning their knowledge of and interest in the auction market news service. The survey covered 250 operators chosen at random from six geographical areas of the State. Auction operators, livestock dealers, and feeders were also interviewed to determine their evaluation of the service. Letters received commenting on the reports and the action taken by farm groups were used to help determine the benefits that could be expected from auction reports.

CHAPTER II

DEVELOPMENT OF LIVESTOCK MARKET NEWS SERVICE

Price reports on livestock provisions, such as beef, pork, bacon, lard, etc., were issued long before live animal prices were reported. It is not known when provision prices were first printed in newspapers in this country; it is known that such reports were available more than two hundred years ago. The first report on record of live cattle prices appeared in the American Farmer, a weekly farm paper published in Baltimore, in 1823. 10/

The earliest reports gave price quotations only but trade comments concerning quality, receipts, and price outlook soon became a part of the reports. Newspaper reporters probably obtained their information from traders; often reports were printed from other papers also. 11/

Market Reporting by Private Agencies

During the eighteenth century when Cincinnati led other cities in pork packing, several newspapers operated market news reporting services. Some of the most detailed reports were published in the Cincinnati Daily Gazette, which began issuing daily reports about 1850. The Cincinnati Price Current was established in 1844 and soon became the authoritative source for market statistics as well as for current market reports. These

10/ Dowell and Bjorka, op. cit., pp. 313 and 314.

11/ Ibid., pp. 314, 315 and 316.

and other publications issued current reports on the Cincinnati market.

In addition, some of them compiled and published annual reports. ^{12/}

Reporting similar to that in Cincinnati was carried on by newspapers in Chicago up until 1865 when the Union Stockyards were established. With the establishment of the Union Stockyards, several commercial livestock reporting services were developed. Among them were Griffith's Live Stock Reporter and the Daily Drovers' Journal. These agencies maintained their own reporters at the market, collecting information on prices for the various classes and grades of livestock. The reports were posted on bulletin boards, mailed to subscribers on postal cards and handbills, and sold in blocks to commission agencies for distribution among their patrons. ^{13/}

Similar livestock reporting agencies were later established at other public stockyard markets. Although some of them continue to maintain their own reporters at the market, they now depend largely on market data supplied by the Federal Market News Service.

USDA Federal Market News Service

Demands for the Federal Government to enter the field of market news gathering and dissemination resulted in Congress establishing the Office of Markets in 1913. The first Federal market news reports issued were on strawberries at Hammond, Louisiana, in 1915. ^{14/} Reports on livestock shipments and receipts were secured monthly from fifty-eight stockyards

^{12/} Dowell and Bjorka, op. cit., pp. 316 and 317.

^{13/} Ibid., pp. 318, 320, 322, and 323.

^{14/} Geoffrey S. Shepherd, Marketing Farm Products, Iowa State College Press, Ames, Iowa, 1946, p. 63.

companies the following year. Market news offices were established in several cities and livestock market conditions and prices were reported by Federal market news reporters in 1918 from Chicago, Kansas City, Omaha, and National Stockyards. 15/

From this beginning the Federal Market News Service of the United States Department of Agriculture was expanded to include thirty-one offices reporting terminal public markets and four reporting direct marketing areas in 1949. 16/ Several offices have been added to the system since.

Although the Federal Market News Service was initiated for the purpose of reporting terminal market news, the increase in direct marketing has resulted in more emphasis being placed on the coverage of direct sales. The first reporting of direct marketing was that of interior hog sales to packers in Iowa and Southern Minnesota. These reports have been collected and distributed from Des Moines, Iowa, since 1929. 17/

Market information on the direct sales of cattle and lambs in the Intermountain and Northwest areas of the country have been reported since 1931 by roving reporters who work out of Ogden, Utah. This information is released from the San Francisco, California, office in a weekly review. 18/

A Federal-State cooperative agreement was set up in 1938 to collect

15/ Dowell and Bjorka, op. cit., pp. 328 and 329.

16/ Program for Development of the Market News Service of United States Department of Agriculture, United States Department of Agriculture, Production and Marketing Administration, Washington 25, D. C., January 1950, p. 10.

17/ Ibid., p. 23.

18/ Ibid., pp. 20 and 27.

and distribute information on the direct sale of cattle and hogs in the Southeast states. Market news on direct sales, including auctions, for an area in Georgia, Alabama, and Florida is issued from an office in Thomasville, Georgia. 19/

The Federal Market News offices are connected by leased wire telegraph service to facilitate exchange and dissemination of market information. The 9,200 mile leased wire system served seventy-seven offices in sixty cities in 1949. More than 1,200 of the 1,800 daily newspapers of the country carry Federal market news and 1,200 radio stations regularly broadcast market news information. Over 28,000,000 copies of mailed reports are annually sent to people who request them. About one-half of these mimeographed reports go to farmers; the remainder are used by publishers of farm papers and magazines and other business men who consider livestock prices in their businesses. 20/ Reports on receipts, average prices, and other market statistics are issued at weekly, monthly or yearly intervals.

The Federal Market News Service was at first financed entirely by the Federal Government. Later cooperative agreements were entered into with several states creating the Federal-State Market News Service at certain markets within the individual states. Thirty-seven states were included in such agreements in 1949. 21/ It was estimated that states were contributing the equivalent of about fifteen per cent of the Federal

19/ Program for Development of the Market News Service of United States Department of Agriculture, op. cit., pp. 20 and 23.

20/ John Parry Dodds, Market News Dissemination in Iowa, Unpublished Ph. D. Thesis, Iowa State College, Ames, Iowa, 1951, p. 112.

21/ Frederick L. Thomson, Agricultural Marketing, McGraw-Hill, New York, 1951, p. 287.

appropriations for service performed under cooperative agreements in 1950. 22/

Auction Market News Services

Auction market news is being collected and disseminated by the Federal Market News Service, by Federal-State Market News Services under cooperative agreements, and by individual states. The Billings, Montana, Federal Market reporter covers both the public stockyards and the auction market in that city. Information collected at these two markets is combined into a single report which is sent over leased telegraph wire and mimeographed for mailing. 23/

In Texas a cooperative agreement provides for the reporting of the Amarillo auction sale. The State of Texas and the Federal Government each pay one-half of the expenses, with the State providing an office secretary, equipment and supplies and the Federal Government providing the reporter. This auction has been reported since April, 1954. Reports are disseminated by leased wire, local newspapers and radio stations, and a bulletin board. 24/

Several other states are reporting auction sales under Federal-State cooperative agreements. Florida, Kentucky, and Louisiana are operating auction market news services with the Federal Government contributing funds and/or disseminating the market information.

22/ Program for Development of the Market News Service of United States Department of Agriculture, op. cit., p. 154.

23/ William J. Marshall, Local Representative, Market News Branch, Agricultural Marketing Service, United States Department of Agriculture, Billings, Montana, Letter to the Author, July 23, 1954.

24/ Wilbert H. Walther, An Evaluation of Livestock Market News Services in Texas, Unpublished M. S. Thesis, Agricultural and Mechanical College of Texas, College Station, Texas, 1954, pp. 27 and 33.

Florida began auction market news reporting in 1930. At the present time three regular reporters plus several part time men are reporting fifteen weekly auctions. The reports are sent by wire to the Federal Market News Office in Thomasville, Georgia, where they are compiled and disseminated. The State of Florida pays the salaries of the three regular reporters and the expenses and per diem of the part time reporters. 25/

The Kentucky Department of Agriculture is reporting twenty-six of the thirty-three auctions in that state, financed by a Federal-State cooperative agreement. Market information is mailed to Frankfort by the bookkeepers from twenty-one markets and is telephoned in from three auctions. One dollar is paid the sender or caller for each report received. A special reporter covers the two large Lexington auctions and phones in the report. Five reports are issued each week; each day's report is composed of the auction market reports received that day, plus terminal reports from the large cities surrounding the State. These reports are mimeographed and mailed to persons requesting them. 26/

The State of Louisiana operates an auction market news service somewhat similar to that of Kentucky; it is also financed through Federal-State appropriated funds. Various livestock auction operators, under the guidance of a livestock market reporter, fill out market reports the morning following the sale on forms supplied by the State Marketing Commission. The reports are telephoned into the Baton Rouge

25/ Neill Rhodes, Commissioner, Florida State Marketing Bureau, Florida State Department of Agriculture, Jacksonville, Florida, Letter to the Author, July 13, 1954.

26/ Leslie G. Matherly, Local Representative, Federal-State Market News, Kentucky Department of Agriculture, Frankfort, Kentucky, Letter to the Author, July 14, 1954.

office where they are compiled and edited before being disseminated by mail, telegraph, and radio. 27/

Auction reporting in California is financed by State Legislative appropriations. The Visalia Farm Bureau Cattle Auction is reported weekly by a State livestock reporter. The report is mimeographed and mailed to persons requesting it; it is also printed in local newspapers, and broadcast over radio and television stations. 28/

New York State is reporting prices received at thirty auctions throughout the State. The top price, low price and the price range for the bulk of the sales in each grade is recorded by the auction operator on a form provided by the State. On the morning following the weekly sale the report is telephoned into one of four State offices. The report is then compiled from the information received and sent to newspapers and radio stations in the area in which the auction is located. The reporting is financed by State Marketing funds. 29/

27/ Ray Brignac, Livestock Market Reporter, State Market Commission, Louisiana Department of Agriculture and Immigration, Baton Rouge, Louisiana, Letter to the Author, July 13, 1954.

28/ George K. York, Chief, Bureau of Market News, California Department of Agriculture, Sacramento, California, Letter to the Author, July 20, 1954.

29/ Walter S. Mason, Bureau of Markets, New York Department of Agriculture and Markets, Albany, New York, Letter to the Author, July 16, 1954.

CHAPTER III

OPERATING THE AUCTION MARKET NEWS SERVICE IN SOUTH DAKOTA

The reporting of auction market news in South Dakota was begun in October, 1953, after several months had been spent in studying and working out the details of the experiment. Several weeks were devoted to perfecting the technique of collecting market data and constructing the report before any attempt was made to disseminate it. In order to confine the experiment within limits which could be handled with the personnel and funds available only stocker and feeder classes at selected larger auctions were reported.

Method of Reporting

Several means exist for collecting market information from auctions. One of these is to have the auction operator send or call in the report following the sale. Another is to have a local resident attend each sale and transmit the report. It was decided, however, that the only way to get assurance of unbiased information, with consistent reporting between the several markets, was through the use of professional reporters. A reporter was hired to assist the State Department of Agriculture marketing specialist in reporting the sales. He was assigned to work with the Federal Market News reporters at the Billings, Montana, and Sioux City, Iowa, public stockyards for several weeks to become thoroughly acquainted with United States Department of Agriculture livestock grades and

techniques of reporting before reporting auction sales.

Market data were collected by the South Dakota Department of Agriculture reporters who attended each sale covered. The reporter sat in the auction arena while the sale was in progress, placing a grade on the animals and recording the high bid as the animals passed through the ring. At some sales weights of the animals sold were posted on a blackboard or an electrically operated board, making it a simple matter to check them. At other sales scale tickets were examined at intervals to check weights.

Informal conversation with consignors, buyers, and auction personnel gave the reporter information on weather and range conditions. The total estimated receipts for the sale were furnished by the auction business office.

Most auctions in South Dakota begin selling between the hours of 11:00 a.m. and 1:00 p.m. and continue selling until all the livestock consigned has been sold. The reporters recorded bids from the beginning of the sale until the market was definitely established, usually by 6:00 p.m.

The reporters covered the same sales each week, traveling between markets by automobile. One reporter, covering the western auctions, reported sales at Rapid City on Tuesday, Sturgis on Wednesday, Belle Fourche or Philip (alternately) on Thursday and Ft. Pierre or Winner (alternately) on Friday.

Another reporter gathered information on sales in Eastern South Dakota. His schedule included Kimball on Tuesday, Miller on Wednesday, Mobridge on Thursday, and Ft. Pierre on Friday. By reporting the auction

at Ft. Pierre together the two reporters had an opportunity to compare their grading and thus keep the several reports coordinated.

In addition to the auctions covered by the South Dakota Department of Agriculture reporters, the sale at Watertown hold on Friday was attended by an Extension Service employee from Brookings, who phoned a report into Pierre each Friday evening.

The two Department of Agriculture reporters met in Pierre on Friday evening to compare notes and prepare the weekly reports (Table II).

Table II

Schedule Used by Auction Reporters

A. West River Reporter (from Pierre)				
	Tuesday	Wednesday	Thursday	Friday
Even weeks	Rapid City	Sturgis	Belle Fourche	Ft. Pierre
Odd weeks	Rapid City	Sturgis	Philip	Winner
B. East River Reporter (from Pierre)				
	Tuesday	Wednesday	Thursday	Friday
Each week	Kimball	Miller	Mobridge	Ft. Pierre
C. Extension Service Reporter (from Brookings)				
	Friday			
Each week	Watertown			

Content of the Report

A report prepared for newspaper and radio use contained a combined summary of all the auctions covered the previous week. A mimeographed

mailed sheet gave an individual report of each sale. In both reports animals were classified as heifer calves, steer calves, yearling heifers, yearling steers, two year old steers, replacement cows, slaughter cows, and slaughter bulls. Grades used were the official United States Department of Agriculture live animal grades for stocker and feeder classes and slaughter cows and bulls. Replacement cow prices were given on a per head basis, as customary for sales in this class. Prices on all other classes were on a weight basis.

The newspaper-radio report contained a brief commentary on the over-all auction market, including strength of the market and prices compared to the previous week. It then listed the price range and the price of the bulk of the sales for each class and grade sold at the auctions covered. The locations of the sales reported were not given. The total length of the report was limited to about two hundred words.

The mailed report was mimeographed on both sides of an eight and one-half by fourteen inch sheet. On one side was recorded in tabular form the price range by classes and grades at each sale reported, listing the location of the auction. On the reverse side of this sheet appeared the same commentary as was given in the newspaper-radio report. Following that a summary of each sale noted the date of the sale, estimated receipts, weather, road, and range conditions for the area, activity on the market, and the trends of the particular sale. Representative sales, including number of cattle in the lot, breed of cattle, price, and quality were often given. Over-all quality of the cattle on the market was noted in the summary.

The names of the reporters appeared at the bottom of the summary.

Enough space was left to allow for placing the address and mailing permit stamp on the sheet after it was folded twice lengthwise.

Dissemination of the Report

Three media were used in disseminating the report. The press-radio report was made available to the daily newspapers and the radio stations of the State. The mimeographed report was sent to individuals on a mailing list.

When the method of reporting had been well established contacts were made with representatives of the news agencies and radio stations. Both were interested in receiving auction news reports provided they were briefly and correctly written. Such a report was subsequently filed each Saturday morning with the Associated Press and United Press offices in Pierre.

A spot check of eight South Dakota daily newspapers in January, 1954, showed that seven of them were printing all or part of the press-radio report. Reports were printed on the market page or back page of either the Saturday, Sunday, or Monday edition of the paper.

Several radio stations broadcast the report on regularly scheduled Saturday or Monday market news programs.

The mimeographed report was prepared Friday evening and placed in the mail by Saturday noon. The mailing list for this report was initially made up of the names of auction operators, county agents, and livestock feeders and dealers known by those working with the project. Within a short time county agents began to send in the names of stock-growers and feeders in their respective counties who were interested in

receiving the report. As more people became acquainted with the auction news reports, requests for the mailed report became more numerous. By the end of the reporting season reports were being mailed weekly to nearly 900 South Dakota producers, feeders, and livestock dealers as well as to interested persons in sixteen other states. Many feeders in Iowa and Minnesota requested the report. The State Department of Agriculture was able to supply only a fraction of the more than 3,000 requests for the report, due to lack of personnel and equipment.

Other Possible Schedules

There are several other auctions in South Dakota which are of sufficient importance to warrant coverage by an auction news service. Because of their location and/or the day on which their sale is held, it is difficult to include them in a reporting schedule. Among these are two auctions at Yankton, one having a sale on Saturday and the other on Monday, and the Canton auction sale held on Wednesday; both of these towns are located in the southeast section of the State. An auction at Herreid, having a Friday sale and two Aberdeen auctions, with sales on Wednesday and Saturday, are important hog markets. Herreid and Aberdeen are in the north central area of eastern South Dakota. In the Black Hills area a Monday auction at Newell is an important sheep and lamb market.

A schedule which would enable the reporting of more markets would involve having one reporter live in Rapid City and report sales at Newell on Monday, Rapid City and Belle Fourche on alternate Tuesdays, Sturgis on Wednesday, a second sale at Belle Fourche and one at Philip

on alternate Thursdays, and Ft. Pierre and Winner on alternate Fridays. This reporter would be required to travel 500 to 700 miles each week. Another reporter stationed at Pierre would cover sales at Yankton on alternate Mondays, Kimball on Tuesday, Miller on Wednesday, Mobridge on Thursday, Herrold on alternate Fridays, and Yankton on alternate Saturdays. He might also report the Saturday sale at Aberdeen occasionally. From 500 to 1,000 miles of travel per week would be required of this reporter. A reporter stationed at Brookings might report the Canton auction on Wednesday and the Watertown auction on Friday, traveling 275 miles weekly (Table III).

Table III

Proposed Schedule for Auction Reporters

A. West River Reporter (from Rapid City)

	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>
Even weeks	Nowell	Rapid City	Sturgis	Belle Fourche	Ft. Pierre
Odd weeks	Nowell	Belle Fourche	Sturgis	Philip	Winner

B. East River Reporter (from Pierre)

	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>
Even weeks	---	Kimball	Miller	Mobridge	---	Yankton
Odd weeks	Yankton	Kimball	Miller	Mobridge	Herrold	Aberdeen 1/

C. Extension Service Reporter (from Brookings)

	<u>Wednesday</u>	<u>Friday</u>
Each week	Canton	Watertown

1/ Reported occasionally only.

The proposed schedule could be used either as it is now set up or in a modified form. The extent to which it would be used would depend on the funds available to operate the service.

Frequency of Issuing a Report

The frequency with which an auction market news report is issued depends primarily upon how many sales are reported each week. Since only a few auctions have more than one sale day each week, a weekly report will reach most readers and listeners before the following week's sale. Experience showed, however, that not more than eight or nine sales can be reported adequately on a single sheet mailed report. If more than that number of sales are reported a semiweekly report is required. Semiweekly reports could be issued on Wednesday and Saturday evenings, covering in each case the sales reported that day and the two days previous. Frequency of issuing reports, like the number of auctions reported, would also depend on the funds available.

CHAPTER IV

COST OF OPERATING AN AUCTION NEWS SERVICE IN SOUTH DAKOTA

The cost of operating an auction market news service in South Dakota has been estimated for the reporting of several alternative schedules and the disseminating of different numbers of reports. The costs of collecting market information are calculated on the basis of six and one-half cents per mile for the mileage traveled, \$2.50 per day for meals, and \$3.00 per night for lodging. Reporters salaries are estimated at \$4,000.00 per year, office help is estimated at \$7.00 per day. Estimates for postal charges on the mailed report, paper for the report, and other supplies are based on current prices.

The cost of reporting four West River auctions is about \$45.00 to \$62.00 per week, depending on the schedule followed. The cost of coverage of the auctions at Kimball, Miller, Mobridge, and Ft. Pierre from Pierre is \$44.00 per week. The Watertown sale can be reported from Brookings at a cost of about \$10.00 per week. The total cost of reporting approximately the same schedule of auctions that was covered in the 1953-54 experiment would be \$100.00 to \$120.00 per week or from \$3,500.00 to \$4,200.00 for a thirty-five week reporting period, plus the salaries of two reporters.

A more extensive schedule, covering nine East River auctions, including four on alternate weeks, would involve a cost of from \$56.00 to \$80.00 per week to report those auctions covered by a reporter from

Pierre, plus \$22.00 per week to report the Canton and Watertown sales from Brookings. The cost of reporting the Western auctions remains at \$45.00 to \$62.00 per week. The total cost of reporting thirteen auctions would be approximately \$165.00 per week or \$6,000.00 for a thirty-five week reporting period. The salaries of two reporters must be added to this figure.

Dissemination of the market information through a mailed report would cost from \$2,750.00 to send out 5,000 reports once a week to \$2,500.00 to mail 10,000 reports twice a week, calculated on the basis of a thirty-five week reporting period. The cost of a mailed report is approximately \$500.00 per 1,000 copies for a weekly report over a thirty-five week reporting season, or \$.50 per year per copy for a weekly report and \$1.00 per year per copy for a semiweekly report (Table IV).

Table IV

Estimated Costs of Operating an Auction
Market News Service in South Dakota

A. Minimum Cost	
Cost of reporting nine auctions each week	\$ 3,465.00
Salaries of two market reporters	8,000.00
Cost of disseminating 5,000 mailed reports once a week	<u>2,758.50</u>
Total	\$14,223.50
B. Maximum Cost	
Cost of reporting thirteen auctions each week	5,740.00
Salaries of two market reporters	8,000.00
Cost of disseminating 10,000 mailed reports twice a week	<u>9,454.00</u>
Total	\$ 23,194.00

A more detailed account of the cost estimates of reporting the sales and disseminating the reports is given in Appendix ~~Exhibits~~ I-III.

The minimum estimated cost of operating the market news service would be \$14,500.00. This figure would provide for the reporting of eight or nine sales weekly and the dissemination of 5,000 mimeographed mailed reports once a week. A maximum cost of \$23,500.00 would cover the cost of reporting thirteen auctions each week and the dissemination of 10,000 mimeographed mailed reports twice each week. Modifications in the schedules on which the estimates were made and variations in the number and frequency of issuing the mimeographed report could be expected to result in cost estimates ranging between the figures given above.

The actual expenditures for operating the auction market news service for the 1953-54 season were \$10,313.32 (Table V).

Table V

Cost of Operating Livestock Auction
Market News Service, 1953-54 ^{1/}

Travel expenses	\$ 1,734. ²⁴
Salaries ^{2/}	7,813.66
Postage, phone calls, etc.	511.05
Supplies	<u>254.37</u>
Total	\$10,313.32

^{1/} Data from South Dakota Department of Agriculture, Pierre, South Dakota.

^{2/} Eighty per cent of annual salary of Assistant Secretary of Agriculture In Charge of Marketing, plus salary of livestock auction market reporter and 50 per cent of salaries of secretaries in the Marketing Division of the Department of Agriculture.

The amount listed for travel expenses includes only the cash

operating costs incurred in the use of State owned vehicles or approximately three cents per mile, in contrast to the allowance of six and one-half cents per mile used in the estimated costs. The expenditures for postage and supplies are in close agreement with those used in the estimates, considering that the mailing list consisted of approximately 900 names and that economies would result from a larger volume. The reporting was initiated about two months later in the season than would be desirable and was continued a little longer than may have been necessary. Altogether the experiment was conducted over a twenty-six week period while the estimates covered a thirty-five week period. The mimeographed report was not issued the first several weeks of operation and the volume of reports mailed was increasing throughout the season. All of these factors contributed to a lower cost of operation during the 1953-54 experiment than could be expected when operating an established auction market news service.

Methods of Financing

An auction market news service in South Dakota might be financed with funds furnished jointly by the Federal and State Governments as provided by a cooperative agreement. It might also be financed by State appropriated funds only. Two alternative plans have been suggested for providing funds from outside sources to finance a state auction market news service.

Several farmers and ranchers interviewed volunteered the suggestion that a subscription rate of \$1.00 or \$2.00 per year be charged for the mailed report. If the interest in receiving the report would remain as

great when a subscription was charged as it was during the unpublicized experimental operation, such a plan could make a substantial contribution toward the financing of the service. It would also limit the mailing list to the names of those persons who showed a definite interest in receiving the report. This plan has the disadvantage of requiring payment for what is generally considered a public service project.

An assessment of one cent per head on all cattle sold through auctions was proposed as a means of financing an auction market news service. This plan was suggested by the Marketing Committee of the South Dakota Stockgrowers Association at their annual convention in Hot Springs, South Dakota, in June, 1954. The funds were to be collected by the auction companies and placed with the State Department of Agriculture for use in auction market reporting. On the basis of the number of cattle sold through auctions in the State annually the past several years, this plan would provide from \$5,000.00 to \$8,000.00 per year.

Neither of the above plans can be put into effect without difficulty at the present time, since by law the operating funds of State agencies, including the Department of Agriculture, must be provided through legislative appropriations. All funds collected by a State agency must be placed in the General Fund until appropriated by the Legislature. 30/ For this reason the funds collected through the use of either of the proposed plans could not be used directly for auction news reporting. The funds required to operate an auction market news service by the

30/ Constitution of South Dakota, Article XI, Section 9. Session Laws of the State of South Dakota, Official Edition, Hipple Publishing Company, Pierre, South Dakota, 1953, p. 74.

State Department of Agriculture must be provided by a State legislative appropriation or the Federal Government.

CHAPTER V

FARMERS AND RANCHERS EVALUATION OF MARKET NEWS REPORTS

Evaluation of Market News Reports Received at the Present Time

A survey of 250 South Dakota farmers and ranchers was made in the Spring of 1954 to determine their opinion of market news reports. Almost all farmers and ranchers interviewed received terminal market news over the radio. Other large groups followed the terminal markets through daily newspapers and commission firm reports. Weekly newspapers and other media, including television programs, brought terminal market news to some South Dakota farmers and ranchers.

More than one-fourth of all operators listened to radio broadcasts of auction market news sponsored by the auction agencies. Smaller numbers read auction reports sponsored by the auction agencies in daily and weekly newspapers.

One operator in five had seen or heard of the State Department of Agriculture auction reports by the Spring of 1954. The medium through which most farmers and ranchers had become acquainted with the report was a daily newspaper. The second most important medium was through conversation with a neighbor or a livestock dealer (Table VI).

Two-thirds of the farmers and ranchers said that the terminal market news reports presently received were satisfactory for planning their livestock sales. Twenty-nine per cent did not believe the present reports were adequate and four per cent had no opinion. Most often expressed criticisms and suggestions for improvements of terminal market

taken to refer primarily to these reports rather than to Federal Market News reports.

The State Department of Agriculture auction reports had not been issued over a long enough period of time for farmers and ranchers to determine if they supplied adequate information for planning livestock sales. Several livestock dealers commented that the principle of the service was good.

Evaluation of Auction Market News Reports

Three out of ten of the farmers and ranchers included in the survey said that they bought livestock through auction sales. Eight out of ten of them sold livestock through auctions. Three-fourths of those selling through auctions sold all classes of livestock; the remainder sold only certain classes such as breeding stock or cull animals.

When interviewed each farmer or rancher was given a copy of the newspaper and mimeographed report. After he had studied the report he was asked if he would like to see the reporting continued. Ninety per cent answered "yes", five per cent said "no", and five per cent had no opinion.

Of the 250 farmers and ranchers interviewed, 229 sold livestock. Eighty-seven per cent of those who sold livestock said that auction market reports would help them to compare auctions with various other marketing alternatives when selling their livestock; nine per cent did not believe the reports would be of value as a comparison, and four per cent had no opinion on the subject. Thirty-eight of the 250 interviewed purchased livestock as a regular practice. Nearly ninety per cent of

those buying livestock thought the reports would be an aid in comparing prices before making a purchase. Slightly over ten per cent believed the report would not be of any help.

The type of report most preferred was a tabular listing of prices plus a commentary on each sale, a report similar to the mimeographed mailed report. Over fifty-six per cent of the persons interviewed preferred such a report. Slightly more than fourteen per cent liked the tabular report only the best; ten per cent preferred the commentary only. The area type of report issued for newspaper and radio dissemination was liked best by eight per cent. The remaining eleven per cent had no opinion on the type of report preferred.

Many farmers in Eastern South Dakota would like to have the auction trading in slaughter cattle classes and hogs reported. In Western South Dakota many ranchers were interested in the lamb and sheep market at auctions. More than one-half of all those interviewed expressed a desire to have slaughter cattle and hogs reported; forty-four per cent wanted the auction slaughter lamb market reported.

The majority of farmers and ranchers believed that the eight or ten sales reported would be representative enough that no more need be reported. Sixty-two per cent considered it unnecessary to have any more auctions reported; twenty-seven per cent wanted more sales reported; the remainder had no opinion. Many of those who wanted more auctions reported would like to have a report of their local auction. This was particularly true of farmers in the eastern and central sections of the State. Ranchers near the borders of adjoining states in the western part of South Dakota would like to have nearby auctions in North Dakota,

Nebraska, and Wyoming reported. A livestock dealer said that a regional report, covering feeder cattle sales in several Western states, would be of value to him.

The comment most often made regarding any additional information desired in auction market reports was that future price and demand trends be included in the reports. While many farmers desire such outlook information, there is a question as to whether or not it should be included in a market report. The purposes of both price reporting and trend forecasts may be better served by keeping them separate functions. Market reports may best disseminate only factual data, with outlook information provided as an additional service by another agency.

The second most often expressed comment concerning additional information desired in the report was that the sheep and lamb market be reported during the marketing season. The requests for this information came from ranchers in Western South Dakota.

More complete information on range condition was desired by those interviewed. An accurate and precise knowledge of range condition gives the seller and buyer of feeder livestock an insight as to the time and rate that the animals will be offered for sale. He will then be in a better position to forecast the demand for, and supply of, livestock on the market.

Sixty-two per cent of the farmers and ranchers in the sample wanted to get the report through the mail. Twenty per cent preferred to listen to a radio broadcast of the report. A report in the daily newspapers was liked best by eighteen per cent. The comments received confirm that market news is disseminated faster by radio than by any other medium,

especially in the western part of the State. Radio also reaches more people, but a radio broadcast is often missed if the farmer is not near the house. A mailed report is useful as a source of reference. Mail service is uncertain and slow in certain western areas of the State. The newspaper report has the same advantage as a mailed report in that it may be used for reference. It also has the disadvantage of the radio report in that it is a general report and does not give information on any specific market. A radio and newspaper report which lists prices for each auction reported, similar to the mimeographed report, might overcome the disadvantages of the radio and newspaper reports that were issued. The report must be kept brief enough, however, to be acceptable to the news agencies.

CHAPTER VI

BENEFITS FROM AN AUCTION MARKET NEWS SERVICE

An auction market news service can be expected to benefit farmers and ranchers in several ways. Auction market news reports will serve as a means of comparing prices offered by various marketing alternatives. The reports may help the producer to recognize the quality and value of his livestock. Price comparisons and a knowledge of the quality and value of his animals can increase the bargaining power of the farmer and rancher when marketing his livestock. Thus the producer will be in a position to make more intelligent marketing decisions and more competition between markets can be expected.

An auction news service may also benefit farmers and ranchers in the State by promoting interest in South Dakota livestock in other parts of the country.

Price Comparisons

A comparison of prices offered at various markets aids the farmer and rancher in deciding where to market his livestock. A report of prices received at auctions, recorded on the basis of Federal livestock grades and classes, enables an accurate comparison with prices received at other markets reported on the same basis.

It was considered of interest to make a comparison of auction and terminal market prices. Prices paid for good and choice and for medium

and good yearling steers and steer calves sold through auctions during the 1953-54 season was charted for fourteen markets. Prices paid at auctions were compared with prices paid at the Omaha, Nebraska, terminal public stockyards for animals of the same class and grade sold on the same day. The price comparisons between the Omaha market and each auction are charted in Appendix Exhibits IV-XVII.

Price information available covers only one season and even then is sporadic for some of the auctions not reported every week. For this reason statements regarding price relationships between auctions and terminal markets must be made with caution. The data collected up to this time, however, would seem to indicate that prices paid for feeder steers and calves at auctions compare quite favorably with the prices paid for these classes at the Omaha public market when the cost of transportation is taken into account. The price comparisons made would seem to indicate also that auction prices are relatively higher for the lower grades of feeder steers and calves than are terminal market prices, while the top grades bring relatively higher prices at the terminal market.

Auction market prices fluctuated widely, both between markets for a particular week and for any one market from week to week. Some of this price fluctuation can be attributed to weather and road conditions, which affected the supply of livestock on the market and the number of buyers present, many of whom travel by automobile between sales.

Because of the fluidity of supply and demand, auction market prices are more unpredictable than are terminal market prices. The result may be greater risk and uncertainty when basing a marketing decision on a specific auction and date.

More data is needed in order to make further studies of auction market prices.

Knowledge of Quality and Value of Livestock

Auction market news reports extend the use of standard livestock grades and market terms to the local market where producers have an opportunity to observe the animals described. By being able to see the animals described in a market report the farmer or rancher can familiarize himself with market grades and terminology and be in a better position to judge the quality of his own livestock as well as to use other market reports more intelligently.

Many farmers and ranchers in South Dakota are not familiar with official livestock market grades and cannot determine the value of their livestock from market news reports. In answer to the question: "Are you familiar with the official grades used in market reporting, such as choice, good, medium, common?" only thirty-seven per cent of the 250 producers interviewed stated that they were; thirty-four per cent said they were not and twenty-nine per cent gave qualified answers.

Similar results were obtained when the question: "Are you able to estimate closely the value of your cattle from the information given in (present) market news reports?" was asked. Forty-three per cent of the farmers and ranchers said that they were able to use market news reports to estimate the value of their cattle; the remainder gave negative or qualified answers.

Most producers interested in marketing livestock through auctions attend sales at least occasionally. A comparison of market reports

with observations of the sale will aid the farmer and rancher in determining the quality and value of his own livestock.

Seven out of ten operators interviewed expressed an interest in grading demonstrations which show the various grades of livestock. This suggests the possibility of an educational program to help make market reports of more value to farmers and ranchers.

Promotional Effect

Persons interviewed were asked the question: "Do you believe a report of this type will have any influence in bringing out-of-state buyers into South Dakota?" Seventy-three per cent of all farmers and ranchers in the survey answered "yes", seven per cent said "no", and twenty per cent had no opinion.

The action of the Marketing Committee of the South Dakota Stock-growers Association in proposing an assessment on cattle sold through auctions as a means of financing an auction market news service illustrates the importance this livestock group places on auction market news as an advertising and promotional medium.

Although the auction reporting was not widely publicized, the State Department of Agriculture received many requests for the report from livestock feeders and buyers in surrounding states. Of the 896 reports mailed each week, 225 or twenty-five per cent were sent out of South Dakota, principally to feeders and buyers in Minnesota, Iowa, and Illinois. This is an indication that an auction market news service may serve as a means of increasing the demand for South Dakota feeder cattle in other areas.

CHAPTER VII

CONCLUSIONS

The livestock industry is the largest immediate source of cash farm income in South Dakota. Auctions are an important market for the State's livestock, considering either the number of animals sold by them or the proportion of farmers and ranchers who sell or buy livestock at auctions. Livestock producers and feeders place enough importance in market news reports to warrant the establishment of an auction market news service in South Dakota. Auction market news is reported by the Federal Government and state governments in several states.

An auction market news service should be operated by an impartial agency, such as the State Department of Agriculture. The use of professional reporters gives the best assurance of obtaining accurate market information. The reporting of eight to twelve of the larger auction markets will afford a representative coverage of all the auctions in the State. Because of the importance of feeder livestock to South Dakota agriculture it is logical that the service be initially used to report prices of stocker and feeder classes of cattle and sheep. After it is established auction trading in slaughter classes of cattle, sheep, and hogs might be reported also.

The reports issued should record prices paid for animals on the basis of age, grade, sex, and weight. It is desirable, especially in a printed report, that each market covered be reported individually by

name. The reports are best limited to the dissemination of factual, up-to-date market information, with comments on weather, range conditions, etc., which affect the market. Market forecasts and outlook information can probably be supplied to farmers more adequately through means other than a market report.

An auction market news report can be disseminated through radio broadcasts, daily and weekly newspapers, mimeographed mailed reports, and through bulletin boards in such places as county agents' offices.

The cost of operating an auction market news service in South Dakota would be approximately \$15,000.00 to \$24,000.00 per year, depending upon the number of auctions reported and the number and frequency of issuing mailed reports. The service might be financed through a Federal-State cooperative agreement, by State appropriated funds, or by use of a self-financing plan such as a subscription rate for the report or an assessment on livestock sold through auctions.

Most farmers and ranchers interviewed believed that auction market news reports would be of value to them as a means of comparing auctions with other marketing alternatives when buying or selling livestock. Most farmers wished to see the service continued and a majority of them preferred to receive the report through the mail.

Almost all livestock dealers and auction operators interviewed were favorably inclined toward continuing the operation of an auction market news service.

Auction market reports provide a means of comparing prices offered by various marketing alternatives and give the producer an increased knowledge of what his livestock is worth. This puts the farmer and

rancher in a better position to decide where and when to sell his livestock to obtain top prices. Livestock buyers will be better informed as to what market will best supply the animals they desire. More orderly marketing and more competition between buyers and between markets can be expected to result in greater equalization between supply and effective demand.

Auction market news reports may be used to acquaint buyers and feeders from other areas with South Dakota livestock.

Timely auction market information supplied by an impartial agency can be expected to make sellers, buyers, and market agencies more alert. This will result in more competitive practices being carried on between individual auction markets as well as between auctions as a group and other types of livestock markets.

APPENDIX

Exhibit I. Schedules and Costs of Reporting Auctions

A. West River from Rapid City - First Week

<u>Day</u>	<u>Market Reported</u>	<u>Travel from</u>	<u>- To</u>	<u>Return to</u>	<u>Mileage</u>	<u>Cost of Travel</u>	<u>Meals</u>	<u>Room</u>
Tuesday	Rapid City	—	—	—	—	—	—	—
Wednesday	Sturgis	Rapid City	Sturgis	Rapid City	58	\$3.77	\$2.00	—
Thursday	Belle Fourche	Rapid City	Belle Fourche	Rapid City	112	7.28	2.00	—
Friday	Ft. Pierre	Rapid City	Ft. Pierre	Pierre	180	11.70	2.50	\$3.50
Saturday	—	Pierre	Rapid City	—	180	11.70	1.25	—
Totals					530	\$34.45	\$7.75	\$3.50

Total costs for the week - \$45.70

B. West River from Rapid City - Second Week

Tuesday	Belle Fourche	Rapid City	Belle Fourche	Rapid City	112	\$7.28	\$2.00	—
Wednesday	Sturgis	Rapid City	Sturgis	Rapid City	58	3.77	2.00	—
Thursday	Philip	Rapid City	Philip	—	92	5.98	2.00	\$3.50
Friday	Winner	Philip	Winner	—	146	9.49	2.50	3.50
Saturday	—	Winner	Pierre	Rapid City	266	17.29	2.50	—
Totals					674	\$43.81	\$11.00	\$7.00

Total costs for the week - \$61.81

(Continued)

Exhibit I. Schedules and Costs of Reporting Auctions (Continued)

C. East River from Pierre

<u>Day</u>	<u>Market Reported</u>	<u>Travel from</u>	<u>- To</u>	<u>Return to</u>	<u>Mileage</u>	<u>Cost of Travel</u>	<u>Meals</u>	<u>Room</u>
Tuesday	Kimball	Pierre	Kimball	—	110	\$7.15	\$2.00	\$3.50
Wednesday	Miller	Kimball	Miller	Pierre	126	8.19	2.50	—
Thursday	Mobridge	Pierre	Mobridge	—	113	7.34	2.00	3.50
Friday	Ft. Pierre	Mobridge	Ft. Pierre	Pierre	<u>117</u>	<u>7.60</u>	<u>.50</u>	<u>—</u>
Totals					466	\$30.28	\$7.00	\$7.00
Total costs for the week \$44.28								

D. East River from Brookings - First Week

Friday	Watertown	Brookings	Watertown	Brookings	114	\$7.41	\$2.00	—
Total costs for the week - \$9.41								

E. East River from Brookings - Second Week

Wednesday	Canton	Brookings	Canton	Brookings	166	\$10.79	\$2.00	—
Friday	Watertown	Brookings	Watertown	Brookings	<u>114</u>	<u>7.41</u>	<u>2.00</u>	<u>—</u>
Totals					280	\$18.20	\$4.00	
Total costs for the week - \$22.20								

Exhibit II. Schedules and Costs of Reporting Auctions (Alternate)

A. West River from Rapid City - Same as Exhibits IA and IB

B. East River from Pierre - First Week

<u>Day</u>	<u>Market Reported</u>	<u>Travel from</u>	<u>- To</u>	<u>Return to</u>	<u>Mileage</u>	<u>Cost of Travel</u>	<u>Meals</u>	<u>Room</u>
Tuesday	Kimball	Pierre	Kimball	—	110	\$7.15	\$2.00	\$3.50
Wednesday	Miller	Kimball	Miller	Pierre	126	8.19	2.50	—
Thursday	Mobridge	Pierre	Mobridge	Pierre	226	14.69	2.50	—
Saturday	Yankton	Pierre	Yankton	—	248	16.12	2.50	3.50
Sunday	—	Yankton	Pierre	—	248	16.12	2.00	—
Totals					958	\$62.27	\$11.50	\$7.00
Total costs for the week - \$80.77								

C. East River from Pierre - Second Week

Tuesday	Kimball	Pierre	Kimball	—	110	\$7.15	\$2.00	\$3.50
Wednesday	Miller	Kimball	Miller	Pierre	126	8.19	2.50	—
Thursday	Mobridge	Pierre	Mobridge	Pierre	226	14.69	2.50	—
Friday	Huron	Pierre	Huron	Pierre	212	13.78	2.50	—
Totals					674	\$43.81	\$9.50	\$3.50
Total costs for the week - \$56.81								

(Continued)

D. East River from Pierre - Second Week (alternate schedule)

<u>Day</u>	<u>Market Reported</u>	<u>Travel from</u>	<u>- To</u>	<u>Return to</u>	<u>Mileage</u>	<u>Cost of Travel</u>	<u>Meals</u>	<u>Room</u>
Tuesday	Kimball	Pierre	Kimball	—	110	\$7.15	\$2.00	\$3.50
Wednesday	Miller	Kimball	Miller	Pierre	126	8.19	2.50	—
Thursday	Mobridge	Pierre	Mobridge	—	113	7.34	2.00	3.50
Friday	Herreid	Mobridge	Herreid	Pierre	155	10.08	2.50	—
				Totals	504	\$32.76	\$9.00	\$7.00

Total costs for the week - \$48.76

E. East River from Pierre - Third Week

Monday	Yankton	Pierre	Yankton	—	248	\$16.12	\$2.50	\$3.50
Tuesday	Kimball	Yankton	Kimball	—	138	8.97	2.50	3.50
Wednesday	Miller	Kimball	Miller	Pierre	126	8.19	2.50	—
Thursday	Mobridge	Pierre	Mobridge	Pierre	226	14.69	2.50	—
				Totals	738	\$47.97	\$10.00	\$7.00

Total costs for the week - \$64.97

F. East River from Brookings - Same as Exhibits ID and IE.

Exhibit III. Cost of Producing and Mailing Mimeographed Report

A. Weekly Report

<u>Item</u>	<u>Volume</u>	
	<u>5,000</u>	<u>10,000</u>
Labor	\$ 490.00	\$ 490.00
Paper	318.50	637.00
Postage	1,750.00	3,500.00
Miscellaneous expenses	<u>200.00</u>	<u>200.00</u>
Totals	\$2,758.50	\$4,827.00

B. Semiweekly Report

Labor	\$ 980.00	\$ 980.00
Paper	637.00	1,274.00
Postage	3,500.00	7,000.00
Miscellaneous expenses	<u>200.00</u>	<u>200.00</u>
Totals	\$5,317.00	\$9,454.00

Exhibit IV. Tuesday Prices for Yearling Steers at the Omaha Stockyards
and the Kimball Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

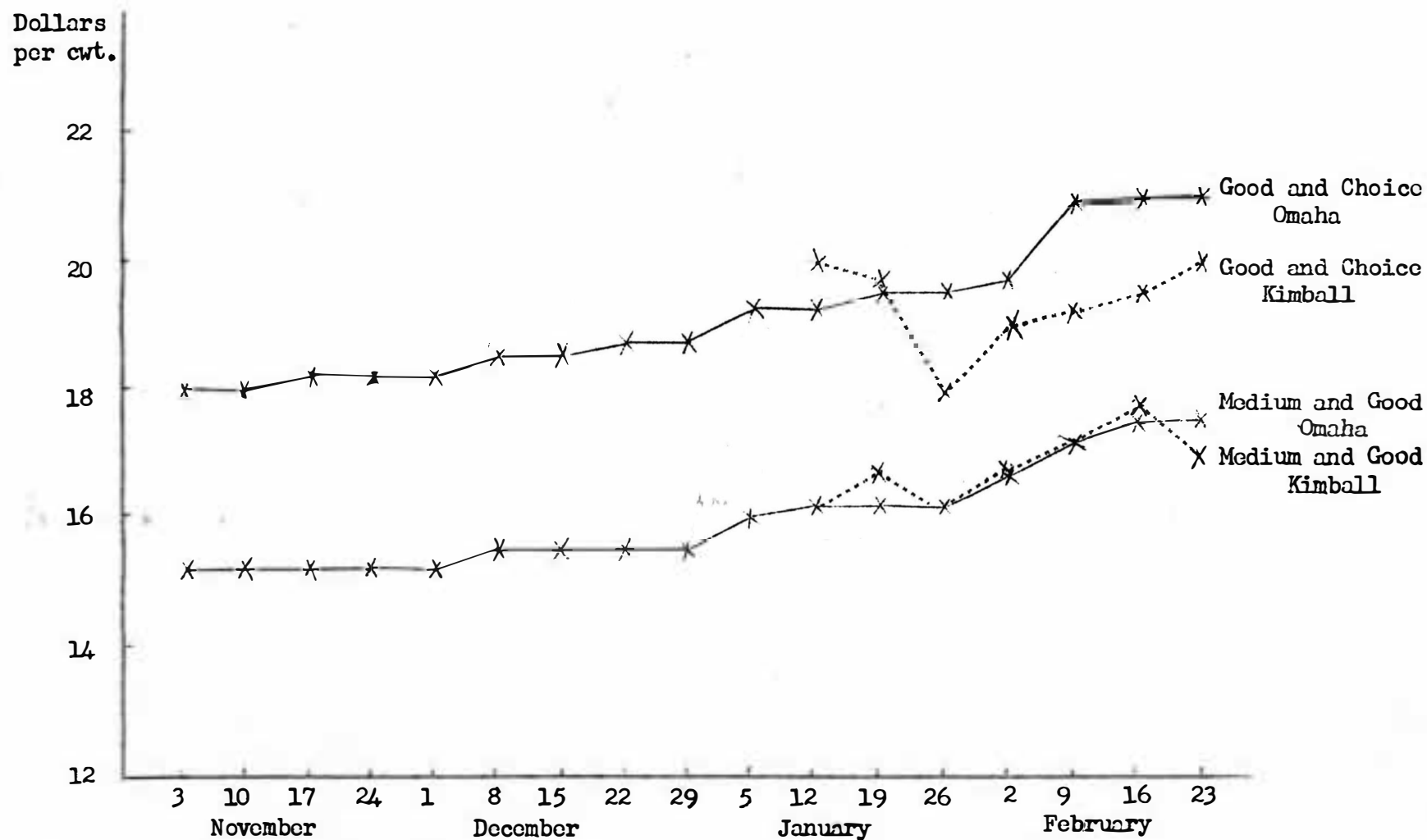


Exhibit V. Tuesday Prices for Yearling Steers at the Omaha Stockyards
and the Rapid City Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

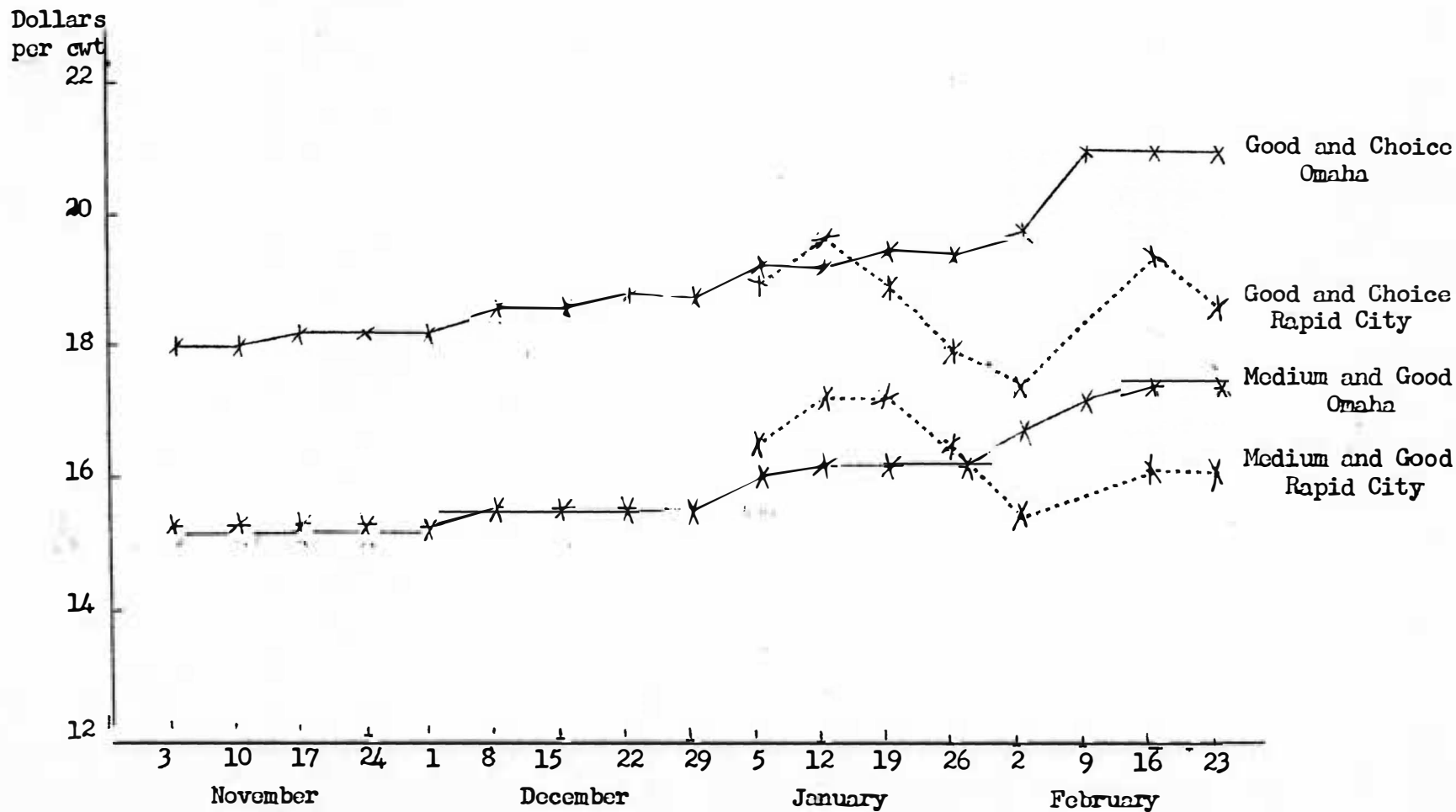


Exhibit VI. Wednesday Prices for Yearling Steers at the Omaha Stockyards
and the Miller Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

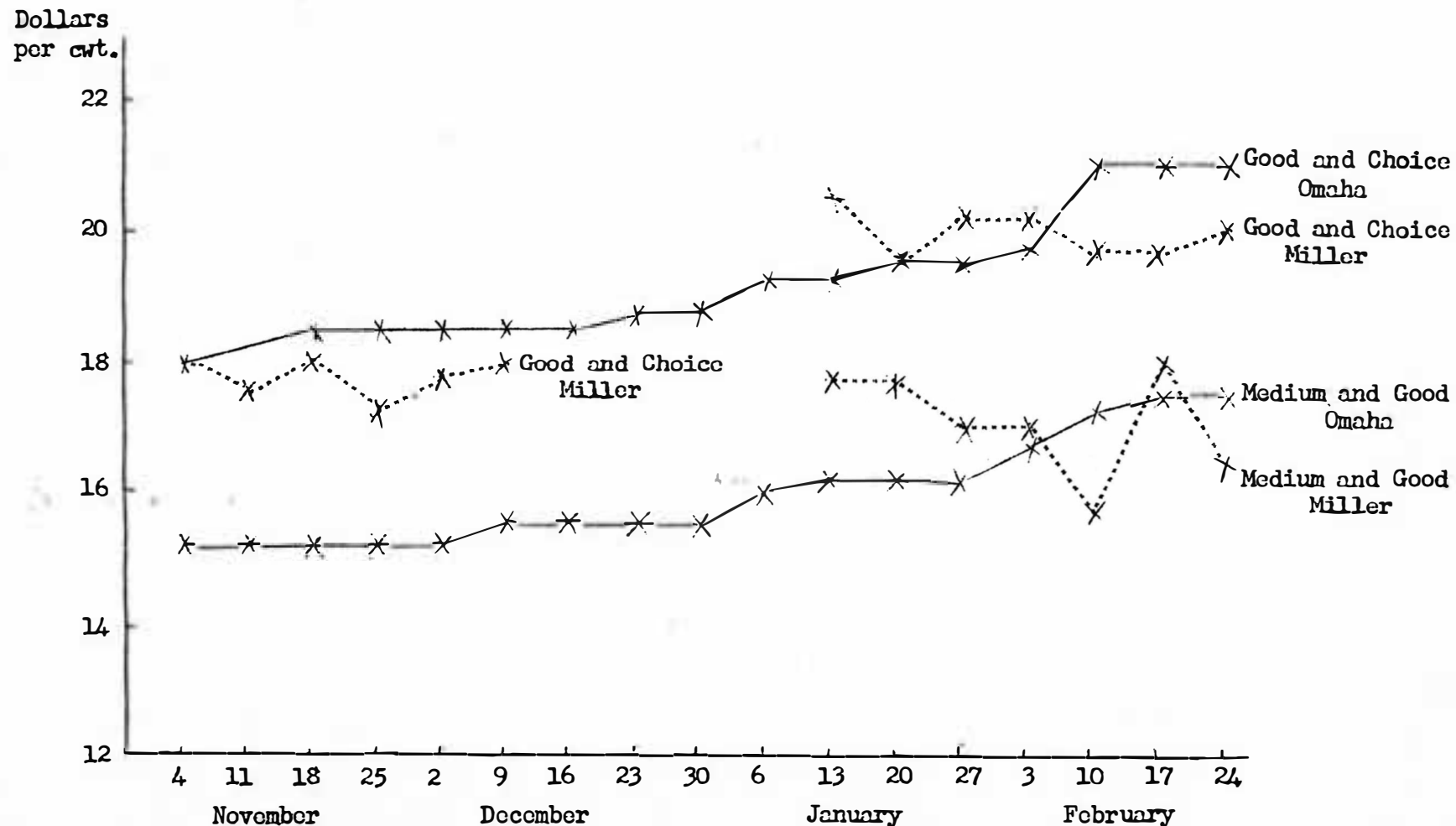


Exhibit VII. Wednesday Prices for Yearling Steers at the Omaha Stockyards
and the Sturgis Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

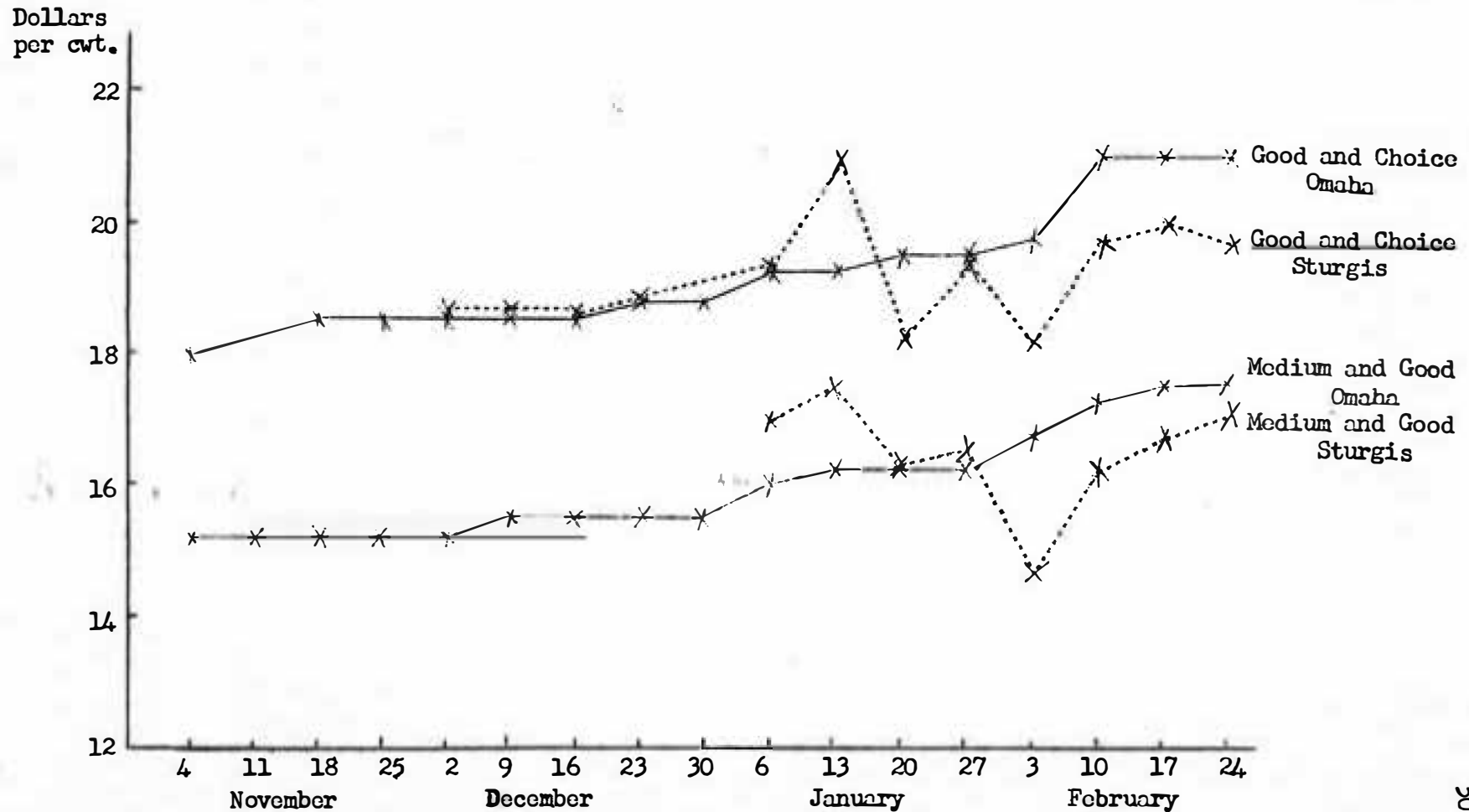


Exhibit VIII. Thursday Prices for Yearling Steers at the Omaha Stockyards
and the Mobridge Auction, November 1953-February 1954.
(Date price as reported is denoted by an X)

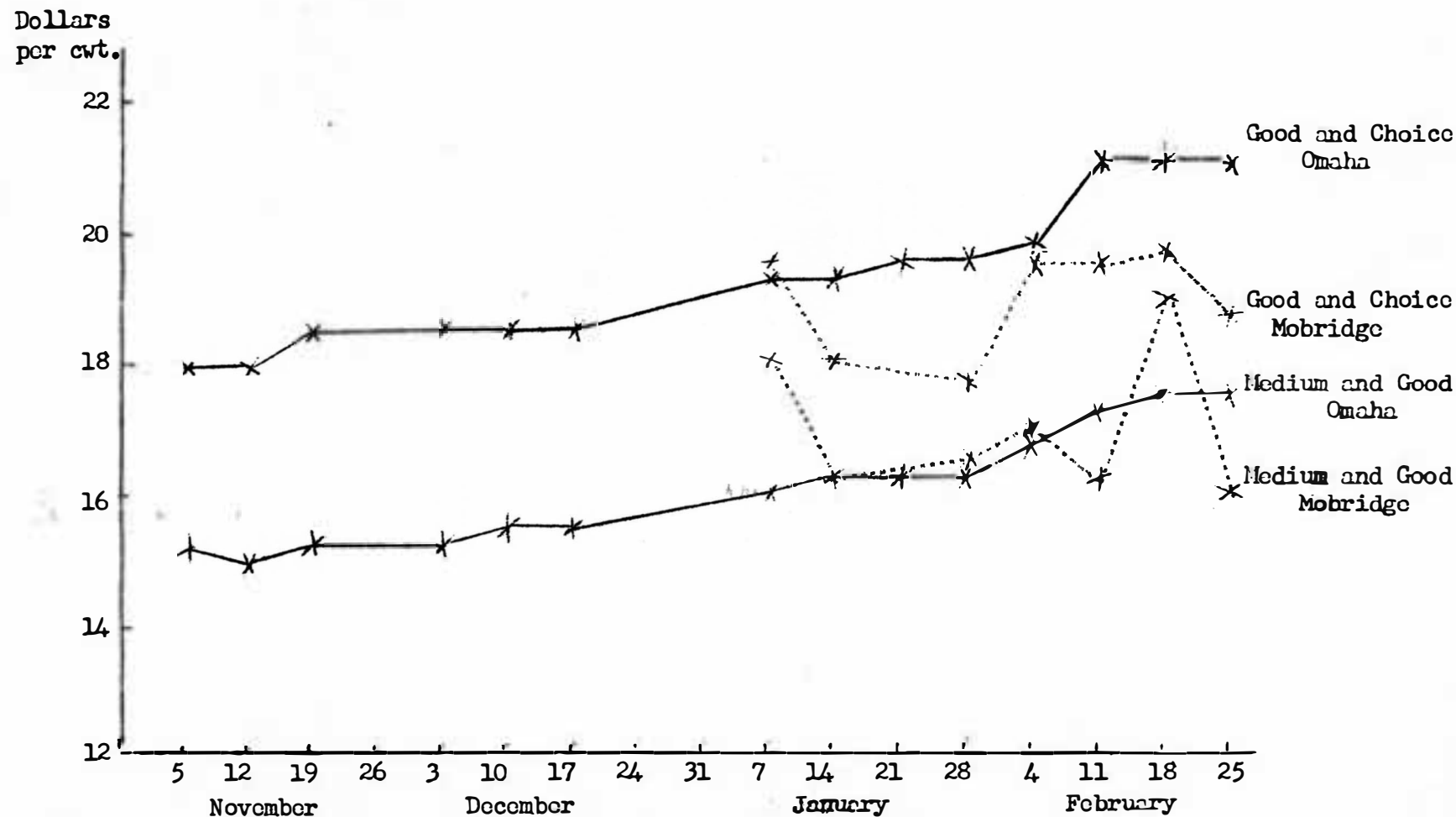


Exhibit IX. Thursday Prices for Yearling Steers at the Omaha Stockyards
and the Philip Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

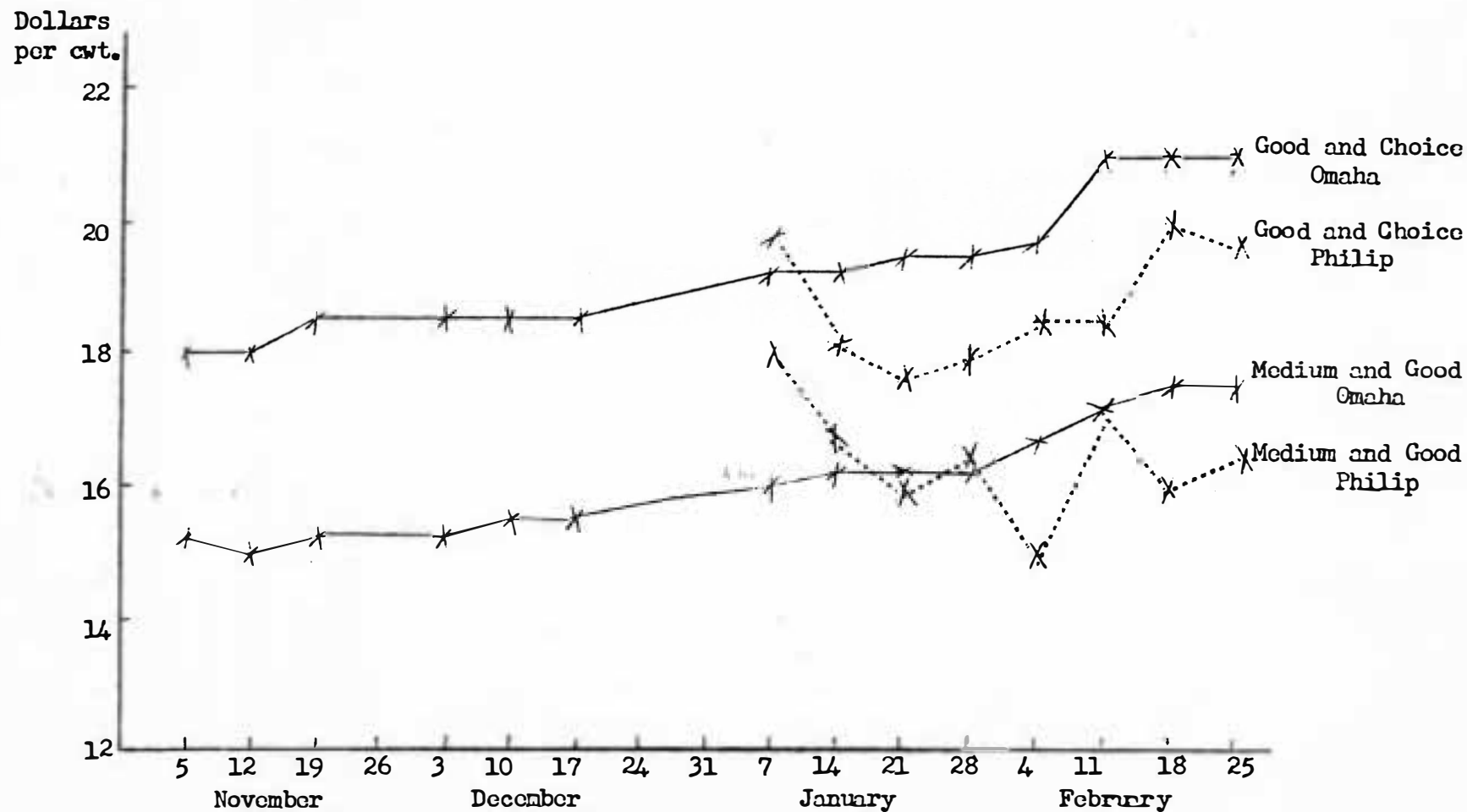


Exhibit X. Thursday Prices for Yearling Steers at the Omaha Stockyards
and Friday Prices at the Watertown Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

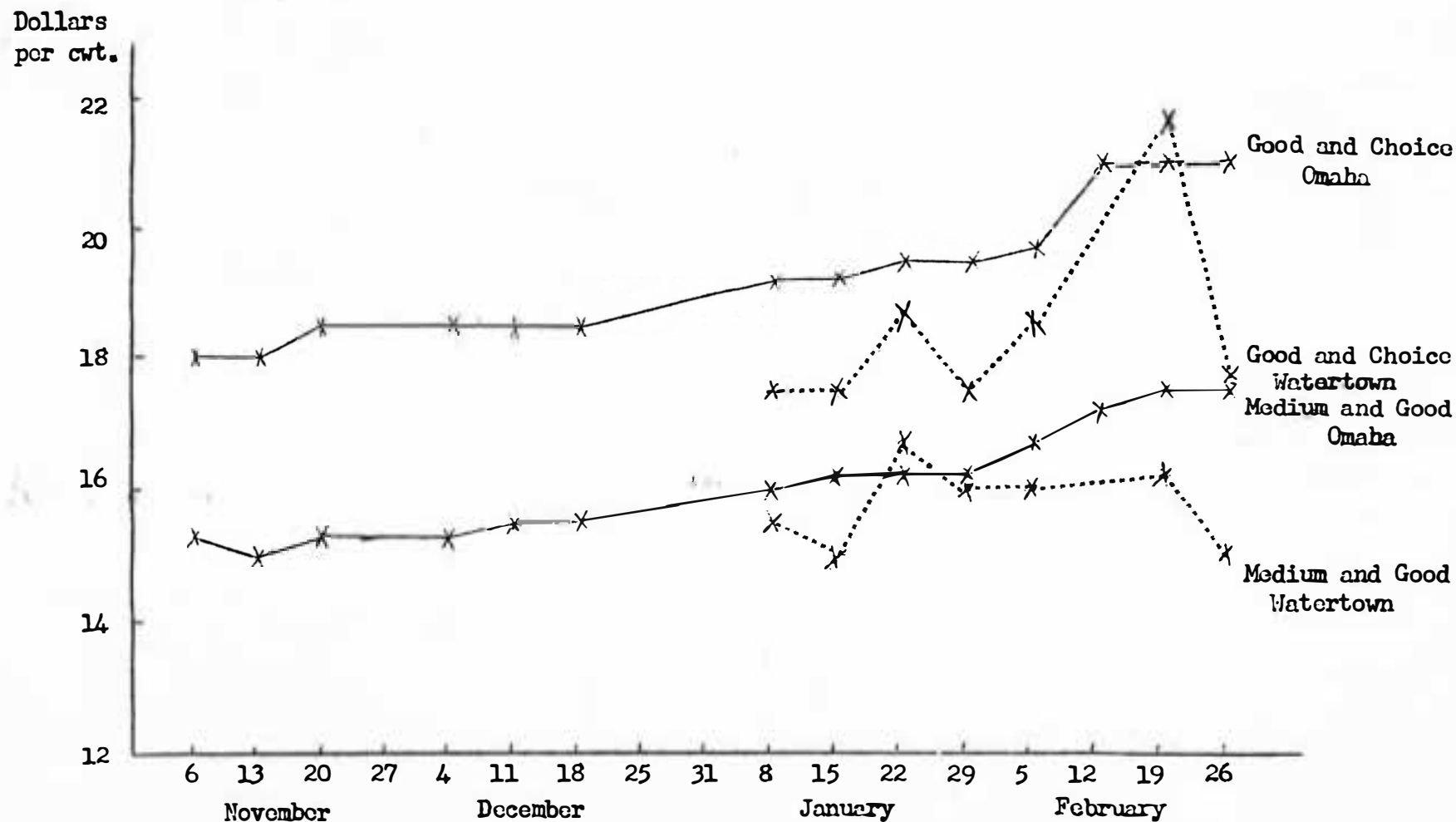


Exhibit XI. Tuesday Prices for Steer Calves at the Omaha Stockyards
and the Kimball Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

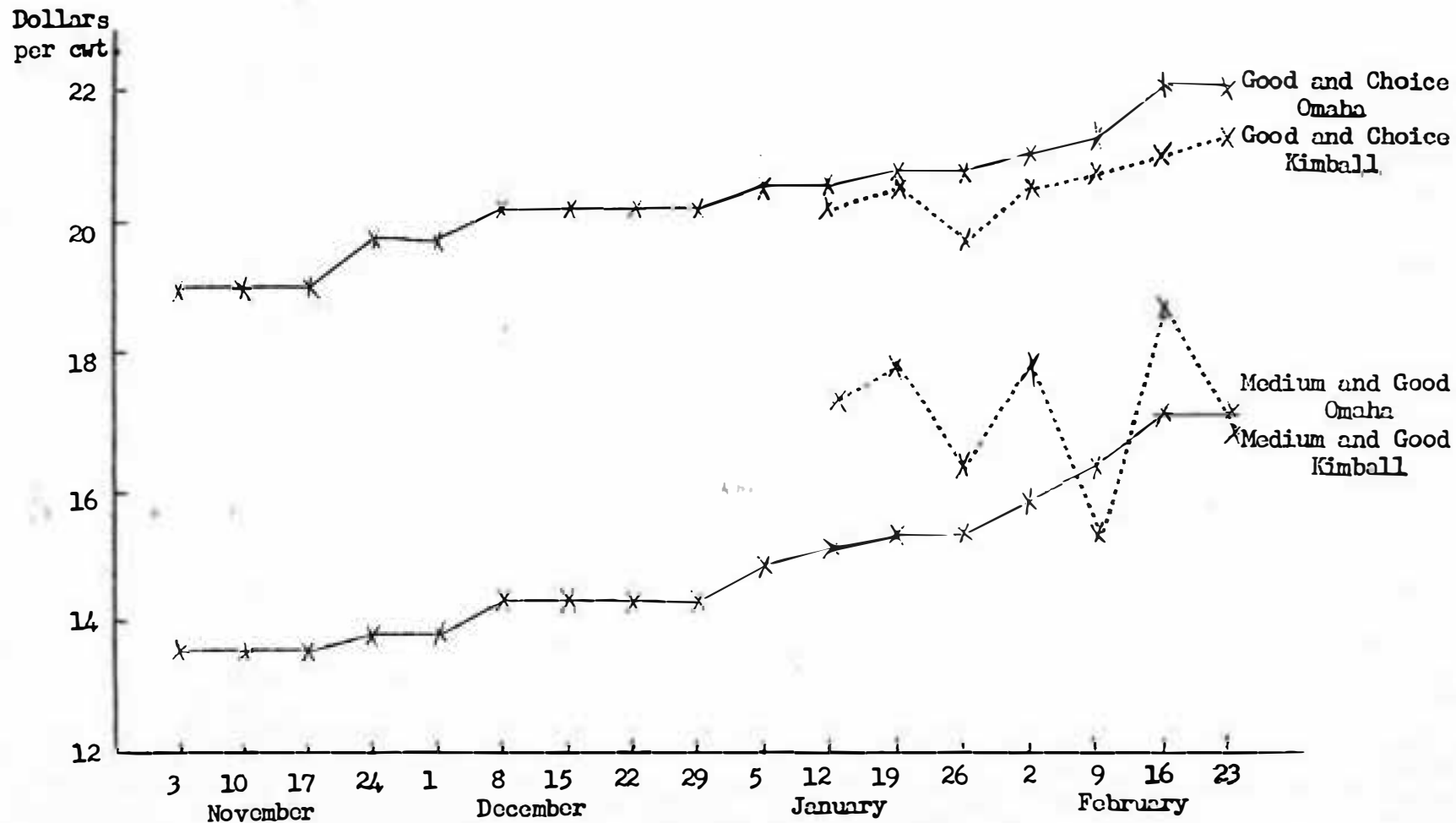


Exhibit XII. Tuesday Prices for Steer Calves at the Omaha Stockyards
and the Rapid City Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

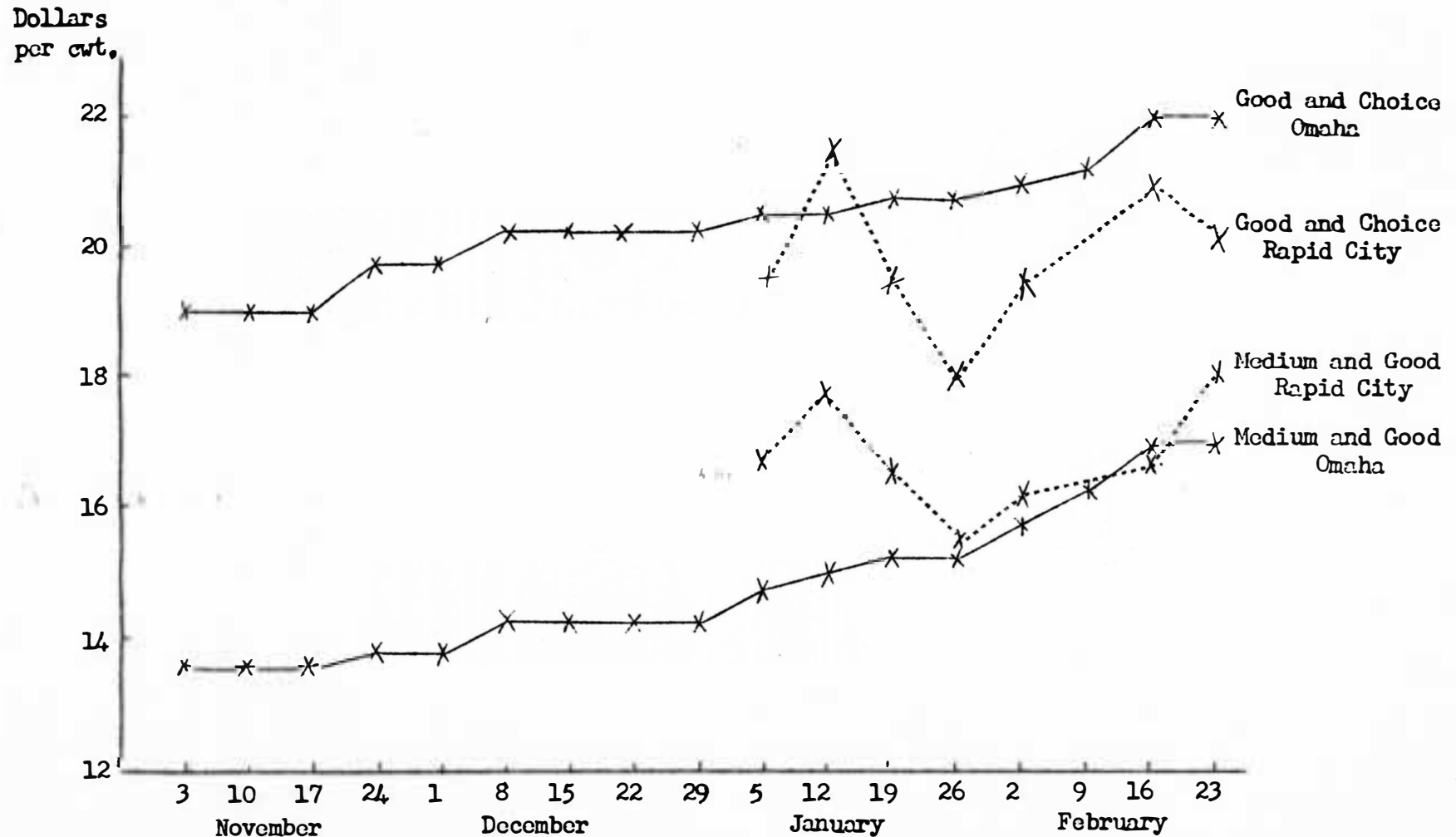


Exhibit XIII. Wednesday Prices for Steer Calves at the Omaha Stockyards
and the Miller Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

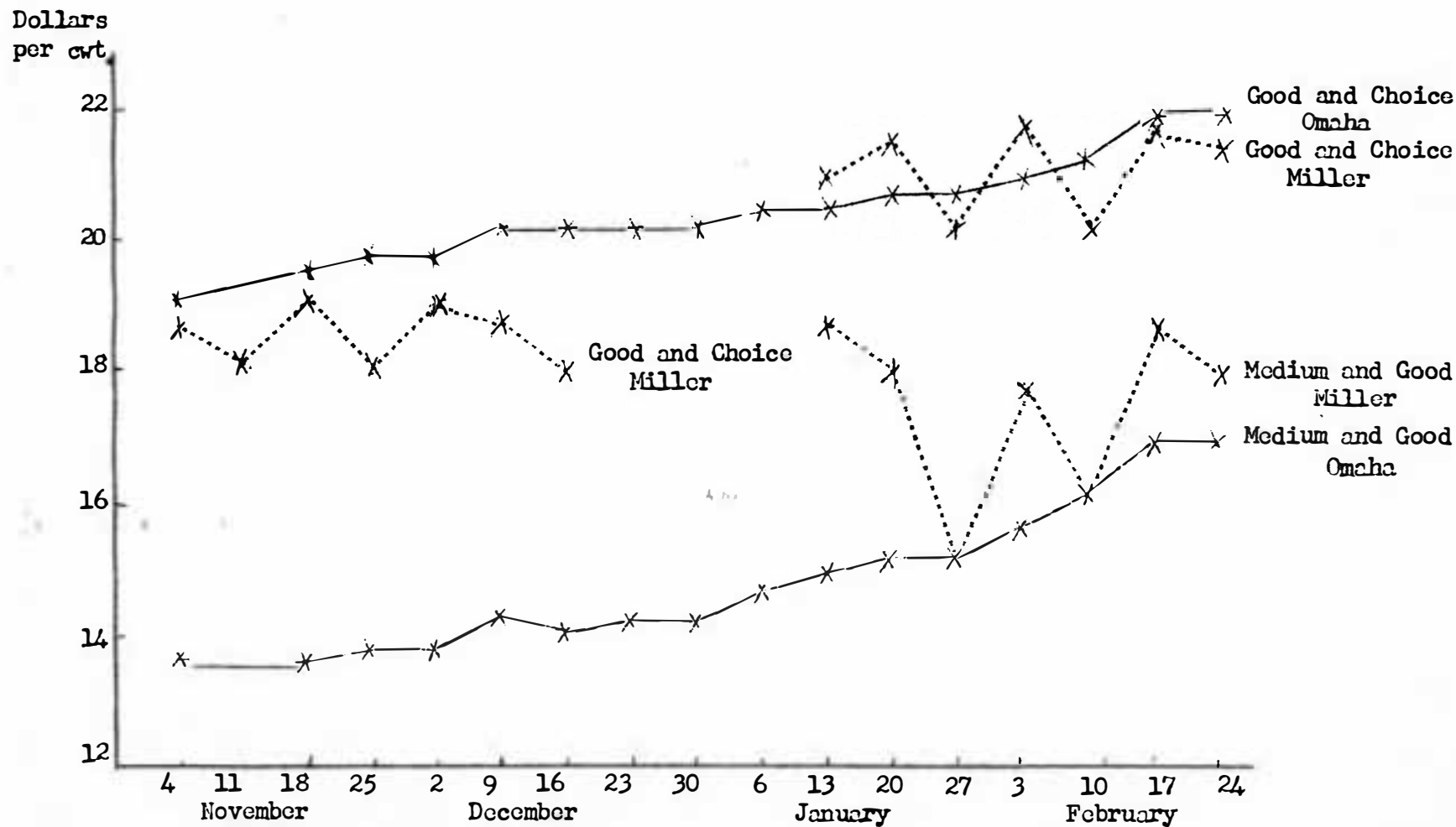


Exhibit XIV. Wednesday Prices for Steer Calves at the Omaha Stockyards
and the Sturgis Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

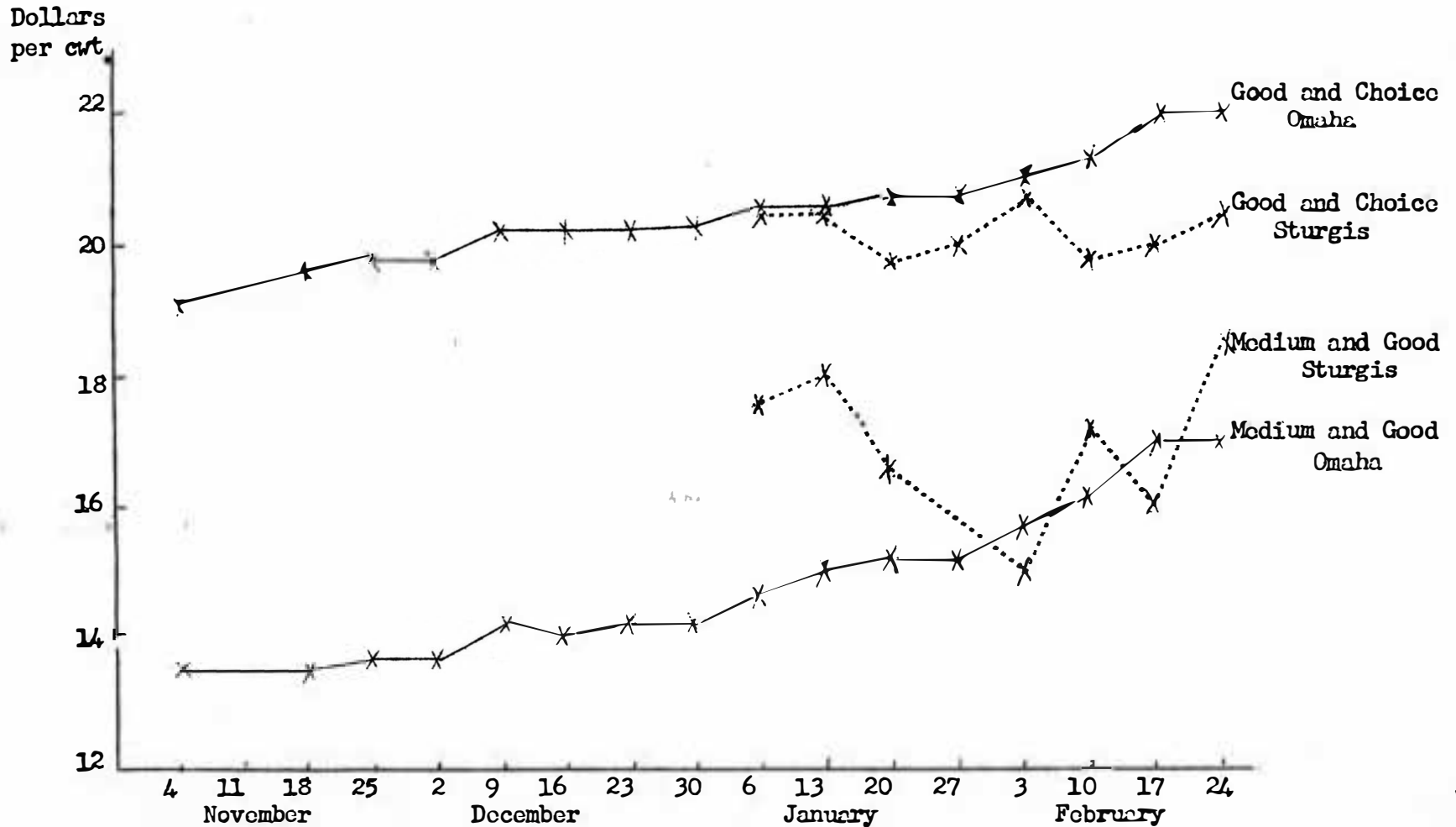


Exhibit IV. Thursday Prices for Steer Calves at the Omaha Stockyards
and the Mobridge Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

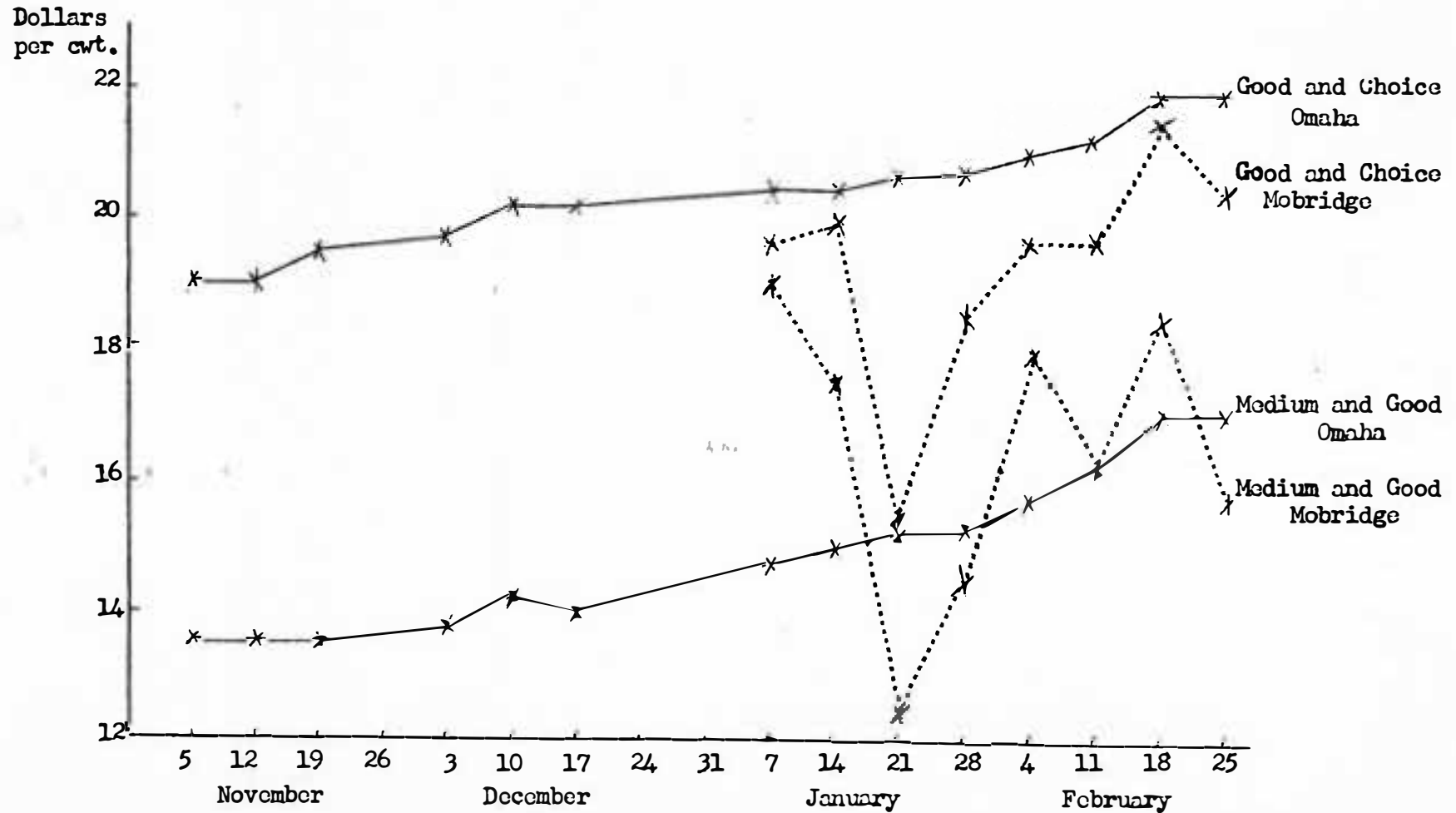


Exhibit XVI. Thursday Prices for Steer Calves at the Omaha Stockyards
and the Philip Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

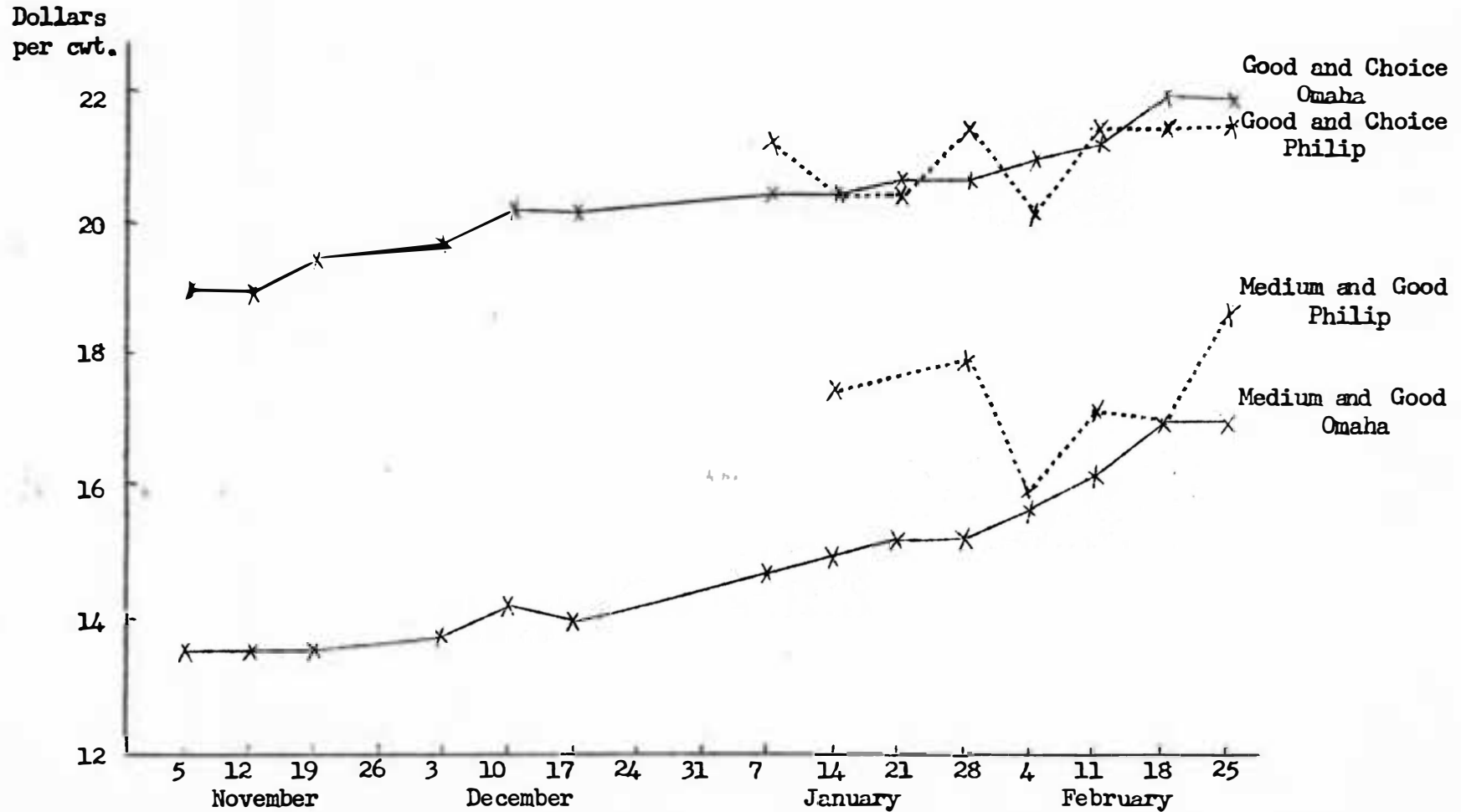


Exhibit XVII. Thursday Prices for Steer Calves at the Omaha Stockyards
and Friday Prices at the Watertown Auction, November 1953-February 1954
(Date price as reported is denoted by an X)

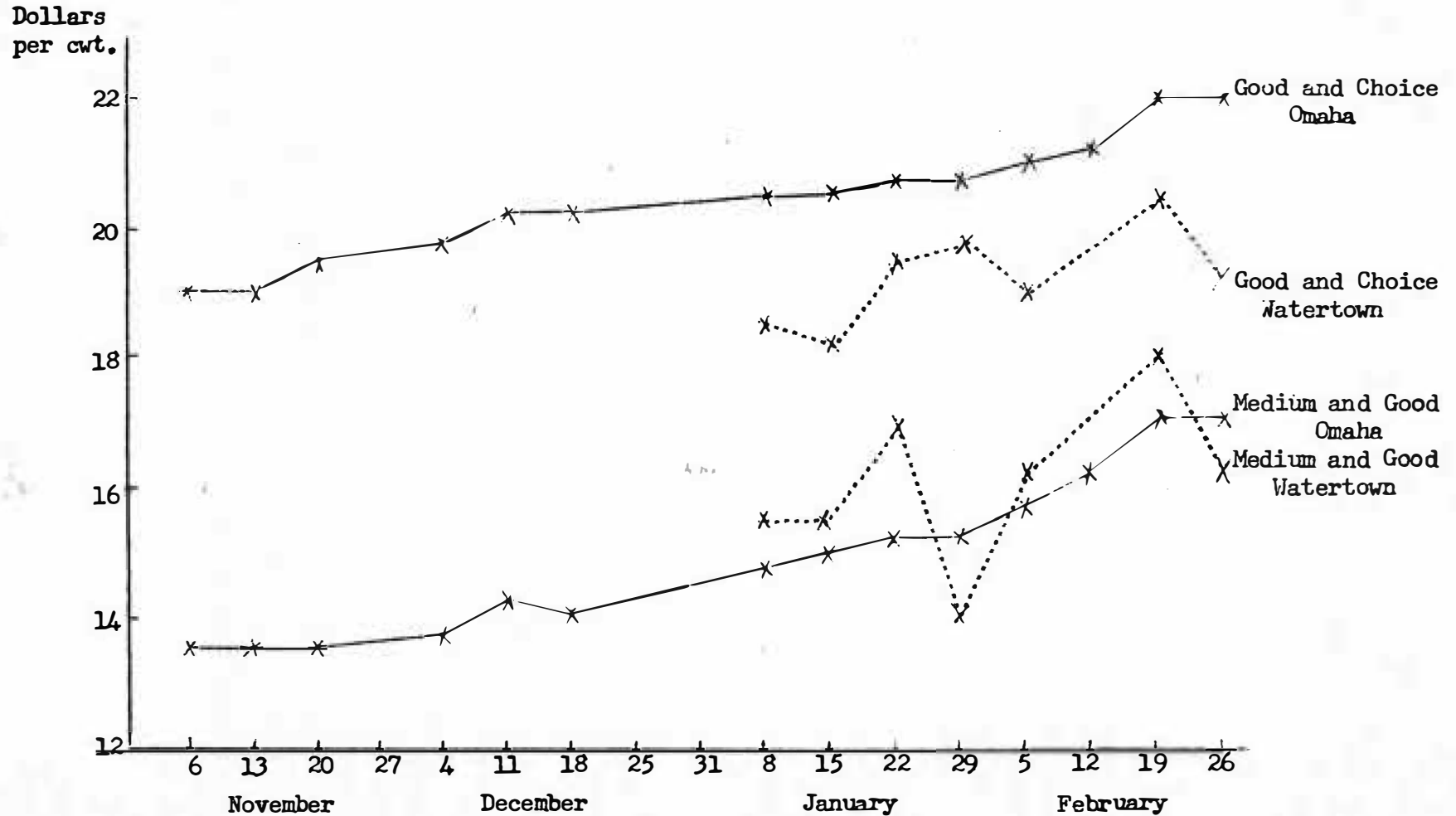


Exhibit XIX. Location Map of Auction Markets Reported During 1953-54 Marketing Season

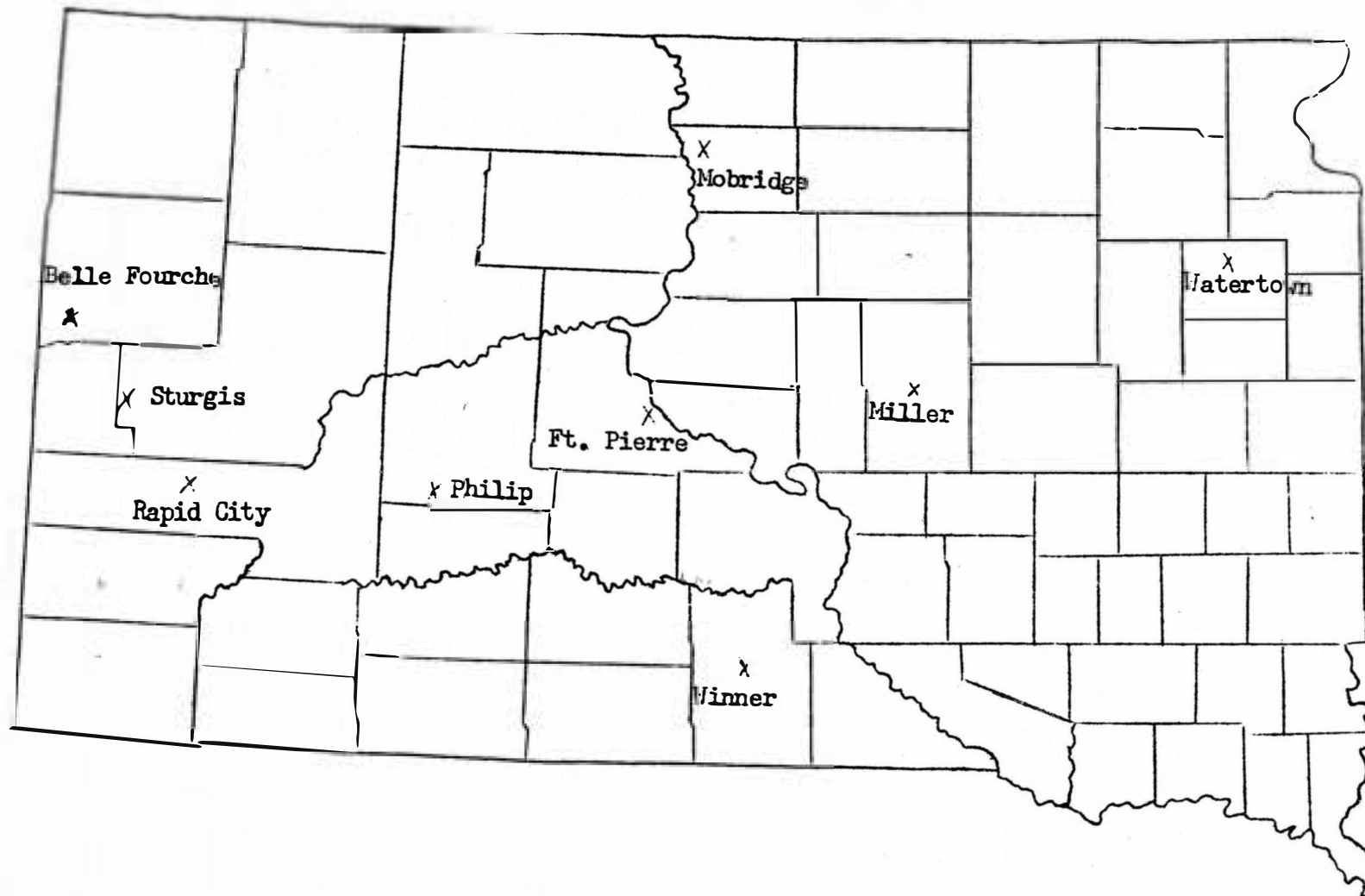


Exhibit XX. Map of Geographic Areas and Locations Used in Sample Survey
(Six interviews were taken in the area surrounding
each site marked with an X)

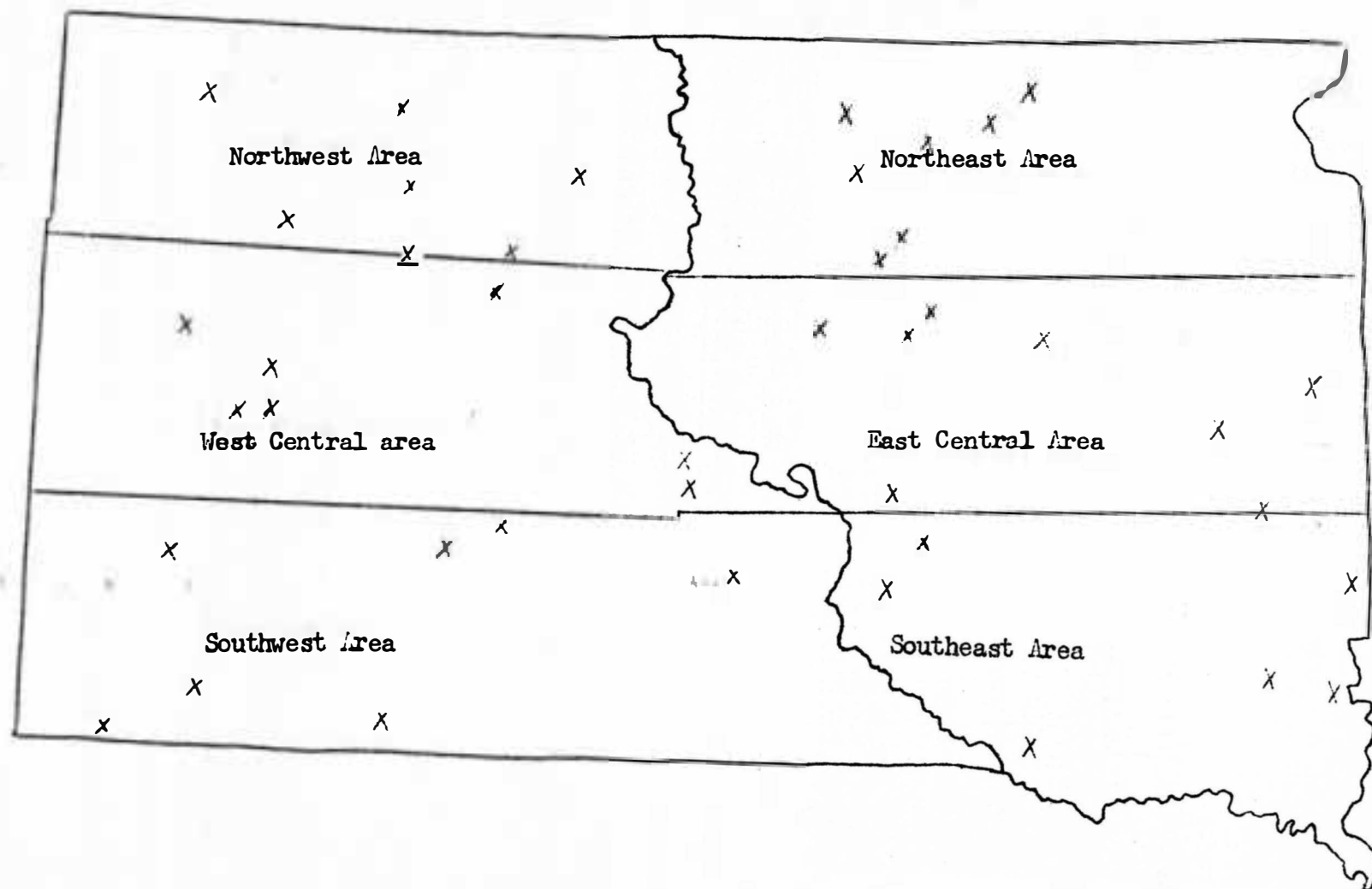


Exhibit XXI. Example of Auction Report Appearing
in Daily Newspapers

CATTLE PRICES STEADY IN SOUTH DAKOTA

Pierre, January 16

Cattle prices on South Dakota's auction circuit were barely steady compared with last week's strong market, the State Department of Agriculture reported today.

Feeder steers appeared steady, steer calves unchanged to \$1.50 lower, replacement cows about steady and slaughter cows fully steady to 50 cents higher. A comparative lower market was noted in the eastern part of the State.

The markets:

Stockers and feeders—Steers: heavyweights, good and choice, range 17.50-20.00; bulk 19.25; medium, range 14.00-19.00; bulk 17.50; common, range 12.00-16.00, bulk 14.00. Yearlings—good and choice, range 17.00-22.00, bulk 20.00; medium 14.00-18.75; bulk 17.00; common 10.00-16.00, bulk 13.00.

Heifers—Good and choice 14.50-17.50, bulk 16.00; medium 13.00-15.25, bulk 13.50.

Replacement cows—Good 125-155 per head, medium 93-119.

Stocker calves—Steers: good and choice 17.00-23.50, bulk 20.00; medium 14.00-19.50, bulk 18.00. Heifers: good and choice 14.00-17.75, bulk 17.00; medium 11.00-16.75, bulk 14.50.

Slaughter cows—Commercial 11.00-13.75; utility 9.50-11.50, cutters and canners 8.50-10.00.

Bulls—10.75-13.00.

Exhibit XXII. Example of Mimeographed Mailed Report - Front Side

DEPARTMENT OF AGRICULTURE PIERRE, SOUTH DAKOTA, WEEKLY AUCTION SUMMARY - SATURDAY, JANUARY 16, 1954

PRICE RANGE BY CLASSES AT THE AUCTION CIRCUIT									
	RAPID CITY (1,000)	KIMBALL (1,000)	STURGIS (1,300)	MILLER (2,600)	BELLE FOURCHE (600)	PHILIP (1,400)	MOBRIDGE (600)	WATERTOWN (700)	FT. PIERRE (700)
<u>Steers - Heavy</u>									
Good & Choice		19.00-20.75	20.70	19.00-21.00	17.75-18.70	20.50-21.00	19.00-19.50	17.50-19.00	19.00-20.00
Medium			18.00-19.50	18.50-19.00	14.00-16.25		17.50-18.75	15.50-17.00	17.00-18.00
<u>Steers - Light</u>									
Good & Choice	19.00-20.75	19.50-20.50	19.00-22.00	19.00-22.00	19.00-20.00	18.00-18.50	17.00-19.00	17.00-18.00	
Medium	16.00-18.75	15.50-17.25	16.50-18.75	17.00-18.50	17.00-18.75	16.00-17.75	15.50-16.75	14.00-16.00	
Common No			11.00-15.00	12.50-15.50	10.00-15.00	15.00-16.00	13.50-14.00	11.00-14.00	
<u>Heifers</u>									
Good & Choice	16.00-19.00	16.00-17.75	16.00-17.50	14.00-15.25	15.50-17.50	14.75-17.50	15.00-16.50	14.00-15.00	most 15.00
Medium	13.00-16.00	14.00-16.00	14.00-15.50	12.50-14.00	14.00-15.25	14.00-15.00	13.50-15.00	13.00-14.00	13.75-14.75
<u>Replacement Cows</u>									
Good	\$140		\$127.50-155	\$125-150	\$126	\$123-150			\$133
Medium	\$100		\$110-119	\$95	\$98-105	\$110-115			\$93-114
<u>Calves - Steer</u>									
Good & Choice	20.00-23.00	19.00-21.75	19.00-22.00	20.00-22.00	19.00-23.50	19.00-22.00	19.00-21.00	17.00-19.50	20.00-21.75
Medium	16.50-19.00	16.00-18.50	17.50-18.50	17.00-19.50	17.00-18.75	16.75-18.25	16.50-18.75	14.00-17.00	18.00-20.00
<u>Calves - Heifer</u>									
Good & Choice	16.25-17.50	16.00-17.25	16.00-17.50	15.00-17.25	15.50-17.50	17.00-17.75	14.00-16.25	14.00-16.00	16.75-17.00
Medium	15.00-15.50	14.00-15.75	14.50-15.50	13.00-14.75	14.00-15.25	15.50-16.75	13.50-14.00	11.00-13.00	14.50-15.75
<u>Slaughter Cows</u>									
Commercial	11.00-13.00	11.75-12.75	11.00-13.25	12.00-13.00	11.00-12.50	11.50-13.75	11.75-13.00	11.00-12.50	11.50-12.50
Utility	10.00-11.00	9.25-10.75	9.50-10.75	11.00-11.75	9.75-10.75	10.25-11.50	10.75-11.25	9.50-11.00	10.75-11.75
Cutters & Cannors	7.50-10.00	8.00- 9.00	8.00- 9.10	9.00-10.75	8.50- 9.25	8.50-10.00	8.00-10.25	7.00- 9.50	8.50- 9.75
<u>Bulls</u>		12.00-13.25	11.50-13.50	12.00-13.50	10.75-12.25	12.50-12.75	12.00-13.25		11.00-12.75

Exhibit XXIII. Example of Mimeographed Mailed Report - Back Side

WEEKLY AUCTION SUMMARY

The South Dakota market on the auction circuit is barely steady compared with last week's strong market. Feeder steers appeared steady; steer calves unchanged to \$1.50 lower; replacement cows about steady; slaughter cows fully steady to 50¢ higher. Comparative lower market in the auction circuit is noted in the east.

RAPID CITY (January 12, 1954): Estimated receipts-1,000 cattle. Quality Good; sales generally \$1.00 higher than a week ago. Replacement cows to \$140.00.

KIMBALL (January 12, 1954): Estimated receipts 1,000 cattle. Market reported barely steady to lower than last week. Quality seasonably good. 20 Choice white faces weighing 850 lb. sold at 20.65. Several good lots of steer calves in the offering to 20.90.

STURGIS (January 13, 1954): Estimated receipts 1,300 cattle. Quality good with lots of cattle in all classes. Replacement cows to \$155. Nine Good milk cows averaged \$253. Registered bulls to \$420. Forty 1,650 lb. Choice steers 20.70. Choice steer calves to 22.10. Slaughter cows \$1.00 higher.

MILLER (January 13, 1954): Actual count 2,600 cattle. Market unevenly lower. Prices declined as sale progressed. Quality very good. Generous offerings in steers. Fifty-two Choice 800 lb. steers @ 21.00; twenty-eight 600 lb. steers @ 22.00; many lots of Good and Choice steers bulked @ 20.50 with fifty-three 430 lb. Angus @ 21.25. Heifer calves bulked at 17.00 with fifty 400 lb. Angus calves @ 17.25. Fifty slaughter cows, commercial and utility, @ 12.00.

BELLE FOURCHE (January 14, 1954): Estimated receipts 600 cattle. Quality good, with 20 Choice 340 lb. Black Angus steer calves @ 23.60. Replacement cows to \$126.

PHILIP (January 14, 1954): Estimated receipts 1,400 cattle. Quality seasonably especially good. Lots of calves, both heifers and steers; also several outstanding loads of yearling steers and six good bunches of replacement cows. 22 Choice 1,030 lb. yearlings, warmed up in the corn field, traded at 21.00. One bunch good replacement cows traded at \$150. 70 Good and Choice heifer calves cashed at 17.65; several lots of white-face steer calves traded at 21.60-22.00. Bidding active, but sale was off \$1.00 on yearlings and calves from last week's exceptionally high market. Slaughter cows fully steady to 50¢ higher.

MOBRIDGE (January 14, 1954): Estimated receipts 600 cattle. This market continued lower. Quality reported seasonably very good; bidding apparently very slow compared with other auction market. Prices apparently affected by snow and more severe weather than the West the last several weeks.

FT. PIERRE (January 15, 1954): Estimated receipts 700 cattle in conjunction with horse sale. Quality seasonably very good with several large loads of Good steer calves \$1.00 lower than last week @ 20.75 to 21.75. Light offerings of slaughter cows fully steady to higher; feeding heifers scarce; good lots of heifer calves to 17.10; 36 Choice 1,060 lb. warmed up feeder steers traded at 20.10; smaller packages mostly 19.00. Bidding slower than last week's active market.

Clayton B. Kelsey, Director of
Marketing
Vic York, Livestock Reporter

Exhibit XXIV. Schedule Used by Auction Reporters

DATE _____ SALE _____ ESTIMATED RECEIPTS _____

QUALITY _____

BUYER STRENGTH _____

TONE AND TREND OF THE MARKET _____

NUMBERS IN EACH GRADE _____

REPRESENTATIVE SALES _____

COMMENTS _____

STEERS

Heavy-Good-Choice _____

Light-Good-Choice _____

Medium _____

Common _____

FEEDING HEIFERS

Good _____

Medium _____

Common _____

STOCK COWS

Good _____

Medium _____

CALVES - STEERS

Good - Choice _____

Medium _____

Common _____

CALVES - HEIFERS

Good - Choice _____

Medium _____

Common _____

SLAUGHTER COWS

Heifer Type _____

Commercial _____

Utility _____

Cutter & Cannery _____

BULLS

Exhibit XXV. Schedule Used in Survey of Farmers and Ranchers

Name _____

Code No. _____

Address _____

1. Do you sell _____ or buy _____ feeder cattle _____; lambs _____.
2. How many feeder cattle do you sell? Less than 50 head _____; 50-150 _____ over 150 _____. Feeder lambs: farm flock _____; range operation _____.
3. If you buy feeder cattle, about how many head do you purchase? _____
4. What types of market news do you get at present?
 - a. Terminal market news: radio _____, daily paper _____, weekly _____, commission firm report _____, other _____.
 - b. Report of local auction sponsored by auction agency: radio _____, daily paper _____, weekly _____.
 - c. Have you seen or heard the State Department of Agriculture auction reports? Yes _____ No _____
 Through radio _____, daily paper _____, weekly _____, county agent _____, other _____.
5. Are the reports you are now getting satisfactory for planning your livestock sales? (Give comments on points which could be improved.)
 - a. Terminal market: _____

 - b. Auction (Dept. of Ag. report): _____

6. Regarding the auction report would you prefer: an area report as given in newspapers _____, tabular report covering each sale _____, tabular report plus a commentary on each sale _____.
7. Is there any additional information you would like these reports to carry?

- 8a. Would auction reports help you to compare auctions with various other marketing alternatives (terminal public markets, direct sale, sale to livestock buyer at farm) when selling your livestock? _____

Exhibit XXV, Schedule Used in Survey of Farmers and Ranchers (Continued)

Code No. _____

- 8b. When buying livestock? _____

9. Do you buy _____ or sell _____ all classes _____, replacement stock _____, cull animals _____ through the auction?
10. Are you familiar with the official grades used in market reporting, such as choice, good, medium, common? _____

11. Are you able to estimate closely the value of your cattle from the information given in market news reports? Comments _____

12. Would you be interested in grading demonstrations which show the various grades? Yes _____ No _____
13. Do you believe a report of this type will have any influence in bringing out-of-state buyers into South Dakota? Yes _____ No _____
14. Would you like to see this reporting continued? Yes _____ No _____
15. How would you like to get the report? Radio _____, daily paper _____, weekly _____, mailing list _____.
16. Would you like to have the report expanded to include slaughter cattle _____, slaughter lambs _____, hogs _____.
17. Would you like to have more auctions reported? Yes _____ No _____
18. Comments on market reports. Suggestions for improvements.

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