Choosing a MARKET
For Your LIVESTOCK

Circular 701
UNIVERSITY OF ILLINOIS - COLLEGE OF AGRICULTURE
Extension Service in Agriculture and Home Economics
Concrete makes the floor for milking room, milking barns and sheds. Crushed rock or gravel surfaces where cows will broom, or roughening gritty, roughened surfaces in milking room, operator area. A concrete mix is 1 part Portland and 3 parts coarse aggregate, clean water (5 or 6 parts cement) to make a plastic.

Walls of the milkroom should be smooth, hard, and not susceptible to growth of mold or clay blocks or wood facing, unglazed interior masonry.

Cleaning. Sanitation labor saved by observing in and around the building. The milking room can be so washed down with a hose that all spots, including the ground, are cleaned. Gentle handling and immediate movement after milking reduces the amount of milk dropped in the milking room and to move about for a few minutes before bringing them in. The bedded space once fresh straw on top. This and keep the cows clean as needed or as local regulations demand. Daily cleaning is generally conducted by the operator from his work area.

Milking and feeding. The operator from his work area.

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CHOOSING A MARKET
FOR YOUR LIVESTOCK

By WALTER J. WILLS, Assistant Professor of Livestock Marketing

CHOOSING THE BEST MARKET for a particular lot of livestock is not always an easy job. Yet making a good choice is of no small importance to Illinois farmers, for they get nearly half their income from the sale of livestock (Table 1).

What are some of the important things to take into consideration when deciding on alternative markets? What are the advantages and disadvantages of different types of markets? This circular attempts to answer these questions and offers additional information on related matters.

Some marketing problems are partly production problems. For example, buck lambs are frequently docked $1 a hundred; and rations often have an effect on the number of cripples and deads arriving at the market. These problems, however, are beyond the scope of this circular, which is concerned only with what happens between the time your animals are ready to leave the farm and the time they have been sold at the market.

Reasons for Choosing a Market

Nearly 5,000 farmers in twelve north-central states were asked in 1941 why they chose the markets they did. The main reasons they gave were convenience, competition among buyers, higher prices, greater net returns, integrity of market personnel, and closeness of sorting. An analysis of a number of these reasons will bring out some of the things to watch for.

Convenience. Convenience usually means selling animals at or near the farm. If you are marketing your livestock in small lots, as a large number of farmers do (Table 2), the nearness of the market becomes especially important. Because of the perishability of livestock, the nearness of a market is often a very important consideration.

Competition. Often a convenient market may have only one or a few buyers. So some farmers may prefer to go farther afield, selecting a market where they believe there will be more buyers, more competition among buyers, and hence higher prices.
Concrete makes the b

Walls of the milking room be smooth, hard, and nonporous. Clean water (5 or 6 parts water to 1 part Portland cement) to make a plastic concrete is 1 part Portland cement and 3 parts coarse aggregate to make a plastic concrete. Crushed rock or gravel surfaces where cows will stand should be broomed or troughed to give a gritty, roughened surface. Surfaces in milking room, operator area, and in and around the building should be washed down with a hose daily to at least once a week.

Cleaning. Sanitation labor saved by observing cleanliness in and around the building is great. The milking room can be so cleaned that cows can be dropped in the milking area to move about for a few minutes before bringing them into the bedded space once they are fresh straw on top. This is a good time to keep the cows clean and free of dirt as needed or as local regulations require. The operator should be trained to this task and keep the cows clean daily to at least once a week.

Milkrooms and feeding. Doors to the milking room should be kept closed except when in use. The operator from his workroom should be able to watch or even enter the room readily if not more easily.

Table 1. — Income of Illinois and U. S. Farmers from Livestock Sales, 1940-1950

<table>
<thead>
<tr>
<th>Year</th>
<th>Illinois</th>
<th>United States</th>
<th>Illinois</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income from livestock sales (thousand dollars)</td>
<td>Percent of total income (million dollars)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>236,829</td>
<td>2,391</td>
<td>41.7</td>
<td>26.6</td>
</tr>
<tr>
<td>1941</td>
<td>265,905</td>
<td>2,533</td>
<td>43.5</td>
<td>27.4</td>
</tr>
<tr>
<td>1942</td>
<td>420,409</td>
<td>2,740</td>
<td>46.3</td>
<td>31.0</td>
</tr>
<tr>
<td>1943</td>
<td>496,668</td>
<td>2,984</td>
<td>44.0</td>
<td>30.0</td>
</tr>
<tr>
<td>1944</td>
<td>497,087</td>
<td>2,979</td>
<td>43.8</td>
<td>29.8</td>
</tr>
<tr>
<td>1945</td>
<td>483,352</td>
<td>2,926</td>
<td>40.5</td>
<td>27.1</td>
</tr>
<tr>
<td>1946</td>
<td>579,965</td>
<td>2,785</td>
<td>39.6</td>
<td>28.3</td>
</tr>
<tr>
<td>1947</td>
<td>491,220</td>
<td>2,919</td>
<td>43.2</td>
<td>30.9</td>
</tr>
<tr>
<td>1948</td>
<td>709,998</td>
<td>2,965</td>
<td>43.1</td>
<td>30.8</td>
</tr>
<tr>
<td>1949</td>
<td>785,825</td>
<td>2,903</td>
<td>44.2</td>
<td>31.9</td>
</tr>
</tbody>
</table>

Table 2. — Size of Consignments Sold by Farmers in Three Illinois Areas, 1950

<table>
<thead>
<tr>
<th>Number of animals in consignment</th>
<th>Percentage of total sales in different sizes of consignments in—</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Southern area</td>
</tr>
<tr>
<td>Cattle and calves</td>
<td></td>
</tr>
<tr>
<td>1-5</td>
<td>90.4</td>
</tr>
<tr>
<td>6-10</td>
<td>6.1</td>
</tr>
<tr>
<td>11-15</td>
<td>1.8</td>
</tr>
<tr>
<td>Over 20</td>
<td>1.0</td>
</tr>
<tr>
<td>Hogs</td>
<td></td>
</tr>
<tr>
<td>1-10</td>
<td>60.5</td>
</tr>
<tr>
<td>11-20</td>
<td>21.5</td>
</tr>
<tr>
<td>21-30</td>
<td>5.4</td>
</tr>
<tr>
<td>31-40</td>
<td>1.8</td>
</tr>
<tr>
<td>Over 40</td>
<td>1.8</td>
</tr>
</tbody>
</table>

* Sixteen southernmost counties: northern boundary, White, Hamilton, Franklin, Perry, and Randolph counties.
* Adams, Bureau, McDonough, and Menard counties.
* Carroll, Jo Daviess, Ogle, Stephenson, and Winnebago counties.

The number of buyers, however, does not always measure the amount of competition. Eagerness to buy is also to be taken into account.

Price. A market that pays the highest top price or the highest average price may not be the market that will pay the highest price for a particular lot of animals. So it is important to know sorting...
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If you want to receive full value for your livestock, choose a market with accurate weights. This picture shows a scale being used at Chicago. (Fig. 1)

practices as well as prices when considering the advantages of alternative markets.

Another complication in comparing markets on a price basis occurs when one market is considerably farther away than the other. Present prices at the near market may have to be compared with estimates as to what the prices will be at the far market a day or two later.

**Weighing conditions.** Differences in weighing conditions at alternative markets may cancel out or increase advantages in price. How accurate are the scales, how dependable are the weighmasters? Questions of fill and length of haul also must be considered.

**Net returns** are (by definition) gross returns with all marketing expenses subtracted. The arithmetic is simple:

\[(\text{Price} \times \text{weight}) - \text{marketing expense} = \text{net returns}\]

But figuring the relative expense of marketing stock at different markets may not be so simple.

Transportation charges are usually the largest single item of expense in marketing livestock. Most Illinois livestock moves to market by truck. Truck rates are nearly always on a hundredweight basis for hogs and cattle, but for calves and lambs they are often on...
Concrete makes the floor for milking rooms, milkroom operator area, and hay corral. Crushed rock or gravel surfaces where cows will walk, or roughened, gritty, roughened surfaces in milkroom, floor operator area. A recommended concrete is 1 part Portland cement and 3 parts coarse aggregate in clean water.

Walls of the milkroom be smooth, hard, and not be left粗糙, roughened surfaces in milkroom, floor operator area. A recommended concrete is 1 part Portland cement and 3 parts coarse aggregate in clean water.

Cleaning, Sanitation. Labor saved by observing in and around the building can be significant. Gentle handling and insuring that cows are dropped in the milking area, move about for a few minutes before bringing them into the bedded space once fresh straw is laid down. This will keep the cows clean and reduce the number of calvings in the area.

Milking, Feeding. Doors to the milking room should be opened wide to allow for movement of the herd. After milking, the operator from his work in the room is generally decreased if not more easily achieved.

Losses in Transit

Because livestock are subject to death, crippling, bruises, and shrink on the way to market, it is often best to choose a market not too far away. But whatever market you choose, special handling of the livestock in transit is necessary in order to keep down losses. During very bad weather extra precautions must be taken.

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Graph: How the consumer's meat dollar was distributed in three selected years. A farmer's marketing costs are seen to be only a small part of the total cost of getting meat from the feedlot to the consumer's table. (Graph is based on data from the U. S. Department of Agriculture.) (Fig. 2)
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Table 3. — Representative Transit Insurance Rates on Livestock Shipped by Truck to Two Markets

<table>
<thead>
<tr>
<th>Kind of animals</th>
<th>Rate per head to Market A</th>
<th>Rate per head to Market B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50 miles</td>
<td>100 miles</td>
</tr>
<tr>
<td>Cattle</td>
<td>cents</td>
<td>cents</td>
</tr>
<tr>
<td>calves</td>
<td>.22</td>
<td>.28</td>
</tr>
<tr>
<td>Calves</td>
<td>.18</td>
<td>.25</td>
</tr>
<tr>
<td>Hogs</td>
<td>.15</td>
<td>.15</td>
</tr>
<tr>
<td>Sheep and lambs</td>
<td>.13</td>
<td>.14</td>
</tr>
</tbody>
</table>

Deads and cripples. Total losses in the United States because of livestock arriving at markets dead or crippled were estimated at $10 million dollars in 1950. This represents enough meat to feed a city of 260,000 people with 145 pounds of meat per person a year.

Losses of this type can be covered by insurance. Rates are on a per-head basis, being higher for some species of animals than for others, and increasing with distance to market. There is also variation in the rates to different markets, depending on the loss experience at each market (Table 3). Similarly, it costs more to insure shipments with truckers who have had especially bad losses.

This hog is not finding it easy to get out of the truck. If you don't provide chutes for your livestock, you are running the risk of losses from bruises and crippling. (Fig. 3)
Concrete makes the floor for milking room, milkroom, and operator area. Crushed rock or gravel surfaces where cows will walk, or roughening gritty, roughened surfaces in milkroom, feed bedder area. A recent concrete is 1 part Portland cement and 3 parts coarse aggregate with clean water (5 or 6 parts water to cement) to make a plastic concrete.

Walls of the milkroom should be smooth, hard, and not made of clay blocks or wood finish. Unglazed interior mason.

Cleaning. Sanitation labor saved by observing and around the building. The milking room can be so designed that it can be washed down with a hose. Gentle handling and immediate removing of cows after milking reduce bruising and dropping in the milking section. Cows need good bedding and the milking operator from his work is made easier by partitions between the different kinds of animals, feeding and feeding area.

Milking and feeding. Doors to the milking room should be kept as free of dust as possible. The operator from his work is made easier by partitions between the different kinds of animals.

Bruises. Losses from bruises are harder to appraise than losses from deads and cripples, but they were estimated at 28 million pounds in 1950, valued at 40 million dollars. Included in this estimate is the loss due to down-grading the rest of the carcass after the bruise is cut out. When buying livestock, packers attempt to estimate the loss from bruises on the basis of past experience.

Much of this bruising can be prevented by taking proper precautions, such as these: have adequate loading facilities; avoid overloading; avoid excessive feeding before loading; handle the animals carefully; put partitions between the different kinds of animals; provide plenty of good bedding; protect the animals from the elements. In fact anything that adds to the comfort of an animal will reduce bruising.

Shrinkage. Loss from shrinkage is hard to ascertain. The scales at most farms are not accurate. Also, the amount of shrink is determined partly by the amount of fill at the farm and at the market. An animal kept in drylot 12 hours, weighed, hauled to market, then fed and watered and again weighed, could show a gain in weight from farm to market.

When buying, the packer tries to estimate shrinkage and fill as well as carcass grade. He is buying meat when he buys livestock, so is interested in dressing percentage as it affects carcass costs. For example, live cattle costing $30 a hundred and dressing 50 percent give
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beef costing $60 a hundred; if they dress 60 percent, the beef costs only $50 a hundred.

Distance to market and the time it takes to get there have a lot to do with shrink, though not as much as is often thought. As time and distance increase, shrink tends to increase; but the most rapid shrink frequently occurs during the first 50 miles of the trip to market.

Shrinkage is often greater on pasture livestock than on drylot livestock because dry feeds are less “washy.” Hogs under 100 pounds and over 280 pounds tend to shrink more than hogs between those weights. Calves and lambs often shrink more than mature cattle and sheep.

What the Marketing System Should Do

There are several types of livestock markets or outlets in this country — public markets under the supervision of the U. S. Department of Agriculture, local markets, auctions (some of them also government-supervised), and traders. These are all parts of the marketing system — which also includes packers and other processors.

By first understanding what a market system should do, we can better understand the advantages and disadvantages of the different types of market to the industry as a whole and to our own personal marketing problems.

1. By efficient operation, the marketing system should keep costs at a minimum, but at the same time it should not sacrifice quality of service.

2. It should cause quality differences between animals to be reflected in prices.

3. It should so control buying and selling practices that each buyer and seller is treated impartially.

4. It should make it impossible for buyers or sellers to manipulate any market.

5. Through prices, the various forces on the market should:
   Let farmers know what type of livestock packers want.
   Encourage distribution of livestock and livestock products in such a way as to provide the highest net returns to farmers and reasonable prices to consumers.
   Cause livestock, once produced, to be slaughtered and the meat consumed.
   Encourage the storage of meat against the time when it will be needed.
Concrete makes the floor for milking room, milkroom, barns and sheds. Crushed rock or gravel surfaces where cows will stand, or roughening gritty, roughened surfaces in milkroom, operator area. A recent concrete is 1 part Portland cement to make a plastic mass. Walls of the milkroom and operator area should be smooth, hard, and preferably of concrete or clay blocks or wood for an unglazed interior masonry surface.

Cleaning: Sanitation labor saved by observing a few simple rules. Gentle handling and prompt washing down with a hose after milking reduced the time spent in cleaning and around the building. The milkroom can be washed down with a hose at least once a day; in the bedded space once a day and keep the cows dry and clean as needed or at least once a day in the stables.

Table 4. -- Where Cattle, Calves, and Hogs Were Sold by Farmers in Three Illinois Areas, 1950

<table>
<thead>
<tr>
<th>Type of market or outlet</th>
<th>Percentage of total sales made to different kinds of markets in—</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Southern area</td>
</tr>
<tr>
<td>Terminal public markets</td>
<td>60.6</td>
</tr>
<tr>
<td>Local markets</td>
<td>9.9</td>
</tr>
<tr>
<td>Auctions</td>
<td>4.7</td>
</tr>
<tr>
<td>Traders</td>
<td>10.3</td>
</tr>
<tr>
<td>Other farmers</td>
<td>14.5</td>
</tr>
<tr>
<td><strong>Hogs</strong></td>
<td></td>
</tr>
<tr>
<td>Terminal public markets</td>
<td>65.7</td>
</tr>
<tr>
<td>Local markets</td>
<td>24.9</td>
</tr>
<tr>
<td>Auctions</td>
<td>2.0</td>
</tr>
<tr>
<td>Traders</td>
<td>3.1</td>
</tr>
<tr>
<td>Other farmers</td>
<td>4.3</td>
</tr>
</tbody>
</table>

*For description of areas, see Table 2, page 6.

There is no general agreement among farmers as to which type of market is most desirable for the sale of livestock. There are different reasons advanced by farmers for their choice of markets. To one farmer convenience might outweigh all other factors, while another farmer might pass up a conventional market for a slightly more distant one that he thought might give greater net returns.

In the following discussions of the various types of markets, no effort at complete listing is attempted; rather only the more important factors are considered.

Terminal public markets

These local "posted markets." That is, they are under the supervision of the U. S. Department of Agriculture. The government supervises trade practices, accounting methods, weighing, etc. Scales on such markets in Illinois are regularly tested by government men to assure accuracy. Weighing is done by bonded weighmasters—employees of the stockyard company.

The law requires livestock markets to be posted if they (1) operate for profit, (2) have at least 20,000 square feet of pen space, scales, etc., and (3) sell livestock that moves in interstate traffic. In many states
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An order buyer and a commission salesman at National Stock Yards look over a pen of Illinois hogs from Pike county. (Fig. 5)

A large number of auctions, as well as terminal markets, are under federal supervision.

In Illinois there are only five posted markets: Chicago, National Stock Yards (East St. Louis), Peoria, Springfield, and Bushnell. None of these are auctions. On January 31, 1952, 331 livestock markets in the United States were under federal supervision.

At terminal markets the stockyards company furnishes the facilities—unloading chutes, pens, water, scales, etc. For these facilities and weighing a yardage fee is charged. The yardage fees per head at National Stock Yards on December 1, 1951, were: cattle 78 cents, calves 45 cents, bulls $1.10, hogs 27 cents, sheep 17 cents.

There are several buyers and several selling agencies on a terminal market. Selling is done by commission men. They charge a per-head fee which decreases as the size of consignment increases. For example, on December 1, 1951, the cattle rate per head at National Stock Yards was: only 1 head $1.30; first 5 head $1.10; next 10 head $1.00; each head over 15, 96 cents. Thus the fee for 20 head would be: first 5 head $5.50; next 10 head $10.00; next 5 head $4.75; total $20.25, or $1.01 1/2 a head.
Concrete makes the for milking room, milkery barns and sheds. Crushed rock or gravel surfaces where cows walk, broom, or roughening gritty, roughened surfaces in milkroom, operator area. A recent concrete is 1 part Portland cement to make a plastic clean water (5 or 6 cement) to make a plastic.

Walls of the milking area should be smooth, hard, and not gritty, roughened surfaces in milkroom, operator area. A recent concrete is 1 part Portland cement to make a plastic clean water (5 or 6 cement) to make a plastic.

Cleaning. Sanitation labor saved by observing in and around the bull milking room can be washed down with a hose. Gentle handling and immediate fresh straw on top. This helps to move about for a few hours before bringing them in. in the bedded space once daily to at least once a week.

Milking and feeding doors to the milking room operator from his worktime is involved in handling generally be trained to the readily if not more easily.

The commission company sorts the animals, waters them, orders such feed as needed from the stockyards company, sells the livestock, and sends the net returns to the farmer with a statement showing the various deductions for yardage, feed, transportation, insurance, and other items.

Feed costs more at the market than on the farm. Corn is often 40 or 50 cents a bushel higher than the going market price. But because of the labor involved, the stockyards commission makes little profit from feed sales. On many markets you can have your animals fed or not and can indicate feeds; but if you do not notify your commission company as to your preferences, the usual market practice will be followed. At least markets livestock are fed if they arrive before 6 a.m., but not if they arrive after that time.

Since charges are on a per-head basis they become smaller per hundred as the weight gets larger; and they become smaller in relation to the total sales value as the price per pound increases.

The average costs per hundred for the various services differ between the different kinds of animals (Table 5). Trucking to a terminal market is the most important single item of expense (page 5) and becomes increasingly important as weight increases (Table 6).

The effect of terminal markets upon the general livestock price level is a controversial issue that is not discussed here.

**Advantages.** The fact that there are several buyers at a terminal market is usually an advantage since no one buyer is likely to bid the best price for each species, class, weight, and grade of livestock.

At terminal markets there is usually enough volume to permit sorting to take care of specialty orders. Government supervision insures fair trade practices, accurate weighing, etc. Selling is done by experienced salesmen who devote full time to studying the market situation.

Table 5 — Marketing Charges per Hundredweight for Livestock Shipped From Farms in Southern Illinois to a Terminal Market, 1950

<table>
<thead>
<tr>
<th>Kind of animal</th>
<th>Trans-</th>
<th>Com-</th>
<th>Yard-</th>
<th>Feed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>porter-</td>
<td>mission</td>
<td>insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>onda</td>
<td>onda</td>
<td>onda</td>
<td>onda</td>
<td>onda</td>
</tr>
<tr>
<td>Cattle</td>
<td>39.3</td>
<td>3.7</td>
<td>12.8</td>
<td>8.9</td>
<td>2.1</td>
</tr>
<tr>
<td>Calves</td>
<td>87.0</td>
<td>14.8</td>
<td>33.3</td>
<td>23.2</td>
<td>160.3</td>
</tr>
<tr>
<td>Hogs</td>
<td>28.0</td>
<td>4.7</td>
<td>16.3</td>
<td>11.9</td>
<td>6.2</td>
</tr>
<tr>
<td>Sheep and lambs</td>
<td>63.9</td>
<td>18.8</td>
<td>34.2</td>
<td>17.8</td>
<td>134.7</td>
</tr>
</tbody>
</table>

*Includes commission charges.

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Table 6. — Comparative Marketing Costs for Cattle of Different Weights, National Stock Yards, 1950

<table>
<thead>
<tr>
<th>Average weight per animal, pounds</th>
<th>Percent of total costs accounted for by</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trucking</td>
</tr>
<tr>
<td>666</td>
<td>51.7</td>
</tr>
<tr>
<td>748</td>
<td>55.5</td>
</tr>
<tr>
<td>849</td>
<td>62.1</td>
</tr>
<tr>
<td>1,042</td>
<td>69.9</td>
</tr>
<tr>
<td>1,136</td>
<td>61.3</td>
</tr>
<tr>
<td>1,234</td>
<td>60.0</td>
</tr>
</tbody>
</table>

Disadvantages. Once the livestock arrives at a terminal market, there is only limited opportunity, because of the cost, to take the animals back to the farm if prices are not as expected. The out-of-pocket expense items at these markets look large. While it is recognized that livestock generally weigh less at the market than at the farm, this shrink is often thought to be too big at the terminal markets. As already mentioned, however, the effect of distance on shrink is often exaggerated.

Local markets

There are over 250 local markets in the state, excluding small slaughter plants that buy 500 animals or less a year. In Illinois hogs are the most important meat animals sold through local markets.

Local markets fall into two general classes on the basis of whether stock is bought for only one slaughter firm or for more than one. There is only one buyer at each of these markets. If he is buying for several firms, he may have the animals sold before he has bought them. Some local markets pay a certain amount under the prices offered at the terminal market used by the area. Others do not have a set differential from the terminal-market price. Local markets usually pay the same price throughout the day, whereas at terminal markets prices vary during the day. Prices are posted in the buyer’s office.

Upon arrival at the market, the animals are sorted, driven to the scales, and weighed. The buyer or his employee does the weighing. Most scales are tested at least once a year and many are tested often. But they are seldom, if ever, tested to capacity of the beam. At some local markets there are no out-of-pocket market expenses. At others there is a small yardage fee. Cash transportation charges...
Concrete makes the floor for milking room, milk room, and operator area. A recent concrete is 1 part Portland cement and 3 parts coarse aggregate (1 cement) to make a plastic concrete. Crushed rock or gravel surfaces where cows will walk, or roughening gritty, roughened surface in milkroom, fed operator area. A recent concrete is 1 part Portland cement and 3 parts coarse aggregate (1 cement) to make a plastic concrete. Walls of the milkroom be smooth, hard, and clean, or clay blocks or wood frame unglazed interior masonry.

Cleaning. Sanitation labor saved by observing in and around the building. The milking room can be so washed down with a hose and temperature of between 80-90 degrees. Gentle handling and being handled by gentle mares is very important. Cows after milking should be dropped in the milking sump to move about for a few minutes before being turned into the field or into the bedded space once in a while. Fresh straw on top. This aids in keeping the cows clean and clean and prevents them from being housed in this area.

Milking and feeding. Doors to the milking room are kept open. The operator from his work area is readily accessible for the time involved in handling the cows and feeding the animals. Generally it is advisable to have a hand-feeding area if not more easily available.

One of the better local markets in the state. Illinois farmers use local markets for hogs more than for cattle. (Fig. 6) are often low since a farmer will haul his livestock in his own pickup truck.

A few cooperative local markets act as shipping associations, handling cattle, calves, and sheep on a consignment basis. That is, they assemble the animals and send them to a terminal market for sale by a commission firm. At one time there were over 600 active shipping associations in Illinois, but with the development of trucks and better roads the use of such services has been largely discontinued.

Advantages and disadvantages. The principal advantages of a local market are that it is convenient, price is known before the livestock leaves the farm, and cash costs are very small.

Disadvantages are that local markets seldom offer the best outlet for all classes and grades of livestock, farmers often do not know livestock grades and values well enough to know whether the price offered is fair, and there is a chance for inaccurate weighing.

Auctions

At auctions one pen of livestock at a time is sold in the ring to the highest bidder. The number of auctions has expanded rapidly in recent years. On January 1, 1951, there were 98 in the state. Most of these hold sales only one or two days a week. They are used more for cattle than for hogs.

Slaughter and feeder livestock may be sold either by the head or by the pound. Where sales are on a pound basis the animals are weighed. At some sales they are weighed on arrival, at others immediately before or immediately after leaving the sales ring.
Choosing a Market for Your Livestock

Several buyers and sellers may be represented. At some auctions, each owner's animals are sold separately. At others, all animals are graded for quality, class, and weight and sold in uniform pen lots, although this is not common in Illinois. A graded pen basis often attracts more buyers with better bids.

A pen of cattle is sold at auction at Paris, Illinois, as many spectators look on. The excitement of a livestock auction is often what attracts many of the buyers and sellers. (Fig. 7)

A usual charge for selling through an auction is 3 percent of the sales volume. Many of the markets also have minimum and maximum charges. At only a few auctions in the state, is there a charge for yardage and feed. The marketing expense is paid by the seller. As at local markets, the seller receives his money the day of sale. Many farmers deliver their own livestock to the auctions, thus keeping down cash transportation costs.
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Choosing a Market for Your Livestock

General outlook material

Certain government reports issued during the year are helpful in appraising the livestock situation. Some of these are:

<table>
<thead>
<tr>
<th>Type of report</th>
<th>Month issued</th>
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<tbody>
<tr>
<td>Sheep and lamb, and cattle on feed for market</td>
<td>January</td>
</tr>
<tr>
<td>Cattle on feed on corn-belt farms</td>
<td>April, July</td>
</tr>
<tr>
<td>Cattle feeding situation and lamb-feeding situation</td>
<td>October, November</td>
</tr>
<tr>
<td>Pig crop</td>
<td>June, December</td>
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<tr>
<td>United States lamb crop</td>
<td>August</td>
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<tr>
<td>Number and value of livestock on farms January</td>
<td>February</td>
</tr>
<tr>
<td>Farm production and income from meat animals</td>
<td>April</td>
</tr>
</tbody>
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As each of these reports appears, it is summarized on the back of the United States government daily livestock market report issued at the National Stock Yards and Chicago markets.

The Livestock and Meat Situation, Marketing and Transportation Situation, The Feed Situation, and The Demand Situation are monthly publications that contain current market information as well as summaries for longer periods and outlook material. These are put out by the Bureau of Agricultural Economics, U.S. Department of Agriculture.

Data from all these sources may be used to interpret market conditions and to estimate cyclical (long-time) and seasonal movements of livestock and prices. You will find them particularly useful in adapting your breeding and production programs to general economic conditions.

Daily market reports

The daily market is, of course, the one that is of primary concern when you are selling a specific lot of livestock. There are various factors that affect market relationships change from day to day; and the type, grade, quality, and weight of livestock wanted by a given demand.

What a report should do. Should a report explain what happened on the market? Should it attempt to predict future price movements? Knowledge of what is taking place on the market is essential if one is to intelligently estimate what future prices and price movements are likely to be. But in our “free” market economy few, if any, people can predict prices movements with absolute accuracy. The best a market report can do is to describe the various factors that will affect prices and leave it to individual buyers and sellers to decide when and where it will be best to buy and sell.
Concrete makes the floor for milking room, milkers' barns and sheds. Crushed rock or gravel surfaces where cows walk, or roughening gritty, roughened surface in milk room, operator area. A recent concrete is 1 part Portland and 3 parts coarse aggregate clean water (5 or 6 to 1 cement) to make a plastic concrete. Walls of the milkroom be smooth, hard, and neat or clay blocks or wood frame roughened interior surfaces.

Cleaning, Sanitation labor saved by observing in and around the building milking room can be saved, washed down with a hose, gentle handling and permit cows after milking remain in the bedded space once fresh straw on top. This habit keep the cows clean and dry and keep the cows clean. Daily wholesale meat quotations. If wholesale beef or pork prices are lower for several days it is fairly safe to assume that livestock prices will follow. If livestock prices decline and wholesale prices of meat hold steady, the break in livestock prices is likely to be of a more temporary nature.

General weaknesses in market reports. Few market reports give enough information to enable farmers to compare prices at alternative markets. Many give volume for only one market for only one day. Most of them make no attempt to include a summary of the wholesale meat market in with the report on live animals. Another weakness of market reports is that they do not use common enough terms in describing grades. This makes it hard for a seller to know how his animals will class as to grade and weight and hence what they are worth.
Choosing a Market for Your Livestock

Four types of reports. Illinois farmers commonly use four kinds of daily reports:

1. Radio. Early morning radio reports give estimates of receipts and often a summary of the previous day's market. During the day—usually at noon and often at other times—representatives of stockyards companies or commission firms give reports. Many of these radio reports emphasize top prices and prices for individual lots but make no comments on quality. Some radio stations use an abbreviated government summary that emphasizes primarily weight, grade, and price on a particular market.

2. Daily newspapers. Most daily newspapers in the Midwest carry a summary of one of the major livestock markets. But these summaries are brief and of little help in interpreting market behavior.

3. Livestock dailies. These papers, published at many major livestock markets, give much more space to analyzing market conditions than do the daily papers.

4. Government market reports. These reports are issued daily from the National Stock Yards and the Chicago offices of the Production and Marketing Administration (PMA), Livestock Branch. There is no charge for these reports. They not only list top and average prices and price by weight and grade, but they also tell something about the makeup of the run (such as percent of sows, etc.), type of buyers on the market, and other details that help to explain what is happening on the market.

Limitations in applying market data. Facts gathered about total cattle, or the total numbers of any other kind of livestock, are not much help in marketing a specific lot of animals. Variations among grades are too wide, and good demand for one class, weight, and grade is not an assurance that the demand for another class, weight, and grade will be good.

Another difficulty in applying market data to a specific lot of animals is that grades are hard to describe, and the descriptions are not always easy to interpret. How a given lot of animals will grade will therefore depend to a considerable extent on the judgment of the individual buyer. (That is why buyers often prefer to see animals before buying them even though that is more expensive than buying by description.)

All this means that it will pay to take every opportunity to learn how grades are being generally interpreted on the market you use, and what the demand is for the particular class, grade, and weight of animal you expect to market or have ready for market.
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Walls of the milking room should be smooth, hard, and neat. Unglazed interior masonry or clay blocks or wood may be used.

Cleaning. Sanitation labor saved by observing cleanliness in and around the building can be of great importance. The milking room can be washed down with a hose after milking and again before bringing them in. In the bedded space once fresh straw on top. This is burned and keep the cows clean as needed or as local regulations daily to at least once a week.

Milking and feeding. Doors to the milking room must be kept open and the operator from his work. Time is involved in handling cows after milking and before bringing them in. Gentle handling and immediate movement for a few minutes after milking reduces the probability of dropped in the milking system to move about for a few minutes before bringing them in. In the bedded space once fresh straw on top. This is burned and keep the cows clean as needed or as local regulations daily to at least once a week.

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To choose the market that will give the best returns for a given lot of livestock, a farmer needs to ask himself these questions:

What are the sorting practices and weighing conditions on the different markets? The market that offers the highest average price will not necessarily pay the best for a particular weight and grade of livestock.

What are the price relationships between different markets and different weights and grades? To keep abreast of day-to-day changes it is necessary to find a source of market news that is accurate, timely, and unbiased. Information on weighing conditions, sorting, and shrink should be comparable for the different markets.

What deductions from price will I have to figure? Transportation charges are usually the biggest item. While losses in transit may also add substantially to marketing costs, these can usually be kept down by taking measures for the comfort of the animals.

Without careful attention to these and other marketing problems, much of the money and skill put into production can be lost at the selling end of the enterprise.

Circular No. 701

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