

description of the grade of cattle sold at the quoted price. It is no secret that the buyer is much less choosy in what he describes as "good-to-choice" steers when cattle on the market are scarce than when the runs are heavy. But the use of televised market news is still confined to isolated local experiments.

A market organization that works even more smoothly than today's is possible with better information for planning. We have the instruments to get more and better information, to more people, more quickly, if we are willing to put a modest amount of energy, imagination, and funds into finding out how. (*Chester R. Wasson.*)

Reporting Supplies and Markets

Market information is much more than the condensed summaries of the receipts and prices at one place given on the financial pages of daily papers or by radio. Generally such reports are a synthesis of a host of factors that have culminated in action, or an exchange of commodities, at one point in the marketing system. For example, the report that No. 2 yellow corn at Chicago is \$1.56 a bushel means that buyers and sellers have met on the trading floor and have agreed on a price after each has weighed his knowledge of many factors of supply and demand. The fairness of that agreement or price depends on things too numerous to list here. But it seems evident that if competition and pricing are to be effective and fair all buyers and sellers must have equal access to full information about the factors that influence the market.

In an earlier day the producer of

livestock, grain, and the more perishable commodities could know fairly well the situation at his local market, where he sold his goods. But even then controversies developed. Some traders used all sorts of means (including carrier pigeons) to get the information about the crop and market conditions ahead of their competitors. Travelers from distant areas were questioned extensively. News of all kinds was highly valued and obtainable by the few who were in position to make the necessary contacts.

The areas of competition broadened as transportation developed, industry grew, the population increased around centers of manufacturing, and food supplies had to be drawn from greater distances. The local market became less of a factor in the pricing scheme; the market for agricultural products became national and international. The producer of winter wheat in Kansas became concerned with the production in all other winter wheat producing areas, including the Argentine and the Ukraine. He became concerned with the prices of wheat at Kansas City, Chicago, Buffalo, and New York.

THE DEVELOPMENT of market information services in the Department of Agriculture followed closely the pattern of the development of agricultural production. As areas of production spread out, the first thing needed was reliable information on total production. The institution of a crop and livestock reporting service was one of the first activities of the Department of Agriculture when it was established in 1862. As a matter of fact, demand was great for such a service nearly 25 years before there was a Department.

Now, the Agricultural Estimates Division, operating through the United States Crop Reporting Board, provides throughout the year statistical reports for more than 150 farm products. The reports include estimates of the acreages of the crops farmers intend

to plant, acres planted for harvest, and harvested acreages. During the growing season monthly estimates of production are made on the basis of crop conditions or probable yield per acre as they are reported to the Department on the first of the month. Reports on the condition of pastures and ranges are issued monthly by States. Production estimates for 136 crops, including fruits, nuts, vegetables, and field crops are published regularly.

Statistics concerning livestock and poultry production include annual estimates of numbers and classes of livestock and poultry on farms January 1, and annual estimates of calf and lamb crops and chickens and turkeys raised.

Estimates of the pig crop are made twice a year. The report in June covers the spring pig crop and intentions for the fall. The report in December relates to the fall pig crop and intentions for the following spring.

The volume of milk and eggs produced is estimated monthly, and that of wool and mohair annually. The number of chicks and turkey poults hatched in commercial hatcheries is estimated monthly, and weekly reports are made for areas in which broilers are important.

A complete enumeration is made every year of the factory output of about 45 kinds of dairy products. Monthly and weekly estimates are made currently for the more important dairy products. Dairy plants keep comparatively accurate records of production, and in many States collection of data is facilitated by State laws requiring the firms to report the quantities manufactured. In 36 States the Department of Agriculture has entered into cooperative agreements with State agencies, usually the State Department of Agriculture, to provide for the joint collection of information and issuance of State and National reports. This Federal-State cooperative program was started about 36 years ago. It has not only prevented duplication of effort between the

Federal and State agencies, but has enabled the two agencies working together to provide greatly increased services to farmers.

The larger part of all information obtained comes from individual farmers and businessmen, who cooperate with their fellows and with the Department to pool their information for the common good. The Department is largely dependent upon the willing cooperation of hundreds of thousands of voluntary reporters who complete and return questionnaires, with no reward other than the informational service they get and the knowledge that they are performing a public service and that the official reports are more accurate because of their help.

THE MARKET NEWS SERVICE came into being about 50 years after the crop and livestock reporting work—after many changes had occurred in industrial development, the growth of cities, and the expansion of railroads and communication facilities.

Production estimates and reports of crop conditions had been refined, but still it was apparent that the immediate supplies at one single market point strongly influenced the prices at that point; lack of accurate information on supplies and prices led to simultaneous gluts and scarcities in markets throughout the country. Farmers, dealers, handlers, and processors were trying to operate in the dark. More than ever they needed information about conditions in all markets.

The Department of Agriculture received many requests for help. A study was made, and in January 1913 the Secretary of Agriculture issued a report that recommended that a division of markets be established. It opposed the establishment of a market news service. The cost of a telegraphic service seemed prohibitive and the fear that farmers would be misled by the market reports seemed to be the main obstacle.

The Office of Markets was established in 1913. Work on market reporting began in 1915. The pioneer

work was successful and mushroomed when the First World War placed heavy burdens on marketing systems.

The service has expanded steadily, until in 1953 most of the major markets were covered.

Information about one market is collected by a reporter who makes personal contact with the dealers, handlers, and others to get records or reports of sales. He observes the commodities at first hand and appraises them as to conditions and quality. The information so gathered is given to the press and radio stations and sent out through processed reports, telegraph, telephone, and personal contact. At the same time, through the facilities of about 11,000 miles of teletype circuits, the market reporters in each market interchange information several times during the market session. This information is posted or otherwise disseminated in the particular market so that as trading proceeds all parties have access to knowledge of what is happening in other markets.

A particularly significant feature of the fruit and vegetable market news service is the information obtained from reports of car loadings on all rail lines and reports of passing at railroad gateways. The information is telegraphed each midnight to the central market news office in Washington, D. C., where it is compiled and placed on the teletype circuit early the next morning. Another part of the information is obtained from the seasonal market news offices at the shipping points and through reports from the grading and inspection forces, growers, and shippers in the producing areas. For shipments by motortruck, receipts are obtained from 15 or 20 terminal markets, but information about movement by motortruck is incomplete.

Through these facilities traders on any market served will know what the supplies are on his particular market, what the supplies are on other markets, the conditions in the important shipping points, and the volume of loadings

and passings, by which he may judge what may be expected in the immediate future.

For many livestock markets the local market news service provides the same type of service on advance receipts, which are based on reports from the railroads, shippers, and buyers, marketings on corresponding days for recent weeks, current demand and price trends, weather and road conditions, and other factors. On that basis the market reporter estimates the probable receipts of livestock on his market during the next 24-hour period. The estimates are posted on the exchange bulletin, given the press, and sent by teletype to other offices.

Market news also is provided on dairy and poultry products, grain, feed, tobacco, naval stores, molasses, and cotton.

Each service is adapted to the conditions under which the particular commodity is marketed. For example, in the marketing of eggs the service has followed the market trend and has based an increasing amount of its information on transactions at the country buying points. For some areas the livestock market news service covers the interior markets for hogs and sheep. Data as to grain and feed are gathered at strategic points and issued weekly on a national basis.

Trading in cotton is highly organized. The price quotation on the 10 spot markets, designated by the Secretary of Agriculture, are reported by the quotations committee on each market. The committees are under the supervision of the Cotton Division of the Department of Agriculture.

About 300 different qualities of upland cotton are reported. Prices are quoted as premiums and discounts off or on the base quality, middling $\frac{15}{16}$ -inch staple. The quotations are wired the Cotton Division office in Memphis, Tenn., where daily quotations are released to the wire services, newspapers, and radio.

Prices at other than the 10 spot markets are collected by employees of

the Cotton Division by personal interview with buyers and sellers. About 10 additional markets are covered by this means.

Cotton prices delivered or landed at the mill points are also obtained from mills, merchants, and shippers. The prices are designed to provide quick and reliable information on average prices for various grades and staples most in demand by mills as well as the spreads between the spot prices and the landed mill prices in the various sections of the Cotton Belt and the New England States.

Estimates of grade and staple, important features of the cotton market information service, supplement the estimates of production by further defining the production into its component parts. Samples of cotton are obtained from cooperating gins and sent to the classing offices of the Cotton Division. The samples are stapled and classed by experts, and the results are forwarded to the Washington office, where a report is issued to show the quality of the crop being marketed. The report enables a producer or handler to determine about what portion of the crop will probably be of a particular grade—an important pricing factor.

For tobacco also the market information is a little more specific than for other commodities. Under the Tobacco Standards Act the Secretary of Agriculture is directed to provide a grading and market news service on any market where two-thirds of the growers utilizing that market vote in favor of the service, which is conducted by the Tobacco Division.

On the sales floor each pile is graded officially by a trained grader, and a ticket is marked to show the official grade. After the sale the market news man notes the prices and compiles a report. Each grower, buyer, or other interested person is provided a copy of the report for the previous day at the beginning of each sale. The report enables the grower to compare the bid price for each grade which he has to

sell with the previous day's prices and decide whether he should accept or reject the bid price.

AN IMPORTANT ITEM in appraising the total market situation is the storage holding, which can have both a long- or short-time influence in the market because the commodity stored can be moved quickly into the channels of trade or held for varying periods.

Storage supply also can have a variable effect on transactions on individual markets, depending on the location of the supply in relation to the market.

A given amount of wheat held in terminal elevators would cause a different market reaction than the same amount held at country elevators or on the farm. It is also important to know the grade or kinds of the commodity held, because there are different markets for parts of a crop having different characteristics. For example, it might be that the total amount of cotton held in storage was large, but if the stocks were mostly of short staple or low quality, the market for them might be depressed; but the effect would be the reverse in the market for cotton of long staple and high quality.

The Department of Agriculture provides a great deal of information on the storage holdings. The Agricultural Estimates Division collects information on farm stocks of many of the important grains and issues reports four times a year on stocks of grains in all positions. The Grain Division issues each week information on commercial stocks of grains at 45 points in the United States and Canada. Bulletins on tobacco stocks are issued quarterly; the reports show the storage supply by groups of grades so that the user can determine the supply of tobacco available for the several types of uses.

Cotton carryover stocks are reported shortly after August 1 each year. These statistics show the quantity by grade, staple length, and durability of upland cotton as well as the staple length of foreign cotton carried in the stocks as of August 1.

Monthly reports of a large number of perishable fruits and vegetables, dairy and poultry products, meats, and fish in cold storage also are issued by the Agricultural Estimates Division.

ORDERLY MARKETING requires more than just a group of reports on the more important factors of production, supplies, stocks, and prices, however. Reports and data on population, the level of employment, wages, average production costs (including wages of farm labor and costs of fertilizer and machinery) and such must be analyzed.

To fill this need the Department provides a number of services. Studies of marketing methods and costs point the way for greater efficiency in marketing and long-range production plans. Of major importance is the information on farm management and costs. This material is essential in the development of the outlook services provided by the Department and its cooperating agencies.

This continuous service brings together and analyzes information from many sources. The crop and livestock estimates, market news, information based on farm management work, and the marketing research studies all contribute basic information on agriculture. Related data on business conditions, the industrial employment and wages, and international developments are brought together also periodically in the form of comprehensive situation reports, which help farmers, processors, and handlers in making decisions.

The situation reports are preceded by an annual outlook report, issued each fall. It is designed primarily to meet the need for an analysis that looks ahead a year or two. To prepare the annual outlook report, all interested agencies in the Department and representatives of the extension services of the States participate in a thorough analysis of the farm situation.

The marketing services of the Department are careful that all parts of the market system have equal access to the reports.

An example is the releases of the Crop Reporting Board, which meets behind locked doors and sealed windows in a carefully guarded wing of one Department of Agriculture building in Washington. No one can enter or leave the wing during the time the board is at work. The release is controlled by law and strict regulation. The day and hour of the release of each report is scheduled a year in advance, and is made through special facilities. The precautions are taken because anyone who could get even an hour's advance notice of the content of the crop report would hold tremendous advantage in the market.

The release of outlook and situation reports and other reports from the Department are all scheduled well in advance and care is taken to give wide distribution to all of them.

More than 1,500 radio stations and 70 television stations cooperated in 1953 in the rapid distribution of information without cost to the Department.

Market reports reach uncounted numbers of readers of the market and financial pages of 1,100 newspapers. (*Sterling R. Newell.*)

To Sell Goods and Services

Today farmers are again phrasing a major marketing problem in their own language: "We can produce it, but can we sell it?" One of the answers in the affirmative lies in the better use of advertising and promotion by farmers, their organizations, and the industries allied with agriculture.

A well-known businessman, William Wrigley, Jr., once said, "I went broke