

THE DEVELOPMENT AND STATUS OF AGENCIES

DISSEMINATING AGRICULTURAL MARKET NEWS IN THE UNITED STATES

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DISSEMINATING AGRICULTURAL MARKET NEWS IN THE UNITED STATES

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Bachelor of Arts

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Stillwater, Oklahoma

1943

Submitted to the Department of Technical Journalism

Oklahoma Agricultural and Mechanical College

In Partial Fulfillment of the Requirements

for the Degree of

MASTER OF SCIENCE

1948

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ACKNOWLEDGEMENT

The writer is greatly indebted to approximately 130 correspondents, many of whose names appear in the footnotes and without whom this study could not have been completed. They include agricultural economists at many colleges and universities, officials of the Production and Marketing Administration, state secretaries of agriculture and marketing officials, members of various private marketing and market news agencies, and workers of the press and radio.

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INTRODUCTION

Our capitalistic system depends upon competition to regulate production and to determine the distribution of income. Capitalism encourages the free initiative of individuals and then relies upon their competition to protect the interests of society. Competition among sellers is relied upon to give the consumer a "square deal." Pressure to meet competitors' selling prices, and if possible to sell a little lower, tends to hold prices down and give the consumer the lowest possible price. At the same time, competition among buyers tends to raise prices and to assure the producer a return that will enable him to operate. At its best the system is supposed to work automatically. When prices in a given industry are relatively high, new producers are attracted and the resulting increase in production pushes prices down. When returns are low in relation to other industries, some producers will be forced out of business or will seek greener fields and the resulting decrease in production will boost prices and aid the remaining producers. If there is a shortage of a particular commodity or the demand increases, competition among buyers pushes prices up; producers increase production to take advantage of the higher prices and the increased production tends to solve the shortage or satisfy the increased demand. Conversely, if there is an over-supply or decreasing demand, competition among sellers forces prices down and causes production to be curtailed. Unfortunately, this automatic system often fails to produce results that are satisfactory both to consumers and producers; consequently, it is attacked by those who

favor reconstruction of the existing economic system. One of their principal indictments of the capitalistic system is that competition is inadequate as a regulator and that it results in the development of monopoly. Any failure of competition to regulate capitalism in the interests of society and with justice to both producers and consumers gives support to this criticism.¹

The effectiveness of competition as a regulator of capitalism depends upon the accuracy with which prices reflect the actual supply and demand conditions. From an economic point of view, the central problem of marketing is the determination of prices on the basis of which exchange takes place. Unless they are fixed through monopoly control, prices can be said to be determined by supply and demand. But what are supply and demand? Under practical operating conditions, supply and demand are the estimates of buyers and sellers, based upon the best obtainable information, of the amount of product which may presently be offered for sale in the market or which buyers may be willing to take. The accuracy of the resulting value estimates is directly dependent upon the amount and accuracy of supply-and-demand information and the ability of the traders properly to evaluate facts and rumors.²

It is evident, then, that market news is necessary for accurate price determination and thus vital to the efficiency of competition as a regulator of capitalism. But market news may actually contribute to monopoly

¹ William H. Kiekhofer, Economic Principles Problems and Policies, pp. 832-833.

² Edward A. Duddy and David A. Revzan, Marketing, p. 89.

if it is not adequately distributed. Those who possess exclusive knowledge of significant conditions or possess that knowledge first thereby gain great advantage. In order to obtain market news quickly, large business concerns, especially those engaged in the perishable food industries and those operating in speculative futures markets, often have elaborate agencies for gathering market news such as leased telegraph wires with which to obtain and distribute the news quickly and secretly. In contrast with these are the smaller operators, farmers, manufacturers, merchants, and the final consumers, most of whom are entirely dependent on outside, and often prejudiced, sources of information.³ A few of the competitors will have access to current market information; therefore, if competition is to be maintained, it is necessary that this information be made available to everyone in the market.

Market news is a vital force in determining producing and marketing activities and only to the extent that adequate market news is available and properly interpreted can these activities be carried on intelligently. Market news is important in determining long-time policies involved in opening up new farming areas, and in determining where to farm and what types of farming to undertake. It is important to short-time operations in determining what to produce from year to year. And it is important in determining immediate marketing operations, because it helps those engaged in marketing to determine when to sell or buy, and where. In all industries a knowledge, or a forecast, of future market conditions,

³ F. E. Clark and L. D. H. Weld, Marketing Agricultural Products in the United States, p. 320.

as well as of day-to-day developments, is desirable. All production is for the future; consequently, producers establish production policies in their judgment of future markets. In order to make as accurate a forecast as possible, one must have a full knowledge of pertinent conditions bearing on demand and supply, and the facts must be timely.⁴

An adequate market news service prevents such waste in marketing. The most obvious waste from inadequate market news is found in the market for perishable foods, especially fruits and vegetables. These products are grown by many scattered producers, and they are subject to frequent changes in demand. If too great a supply reaches a given market, prices will drop and it may not even pay to market some of it. At best, this means low prices. It is impossible to ship highly perishable commodities to other markets, and roundabout shipments are costly. Meanwhile, in other markets, consumers are forced to pay abnormally high prices because goods are in short supply there.⁵

Purpose of the study

Despite the economic and social importance of farm market news, study of the problem has been practically ignored by the journalist, whose techniques must be employed in its dissemination. Even those engaged in market research have neglected this field. Both the journalist, unfamiliar with marketing problems, and the marketing specialist, unfamiliar with journalistic techniques, have been slow to attack the market news problem.

⁴ Ibid., p. 319.

⁵ Ibid., p. 321.

The market reporting system has been developed primarily by practical market workers in reply to obvious needs and demands for information. The newspapers and radio stations have trailed along behind and entered the market news field only at the behest of producers, traders or other workers in the marketing process. The journalist has been, for the most part, a passive agent in market news dissemination. He accepts reports as they are handed to him and publishes them with little further consideration. The average newspaper editor uses certain market reports because those particular reports are "routine." Another editor years ago may have decided that those reports, among those available, should be used in that newspaper. If the editor does initiate the transmission of certain reports, it usually is because of stimulation from local producer or trade interests.

Because of the market news system's topsy-like growth, the observer usually sees either a confusion of interlocking connections and agreements or some limited aspect with which he may be familiar. This study is an effort to create a simplified picture of the existing market reporting structure, reducing it to a pattern of relationships which can easily be observed. An institutional study of market news dissemination, it will attempt to divide the system into its components and show how they function.

Plan of the study

This study visualizes the market news dissemination system as a structure consisting of three levels. The top level consists of the agencies actually engaged in reporting the markets; the bottom level

represents the agencies of mass communication; and the intermediate level consists of the connecting links which transmit news from the reporting level to the mass communication level. Generally speaking, each agency is specialized and limits its activities to its own level although in some cases certain agencies may combine the functions of agencies at different levels. Agencies in the top or reporting level are divided into (1) the Federal market news service, and (2) the state and Federal-State services. They are considered respectively in Chapters III and IV. The connecting link or intermediate level is represented by the wire services, which are considered in Chapter V. The bottom level of mass communication agencies includes the newspaper press and radio which are considered in Chapters VI and VII respectively. Then there is a group of recalcitrants which refuse to fit into this pattern. They are the specialized private agencies which combine the functions of reporting and publication and eliminate the connecting link function. They are considered in Chapter VIII. In order to understand fully the significance of today's institutions, one must consider the historical factors which brought them into being. Chapters I and II are devoted to the growth of a need for farm market news and the development of news agencies in reply to that need.

Market news defined

The term "market news" often is used in a broad sense to include crop and livestock reports of all kinds, weather reports and forecasts, economic situation and outlook reports, as well as periodic summaries and daily reports of current market prices. It includes estimates and forecasts of crop acreage, reports and forecasts of insect damage, and

reports of drought and flood, harvest weather and farm labor. It involves such complicated influences as government buying, industrial employment and consumer purchasing power. In short, "market news" is used to cover all the miscellaneous trade information and gossip that influence the determination of prices. The Federal government maintains large staffs of statisticians and enlists the aid of hundreds of thousands of farmers in assembling information for some 500 published reports on farming conditions in the United States.⁶ That crop and weather information published by the Agricultural Estimating Service is valuable in informing producers and traders and probable yields and prices. This study, however, will be concerned with a more strict definition of "market news."

What is news? Bleyer writes: "News is anything timely that interests a great number of people; and the best news is that which has the greatest interest for the greatest number."⁷ Maulsby writes: "News may be defined as an accurate, unbiased account of the significant facts of a timely happening that is of interest to the readers of the newspaper that prints the account."⁸ Clayton writes:

There are a number of standard definitions....From these definitions we can select four essential elements: (1) it must be new and timely, (2) it must interest readers, (3) it includes everything which does interest people, (4) its news value depends upon the number of persons it interests, and upon the extent to which they are interested.⁹

News is timely, current, new. Market news must be so.

⁶ "Uncle Sam Learns from the Farmer," Co-op Grain Quarterly, IV (August, 1946), p. 36.

⁷ Willard G. Bleyer, Newspaper Writing and Editing, p. 18.

⁸ William S. Maulsby, Getting the News, p. 71.

⁹ Charles C. Clayton, Newspaper Reporting Today, pp. 22-23.

Market news is news of the market. It must originate in the market or in channels of trade directly connected with the market and immediately affecting the market. Thus the scope of market news is limited to supplies and classes of goods in the market and expected receipts; prices paid, offered or asked; conditions in the market, including buyer and seller attitudes and trends in price, supplies and quality; and shipments from shipping points and producer areas.

For purposes of this study, market news is current and timely information on supplies and classes of goods and expected receipts, prices, market conditions, and shipments to market.

CHAPTER I

HISTORY OF FARM MARKET NEWS DISSEMINATION IN THE UNITED STATES BEFORE 1900

The history of farm market news dissemination integrates the history of marketing and the history of communications and journalism. It is the history of the printing press and the refrigerator car, the telegraph and the cotton gin. The development of farm market news has been dictated by the needs of marketing institutions and the limitations of communication techniques. It is the product of industrial and social change which, with one hand, made market news necessary and, with the other, made it possible.

Coffeeshouses

The first faltering steps of journalism in America were closely related to market news. The first newspapers in America stemmed from the sources of trade and shipping news, and that information was an important part of their content.

In primitive communities, information is exchanged by word of mouth, and the exchange occurs wherever people gather. In America's colonial settlements, reports of latest happenings were first exchanged at the tavern or coffeeshouse.

To the coffeeshouses, in particular, the merchants and traders of the town repaired to interchange the news that most intimately concerned them---the arrival and departure of ships, the sort of cargo carried, incidents of the trip, what passengers were aboard, what they had to relate of doings elsewhere.¹

¹ Victor Rosewater, History of Cooperative News-Gathering in the United States, p. 4.

For voyages to and from England, the nearest and most active port was Boston. In Boston, it was the local coffeehouse where traders gathered for the freshest news. The early newspapers followed their lead.

Indeed, the coffeehouse was the most fruitful fount of news for the paper and became the news stream of the rising press....The information obtained in the harbor was the vital news. Long after achieving national independence, as well as previously, the settlers were closely attached to the ancestral lands by their interests there; they were especially concerned in the changing relationships with the mother country, to which they were linked in many ways, and likewise in occurrences in the sister colonies. As the first centers inevitably chose the coast or river banks for their settlements, the first papers were printed in seaport towns where, aside from occasional land couriers, the ships constituted the chief carriers of persons, goods, and intelligence.²

The first successful American newspaper was The Boston News-Letter, which began publication in 1704.³ In 1719, The Boston Gazette appeared, and it was followed by The American Weekly Mercury in Philadelphia and The New England Courant in Boston.⁴

The early agricultural press

Although not devoted primarily to the markets, the early agricultural publications did devote space to this class of news. "By quoting regularly the prices of farm products in the principal city markets, they attempted to keep their readers in touch with price fluctuations and market conditions."⁵ This early agricultural press included weekly

² Ibid., p. 4-5.

³ Willard G. Beyer, Main Currents in the History of American Journalism, p. 47.

⁴ Ibid., pp. 51-52.

⁵ P. W. Bidwell and J. I. Falconer, History of Agriculture in the Northern United States 1620-1860, p. 194.

and monthly journals devoted wholly or in large part to agricultural interests. These farm papers originated in the second and third decades of the 19th Century beginning with The American Farmer in 1819. It was followed by The New England Farmer in 1822, The New York Farmer in 1826, The Genesee Farmer in 1831, The Cultivator in 1834 and The Maine Farmer in 1835. By 1860 there were more than 30 agricultural periodicals in circulation with perhaps 100,000 readers.⁶

The rise of the market

The development of modern farm market news awaited the rise of the market in the agricultural economy. The growth of the market was a phenomenon of the 19th Century, which saw American agriculture change from an economy largely self-sufficient to one of specialization and dependence on the market. That transition was interrelated with westward expansion and settlement of the continent.

In 1790 the settled areas of the United States extended west from the Atlantic coast an average of only about 255 miles. At the same time, over 90 per cent of all persons gainfully employed were engaged in agriculture, and many of the functions later to be taken over by industry were still a regular part of the farm economy.⁷ Northern farmers tended to be self-sufficient. The South was in the process of changing its main crop from tobacco to cotton. Tobacco, which had built the plantation

⁶ Ibid., p. 316.

⁷ U.S. Department of Agriculture, Farmers in a Changing World, The Yearbook of Agriculture 1940, p. 1184.

system, was hard on the soil and required a great amount of labor.⁸ Upland cotton production had been handicapped by the amount of labor required to separate the lint from the seed. Even the South's agriculture was to a considerable extent diversified. Rice and indigo, in addition to the Sea Island cotton grown in South Carolina, were important crops, and grain, livestock, fruits and garden crops also were grown in the South.⁹ Agriculture was for the most part simply self-sufficing, although commercial farming had developed in some goods, such as tobacco, for which there was an export demand.¹⁰ With each farm and each community producing most of what it needed, trading, of course, was on a local basis.

The first step in the development of domestic commerce was the westward movement of the population. That movement opened up and settled new regions, whose products and wants were different from those of the older states east of the Alleghenics. These differences were the economic basis for domestic trade. The exchange of goods is based upon differences among regions in climate, natural resources and other production factors, giving each section a relative superiority in the production of particular goods.¹¹ The changes brought about by westward expansion laid the basis for great domestic commerce, but limits were set by the high cost of transportation.¹²

⁸ Fred Albert Shannon, Economic History of the People of the United States, p. 65.

⁹ Ibid., p. 67.

¹⁰ Ernest L. Bogart, Economic History of the American People, p. 305.

¹¹ Ibid., p. 340.

¹² Ibid., p. 341.

There were thus two contradictory forces in operation. The spread of settlement created new sources of production and new consumers' markets and tended to enlarge the scope of internal trade; but the high cost of transportation had the effect of confining the trade of each new section within narrow limits.¹³

Distant commerce was held to a minimum until improved and cheap transportation was available.¹⁴

The Mississippi River and its tributaries were of great importance for a time. Steamboat commerce made St. Louis, New Orleans and Cincinnati prominent trading centers.¹⁵ Then came the canals. "The building of the Erie Canal had as momentous an effect upon the East-West trade as the introduction of the steamboat on the western rivers had upon the North-South traffic."¹⁶ The canals in Pennsylvania, New York and other eastern states, together with the Great Lakes, provided a new outlet for central western products.¹⁷

In 1831 Peter Cooper's railroad steam engine, the "Tom Thumb," ran 13 miles, and the railroad era had begun. Actual construction took place largely between 1845 and 1860. The railroads greatly stimulated trade between the East and the West. The north central states increased their grain shipments, and there was a growing demand from Europe as well as from the East. In the eastern states there was a definite shift from agriculture to manufacturing, creating a home market for raw materials as well as foodstuffs.¹⁸

¹³ Ibid.

¹⁴ Ibid., p. 342.

¹⁵ G. Wright Hoffman, Future Trading, p. 13.

¹⁶ Bogart, op. cit., p. 342.

¹⁷ Hoffman, op. cit., p. 13.

¹⁸ Bogart, op. cit., p. 344.

Commercial cities arose at strategic points along the trade routes. New York, Buffalo, Cleveland and Toledo became important trade centers, but Chicago, situated at the foot of Lake Michigan, showed the greatest growth. From 1829 when it was laid out, Chicago grew from a bare 100 people to 107,000 in 1860, and became the largest primary grain market in the United States.¹⁹

An important factor in the development of specialization has been improvement in technology. The 19th Century was an age of invention, heralded in 1793 by the appearance of the cotton gin. The significance of railroads has already been cited. In 1837 Samuel F. B. Morse developed the first practical telegraph machine. The 1830's saw the development of the reaper, the steel plow, the threshing machine and other farm implements. During this period, the manufacture of farm implements was driven from local blacksmith shops to specialized factories because of the capital required. "Moreover, as farmers gradually found it economically advantageous to make the heavy capital investment necessary for the new machines, their need for cash and their dependence upon the market increased."²⁰

By the middle 19th Century, commercial corn and wheat belts began to develop. Wheat was gradually forced westward by rising land values and the encroachment of corn. "As the frontier moved out into the prairies and the Plains, subsistence farming became more difficult and agriculture became necessarily more commercial."²¹

¹⁹ Ibid., pp. 343-344.

²⁰ U.S. Department of Agriculture, op. cit., pp. 1187-1188.

²¹ Ibid., p. 1188.

By 1860 the transition from self-sufficient economy, where a farmer produces practically everything which he needs, to commercial agriculture, where he specializes on a money crop and buys most of his supplies with the proceeds, had been generally accomplished.²²

With westward extension of farming, the self-sufficient economy of the older regions had been replaced by the development of specialization and the adoption of methods and machinery designed to produce the largest returns per capita at the lowest cost.²³ By 1870 the proportion of persons engaged in agriculture had shrunk to 47.4 per cent of all persons gainfully employed. The 1870 census was the first to show farmers as a minority among the total number of gainfully employed.²⁴

Cotton.—From the standpoint of production on a commercial basis, cotton got a head start on the other commodities most important today. In the first place, it was adapted to a section of the country which had already developed a commercial system for tobacco production. Secondly, improvements in the machinery for spinning had stimulated the demand for cotton in England.²⁵ Then, in 1793, Eli Whitney invented the cotton gin.

The effects of the invention of the cotton gin were instant and far-reaching. Indeed it may safely be said that no other single invention in the history of the United States has so profoundly affected our economic history. Cotton almost immediately became the leading southern crop, and the most valuable single export

²² Hogart, op. cit., p. 305.

²³ Shannon, op. cit., p. 292.

²⁴ U.S. Department of Agriculture, op. cit., p. 1193.

²⁵ Hoffman, op. cit., p. 35.

of the United States. After the invention of the cotton gin, American cotton, which had been dirty and poorly picked up to this time, became a popular and marketable commodity. Cotton culture spread steadily and rapidly throughout the South.²⁶

The exports of cotton passed tobacco in 1803.

As the demand increased, cotton culture spread. By 1850, it had taken almost complete possession of the lower Mississippi Valley, and by 1860 cotton had reached Texas' great central plain. As the center of production moved westward, the commercial cities built upon the cotton trade shifted and grew. Charleston and Savannah gave way to Memphis, Mobile and New Orleans as centers of southern trade and wealth. During the decade 1850-1860, half the cotton crop passed through the port of New Orleans.²⁷

Grain.--In the first quarter of the last century, the American grain trade was largely local. By the third quarter it had become distinctly international in character. Markets and means of transportation were the important factors in this transition.²⁸

The railroads linked the eastern states to the central west and the grain trade turned eastward. As a result, Chicago and Buffalo and eastern points of reshipment developed and southern points relatively declined. Taking the lead at the outset was Chicago whose rapid growth was mostly the result of her location. In the first place, Chicago was located in the heart of a great agricultural area. Secondly, she was located on Lake Michigan which made possible low freight costs to the East. The

²⁶ Bogart, op. cit., p. 290.

²⁷ Ibid., p. 291.

²⁸ Hoffman, op. cit., pp. 13-14

initial impetus to Chicago's growth was the Illinois and Michigan Canal opened in 1848. It connected the Illinois River with Lake Michigan at Chicago and was for a half dozen years an important factor in the city's commerce.²⁹

Before 1848, farm produce was either hauled by wagon or driven into Chicago. Much of the surrounding area was marshy and heavy traffic made the roads almost impassable at times. But the coming of the railroad removed Chicago's problem of poor transportation. "By 1855, a network of lines had been completed, no less than six systems running west to the Mississippi with other important extensions to the north and south and eastward."³⁰ These lines served as feeders to Chicago and, even at that early date, made Chicago the leading primary grain market of the world. In 1855 alone, grain receipts amounted to over 19 million bushels of which 66 per cent was shipped in by rail, 29 per cent by canal and less than 5 per cent by wagon. Shipments of grain from Chicago were handled almost entirely by lake to an eastern point of reshipment.

Livestock.—Early in the 19th Century livestock markets were small and largely local in character.³¹ Before modern transportation developed, the small livestock producer sold as best he could, usually to nearby consumers. Almost every town had a butcher who would travel into the country and buy a few head of livestock which he would butcher. The

²⁹ Hoffman, op. cit., p. 15.

³⁰ Ibid., p. 16.

³¹ Henry W. Vaughan, Types and Market Classes of Live Stock, p. 74.

products he would peddle in the little covered one-horse butcher's cart, once a familiar part of the American scene.³² During the winter, farmers sometimes would butcher and dispose of the meat to neighbors. Cities which grew too large to be supplied entirely by local farmers depended upon that by-gone marketing institution, the drover. The drover would buy livestock here and there until he had collected several head which he would then drive to the city and sell to a local butcher. Cattle were best adapted to this type of marketing but small numbers of sheep and hogs were occasionally handled in this way.³³

As the eastern seaboard cities, New York, Albany, Philadelphia, Baltimore and Boston, grew larger, they developed sufficient demand for meats to give these points markets of considerable importance. The development of railroads and other improvements in transportation aided distribution but this trade was limited largely to cured products. Very little livestock was hauled by the railroads until after 1860.³⁴ But as the railroads were extended westward into sections especially adapted to livestock production, they made possible a rapid expansion of the industry. In the West there mushroomed new markets which at first were merely concentration points for livestock sold there and transported on hoof to other points for slaughter.³⁵ Following the war, the range cattle industry of the Great Plains developed from 1870 to 1885, reaching its maximum

³² Arthur C. Davenport, The American Livestock Market; How It Functions, p. 11.

³³ Ibid., p. 12: It was nothing unusual for cattle to be driven from Ohio to Baltimore, Philadelphia, and other seaboard markets. They were even driven from as far away as Kentucky over a route 800 miles long. Buffalo received cattle even from the Mississippi River.

³⁴ Ibid., p. 13.

³⁵ Ibid.

between 1890 and 1900.³⁶ Extension of the great railroad trunk lines across the continent had brought into being the storied Texas Trail, over which cattle were driven from the Texas breeding grounds to northern feeding grounds and railroad terminals.³⁷

The drover followed the producer westward and, operating beyond the transportation lines, drove livestock to market or to the railroads. But as the railroads extended farther into livestock producing districts, the drover went out of business, leaving his name as a reminder on many of the older stockyards institutions such as drovers' banks, drovers' hotels and drovers' newspapers. The three oldest daily livestock market newspapers also bear his name. The drover's successor was the shipper who bought stock at local stations and shipped it to market by railroad. The shipper himself has been largely replaced at many points by the producer who ships his own stock, either as an individual or as a member of a cooperative shipping association.³⁸ The livestock markets of the United States shifted from east to west as the cotton markets had in the South. Once it was believed that Albany would be the final great market for western cattle. Then, in turn, Buffalo, Pittsburgh, and Cincinnati were each accorded that distinction. "But eventually it became evident that Chicago, by virtue of location and railroad facilities was to become and remain the largest cattle market in America. That fact was clearly established by 1870."³⁹ Before 1865, Chicago had several minor stockyards located in different sections of the city. The old Bull's Head

³⁶ Vaughan, op. cit., p. 75.

³⁷ Davenport, op. cit., p. 14.

³⁸ Ibid.

³⁹ Vaughan, op. cit., p. 77.

Yards, established in 1848, were the first. The present yards were opened in 1865 by the Union Stock Yard and Transit Company. The Kansas City Yards opened for business in 1871. The National Stock Yards, located on the Illinois side of the Mississippi River but known as the St. Louis market, opened the next year. The Omaha livestock market was established in 1884, the St. Paul Union Stock Yards in 1888, the Wichita Stock Yards in 1890, and the St. Joseph yards in 1897.⁴⁰

Produce (fruit, vegetables, poultry and dairy products)--In America's pioneer days, the produce marketing problem was not important. The farmer produced for home consumption---to supply directly his family's needs. Each family had its own orchard, its garden, its poultry flock and its dairy, which supplied the produce needed by members of that household. Any surplus could be taken to town and bartered for the few items it would purchase for the family. About the larger cities, such as New York, Boston and Philadelphia, production of perishables early reached a commercial basis. But even there, no real marketing problem existed; each farmer took his produce to market and sold it directly to consumers, often at a public market. Development of fruit and vegetable production for distant markets was, of course, prevented by poor transportation and the lack of refrigeration facilities.⁴¹

Today the typical farmer produces for a market, from which he expects a financial return with which to pay for his investment and purchase

⁴⁰ Ibid.

⁴¹ Henry S. Braden, American Produce Markets, pp. 4-5.

things he desires in the satisfaction of his wants. Wants have become more complex and production has become more diverse and more specialized as transportation and communication facilities have improved. A striking phase of today's production for the market is the high degree of geographical specialization in the production of perishables. It was made possible by the development of railroad transportation and refrigeration in transit.⁴²

Produce markets have developed wherever there are groups of consumers, and the large wholesale markets are located in the big cities. Development of these markets has been followed by the growth of organized exchanges in some of the major cities. Erdman defines the produce exchange as "an organization of men or firms interested in the purchase and sale of a specific class of agricultural commodities in a given market and providing a market place where the members may meet at stated times to transact business with each other under rules laid down by the organization."⁴³ In the dairy and poultry produce field, Erdman lists the principal American exchanges as the Chicago Mercantile Exchange, the New York Mercantile Exchange, the Chicago Poultry Board and the San Francisco Mercantile Exchange.⁴⁴

Thus, we have seen the rise of the market and the farmer's increased dependence upon the market in the American agricultural economy. This evolution brought a need for market news to help the farmer in his

⁴² Ibid., pp. 5-6.

⁴³ Ibid., p. 155.

⁴⁴ Ibid., p. 157.

marketing problem. When the farm family consumed most of its own produce and marketed the small surplus locally, there was little need for market news. As long as most trade was local, producers had all the information they needed to compare local offers and make the best of them. Without adequate transportation, there were no alternative markets available. But with the development of distant markets, farmers were unable to investigate market conditions and compare prices firsthand. They needed market news to help them determine whether to sell, when to sell, and where to sell. The development of large centralized markets set the pattern for a market news system developed to report prices and conditions in those markets.

Early organs of the cotton trade

Inasmuch as cotton has an older commercial history than grain, livestock or produce, it is not surprising that the earliest market news organs developed in the cotton trade. Boyle writes:

We do not know as a positive fact who wrote the first Market Letter in the cotton trade in the United States. But the evidence to date indicates that such a letter or circular first appeared in the year 1818, in the city of New Orleans, and that it was written by a young cotton merchant, age 39, by the name of Vincent Nolte.⁴⁵

⁴⁵ James L. Boyle, Cotton and the New Orleans Cotton Exchange, p. 36: Nolte wrote many years later: "In the year 1818 my house was the first that sent out printed advices in relation to the eventualities of the cotton market and the crops.

"The meteorological weather tables had given me the idea of getting up one similar to them, which should exhibit the course and fluctuations of prices, from week to week, during the shipping period of three successive years, and designate the difference of exchange each time, by black, red, and blue lines.

"These new tables were very successful, particularly among the French speculators in cotton, and led to many commissions from Havre, Rouen, and Switzerland."

Market letters at that time were usually private letters sent by English and French houses to their own agents in the United States. The practice started by Nolte of sending circulars to the public was slow to develop. Such public letters were rare in the 1820's but during the next decade they began to appear from English and French sources. In those days the Liverpool price of cotton dominated the world's trade and the American markets for the most part awaited market information from across the Atlantic.⁴⁶

The American markets sometimes would stand still for days awaiting news from Liverpool. Lack of definite information added to the risks of cotton trading. These Liverpool quotations, along with reports from New York, Philadelphia, Boston and Baltimore, were published in The New Orleans Price Current, which was published at least as early as 1825.⁴⁷ The importance of information, or misinformation, even that early in the cotton trade is illustrated by Nolte's disastrous market letter of March 23, 1839. Nolte's house had failed in 1825 and Nolte had moved to France, where he engaged in business. In 1838 he returned to New Orleans and again began to collect cotton statistics. Nolte had held a high position in the South's cotton trade, and he was as capable as any man of collecting and analyzing cotton statistics. In his historic circular of March 23, 1839, Nolte reviewed American cotton history of the preceding 14 years. Pointing out the lack of reliability in all published cotton statistics, he furnished new statistics by a system of his own and indicated in a positive manner

⁴⁶ Ibid., pp. 36-37.

⁴⁷ Ibid., p. 41.

that higher prices were imminent. Nolte was wrong. For the next 15 years prices were lower. Nolte, who had invested heavily, went to debtors' prison and his career in America was ended. Many years later he wrote: "I published a couple of circulars which convinced everybody that a rise in price was inevitable....But my calculations and theirs were all deceived."⁴⁸

The Producers' Price-Current

In the middle of the 19th Century a young printer, Benjamin Urner, had a shop on New York's Canal Street, and among his customers were a number of produce commission merchants. From time to time Urner printed their private circulars describing conditions in the market for consigned goods. He noticed discrepancies in the information contained in different reports and he visualized the confusion of a shipper receiving several of these conflicting appraisals. It occurred to the young printer that the trade needed a disinterested general market report containing information secured by personal investigation among all commission merchants and buyers. It would describe market conditions and publish tables of prevailing quotations. Urner reasoned that such a service would be more reliable than a private circular and it could be furnished to commission merchants at much less cost than a private circular. In 1858, Benjamin Urner established The Producers' Price-Current as a four-page weekly.⁴⁹ Later it was published semi-weekly, and since 1882 it has been issued daily. The Producers' Price-Current absorbed a similar publication in 1898,⁵⁰ and for 90 years it has covered the New York produce markets.

⁴⁸ Ibid., p. 38.

⁴⁹ P. H. Taber, "Market Quotations Discussed," The American Egg and Poultry Review, September, 1946, pp. 50-52.

⁵⁰ Letter from H. L. Taber, Urner-Barry Company, New York, March 18, 1943.

The daily livestock market papers

As the centralized markets developed in the livestock industry it became apparent that producers needed more and better market information to avoid unnecessary losses. Many producers desired more complete information than was published in market circulars and general newspapers. On January 11, 1873, seven years after the opening of Chicago's Union Stockyards, The Chicago Daily Brovers Journal began publication. It was the first daily paper ever published solely to convey information to livestock producers and farmers. In 1882, The Daily Brovers Telegram made its appearance at Kansas City. The Daily Brovers Journal-Stockman began publication at Omaha in 1887, and The Daily National Live Stock Reporter at St. Louis in 1890.⁵¹ The Sioux City Daily Live Stock Record was established in 1901 and similar dailies began publication in other market centers. The Sioux City paper suspended publication in 1937,⁵² but the Chicago, Kansas City, Omaha and St. Louis papers are still published. Now owned by the same company, they are called The Corn Belt Farm Dailies.

Other markets encouraged publication of similar papers. In some markets too small to support these dailies, the packers subsidized them and were their real owners. This ownership caused considerable criticism, and a government agreement with the packers in 1919 provided that the packers should dispose of such holdings.⁵³

⁵¹ Davenport, op. cit., p. 89.

⁵² Sam E. Thompson, Economic Trends in Livestock Marketing, p. 40.

⁵³ Davenport, op. cit., p. 90.

The growth of futures markets

Futures trading is a phenomenon which developed in the last half of the 19th Century in the grain and cotton trades. The practice of trading in grain futures developed at Chicago from early methods of trade in the physical product. It was a gradual and natural development in a rapidly-expanding market where sky-rocketing prices and drastic breaks in price were the rule rather than the exception. Speculation became the order of the day.⁵⁴ A gradual growth in the cotton trade was accompanied by a similar growth of speculation in that commodity. This was especially true during the Civil War when speculation reached enormous proportions. Futures trading in New York probably first reached substantial proportions in 1868. The high and uncertain level of cotton prices during the late Sixties and early Seventies encouraged spinners and merchants to hedge and traders to speculate so that futures trading grew rapidly.

In 1848 a group of 83 Chicago merchants gathered in response to a general call and organized the Chicago Board of Trade to put an end to chaotic conditions in the grain trade. "The purposes as laid down then and as followed today were to maintain an exchange, promote uniformity, enforce justice, and gather and distribute commercial information."⁵⁵

⁵⁴ Hoffman, op. cit., pp. 16-17.

⁵⁵ Edward J. Dies, The Wheat Pit, pp. 11-12: "It was an important move. The press hailed it as a forward step of first magnitude. The news overshadowed the other salient news of the day—passage of an ordinance ending horse racing and careless shooting on Chicago's principal streets."¹¹

In 1868 the New York Board of Cotton Brokers was organized, but it failed. In 1870, the year work was started on the Brooklyn Bridge, the New York Cotton Exchange was organized.

The first New York Cotton Exchange was housed in a single, long, narrow room (23x100 feet) running from Pearl Street through to Water Street, within sight of the East River docks. This room contained a gigantic iron stove around which members gathered to trade in cotton and exchange views regarding current events.⁵⁶

A number of cotton exchanges were formed in the South during the early 1870's. These included exchanges at New Orleans, Mobile, Galveston, Savannah, Charleston, Memphis and Houston. However, of the southern markets, only the New Orleans Cotton Exchange has developed futures trading successfully.⁵⁷

In the days before the New Orleans Cotton Exchange there were no commercial exchanges where quotations could be obtained. Considerable business was transacted in the saloons, which called themselves "exchanges" and made some attempt to list the standard prices of leading commodities. But during good weather, most of the cotton business was conducted in the open air, up and down Carondelet Street. During January and February, 1871, a group of about 100 men organized the New Orleans Cotton Exchange. "The first object of this new Exchange was to collect and disseminate information. The second object was to develop future trading in cotton."⁵⁸

⁵⁶ "The New York Cotton Exchange: Historical Background," The Cotton Trade Journal, August 11, 1945, Section 2, p. 6: In 1872 the Exchange was moved to a building at the head of Manover Square which was subsequently known as the India House. The Exchange was moved again in 1880, and finally in 1923 the present building was constructed.

⁵⁷ Hoffman, op. cit., p. 43.

⁵⁸ Boyle, op. cit., pp. 70-71.

Although futures trading was formally begun at the first day's session, February 20, 1871, it did not get into real operation as a serious business until nine or 10 years later.⁵⁹

The financial editor of the New Orleans Daily Picayune, Henry Garretson Hester, was made secretary of the Cotton Exchange immediately after its organization. He held that office until his death in 1934---63 years---and was responsible for the Exchange's continuity of policy since its beginning. "He was recognized as the world's foremost cotton statistician, and 'Hester Says' was to the cotton trade what the sterling mark is to silver."⁶⁰

When Hester joined the Exchange, at 24 years of age, New Orleans was the largest spot cotton market in America. Hester's conviction was that the spot market and futures market should develop hand in hand. He also believed in better grades and standards. But his primary aim was to give the Exchange members more facts than they could get elsewhere. "His newspaper experience was his trump card."⁶¹ Hester plastered a big wall with market news, part of which he secured through arrangements with telegraph companies. The early telegraph service was unsatisfactory and the Exchange negotiated with a number of competing companies until finally the Western Union was able to provide the superior service it offers today. By 1883 the Exchange was serving 40 interior markets with a news service three times daily. Later the Exchange issued a weekly Hester report

⁵⁹ Ibid., pp. 71-72.

⁶⁰ Thomas E. Dabney, One Hundred Great Years, p. 285.

⁶¹ Boyle, op. cit., p. 99.

showing receipts at 102 interior towns in Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Tennessee, North Carolina, South Carolina, Georgia, Alabama and Missouri.⁶² This service has been discontinued but figures of port receipts and exports are still carried in the Daily Market Report described in a later chapter.⁶³ Newspapers for many years have maintained offices on the Exchange floor where they compile reports for publication.

General newspapers and wire services

Meanwhile, as specialized organs appeared to report the markets, the general newspapers continued to develop and improve their market news coverage. For example, in 1890, the year the specialized Daily Livestock Reporter began publication in St. Louis, the old St. Louis Republic carried rather extensive market reports. Inspection of the issue of May 2, 1890, discloses reports covering more than half a hundred commodities in the St. Louis cash markets, in addition to local grain futures and Liverpool, New York and New Orleans cotton futures. The Republic carried reports received by telegraph on Chicago, Kansas City and New York livestock, New York grains and produce, Minneapolis wheat, Philadelphia grains and produce, and several cash commodities in Liverpool. Telegraph reports also covered the cotton markets in New York, Galveston, New Orleans,

⁶² Ibid., p. 103.

⁶³ Letter from Henry Plauche, Secretary, New Orleans Cotton Exchange, March 31, 1948.

Memphis, Cincinnati and Liverpool, the wool market in London and several commodities in Australia.⁶⁴

Other general newspapers also took a great deal of interest in the farm commodity markets. Ashton Phelps, president of the New Orleans Times-Democrat from 1869 until 1918, specialized in finance and economics, and his daily cotton review was authoritative.⁶⁵ As the 19th Century ended there was only one important press association serving newspapers with wire news, the Associated Press, organized in 1848 with six members.⁶⁶ The Scripps-McNae interests organized the United Press in 1904,⁶⁷ and the Hearst chain set up the International News Service in 1909.⁶⁸ These were the three organizations destined to dominate telegraph news and perform an important market news function in the 20th Century.

⁶⁴ The livestock reports were quite interpretative. For example, here is the report of the St. Louis cattle market published May 2, 1890: "With few exceptions the quality was not of the best, consisting mainly of Texas cattle in fair flesh. Eastern shippers were again compelled to curtail their operations. This they did not like and the cry is for more good to fancy beeves. This kind of cattle in steady demand and will command very near Chicago prices. Country shippers should bear this in mind. Of the Texas cattle offered all found prompt disposal at very strong prices. Sellers again had the call on buyers. Interior shippers and the dressed beef company had again to postpone active operations. Mixed butcher stuff in liberal demand."

⁶⁵ Bainey, op. cit., p. 379.

⁶⁶ Oliver Gramling, AP The Story of News, p. 21.

⁶⁷ Robert W. Jones, Journalism in the United States, p. 408.

⁶⁸ Frank L. Mott, American Journalism, p. 592.

CHAPTER II

HISTORY OF FARM MARKET NEWS DISSEMINATION AFTER 1900

The rapid spread of modern communication and transportation facilities at the turn of the century laid the immediate basis for market news dissemination as it is known today. In 1895 the Selden patent for automobiles was granted. In 1896 the rural free delivery system was begun, giving the farmer access to daily mail, newspapers and other publications. By 1900 farmers began to have telephones. Many cooperative country lines were established.¹ On Christmas Eve, 1906, the human voice was first broadcast successfully by radio.² Road building was stimulated after 1900 as automobiles came into use. At the same time, other urban influences on rural life were becoming greatly intensified and agriculture was becoming increasingly mechanized and commercialized.³ In 1900 only 35.7 per cent of all persons gainfully employed were engaged in agriculture and farmers were more dependent upon the urban market than ever before.⁴ Thus was laid the background for the great increase in market news facilities which took place after 1915.

¹ U.S. Department of Agriculture, Farmers in a Changing World, The Yearbook of Agriculture 1940, pp. 1192-1193.

² Gleason L. Archer, History of Radio to 1926, p. 86.

³ U.S. Department of Agriculture, op. cit., p. 1193.

⁴ Ibid.

The Federal market news service

Late in the 19th Century, refrigeration and improved transportation brought about the rapid development of a far-flung and specialized fruit and vegetable industry. While this made possible a marked change in the national diet, it also brought problems and abuses. The fruit and vegetable industry had no way of knowing exactly where shipments were going, what was moving from different shipping areas, or what was available in the markets at any one time. This often resulted in market gluts and low prices in some cities while in other markets at the same time supplies were short and prices high. Moreover, in soliciting consignments, some firms and individuals issued misleading market information or made false returns on consignments and the grower had no way of knowing the facts. The government, as well as many honest operators, believed that dissemination of information by an unbiased agency would benefit the whole industry. It was for that purpose that the Federal market news service was established in 1915 under the Office of Markets and Rural Organization of the U.S. Department of Agriculture.⁵

During that first year, the service operated for seven months and published reports on a few seasonal products.⁶ The U.S. Department of Agriculture Yearbook for 1915 recorded:

Special telegraphic connections were secured and representatives of the department in important shipping areas and in the larger markets kept both producers and dealers supplied by telegraph with the latest news of crop movements and prices. The service was rendered in succession to the growers and shippers of strawberries, tomatoes, cantaloupes, and peaches, and to the shippers

⁵ C. D. Schoolcraft, The Market News Service on Fruits and Vegetables; Its History and Operation, p. 1.

⁶ C. D. Schoolcraft, "Market News: Fruits and Vegetables," Marketing Activities, December, 1944, p. 10.

of northwestern pears. In several of the more important districts the information has resulted in a wider or more intelligent distribution, the avoidance of gluts in specific markets, fewer diversions of cars in transit, and a consequent shortening of time between the producer and the consumer.⁷

Although that service covered only fruits and vegetables, its value to producers brought insistent demands for extension of the work. During 1916 the service was expanded and telegraphic reports were collected from 33 important metropolitan markets and from officials of all railroads serving the producing territory.

The information thus secured had been furnished to growers, shippers, and distributors through 35 temporary offices in producing territories and 11 permanent offices in large cities. Statements from growers and shippers of tomatoes, strawberries, peaches, cantaloupes, watermelons, onions, grapes, apples and potatoes indicate that the actual monetary saving due to a wider knowledge of market conditions has exceeded the cost of the service many fold.⁸

Also, during the fall of 1916, reporting of the markets for livestock and meats was begun by the market news service.⁹

In 1917, the Office of Markets, which had been organized to take over the market news service, formally became the Bureau of Markets.¹⁰ The Food Production Act the same year made possible a marked expansion in the Bureau's machinery, granting an appropriation of \$2,522,000 for the purpose. The news services for fruits and vegetables and for livestock and meats were developed further and the service was extended to include hay, grain and seed, and dairy and poultry products. The Agriculture Yearbook for 1917

⁷ U.S. Department of Agriculture, Yearbook of Agriculture 1915, pp. 43-44.

⁸ U.S. Department of Agriculture, Yearbook of Agriculture 1916, p. 15.

⁹ U.S. Department of Agriculture, Yearbook of Agriculture 1918, p. 380.

¹⁰ C. W. Kitchen, "A Quarter Century of Federal Assistance in Fruit and Vegetable Marketing" (Address, Annual Meeting of United Fresh Fruit and Vegetable Association, Houston, Texas, January 16-19, 1940), p. 2.

commented that "Three general reporting services, one daily and two weekly, are conducted for perishables at 25 stations, as well as a local service for track crops in certain cities." Branch offices were maintained at 12 market centers to collect and distribute current information on supplies of livestock and meats, demands and prices and other market conditions. These offices each day issued bulletins before the day's livestock trading began, and more than 60 stockyards companies cooperated by reporting their current livestock receipts and shipments. Data on the carload movements of livestock and fruits and vegetables were telegraphed daily by more than 400 different railroads.¹¹

By 1918 the Bureau of Markets had 32 permanent branch offices and numerous temporary stations in shipping areas. This market news was of two general classes: "First, price information, and, second, conditions affecting prices, such as car-lot movements, diversions at specific points, supply both present and in sight, the demand, and the weather."¹² The market reporting system for livestock and meats had expanded to 16 service centers, each of which distributed daily, weekly and monthly reports. Daily quotations were issued from the Chicago and Kansas City livestock markets.¹³

¹¹ U.S. Department of Agriculture, Yearbook of Agriculture 1917, p. 23.

¹² U.S. Department of Agriculture, Yearbook of Agriculture 1918, op. cit., p. 280.

¹³ Ibid., p. 380.

At the close of the World War, funds were curtailed and expansion of the market news service was limited until 1923.¹⁴ In 1922, however, some extension was made through cooperative agreements with the states. Under these agreements, the states paid the expenses involved. There were insistent demands for a considerable extension of that service but limited funds made that impossible.¹⁵ The 1922 Yearbook of Agriculture was the first to mention radio in connection with market news dissemination: "It has been possible...to disseminate market information much more widely than heretofore through the use of the radio stations of the Post Office and Navy Departments."¹⁶

Also in 1922, the administration of the market news service was re-organized again. In 1921, the Department of Agriculture's crop estimating work was combined with the Bureau of Markets and for a year the combined organization was called the Bureau of Markets and Crop Estimates. In 1922, the Bureau of Markets and Crop Estimates was merged with the Office of Farm Management and Farm Economics to form the Bureau of Agricultural Economics, which carried on the market news function until 1939.¹⁷

The first substantial expansion in the market news service after World War I came in 1923. For the fiscal year which began July 1, 1923, Congress increased the appropriation for this work by nearly \$300,000 to

¹⁴ U.S. Department of Agriculture, Yearbook of Agriculture 1923, p. 28.

¹⁵ U.S. Department of Agriculture, Yearbook of Agriculture 1922, pp. 22-23.

¹⁶ Ibid.

¹⁷ Kitchen, op. cit., p. 2.

make possible extension of the service to the Far West and to the South.

The leased wire was extended to San Francisco by way of Denver and to Atlanta, Georgia. Also, the 1923 Yearbook of Agriculture declared:

"Radio broadcasting...has been given a thorough trial during the past year and has fully demonstrated its value."¹⁸

By 1926, the service had the use of 7,500 miles of leased telegraph wires. Daily telegraphic reports of fruits and vegetables alone covered 34 commodities. To provide market news on livestock, 16 branch offices were maintained. The 1926 Yearbook of Agriculture commented:

At the close of the year preliminary arrangements had been made for opening 6 new offices, made possible by an increase in the appropriations at the last session of Congress. These offices will be located at Buffalo, Cleveland, Pittsburgh, Cincinnati, Indianapolis and St. Joseph. They will enable the department to serve a large group which heretofore has been served only partially and indirectly.¹⁹

During the same year, a survey indicated that 300 newspapers with a circulation of more than 5,000,000 were publishing the service's weekly grain market reviews and about a dozen radio stations were broadcasting them.²⁰

During 1930, the market news service was expanded further in the West and South. It was extended to Montgomery, Alabama; Nashville, Tennessee; Jackson, Mississippi, and New Orleans, where market news offices were opened in cooperation with state agencies. Several new western points were

¹⁸ U.S. Department of Agriculture, Yearbook of Agriculture 1923, op. cit., p. 28.

¹⁹ U.S. Department of Agriculture, Yearbook of Agriculture 1926, p. 54.

²⁰ Ibid., p. 542.

added to the leased wire, and the offices at Cleveland and Detroit were connected with the main line of the leased wire.²¹

In 1939, the Agricultural Marketing Service was created within the U.S. Department of Agriculture and, among other things, it took over the market news service from the Bureau of Agricultural Economics.²² On August 30, 1945, however, the Production and Marketing Administration was established within the Department and its nine commodity branches now administer the market news service.²³

The development of standardization

The commercialization of agriculture, which created the market news problem, also led to closely-related problems revolving around quality. Distance from the markets made it difficult for buyers and sellers to understand each other when "choice" or "fancy" meant one thing at one place and something else at another.²⁴ Market news obviously could not perform its function effectively without effective grades and standards. Grading was needed in order that an intelligent communication concerning the goods could be carried on, and in order that both the market reporter

²¹ "Market News Service," Yearbook of Agriculture 1930, p. 34.

²² Kitchen, op. cit., p. 2.

²³ U.S. Department of Agriculture, Periodic Market Reports of the Production and Marketing Administration, p. 4.

²⁴ William C. Crow, "The Function of the Government in Marketing," Marketing Activities, February, 1947, pp. 3-6.

and the producer who read his report would have the same definite facts in mind.²⁵ To meet these difficulties, standards evolved for identifying and describing farm products according to quality.²⁶

Early in the grain trade, chambers of commerce, boards of trade and other trade organizations adopted systems of grading grain. Later, several state governments undertook grading and inspection. But the grading rules differed, and each market had its own grades and methods of interpreting those grades.²⁷ The situation resulted in abuses, and growers were systematically defrauded by short weighing and undergrading. As a result of the confusion, producer groups, trade associations and other groups began to consider ways to bring about uniformity and confidence in grades and inspection methods.²⁸

A similar situation existed in the cotton trade although standards for that commodity were recognized early.²⁹ The meaning of grade terms

²⁵ Benjamin H. Hibbard, Marketing Agricultural Products, pp. 70-71.

²⁶ C. W. Kitchen, "Standardization and Inspection of Farm Products," Farmers in a Changing World, The Yearbook of Agriculture 1940, p. 668.

²⁷ Ibid., p. 669: "Some standards, for example, required that No. 2 corn be dry, others reasonably dry; one would require not more than 16 per cent of moisture, another perhaps not more than 15.5 per cent; some one weight per bushel, some another. No. 3 oats were described under more than 30 different sets of specifications, and the test-weight requirements for this grade ranged from 22 to 29 pounds per bushel. A study of the phraseology of the grain trade in 1906 disclosed 338 names or grade titles; 133 for wheat, 63 for corn, 77 for oats, 53 for barley, 10 for rye, and 1 each for 'no grade' and 'no established grade.'"

²⁸ Ibid., p. 670.

²⁹ Ibid.: "The term 'middling'—the basic grade for the modern system of standardization—was apparently in use in England at the turn of the nineteenth century. Such terms as 'good,' 'fair,' and 'ordinary' were in general use in New Orleans by 1825, when Andrew Jackson and his Tennessee neighbors were shipping cotton down the Mississippi River."

caused much confusion because no specific standards had been established. The trade attempted to set up a unified system and in 1874 the standard American classification was adopted by most exchanges. This system was discontinued after a few years, however, and the confusion was as great as ever. During the late 1800's and the first decade of the 20th Century "public sentiment was shaping itself for legislation, first for permissive and later for mandatory Federal standards for American cotton."³⁰

The situation in markets for other farm products paralleled that existing in the grain and cotton markets. The failure of private, semi-private and state agencies to correct the situation was important in crystallizing public opinion in favor of Federal standards. In 1907 Congress appropriated funds for the Department of Agriculture to study Federal standardization. The Cotton Futures Act, passed in 1914 and re-enacted in 1916, definitely established the Department in standardization work. It required the use of Federal standards in trading in cotton futures. The Grain Standards Act of 1916 requires the use of Federal standards when grain is sold by grade in interstate commerce. The United States Warehouse Act, also 1916, requires that Federal grades, if they exist, be shown on warehouse receipts except when the storers request their omission. The Food Products Act of 1916 authorized establishment of standards and a permissive inspection service on fruits and vegetables and other products. The Cotton Standards Act of 1923 called for the compulsory use of the official U.S. cotton standards in all interstate

³⁰ Ibid.

and export transactions based on standard descriptions. Standards and inspection of tobacco were provided by the Tobacco Stocks and Standards Act of 1929 and the Tobacco Inspection Act of 1935. This legislation, together with authority carried annually in the Agricultural Appropriation Act, laid the basis for the Department of Agriculture's standardization, grading and inspection work. The Department has developed standards of quality for most of the important agricultural commodities and has established various types of inspection and supervision.³¹

The New York State service

Coincident with early development of the Federal market news service, a few states were developing services of their own. New York, which has an outstanding service today, was one of the pioneers. The service in New York State was started in October, 1918, with issue of a weekly summary covering the New York City markets for butter, eggs, cheese, hay and a few of the more important fruits and vegetables. This was made available by mail to individuals without charge. In 1919, a daily report was begun, covering the New York fruit and vegetable market. This also was made available without charge.³²

By the end of 1919, the combined circulation of these reports had grown to more than 11,000. An "economy wave" struck about that time, and the weekly report was discontinued and recipients were required to pay postage for the daily fruit and vegetable report. Another daily report,

³¹ Ibid., pp. 670-672.

³² Letter from H. D. Phillips, in Charge of Market News Service, Department of Agriculture and Markets, State of New York, December 5, 1947.

covering live poultry, eggs and hay, was inaugurated on the same basis. In 1920 the State began issuing another daily report. It covered fruits, vegetables, eggs and live poultry sold on the Buffalo market. Other reports have been developed through the years.

Market news broadcasting

The first radio market report was broadcast December 15, 1920. It was sent out from Station NAA of the Bureau of Standards, Washington, D.C., in Morse code. The audience consisted chiefly of amateur radio operators who were asked to translate the report and furnish it to local banks, newspapers, farm agencies, and other institutions.³³

Development was rapid. The first radiophone or voice market broadcast was prepared by J. K. Boyd, in charge of the U.S. Department of Agriculture market news office at Pittsburgh. It was broadcast by Station KDKA, Pittsburgh, on May 19, 1921.³⁴ During 1922, the U.S. Department of Agriculture was furnishing daily market reports to eight government-operated stations and 53 stations operated by state agricultural colleges and other broadcasting agencies. The 1922 Yearbook of Agriculture commented: "As a means of getting market information to the country the radio is growing to be quite popular. This sort of service is still in an experimental stage but gives promise of great future development and usefulness."³⁵

³³ Ibid.

³⁴ Ibid.

³⁵ U.S. Department of Agriculture, Yearbook of Agriculture 1922, op. cit., pp. 22-23.

By 1923 a total of 85 stations in the United States were broadcasting market reports. Of these, seven were using reports furnished by the New York State market news service.³⁶ The Yearbook of Agriculture for that year declared that radio had fully demonstrated its value as a medium of market news dissemination.³⁷

The direct marketing trend

On a summer night in July, 1916, across the Missouri River from Omaha, two men sawed and hammered by the flicker of a kerosene lantern. They were building a rack and fitting it to a motor truck. The next day, July 20, a carload of hogs from that Iowa farm were in the pens of the Omaha livestock market. They were the first livestock to be trucked to the Omaha market.³⁸

In 1946 at Omaha, 1,336,873 of the 1,735,141 cattle received were "trucked in." During the same year, 1,161,848 of Chicago's 1,959,550 cattle arrived by truck, and 744,315 of Kansas City's 1,893,841 were received the same way.³⁹ This shift away from rail transportation, which affected hog and sheep marketing similarly, coincided with the development of improved roads.⁴⁰ "The improvement of roads and the introduction of trucks as transportation agencies for conveying livestock to market have introduced both speed and flexibility into the delivery of livestock, especially with respect to comparatively short distances."⁴¹

³⁶ Letter from Phillips, op. cit.

³⁷ U.S. Department of Agriculture, Yearbook of Agriculture 1923, op. cit., p. 28.

³⁸ The Omaha Daily Journal-Stockman, June 2, 1939.

³⁹ Chicago Daily Drivers Journal, Drivers Journal Year Book of Figures of the Livestock Trade 1946, pp. 24-34.

⁴⁰ Sam H. Thompson, Economic Trends in Livestock Marketing, p. 12.

⁴¹ Ibid., p. 26.

Coincident with these changes and with the development of modern refrigeration has been a sharp increase in the proportion of animals marketed direct from farms and an expansion in numbers slaughtered at interior plants, particularly in Iowa and adjacent areas.⁴² Twenty-five per cent of the cattle slaughtered during 1946 in packing plants under Federal inspection were marketed direct. The percentage was 40.7 for calves, 64.4 for hogs and 41.8 for sheep and lambs.⁴³ Other commodities have registered a similar trend.

The trend toward decentralization of agricultural marketing during the past quarter-century has posed several problems for market reporters. In the central market of a few years ago, supply and demand were brought into sharp focus and prices were readily established. Moreover, the price recorded at the central market was "the price" of the commodity. For example, in the Corn Belt before World War I, the saying was: "Chicago sets the price of hogs." The price in local markets tributary to Chicago was simply the Chicago price minus the cost of getting the hogs to Chicago.⁴⁴

But in order for the central market price to represent "the price" of the commodity satisfactorily, the volume of trading at the central market must be large enough to constitute at least a representative sample of the trading all over the tributary area. The butter and egg trade showed the effects of decentralization early in the history of the trade. So much produce was sold direct, off the central market, that the validity

⁴² Ibid., p. 26.

⁴³ Chicago Daily Drivers Journal, op. cit., p. 26.

⁴⁴ Geoffrey S. Shepherd, Marketing Farm Products, pp. 47-49.

of the central market price as a basis for settlement was questioned as early as 1896.⁴⁵ The situation in that trade was doubly critical because of the wide use of quotations as a basis for settlement. "In street trading, the traders have tended to hold off until a 'market quotation' has been issued and their selling operations generally have tended to center around the price quoted."⁴⁶

Various attempts have been made since 1900 to improve the representativeness of the central market quotation in the butter and egg trade. One was the "call-board" method which brought buyers and sellers together on the trading floor at a designated time to make open bids and offers, which were then quoted as the basis price. Another attempted solution was the price quotation committee method. A committee of dealers would get together and issue quotations which were supposed to represent the market price. This system has been abused at times, however, and the problem of accurate butter prices is still unsolved.⁴⁷

Since the late 1920's, efforts have been made to report the interior hog markets of Iowa and southern Minnesota. From 1928 to 1937 Radio Station WOI at Ames broadcast daily telegraphic reports setting forth detailed hog quotations at several interior packing plants. Substituted for them in 1937 were regional summaries for hogs covering interior

⁴⁵ Ibid.

⁴⁶ "Postwar Use of Market Quotations," Marketing Activities, April-May, 1946, pp. 13-16.

⁴⁷ Shepherd, op. cit., pp. 47-49.

markets of Iowa and southern Minnesota.⁴⁸ A Federal-State market news service now covers supply, demand, trend of the market, and prices paid for hogs sold direct to packers at approximately 19 concentration yards and 11 packing plants in the two states.⁴⁹

Thus is seen the development of today's market news agencies and problems confronting them. With this backdrop in place, we turn to a survey of the present status of the great reporting agencies.

⁴⁸ Thompson, op. cit., pp. 42-43.

⁴⁹ Letter from C. L. McCulloch, Chief, Market News Division, Livestock Branch, Production and Marketing Administration, U.S. Department of Agriculture, April 14, 1948.

CHAPTER III

THE FEDERAL MARKET NEWS SERVICE

The Federal market news service is the greatest business news service in the world.¹ Through its nation-wide system of field offices, connected by about 3,700 miles of leased wires,² the Federal market news service reports the markets while they are being made and makes the information available to all who need it.³ More than any other agency, the Federal service is in the business of reporting the agricultural markets.

The service gathers market news on supply, demand, movement, quality and prices of livestock, meats, wool, fruits, vegetables, dairy and poultry products, grain, hay, feed, cotton, cottonseed, tobacco, rice, honey and other agricultural commodities.⁴ Daily, weekly, semi-monthly and other periodic reports are compiled in leading wholesale markets and in many important producing areas of the United States.⁵

The reporters who secure this information are commodity specialists. They interview buyers and sellers during trading hours and examine records

¹ Bernice Baker, "Market News Today," Marketing Activities, August, 1944, p. 10.

² G. D. Schoolcraft, The Market News Service on Fruits and Vegetables; Its History and Operation, p. 3.

³ Ibid., p. 2.

⁴ U.S. Department of Agriculture, Periodic Market Reports of the Production and Marketing Administration, p. 4.

⁵ Ibid.

made available by them. They observe actual transactions and appraise quality, grade, and condition of the commodities. Railroads and boat lines provide information on shipments from producing centers and arrivals at terminal markets. The reporters also collect reports of truck unloads at certain large cities and warehousemen's reports of stocks in storage in addition to making numerous contacts with other groups.⁶

Some of these reports are communicated to nearby radio stations and newspapers by messenger and telephone, but most of them reach these agencies by means of special arrangements with the major press associations.⁷ The vast leased wire networks of the Associated Press, the United Press and the International News Service greatly extend distribution of Federal market reports. In addition to feeding its reports to nearby bureaus of the press associations, each Federal market news office transmits its reports to other offices by means of the service's own leased wire network. These other offices may relay the reports to press association bureaus in their areas. The channels through which Federal market reports find their way to newspapers and radio stations are an immense patchwork of Federal market news service leased wires, press association leased wires and arrangements among various field offices and bureaus.

Although not so important from the standpoint of speed and mass distribution of news, mailed mimeographed reports are also used. In fact, these reports form the official records of the market news service and as

⁶ "The Market News Service," Marketing Activities, July, 1945, p. 9.

⁷ U.S. Department of Agriculture, op. cit., p. 4.

such may be certified, upon request, by the Secretary of Agriculture for use in court.⁸ Separate mailing lists are maintained in Washington and at each field office, and all reports are mailed free of charge to persons requesting them.⁹ There is also a limited use of telephone and telegraph to supply information directly to out-of-town radio stations and publications. This service is on a collect basis.

The market news service is administered by the Production and Marketing Administration, a part of the U.S. Department of Agriculture. For the purpose of administration and management, the Production and Marketing Administration has been divided into nine commodity branches: Cotton, Dairy, Fats and Oils, Fruit and Vegetable, Grain, Livestock, Poultry, Sugar and Tobacco. Among its other duties, each commodity branch office supervises the collection and dissemination of market news covering commodities under its jurisdiction.¹⁰

Each market report is prepared in the field under the direction of the proper branch office in Washington, rather than under the supervision of a central market news office in Washington. Each field office, for the

⁸ Schoolcraft, op. cit., p. 2.

⁹ U.S. Department of Agriculture, op. cit., p. 4.

¹⁰ U.S. Department of Agriculture, A Summary of the Activities of the Production and Marketing Administration, pp. 1-2: "The Production and Marketing Administration was established within the Department of Agriculture, August 20, 1945, by order of the Secretary of Agriculture, thus consolidating under one head, functions which had been included in several USDA agencies. Commodity programs are now centered in the 9 commodity branches of the Production and Marketing Administration. Other activities of FMA are carried out through its functional branches and staff offices, and the Commodity Credit Corporation."

most part, covers only the commodities assigned to the branch of which it is a part. In addition to the Federal field offices, there are a number of Federal-State offices maintained cooperatively by the Federal government and the states involved. Many offices maintained entirely by the states also cooperate with the Federal service. These arrangements will be considered in more detail in the next chapter.

Seven of the PMA's nine branches are important in market news dissemination, and since their news services are administered separately they should be examined individually.

Cotton

Cotton price quotations and information have been compiled and released for almost 30 years. Weekly and daily reviews of cotton market conditions are released from Washington, Atlanta, Memphis, Dallas and Bakersfield, California. Mail, press and radio are used to keep producers and traders informed of changes in the major cotton markets. Market reports issued at Atlanta, Memphis and Dallas show prices and grades of cottonseed sold in the various counties and include current prices. Weekly reports are issued from Washington on cotton linters.¹¹ A daily report issued from Atlanta covers cotton quotations at 10 designated spot markets. It gives prices for Middling 15/16-inch spot cotton quoted at the 10 markets and grade and staple differences between Middling 15/16-inch and other grades and staples quoted at these markets.¹²

¹¹ U.S. Department of Agriculture, Periodic Market Reports of the Production and Marketing Administration, op. cit., p. 4.

¹² Ibid., p. 8: The 10 designated spot markets are Charleston, South Carolina; Augusta, Georgia; Savannah, Georgia; Montgomery, Alabama; Memphis, Tennessee; New Orleans, Louisiana; Little Rock, Arkansas; Dallas, Texas; Houston, Texas, and Galveston, Texas.

Market news work and cotton classification are closely coordinated. Special arrangements have been made to help farmers obtain local market prices through representatives selected by organized producer groups. This service, coupled with official cotton classification, greatly strengthens farmers' bargaining power.¹³ During the fiscal year ending June 30, 1947, cotton classification and market news services were furnished to 344,000 members of 2,515 organized cotton-improvement groups. The classification service provides members of the improvement groups with unbiased information as to the quality of their cotton, and the market news service translates the qualities into terms of current market prices.¹⁴

Dairy and poultry

Market news work for both dairy and poultry products is handled by the same personnel. Twenty-five field offices are in operation including 14 conducted on a Federal-State cooperative basis. Approximately 6,700,000 copies of market reports were issued at all offices during the fiscal year ending June 30, 1947.¹⁵ The types of market information include market receipts, cold-storage movements and stocks, current trading stocks on dealers' floors, movements into retail channels, market comments and prices. In addition to these data on terminal market receipts, information is collected on receipts at country packing plants and at egg auctions and producers' assembling plants. Information about

¹³ "The Market News Service," op. cit., p. 11.

¹⁴ Report of the Administrator of the Production and Marketing Administration 1947, p. 35.

¹⁵ Ibid., p. 40.

the quantities of butter and eggs moving regularly into retail channels in key markets is compiled from reports received from representative groups of retail distributors.¹⁶ Daily market reports on dairy and poultry products are issued by 24 field offices, covering supply and demand conditions, prices, and trend of the local market. The coverage is fairly complete in some markets but only partially complete in others.¹⁷ In addition, there is a daily poultry market report covering five markets, a daily turkey market report issued at all offices during the holiday trading, and live poultry reports issued daily from five Federal-State offices.¹⁸

In the past, the use of wholesale selling prices in terminal markets was the most widely used basis of reporting prices. Recently, however, the volume of trade through wholesale channels has been declining because of increased direct marketing, direct buying by large retail distributors, mergers on the markets resulting from large-scale organization, and other changes in marketing practices. In some markets this has caused a shift of emphasis from the reporting of wholesale selling prices to the reporting of prices received by shippers.¹⁹

¹⁶ "The Market News Service," op. cit., p. 11.

¹⁷ U.S. Department of Agriculture, Periodic Market Reports of the Production and Marketing Administration, op. cit., p. 10: Reports are issued daily except Saturday at Atlanta, Baltimore, Boston, Chicago, Cincinnati, Cleveland, Denver, Detroit, Fort Worth, Los Angeles, New Orleans, New York, Philadelphia, Pittsburgh, St. Louis, Seattle, Fayetteville, Arkansas; Harrisonburg, Virginia; Madison, Wisconsin; Portland, Oregon; Raleigh, North Carolina, and Salisbury, Maryland.

¹⁸ Ibid., p. 11.

¹⁹ "The Market News Service," op. cit., pp. 11-12.

Wholesale prices reported by the Federal service are established by reporters who personally interview buyers and sellers and obtain information from them regarding quantities sold or bought, grades and prices. Sales made at previously-agreed relationships to a market quotation are not considered "open market sales" and are not considered in establishing the quotation.²⁰

Fruit and Vegetables

The fruit and vegetable service, oldest of the market news services, now maintains permanent field offices in 21 of the larger cities and temporary field offices at about 40 points during the active marketing season each year.²¹ Of the 21 permanent offices, 11 exist under Federal-State agreements entered into by the states and the U.S. Department of Agriculture. These agreements make possible a much greater service than could be provided by the Federal government alone.²² In addition to the 21 Federal and Federal-State offices, there are 12 state offices which cooperate with the U.S. Department of Agriculture.²³ During the fiscal

²⁰ L. M. Davis, "Nature and Scope of Information in Dairy and Poultry Market Reports," U.S. Egg and Poultry Magazine XVIII (February, 1942), pp. 99-101: "The reporting of wholesale prices of dairy and poultry products has been made increasingly difficult by the tendency of market dealers to buy and to sell on a so-called contract basis, whereby the shipper is guaranteed a price based on quoted prices, and the selling in the market proper is also based upon quoted prices. As such practices have increased, the volume of goods sold in the open market has decreased, resulting in diminishing quantities upon which to establish quotations."

²¹ Schoolcraft, op. cit., p. 2.

²² U.S. Department of Agriculture, Periodic Market Reports of the Production and Marketing Administration, op. cit., pp. 5-6.

²³ Fruit and vegetable branch offices are located at Atlanta, Bakersfield, Baltimore, Boston, Chicago, Cincinnati, Cleveland, Columbus, Denver, Detroit, Fort Worth, Fresno, Kansas City, Los Angeles, Minneapolis, New

year which ended June 30, 1947, there were 9,240,000 copies of market reports mailed to approximately 62,000 individuals and firms. In addition to fruit and vegetable market reports, weekly peanut and semi-monthly honey reports were issued from the Washington office.²⁴

Daily market reports on fruits and vegetables cover general market conditions, quality and condition of receipts, and prevailing market prices of the principal commodities in season. They also include a summary of the total number of cars of each commodity shipped from each state during the previous day, f.o.b. prices and conditions prevailing in many producing areas, and the number of cars of each commodity received daily on local markets.²⁵

The market reporter on the city market spends several hours each day on "Produce Now." He observes the volume and quality of offerings and talks to sellers and buyers to obtain late information on demand, movement, market trends and detailed prices. The market reporter in the shipping area is in contact with shippers, loaders, buyers, growers and others concerned with marketing the local crops. He studies the volume of loadings, quality, demand, market trends and prices, and he appraises the effects of weather on the crop and market. Then he prepares a concise statement on conditions and prices for his producing and shipping area.²⁶

Orleans, New York, Oklahoma City, Philadelphia, Pittsburgh, Raleigh, Richmond, St. Louis, Sacramento, San Antonio, San Francisco, Seattle, Washington, Jacksonville, Florida; Montgomery, Alabama; Portland, Oregon; Santa Maria, California, and Stevens Point, Wisconsin.

²⁴ Report of the Administrator of the Production and Marketing Administration 1947, op. cit., p. 52.

²⁵ U.S. Department of Agriculture, Periodic Market Reports of the Production and Marketing Administration, op. cit., p. 13.

²⁶ Schoolcraft, op. cit., p. 2.

A unique feature of the fruit and vegetable service is the importance of shipping point reporting. The work of the temporary field offices is handled by reporters who "follow the harvest," moving from one producing area to another as the season progresses and shipping ceases in one area and begins in a later area. For example, a reporter may have charge of an office reporting early potatoes; then, when shipping is halted there, he may move successively to areas producing tomatoes, peaches, cantaloupes. Some shipping point offices are open only a month; others may last nine months. Shipping point market news reporting is feasible because commercial fruit and vegetable production is concentrated in fairly well-defined areas and heavy volumes are marketed within relatively short periods. Each of these heavy-producing areas has a principal shipping point, and the market reporter there can keep his finger on the market from start to finish. Shipping point market news reflects prices being paid for the producer's product at the producer's market, thus giving him an opportunity to plan his marketing operations.²⁷ Price ranges, in general, are used in fruit and vegetable market reports. The range usually quoted covers the high and low prices on stock of "generally good merchantable quality and condition."²⁸

Grain, Feed and Hay

Market news on grain is available at frequent intervals during the day at the principal grain markets. But to the farmer, who needs to know the underlying market factors determining crop prices, the market news weekly review of the grain market is especially important. This report

²⁷ B. C. Boree, "Servicing a Billion-dollar Industry," The Agricultural Situation, June, 1941, pp. 18-20.

²⁸ Schoolcraft, op. cit., pp. 3-4.

also includes information on foreign market conditions. The market news service's principal grain reports are distributed from Minneapolis on rye, barley, flax, oats and spring wheat; Chicago on wheat, corn and oats; Kansas City, Missouri, on winter wheat, oats, grain sorghums and barley; San Francisco on wheat, barley and flaxseed; Portland, Oregon, on wheat, feed grains (barley and oats) and corn. Hay information, which is especially important to growers and shippers, is disseminated from Kansas City, Portland and Los Angeles. A market news report on feed includes prices of all by-product feeds, information about their supply and distribution, the location of supply and the areas of greatest demand. Information also is provided on the cost of representative dairy and poultry rations in important feeding areas.²⁹

During the fiscal year ending June 30, 1947, more than a million daily price reports, weekly market reviews, and supply and distribution summaries were mailed direct to individuals. Supplies and utilization were given a heavier accent in the market reports, but crop conditions, market movement, stocks, demand, and prices also were important features.³⁰

Livestock

The pulse of the nation's largest industry throbs in the great livestock receiving centers such as Chicago, East St. Louis, Kansas City, Omaha and St. Paul. Here it is that the factors of supply, demand and quality are reflected in bidding and asking prices. And it is here that the Federal

²⁹ "The Market News Service," op. cit., pp. 13-14.

³⁰ Report of the Administrator of the Production and Marketing Administration 1947, op. cit., pp. 57-58.

market news service concentrates its livestock reporting activities. Its function is to observe the happenings in the market and to pass them on to the nation's farmers and livestock producers.³¹

Daily livestock reports are issued by 31 of the Livestock Branch's 32 field offices. Each daily report covers supply, demand, prices and trends of the local market. Usually it also includes brief summaries of other local markets which are important to producers patronizing the local market. There are many other daily, semi-weekly, weekly and monthly reports covering the livestock, meats and wool markets. Of the 32 field offices, 10 operate under Federal-State agreements.³²

The market day begins early for reporters. At Chicago, for example, an employee goes to work at 4:30 a.m. and contacts the city's railroad terminals. Each railroad reports the amount of livestock it expects to deliver to Chicago in time to be included in that day's receipts. Estimates of the day's receipts of cattle, calves, hogs and sheep are tabulated by 6 a.m. and flashed over the market news service's 8,700-mile leased-wire circuit. The estimated receipts, an important price-making factor, are made available to the press associations, newspapers and radio stations.

By 8:30 a.m. the hog market reporter has released his first hog flash, which reports the tone of the market and the trend of prices. To obtain his information, the reporter observes activities of buyers and sellers, checks their bid and asking prices, and confers frequently with them. The second hog flash is released at 9:29 a.m. and reports the latest developments in hog trading. By 9:30 the meat market reporter has learned what

³¹ Harry Henderson, "Here Are Today's Livestock Markets—," The Agricultural Situation, July, 1941, pp. 12-14.

³² U.S. Department of Agriculture, Periodic Market Reports of the Production and Marketing Administration, op. cit., p. 22.

supplies are available, the character of demand, and the trend of prices. This information is flashed to the large eastern consuming markets and the great livestock markets in producing areas. At 10 a.m. cattle, hog and sheep market flashes are released.

A complete market report is released at 10:30 a.m. for transmission over the leased wire. It contains information on the cattle, hog and sheep markets and includes a comprehensive series of price quotations segregated by classes and grades. An advance estimate of the next day's receipts, based on railroad information, is released at 11 a.m. The closing market wire is released between 12:30 and 1 p.m. This release covers all three classes of livestock and reports on the tone and prices prevailing on the late market, shippers' purchases, estimated holdovers of hogs, and prospects for a clearance of cattle and sheep.³³

The increase in "direct marketing" of livestock during recent years has caused a change in the market news service to meet that development. Much livestock is now sold locally, at concentration yards, local packing plants, or on the farm, rather than in central markets.³⁴ In addition to the interior report issued by the Federal-State office at Des Moines, there is a western sheep and lamb contract report issued weekly at nine offices during most of the year.³⁵ It covers contract sales and movements of

³³ Henderson, op. cit., pp. 12-14.

³⁴ Ibid.

³⁵ U.S. Department of Agriculture, Periodic Market Reports of the Production and Marketing Administration, op. cit., pp. 23-25.

sheep and lambs and feed conditions in producing areas of California, Idaho, Nevada, Oregon, southwestern Montana, Utah and Wyoming.³⁶

Reporters who cover direct buying and selling operations over a wide area must work somewhat differently from those in the central markets. They use the telephone to contact buyers and sellers and make frequent visits to packing plants and sales yards.³⁷

Tobacco

The tobacco market news service is a companion activity to the tobacco inspection service. With specific grade and price information, the grower can determine the approximate value of his tobacco and decide whether the auction bid price is fair and reasonable. Because of the speed with which tobacco is sold at auction, there are many errors of judgment leading to unreasonably low prices. To obtain this price information, market reporters follow the sale and record data from the basket tickets. These tickets contain information on grade, number of pounds and price. Records are obtained from other markets selling the same type of tobacco, and they are compiled in field offices for mimeographed daily and weekly reports covering each type area. These reviews include average prices for each grade, average prices for the markets, the total quantity sold on each market and other related market information.³⁸

³⁶ Ibid.: The Western Sheep and Lamb Contract Report is issued from Chicago, Denver, Fort Worth, Kansas City, Ogden, Omaha, San Francisco, South St. Paul and North Portland, Oregon.

³⁷ Henderson, op. cit., pp. 12-14.

³⁸ "The Market News Service," op. cit., p. 15.

In the fiscal year ending June 30, 1947, approximately 1,332,000 copies of market news reports were distributed to the press, radio, growers, tobacco trade and others. Daily and weekly reports were furnished from 11 temporary offices and two permanent offices at Raleigh and Louisville. The temporary offices were set up at points in the various belts as the selling season progressed from area to area. The service was provided on 815 auction sales floors located on 147 markets in 12 states, and covered 13 types of tobacco.³⁹

Information branch area offices

In addition to field offices administered under different commodity branches of the Production and Marketing Administration, there are five information branch area offices. These offices prepare daily market summaries covering all commodities of interest in their respective areas. The summaries, prepared from reports issued by market news offices, are distributed to the press associations, radio stations and newspapers. Weekly mimeographed reports covering marketing activities of PMA are also issued by area information offices for use by press and radio. Area offices are located at Atlanta, Chicago, Dallas, New York and San Francisco.⁴⁰

³⁹ Report of the Administrator of the Production and Marketing Administration 1947, op. cit., p. 74.

⁴⁰ U.S. Department of Agriculture, Periodic Market Reports of the Production and Marketing Administration, op. cit., p. 8.

CHAPTER IV

STATE AND FEDERAL-STATE MARKET NEWS SERVICES

In addition to the Federal market news service, designed to serve the nation as a whole, there are two general classes of publicly-operated market news services serving individual states. They are: (1) Federal-State market news services, and (2) state market news services, operated strictly on a state level and without Federal cooperation. The Federal-State services are more numerous and in general more extensive although there are several outstanding services operated on a strictly state level. They are concentrated, for the most part, in the older states of the North-east where produce markets are of primary importance and where market news services were begun before Federal-State services came into existence. There are 35 states operating Federal-State market news services¹ and about 10 which have no individual market news services serving their states. Several states have Federal-State services in addition to regular state services.²

Federal-State services

Federal-State services are operated under cooperative agreements with the commodity branches of the Production and Marketing Administration, U. S. Department of Agriculture. Each service operates under an individual

¹ Letter from Ronald E. Betts, Agricultural Statistician, Cotton Branch, Production and Marketing Administration, U.S. Department of Agriculture, April 7, 1948: The states are Alabama, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Idaho, Iowa, Illinois, Louisiana, Maine, Maryland, Michigan, Minnesota, Massachusetts, New Jersey, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, Vermont, Utah, Washington, West Virginia and Wisconsin.

² Appendix A.

cooperative agreement with the commodity branch supervising the commodities covered by that news service. For example, if a state has Federal-State services covering fruit and vegetables and livestock, these services operate under one agreement with the Fruit and Vegetable Branch of PMA and another with the Livestock Branch. One state may have an agreement with only one of the commodity branches; another may have agreements with several, although the news services operating under the different agreements may be administered by a single state office. About 14 states have Federal-State agreements with more than one of the commodity branches. Although arrangements vary, the cooperating state agency in most cases is the state department of agriculture or the corresponding agency. In a few cases the Extension Service of the state land grant college is the agency which cooperates in administering the Federal-State market news service, and in one state—Arkansas—the Bureau of Research of the state university performs that function.³

The cooperative Federal-State arrangements vary considerably. Under one very common arrangement, the state agency reimburses the Federal department, either through direct payments or by paying the costs of certain salaries or other services for part of the work carried on in the state. Some states cooperate on a 50-50 basis; in others the state cooperation may be somewhat less than that, even to a rather small percentage of the total expenditures. Under another arrangement, the Federal department makes available to the state agency a connection with the Federal leased wire

³ Ibid.

service. This provides to the state a great amount of market information which it could not otherwise obtain. The state then operates local offices, making available to growers, shippers and others information obtained from the leased wire and also some information which they collect locally. This distribution may be handled through mailed reports, radio, newspapers and personal contact.⁴

Twenty-six states have Federal-State market news services covering fruits and vegetables.⁵ Nine have cooperative agreements with the Dairy and Poultry Branch⁶, and ten have Federal-State services covering livestock.⁷ Only a few states have established Federal-State services for grain, hay and feed⁸, and there are no cooperative arrangements for news services on cotton.⁹

⁴ Letter from C. D. Schoolcraft, in Charge Market News Division, Fruit and Vegetable Branch, Production and Marketing Administration, U.S. Department of Agriculture, March 25, 1948.

⁵ Ibid.

⁶ Letter from L. M. Davis, Chief, Dairy and Poultry Market News Division, Production and Marketing Administration, U.S. Department of Agriculture, April 7, 1948: The states are Arkansas, California, Delaware, Iowa, Maryland, Michigan, New York, North Carolina, Ohio, Virginia, Washington and Wisconsin. There are general cooperative agreements effective in Louisiana, Oregon and Utah, but work has not developed as yet to the point where separate dairy and poultry Federal-State reports are issued.

⁷ Letter from C. L. McCulloch, Chief, Market News Division, Livestock Branch, Production and Marketing Administration, U.S. Department of Agriculture, April 14, 1948: The states are Maryland, Virginia, North Carolina, Florida, Tennessee, Alabama, Iowa, Texas, California, Utah.

⁸ Letter from S. A. Collier, Chief, Market News and Services Division, Grain Branch, Production and Marketing Administration, U.S. Department of Agriculture, April 5, 1948.

⁹ Letter from Betts, op. cit.

State services

State market news services vary in size from the elaborate system maintained by the State of New York to simple market bulletins issued periodically by some states. The state services, concentrated in the Northeast, cover primarily the produce markets, although other commodities are included. The agency responsible for the market news service is, in most cases, the state department of agriculture or a division thereof. In Maryland, however, the state Department of Markets is a part of the University of Maryland Extension Service and it performs the market news function.¹⁰

The most outstanding example of a state market news service is operated by New York. Concerned primarily with the produce markets, the New York service maintains news offices in six cities: Albany, Buffalo, Rochester, Syracuse, Newburgh and New York City. These offices are all connected by leased wire and teletype facilities, and the service makes use of telephone, telegraph and special arrangements with press associations to expedite assembly and distribution of market information. The service issues seven daily reports from New York City and daily reports from each of the other five news offices. In addition to the daily reports, there are a number of reports and summaries issued less frequently. All current price reports are broadcast by radio and published in newspapers. Some of the reports are also available by mail but primary dependence is placed on the faster media.¹¹

¹⁰ Appendix A.

¹¹ Information provided by H. D. Phillips, in Charge of Market News Service, Bureau of Markets, Department of Agriculture and Markets, State of New York, December 5, 1947.

The Rhode Island Bureau of Markets reports the Providence Wholesale Produce Market daily. Connecticut reports markets in Hartford, New Haven, Bridgeport, Waterbury, New London and Norwich daily during the most active summer marketing season and three times a week the rest of the year. The New Jersey market news service reports the New York and Philadelphia produce markets daily, primarily for radio broadcast. New Hampshire has a weekly bulletin reporting retail and wholesale produce prices in Manchester, Concord, Keene and Portsmouth, and various livestock prices. The Massachusetts State Department of Agriculture covers the wholesale produce market daily in Boston, Worcester and Springfield. Maryland, Kentucky, Vermont and New Hampshire also have state market news services.¹² Illinois reports the Peoria vegetable market as a state project.¹³

In general, the state and Federal-State services supplement the Federal market news service in performing the reporting function of market news dissemination. When news has been assembled by these agencies, it is ready for transmission to the organs responsible for its mass dissemination.

¹² Appendix A.

¹³ Ibid.

CHAPTER V

THE WIRE SERVICES

The wire services are the great connecting link between the primary market reporting agencies and the organs of mass dissemination. True, there are a few agencies which combine the functions of reporting and dissemination and some of these will be considered later; but, for the great bulk of market news, the wire services are the intermediate link transmitting information from the specialized reporting agencies to the mass disseminators, press and radio. Newspapers and radio stations for the most part are dependent upon the wire services to bring them market news although they maintain some direct contact with Federal and state market news reporting agencies and futures markets.

Private wires connecting the cash markets are considered only incidentally in this study because of their minor importance in the dissemination of market news. The larger operators use these connections as a trading facility to keep in touch with the large cash markets hour-by-hour, almost minute-by-minute. For instance, a terminal grain elevator or a large cotton cooperative may maintain open telephone wires to major cash grain or spot cotton markets, but these facilities are not intended to keep the general public or the mass of individual producers and traders informed of market conditions. However, a number of commercial wire companies also serve the great futures markets, and they receive consideration here because of the vital information function performed by the futures exchanges.

Serving the cash markets

Four wire services are important in distributing news of the cash markets. They are the three great press associations—the Associated Press, the United Press and the International News Service—and the Commercial News Dispatch (CND) service of the Western Union Telegraph Company.

The press associations. The press associations cover news of all types for their members and clients. Each association maintains a vast system of leased wires, and it stations reporters and editors all over the world to report and transmit the world's news. Farm market news is relatively a small but important part of the daily news budget. The press associations do very little actual reporting of the cash markets. They receive most of their farm market news by telephone or messenger from Federal, state or Federal-State offices. The press associations transmit this news by means of their leased wire facilities to client and member newspapers and radio stations. Practically all of these newspapers are daily.

The Associated Press is organized as a cooperative news-gathering agency and the cooperating newspapers are known as members. The AP serves some 1,700 newspapers and nearly 600 radio stations in the United States. It reaches into approximately 40 foreign countries and serves approximately 900 newspapers and radio stations in those countries. The AP has 100 bureaus in the United States and about half that number in other countries. The service uses nearly 300,000 miles of leased wire within the United States alone. In addition to its regular news circuits and other special loops, there are special financial circuits including tabular

market wires from New York to Kansas City, touching Duluth on the north, Boston on the East Coast, Miami in the south, and New Orleans and Houston on the Gulf. A tabular circuit out of Kansas City reaches Denver, Albuquerque, Phoenix, Salt Lake City and Pacific Coastal points.¹ Most of the agricultural market news, however, is handled on the regular news circuits which reach most of the AP's newspapers and radio stations all over the nation. In addition, many smaller newspapers receive "pony" reports by telegraph or by telephone rather than by the more expensive leased wire.

The United Press has 144 full-time news bureaus and operates 200,000 miles of leased wires. The main nerve center is New York, and Chicago, San Francisco, Tokyo, London and Rio de Janeiro are among the UP's largest relay points. The United Press serves 2,882 newspapers and radio stations and operates a financial wire between major domestic centers. Farm market news is handled differently in each regional bureau to meet local needs and interests.²

The International News Service is not so large as the other two services, but its operations are similar. One difference in organization is that the UP and the INS are both privately-owned companies which sell their services to clients, while the AP is organized on a cooperative basis.

The CND service. The Commercial News Dispatch service of the Western Union makes telegraphic market reports available to radio stations and newspapers which do not have access to leased wire services. It also supplements

¹ Associated Press, A.P. Reference Book, p. 3.

² Letter from Carter Bradley, Chief, Oklahoma City Bureau, United Press, April 22, 1948.

the leased wire services in many other newspaper offices and radio stations. These agencies receive the GND telegrams collect from the telegraph company, which transmits market news received from reporting services in the market centers.

Serving the futures markets

The three major press associations also transmit news of the futures markets as do a number of other wire services. During the 1946-47 fiscal year, 14 futures exchanges traded in 18 commodities, but by far the largest volume of trading was conducted on the New York Cotton Exchange, the Chicago Board of Trade and the New Orleans Cotton Exchange.³ To present a picture of the wire houses serving a major futures market, the New York Cotton Exchange is surveyed here. Many of the wire companies serving that exchange also function in the other major futures markets.

Fairly complete coverage of the New York Cotton Exchange, its prices and general market news is transmitted by the Associated Press, the United Press, the International News Service and the Dow-Jones Financial News Ticker. The Associated Press covers the Exchange from its New York Bureau, which sends cotton news and prices to regional and state bureaus for relay. The New York Bureau files two or more stories a day in addition to openings and closings, depending upon the market activity. The AP also includes New York cotton news in its daily commodity roundup, which originates in the Chicago Bureau.⁴

Commodity market news is gathered by the United Press New York office and sent out in a manner similar to the Associated Press method. Quotations

³ Report of the Administrator of the Commodity Exchange Authority 1947, pp. 7-11.

⁴ Letter from Cleveland Lane, Director of Public Relations, New York Cotton Exchange, April 14, 1948.

on most divisions of the market are sent out hourly. There are several cotton stories daily and the cotton market picture is filed in the commodity roundup sent from the New York Bureau at the end of every business day.⁵

Dow Jones sends to all its ticker service subscribers an overnight roundup of news affecting the market before the opening. It then sends opening prices, several quotations of all prices during trading hours, news affecting the market as it develops, and, after the closing prices, a general roundup.⁶

Perhaps the most complete service disseminating news of the New York Cotton Exchange is the Cotton Ticker Service provided by Western Union. It transmits quotations of prices as they occur. The service is available to anyone who wants to buy it, subject to approval by the Exchange. Under the Exchange's contract with Western Union, this service is supplied to a large number of brokerage firms, cotton merchants and others connected with the cotton trade. In addition, it goes to more than 100 radio stations, including eight in northeastern United States and about 60 in the Southeast, 35 in the Southwest and 10 in the Far West. These radio stations broadcast the prices on approved schedules but, under their Western Union agreements, the broadcasts must be at least 15 minutes after the prices are carried on the ticker. As of March 1, 1948, there were 395 of these cotton tickers in service in the United States.⁷

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

There are several other news services which cover cotton marketing information. Two outstanding ones are the Russell-Pearsall News Service and the Contelburo, a subsidiary of the British agency, Reuters. Through extensive radio and cable nets, Contelburo sends out, as rapidly as developments occur, spot and futures quotations on cotton, important statistical information and news of all factors influencing the cotton markets. Russell-Pearsall covers market news on several commodities. It puts out hourly bulletins on cotton, grains, rubber, coffee, sugar, cocoa and cottonseed oil to subscribers at a fee of \$50 a month. Russell-Pearsall also publishes various market letters and the daily Pearsall's Cotton News, a general cotton news letter airmailed to subscribers.⁸

⁸ Ibid.

CHAPTER VI

NEWSPAPERS IN MARKET NEWS DISSEMINATION

The newspaper, together with its younger and brasher brother, radio, brings market news dissemination to its final step---mass distribution. The daily newspaper combines breadth of distribution, speed of communication, and the permanence of a visual medium. More widely distributed and usually more rapid than ordinary mailed reports, the newspaper provides detailed reports which producers and dealers can retain, study and file for future reference. This radio cannot do.

As a visual medium, the newspaper has certain other definite characteristics in comparison with radio's spoken word. Print is for the skilled reader a more efficient form of communication. The higher the reading skill of a particular group, the more its members prefer to read rather than to listen to comparable material. In the first place, reading is more efficient for skilled readers in terms of time.

In reading, the reader fixes his own rhythm and rate of speed; in listening, the broadcaster, not the listener, determines the pace. The skilled reader reads more rapidly than the broadcaster speaks; consequently he can cover a given amount of material in a shorter time by reading than by listening.¹

Reading is also a more flexible method of obtaining information. The reader can choose the portions of the printed page in which he is interested and read them at his convenience. If he is interested only in the live poultry market, for example, he can read that report immediately

¹ Paul F. Lazarsfeld, Radio and the Printed Page, p. 139.

without being subjected to a series of other reports. Or he can postpone his reading without losing the opportunity. If he desires, he can scan the market page for highlights. He cannot scan a radio broadcast.

Reading also has certain inherent disadvantages. As reading skill decreases, the printed page's advantages disappear and radio communication becomes relatively more efficient. People feel that they get more information in the same amount of time from their loudspeakers.

It seems that the unskilled reader must concentrate to such an extent on the process of reading that he cannot become completely engaged with the meaning of what he reads. He is like a person learning a foreign language who must pay so much attention to the mere act of translation that he can give little attention to what he reads as literature. Thus reading becomes less efficient than listening, in terms of the final purpose of engaging in an act of communication.²

These comparisons are made, not to prove one means of communication better than another, but rather to survey some of the advantages and disadvantages of the newspaper in relation to radio.

Newspapers, of course, have a time disadvantage. Although the daily newspaper transmits market information more rapidly than any other medium except radio, it usually is a day late from the producer's standpoint. Today's market is reported in tomorrow morning's newspaper, which reaches the rural producer sometime during the day by rural free delivery. Information on today's market is available for today's evening papers but, because of the timing of rural delivery, cannot reach country mail boxes before the next day. Weekly newspapers are, of course, at a great disadvantage in reporting current market news.

² Ibid., p. 140.

Daily newspapers

During 1947 there were 1,769 daily newspapers in the United States. During the year Americans bought regularly 20,762,317 copies of 328 morning newspapers, 30,910,959 copies of 1,441 evening newspapers, and 45,151,319 copies of 511 Sunday newspapers. The combined morning-evening daily circulation was 51,673,276 copies.³

Figures are not available on the number of dailies which carried farm market news, but practically all of these 1,769 newspapers had access to such information from press associations. Almost all of them were served by one or more of the three major services. Thus it is easy to see the importance of daily general newspapers in disseminating market news even though they may treat this news as a minor department.

There was a fair assumption that every literate resident of the country read one or more newspaper daily. The 51,000,000 morning and evening papers were more than enough to spread among the estimated (Bureau of Census) 37,000,000 families. There was a better than 1-to-3 ratio for newspapers to total population (143,000,000) and better than 1-to-2 ratio for newspapers to persons over 14 years of age (93,000,000).⁴

Most of the metropolitan dailies, because of their readers' diverse interests, carry news of the major markets throughout the country as well as reports on local trade. In a random check of one edition each of 15

³ "U.S. Dailies Strong and Free for '48," Editor and Publisher, 1948 International Year Book Number, p. 17.

⁴ Ibid.

metropolitan newspapers published during the first quarter of 1948,⁵ the writer found reports of the Chicago grain futures market in 14 of them. Twelve of the 15 carried the New York cotton futures report and all of those 12 were among the 14 which reported Chicago grain. Eight of the 15 carried the Chicago livestock report and all eight were among the 12 which carried both the New York cotton and the Chicago grain. Eight of the 15 also reported the Chicago produce market.

On the other hand, small town dailies as a rule report distant markets in only those commodities grown by local producers. Of course, they also carry news of local and regional markets. Thus, the Lawton Constitution in southern Oklahoma's cotton area carries the New York cotton quotations while the Perry Daily Journal in north-central Oklahoma does not. Both newspapers publish the Oklahoma City livestock market report and each carries news of its own local grain and produce markets. At the same time, the Miami Daily News-Record in the northeast corner of Oklahoma reports the Kansas City and Joplin, Missouri, livestock markets, the Kansas City and Chicago produce markets, and the Chicago grain market.

General weekly newspapers

The most intensively read newspaper of all is the small-town weekly although it often has a very small circulation. The general weeklies have an obvious disadvantage in reporting current prices. Their chief opportunities lie in publishing market summaries and listing local country-point paying prices for produce. Many country weeklies have no local

⁵ The St. Louis Post-Dispatch, the San Antonio Express, the New York Sun, the Des Moines Register, the Washington Post, the Philadelphia Inquirer, the Denver Post, the Los Angeles Times, the Milwaukee Journal, the Atlanta Journal, the Baltimore Sun, the Kansas City Star, the Chicago Sun, the San Francisco Chronicle, and the Daily Oklahoman. Nine of the 15 were morning papers, the remaining six evening papers.

daily competition and as a result they can perform a service by publishing these local prices.

An informal survey of 37 Oklahoma weekly newspapers published during the week of March 29 to April 4, 1948, disclosed that only nine of these 37 editions—or less than 25 per cent—included market news. Of the nine weeklies which carried market news, five considered it important enough for front-page publication. All of the nine carried local prices offered for live poultry, eggs, dairy products and grain. Five reported prices offered for hides, and one reported local prices for lambs, beef cattle and hogs.

Most of the Federal, state and Federal-State market news services pay little attention to the weekly newspaper. An exception is the New York State market news service which issues a tri-weekly "markets highlights report" primarily to serve the needs of upstate weekly newspapers. It is sent to them by mail. This report contains brief summaries of market conditions and prices for all New York City markets covered by daily reports except the cut flower market. In addition, a general weekly market comment is furnished to New York City newspapers and weekly agricultural publications.⁶

The large financial dailies

Although the large financial dailies are devoted to business and finance in general, they give considerable space to the agricultural

⁶ Information provided by M. D. Phillips, in Charge of Market News Service, Bureau of Markets, Department of Agriculture and Markets, State of New York, December 5, 1947.

markets, particularly in futures. Best known in this class of papers is The Wall Street Journal, published in New York City. It carries daily detailed reports of the futures markets in 17 domestic agricultural commodities, as well as news of some cash markets. The Chicago Journal of Commerce follows the same general pattern but devotes more space to cash farm commodities. The Journal pays particular attention to the Chicago Livestock Market and reports the local produce and wholesale meat markets in detail. Feeds and fats and oils are covered and, of course, the futures markets are emphasized.

CHAPTER VII

RADIO IN FARM MARKET NEWS DISSEMINATION

Radio has one great advantage unknown to other agencies of mass communication---instantaneous transmission. That all-important speed makes radio the particular darling of those interested in disseminating market news and those interested in receiving it. The nature of market news makes speed of dissemination important. Market conditions fluctuate constantly and market news is of greatest value if it reaches producers and dealers while it is current. Large businesses often maintain elaborate private agencies to keep themselves informed of market conditions.¹ Most smaller operators---farmers, manufacturers, merchants and consumers---are dependent upon outside agencies for market news. Therefore, as the fastest mass disseminator of market news, radio has a unique position.

Radio also has its disadvantages. The spoken word is fleeting, and the listener cannot retain all the detail which can be included in a written report. Radio provides no permanent record for future reference. In addition, time limitations on the air often restrict use of the comprehensive and detailed reports which are more adaptable to printed publication.²

The extent of farm market broadcasting

On January 1, 1948, there were 1,962 standard broadcasting stations in the United States.³ During 1947, approximately 475 of these radio

¹ Fred S. Clark and L. D. H. Weld, Marketing Agricultural Products in the United States, p. 320.

² C. D. Schoolcraft, The Market News Service on Fruits and Vegetables; Its History and Operation, p. 3.

³ Broadcasting, 1948 Yearbook Number, p. 6.

stations carried news of fruit and vegetable markets alone,⁴ and more than 300 broadcast dairy and poultry market news reports.⁵ In addition, hundreds of stations broadcast news of livestock, cotton and other markets.

Market broadcasting, of course, has expanded with the increase in the number of stations on the air. Five hundred sixteen new stations began broadcasting during 1946 and 442 in 1947.⁶ Another impetus is an increased interest in farm programming. There is a pronounced trend toward development of agricultural advertising and promotion. Many radio stations have added farm program directors or increased their share of farm audience programs, and advertisers are prepared to increase their budgets.⁷ The National Association of Radio Farm Directors, organized in May, 1943,⁸ now has 139 members,⁹ and that figure does not include many farm directors, part-time farm radio personnel and other market broadcasters who are not members of the Association. Market news is an important part of most farm programs although other agricultural news, weather and advice from specialists are included.

⁴ Report of the Administrator of the Production and Marketing Administration 1947, p. 52.

⁵ Ibid., p. 40.

⁶ Broadcasting, 1948 Yearbook Number, p. 6.

⁷ Bill Thompson, "Farm Campaigns," Broadcasting, XXXIV (March 22, 1948), p. 20.

⁸ Larry Haeg, "NARFD, Born 1943," National Association of Radio Farm Directors, 1946 Yearbook and Directory, p. 41.

⁹ NFD News, February, 1948, p. 11.

The broadcasts

Broadcast market information usually is adapted to the specific needs of the station's listeners. A metropolitan station may report local wholesale produce prices, or if it is near a producing area it may broadcast prices received for the commodities produced in that area. A station serving a shipping area ordinarily reports prices paid for commodities moving from that area.¹⁰

Most radio stations depend for their reports upon the press associations serving them or upon special telephone or telegraphic service from Federal, state or Federal-State market news offices. In some cases, stations may receive reports by telephone from dealers in the local markets. On the whole, radio stations do very little original reporting of the agricultural markets. This is only natural, however, because of the distances separating stations and markets and because of the reporting agencies already established in the market centers. Moreover, if a station does, on its own initiative, cover trading in a local market, it depends on other services to report the markets at other points.

Extensive market broadcasting is especially well-adapted to state-owned stations. Most of these stations are non-commercial and as a result they are able to schedule frequent and timely market broadcasts without conflicting with commercial commitments. Secondly, state-owned radio stations usually have the advantage of an official connection with state and Federal-State market news services. Third, most state-owned stations are located in land-grant colleges where they have the advantage of skilled interpretation by economists and commodity specialists.

¹⁰ Schoolcraft, op. cit., p. 3.

Probably the most complete radio market broadcasting service in the United States is provided by Station WOI, owned and operated by Iowa State College at Ames. The service is operated in connection with Iowa's Federal-State market news arrangement with the Federal market news service. WOI uses the leased wire of the Federal market news service, interior Iowa reports from the Federal-state market news service at Des Moines, a grain ticker from the Chicago Board of Trade, the Commercial News Dispatches of Western Union, and the news wires of the Associated Press and the United Press. WOI has 15 regularly scheduled market broadcasts between 6:29 a.m. and 6:15 p.m. daily. They include two 30-minute broadcasts and one 15-minute broadcast. During the period of daylight saving time the station supplements this schedule with special reports on Chicago grain futures, cash grain, the Wall Street stock market, the New York cotton futures market, egg and poultry prices and livestock. WOI has specialized in farm market broadcasting and developed its program by keeping in close touch with farming interests in Iowa as well as with the trade interests assembling, processing and distributing farm products.¹¹

Another extensive market news service is operated by Oregon State College at Corvallis through its own station, KOAC, and in cooperation with the Federal market news service. The reports are based largely upon information received by means of the Federal leased wire. KOAC reports markets all over the nation in poultry and eggs, dairy products, livestock and wool, grain, hay and feeds, fruits, nuts and vegetables. The reports are broadcast during two market periods daily: 12:30-12:45 p.m. and

¹¹ Information provided by R. C. Bentley, Assistant Extension Economist, Iowa State University, December 9, 1947.

7:15-7:20 p.m. KOAC also broadcasts a series of weekly market reviews covering different commodities. In addition, the station services most of the other Oregon radio stations and a list of newspapers with certain of this market information.¹²

Station KSAC, owned by Kansas State College at Manhattan, broadcasts a "Weekly Trend of the Markets" every Monday. They are special reviews prepared by members of the Department of Economics and Sociology at the College.¹³ The State of Wisconsin owns two radio stations: WHA, Madison, operated by the University of Wisconsin, and WLBL, Stevens Point, operated by the State Department of Agriculture. Both get special service from the Federal-State market news service at Madison.¹⁴ WHA presents daily a five-minute market news summary including livestock, produce, grain and cheese market trends and quotations. Sources include Federal reports transmitted by United Press teletype, grain market news received by telegraph, local livestock market news obtained by telephone and a weekly cheese market report received by telephone from the Federal-State service at Madison.¹⁵ Station WBAW, a commercial station operated by Purdue University at Lafayette, Indiana, has a daily half-hour farm program at noon, about 10 minutes of which is devoted each day to reporting the local

¹² Letter from L. H. Breithaupt, Extension Agricultural Economist, Oregon State College, and duplicated material included, March 13, 1948.

¹³ Letter from George Montgomery, Head, Department of Economics and Sociology, Kansas State College, December 5, 1947.

¹⁴ Letter from W. L. Witte, Chief, Division of Markets, Department of Agriculture, State of Wisconsin, March 23, 1948.

¹⁵ Letter from Milton E. Bliss, Farm Program Director, Radio Station WHA, December 3, 1947.

livestock and grain markets and the Chicago Board of Trade. This latter information is obtained by direct wire from Chicago.¹⁶ These are a few of the state-owned stations engaged in market news dissemination.

Probably the most radio-minded of the state market news services is that operated by New York. Convinced that mailed reports are too slow, the New York Department of Agriculture and Markets has arranged for radio broadcast as well as newspaper publication of all of its current price reports. This means that some 15 New York radio stations get especially good market news service. One series of daily summaries covering fruits, vegetables, eggs, butter, cheese, live poultry, rabbits and country-dressed calves is especially designed for upstate radio stations, which receive them by teletype.¹⁷

In radio there is a trend toward integrating and shortening the reporting process. A number of stations are moving microphones right into the stockyards or market news offices, where the news is broadcast by specialists actually engaged in reporting the markets firsthand or at least assembling the information from primary sources. This broadcasting technique transports the listener to the place where the news is made. It eliminates delays in transmitting news and precludes the possibility of mishandling or misinterpretation by announcers unfamiliar with markets and market terminology. It also facilitates reporting in greater detail than is possible when written reports must be transmitted quickly by wire.

¹⁶ Letter from E. L. Butz, Head, Department of Agricultural Economics, Purdue University, November 26, 1947.

¹⁷ Letter from H. D. Phillips, in Charge of Market News Service, Department of Agriculture and Markets, State of New York, December 5, 1947.

It makes possible more vivid and accurate descriptions of commodities being sold, and, finally, it enables the listener to get the "feel" of market conditions as interpreted by a skilled market observer.

Particularly striking has been the development of livestock market reporting direct from the stockyards. A pioneer in this field is the Sioux City Live Stock Exchange which has been providing this sort of service since 1940. The two daily broadcasts are handled by a staff of three men, one of whom is Secretary-Traffic Manager of the Exchange.¹⁸ An early broadcast, at 7:25 a.m., carries receipts of the various central public markets along with other pertinent information relative to the markets, particularly the local market. The main program is a 20-minute broadcast at 12:15 p.m., carried by Stations KTHI, Sioux City, and WYAK, Yankton, South Dakota. It begins with a general resume of the cattle market, together with available facts relative to general market conditions. Then the broadcaster goes into representative sales of cattle as those sales were consummated during the morning at the Sioux City market. The market reporters carry cards upon which they list this information. They go into the yards and look at various classes of cattle, and on each card they write the name and address of a shipper with a description of his livestock and later the sale price and the weight are confirmed. The idea is to get a good cross-section of the various classes in the cattle market. The report covers the choice, good, commercial, utility, heifers, cows, bulls and stockers and feeders so that a listener can get a good idea of what his neighbor's cattle brought or what his own cattle might bring if they

¹⁸ Letter from D. H. Cunningham, Secretary-Traffic Manager, Sioux City Live Stock Exchange, March 9, 1948.

were the kind described. The broadcaster reads the names and if the individuals are in the studio that fact is also mentioned. Effort is made to personalize the broadcast.¹⁹ When the broadcaster finishes the cattle market report he follows the same procedure with hogs, then covers the sheep market.

Another personalized report is the daily broadcast of the Livestock Foundation of Omaha. Its 15-minute program is carried at 12:45 p.m. daily by Station KFAB, which broadcasts from both Omaha and Lincoln. The broadcaster emphasizes names and places in an effort to carry his descriptions and comparisons back to the producer in terms of the producer's own observations and experience. He also invites guests into the studio and mentions their names during the broadcast.²⁰

¹⁹ Harry Aspleaf of the Sioux City Live Stock Exchange writes in National Association of Radio Farm Directors, 1946 Yearbook and Directory, op. cit., p. 16: "Livestock market reporting can build a terrific farm audience if it is personalized. That's the secret of the most successful market broadcast in the nation, the Central Public Markets broadcast from the Sioux City Stock Yards with more than 5 million listeners in six states. Every rancher and livestock feeder knows his cattle and his neighbor's cattle. If you say John Jones was on the market today with 34 whiteface heifers ... a set of heifers carrying a good cover across the loin, deep in the round ... that sold at \$19.90, his neighbor, Harry Smith, knows almost to a cent what his cattle will bring....Never play just the top cattle. Give more time to the in between kind, that's the kind nine out of 10 farmers feed. Never lie about a market or make a prediction on the next day's market. Give the market as it is, give the names of the people in the studio and the folks you talked with and give a description of the livestock you looked at. Above all, never guess. But keep it warm and personal."

²⁰ Interview with Hart Jorgenson, Livestock Foundation of Omaha, in Chicago, November 29, 1947.

Another daily program of this general type is broadcast by Station WMY, Oklahoma City, direct from the Oklahoma City stockyards. It is a 10-minute program at 12:45 p.m., preceded by a 15-minute general farm show and followed by a five-minute stock market broadcast.

This trend in farm market broadcasting is not limited to livestock. At Richmond, Virginia, Station WBYA has installed broadcasting facilities in the state market news office. A five-minute daily report is broadcast at 11:25 a.m. covering produce and other commodities.²¹

Station WTAI, owned by Michigan State College at East Lansing, broadcasts at 12:30 p.m. daily direct from the office of the Bureau of Marketing and Enforcement of the State Department of Agriculture. The broadcast covers paying prices for poultry and dairy products at Detroit, fruit and vegetable paying prices at Benton Harbor and fruit and vegetable paying prices in the Detroit municipal farmers' markets. The Bureau of Marketing and Enforcement secures this information daily by telephone.²²

At Salt Lake City, Station KSL has planned tentatively to place a direct wire into the State Department of Agriculture marketing services office and build around it the station's public service features pertaining to agriculture. The Utah Department of Agriculture is building an extensive marketing services program including market news dissemination as well as other services.²³

²¹ E. V. Coville, Market News; Report for Fiscal Year Ending June 30, 1947, Market News Section, Division of Markets, Department of Agriculture and Immigration, Commonwealth of Virginia, Richmond, Virginia, p. 1.

²² Letter from Miles A. Nelson, Chief, Bureau of Marketing and Enforcement, Department of Agriculture, State of Michigan, March 10, 1948.

²³ Letter from R. Harvey Gastrup, Commissioner of Marketing, Department of Agriculture, State of Utah, March 16, 1948.

The listeners

In 1947 there were 66,000,000 radio sets in the United States, including 9,000,000 automobile sets.²⁴ Some 35,900,000 families, or 93 per cent of the nation's total, had radios in their homes in January, 1947.²⁵ In a sample survey based on personal interviews taken in 2,535 farm households throughout the country in 1945, the Bureau of Agricultural Economics of the U.S. Department of Agriculture found that 66 per cent of rural farm homes had radios and 16 per cent of the rural farm families were former owners of radio sets.²⁶

Sixty-one per cent of rural farm people listened to radio market reports.²⁷ Thirty-four per cent of rural farm people listened to market reports daily or six times a week. Twenty-seven per cent listened one to five times a week.²⁸ Of those who listened to market reports, 24 per cent listened in the morning, 9 per cent in the late morning, 59 per cent at noon, 4 per cent in the afternoon and 6 per cent in the evening.²⁹

²⁴ O. H. Caldwell, "Retail Radio Sales in the United States, 1922-1947," Broadcasting, 1948 Yearbook Number, p. 20.

²⁵ A. C. Nielsen, "Audience Analyses Via Audiometer Method," Broadcasting, 1948 Yearbook Number, p. 37.

²⁶ U.S. Department of Agriculture, Attitudes of Rural People Toward Radio Service, A Report Prepared by the Bureau of Agricultural Economics, p. ii.

²⁷ Ibid., p. 38.

²⁸ Table 1, Appendix B.

²⁹ U.S. Department of Agriculture, op. cit., p. 94.

Rural farm men were, as expected, much more interested in market reports than were farm women. Forty-two per cent of the women indicated that they never listened to market reports and only 18 per cent of the men answered that way.³⁰ Market reports were considerably more important to men in the north central region than to those in any other part of the country. This attitude was highly correlated with listening habits; a much higher proportion of farm people in the north central region listened to market reports.³¹ "This is possibly due to the fact that the major farm products in the north central area are those for which it is particularly important to watch the market changes."³²

Of the farm people who reported listening to market reports, 83 per cent indicated the reports were of value. The reason most often given was that the listeners liked to know prices before selling their products. Thirty-seven per cent gave that answer, and 34 per cent simply indicated that they liked "to keep posted on prices."³³

³⁰ Table 1, Appendix B.

³¹ Table 2, Appendix B.

³² U.S. Department of Agriculture, op. cit., p. 15.

³³ Table 3, Appendix B.

CHAPTER VIII

THE SPECIALIZED PRIVATE AGENCIES

Among the most highly-developed agencies in farm market news dissemination are the specialized private group. Varying widely in format and distribution methods employed, they are grouped together here because they perform a similar function: each of these agencies specializes in one or more agricultural markets and combines the reporting function and the disseminating function. Each agency reports the market and transmits the news directly to producers and dealers. Thus it cuts through the three levels of news distribution and integrates the functions performed by the reporting agencies, the connecting agencies and the agencies of mass dissemination.

They reach fewer people than do the general press and radio, but to those who are interested they offer a specialized media for detailed information on particular markets. For example, the Chicago Daily Drovers Journal publishes a more complete and detailed daily report of the Chicago Livestock Market than can be found anywhere else. Types of specialized private agencies range from the large livestock market dailies to the small price bulletins of the produce and cotton trades.

The livestock market newspapers

These publications are newspapers in every sense of the word. Their format is that of a newspaper, they are published and distributed like other newspapers, and their content is certainly news. But they are specialized papers concerned primarily with reporting the livestock (and sometimes grain)

markets. Although each paper specializes in reporting its own market, it also publishes news of other markets obtained through the press wire services; and to this extent it becomes a secondary reporting agency.

Dominating this field are The Corn Belt Farm Dailies, four publications under a single management. They are The Chicago Daily Drovers Journal, The Kansas City Daily Drovers Telegram, The Omaha Daily Journal Stockman, and The St. Louis Daily Livestock Reporter. Each is located in a major marketing center and specializes in reporting the livestock and grain markets there. A complete editorial staff and mechanical force are maintained at each of the four publications. Each has its own staff of qualified livestock market reporters and editors, and the four papers also employ a cartoonist and comic strip artist, a veterinary editor and seven traveling field men. The Dailies also have the service of the United Press leased wire for general news of interest to farmers and news from other markets. Each publication carries daily market reports in these 31 divisions: butter, calves, cattle, cheese, cotton, cream, eggs, feeds, flour, foreign exchange, fruits, gasoline and oil, grain (cash and futures), grease, hay, hides, hogs, horses and mules, lard, milk, mint, pop corn, potatoes, poultry, sheep, stocks and bonds, straw, tallow, veal, vegetables and wool.¹ Each edition carries on its front page a comprehensive news story rounding up prices and conditions in the cattle market, another covering the hog market, and a third summarizing trading in the sheep market. In addition to livestock markets and commodity markets, these publications carry agricultural news such as reports of important

¹ Letter from Walter W. Black, Circulation Director, The Corn Belt Farm Dailies, March 19, 1948.

farm meetings, disease outbreaks, legislation, state fairs and crops.

During the trading period reporters are constantly on the job in the cattle alleys, in the hog and sheep divisions and in the Exchange building, garnering facts about the trade.² The printing of each day's issue is timed to synchronize with the close of the market early in the afternoon. The mailing is handled expeditiously after train routings are checked carefully to place each day's issue in the hands of subscribers as early as possible....on rural routes, the morning following publication. The subscription price for each of the Dailies is \$6.00 a year.

² Ibid.: "The functions of our livestock market reporters remain essentially what they were at the very beginning of the markets in the 70's---to give a timely, clear, dependable, accurate picture of trade in live stock meat animals. The competent market reporter needs to know the class of livestock he is covering; he must exercise and have confidence in his own judgment; he requires the courage of his convictions; he must be a student of psychology; he paints his word picture clearly.

"On a given day, the livestock market reporter is equipped with knowledge of what has happened in the trade on previous days; he knows how the supply of different kinds has been running, who has been buying and who has not, what requirements of slaughterers are likely to be, and how meat stocks stand in the important consuming centers. From this knowledge he can figure how trade will move even before he acquires intimate information regarding the day's offering of live animals. With this background he goes into the market early each day and spends a busy forenoon becoming familiar with the size and character of the supply, interviewing both buyers and sellers to get their slant on price trends, and examining individual sales to get his own idea of price comparisons with the preceding day's sales, having for this purpose his own acquired knowledge of values.

"When the reporter returns to his desk, what he sets down for the information of readers is a composite of the opinions of men actively in the trade, balanced by his own judgment. He draws upon psychology to determine what weight he can give statements made by the many operators in the market. Taking into consideration circumstances as well as men, he learns to discriminate, to accept some statements, discard others, constantly sort and sift the dependable from the prejudices, and thus, arriving at a level of quotations generally meeting approval. Since his report must satisfy the majority on both sides of the trade, it must of necessity be as nearly right as possible."

There are a few other livestock market dailies, but none approaches the importance of The Corn Belt Dailies. One is The Oklahoma Livestock News published at Oklahoma City. It reports the Oklahoma City Livestock Market and publishes other news of interest to farmers.

Cotton market organs

Although it is devoted to the cotton industry as a whole, The Cotton Trade Journal, a weekly, devotes space to news of the markets. It is published at Memphis. The Cotton Digest of Houston, Texas, also publishes some cotton market news as do The Daily News Record, The Southern Textile News and The American Wool and Cotton Reporter.³

Both the major cotton futures markets publish market reports as part of their information function. The Service Bureau of the New York Cotton Exchange is maintained under the provision of the Exchange's New York State Charter which states that one of its functions is "...to acquire, preserve and disseminate useful information connected with cotton interests throughout all markets...."⁴ The Bureau publishes daily market reports containing complete records of prices of cotton futures established on the New York Exchange, summaries of prices established at New Orleans, Sao Paulo and Bombay, and several other tables of statistics. The annual subscription fee is \$21, plus postage. In addition, the Exchange offers a "Basic Data Service" and a "Trade Report Service," each involving weekly reports of cotton statistics, current analyses, and trade and crop conditions.⁵

³ Letter from Cleveland Lane, Director of Public Relations, New York Cotton Exchange, April 14, 1948.

⁴ Ibid.

⁵ Duplicated information supplied by Cleveland Lane, Director of Public Relations, New York Cotton Exchange, April 14, 1948.

The New Orleans Cotton Exchange publishes a daily report covering both its futures market and its spot market. It reports cotton futures in New Orleans, New York, Bombay and Sao Paulo, as well as local cotton movement and exports and stocks at 21 American points. It covers the New Orleans spot cotton market in detail and reports prices paid for cotton seed oil at New Orleans and New York. It also reports stocks of certified cotton in licenses warehouses in New Orleans, Houston and Galveston. Reports from points other than the New Orleans market are secured by means of the direct wire connections maintained as a trade facility between major markets.⁶

Produce market organs

There are two private agencies reporting the country produce markets. They are the Urner-Barry Company of New York, publisher of The Producers' Price-Current, and the Aberdeen Press, Inc., which publishes The Chicago Price-Current, a similar publication.⁷

The Producers' Price-Current was founded in 1858 and absorbed a similar publication in 1898, so that it now has a history of almost 90 years of reporting country produce markets in New York City. The Producers' Price-Current is a single sheet, 12 by 17 inches, printed on both sides and published daily. The subscription price is \$30.00 a year. It reports New York markets in the following commodities: butter, cheese, shell eggs, frozen and dried eggs, market milk, concentrated milk, country dressed meats, livestock, live poultry, dressed poultry (fresh and frozen), domestic gase, dried beans and peas, hops, beeswax, hay and straw, hothouse products,

⁶ Letter from Henry Plauche, Secretary, New Orleans Cotton Exchange, March 31, 1948.

⁷ Letter from H. E. Taber, President, Urner-Barry Company, March 18, 1948.

onions, potatoes, fresh fruits, fresh vegetables and repacked vegetables.

In addition to this publication, which goes direct to subscribing dealers and producers, The Producers' Price-Current furnishes a wire service to those who subscribe for it. Changes in market quotations in the various commodities are included in wire reports filed with Western Union at about 11:30 to 12 o'clock noon each day. Also, The Producers' Price-Current furnishes condensed reports to the New York daily newspapers, either individually or to press associations.

Material in The Producers' Price-Current each day is obtained through personal investigation by its trained reporters except for statistics on receipts and cold storage holdings furnished by government agencies. The quotations inserted in most instances are regarded as authoritative throughout the United States and are commonly used as a basis for contractual relations between shippers and receivers.

The Chicago Price-Current covers the Chicago produce markets and is similar to The Producers' Price-Current. It also furnishes quotations to the local press.

CHAPTER IX

SOME CRITICISMS OF THE MARKET NEWS SERVICES AND STEPS BEING TAKEN FOR THEIR IMPROVEMENT

We have followed market news through its three levels of distribution from the time it was reported in the markets, through the intermediate level, to its final dissemination by the agencies of mass communication. While such a study may over-simplify the market news processes, it does offer a means of visualizing them in their approximate relationships.

This study has made little or no attempt to criticize the market news services from the standpoint of their adequacy or inadequacy; its purpose was to investigate the status of the market news agencies. As was to be expected, the study disclosed both strong and weak features of those agencies. Criticisms of different aspects of the farm market news services were common. For instance, Shepherd writes that the market reporting system is still a jump or two behind the decentralized market.¹ It is still predominantly a terminal market reporting system. This is pointed up in the direct hog marketing situation which has developed in recent years. Direct marketing permits the farmer to escape some of the costs of selling hogs on terminal markets, and can result in a net gain, but only if market news and market grades are adequate. If market news is inaccurate, not detailed, and not available currently, direct marketing of hogs can have adverse effects on hog prices. It is evident that if a farmer is not informed as to where he can get the best prices for his particular hogs, he very easily can lose money through his ignorance.² This often occurs in direct marketing because the price-reporting system at interior markets

¹ Geoffrey S. Shepherd, Marketing Farm Products, p. 172.

² Ibid., pp. 152-154.

is not so specific as the system at terminal markets.³ In the old days of the terminal market, farmers needed to keep track of only a few alternative markets. But in the modern decentralized market, farmers need to keep track of a number of market points. The job is getting almost too complicated for an average farmer to handle.⁴ The effects of decentralization in the butter and egg trade, discussed earlier in this study, have created a market news problem which is still unsolved. So much produce is sold direct that students and marketing people have questioned the validity of the central market price quotations.

Correspondence carried on by the writer in connection with this study disclosed several other criticisms of the market news services. For example, one correspondent wrote that one feature of market reporting which has not been emphasized enough is the reporting of carry-overs in the terminal markets from day to day, and the condition of carry-overs in the main terminal markets. Another correspondent offered some typical criticisms after completing a regional hog price differential study. The investigators wanted to get daily prices of selected classes and grades of cattle, lambs and hogs at each of the markets in the state for the five-year period 1937-41. Daily newspaper quotations were the only available source for those local markets. Quotations for cattle and lambs were found to have almost no value as research data or as market news for producers. Prices were not reported on uniform class and grade classifications.

³ Ibid., pp. 141-142.

⁴ Ibid., pp. 69-70.

At one market as many as 30 different grades of cattle were reported at one time or another over the five-year period. Quotations were not usually given by weight ranges and the quoted price ranges were excessively wide. Quotations were often not changed for months at a time. Those findings were considered at a meeting of representatives of the principal market in that state, and definite improvements were made.

Interest in improving the market news services is increasing, and a number of projects are being undertaken or considered for this purpose. Chief among these is a project recently approved by the U. S. Department of Agriculture under the Research and Marketing Act. It calls for marketing research looking to improvement of market news services. It will be an attempt to evaluate the effectiveness and adequacy of existing market news services through a careful study of Federal and Federal-State services as they now operate, their historical backgrounds, the reports issued, and the methods of collecting the information. Later, plans are to aid market news divisions and reporters directly in adjusting the content, presentation, distribution and techniques to improve the adequacy and effectiveness of market news. The Production and Marketing Administration will conduct the studies in cooperation with the Bureau of Agricultural Economics.⁵

At Michigan State College, the Department of Agricultural Economics, in cooperation with the Department of Sociology and Anthropology, is making a study of poultry market news and information.⁶ The investigators plan to question a minimum of 200 farmers and 100 poultry and egg dealers.

⁵ "Additional Projects Approved Under Research and Marketing Act," Marketing Activities, October, 1947, pp. 15-16.

⁶ Letter from Rex H. King, Resident Assistant in Agricultural Economics, Michigan State College, January 2, 1948.

The Division of Agricultural Economics at Oregon State College has underway a study of livestock marketing, of which one of the major objectives is to determine the extent and adequacy of the news and information service.⁷

These projects and others reflect an increasing interest in agricultural market news, and such investigations should do much to make it more valuable to producers and dealers. They should lead to a market news system which functions more effectively as one of the factors in maintaining competition, the regulator of capitalism.

⁷ Letter from E. L. Potter, Chief, Division of Agricultural Economics, Oregon State College, November 25, 1947.

APPENDIX A

A DESCRIPTION OF THE STATE AND FEDERAL-STATE MARKET NEWS SERVICES FUNCTIONING IN EACH STATE

Alabama

Alabama's market news service operates under a Federal-State cooperative agreement. The Federal-State service was inaugurated in 1944, and the Federal leased wire system was extended to Montgomery and installed in the offices of the State Department of Agriculture and Industries and the Alabama State Markets Board. The Montgomery office began a daily fruit and vegetable report covering Alabama. Early in 1945 the Federal-State cooperative agreement was extended to cover poultry and eggs and in 1946 further extended to include hay, grain and feed. The service disseminates information several times daily to radio stations and some of the larger daily newspapers. In addition, mail bulletins are issued daily on fruit and vegetables, tri-weekly on livestock, twice weekly on poultry and eggs, and weekly on hay, grain and feed.¹

Arizona

Arizona has no state or Federal-State market news service. Although the Federal market news service reports lettuce and cantaloupes seasonally at Yuma and Phoenix, no use of that service is made locally because of its limited interest in the community.²

¹ Letter from H. Jack Jones, Chief, Market News Service, Department of Agriculture and Industries, State of Alabama, March 10, 1948.

² Letter from J. H. Foote, Supervisor of Inspection, Arizona Fruit and Vegetable Standardization Service, March 10, 1948.

Arkansas

Market news service work in Arkansas is conducted on a Federal-State basis. All market news reports for Arkansas are issued either from or in cooperation with the Bureau of Research of the University of Arkansas at Fayetteville. At present the Federal-State work is confined largely to price reporting although periodic reports regarding quantities in the markets are made by the Bureau of Research in connection with research services. The Federal-State service issues a daily price report on broilers and fryers in the commercial area of northwest Arkansas, together with daily prices from competing producing areas and the principal terminal markets. Likewise, it issues daily price reports on strawberries and peaches in season, together with prices from competing producing areas and in the wholesale markets. The Bureau of Research also has an agreement with the Federal market news service to issue price and volume reports on tomatoes, spinach, potatoes and such other fruits and vegetables as seem desirable, although these phases have not yet been included in the reporting. The work in Arkansas is relatively new, and price reports have been limited to peaches, strawberries, and broilers and fryers. The primary terminal markets covered in the state reports are Chicago, St. Louis, Fort Worth, Dallas, Kansas City and New Orleans. In the daily poultry report, the primary competing areas covered include North Georgia and the Delaware-Maryland-Virginia area. The service has an arrangement with Arkansas radio stations so that those in the area of commercial production report the daily prices. The Bureau of Research office telephones the stations as soon as the report is scheduled for release. The stations usually release the information during their

next general news broadcast. Likewise, the information is telephoned to nearby newspapers and released by the Associated Press to other newspapers. In addition, duplicated reports are mailed to producers, buyers and others who request them. In general, the Federal market news service bears approximately 50 per cent of the cost of the service with the remainder paid by the Bureau of Research of the University of Arkansas.³

California

The Bureau of Market News in California, under terms of a cooperative agreement with the U.S. Department of Agriculture, operates as the Federal-State market news service. Terminal market offices of the Federal-State service are located at San Francisco and Los Angeles and these issue detailed daily, weekly, monthly and annual reports for livestock, meat and wool; dairy and poultry products; hay, grain and feedstuffs, and fresh fruits and vegetables. Field offices are situated at the important California fruit and vegetable producing areas of Salinas, Santa Maria, Fresno, Bakersfield and Brawley. The Sacramento office operates as headquarters and as a clearing house for all types of market information. Representatives in charge of the terminal livestock and dairy and poultry offices, and their technical assistants, are Federal employees. Those in the terminal hay, grain and feed offices and terminal and field fruit and vegetable offices are both Federal and state employees. Their technical and clerical assistants are mostly state employees. Besides wages and salaries, supply expenses and equipment costs are likewise shared by the two departments. During the fiscal year which ended June 30, 1947, California appropriated

³ Letter from Dr. James W. Coddington, Professor of Economics and Marketing, Bureau of Research, University of Arkansas, March 8, 1948.

approximately \$157,000 and the Federal Department about \$145,000 to carry on market news work in California. Combining the facilities of the State and Federal Departments for market news in the State has resulted in more complete and effective service. The large number of specialty crops and the distance from major markets account for the emphasis on market news in California.

Market news reaches producers in mimeographed bulletins, by radio, newspaper and through personal or telephone contact. The mimeographed bulletin is the primary carrier of information to the producer. Upon request, they are mailed to all interested persons, free of charge. Radio outlets are arranged locally by each office. Some broadcasting stations provide from two to as many as five scheduled reports daily so that producers in the territory served may be kept abreast of latest market prices and conditions. In some instances, radio stations have placed remote control facilities in market news offices for direct broadcast. The Associated Press and the United Press both secure reports from terminal market offices. In general, dissemination of market news is being accomplished by all existing means of news transmission. Timeliness and widespread distribution are policy objectives in this regard.⁴

Colorado

Colorado has no Federal-State market news service, and the writer has no information as to whether a state service exists there.

⁴ Letter from Walter J. Englund, Senior Marketing Specialist, Bureau of Market News, Department of Agriculture, State of California, April 8, 1948.

Connecticut

Connecticut has a rather extensive state market news service. Price, supply and demand conditions in farmers' markets and other wholesale trading centers in Hartford, New Haven, Bridgeport, Waterbury, New London and Norwich are reported daily during the most active summer marketing season and three times a week the rest of the year. A market reporter employed by the Department of Farms and Markets is stationed in each of these cities and is responsible for this work in addition to other duties. These reporters telephone the latest developments in their markets to the Hartford office each Monday, Wednesday and Friday morning after early trading is over in time to be included in the "Connecticut Market Bulletin" for that day. The Bulletin is printed in the Department press room and some 10,000 copies are in the mail by 3:00 p.m. that day. This insures their reaching all Connecticut post offices the following morning before rural mail carriers begin their routes. In addition, one or more of the local daily newspapers in each of the cities covered are supplied with a report on local market conditions prepared especially for the paper concerned. During the active summer season, Connecticut's most powerful radio station carries a direct broadcast daily except Sunday from the Hartford market area by the market reporter covering trading. Other market news included in that radio program covers New Haven trading the previous evening as reported by the Department's agent stationed there. The reports covering day-to-day developments are supplemented by weekly mimeographed reports on both market and crop conditions during the summer. A similar special weekly apple market report is issued during the winter. These reports are mailed to farmers, distributors, trade and local papers.⁵

⁵ Unpublished information supplied by Benjamin P. Storrs, Director of Farms and Markets, State of Connecticut, March 9, 1948.

Delaware

Delaware has a Federal-State market news service covering all major commodities produced in the State. It operates in the Bureau of Markets of the State Department of Agriculture. The cooperative agreements enable the State Bureau to have available Federal market news reports from the main terminal markets, usually daily. This market news is disseminated to growers, packers and shippers by the State office. Also, the State office collects and assembles the f.o.b. farm price reports in the country and furnishes them daily to the Federal market news service. The Federal-State market news service covers poultry daily, both f.o.b. farm and terminal markets, all year-round. Fruits and vegetables are covered daily in season. Hay, grain, livestock, hides and eggs are covered on Monday each week. At present this work is done by one reporter in the field with local dissemination handled through radio broadcasts and telephone.⁶

Florida

Florida has a Federal-State market news service operating in the Florida State Marketing Bureau, which has the use of the Federal leased wire. From the Bureau's offices is issued daily a cooperative miscellaneous vegetable market bulletin from November 1 to the following June 30 each season. In addition, the Federal-State service operates special field stations in districts of heavily concentrated acreage or assembling points for vegetables. For instance, there are special field stations covering potatoes at Hastings, celery at Sanford, beans and other vegetables at Pompano and Belle Glade; strawberries and miscellaneous

⁶ Letter from John F. Herholdt, Assistant Director, Bureau of Markets, State Board of Agriculture, State of Delaware, March 10, 1948.

vegetables at Plant City, and watermelons at Leesburg. At Lakeland there is a special citrus reporting station operating from late October to May each season. The Florida market news report in general covers all the principal vegetables shipped from Florida on 10 or more larger terminal markets, also F.O.B. Florida shipping point information as well as some F.O.B. data for competitive states. The office receives an early morning flash from the New York market which is distributed to the press. Later in the day, reports are picked up by the Associated Press and there is some radio broadcast of this information. In addition to the fruit and vegetable information, the service issues all year-round a semi-weekly poultry and egg report covering the three larger markets, Jacksonville, Miami and Tampa. At Thomasville, Georgia, in cooperation with the Federal service, the Florida State Marketing Bureau issues a special daily live-stock market news report all year-round.⁷

Georgia

Georgia has no state or Federal-State market news service.⁸

Idaho

Idaho has a Federal-State market news service covering fruits and vegetables at two points in south Idaho. Six or seven months a year the service operates at Idaho Falls, covering principally potatoes and onions; during part of August and September it operates in Fayette covering prunes. At Idaho Falls, the personnel also covers livestock marketing. The State

⁷ Letter from Neill Rhodes, Commissioner, Florida State Marketing Bureau, March 9, 1948.

⁸ Letter from Tom Linder, Commissioner of Agriculture, Department of Agriculture, State of Georgia, March 12, 1948.

of Idaho contributes a small part of the cost by paying the stenographic services in Idaho Falls and the stenographic and telephone costs in Payette. The service issues several bulletins daily and they are mailed to persons on a mailing list. Newspapers also carry the reports and certain radio stations handle portions of them.⁹

Illinois

Illinois has two part-time market news services, one Federal-State and the other purely a state operation. During the peach harvest, usually in August, the State Department of Agriculture has a cooperative agreement with the U.S. Department of Agriculture for a regular market news service. An office is maintained at Anna, Illinois, in the forepart of the season; then it is moved to Centralia for a week to 10 days at the end of the season. Reports are received from brokers and others as to condition of the peach market, mostly by telephone or telegraph and some personal contact. This information is mailed each day to interested persons. The mailing list is carried over from year to year and new requests are added each year. In 1947, the State paid the supervisor and the office secretary and paid for postage, telephone and telegraph. The Federal government furnished equipment and supplies. During the vegetable season, the Peoria market is covered strictly as a state project, there being no Federal

⁹ Letter from Wilson Kellogg, Director, Bureau of Plant Industry, Department of Agriculture, State of Idaho, March 18, 1948: "We have been advised by many shippers that the Market News Service is of little or no value to them and it tends to be detrimental to the producer because he might rely on their mail reports which are one to two days old. As our market tends to flux daily the producer is misinformed when the buyer contacts him. His misinformation can be for or against his favor."

cooperation. The State employs whoever is recommended by the Peoria County Farm Bureau and the Peoria Vegetable Growers Association. The local press and radio have been cooperative. The service tries to give the producer an idea of the market each day and also to inform consumers, by means of radio, as to the availability of various products.¹⁰

Indiana

Indiana has no Federal-State market news service, and the writer has no information as to whether a state service exists there.

Iowa

Iowa has a unique cooperative arrangement for enlarging the market news service in that State. In 1944 a State committee was organized through the State Department of Agriculture to expand the present market news service to include all the products of agriculture. This committee included representatives of the State Department of Agriculture, the Federal market news service, Iowa State College, all of the livestock breed associations, various processors of agricultural commodities, the farm organizations and the press and radio services. Through this committee, legislation was drafted in 1945 appropriating \$20,000 per annum for expanding market news services in Iowa. With this fund in addition to \$25,000 expended by the Federal market news service, there is now a Federal-State market report for hogs, sheep and lambs, and a bi-weekly report on eggs and live poultry. Also, the Iowa State College radio station at Ames, WOI, now has the use of a grain ticker service direct from Chicago. A preliminary survey is

¹⁰ Letter from E. C. Secor, Superintendent, Department of Agriculture, State of Illinois, March 11, 1948.

now in progress looking forward to reporting the prices of butter for the State of Iowa. There is also considerable demand for an Iowa cattle market report and reports covering local grain markets and feed ingredients. In addition to the Chicago grain ticker service, Station WOI has the leased wire service of the Federal market news service as well as services of the Associated Press, the United Press and Western Union. Station WOI has specialized in market news broadcasts and now has probably the most complete such service in the United States.¹¹

Kansas

Kansas does not have a State or Federal-State market news service¹² although the Extension Service at Kansas State College does compile market information for its "Weekly Trend of the Markets," distributed to a mailing list and broadcast by Radio Station KSAC.¹³

Kentucky

Kentucky's State market news service is limited to a marketing bulletin put out by the Department of Agriculture, and it is very limited in value because of difficulties encountered in getting it printed on time. However, the State legislature recently enacted legislation to make possible a worth-while Federal-State market news service.¹⁴

¹¹ Letter from R. C. Bentley, Assistant Extension Economist (Marketing), Iowa State College, December 9, 1947.

¹² Letter from Kimball L. Backus, Director of Marketing, Kansas State Board of Agriculture, March 8, 1948.

¹³ Letter from George Montgomery, Head, Department of Economics and Sociology, Kansas State College, December 5, 1947.

¹⁴ Letter from Harry F. Walters, Commissioner of Agriculture, Department of Agriculture, State of Kentucky, March 8, 1948.

Louisiana

Louisiana has a Federal-State market news service reporting the fruit and vegetable market at New Orleans.

Maine

Maine cooperates with the Federal service in issuing a Federal-State potato bulletin seasonally at Presque Isle, Maine. It is a daily report issued each year approximately from September 15 to April 30. There is no other market news function performed by the State of Maine.¹⁵

Maryland

The Maryland State Department of Markets, which is part of the University of Maryland Extension Service, has for many years issued supplemental market reports on major farm commodities. The service now is being increased and enlarged considerably so that it will include market price reports as well as reports on market supply of Maryland's important farm commodities.¹⁶ In addition to this strictly State service, Maryland has year-round Federal-State offices at Baltimore covering fruits and vegetables, dairy and poultry products, and livestock.¹⁷

¹⁵ Letter from George H. Chick, Chief, Division of Markets, Department of Agriculture, State of Maine, March 9, 1948.

¹⁶ Letter from Howard L. Stier, Head, Maryland State Department of Markets, December 16, 1947.

¹⁷ Periodic Market Reports of the Production and Marketing Administration, pp. 5-6.

Massachusetts

The Division of Markets of the Massachusetts State Department of Agriculture covers the retail food market in Boston once a week and the wholesale fruit and produce market for native crops five days a week in Boston, Worcester and Springfield. The market report is telephoned to most of the State's newspapers and radio stations.¹⁸

Michigan

Michigan's market news service is all carried on under a Federal-State arrangement. The State Department of Agriculture has two separate agreements with the Federal market news service covering its operations in that State. The Federal service furnishes the personnel and the State appropriates some funds to support them and also provides some office space and office equipment. One of the agreements covers the dairy and poultry market news service with headquarters in the State Office Building at Detroit, where one Federal market news reporter and an office assistant gather the paying prices of first receivers for eggs, poultry and dairy products in Detroit. The other agreement covers the fruit and vegetable paying prices at the Benton Harbor market when it is open from June 1 to November 1, and later the western Michigan shipping point prices on celery, apples, onions and potatoes for the balance of the shipping season, which usually runs until about April 1. At both of these Federal-State market news offices the paying prices are furnished to newspapers and wire services and duplicated for mailing to all persons requesting the service. They are also telephoned to the State Department of Agriculture office in Lansing before noon each

¹⁸ Letter from Louis A. Webster, Director, Division of Markets, Department of Agriculture, Commonwealth of Massachusetts, March 22, 1943.

day, Monday through Friday. There they are broadcast directly from the office of the Chief of the Bureau of Marketing and Enforcement at 12:30 p.m. daily. The outlet is Station WKAR, non-commercial station operated by Michigan State College. In addition, the Detroit Municipal Bureau of Markets furnishes the paying prices each day on its farmers' markets for all fruits and vegetables and they are also broadcast at that time.¹⁹

Minnesota

Minnesota has a Federal-State market news service covering fruit and vegetables and another covering livestock. The personnel in both services are regular Federal employees paid by the U.S. Department of Agriculture. The State of Minnesota contributes a certain amount of money to the Federal Department to carry on this work. The fruit and vegetable service employs one reporter and one clerk-typist. The reporter covers the Minneapolis and St. Paul markets thoroughly every morning to learn the quantities and prices charged by the commission houses. After the reporter has received this information it is brought back to the office where it is compiled, mimeographed and prepared for mailing to all members of the trade and other interested parties. This report also covers track holdings on all fruits and vegetables in the Twin City area as well as unloads and diversions. This report is mailed in franked envelopes daily except Saturdays, Sundays and holidays. The service has the Federal leased wire available for exchange of market information, and news of other markets is included in the daily report. Market news on fruit and vegetables is

¹⁹ Letter from Miles A. Nelson, Chief, Bureau of Marketing and Enforcement, Department of Agriculture, State of Michigan, March 10, 1943.

given to the press each day, but there is no radio program carried on by the market news service in connection with those commodities. The livestock market news service is carried on in an identical manner except that the service also maintains a radio program, from South St. Paul. All other methods and activities are identical with those of the fruit and vegetable service.²⁰

Mississippi

Mississippi has no State or Federal-State market news service although the Department of Agriculture and Commerce is asking the legislature for an appropriation to match Federal funds for that purpose.²¹

Missouri

Missouri has no State or Federal-State market news service. Federal market news offices are located in Kansas City and St. Louis and both have adequate contact with metropolitan outlets for information. This tends to minimize the need for a State Department of Agriculture news service.²²

Montana

Montana has no State or Federal-State market news service.²³

²⁰ Letter from C. H. Johnson, Acting Director of Markets, Department of Agriculture, Dairy and Food, State of Minnesota, March 18, 1948.

²¹ Letter from Si Corley, Commissioner, Department of Agriculture and Commerce, State of Mississippi, March 17, 1948.

²² Letter from Paul W. Doll, Marketing Division, Department of Agriculture, State of Missouri, March 10, 1948.

²³ Letter from Albert H. Kruse, Commissioner, Department of Agriculture, Labor and Industry, State of Montana, March 12, 1948.

Nebraska

Nebraska has no State or Federal-State market news service although it cooperates in the functions of the State-Federal Bureau of Agricultural Statistics which issues crop and weather reports.²⁴

Nevada

Nevada has no Federal-State market news service and the writer has no information as to whether a state service exists in that State.

New Hampshire

New Hampshire's State market news service, which is entirely on a State level, consists of a "weekly market bulletin" issued by the Bureau of Markets. The service has reporters in Manchester, Concord, Keene and Portsmouth, who contact retail and wholesale stores in their respective cities and telephone to the Bureau office in Concord each Wednesday morning prices paid to farmers. The reporters work on a part-time basis. Quotations on produce, dairy products, eggs, and also poultry, dry beans and livestock are also received by telephone from the Boston office of the U.S. Department of Agriculture, the Massachusetts Department of Agriculture, and the Brighton Livestock Market. These are printed in a table on the back page of the weekly bulletin. The table also includes the retail prices of feeds and grains. The bulletin includes general market information and a list of coming events, a "market review" giving more detailed information on market quotations, supply and demand; and an "exchange list" giving farmers an opportunity to sell and exchange standard farm commodities. The bulletin has a mailing list of about 16,000 copies weekly and the subscription charge is \$1.00 per year. Copies are mailed

²⁴ Letter from Rufus H. Howard, Director, Department of Agriculture and Inspection, State of Nebraska, March 13, 1948.

to daily and weekly newspapers in the State and to radio stations requesting it. Typed copies of the "market review" are mailed to the leading daily newspaper in the State, and also to several radio stations.²⁵

New Jersey

New Jersey has a State market news service developed primarily with the objective of providing growers with price information on New Jersey offerings and those shipped into that great consuming area from other sections, and, in addition, crop information on supplies in competing areas. The service is also interested in supplying information to buyers as to current offerings and the parts of New Jersey in which they can be obtained. Information to growers is supplied in several ways. During the active season, price reports and allied market information are telephoned to four strategic points within the State. This information is obtained from the State's cooperative employees in the Federal market news office in New York. Market information is also disseminated from these reports by three major radio stations in New York City, and similar information obtained from New Jersey's cooperative employee in the Federal office in Philadelphia is reported from two Philadelphia stations. Other material is broadcast by the Trenton station at the noon hour. This information is primarily the Philadelphia market, and during the white potato and sweet potato season, special reports are prepared for growers of these commodities. A "Weekly Market Review" is issued, summarizing prices of farm commodities that are current at the time of issue and giving comparisons of prices for the same commodities received one week earlier and one year earlier.²⁶

²⁵ Letter from Clement A. Lyon, Director, Bureau of Markets, Department of Agriculture, State of New Hampshire, March 18, 1948.

²⁶ Letter from Alvah W. Severson, Chief, Bureau of Market Reporting and Cooperatives, Department of Agriculture, State of New Jersey, March 8, 1948.

New Mexico

New Mexico has no Federal-State market news service, and the writer has no information as to whether a State service exists there.

New York

The Department of Agriculture and Markets of the State of New York has a comprehensive market news service covering primarily the farm produce markets. The market and price information assembled each day covers a wide range, including information on markets within the State gathered by State market reporters, and information of a nation-wide sort received by mail and telegraph from the Federal market news service. It is issued in daily and weekly market reports sent out by mail, broadcast by radio, and furnished to newspapers for publication. To assure prompt and widespread dissemination, all the current market price reports issued are broadcast by radio and published in newspapers. Some of these reports, in addition, are made available by mail, but the main dependence in distributing this type of information is placed upon radio and newspapers. Teletype connections in each market news office, special arrangements with press associations and use of telephone and telegraph are some of the ways in which assembly and distribution of the market information is expedited. The teletype also makes possible a quick interchange of information between different markets, thus expediting the movement of produce from one market to another, and also the preparation of special press and radio releases covering state-wide conditions. The State also cooperates with the Federal government in maintaining a Federal-State service in fruits and vegetables at New York City.²⁷

²⁷ Letter from H. D. Phillips, In Charge of Market News Service, Department of Agriculture and Markets, State of New York.

North Carolina

North Carolina has a state-wide Federal-State market news service covering poultry and eggs, fruits and vegetables, tobacco, grain, hogs and cattle. The service centers in Raleigh with an office serving eastern and central North Carolina. There is a branch office located in Asheville office is staffed by a Collaborator and two office assistants. Both offices have the Federal leased wire, through which they receive the leading national and out-of-state local markets. The Federal-State offices, in turn, furnish Washington and other offices on the southern circuit with information on North Carolina markets. Local information is assembled primarily by telephone with daily calls, some of which are paid for by market operators seeking national information (particularly in the case of hogs). This information is assembled in Raleigh along with pertinent national information and is furnished to daily newspapers there. The service also prepares two radio scripts each day for Station WPTF, Raleigh, and furnishes the United Press and the Associated Press with local market prices and conditions. Under the cooperative agreement, the U. S. Department of Agriculture furnishes the leased wire service and franked envelopes for mailing and pays the cost of four daily telephone calls covering fryers and broilers. The State finances the other calls, pays the salaries of the seven employees, furnishes office space and equipment, and supplements the year-round service about \$1,500.00 for telephone calls and telegrams. In addition, two seasonal fruit and vegetable market news offices are operated on a 50-50 basis by the Federal and State Departments. One is located at Washington, North Carolina, during the potato season, the other at Hazlet, North Carolina, during the peach and watermelon season.²⁸

²⁸ Letter from J. A. Winfield, Collaborator, Market News Service, Department of Agriculture, State of North Carolina, March 10, 1948.

North Dakota

North Dakota has no State or Federal-State market news service.²⁹

Ohio

The Department of Agriculture of the State of Ohio has an agreement with the U. S. Department of Agriculture to furnish on a cooperative basis market news on dairy and poultry products in Columbus, Cleveland and Cincinnati. In addition, the State Department has a cooperative agreement with the Fruit and Vegetable Branch covering news of the fresh fruits and vegetables in the Columbus area. The Columbus market news service on fresh fruits and vegetables and dairy and poultry products is furnished to Radio Stations WBNS, WELD and WOSU in Columbus and WRFD at Worthington, Ohio. In addition, the same information is furnished to the Columbus Citizen, the Columbus Evening Dispatch and the Ohio State Journal, the leading newspapers in Columbus.³⁰

Oklahoma

The State Department of Agriculture cooperates with the Fruit and Vegetable Branch of the Production and Marketing Administration in publishing five times weekly a fruit and vegetable report. At present, this is the extent to which the State Department disseminates agricultural market news. This daily fruit and vegetable report covers wholesale market prices of fruits and vegetables offered for sale in the Oklahoma City area. The PMA furnishes teletype services. Reports of carlot shipments as well as market news on such commodities as potatoes and onions

²⁹ Letter from Nath Dahl, Commissioner of Agriculture and Labor, State of North Dakota, March 21, 1948.

³⁰ Letter from Amos R. Meyer, Chief, Bureau of Markets, Department of Agriculture, State of Ohio, April 9, 1948.

are received by teletype. In addition, track holdings in 16 leading cities are received daily. A duplicated report is mailed daily to wholesale fruit and vegetable distributors and to other interested persons. These reports are available to the press and radio but no attempt is made to discuss market trends or similar information other than a range of wholesale prices on fruits and vegetables.³¹

Oregon

The Oregon State College Extension Service cooperates with the Production and Marketing Administration in disseminating spot market news and farm market reviews on a Federal-State basis. The reports are based largely upon messages received by Federal market news leased wire. The spot market news deals largely with prices and market conditions prevailing in the principal markets for the day. The College's cooperation consists primarily of disseminating the news through a comprehensive market broadcasting schedule on its non-commercial station, KOAC.³² The College also services most of the other radio stations in the State and a list of newspapers with certain of the information. The service is modified seasonally and developed from year to year according to needs and resources for it.³³

³¹ Letter from Joe C. Scott, President, State Board of Agriculture, State of Oklahoma, March 31, 1948.

³² Duplicated information dated June 20, 1946, and provided by L. R. Breithaupt, Extension Agricultural Economist, Oregon State College.

³³ Letter from L. R. Breithaupt, Extension Agricultural Economist, Oregon State College, March 13, 1948.

Pennsylvania

Pennsylvania has a Federal-State market news service covering wholesale prices for fruits and vegetables and poultry and dairy products in the Philadelphia and Pittsburgh markets. The State cooperates by paying two of the market news reporters in Philadelphia and by contributing the larger part of the market news reporter's salary in the Pittsburgh market.³⁴

Rhode Island

The Rhode Island Bureau of Markets has, since 1923, maintained a market news service to furnish farmers and others with timely, accurate, unbiased data on current supply, demand and prices of all perishable commodities handled in the Providence wholesale markets. This service gives reliable and comprehensive information on commodities shipped-in from distant points as well as those products produced locally. In addition to the daily Providence wholesale product market report, the Bureau also issues special weekly apple reports and a weekly poultry and egg report. Data contained in the weekly produce market report is collected daily from the Governor Dyer Cooperative Market, the Providence Wholesale Produce Market and local egg dealers. Information gathered includes the quantities of the different varieties of fruits and vegetables offered for sale as well as prices received for the various grades and qualities of packages. Each day the completed report is released to local newspapers for publication and mailed to a subscription list. There is no charge for the service, but a small postage fee is collected for all mailings. The weekly poultry and egg report gives the general status and

³⁴ Letter from K. R. Slamp, Director, Bureau of Markets, Department of Agriculture, Commonwealth of Pennsylvania, March 11, 1948.

price trend of the poultry and egg markets. This is a summary of the week's business together with the weekly egg receipts and prices compared with those of the past five years. The weekly apple report is issued during the apple marketing season and reports market conditions and price trends.³⁵ In addition to market reports designed for producers and dealers, the Bureau of Markets publishes a retail market price report to help the housewife buy wisely. This weekly report compiles retail perishable food prices on fresh fruits, vegetables, eggs, meat, and poultry as taken from Providence retail markets by weekly personal visits. This report is duplicated and sent to a subscription list of women's clubs, consumer organizations, consumers, producers, welfare organizations and State and Federal marketing agencies. A further service to the consumer is a weekly newspaper column intended to aid Rhode Island women with their marketing problems.³⁶ The Bureau of Markets has one wholesale market reporter who works full time on wholesale market reporting and one retail market reporter who devotes one day a week to that work. The retail market reporter is also the deputy administrator of markets and the wholesale market reporter is a certified potato inspector who helps with inspection work when necessary. The market reports are circularized through paid subscription lists, \$4.00 a year for the daily issue, \$1.00 a year for any weekly report. The reports are printed in morning and evening papers, but arrangements are not being made for radio

³⁵ Gretchen Maertens, "Annual Report of the Bureau of Markets for the Year 1945," Eleventh Annual Report of the Department of Agriculture and Conservation; January 1, 1945, to December 31, 1945, State of Rhode Island and Providence Plantations, pp. 19-20.

³⁶ Gretchen Maertens, "Consumer Services," Twelfth Annual Report of the Department of Agriculture and Conservation; January 1, 1946, to December 31, 1946, State of Rhode Island and Providence Plantations, pp. 23-24.

broadcast during the noon hour.³⁷ Full cooperation of local press and radio has aided in releasing emergency market information to the public when over-abundance of a commodity has threatened to flood the Providence markets beyond consumption.³⁸

South Carolina

The Extension Service of Clemson Agricultural College of South Carolina cooperates with the Federal market news service on a seasonal basis in covering potatoes, watermelons, cucumbers and peaches. This service is maintained during the shipping season. The Federal market news service furnishes the market news man and also provides the Federal leased wire. The Extension Service furnishes the office and stenographic help. That office gets out daily reports on the commodity being moved at that time. This information is also furnished to radio stations in the growing areas. Information on local supplies and prices being asked locally are obtained from the shipping organizations by telephone each day. The State is now trying to arrange for a year-round market news service in the Division of Markets on a cooperative Federal-State basis.³⁹

South Dakota

South Dakota has no State or Federal-State market news service.⁴⁰

³⁷ Letter from Gretchen Maertens, Deputy Administrator, Bureau of Markets, Department of Agriculture and Conservation, State of Rhode Island and Providence Plantations, March 16, 1948.

³⁸ Maertens, "Consumer Services," op. cit., p. 24.

³⁹ Letter from T. A. Cole, Chief, Extension Division of Marketing, Clemson Agricultural College of South Carolina, March 9, 1948.

⁴⁰ Letter from L. V. Ausman, Secretary of Agriculture, Department of Agriculture, State of South Dakota, March 8, 1948: "However, I feel that such a service would be beneficial and I am hoping that one may be set up within the next few years."

Tennessee

Market news has for 20 years been one of the major projects of the Division of Markets of the Tennessee State Department of Agriculture. Its news service now operates under a Federal-State market news agreement. It covers fruits and vegetables in season, tobacco, livestock, poultry products and other agricultural commodities. Since Nashville is one of the largest livestock markets in the South, it is covered completely. A livestock representative paid by the Federal government covers that market, and the report is prepared and released through the State office. All market reports are released to producers and others upon request and mailed in addition to press and radio. The service has a daily 15-minute broadcast over Radio Station WSM, Nashville, Monday through Friday, covering the markets on the above-mentioned commodities. This market information is also published in the two daily newspapers. In addition to the Federal employee covering the livestock market, local representatives hired by the State cover other markets in other commodities and forward the information to the central office in Nashville. Information from terminal markets is received daily by commercial wire. In addition, teletype machines are being installed at branch offices located in the principal producing areas to provide direct contact at all times with areas from which market information is collected.⁴¹

⁴¹ Letter from Matt Jennings, Chief, Division of Markets, Department of Agriculture, State of Tennessee, March 11, 1948.

Texas

Texas has two Federal-State market news services. One covers livestock in San Antonio. The other covers fresh fruits and vegetables in the Rio Grande Valley.⁴²

Utah

Utah is in the process of setting up a new Federal-State program under the title "Marketing Services" which will cover market news as well as other services. Its object is to provide a central point to which producers may turn for information on market outlets and their requirements and to which distributors, both wholesale and retail, may look for up-to-date information on location and character of available supplies; and to provide a local agency which will work with distributors, press and radio services to provide dealers and consumers with information on availability of produce and its proper preparation and use, all as a means of stimulating increased consumption and broader market outlets for the State's products. A marketing specialist or specialists will be employed to assemble and analyze special market information on the supply and distribution of various farm products within the State. Such information will be given the widest possible dissemination, utilizing the existing facilities of appropriate State agencies, as well as the press and radio, and through service by the specialists in local markets for the benefit of buyers, truckers, wholesalers, retailers, and marketing agencies. Reports on the condition and progress of particular crops in various producing areas of the State will be obtained periodically during the producing season. Information will be

⁴² Letter from K. S. Frazee, Director, Markets and Warehouse Division, Department of Agriculture, State of Texas, March 8, 1948.

assembled regarding the probable volume of production for sale of various items in different producing areas, the probable time when the crop will be ready for market, as well as its preparation and use. The State Department of Agriculture has the services of the Federal market news wire to service its program, which will cover all agricultural commodities in the State. There probably will be no regularly employed news reporters, but agricultural inspectors in various parts of the State will aid in providing information on a local basis. The State is also working out programs with united fruit cooperatives and other agricultural organizations and private individuals to aid in providing pertinent price and production information. This activity will also include county agricultural agents who are cooperating through the Extension Service. The program is being financed by special appropriation of the Utah State Legislature, which provided \$15,000, of which \$13,500 is being matched by the Federal government.⁴³

Vermont

The Vermont Department of Agriculture provides a limited market news service. The State has no large cities; therefore, no concentrated markets exist to require daily market news services. The chief commodity is milk, which is exported to Boston and New York and other southern New England cities. Other commodities supplemental to dairy products are poultry and eggs, apples, potatoes and maple products. A one-sheet "Market News Letter and Agriview" is published every other week. It includes prices paid to farmers by local retailers and wholesalers in various parts of the State, wholesale prices paid by Vermont wholesale buyers shipping to out-of-state markets, and an exchange list. In addition, the Department of Agriculture

⁴³ Letter from R. Harvey Bastrup, Commissioner of Marketing, Department of Agriculture, State of Utah, and unpublished work outline included, March 16, 1948.

issues several seasonal surveys and reports, such as a report November through April on apples in cold storage, a hatching egg and baby chick production report monthly for about eight months a year, and a maple stocks-on-hand report issued every February 15. In 1947, the State Department of Agriculture, in cooperation with the Vermont Sugar Makers Association and County Extension Service workers, operated for several weeks a production and price service to maple producers. This service promises to become a permanent development.⁴⁴

Virginia

A Federal-State market report is issued at Harrisonburg, Virginia, on live poultry, covering the largest part of the producing area in the Shenandoah Valley. In addition, the State cooperates with the Federal service in its seasonal market news office at Onley and in offices reporting tobacco markets. In addition to cooperating with the Federal service, the Division of Markets of the State Department of Agriculture and Immigration also issues weekly reports of sales at four southwest Virginia livestock auction markets, daily grain market reports at Richmond and Norfolk, and a weekly grain summary of cash markets. The Division also does a great deal of work in preparing special market reports for radio stations.⁴⁵

⁴⁴ Letter from H. A. Dwinell, Director, Division of Markets, Department of Agriculture, State of Vermont, March 9, 1948.

⁴⁵ E. V. Coville, Market News; Report for Fiscal Year Ending June 30, 1947, Department of Agriculture and Immigration, Commonwealth of Virginia, pp. 1-2.

Washington

The State of Washington has a Federal-State market news service covering poultry and dairy products and fruits and vegetables. The State assists by furnishing some of the funds, and the rest of the cost is met by the Federal government. The technical help and facilities are furnished by the Federal government. Daily market quotations on the above-mentioned commodities are available upon request to all interested individuals.⁴⁶

West Virginia

West Virginia has a Federal-State market news service at Martinsburg in the Shenandoah Valley. It functions from about September 1 to November 15 and serves apples and peaches from the producers' end. Duplicated reports are released daily. The demand has been good and growers are demanding a more complete service. The State Department of Agriculture is contemplating a more detailed report on livestock, eggs and poultry. In addition, the State Department of Agriculture publishes "The Market Bulletin," a monthly paper which handles some market summaries as well as other farm information and a large classified exchange list for the free use of farmers.⁴⁷

⁴⁶ Letter from Fred J. Martin, Director, Department of Agriculture, State of Washington, March 15, 1948.

⁴⁷ Letter from J. B. McLaughlin, Commissioner, Department of Agriculture, State of West Virginia, March 10, 1948.

Wisconsin

Wisconsin has a Federal-State news service covering dairy products and poultry. It was inaugurated in November, 1947, as part of the State Department of Agriculture. The Federal service furnishes an experienced market news reporter, the Federal leased wire and pays the transportation, telephone calls, etc., and the State Department of Agriculture furnishes the office equipment and stenographic help. The Federal-State representative each morning calls the cheese dealers throughout the State to find out what is happening on the cheese market on a day-by-day basis. On Fridays he attends the meeting of the Plymouth Cheese Exchange at Plymouth and makes a report on that market, reporting exactly what has been transacted for that particular trading period. This information then is disseminated by telegraph and radio and given to the press. The two state-owned radio stations---WHA, operated by the University of Wisconsin at Madison, and WLBL, Stevens Point, operated by the State Department of Agriculture---receive the Friday report as soon as possible after the trading period has closed. The service is covering cheddar cheese principally, but it is getting some information on Swiss cheese and some other types. The milk powder market is also getting some attention and coverage there may be undertaken soon. The service plans to cover dairy products first and then branch out into the egg and poultry field, which is not now being covered under this arrangement.⁴⁸

Wyoming

Wyoming has no State or Federal-State market news service.

⁴⁸ Letter from W. L. Witte, Chief, Division of Markets, Department of Agriculture, State of Wisconsin, March 23, 1948.

APPENDIX B

TABLE 1¹

FREQUENCY OF LISTENING TO MARKET REPORTS BY FARM MEN AND WOMEN

| Listen to market reports: | Men | Women | All Farm |
|--------------------------------|-------------|-------------|-------------|
| Six or more times a week | 38% | 29% | 34% |
| Five times a week | 6 | 3 | 4 |
| Four times a week | 4 | 2 | 3 |
| Three times a week | 10 | 6 | 8 |
| Twice a week | 10 | 6 | 8 |
| Once a week | 4 | 4 | 4 |
| When have something to sell | 2 | 1 | 1 |
| Never listen to market reports | 18 | 42 | 30 |
| Not ascertained | 8 | 7 | 8 |
| | <u>100%</u> | <u>100%</u> | <u>100%</u> |

TABLE 2²

FREQUENCY OF LISTENING TO MARKET REPORTS BY REGIONAL GROUPS

| Listen to market reports: | North | | |
|--------------------------------|---------|-------|------|
| | Central | South | West |
| Six or more times a week | 43% | 32% | 20% |
| Five times a week | 4 | 5 | 3 |
| Four times a week | 3 | 3 | 4 |
| Three times a week | 7 | 11 | 5 |
| Twice a week | 8 | 8 | 6 |
| Once a week | 2 | 5 | 4 |
| When have something to sell | 2 | * | 1 |
| Never listen to market reports | 24 | 30 | 45 |
| Not ascertained | 7 | 6 | 12 |

¹ U.S. Department of Agriculture, Attitudes of Rural People Toward Radio Service, A Report Prepared by the Bureau of Agricultural Economics, p. 90.

² Ibid.

* Less than one per cent.

TABLE 3³

USEFULNESS OF MARKET REPORTS

| | | Farm People Who Listen To Market Reports: |
|---|-----|--|
| Say they are of help | | 83% |
| Like to know prices before selling products | 37% | |
| Like to keep posted on prices | 34 | |
| Like to know prices in selling and buying | 6 | |
| Like to know prices before buying | 1 | |
| Miscellaneous reasons | * | |
| No reason given | 5 | |
| Say they are not of help | | 14 |
| Opinions not ascertained | | <u>3</u> |
| | | 100% |

³ U.S. Department of Agriculture, op. cit., p. 92.

*Less than one per cent.

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