

# The Portland Union Stock Yards

## *A Case Study in Livestock Marketing*

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Agricultural Experiment Station — Oregon State College — Corvallis

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## Foreword

Marketing specialists agree that the first and most important step in better marketing is a more thorough understanding of our present marketing agencies; a better understanding of what they do and why, and of what must be done and why, of how well they perform these functions, and of how well producers utilize these agencies.

This bulletin, "The Portland Union Stock Yards, A Case Study in Livestock Marketing," is offered as a contribution to this better understanding.

Oregon livestock producers have three major market outlets: to slaughterers in Portland and southwestern Washington; to slaughterers in Oregon other than in the Portland area; and to California. Marketing studies indicate that these three outlets are similar in the numbers of animals handled. Nearly all of the livestock that goes to slaughterers in Portland and southwestern Washington passes through the Portland Union Stock Yards.

The Portland Union Stock Yards is therefore a major outlet for Oregon livestock and has been so for more than 40 years. It is of special significance because of the completeness with which prices on that market are reported by the United States Market News Service and the wide publicity given those price reports by the press and radio.

As in his recently published bulletin, "Livestock Marketing in Oregon," the author, E. L. Potter, has drawn from both his research and long experience and close contact with the livestock industry for the material presented in this bulletin. Mr. Potter, now retired, was for many years head of the Department of Animal Husbandry and later of the Division of Agricultural Economics. He was a member of the staff at the time the Portland Union Stock Yards was constructed in 1909 and has followed its operation closely since that time.

A handwritten signature in cursive script that reads "F. E. Price". The signature is written in dark ink and is positioned above the printed name and title.

Dean and Director

# The Portland Union Stock Yards

## *A Case Study in Livestock Marketing*

E. L. POTTER  
*Agricultural Economist, Retired*

THE PORTLAND UNION STOCK YARDS is a typical "stock-yards market." By latest count, there were 65 such markets in the United States, all similar in their methods of doing business but vastly different in size.

Half of the 65 are smaller than Portland and the others larger. Chicago does roughly ten times the business that is done in Portland.

### Some Stockyards History

The Portland Stock Yards originally occupied the site now covered by the Vaughn Street baseball park, but has been at its present location since September, 1909.

Since all of our stockyards markets are modeled on Chicago, the history and plan of the Chicago Stockyards pretty well explains the entire system. It explains not only Portland, but the stockyards at Spokane, Seattle, Stockton, San Francisco, and Los Angeles as well as Ogden, Salt Lake, Denver, and the various eastern points.

The Chicago Stockyards was built in 1865 by the joint effort of nine railroads as a loading and unloading place for all livestock entering or leaving Chicago. Prior to this time each railroad had its own yards but by 1865 all of these were so badly outgrown that new facilities were necessary.

It had also become a common practice for shippers to leave their stock in the railroad stockyards until they could find a buyer. When the new yards were built, adequate feeding and weighing facilities were provided for this livestock left for sale, all to be paid for by a fee called "yardage."

Also prior to 1865, livestock traders familiar with Chicago had developed a considerable business of selling livestock for shippers on a commission basis. When the new Chicago stockyards were opened all of the old yards were closed and all of the trading business moved to the new yards.

The Chicago Stockyards was a "natural" and business boomed from the start. Overnight, Chicago became the "world's greatest livestock market."

The railroads that built the Chicago yards were farsighted enough to buy a large block of land so that they could furnish

sites for packing houses, wool pulleries, fertilizer plants, and various other enterprises that might find it desirable to be near to the supply of livestock. As a result, within a few years, practically the entire livestock slaughter and processing of Chicago was concentrated in the stockyards area.

The corporation which the nine railroads formed to build and operate the Chicago Stockyards never bought or sold livestock. It has merely operated a "hotel for livestock" where livestock could be loaded, unloaded, fed and watered, and where anyone could buy or sell livestock when and as they pleased. It has, however, maintained a firm monopoly of these "hotel" facilities within the city of Chicago.

The use of the Chicago Stockyards as a place to buy and sell has overshadowed its less spectacular function as a place to load and unload. Also with the coming of trucks and highways, truck transportation has at times overshadowed railroad transportation.

The Chicago Stockyards has long since ceased to be owned or controlled by the railroads although the present stockyards corporation does own and operate the small railroad which connects the stockyards with several of the other railroads.

The Chicago Stockyards has been so successful that many other stockyards including Portland have been built and operated on the same plan, even where the basic conditions were quite different from those existing in Chicago in 1865. Railroads are no longer important in stockyard ownership or management.

The present plant of the Portland Union Stock Yards was built by a corporation largely owned by Swift interests. Later in the famous "Consent Decree" of the United States Supreme Court in a suit against the four major national packers, these four packers agreed to dispose of their interests in all stockyards markets. This was on the grounds that control of market facilities by packer buyers was unfair to the sellers. The controlling interest in the Portland Union Stock Yards Company is now owned by the United States Stockyards Corporation, a Chicago corporation which operates twelve stockyards markets including Stockton and San Francisco.

## **The Stockyards System**

The essential points of the Chicago Stockyards system that have been followed so closely by the other 65 stockyards markets of the United States are: (1) one corporation owns all the pens, scales, and feeding and loading facilities; (2) anyone is permitted to buy or sell but sellers usually employ a commission man who is familiar with the market to do his selling; (3) anyone with proper financial and

moral responsibility may engage in the commission business, subject to approval by the United States Packers and Stockyards Division.

In addition to providing a trading place, all of these stockyards still perform their original functions of loading, unloading, feeding, and watering all animals arriving or leaving regardless of whether they are offered for sale. At some stockyards, such as Ogden and Salt Lake, more than half of the animals arriving are merely stopped for feed, water, and rest and are then reloaded for other destinations, all without being offered for sale. In contrast, at Seattle, San Francisco, and Los Angeles, very few animals are reloaded for other destinations.

Formerly, the methods of conducting business at the stockyards was controlled by the stockyards corporation working in conjunction with an organization of commission men and traders known as "The Livestock Exchange." In recent years, all methods of doing business including all charges must be approved by the United States government through the "Packers and Stockyards Division."

Unlike the ownership and operation of the pens and other physical facilities, the commission business is not a monopoly, but is open to all and the competition is keen. While the commission men do not own or even lease any of the pens, it is customary for the stockyards corporation to assign a certain section of yards to each commission firm and to place all of the animals consigned to that firm in those pens.

It is also customary for the stockyards corporation to own an office building which not only meets its own needs for office space, but which is large enough to provide offices (on a rental basis) for all who wish or need offices at the stockyards. Again following Chicago, this building is usually known as the "Exchange" building.

Buying, like selling, in all stockyard markets is open to all. All stockyards corporations make every effort to bring as many buyers to the market as possible. This means, of course, the minimum of restrictions or regulations.

The Portland Livestock Exchange, however, does require buyers to furnish a guarantee of financial responsibility. This may be met in any one of three ways: (1) post a bond equal to the maximum amount to be purchased at any one time; (2) post a certified check to cover intended purchases; (3) purchase through a bonded commission firm. All of the regular buyers have posted bonds. Farmers and stockmen buying feeder and stocker animals ordinarily buy through a commission firm. In fact, they will usually wish the help of the commission firm.

The requirement that the buyers be bonded has met with a rather general approval on the part of the buyers themselves. It guarantees to the buyers that all competing bids are bona fide, and if accepted, livestock will be paid for. It also permits all purchases to be removed from the stockyards immediately after weighing without waiting for checks to be cleared.

## Portland Outlets

There are seven slaughtering plants in Portland, owned by nine firms. These nine firms are, of course, all regular buyers on the Portland market. In addition to these nine, there are more than 25 meat wholesalers in Portland who do not own or operate slaughtering plants. Of these 25, an irregular number of from 12 to 15 frequently buy live animals and have them slaughtered on a custom basis. This is always possible since several of the slaughtering plants in Portland do a custom business in addition to their regular business. These wholesalers may, therefore, buy either meat or live animals, according to which they think is the cheaper.

All of the major slaughtering firms in the vicinity of Seattle and Tacoma are bonded buyers on the Portland market. In addition to these, about a dozen smaller firms in western Washington have posted bonds. Some of these are not on the market every week, and only buy on a small scale; yet, they add materially to the strength of the market and are pretty good insurance against any sort of a monopoly in buying. The country slaughterers, that is, slaughterers outside of Portland and Seattle, are always on the lookout for hogs. They are also good buyers of cattle grading from medium to good. These country slaughterers, however, usually have plenty of lambs and discarded dairy cows in their own vicinity.

Few people realize the competition that exists in the Northwest between the small slaughterer and the larger packer. This competition is not only in the buying of livestock but is even more acute in the selling of meat. That there are 78 bonded buyers on the Portland market should indicate something of this competition. The fact that many of these small buyers are on the market only part of the time only means that they are uncontrollable and unpredictable.

Every packer buyer is between two fires, one to buy as cheaply as he can and the other to force his competition to pay as much as possible. One very large buyer might break the Portland market by laying off for a day or two but to do so would only permit his competitors to stock up on cheap meat. Theoretically the little fellows could be "controlled" but actually their financial success depends upon being independent and taking advantage of the breaks.

The fact that certain slaughtering plants do custom killing increases competition since it permits anyone to go into the wholesale meat business with little investment. It also permits small wholesalers and large retailers to shift their buying at will from carcasses to live animals and vice versa.

## The Stockyards Community

At nearly every stockyards market, packing houses are a conspicuous part of the landscape, as for example, the Swift plant at North Portland. Portland is something of an exception, however, in that there is only one packing plant in the immediate vicinity of the stockyards. The other Portland packing plants are located in the Kenton area between the Columbia Slough and the north city limits of Portland. No packing firm has any part in the operation of the stockyards although they may be heavy buyers.

The typical stockyards community also includes railroad offices, telegraph offices, post office, banks, loan companies, restaurants, hotels, supply houses, stock shows, veterinarians, garages, brand inspectors, Federal officials, etc. These cater to the stockman trade but have nothing to do with the actual buying and selling of livestock. These are all found at the Portland Stock Yards, except banks and hotels which are in the near-by community, Kenton.

The word "stockyards" is therefore used in several meanings as: (1) the livestock pens; (2) the corporation which owns the pens; (3) the market; (4) the entire stockyards community.

## Stockyards and Auction Procedures

The feature of stockyards marketing that distinguishes it from auctions is that the trading is done through confidential negotiation between the buyer and the seller (the shipper or commission man). The advantages claimed for this plan are these: Buyers waste no time looking at animals which they do not want. Commission men usually know quite well the buyers who might use any particular kind of animal. When the buyer and seller do get together there is usually plenty of time to look over the animals carefully and to discuss prices and terms fully. Sales may also be held up while the buyer or seller gets more information, or sees what he can do elsewhere.

On the Portland market, all sales are cash to bonded buyers and the name of the buyer together with the weight and price of the animals are matters of public record, unless the seller or buyer specifically requests that the information not be revealed.

In the auctions, the sales are made in less than a minute. The buyer must watch the selling of scores of animals which he does not want; yet he has less than a minute to look at the animals he does want. The bidding at an auction is public, and the seller likes to know what is going on. In many auctions, the name of the buyer is not announced, or announced by a number. If announced, his identity may not always be obtainable. In such cases the onlooker is not sure whether the sale is bona fide or whether the buyer is a killer, feeder, farmer, shipper, speculator, auctioneer, or auction management. A few auctions, however, are taking considerable pains to reveal properly the identity of the buyers.

Regardless of these various problems of the auctions, growers definitely like to watch the bidding and they feel that they learn more about prices by watching the auctions than in any other way.

At the present time, there is much argument as to whether the auction system of selling is or is not a better system than the commission system such as now used almost universally by all the stockyards markets. The stockyards at Seattle, Spokane and Ogden have been trying the auction method of selling, especially for cattle. Portland people are watching these experiments with much interest but so far the Portland stockyards have never used the auction system.

So far the auction system has proved very successful for small local markets but has not been used in large stockyards markets where the volume is such that several auctions would be required to handle the business. Regardless of the merits or demerits of the stockyards system of marketing, the Portland Union Stock Yards is the chief gateway from Oregon producers to slaughterers in the Portland area. Most of the animals going to these slaughterers pass through the Portland yards regardless of how they have been sold in the country. Portland is essentially a market for slaughter animals. The number of stockers and feeders is relatively small.

As with other marketing agencies, many criticisms have been leveled at stockyards markets, both in Portland and elsewhere. Much of this criticism arises from the fact that the growers do not know what is going on. Some of this lack of understanding is the fault of the grower, but much of it is the fault of the system. At the stockyards, all negotiations between the commission man and the buyer are private and to a large degree confidential. Of course, unless we are to go to the open auction system, these negotiations must be private. This, however, cannot change the fact that growers and speculators would like to know more of what is going on than they have opportunity to learn. In many stockyards, the prices finally paid as well as the negotiations are private and confidential. In Portland

this is not the case. The name of the seller, buyer, and price are announced as the animals go on the scales unless the seller specifically requests that the price be withheld. These items together with the weight are marked on the scale ticket and anyone can see the ticket. While the conversations between seller and buyer are confidential, the final deal is public.



**To LIVESTOCK KENTON BRANCH**  
**The First National Bank of Portland**  
 834 N. DENVER AVENUE  
 24-86 Portland, Oregon 24-86  
 Not Valid After 60 Days

24-86  
1230

4/21/52

North Portland, Oregon

Date

**PAY**  
To the order of

Eastern Oregon Livestock Experiment Station  
Union, Oregon

**DUPLICATE  
VOID**

DETACH ABOVE CHECK BEFORE CASHING

BUYER	CATTLE	HOGS	SHEEP	WEIGHT	DOCK	PRICE	AMOUNT	TOTAL
Armour & Co.	11 H			8020		34 00	2726 80	
West Coast (*)	3 S			1530		34 00	520 20	
Col Meadows	1 B			630		30 00	189 00	
Swift & Co.	3 C			3840		25 00	960 00	
"	1 C			1080		20 00	216 00	
"			5 E	820		12 00	98 40	
"			2 E	230		10 00	23 00	
							4733 40	
Duplicate frt. bill inclosed To Blue Mt. LS Assn. Box 735 LaGrande, Ore. 10¢ percent on 15400 # off car wt							COMMISSION 19-7 32 35 DRAFTS 50 YARDAGE AND WEIGHING 18 18 FIRE INSURANCE 10 FEED 485# Hay 14 06 245# str 3 30 40# hay Sheep 1 16 BRAND INSPECTION NATIONAL MEAT BOARD 25 FREIGHT 119 80 Blue Mt. 15 40	205 10
NET PROCEEDS							4528 30	

4/21/52 Eastern Oregon LS Exp Station  
Union, Oregon

BENSON-BODINE & CLARK LIVESTOCK COMMISSION CO., CUSTODIAL ACCT., NORTH PORTLAND, ORE.  
 Items (X) sold to a purchaser from whom we have an order to fill. Items \* sold to a purchaser in whom we have a pecuniary interest.

**Sample Statement from Commission Firm to Shipper**

## Stockyards Charges

The normal charges for selling livestock at the Portland Union Stock Yards include: (1) yardage at a fixed price per head; (2) weighing at a fixed price per draft; (3) feed (if fed) at a fixed margin above the cost of the feed; (4) commission for selling on a schedule varying with the number sold.

The first three of these items goes to the stockyards company but is deducted from the shipper's returns by the commission firm and paid by them to the stockyards company. All charges must be approved by the United States Packers and Stockyards Division. Special fees may be charged for special services such as dipping, car partitions, branding, etc.

If the animals are shipped to Portland by common carrier, the carrier collects for the freight from the commission firm who in turn deducts the amount of the freight from the shippers returns. If the shipper uses his own transportation there is, of course, no deduction.

Animals shipped from considerable distance are always fed and watered at Portland and the amount of the feed charged against the shipper. If the animals are not on the trucks for more than two or three hours and arrive in Portland on the morning of sale, they are usually sold without feeding at Portland.

Shippers must pay yardage, weighing, and selling charges on all animals sold in Portland stockyards.

The schedule of charges is changed from time to time. A copy of the most recent schedule may be obtained from the stockyards company or any commission firm.

10¢

PORTLAND UNION STOCK YARDS CO. 4/21 1952 | 21702

FORM 20 7-51 100M ©	Sold By <i>D. B &amp; C</i>	Scale No.
	Sold To <i>Eastern Oregon</i>	2
	ACCOUNT <i>Armour</i>	

	CATTLE	HOGS	SHEEP	WEIGHT	DOCK	PRICE	AMOUNT
8020	11 H.			8020		34	
	PEN						
	919½						
CORRECT	SOW	STAGS	CERTIFIED TRUE COPY OF OUR ORIGINAL RECORD PORTLAND UNION STOCK YARDS CO				
			<i>C.</i> WEIGHER				

Sample Scale Ticket

Below is a summary of the costs of marketing livestock per head at the Portland Union Stock Yards as of April 1952. These include yardage, weighing, and commission, which must be paid on all animals sold.

	<i>Yardage</i>	<i>Commission</i>	<i>Weighing</i>	<i>Total</i>
Cattle, single animals	\$ .85	\$1.75	\$ .10	\$2.70
Cattle, 15 in a lot	.85	1.60	.01	2.46
Calves, single animals	.50	.90	.10	1.50
Calves, 15 in a lot	.50	.85	.01	1.36
Sheep, single animals	.19	.65	.10	.94
Sheep, 250 in a lot	.19	.20	.01	.40
Hogs, single animals	.32	.80	.10	1.22
Hogs, 100 in a lot	.32	.44	.01	.77

Commission charges are on a sliding scale. The table shows only sample lots. Weighing is 10 cents for each draft regardless of the number weighed.

Transportation and feed are not included in the above since many of the animals are brought in by the producer's own truck and sold on the morning of arrival without feed. Where animals are fed the feed and bedding are furnished at cost plus a service charge of 95 cents per cwt on grain and 55 cents per cwt on hay and bedding.

In addition to the actual marketing charges there may be, in some cases, charges for brand inspection and charges for various types of livestock and meat promotional work. These charges have been imposed by the livestock producers themselves and are in no way marketing charges.

## Public Regulation

In Portland, as in all stockyards or auction markets having an area of more than 20,000 square feet, there is a substantial amount of official supervision. The United States Packers and Stockyards Division passes on all market charges and checks all scale inspections. The United States Bureau of Animal Industry has supervision over all sanitary and disease problems and furnishes the necessary authorizations for out of state shipments. The Federal Market News Service maintains an office at the yards and reports market statistics and market prices to the press and radio and to others who may ask. In Portland, this office also reports wholesale prices of meats in the Portland and Seattle area and furnishes government meat graders for such meat slaughterers or dealers who may need or request such service. The Oregon State Department of Agriculture supervises brand inspections.

On the whole, the precautions for the protection of the shipper in Portland are as thorough as the stockyards company Livestock Exchange and the United States Packers and Stockyards Division can devise. As regulations go, they are well enforced. They are not, however, generally understood by the producers.

## The Portland Market Situation

The stockyards system of marketing has been in operation in the United States for over 80 years, and in 1950, 49 per cent of the federally inspected slaughter livestock of the United States were purchased through such stockyards. Our larger stockyards have been established at natural transportation gateways and at large killing centers where large numbers of livestock must pass and where buyers and sellers from different directions naturally meet in large numbers.

While Portland is not one of the nation's larger yards, Portland, and particularly North Portland, is the natural gateway between the producing areas of Oregon, California, southern Idaho, and southern Washington, and the consuming centers of Portland and western Washington. For handling the livestock trade of the Northwest, the location of the Portland Stock Yards is ideal.

The Portland Stock Yards market plays an important part in the livestock economy of Oregon and the Northwest. During the four years ending with 1951, about 90 per cent of the livestock slaughtered in the Portland area, that is, North Portland and Kenton, came through the Portland Stock Yards. The indications are that this percentage is changing with the increased movement of livestock by truck. Practically all of the livestock going from Oregon and southern Idaho by railroad to western Washington passes through the Portland Stock Yards. These items include about all the business that properly belongs in Portland. The total receipts at the Portland Stock Yards, therefore, appear to be fairly close to the maximum which trade conditions will permit. The Portland business which the Stock Yards does not get is the direct shipments by truck to packers in the "Slough" area. These will have all been bought in the country.

"Total receipts," however, include "directs" and "throughs" as well as the "salable." In stockyards terminology, "salable" receipts include those animals that are offered for sale on the stockyards. "Directs" are those animals that are unloaded at the stockyards and delivered to some consignee located at or near the stockyards. "Throughs" are those animals that pass through Portland enroute to some other point and stop at the stockyards merely for feed,

water and rest. These three kinds together make up the "total receipts."

From the standpoint of business for the market, the "directs" and "throughs" pay no commission since they are not offered for sale. They do pay regular prices for feed. "Throughs" pay no yardage but "directs" pay half the usual yardage. Stockyards interests are therefore always anxious to see a high percentage of "salable" receipts and a correspondingly low percentage of "directs" and "throughs."

The per cent of livestock arriving in Portland which is "salable" is shown in the table below. These figures are for the total receipts of the stockyards and not merely for the shipments from Oregon. Such information as we have indicates that the closer the growers are to the stockyards, the more they sell at the stockyards.

The competition from California is important in keeping sales in the country. California is almost entirely on a country buying basis, and when California buyers want Oregon cattle or sheep, they go to the country after them. California buyers do not usually come to Portland since Portland is not a natural gateway between Oregon growers and California. We also know what a large part of our Oregon growers prefer to sell at home, if the price offered looks

PORTLAND UNION STOCK YARDS: PER CENT OF TOTAL RECEIPTS  
THAT WERE SALABLE\*  
(1939-1950)

Year	Cattle	Calves	Hogs	Sheep
1939	90	74	66	59
1940	91	79	65	59
1941	90	79	59	59
1942	86	83	63	55
1943	79	85	70	59
1944	82	91	76	61
1945	78	82	24	45
1946	70	87	16	36
1947	74	86	27	44
1948	74	89	31	44
1949	82	87	30	61
1950	77	83	29	54
1951	76	82	24	54

\*Occasionally animals may be offered for sale but later removed from the yards without being sold. With these very minor exceptions, the "salable receipts" may be considered as the number actually sold on the market.

at all reasonable. Many Portland buyers insist that the only way to get cattle and sheep in competition with California buyers is to go to the country. With the development of large auction markets such as

Ontario and Klamath Falls, an increasing percentage of this Portland-California competition is taking place at these auctions. These auctions, however, are at country points close to the producer and are not at Portland.

The hog situation is very different from that with cattle or sheep. The "direct" shipments of hogs at Portland are nearly all from the Corn Belt. The decrease in "salable" hogs at Portland since 1944 is therefore due to the increased shipments from the Corn Belt along with decreased production and shipments from Oregon, Idaho and Washington.

Corn Belt hogs are nearly always bought at the point of origin and consigned direct to the Oregon slaughterers. Oregon slaughterers buy Corn Belt hogs only when the local supply is inadequate. Then they buy just the number they wish and at the time they wish. These Corn Belt hogs often cost a little more than local hogs so Oregon slaughterers hold their Corn Belt purchases to a minimum. The relative price of Corn Belt hogs as compared with local hogs has been the subject of much argument but such price data as we have plus the anxiety of western slaughterers to increase the local supply seems to justify our conclusion that one time with another, Corn Belt hogs cost the slaughterers more than local hogs.

An important factor with Oregon slaughterers outside of Portland is that the freight rate from the Corn Belt to nearly all western Oregon and western Washington points is the same as to Portland. Oregon slaughterers outside of Portland can, therefore, save expense by buying Corn Belt hogs direct rather than through Portland.

All the stockyards markets of the United States get direct shipments. In 1950, of all the cattle appearing on the stockyards markets of the United States, 85 per cent were salable: calves, 78 per cent; hogs, 71 per cent; and sheep and lambs, 55 per cent. The problem of "directs" and "throughs" is therefore not peculiar to Portland.

Distance from Portland is an important factor in determining whether the grower will sell there rather than to a local buyer. Within about 50 miles of Portland, producers do not hesitate to put one or two animals in their truck, trailer, or pickup and bring them to the stockyards themselves. Within this area more than three-fourths of all the livestock sold are brought to the Portland Stock Yards by the growers themselves.

At longer distances, the small grower cannot afford to make a trip to Portland with less than a full truckload, and if he does not have that many, he must sell to a dealer directly or through an auction or ship through a cooperative shipping association. There are, however, only three cooperative shipping associations in Oregon.

Producers who have car loads or truck loads are under no handicap in shipping to Portland or any other market they wish.

Buyers from eastern Washington, California and eastern points must meet Portland competition but they try to meet this competition at points where transportation charges to Portland are relatively high and relatively low to their own destinations. These buyers are especially active in southeastern and southern Oregon.

## Importance of the Portland Market

The Portland Stock Yards market is a very important price basing point since the prices of livestock sold here are the only prices generally reported over the state. The daily reports of the Federal Market News Service in Portland are carried in all of the leading daily papers of Oregon and are broadcast over most of the Oregon radio stations. Except for occasional local sales and some experimental reporting for certain auctions they are the only Oregon prices handled regularly by the press or radio. They are the only prices based upon the government grades from points nearer than Spokane or San Francisco. From the price reporting standpoint, it is therefore quite necessary that Portland do a rather large and representative volume of business.

An effort is being made by Oregon State College to develop a market reporting service for our leading auctions and for the past several months, reporting of certain auctions, particularly Ontario, Klamath Falls and Corvallis has been conducted on an experimental basis. The results have been most satisfactory but unfortunately, neither the state or the federal government has so far seen fit to finance this project on any other than a temporary, experimental basis.

The Portland Union Stock Yards has been in operation in its present location for 43 years. It has handled about as large a volume of receipts as its location would permit but the proportion of these receipts that are direct and throughs is larger than is desirable. On the whole, the business has been handled unusually well. In the judgment of the writer, the livestock business of Oregon is distinctly better off for the presence of this market in Portland.

It is his further judgment that the business of the Portland Stock Yards could be expanded in certain directions to the advantage not only of Portland but of the livestock producers.

About 10 per cent of the livestock slaughtered in Portland come directly to the plants of the slaughterers and not through the stockyards. The stockyards people could very properly go after this business.

The most important opportunity for expansion would be in getting the directs and throughs now coming to Portland to be sold at that point rather than in the country. In 1950, 23 per cent of the cattle and 56 per cent of the sheep arriving at the stockyards were directs and throughs. These directs and throughs are competitive territory for stockyard people and they would seem to be fully justified in making every effort through better service and better public relations to have a larger percentage of these animals sold at the stockyards.

This should benefit the producer; first, he would get more competition for his stock; second, he would get the services of expert commission men who have a much better opportunity to know prices and grades than is possible for the producer, or for anyone who is not in touch with the market every day; and third, since nearly all our price quotations for the Northwest come from the Portland market, the more stock sold there, the more dependable would be price quotations.

In the case of hogs, the directs and throughs that come from the Northwest could very well be sold in Portland instead of in the country. The directs and throughs that come from the Corn Belt, however, will seldom be shipped to Portland for sale on the open market. The number of hogs in the Corn Belt is so large that any considerable movement would wreck the Portland market and cause the shippers heavy losses.

On the whole, it would seem therefore that the Portland market has a large opportunity in increasing the number of salable cattle and sheep at the expense of the directs and throughs. On the other hand the number of salable hogs is limited by the present small local production.

On the other hand, there is rarely any logical reason why Oregon livestock destined for Oregon slaughterers, for California or eastern markets should be sold in Portland or pass through Portland. The same is true of the thousands of feeders and stockers that are sold from one ranch to another within the state and which do not logically pass through Portland.

What we have said about the Portland Stock Yards applies with minor modifications to the other stockyards markets of the West; that is Seattle, Spokane, Stockton, San Francisco, and Los Angeles. In the California markets, however, a much larger percentage of the animals slaughtered do not pass through the stockyards at all, even as "directs." The stockyards of California were not started until in the 1920's. By that time, California slaughterers had been buying direct for 70 years and they were not much inclined to change. The

slaughterers say that they cannot get enough stock at the stockyards markets and the stockyards people say that if the slaughterers would quit buying in the country the stock would come to the stockyards markets. The stockyards markets of California, however, are not as nearly well located with reference to their trade territory as is Portland, and a large part of the livestock marketed in California cannot logically be routed through a stockyards market without added time and expense.

The stockyards at Stockton and Spokane do a substantial "through" business on animals moving to more distant points. Seattle, San Francisco, and Los Angeles do very little "through" business since they are at dead end locations with no other markets beyond.

The Portland market is not only important to Oregon producers but Oregon producers are very important to the Portland market. The table on page 19 shows the total receipts from all sources and from Oregon for the past 40 years.

A glance at this table shows that the Portland Stock Yards gets from Oregon from one-half to two-thirds of its cattle, from two-thirds to three-fourths of its calves, and a similar proportion of its sheep and lambs. Up to 1945, Portland was getting about one-half of its hogs from Oregon but since 1945 the proportion from Oregon is one-fourth or less.

The Portland Stock Yards in turn sells a great many livestock outside of the Portland area. For the past 10 years the number thus sold outside of Portland has been, except for hogs, almost exactly the same as the number received from other states than Oregon. Actually, of course, Portland buyers care nothing about the state of origin. Portland buyers buy out-of-state animals and Oregon animals may go almost anywhere. The Portland Stock Yards market is, therefore, distinctly more than an Oregon market but Oregon, both in receipts and sales, does furnish the major part of the business.

## Suggestions to Producers

Every livestock producer in Oregon who is in the business at all seriously, should know Portland prices. These prices as quoted by the Federal Market News Service are disseminated widely by newspaper and radio. In addition to the Federal reports, the commission firms issue their own reports, some of which are very fine. These are usually sent to anyone who asks for them.

To understand Portland prices, the producer must be familiar with the grade terms as used in the Federal market reports and in

the trade. Without such understanding, he does not "know the language." This understanding may only be acquired by frequent trips to the stockyards and a careful study of conditions there.

If he ships to Portland he will employ a commission man and since he pays for these services, he had just as well give the commission man a chance to render the best service possible. If the commission man is to render good service he must know just what the seller has to offer and he must know this in advance since a much better price can often be obtained if the animals are shipped at the proper time. Prices vary from day to day and week to week, but even more important, the demand for certain types of animals may vary even on a so-called, "steady" market. If the commission man knows just what the seller has and has some leeway in time of shipping, he can often "fit them in" very much to the seller's advantage.

With this background, when the producer receives an offer from a local buyer or California buyer, or sees what prices are in his local auction, he will know whether to sell at home or to ship to Portland. He must recognize, however, that the best place to sell this week may not be the best next week.

### Suggestions to the Stockyards

First is full and continuous publicity as to methods of transacting business on the stockyards. Producers who have never been at the stockyards or who have been there only a few times do not and cannot know just how all the business is transacted. Much of the suspicion and criticism of the stockyards market comes from lack of understanding.

Second, thorough publicity as to prices on all grades and kinds of livestock.

Third, recognition that, except for close-in areas, livestock for Portland must be assembled into truck or carlots and that in many areas, the common method of assembly is through cooperative association or through local auctions.

Fourth, careful avoidance of any effort, real or apparent, to bring to Portland more livestock than Portland can use and that would bring more money elsewhere.

Fifth, education of producers to do their own shipping, where Portland is the logical destination.

Encourage shippers to feel at home on the market: to feel that they are on the "inside" rather than on the "outside" and particularly to avoid embarrassing or confusing the shipper to whom the market is new and strange.

## Conclusions

The Portland market is the logical and necessary outlet for about one-third of our Oregon livestock and it is the major price making and price naming factor in the Pacific Northwest. The Portland market is a good market and well organized and well managed. This does not mean that all of the livestock produced in Oregon should be shipped to Portland but it does mean that the producer who sells elsewhere should be very sure that he is actually getting a better net price.

## Appendix Tables

TOTAL RECEIPTS OF LIVESTOCK AT PORTLAND UNION STOCK YARDS  
(1910-1952)

Year	Cattle		Calves		Hogs		Sheep	
	All sources	Oregon sources						
1910.....	\$ 89,733	\$ 45,415	\$ 8,297	\$ 6,672	\$ 83,323	\$ 25,559	\$167,418	\$112,626
1911.....	88,139	40,084	6,818	4,142	85,273	29,624	301,052	208,846
1912.....	76,521	43,140	2,798	1,879	120,953	65,215	255,607	170,174
1913.....	80,379	40,329	4,666	3,069	188,286	94,819	295,730	217,634
1914.....	74,360	48,789	2,506	2,149	237,725	144,901	281,300	196,425
1915.....	72,761	49,939	2,653	2,282	302,786	202,804	197,384	128,588
1916.....	77,985	49,941	4,531	3,523	322,655	207,320	171,269	112,778
1917.....	99,910	68,884	5,499	3,921	221,687	154,828	140,887	85,502
1918.....	113,598	80,193	6,041	4,383	229,244	166,551	150,331	102,298
1919.....	113,985	79,697	11,418	8,270	204,870	143,007	214,523	154,855
1920.....	127,266	84,456	13,439	8,938	174,333	113,986	235,941	168,470
1921.....	110,742	70,246	9,169	6,768	149,993	70,215	329,254	248,087
1922.....	126,953	68,198	12,718	8,159	224,410	62,985	205,106	153,463
1923.....	146,077	82,504	22,246	12,123	286,465	80,148	179,480	126,028
1924.....	145,567	87,381	29,868	16,352	356,601	113,580	199,346	152,064
1925.....	148,413	89,817	27,348	13,750	265,495	91,713	178,581	141,935
1926.....	143,541	87,275	20,794	10,911	231,317	101,902	181,796	135,789
1927.....	131,938	73,701	16,371	8,009	247,415	119,676	150,307	108,894
1928.....	116,708	69,271	12,843	6,329	304,527	154,455	140,028	111,320
1929.....	118,830	69,497	13,268	7,718	269,755	122,405	141,233	107,949
1930.....	119,075	67,285	10,336	6,202	243,513	95,865	177,302	136,699
1931.....	118,341	64,439	9,861	6,492	250,626	109,594	236,457	199,333
1932.....	106,143	56,131	5,965	4,079	258,047	122,512	207,087	159,511
1933.....	106,927	56,560	9,602	7,636	228,796	100,274	191,621	125,848
1934.....	142,302	64,642	17,437	10,798	205,017	95,145	213,195	134,785
1935.....	135,524	83,668	14,144	10,853	140,691	91,554	248,188	180,278
1936.....	158,294	82,123	23,611	11,892	215,489	140,549	224,629	156,839
1937.....	153,163	84,201	22,492	12,143	229,233	163,633	241,349	167,340
1938.....	148,595	89,173	19,521	14,116	240,241	170,285	232,733	168,106
1939.....	137,816	86,538	18,232	14,723	248,837	176,621	225,492	163,643
1940.....	140,596	85,132	16,822	13,261	294,371	186,652	236,140	180,777
1941.....	149,938	86,401	19,533	15,044	273,973	164,491	230,623	170,580
1942.....	158,542	106,919	22,973	18,416	270,247	185,008	231,580	166,580
1943.....	136,403	86,814	16,546	13,476	264,761	189,342	206,487	164,885
1944.....	181,555	122,316	30,432	23,919	315,197	220,913	186,635	156,301
1945.....	173,661	114,234	26,883	21,447	186,665	60,257	250,067	190,346
1946.....	164,817	99,170	25,471	18,215	257,424	51,146	316,102	184,177
1947.....	190,351	110,966	34,365	22,260	262,402	62,893	199,076	135,455
1948.....	157,820	89,425	23,310	15,168	243,212	68,976	157,727	111,162
1949.....	175,822	108,031	32,668	22,386	278,875	85,314	146,071	118,396
1950.....	148,388	82,226	28,285	17,929	291,898	61,306	146,481	110,071
1951.....	111,190	56,573	18,759	12,018	323,612	51,774	127,509	84,619
1952.....	127,659	68,807	19,105	13,349	304,451	70,744	179,867	130,461

1948 RECEIPTS AND DISPOSITION, PORTLAND UNION STOCK YARDS,  
NORTH PORTLAND, OREGON

Item	Cattle	Calves	Hogs	Sheep
<b>Receipts</b>				
Market, slaughter and feeders.....	117,120	20,752	75,829	70,478
Direct .....	22,129	1,599	146,031	62,506
Through billed .....	18,571	959	21,352	24,743
Total receipts .....	157,820	23,310	243,212	157,727
<b>Received via</b>				
Truck .....	81,414	19,635	53,885	82,174
Rail .....	76,406	3,675	189,327	75,553
<b>Origin</b>				
Oregon .....	89,425	15,168	68,974	111,162
Washington .....	30,407	6,390	7,597	32,308
Idaho .....	24,757	779	33,205	5,355
California .....	1,917	279	131	8,656
Other .....	11,314	694	133,305	246
Total .....	157,820	23,310	243,212	157,727
<b>Disposition</b>				
<i>Slaughter purchases, market and direct:</i>				
Washington .....	7,562	233	4,534	12,123
California .....	308	—	200	38
Oregon, outside Port- land area .....	19,992	782	12,947	2,507
Oregon, Portland area ..	98,307	18,297	182,800	104,883
Total for slaughter ....	126,169	19,312	200,481	119,551
<i>Feeders:</i>				
Oregon .....	11,035	2,665	8,636	10,903
Washington .....	1,401	370	—	341
California .....	580	4	—	300
Honolulu .....	—	—	12,743	—
Other .....	64	—	—	1,889
Total feeders .....	13,080	3,039	21,379	13,433
Through billed* .....	18,571	959	21,352	24,743
Total disposition .....	157,820	23,310	243,212	157,727

\* These are animals billed to points other than Portland and stopped in Portland only for feed, water, and rest. Of these approximately 75 per cent of the cattle, 90 per cent of the sheep and 70 per cent of the hogs go into western Washington. The remainder go to western Oregon except for occasional shipments to miscellaneous destinations.

1949 RECEIPTS AND DISPOSITION, PORTLAND UNION STOCK YARDS,  
NORTH PORTLAND, OREGON

Item	Cattle	Calves	Hogs	Sheep
<b>Receipts</b>				
Market, slaughter and feeders .....	143,721	28,352	83,358	88,615
Direct .....	22,388	2,010	174,550	43,521
Through billed .....	9,713	2,306	20,967	13,935
Total receipts .....	175,822	32,668	278,875	146,071
<b>Received via</b>				
Truck .....	105,873	28,248	74,154	96,353
Rail .....	69,949	4,420	204,721	49,718
<b>Origin</b>				
Oregon .....	108,031	22,386	85,314	118,496
Washington .....	32,242	8,740	8,325	20,449
Idaho .....	22,513	909	31,916	2,421
California .....	788	470	750	1,926
Other .....	12,248	163	152,570	2,779
Totals .....	175,822	32,668	278,875	146,071
<b>Disposition</b>				
<i>Slaughter purchases, market and direct:</i>				
Washington .....	11,759	922	18,333	13,492
California .....	1,511	—	—	2,247
Oregon, outside Port- land area .....	10,774	232	6,817	700
Oregon, Portland area ..	126,962	25,348	214,930	95,117
Total slaughter dis- position .....	151,006	26,502	240,080	111,556
<b>Feeders:</b>				
Oregon .....	11,962	3,628	11,179	19,767
Washington .....	727	65	12	645
California .....	1,582	162	—	—
Honolulu .....	—	—	6,636	—
Other .....	758	—	—	98
Total feeders .....	15,029	3,855	17,827	20,510
Through billed .....	9,713	2,306	20,967	13,935
Total disposition .....	175,748	32,663	278,874	146,001

1950 RECEIPTS AND DISPOSITION, PORTLAND UNION STOCK YARDS,  
NORTH PORTLAND, OREGON

Item	Cattle	Calves	Hogs	Sheep
<b>Receipts</b>				
Market, slaughter and feeders .....	117,711	24,190	86,880	78,898
Direct .....	23,055	979	192,822	52,849
Through billed .....	7,622	3,116	12,196	14,734
Total receipts .....	148,388	28,285	291,898	146,481
<b>Received via</b>				
Truck .....	102,773	24,683	65,022	104,283
Rail .....	45,615	3,602	226,876	42,198
<b>Origin</b>				
Oregon .....	82,226	17,929	61,306	110,071
Washington .....	37,255	996	9,688	28,628
Idaho .....	15,429	210	16,639	3,006
California .....	937	1	—	4,230
Other .....	12,541	183	204,265	546
Totals .....	148,388	19,319	291,898	146,481
<b>Disposition</b>				
<i>Slaughter purchases, market and direct:</i>				
Washington .....	6,111	153	7,426	12,049
California .....	999	13	117	4,301
Oregon, outside Port- land area .....	19,242	366	20,486	527
Oregon, Portland area ..	103,249	21,793	229,443	99,745
Total slaughter disposition .....	129,601	22,325	257,472	116,622
<b>Feeders</b>				
Oregon .....	9,825	2,634	10,996	10,876
Washington .....	415	16	175	—
California .....	750	196	52	2,668
Honolulu .....	—	—	11,001	—
Other .....	143	—	—	1,640
Total feeders .....	11,133	2,846	12,196	15,184
Through billed .....	7,622	3,116	12,196	14,734
Total disposition .....	148,356	28,287	291,892	146,540

1951 RECEIPTS AND DISPOSITION, PORTLAND UNION STOCK YARDS,  
NORTH PORTLAND, OREGON

Item	Cattle	Calves	Hogs	Sheep
<b>Receipts</b>				
Market, slaughter and feeders .....	84,886	17,210	78,577	69,711
Direct .....	16,259	665	236,436	41,891
Through billed .....	10,045	884	8,599	15,907
Total receipts .....	111,190	18,759	323,612	127,509
<b>Received via</b>				
Truck .....	80,777	12,278	63,206	97,598
Rail .....	30,413	6,481	260,406	29,911
<b>Origin</b>				
Oregon .....	56,573	12,018	51,774	84,619
Washington .....	28,413	6,532	13,316	31,098
Idaho .....	16,706	24	13,288	1,697
California .....	675	29	146	6,476
Other .....	8,823	156	245,088	3,619
Totals .....	111,190	18,759	323,612	127,509
<b>Disposition</b>				
<i>Slaughter purchases, market and direct:</i>				
Washington .....	2,270	103	2,536	7,546
California .....	—	—	11	300
Oregon, outside Port- land area .....	16,576	421	27,249	635
Oregon, Portland area ..	70,476	12,808	271,307	88,142
Total slaughter disposition.....	89,322	13,332	301,103	96,623
<b>Feeders</b>				
Oregon .....	10,581	4,464	10,745	12,759
Washington .....	125	—	111	310
California .....	1,026	—	—	1,921
Honolulu .....	—	—	3,061	—
Idaho .....	176	82	—	—
Total feeders .....	11,908	4,546	13,917	14,990
Through billed .....	10,045	884	8,599	15,907
<i>Add holdovers end of period, less holdovers first of period .....</i>	—85	—3	—7	—11
Total disposition .....	111,190	18,759	323,612	127,509

1952 RECEIPTS AND DISPOSITION, PORTLAND UNION STOCK YARDS,  
NORTH PORTLAND, OREGON

Item	Cattle	Calves	Hogs	Sheep
<b>Receipts</b>				
Market, slaughter and feeders .....	102,215	17,725	111,852	102,000
Direct .....	18,950	853	183,379	65,105
Through billed .....	6,494	527	9,220	12,762
Total receipts .....	127,659	19,105	304,451	179,867
<b>Received via</b>				
Truck .....	94,552	17,925	93,680	145,547
Rail .....	33,107	1,180	210,771	34,320
<b>Origin</b>				
Oregon .....	69,807	13,349	70,744	130,461
Washington .....	28,468	5,175	23,923	40,478
Idaho .....	20,019	141	14,221	4,344
California .....	918	71	449	3,334
Other .....	8,447	369	195,114	1,250
Totals .....	127,659	19,105	304,451	179,867
<b>Disposition</b>				
<i>Slaughter purchases, market and direct:</i>				
Washington .....	4,312	159	2,740	5,904
California .....				
Oregon, outside Port- land area .....	21,108	883	23,956	2,360
Oregon, Portland area ..	82,986	13,328	258,365	140,697
Total slaughter disposition .....	108,406	14,370	285,061	148,961
<b>Feeders</b>				
Oregon .....	10,734	3,432	7,994	16,104
Washington .....	1,999	776	197	650
California .....				1,390
Idaho .....	60			
Honolulu .....			1,979	
Total feeders .....	12,793	4,208	10,170	18,144
Through billed .....	6,494	527	9,220	12,762
<i>Add holdovers end of period, less holdovers first of period .....</i>				
	-34			
Total disposition .....	127,659	19,105	304,451	179,867