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# Market News: What's Available?

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Although a wheat producer in Ione, a rancher in Burns, a potato shed owner in Klamath Falls, and a diversified horticultural producer in McMinnville manage quite different types of operations, they share certain common characteristics. One of these is the need for accurate and timely market information.

This publication provides a brief history of the role and function of Market News and a listing of the main sources of market news available to Oregonians.

## What Is Market News?

In the broadest sense, market information encompasses a wide variety of products: crop and livestock reports, situation and outlook reports, market research reports, and reports on current market conditions. The analytical and forecasting reports provide useful information for developing longer-term production and marketing decisions, such as the decision of what product to produce or which marketing channel to target. This circular focuses on reports of current market conditions, also known as "Market News." These reports are primarily used in short-term marketing decisions, such as the decision to buy or sell on a given day.

Up-to-date market information is particularly important for agricultural markets because the products are perishable and the markets volatile. Earlier in this century, many participants in agricultural markets felt that transactions were being hampered by poor and uneven information distributed by private sources. They pressed the government to assume responsibility for the collection and dissemination of market information in order to foster fair and equitable bargaining in the marketplace.

## Fair, Impartial Information

The Federal-State Market News Service was initiated in 1915 and continues to provide the same service to the public: impartial, current, reliable and confidential market information.

All information is provided on a voluntary basis by the various market participants. Because a disinterested third party (the government) collects and cross-checks the data, neither buyers nor sellers can influence the information. A wide variety of market types are covered, including direct sales to packers from the farm, auction markets, terminal markets, contract and future deliveries, processing markets, and wholesale meat sales.

The written record of market conditions has additional uses beyond helping buyers and sellers make immediate marketing decisions. Market News is also frequently used as evidence of market conditions in settling disputes between buyers and sellers or in settling claims involving transportation agencies.

In addition, dissemination of market reports can help the visibility of a specific market. As an example, the potato industries in both the Umatilla-Hermiston area and the Klamath Falls area have contracted with the Market News Service for market reports. They are thus assured of wider recognition of their markets and an accurate record of market conditions.

## Key Elements

The key elements reported in Market News include:

- Movement—What is the tempo of the market?
- Prices—How has price varied compared with earlier periods?

- Supply—How much product is in the market pipeline?
- Demand—How much product do buyers want to purchase?

The vocabulary of Market News reporters is precise and taught through a rigorous training program. Terms and definitions are used in a consistent fashion so users of the system can quickly understand the current situation. As an example, Market News reporters regularly grade live animals and compare them with carcass grading performed by Federal meat graders.

## How Is Market News Made Available?

Although the data-collection effort is organized by the Agricultural Marketing Service (AMS) of the U.S. Department of Agriculture (USDA), the dissemination of information to the final users is coordinated by an agency within the individual States. While a division of a State department of agriculture generally plays this role, Oregon is unique in that this service is provided by Oregon State University (OSU). Regional USDA offices provide additional services of interest to Oregonians.

OSU seeks to provide Market News in a format that is accessible and useful for users throughout the State and region. As a Land Grant institution, OSU also uses Market News extensively in its educational programs.

Each day, hundreds of individual market reports are transmitted by satellite directly to our computer in Corvallis. We are able to sift through these reports and make available only those most relevant to our audience (e.g., the daily Portland grain report rather than

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the weekly Buffalo, New York, subtropical fruits and vegetable report).

The methods of distributing the news include the following:

### By Radio

On a daily basis, a radio show is prepared in the Department of Agricultural and Resource Economics and taped in the Agricultural Communications office on campus for distribution to radio stations throughout the State (figure 1).

### By Telephone

As an alternative to the radio reports, four daily recordings are available around the clock. There is no charge for this service except the telephone toll cost.

- Livestock/Feedgrains (OSU, Corvallis) (503) 737-2037. In the near future this service will be further automated so that callers will be able to select only the information of interest to them.
- All Grains (USDA, Portland) (503) 326-3022
- Potatoes (USDA, Yakima) (503) 798-5407; (USDA, Idaho Falls) (208) 522-3979

### By Newsletter

On a weekly basis, market news information is provided through *Commodity Trends* on a subscription basis. Each issue with the current week's information is mailed First Class, Friday afternoon and is usually received by Monday.

*Commodity Trends* contains a variety of information including current, prior

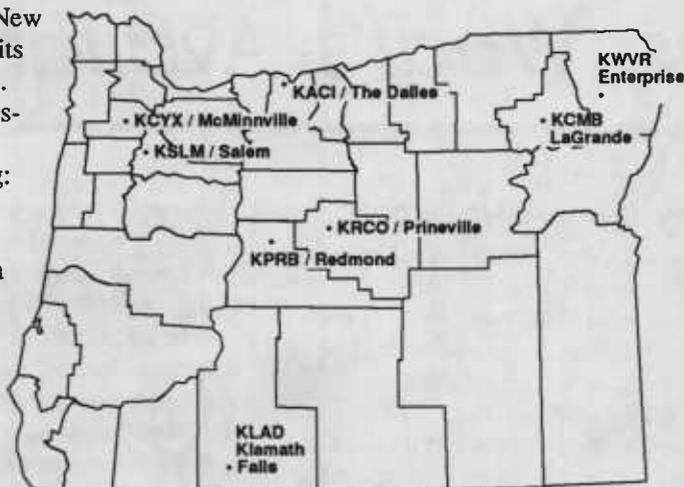


Figure 1—OSU Extension Marketline Radio

week and year-ago prices; livestock production figures; a brief commentary on weekly market trends; and highlights of agricultural news. Subscriptions are available from the Department of Agricultural and Resource Economics on campus and through county Extension offices.

### By Electronic Mail/Satellite

While the first three methods of distributing the Market News provide only highlights of selected reports, recent improvements in technology now permit complete market news reports to be available in all county Extension offices within minutes of their issue (figure 2). This is achieved by using the OSU Extension Service electronic mail network to retransmit specific reports downloaded in Corvallis to the county offices that request them. These complete reports provide prices for the full range of grades and classes.

Commercial firms also have begun to provide market news reports directly to individual users. As an example, DTN from Omaha, Nebraska, provides a satellite dish and a monitor for a one-time initiation charge and a basic monthly fee irrespective of use.

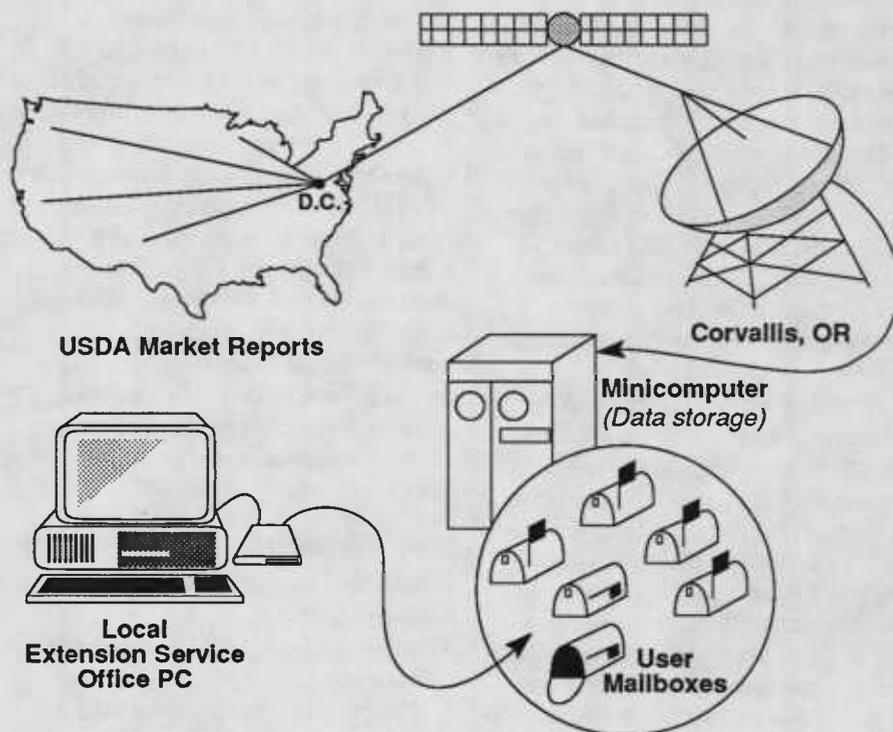


Figure 2—Electronic Market News

Extension Service, Oregon State University, Corvallis, O.E. Smith, director. This publication was produced and distributed in furtherance of the Acts of Congress of May 8 and June 30, 1914. Extension work is a cooperative program of Oregon State University, the U.S. Department of Agriculture, and Oregon counties.

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