

Possible Future Trends in Livestock Industry

(The last in a series of 3 articles regarding Pennsylvania's livestock and meat industries. A Penn State report prepared by H. Louis Moore, Marketing Specialist, and Julius Bauermann, Ext. Food Technologist.)

In the first two articles we considered the trends which have been developing in livestock production, meat packing and meat processing. These trends indicate that the industry in the future may move as follows:

1. Because of economics in transportation, slaughtering plants are likely to move still closer to the livestock supply. This means closer to the feed producing areas. A recently announced piggyback rate of \$1.85 per hundred-weight on refrigerated meat hauled from Omaha to New York City improves the competitive advantage of packers shipping carcasses East, when compared to shipment of live animals.

2. Federally-inspected plants will probably become more important (relative to the total number of plants) because of the increasing need to move meat across state lines. In addition, there is government pressure for better inspection of the nation's food supply.

3. There will probably be an increase in informal integration between the packer and feeder. Slaughterers will de-

pend more and more on the same suppliers for their livestock, and these suppliers will know the specification requirements of the packer and will produce for his needs. Specification requirements will probably cause some increase in the number of packer feedlots and in contract feeding.

4. Larger specialized feedlots and better market news information will probably lead producers to consider more direct selling of livestock. Direct buying by packers will be aided because the plants will be located in areas near livestock supplies.

5. Carcass buying of cattle can be expected to increase in importance. Yields are hard to determine in live animals but yields and grades can be accurately determined in carcasses.

6. Decentralization of plant ownership is likely to continue because packers have not been able to carry brand identity through to the consumer. This trend could be slowed or stopped if packers could be successful in developing packer identification on meat which would carry through to the consumer.

7. The spread between what the producer receives and what the retailer pays will increase. The packer will be performing more functions to supply consumers with additional services along with their meat purchases.

8. Older packing plants with problems of obsolescence will find it increasingly difficult to maintain a competitive buying price for livestock, adequate supplies and a profitable operation at the same time.

9. While meat packing plants will be located nearer to livestock production, meat processing plants will be established near consumption centers.



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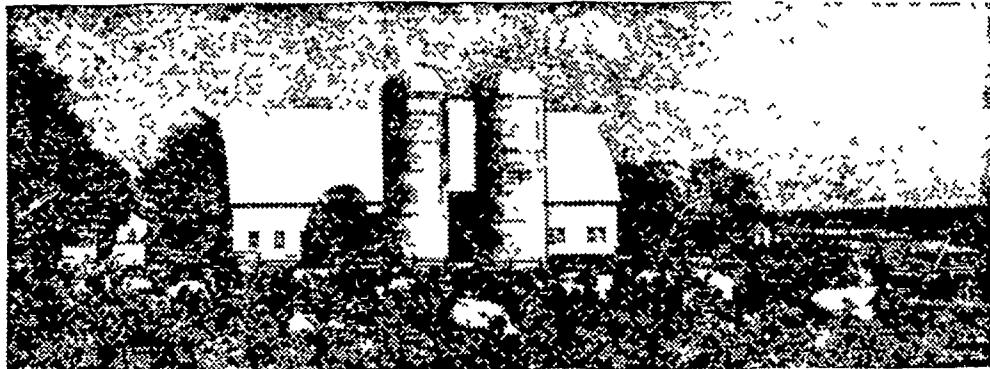
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Wirthmore Acquires Stickell

Granville M. Bond, President of Wirthmore Feeds Inc., today announced the purchase of the feed business of D. A. Stickell & Sons, Inc., of Hagers-town, Maryland.

Wirthmore plans to retain the present Sales Personnel and will make available to the newly acquired sales area the complete line of Wirthmore Livestock Feeds and Concentrates.

D. A. Stickell & Sons, Inc. is an old established feed manufacturer. Their feed distribution covers portions of Maryland, Virginia, Pennsylvania and New Jersey.

Wirthmore's history dates from 1886. The Company has operated feed manufacturing and bulk delivery plants in New York, North Carolina and New England. It also sells building materials, and products for Home, Farm and Garden.

PA. PIG CROP SMALLEST SINCE 1935

The 1964 spring pig crop of 338,000 was Pennsylvania's smallest since 1935. This crop was 20 per cent smaller than the 1963 crop and 19 per cent below the 1958-62 average spring pig crop of 417,000 head.

Nationally, the spring pig crop was 8 per cent below last year. The 10 corn belt states which account for 75 per cent of the nation's hog production were only down 5 per cent.