Meat industry undergoing changes

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UNIVERSITY PARK – The nation's once quiet livestock and meat industry is now being shaken to its very roots by changes which threaten the largest as well as the smallest firms. These changes are evident in Pennsylvania and throughout the nation and are shaping the future of the industry.

Notable among the changes have been (1) the rapid growth in shipments of boxed beef at the expense of live cattle and carcass shipments from the Midwest to Eastern markets, (2) the specialization of processing firms such as Oscar Mayer, (3) the growth in fast-food chains, (4) improved transportation, and (5) the growth of institutional suppliers who sell to restaurants and hotels. Basically, American consumers' eating habits are changing as they become more affluent. They eat out more often and eat more prepackaged meat items than in the past.

The impact of these changes on Pennsylvania's livestock and meat industries is explored in this issue. In addition, some speculations for the future have been projected.

Livestock production grows

The Commonwealth is the most important livestock-producing state in the Northeast even though Pennsylvania farmers raise only about one per cent of the nation's cattle and hogs. Pennsylvania's share of the livestock industry is rapidly increasing compared to its neighbors in the Northeast. While marketings of cattle in Pennsylvania since the mid-1950s have increased at a lower rate than national growth, the state's producers increased cattle marketings from 357,000 head in 1956 to 447,000 head in 1977, Table 1. Pennsylvania farmers marketed 51 per cent of all cattle sold in the Northeast in 1977 compared to only 36 per cent in 1956.

Table 1. Pennsylvania cattle marketings and share of Northeast, selected years 1956-1977

Year	Pennsylvania	Northeast	Pa. as % Of Northeast
1956	357,000	984,000	36
1966	481,000	1,063,000	45
1970	416,000	915,000	44
1975	402,000	863,300	47
1976	439,000	876,000	50
1977	447,000	871,000	51

Dairying is important in Pennsylvania and contributes heavily to cattle marketings. The average productive life of a dairy cow is about five years; therefore, about 20 per cent of the herd is culled annually. The dairy herd currently numbers about 700,000 head, thus contributing over 10C,000 culled cows to the beef industry each year. Nearly a quarter of the total number of cattle marketed by producers are culled dairy cows.

Pennsylvania hog producers have traditionally held a larger share of the market in the Northeast than have cattle producers. Pennsylvania's share of hog marketings in the Northeast increased from 51 per cent of the total in

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