

PLAN OF WORK, 1959

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AMA PROJECT

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I. Analysis of Project Situation

The year 1958 has been a relatively good year for livestock producers. Average prices received by farmers and cash receipts from sale of meat animals were higher in 1958 than in any year since 1954. However, periods of high prices bring about economic implications which need analysis and interpretation with regard to the effect on the livestock industry.

Livestock numbers have begun to increase following a period characterized by high livestock prices and an abundance of feed grains at favorable prices. The implications of increasing livestock numbers with regard to the effect on prices and farm income need to be appraised and made available to producers, consumers, and market agencies.

Livestock producers and market agencies need information on cyclical and seasonal patterns of livestock movement and the implications associated with these movements as they apply to their own enterprises. Opportunities for improving farm income by taking advantage of cyclical and seasonal changes in prices in

both planning livestock enterprises and in marketing livestock are numerous. Thus, considerable emphasis is needed this year in making this type information available since hog prices are expected to decline substantially during the fall. In addition, cattle producers are faced with a cyclical increase in numbers with prospects for lower prices in the years to follow.

Many livestock producers lack understanding and appreciation for the marketing system. Much of this misunderstanding has resulted from the failure of growers to understand why the market share of the consumer dollar has increased in recent years. Such misunderstanding creates resentment among the various segments of the livestock industry and may hinder efficient and orderly marketing.

Marketing agencies are continuously seeking new and better methods for transporting, handling, and holding livestock. Reduced losses in the marketing system due to bruises, crippling, and death would reduce marketing costs and thereby improve producer returns from their livestock enterprises.

Major Areas of Work Needed:

- A. Providing producers with outlook information and facts relating to supply, demand, and other price-making factors which will enable producers to do a better job of planning their enterprises and in selling their livestock.
- B. Improving producers' understanding of the marketing system and the price-making process within the marketing system.

- C. Improving producers' understanding of cyclical and seasonal price patterns and implications of these movements.
- D. Working with market agencies in reducing costs with respect to transportation, handling, and selling livestock.

II. Objectives:

The major objective of the livestock and meat marketing program is to assist the industry in obtaining a stable and efficient marketing program. By providing producers with information regarding cyclical and seasonal price patterns, a basis will exist for making rational decisions in planning and marketing livestock with the ultimate aim of reducing fluctuations in livestock numbers and prices over time. In addition, the specialist will work with marketing and processing agencies to facilitate adjustments necessary in both production and marketing as a result of changes in consumer preferences and demand.

III. Program of Work for 1959:

The Specialist is both new in Extension Work and new in the state. Thus, extensive work will be needed for the Specialist to become sufficiently well acquainted with livestock marketing problems of particular concern to Virginia producers, necessary for establishing an effective extension program. Therefore, in the coming year, considerable time and effort will be devoted to accomplishing this goal.

Emphasis will be given to providing the livestock industry with information and assistance on livestock marketing developments, new marketing procedures, and other related items of value

to the industry. Special attention will be devoted to a program designed to improve producers' understanding of seasonal and cyclical price movements, the marketing system, and the price-making process within the marketing system.

A. Specific Work in 1959:

1. To create and publish a monthly livestock letter dealing with outlook, trends, and other related facts of interest to the livestock industry.
2. To publish a circular presenting specific patterns of cyclical and seasonal price movements as they have occurred over the past few years.
3. To work with market agencies, producer cooperatives, and other agencies in obtaining more efficient and effective methods of handling and marketing livestock.
4. To improve livestock producers' understanding of the marketing system through monthly livestock letters, radio talks, and news releases.

B. General Work in 1959:

As the Specialist becomes better acquainted with areas of needed work, he will endeavor to adjust the livestock marketing program to meet these needs. In addition, he will cooperate and work with the various state agencies, producer cooperatives, processors, livestock groups, and other specialists in programs beneficial to the livestock industry.