# LIVESTOCK MARKETING IN PENNSYLVANIA



A

Report

of the

# JOINT STATE GOVERNMENT COMMISSION

to the

GENERAL ASSEMBLY

of the

COMMONWEALTH OF PENNSYLVANIA

Session of 1955

The Joint State Government Commission was created by Act of 1937, July 1, P. L. 2460, as amended 1939, June 26, P. L. 1084; 1943, March 8, P. L. 13, as a continuing agency for the development of facts and recommendations on all phases of government for the use of the General Assembly.

## JOINT STATE GOVERNMENT COMMISSION

Honorable BAKER ROYER, Chairman

Honorable PAUL L. WAGNER, Vice Chairman

Honorable W. STUART HELM, Secretary-Treasurer

#### Senate Members

Joseph M. Barr
James S. Berger
Leroy E. Chapman
John H. Dent
G. Graybill Diehm
Anthony J. Disilvestro
A. Evans Kephart
A. H. Letzler
John G. Snowden
M. Harvey Taylor
Paul L. Wagner
John M. Walker
T. Newell Wood

#### House Members

HIRAM G. ANDREWS
ADAM T. BOWER
†WAYNE M. BREISCH
EDWIN C. EWING
ALLEN M. GIBSON
W. STUART HELM
EARL E. HEWITT, SR.
ALBERT W. JOHNSON
ROBERT F. KENT
JAMES E. LOVETT
ALBERT S. READINGER
BAKER ROYER
CHARLES C. SMITH
\*IVAN C. WATKINS

Guy W. Davis, Counsel and Director

PAUL H. WUELLER, Associate Director in Charge of Research and Statistics

Antoinette S. Giddings, Administrative Assistant

<sup>\*</sup> Deceased.

<sup>†</sup> Appointed April 15, 1954, to fill vacancy created by the death of Ivan C. Watkins.

# JOINT STATE GOVERNMENT COMMISSION SUBCOMMITTEE ON LIVESTOCK MARKETING

Honorable ALBERT E. MADIGAN, Chairman

Honorable GEORGE A. GOODLING, Vice Chairman

Senate Members

House Members

PETER J. CAMIEL

THOMAS PORTER HARNEY

EDWARD J. KESSLER

GEORGE M. LEADER

ALBERT E. MADIGAN

CHARLES R. MALLERY

FRANCIS W. BUCCHIN

JAMES J. GLEASON

GEORGE A. GOODLING

JOHN H. LIGHT

E. GADD SNIDER

T. LUKE TOOMEY

# LETTER OF TRANSMITTAL

To the Members of the General Assembly of the Commonwealth of Pennsylvania:

Pursuant to the directive of the General Assembly contained in House Concurrent Resolution No. 79, Session of 1953, there is presented herewith a report on livestock marketing in Pennsylvania.

The Commission, in accordance with the Act of 1943, March 8, P. L. 13, Section 1, created a subcommittee to direct the study of livestock auctions and other facilities for livestock trading in the Commonwealth. On behalf of the Commission, the cooperation of the subcommittee is gratefully acknowledged.

BAKER ROYER, Chairman.

Joint State Government Commission Capitol Building Harrisburg, Pennsylvania

# **CONTENTS**

RECOMMENDATIONS  Introduction  Section I. Sale of Livestock at Auctions and Stock-	1 3
	3
SECTION I. SALE OF LIVESTOCK AT AUCTIONS AND STOCK-	
YARDS	5
SECTION II. GOVERNMENTAL REGULATION OF AUCTIONS AND STOCKYARDS	15
Federal Regulation	15
State Regulation	16
Regulation of Stockyards and Auctions in Pennsylvania	17
Appendix	21
MAP	
Value of Livestock by County, and Volume of Livestock Sales at Auctions and Stockyards Located in Pennsylvania, 1952	11
LIST OF TABLES	
Table 1. Total Animals Sold in Pennsylvania, and Animals Sold at Auctions and at Lancaster and Pittsburgh Stockyards as Fractions of Total Animals Sold (Selected Classes of Livestock): 1942-1952	6
Table 2. Number of Auctions Licensed by the Pennsylvania Department of Agriculture (1940-1953) and Numbers of Animals Examined by Veterinarians at Auctions (1942- 1952)	9

	Page
Table 3. Livestock Received at Lancaster Stockyard, by State	
of Origin and Type of Stock: 1953	13
Appendix Table. Livestock Auction License Fees, Estimated	l
Annual Receipts from License Fees, Services Rendered by	,
the State at Auctions, and Estimated Costs of Such Service	s 23

### RECOMMENDATIONS

The Joint State Government Commission recommends:

- I. That the license fee for livestock dealers be \$10, and that dealers who are commission agents at stockyards pay, in addition, \$.02 per head of livestock sold.
- II. That all livestock auctions be required to maintain bonds comparable to those which the federal government requires at marketing establishments under its jurisdiction.
- III. That the sale of reactor cattle be permitted at livestock auctions under conditions specified in regulations of the Pennsylvania Department of Agriculture relating to the transportation, handling, and sale of reactor cattle.

.

### INTRODUCTION

In Pennsylvania, livestock is sold at auctions, at stockyards (Lancaster and Pittsburgh), directly to packers and butchers, to dealers for resale to other buyers, and directly to farmers or breeders.

Generally, only sales at auctions and at stockyards, which represent the bulk of livestock sales in Pennsylvania, are subject to governmental inspection and regulation.

Throughout this report, the word "stockyards" is used to designate installations which are sometimes referred to as "public livestock markets" or "public terminal markets." Physically, a stockyard consists of livestock pens in which animals are kept and fed pending sale. Anyone who desires to sell livestock at the stockyard consigns the animals to a specific commission merchant operating at the stockyard.

The word "auctions" is used in the report to designate installations which are sometimes called "public auctions," "community sales," or "livestock auctions." An auction consists of livestock pens and an auction enclosure. Anyone who desires to sell livestock takes it to the auction, where it is offered at public sale.

Prior to the depression of the '30s, stockyards accounted for by far the greater part of livestock sales. In the past twenty years, however, auctions have become increasingly important livestock marketing centers.

		·	
	3		

### Section I

# SALE OF LIVESTOCK AT AUCTIONS AND STOCKYARDS

Changes in the relative importance of sales of selected classes of livestock at auctions and stockyards in Pennsylvania over the period 1942-1952 are shown by Table 1. The table shows the numbers of cattle, calves, hogs, and sheep and lambs sold at auctions and at the stockyards in Lancaster and Pittsburgh as fractions of the total numbers of animals sold in Pennsylvania.

Examination of Table 1 shows that the relative number of animals sold at auctions has increased over the period under review.<sup>1</sup> For example, auctions accounted for .34 of all cattle sold in Pennsylvania in 1942; by 1951, the fraction had risen to .78.

Although the relative volume of business of auctions increased between 1942 and 1951, the absolute volume of business at the stockyards did not necessarily decrease. In 1942, for example, 463,000 animals were sold at the Lancaster stockyard, while in 1952, 477,000 were sold at the same market.

<sup>&</sup>lt;sup>1</sup> The fractions shown for any one year do not add to 1, because, in any year, the same animal may be sold several times.

Table 1

Total Animals Sold in Pennsylvania, and Animals Sold at Auctions and at Lancaster and Pittsburgh Stockyards as Fractions of Total Animals Sold (Selected Classes of Livestock): 1942-1952

	rri . 1 4 ' 1		Fractions of Total Animals Sola				
Year	Total Animals Sold <sup>a</sup>	Auctions b	Lancaster Stockyard b	Pittsburgh Stockyard			
(1)	(2)	(3)	(4)	(5)			
	. (	CATTLE d					
1952	288,000	,	.90	.13			
1951	307,000	.78	.86	. 13			
1950	333,000	. 69	.76	.15			
1949	347,000	. 53	.74	. 14			
1948	328,000	.57	.80	.16			
1947	306,000	. 50	.90	. 17			
1946	322,000	. 40	.94	. 21			
1945	338,000	.35	.83				
1944	228,000	.43	1.07				
1943	271,000	.34	.99				
1942	266,000	.34	.95				
	C	Calves e					
1952	363,000		.15	.06			
1951	379,000	.81	. 15	. 05			
1950	413,000	.79	. 15	.06			
1949	462,000	.71	. 14	.05			
1948		.65	. 15	.07			
1947	448,000	.58	. 17	.08			
1946	380,000	.52	. 17	.09			
1945	473,000	. 41	. 15				
1944	476,000	. 36	. 15				
1943	419,00 <b>0</b>	.38	. 16				
1942	402,000	.37	. 15				

Table 1 (Continued)

	err . 1 4 * 1	Fraction	s of Total A	nimals Sold
Year	Total Animals Sold <sup>a</sup>	Auctions b	Lancaster Stockyard b	Pittsburgh Stockyard
(1)	(2)	(3)	(4)	(5)
	I	Hogs <sup>f</sup>		
1952	709,000		. 16	. 14
1951		. 34	. 18	. 15
1950		. 40	. 19	. 19
1949		.33	. 17	. 13
1948	569,000	. 30	. 17	.12
1947	502,000	. 24	. 19	.12
1946	488,000	. 09	. 15	.06
1945		. 09	. 14	
1944	759,000	. 18	. 20	
1943	659,000	.16	.22	• • •
1942	425,000	. 19	. 29	•••
	Sheep .	and Lambs g		
1952	Sнеер . 82,000	and Lambs g	.36	.41
1952 1951		AND LAMBS E55	.36 .39	.41 .45
1951	82,000	• • •		
1951 1950	82,000 71,000 85,000		.39	.45
1951 1950 1949	82,000 71,000 85,000 106,000	55	.39 .32	.45 .49
1951 1950 1949 1948	82,000 71,000 85,000 106,000 84,000	 .55 .40 .38	.39 .32 .27	.45 .49 .43
1951 1950 1949 1948	82,000 71,000 85,000 106,000 84,000 106,000	 .55 .40 .38 .49	.39 .32 .27 .36	.45 .49 .43 .74
1951 1950 1949 1948 1947	82,000 71,000 85,000 106,000 84,000 106,000 134,000	 .55 .40 .38 .49	.39 .32 .27 .36 .26	.45 .49 .43 .74
1951 1950 1949 1948 1947 1946	82,000 71,000 85,000 106,000 84,000 106,000 134,000 133,000	 .55 .40 .38 .49 .35	.39 .32 .27 .36 .26	.45 .49 .43 .74
1951 1950 1949 1948 1947 1946	82,000 71,000 85,000 106,000 84,000 106,000 134,000 133,000 204,000	 .55 .40 .38 .49 .35 .30	.39 .32 .27 .36 .26 .31	.45 .49 .43 .74

Table 2 shows the growth of auctions in Pennsylvania in terms of both numbers of auction licenses issued by the Commonwealth and numbers of animals examined by veterinarians at the auctions.<sup>2</sup>

Column 2 of the table shows that between 1942 and 1952 the number of licenses issued to operate auctions increased from 42 to 71, or 69 percent. Over the same period, total number of animals examined by veterinarians at the auctions

### Notes to Table 1, Pages 6 and 7

<sup>a</sup> Total animals sold are estimates of livestock sold for slaughter plus outof-state shipments for feeder purposes, prepared by the U. S. Department of Agriculture. Refer to *Meat Animals—Farm Production and Income*, 1950-51 and 1945-49 (U. S. Department of Agriculture, Bureau of Agricultural Economics mimeographed release, April, 1952, and Statistical Bulletin No. 113 [Washington, D. C.])

<sup>b</sup> These data are derived from veterinarians' reports of numbers of animals inspected, filed weekly with the Bureau of Animal Industry, Pennsylvania Department of Agriculture.

<sup>c</sup> From Livestock Market News Statistics and Related Data, 1951 (U. S. Department of Agriculture, Production and Marketing Administration Statistical Bulletin No. 118 [Washington, D. C., November, 1952]). Receipts are saleable receipts only and exclude livestock fed in transit and consigned directly to local packers and hence not sold in the stockyards.

d Auction data exclude dairy cows, heifers, and bulls not sold for slaughter, but include all steers, some of which were sold for feeder purposes. Data for Lancaster and Pittsburgh include sales for all uses, but few dairy animals for other than slaughter purposes are sold through stockyards.

- e Data for all markets include both feeder and slaughter calves.
- f Auction data exclude feeder pigs. Data for Lancaster and Pittsburgh include pigs for all purposes. Relatively few feeder pigs are sold through stockyards.

g Auction data include only animals sold for slaughter. Lancaster and Pittsburgh data include animals sold for both feeder and slaughter purposes. Numbers of feeder sheep and lambs sold at auction have been relatively small, and virtually all sales from stockyards are for slaughter purposes.

<sup>&</sup>lt;sup>2</sup> Numbers of animals examined do not necessarily equal numbers of animals sold, because potential sellers may find no buyers or may choose to withdraw their stock.

Table 2

Number of Auctions Licensed by the Pennsylvania

Department of Agriculture (1940-1953) and

Numbers of Animals Examined by Veter-

INARIANS AT AUCTIONS (1942-1952)

Year	Auction	Numbers of Animals Examined by Veterinarians at Auctions (in thousands)a						
	Licenses Issued <sup>a</sup>	Cattle Calves		Swine	Sheep	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7)		
1953	. 61 <sup>b</sup>					1,020		
1952	. 71	284	337	372	53	1,074		
1951	. 75	295	308	302	41	995		
1950	. 74	297	326	319	36	987		
1949	. 75	254	327	302	42	932		
1948	. 75	250	301	250	43	852		
1947	. 71	209	261	198	37	705		
1946	. 56	177	196	110	42	531		
1945	. 48	160	192	104	41	501		
1944	. 47	141	172	217	41	575		
1943	. 40	128	159	195	42	529		
1942	. 42	128	150	146	38	466		
1941	. 51							
1940	. 59	,		• • •	• • •			
1937	. 12 c		• • •					

<sup>&</sup>lt;sup>a</sup> Some auctions ceased operating before the end of the year, while others began operations after the beginning of the year. Consequently, the number of licenses issued during a year usually exceeded the number of auctions actually doing business continuously during the year.

<sup>&</sup>lt;sup>b</sup> Number licensed and doing business as of July 1, 1953.

<sup>&</sup>lt;sup>c</sup> Number of auctions as ascertained by a Farm Credit Administration survey. Refer to *Livestock Auction Sales in the United States* (Farm Credit Administration, Cooperative Research and Service Division Bulletin No. 35 [Washington, D. C., 1939]).

d Compiled from weekly reports filed with the Pennsylvania Department of Agriculture by the auction veterinarians. The number of animals sold is approximately equal to the number inspected, the difference between the two being the number of animals condemned by the veterinarian.

e Includes horses and goats (negligible in numbers), as well as the classes of livestock listed separately.

(column 7) increased from 466,000 to 1,074,000, or 130 percent. The number of cattle examined (column 3) increased from 128,000 in 1942 to 284,000 in 1952, an increase of 122 percent. The comparable increases for calves (column 4), swine (column 5), and sheep (column 6) were 125 percent, 155 percent, and 39 percent, respectively.

The map on page 11 shows the locations of auctions and stockyards in Pennsylvania, the approximate annual volume of business (in terms of number of animals examined) at these markets, and the value of livestock by county.

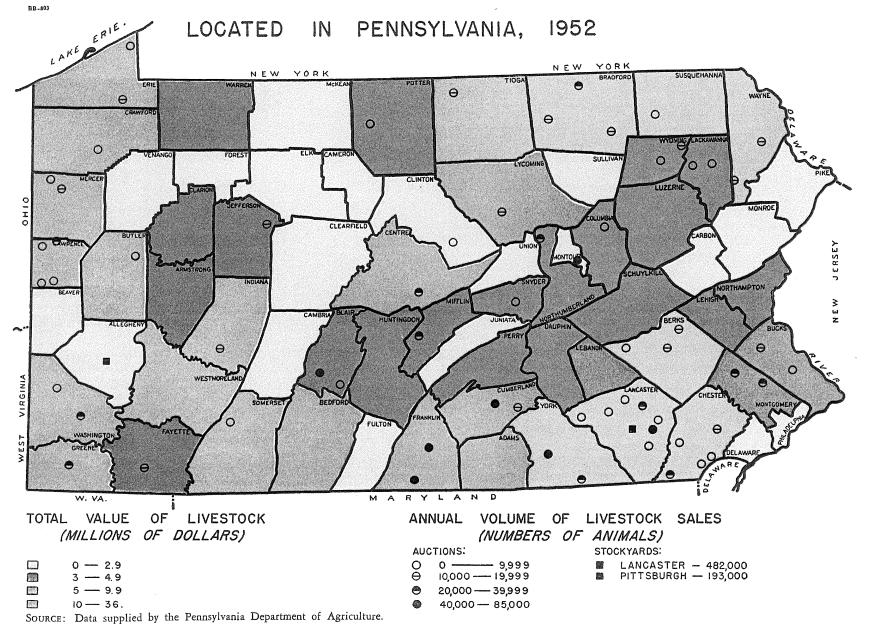
The map shows that, of the 64 auctions operating in Pennsylvania in 1952, 28 had a volume of less than 10,000 animals; 7 auctions had a total volume exceeding 40,000 animals. The largest volume at any auction during that year was 83,000 animals. Pittsburgh and Lancaster stockyards had volumes of 193,000 and 482,000 animals, respectively.

Prior to the development of auctions, the farmer with a few animals to sell had, for all practical purposes, no alternative but to sell his stock to a dealer in livestock or a local butcher. Auctions, originally stimulated by the low livestock prices of the '30s and the farmers' search for more economical marketing methods, have remained substantially local markets. Examination of the records of several of the larger auctions in Pennsylvania indicates that the auction trading radius generally does not exceed fifty miles and that well over 90 percent of livestock traded through auctions in Pennsylvania is of Pennsylvania origin.

The differences in the extent of the market trading areas of auctions and stockyards are strikingly illustrated by a listing of the states of origin of livestock traded at the Lancaster stockyard during 1953 (Table 3, pages 13 and 14).

Though the number of animals received at the stockyards from other states relative to the number received from

# VALUE OF LIVESTOCK BY COUNTY, AND VOLUME OF LIVESTOCK SALES AT AUCTIONS AND STOCKYARDS



Pennsylvania has decreased over time, the table shows that the yards still operate in a national market. During 1953, livestock were shipped to the Lancaster stockyard from thirty-four other states and the District of Columbia. Of the total livestock received, 5.9 percent were shipped from Virginia, 5.4 percent from Missouri, and 4.1 percent from Illinois. Approximately 70 percent were of Pennsylvania origin.

Table 3

LIVESTOCK RECEIVED AT LANCASTER STOCKYARD, BY STATE OF ORIGIN AND TYPE OF STOCK: 1953

	Number o	Livestock Received from State			
State	Cattle and Calves	Hogs	Sheep	Total	as Percent of Total Livestock Received
(1)	(2)	(3)	(4)	(5)	(6)
Total	328,197	108,816	28,286	465,299	100.0%
Alabama	548		• • •	548	.1
Arkansas	2,536	• • •		2,536	.6
Colorado	1,083			1,083	.2
Connecticut	6			6	*
Delaware District of	461	• • •	•••	461	.1
Columbia	20			20	*
Florida	189		• • •	189	*
Georgia	70		• • •	70	*
Illinois	14,744	4,340		19,084	4.1
Indiana	279	920		1,199	.3
Iowa	4,715			4,715	1.0
Kansas	2,968			2,968	.6
Kentucky	2,381	132	• • •	2,513	.6

(Continued on following page.)

Table 3 (Continued)

	Number o	Livestock Received from State			
State	Cattle and Calves	Hogs	Sheep	Total	as Percent of Total Livestock Received
(1)	(2)	(3)	(4)	(5)	(6)
Maryland	2,669			2,669	.6
Minnesota	8,521			8,521	1.8
Mississippi	1,572			1,572	.3
Missouri	12,219	12,887	44	25,150	5.4
Montana	3,527		• • •	3,527	.8
Nebraska	1,152		• • • •	1,152	.3
Nevada	105			105	*
New Jersey	523		56	579	.1
New York	748			748	. 2
North Carolina	816			816	. 2
North Dakota	9,499			9,499	2.0
Ohio	105	394		499	. 1
Oklahoma	4,016			4,016	.9
South Carolina	163			163	*
South Dakota	175			175	*
Tennessee	8,343			8,343	1.8
Texas	4,051			4,051	.9
Utah	35			35	*
Vermont	35			35	*
Virginia	25,956	168	1,195	27,319	5.9
West Virginia			• • •	3,798	
Wyoming				454	
Pennsylvania			25,750		
Origin not	- ,	- /	7	. ,	
available	304	• • •	1,241	1,545	.3

<sup>\*</sup> Less than .05%.

SOURCE: Data furnished by Lancaster District Office, Bureau of Animal Industry, Pennsylvania Department of Agriculture.

#### Section II

# GOVERNMENTAL REGULATION OF AUCTIONS AND STOCKYARDS

The sales at both stockyards and auctions may be subject to federal and state regulation. Depending upon the location of the stockyard or auction, it may also be subject to local zoning and sanitation ordinances.

#### FEDERAL REGULATION

The objectives of federal regulation are the prevention of the spread of livestock disease and the control of yardage and commission fees.

Under the provisions of federal law, the Secretary of Agriculture has the power to "make such regulations and take such measures as he may deem proper to prevent the introduction and dissemination of the contagion of any contagious, infectious, or communicable disease of animals . . . from one state or territory of the United States or District of Columbia to another." <sup>1</sup>

Interstate transactions are of relatively greater importance at stockyards than at auctions, and federal veterinary inspection is maintained only at major stockyards.

Under the provisions of the Packers and Stockyards Act of 1921, the federal government, through the Secretary of Agriculture, regulates the yardage, commission fees, or auction fees charged at both auctions and stockyards if the pen space of such facilities exceeds 20,000 square feet.<sup>2</sup> Live-

<sup>&</sup>lt;sup>1</sup> 1903, 21 U.S.C. 111.

<sup>&</sup>lt;sup>2</sup> 1921, 7 U.S.C. 201.

stock markets under federal regulation and commission merchants at such markets must execute and maintain a performance bond or its equivalent, the amount of which is determined on the basis of the daily volume of business.

### STATE REGULATION

Regulation by the states of auctions operating within their boundaries generally has been concerned with achieving one or more of the following objectives:

- 1. Curbing the spread of livestock disease
- 2. Preventing fraud and deception in trading at the auctions
- 3. Assuring that the auctions are not employed as "fences" for stolen livestock
- 4. Assuring that sellers receive the agreed payments for livestock.

To aid in achieving the first objective, some states require that animals traded at the auctions be inspected and certified by a veterinarian, that auction facilities meet certain sanitary requirements, that certain classes of livestock be vaccinated, dipped, or inoculated, and that auction operators maintain specified records of the buyers and sellers of livestock so that disease may be more readily traced. Measures to prevent fraud and deception include regulations regarding weighing procedures and the recording of weights, feeding of livestock and payments for feed, and the filing by auction operators of certain records with the state authorities. Some states require proof of ownership of livestock by the sellers.

Proof of financial responsibility of the auction operators (as assurance of ability to pay sellers) is required in at least sixteen states. In such cases, the maintenance of a bond is the typical procedure. The amount of the bond required varies widely. In some states, it is a flat amount, typically \$10,000. In other states, the amount of the bond varies with the volume of business transacted by the auctions. Very few states require that dealers in livestock, other than auction operators, be bonded. One of the few states requiring a bond for dealers is Ohio, where the amount of the bond is determined by the average daily volume of sales, but in no case is it less than \$2,000 or more than \$15,000.

Virtually all states require that auctions be licensed. License fees vary widely among the states.<sup>3</sup>

The states have not attempted to regulate charges and fees at the auctions. The absence of state regulation of fees charged at the auctions may be explained in terms of economic considerations: The charges of stockyards are federally regulated. There appear to be no impediments to the establishment of auctions. Since local buyers and sellers can trade either through the stockyards or through the auctions, direct regulation of the fees charged by auctions appears unnecessary.

# REGULATION OF STOCKYARDS AND AUCTIONS IN PENNSYL-VANIA

In Pennsylvania, federal regulation under the Packers and Stockyards Act is limited to the stockyards at Lancaster and Pittsburgh and the auction at New Holland. Federal sanitary supervision is maintained at the two stockyards with respect to animals traded in interstate commerce.

<sup>&</sup>lt;sup>3</sup> For detail, see Appendix.

Commonwealth regulation of livestock auctions and stock-yards is directed towards curbing the spread of livestock disease. Regulations pertaining to the marketing of reactor cattle—animals which by official laboratory test are judged positive to Bang's disease (brucellosis) or tuberculosis—specify that these animals may be sold only through the Lancaster or Pittsburgh stockyards or directly to a licensed dealer or licensed slaughtering establishment. Herd owners have contended that available marketing outlets are insufficient to establish competitive prices for reactor cattle. The Pennsylvania Department of Agriculture advises that it can develop methods, rules, and regulations which will assure the safe handling of reactor cattle at livestock auctions.

At the two stockyards in Pennsylvania, veterinary inspection service is provided by state-employed veterinarians, who also supervise the premises with respect to all sanitary matters. It is estimated (on the basis of 1953-54 operations) that the cost to the Commonwealth of providing these services is \$12,950 annually, consisting of costs of direct veterinary inspection plus administrative costs. Stockyards are not required to obtain a license or pay a fee to the Commonwealth. However, a commission merchant operating at the stockyards must obtain a livestock dealer's license at a cost of \$5 per year. During the average year, total revenues to the Commonwealth from dealers' licenses obtained by commission merchants operating at the stockyards amount to approximately \$100.

Under the provisions of Pennsylvania law,5 livestock auc-

<sup>&</sup>lt;sup>4</sup> Agents of commission merchants are required to obtain an annual license at a cost of \$1.

<sup>&</sup>lt;sup>5</sup> Act of June 22, 1931, P. L. 650 as amended; Act of July 22, 1913, P. L. 928 as supplemented and amended; Act of April 9, 1929, P. L. 177 as amended; and Act of May 18, 1945, P. L. 796.

tions are required by the Bureau of Animal Industry, Department of Agriculture, to follow these procedures:

- 1. Apply annually for a livestock dealer's license (fee \$5 per year)
- 2. Submit to inspection of the facilities by an agent of the Department of Agriculture
- 3. Employ a licensed veterinarian to: inspect all animals or pass upon previously issued certificates of inspection and vaccination, vaccinate all hogs sold for purposes other than immediate slaughter, quarantine animals not fit for human consumption, dip sheep and goats, file a report summarizing the results of his inspection, and supervise cleaning and disinfecting of the premises after each sale
- 4. Maintain an accurate record of sales such that animals sold and associated buyers and sellers may be identified, and retain such records for a period of two years.<sup>6</sup>

Pennsylvania has no specifications regarding weighing procedures, proof of ownership of animals, or financial responsibility of auction operators. However, it appears that procedures voluntarily employed by many auctions operating in Pennsylvania are similar to those in other states where they are mandated by law.

To assure compliance with the law and administrative rulings, Commonwealth-employed supervisors make periodic visits to all auctions. The annual cost of such supervision plus administrative costs attributable to these activities is

<sup>&</sup>lt;sup>6</sup> These procedures are summarized in Regulations Governing the Operation of Community Sales for Livestock and Poultry; Title 2 (Harrisburg: Pennsylvania Department of Agriculture, Bureau of Animal Industry), Chapter LXVI (revised June 16, 1948).

estimated (on the basis of 1953-54 operations) at \$3,800. Revenues to the Commonwealth from auctions amount to \$5 per auction per year, or approximately \$325 annually.

Concerning the magnitude of costs incurred by the Commonwealth in connection with stockyards and auctions, it may be noted that it costs the Commonwealth approximately \$13,000 annually on account of two stockyards, whereas the annual Commonwealth cost for the approximately sixty-five auctions operating in the state is but \$3,800. The difference between these figures is due to the fact that veterinary inspection at the stockyards is provided by the Commonwealth, whereas the auctions are required by the Commonwealth to employ veterinarians to inspect the animals traded there.

<sup>&</sup>lt;sup>7</sup> For estimated revenues from auction license fees and costs of services rendered at auctions in other states, see Appendix.

# APPENDIX

*		
		*
·		

# LIVESTOCK AUCTION LICENSE FEES, ESTIMATED ANNUAL RECEIPTS FROM LICENSE FEES, SERVICES RENDERED BY THE STATE AT AUCTIONS, AND ESTIMATED COSTS OF SUCH SERVICES

		Annual License Fee	Estimated Annual	Services Rendered by State at Auctions			
	State	per Auction	Receipts from License Fees	Type¤	Estimated Annual Costs		
	(1)	(2)	(3)	(4)	(5)		
23	Alabama	\$50 to \$250 b	\$11,350	Sanitary and livestock health supervision	c		
	Arkansas	None					
	California	\$100	9,600	Brand inspection	c		
	Colorado	25	c	Brand inspection	c		
	Florida	10	350	Veterinary inspection	c		
	Georgia	10	c	e	e		
	Idaho	100	2,800	Veterinary inspection	\$10,000		
	Illinois	100	7,100	Sanitary and livestock health supervision	38,000		
	Iowa	None	••••	Sanitary and livestock health supervision	c		
	Kansas	\$.02 per head maximum	c	Sanitary and livestock health supervision	40,000		
	Louisiana	None	••••	Veterinary inspection and dis- infectant service	75,000		
	Maryland	None	••••	· <b>c</b>	e		
	Massachusetts	No auctions					
	Minnesota	None	••••	Sanitary and livestock health supervision	c		
	Mississippi	None	••••	Sanitary and livestock health supervision	30,000		
	Missouri	<b>\$</b> 35	4,550	Sanitary and livestock health supervision	10,000		
	Montana	100	1,700	Brand inspection and sanitary supervision	175,000		
	Nevada	100	400	Sanitary supervision	500		
	New Hampshire	5	c	Veterinary inspection	c		
	New Jersey	None		Veterinary inspection	5,000		
	New Mexico	\$10 plus \$.15 per head	40,000	Brand inspection	40,000		
	New York	<b>\$</b> 10	1,000	Sanitary and livestock health supervision	e		
	North Carolina	100	6,000	Sanitary and livestock health supervision	21,500		
	North Dakota	100	2,800	Determination and enforcement of fees paid by auctions to vet- erinarians	<b>c</b> .		
•	Ohio	\$10 to \$50 <sup>d</sup>	c	Sanitary and livestock health supervision	e		
	Oklahoma	\$25	2,785	None			
	Oregon	100	3,800	Sanitary and livestock health supervision	8,000		
	Rhode Island	No auctions					
	South Carolina	None	• • • •	Sanitary and livestock health supervision	60,000		
	South Dakota	\$100 plus fees e	18,000	Sanitary and livestock health supervision	15,000		
	Tennessee	None					
	Vermont	<b>\$</b> 5	50	c	c		
	Virginia	10	550	c	c		
	West Virginia	\$10 plus inspection fees and grading fees	c	Veterinary inspection and live- stock grading	42,600		
	Wisconsin	<b>\$</b> 10	150	Sanitary supervision	750		
	Wyoming	\$100 plus brand in- spection fees	\$1,300 plus fees	Brand inspection	c		

<sup>&</sup>lt;sup>a</sup> "Sanitary and livestock health supervision" refers to state supervision of veterinary inspection service provided by auctions; "Veterinary inspection" refers to veterinary inspection service provided by state.

Source: Compiled from communications received from state livestock sanitary officials.

b \$50 for gross volume of \$250,000 or less to \$250 for gross volume exceeding \$2,500,000.

c Not available

<sup>&</sup>lt;sup>d</sup> Based on number of cars of livestock handled during year.

e State establishes minimum veterinary inspection fees charged by auctions. Twenty-five per cent of the sum of such fees is remitted to the state.