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Research Review

The U.S. Pork Sector: Changing Structure and Organization

Marvin Hayenga, V. James Rhodes, Jon A. Brandt, and Ronald E. Deiter.
Ames: Iowa State University Press, 1985, 172 pp., $16.50 (paper).

Reviewed by Leland Southard*

On the back cover of their book, the authors state " .we have attempted to assemble the best available statistical information and economic understanding of the pork sector of our agricultural economy and comprehensively analyze the current organization and behavior of the pork industry, how it is changing and more particularly, why change is occurring, and what its implications are " Thus, Hayenga and others embark on an ambitious effort to answer everything anyone ever wanted to know about the pork sector

For most analysts who deal daily with hog and pork prices, the chapter on performance is extremely useful because it provides measurements of performance The appendix summarizes the results of 41 demand studies along with the method of measurement Anyone doing livestock situation and outlook work should applaud this effort

The chapter on Government involvement is also worthy of special note Government activity affects nearly every level of the pork industry Government actions, such as feed grain policies, are felt indirectly through changes in feed costs Feed costs relate directly to costs of production The authors were wise to limit their discussion to major Government activities and not to attempt to comment on each activity The major activities they discuss include packers and stockyards, animal welfare, futures trading, and health and safety issues They examine the effects of the recent tax law changes Their discussion on the use of antibiotics in animal feed is timely because the issue is receiving wide publicity

Although most writers pick a particular part of the industry to discuss in detail, Hayenga and his colleagues cover everything from the breeding stock supply to the food service industry The book's 148 pages of text make it more of a handbook than an authoritative reference, however, a suprising number of facts and figures are crammed into those pages In some instances, the authors only briefly discuss a topic and leave the reader to understand the implications of that particular facet of the pork industry For example, readers interested in the foreign trade aspects of the pork industry will need another reference

The book's brevity may occasionally lead the reader to a misunderstanding For example, "Currently, only 10 States are used for the estimates in the March, June, and September releases, and all States are surveyed for the December release" (p 90) This statement implies that the June report is a 10-State report or that the national estimate is derived from the 10-State data The June report is national in scope, its data are collected from producers on a national basis, but State estimates are published individually for the 10 States

In their concluding remarks, the authors state "pork will continue to suffer important competition from cheaper poultry and more expensive beef " They conclude that feed conversion efficiency and making hogs leaner will largely determine the future of the pork industry

The authors should be congratulated on pulling together in the same publication material that gives a broad perspective on the U S pork industry despite their somewhat exaggerated claims The book will be useful to market analysts, agricultural teachers, economists, and graduate students trying to gain an understanding of the pork industry

Anyone interested in the pork industry will find the little time spent reading the book well worth the effort People who deal every day with the pork industry should add the book to their reference shelf

*The reviewer is an agricultural economist with the National Economics Division, ERS