Meat indus & trade

METHODS OF RETAIL BEEF PROCUREMENT

A Single Town Example

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DEPARTMENT OF AGRICULTURAL MARKETING

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INTRODUCTION

This is a report on another section of the beef marketing research programme, sponsored by F.M.C. (Meat) Ltd. and the Agricultural Market Development Executive Committee, being undertaken by the Department of Agricultural Marketing in the University of Newcastle upon Tyne. The principal aims and general scope of the whole research project have already been described in previous reports in the series.

The object of this section is to examine the structure of retail procurement, by both the types of channel used and quantities obtained through each, in what it is hoped may be a reasonably typical meat marketing system. The study was confined to one large town in order to overcome problems of data collection which have so far proved somewhat intractable at the regional or national level.

The Verdon-Smith Report[1] said, "Some retailers purchase animals direct from the farm, from producer groups or at auctions", but could give no quantitative evidence of the proportion of retailers who buy through liveweight channels, and found only generally contradictory information. Subsequent research has not much further clarified the position. This study, therefore, attempts to show how retailers in one town procured their beef supplies.

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(1) Report by the Committee of Enquiry into Fatstock and Carcass Meat Marketing and Distribution. H.M.S.O., London. February 1964.

CHAPTER I

OBJECT, SAMPLE STRUCTURE AND METHODOLOGY

The investigation was carried out at the retail level because it could be assumed that retailers would be able to supply information on the following:

1. Sources of supply.
   (a) Deadweight, with firms of origin;
   (b) Liveweight, through auction and by private purchase.
2. The relative frequency of purchase and quantities obtained from each source.
3. The form in which purchases were made, whether as sides, quarters, primary or other cuts.
4. Factors involved in the purchase decision, such as price, quality, habit, and accompanying services available. In addition, the methods used to place purchase orders.
5. Methods of delivery and payment.
6. Slaughtering; location, by whom, and at what cost.
7. The type of shop operated, and how long the business had been established.

Reasonably detailed information under all these headings was obtained at single interviews, and the questionnaire is reproduced in the Appendix. A northern town and its adjacent suburbs was selected as the area for examination. This town has a population of about 160,000 and is large enough to provide a reasonably representative selection of retailers, without preventing all retailers being interviewed. It includes both industrial and residential areas with a wide range of income levels, contained by fairly clear boundaries. Four national and some local wholesalers maintained depots in the area, and there is a public and two private abattoirs. Although no fatstock auctions take place in the town, retailers have the opportunity of bidding for live animals at nearby markets.

Collection of data from all known meat retailers, in the town and its immediate suburbs, was attempted. Table 1 shows that a very high response rate was obtained. Codeable replies are those from butchers who gave a complete set of answers to all questions, but some information was obtained from seven others. This leads to apparent minor discrepancies between totals in some tables.

TABLE 1. **The Sample and Response Rate.**

Type of Retailer	No. of firms in sample	No. of firms replying	No. of codeable replies	Total No. of shop units	No. of shop units coded	
Independent Butchers	57	47	44	62	47	= 76 %
Multiple Butchers	6	6	3	16	7	= 44 %
Self-Service Chains	4	4	3	10	8	= 80 %
Co-operatives	1	1	1	14	14	=100 %
	68	58=85%	51=75%	102	76	= 74.5%

The total number of retail butchery firms was compiled from three main sources; the classified telephone directory 1966, the U.K. Meat Trade Annual 1964, and the Self-service and Supermarket Directory 1967. Ten additional independent shops were identified during the survey, and all multiples, self-service stores and supermarkets were visited to check whether they sold meat. The results, therefore, should be highly representative of this particular town, but we make no claim that they are typical of others, similar in size, even in the North of England.

Each retailer was visited once only, without prior warning, unless a more suitable time for the interview had to be arranged. Supermarkets, self-service stores and multiples were asked some questions additional to those in the questionnaire. These were designed to suit each individual firm and only to obtain general descriptive information needed for a better understanding of each firm's activities.

It was anticipated that neither total procurement of home produced beef nor that from particular sources would be readily available as recorded quantities for a full year. In the event, those records which were available often combined several categories of meat and meat products. Quantitative questioning, therefore, was related first to the previous fortnight's purchases and was followed by an attempt to establish whether this was the usual quantity purchased. In most cases the respondent held that his previous two week's orders were normal, or he could only give very imprecise indications of how they were unusual, as, for example, by reference to the greater demand for forequarter beef in winter.

It may be, therefore, that the quantities shown in this report for total procurement, and the proportions in which these were obtained from different sources are typical of the annual pattern. This report, however, does not draw any such conclusion. The analysis is of data relating only to the fortnights preceding the interviewer's visits all of which took place between October 20th and November 30th, 1967. Nevertheless, the following check on total procurement may be of interest. The sample data from each group of replies was raised to represent all retail outlets in the town and multiplied by twenty-six to give an estimate of annual quantities of beef purchased. This amounts to 5,947,058 lbs., which, if related to the population of the town itself, at 160,000, yields an estimate of annual consumption per head of 37.2 lbs. This may be compared with a figure for domestic consumption of beef and veal in the northern area[2] of 31 lbs. Only a rough approximation could in any event be expected because 50,000 people live in the suburbs who are not included in the population of the town and others live outside the boundaries of this investigation who may, nevertheless, have shopped in the town. Moreover, at the time the interviews were conducted domestic consumption might be about four per cent. above the mean annual value.

(2) Domestic Food Consumption and Expenditure. H.M.S.O., London. 1964.

CHAPTER II

RETAIL PROCUREMENT

Table 2 distinguishes the procurement of those retailers, who gave sufficient information, between two main channels, wholesale and liveweight.

TABLE 2. **Main Channels of Procurement of Beef**

	Wholesale	Live lbs. per fortnight	Imported
Independent Butchers	67,980	46,120	—
Multiple Butchers	16,690	2,080	—
Self-Service Chains	31,047	—	—
Co-operative Society	480	11,920 (by CWS)	—
Shipping Butchers	—	—	7,000
Contract sales through independent butchers*	24,380	—	5,670
	140,577	60,120	12,670

* Institutional, catering, and other contract sales, made by retailers.

Of all the beef sold by those categories of butchers included in the table twenty-eight per cent. was procured live and seventy-two per cent. through wholesale channels. Imported meat amounted only to six per cent. of the total.

The relative importance of four types of retail outlets has been estimated in Table 3 by taking the sample retail sales of each type and raising these to include expected sales by non-respondents. This assumes an average sales figure for each independent butcher of 2,392 lbs. per fortnight, and for each outlet of multiple butchers of 2,357 lbs. per fortnight.

TABLE 3. **Estimated Beef Sales of Different Types of Retailer**

	Sample	Estimate for all Retailers	
	lbs. per fortnight	lbs. per fortnight	% of total retail sales
Independent Butchers	123,460	144,988	63.4
Multiple Butchers	18,960	40,298	17.6
Self-Service Chains	31,047	31,047	13.6
Co-operative Society	12,400	12,400	5.4
	185,867	228,733	100.0

PROCUREMENT BY INDEPENDENT BUTCHERS

It is a natural hypothesis that both the length of time during which an independent butcher has been in business and the size of his business can affect the pattern of his procurement. The following analysis attempts to test this. Since there were only three independent butchers with purchases of over 6,000 lbs. and, as their businesses had much in common with the multiple butchers, they are considered later.

Liveweight or Deadweight Channels

The proportions, by weight, of beef bought through liveweight and deadweight channels, by independent butchers with businesses of different sizes, and established for varying periods, are given in Table 4.

TABLE 4. **Liveweight and Deadweight Procurement by Independent Butchers**

Time in Business	Deadweight %	Liveweight %	No. of Butchers
Less than 5 years	90.2	9.8	9
5 to 20 years	92.3	7.7	11
Over 20 years	53.5	46.5	25

Size of Business	Deadweight %	Liveweight %	No. of Butchers
(2 weeks' purchases)			
0-1,499 lbs.	90.8	9.2	12
1,500-2,999 lbs.	72.5	27.5	17
3,000-5,999 lbs.	50.5	49.5	13

There appears to be a tendency for butchers, who have been in business for twenty years or more, to buy a much higher proportion of their beef through auction markets or by direct arrangement with individual producers, than do those with less experience. This might be expected of men whose experience of the trade originated before the war and the long period of control over meat purchases.

The apparent tendency for greater proportions of beef to be bought through liveweight channels by larger than by smaller businesses might also be expected. The smaller butchers may often be those who have recently started in business and may therefore not have the skill or the knowledge to buy and slaughter their own animals. In the sample, seven out of twelve butchers in the smallest business size group, and nine out of seventeen in the medium size group had been trading for less than twenty years, compared with three out of thirteen butchers in the largest size class. It could also be argued that the small butchers would not be able to afford staff to mind their shops in their absence, and would therefore have to close in order to attend auction sales.

It may not be unreasonable to assume that these relationships, between the proportion of liveweight purchases and both length of experience and size of business, would be found in any group of butchers. Nevertheless, because of the high variation within each age or size group and the small numbers in the sample the differences in the table are not statistically significant.

However, the following proportions of beef, bought live or dead, represent the retail sales, excluding contracts, of seventy-six per cent. of all independent butchers in the area. This pattern must be highly representative of this town and may well reflect a similar pattern in North East England.

	lbs. per fortnight	%
Deadweight	67,980	59.6
Liveweight	46,120	40.4
Total	114,100	100.0

TYPE OF PURCHASE

The data also provide information on the proportions, by weight, of beef bought as sides, quarters and other cuts by each group of retail butchers. Table 5 presents both a picture of total procurement, in which liveweight purchases have been treated as sides, and of wholesale procurement from which liveweight purchases are automatically excluded.

TABLE 5. **Type of Procurement**

(a) All purchases—percentages of total purchases in each group.

Age Class	Sides	Quarters	Other Cuts
Less than 5 years	61.6	14.9	23.5
5 to 20 years	91.4	7.2	1.4
Over 20 years	73.7	22.1	4.2

Size Class	Sides	Quarters	Other Cuts
(2 weeks' purchases)			
0-1,499 lbs.	72.3	26.7	1.0
1,500-2,999 lbs.	87.0	5.1	4.9
3,000-5,999 lbs.	82.1	4.9	13.0

(b) Wholesale purchases only—percentages of total wholesale purchases in each group.

Age Class	Sides	Quarters	Other Cuts	Wholesale purchase % of total for group
Less than 5 years ...	57.5	16.5	26.0	90.2
5 to 20 years	90.7	7.7	1.6	92.3
Over 20 years	51.1	41.1	7.8	53.5

Size Class	Sides	Quarters	Other Cuts	Wholesale purchase % of total for group
(2 weeks' purchases)				
0-1,499 lbs	69.5	29.4	1.1	90.8
1,500-2,999 lbs.	86.4	7.0	6.6	72.5
3,000-5,999 lbs.	64.7	9.7	25.6	50.5

None of the differences in the table are significant at the five per cent. level. There is, however, a tendency, among these butchers, for newer and larger businesses to buy a greater proportion as wholesale cuts. This can be an economic way of fitting purchases to the special requirements of the shop, and of avoiding waste or the need for disposal of unsuitable cuts. Nevertheless, some of the variation in the proportions of quarters to total purchases can be explained by the varying requirements for institutional sales, such as contracts with schools, or orders from the catering trade.

Timing of Purchases

It is well known that the retail trade buys most of its requirements in the early part of the week. The Verdon-Smith Report[3] stated that "The bulk of retail buying is concentrated early in the week, and very little business is done on Fridays". In this area, however, there was a connection between the length of time in business and the timing of purchases. Older businesses concentrated their ordering or purchasing at the beginning of the week. This follows partly from the greater use, by such businesses, of livestock auctions which took place on Mondays or Tuesdays. Nevertheless, many butchers with twenty years' or more experience, even if they bought through wholesale channels, also procured most of their beef on these days. By contrast, those with less than five years in the trade almost all bought on other days as well. Businesses of postwar origin and those purchasing a large volume through the wholesale trade, also appeared to buy throughout the week. Purchases at the end of the week might only be for "topping up" and not required until the following Monday.

Method of Purchase

Length of experience also appeared to affect the way in which butchers bought their beef, but there was no obvious relationship between size of business and whether butchers bought by personal inspection, on the telephone, or in some other way.

Table 6. **Method of Purchase**

	Number of Butchers buying by:			
Age Class	Personal Inspection	Telephone	Regular Order	Agent
Less than 5 years	3	6	—	1
5 to 20 years	4	4	1	1
Over 20 years	11	7	—	—

Size Class	Personal Inspection	Telephone	Regular Order	Agent
0-1,499 lbs.	4	7	—	—
1,500-2,999 lbs.	7	5	1	2
3,000-5,999 lbs.	6	4	—	—

Many butchers commented that they had insufficient time to buy on inspection. Another possibility is that those trained during or since the period of control had less knowledge and skill than the older butchers to judge quality on the hook. Nevertheless, it is perfectly possible for a butcher to establish a relationship with a

(3) Op. cit.

wholesaler which leads to regular supplies of uniform quality beef to his telephoned orders.

Selection of Wholesalers

Butchers were asked why they patronised their particular wholesalers. The answers to this question appeared to reflect five considerations which are presented in the following table.

Table 7. **Reasons for trading with particular wholesalers**

Time in business	Less than 5 years		5-20 years		Over 20 years	
Mentions	No.	%	No.	%	No.	%
Quality considerations	7	37	5	33	13	33
Service, convenience	5	26	1	6	13	33
Price	3	16	2	14	4	10
Habit and personal reasons	3	16	5	33	6	16
Meat Hygiene or handling	1	5	2	14	3	8
Totals	19	100	15	100	39	100
Number of Butchers	9		9		18	

Although quality considerations rank as of almost equal importance to all three age groups of butchers, younger butchers appeared to be more dependent on wholesalers keeping particular types of beef. All attached more importance to quality than price. Younger butchers appeared to rely more on single wholesalers. Twenty-one out of the forty-five interviewed claimed to deal with only one wholesaler, twenty-one with two or more but only three stated that they "shopped around".

Delivery

Generally most butchers had their beef delivered by the wholesaler. Only ten per cent. of the beef ordered was recorded as being collected by these independent butchers themselves, though this may be a slight understatement, since some butchers did collect occasional additional requirements.

Credit Facilities

The general practice in the meat trade is for wholesalers to offer one week's credit. The auction markets, however, expect immediate payment, requiring the butcher to finance the meat until it is sold. This may be a further reason why the smaller firms tend to buy through wholesale channels.

MULTIPLES CO-OPERATIVES AND SELF-SERVICE STORES

Firms were classified as multiples if they operated three or more retail outlets. Included in this category were two national and four local or regional firms. Three of these were unable to give all the information required, but from what was known, their pattern of purchasing appeared similar to that of the others; being supplied predominantly by a wide range of local and national wholesalers. The self-service stores in the area also procured all their beef from the wholesale trade, but tended to rely more on larger and often national wholesaling firms. Most of the self-service groups had formed a close relationship with one or two of the major wholesalers and bought almost exclusively from them, subject to the meat satisfying the firm's requirements. Such firms are generally believed to obtain favourable terms but we were unable to record any examples of price advantage gained as a result of volume orders.

Earlier reference has been made to the similarity of the businesses of multiple butchers and of independent butchers who bought more than 6,000 lbs. of beef in a fortnight. Despite the apparent tendency of larger independent butchers to purchase increasing proportions of their beef live, these very large independent butchers procured over seventy per cent. through wholesale channels. This was only a slightly lower proportion than that for independent butchers who bought between 1,500 lbs. and 3,000 lbs. of beef in a fortnight. The very large independent butchers closely resembled the multiples and self-service stores in the proportions of beef bought as sides and other cuts. These were as follows:

	Sides %	Quarters %	Other cuts %
Multiples, self-service stores	50.4	35.8	13.8
Independent butchers, 6,000 lbs. +	53.7	46.3	—

The proportions of beef bought by all multiples in the town as quarters and cuts may have been even higher than the figures suggest. One of the national retailing groups, from whom incomplete information was obtained, said that solely quarters were purchased for their outlets in this town and that much of this was sold in a processed form. This firm was also considering the establishment of a more integrated carcass processing system, buying containers of beef, and cutting or processing centrally for its regional retail outlets.

The pattern of procurement, as between wholesale and liveweight, for multiples and self-service stores compared with independent butchers was as follows:

	Wholesale lbs. per fortnight	Liveweight lbs. per fortnight
Multiples, Co-op, Self-service stores	48,217	14,000
Independent butchers, 6,000 lbs. + ...	25,690	10,920

Both types of retail outlet tend to be operated by regional managers or owners who centrally direct the buying policy. The wholesale trade may offer advantages of fitting purchases to individual shop requirements more exactly than would be possible using liveweight channels. For the large independent butchers the existence of considerable contract sales may make wholesale channels a more suitable source of supply than the fatstock auctions.

The large volume of trade undertaken by the big independent butchers, multiples and self-service stores, makes cost considerations important and may be a further reason for their buying through wholesale channels, in order to obtain one week's credit. There may well also have been price discounts for regular trading with a particular wholesaler, but no such arrangements could be recorded.

Finally, the ability of the wholesale trade regularly to supply beef of the right quality in the quantity required appears to have been of some importance. There was no evidence of consistent specification buying by these retailers, but some expressed more or less definite preferences, of the following kinds:

(a) Angus type beef, 300-320 lbs. per side, first class quality.
(b) $7\frac{1}{2}$-$8\frac{1}{2}$ cwt. live, otherwise immaterial.
(c) 7-8 cwt. Friesian lean, good colour, good cutting out percentage, bullocks preferred.
(d) First quality lean young meat averaging 270-300 lbs.

For prepacking, there appeared to be a fairly consistent demand for meat described as lean, young and first quality. Within the group of self-service shops there was only one national firm which retailed prepacked meat only. This firm had two branches in the town but each of these had turnovers, in beef, well below the average for stores of this type. One local self-service firm sold over half its beef as personal cuts, and another maintained personal service counters in some of its stores. In the newest store, belonging to the latter firm, the meat department is a prominent section, and personal service is a special feature. Only one of the firms, selling prepacked meat, supplied this to individual stores from a central packing plant.

One national chain has a branch in the area, offering predominantly meat prepacked on the premises; about ninety-one per cent. of its beef being retailed in this way. This firm is supplied by a secondary wholesaler and emphasizes cheaper cuts as specials to promote its meat sales. The branch had beef sales of between 4,000 lbs. and 5,000 lbs. per fortnight during the autumn period. The customers' choice is not restricted to low price cuts. Some cuts are sold open with personal service so that a full range of meat is offered in this store.

The Verdon-Smith Report[4] said that "It seems clear that some multiples are tending increasingly to buy live animals and to control the slaughtering of their supplies". While it is true that such firms still take an increasing interest in the type of cattle from which the beef is obtained and in details of slaughtering, we believe that, at present, this is most often achieved by indirect methods, such as specification buying and special arrangements with slaughtering wholesalers. In this town, at least, all the multiples except one, with a chain of traditional butchers' shops, bought solely through deadweight channels, and appeared to be well satisfied with the arrangement. The local co-operative, however, which sold meat through fourteen outlets in the town and a total of twenty-five in the area, obtained ninety per cent. of its supplies from the Co-operative Wholesale Society and the rest from local wholesalers. The C.W.S. bought live animals in several markets in the North East, at some distance from the town, and supplied them to the retail society who slaughtered and processed the carcasses on its own premises. These premises, however, are due to be closed and the Society will then probably buy meat in carcass form.

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[4] Op. cit.

CHAPTER III

LIVEWEIGHT AND WHOLESALE SOURCES

Recorded purchases of beef, for the previous fortnight, by those butchers who were interviewed, were divided into 60,120 lbs. or twenty-nine per cent. liveweight and 146,247 lbs. or seventy-one per cent. deadweight.

LIVEWEIGHT PURCHASES

These were mainly made by independent butchers and among these, as already indicated, those with twenty or more years' experience predominated. Two other firms bought live cattle; one a multiple butcher with eleven traditional butchers' shops in the surrounding area, and the other the Co-operative Society, whose operations were described in Chapter II.

Several firms, which bought beef live, also procured some through deadweight channels. Butchers, who bought at least some of their beef live, during the fortnight, purchased 83,064 lbs. in total, of which 60,120 lbs., or seventy-two per cent. was liveweight, 20,684 lbs., or twenty-five per cent. deadweight for known contracts, and 2,260 lbs., or three per cent. deadweight for other retail sales. Liveweight purchases, therefore, appear to satisfy most of these butchers' requirements and deadweight purchases are only used to fill gaps in retail requirements or to obtain beef for contract sales.

SOURCES OF LIVE PURCHASES

Four auction markets all within thirteen miles of the town were used by butchers in the area. Their sales of fat cattle took place on Mondays, Tuesdays, Wednesdays and Thursdays, respectively. Only the Co-operative Society and one multiple butcher bought cattle at other auctions. In each case this was because their buying centres were located outside the area. For these, three auction sales were the main sources of supply. During the fortnight for which records were obtained, the majority (14) of butchers attended only one auction, two bought at two sales and one, who acted as an agent for a wholesaler, at four markets. Twelve of the butchers bought the stock themselves. The remainder employed an agent who might be either a specialist, or a friend or relative experienced in the trade. The following figures shown the relative importance of individual markets and direct purchase from farms to these butchers.

	lbs.	Total No. of butchers using the mart.	No. of butchers using mart. as sole source
Mart. "A"	25,650	10	7
Mart. "B"	7,910	5	2
Mart. "C"	3,380	2	1
Mart. "D"	8,700	3	2
Other marts.	14,000	2	2
Direct purchase	480	1	—
	60,120		

Not surprisingly Mart. "A" hold its auction on a Monday, and is situated only seven miles distant. Mart. "C", however, which is nearer and holds its sale on this town's early closing day might have been expected to be patronised more.

The proportion of direct sales between producers and retailers during the period of the interview probably understates the position over a whole year. Only one such direct purchase was recorded, but four of the seventeen butchers who bought live animals stated that they regularly used a private source. Indeed, one claimed that he bought about one third and another ten per cent. direct from farms during the year. Others, without being able to make an accurate estimate of the annual proportions of beef bought direct, nevertheless stated that these were higher than during the interview period. The fact that this was during November, when supplies of grass fed animals were shrinking and yard fed beef was only just becoming available, substantiates these claims. In addition to private purchases, several butchers said that they usually bought from one or two particular producers, generally because the type of animal offered suited their requirements.

Slaughtering

This was usually undertaken, either in a private slaughterhouse, or by a butchers' slaughtering company in the public abattoir. Charges in both were similar, ranging between 24/- and 25/- per head, depending partly on delivery arrangements. The private slaughterhouse was said to deliver to retailers for the same inclusive charge as that made by the slaughtering company, when butchers collected their own meat. Many retailers who had cattle slaughtered in the public abattoir, collected the carcasses themselves or shared transport, but delivery was also contracted to a local meat haulage company.

In addition, the Co-operative Society had its own slaughterhouse, but this is due to close in the near future, when supplies will come from another C.W.S. slaughterhouse. There is one other private slaughterhouse in the town, operated by a local wholesaling company. This supplies the firm's own shops in addition to many other butchers in the district. An independent retailer acts as one of the buyers for this company.

Reasons for Liveweight Purchases

It is likely that any reasons given by buyers of live animals for following the practice will be, to some extent, emotionally charged. Pride in possession of the necessary skills to bid for live animals, to arrange for slaughter and handling, and a feeling of independence may well overshadow more rational considerations. The two main reasons given by butchers, which emphasise either cost or quality advantages, may, or may not, therefore, be valid. Nine of the seventeen butchers said that their objective, in buying live, was to cut out the wholesaler's margin. On quality, eight said they bought in auctions in order to obtain a particular type and twelve because the particular type required was known.

Buying live animals may, in addition to giving butchers personal satisfaction, also offer certain intangible merchandising advantages. Thus the butcher can tell his customers that it is his own beef, or for example, that it is Angus. It is less certain that greater control by the butcher over the type of live animal procured, its slaughter and conditioning must always lead to better quality beef for his customers. Nevertheless, this aspect of live procurement was mentioned as an advantage by six of the seventeen butchers.

Despite the frequency with which possibilities of cost cutting were mentioned, only three butchers claimed to use any form of market intelligence as a guide to the prices they paid. All of these were buying five or more animals per week and used press or radio market news. Most other butchers merely stated that they paid prices according to the feel of the market or as were necessary to obtain the animals they wanted.

One butcher admitted two reasons for buying wholesale, to get the week's credit, and to remove the need for specialised buying and slaughtering skill. Nevertheless, he maintained that, in an efficient organisation, it would lead to loss of potential profit, in hides, offal and other by-products. One respondent claimed that he could afford to pay an experienced man £2 per day to buy on his behalf, if he received the value of the by-products, and would still be free to sell in his shop.

Several butchers, buying carcass beef, saw no additional profits to be made by buying live animals or claimed not to have the time. Whichever is the right view, however, the fact that the new generation of butchers is one more of cutters and retailers of carcass meat, without traditional buying skills, must mean that deadweight buying will increase as the population of butchers ages.

Other and more immediate changes in the pattern of buying and slaughtering can be expected to take place in this town. The public abattoir is to be closed and will be replaced by another owned by a public company. The situation of the butchers' slaughtering company appears to be confused and obscure, and we could find no one who would hazard what effect the closure of the abattoir might have. Clearly it will provide incentive and opportunity for change in the present methods of procurement.

WHOLESALE PURCHASES

In this area, six wholesale firms are regular sources of home and imported beef. Of these five supply over eighty per cent. of the beef bought in the town through deadweight channels. Four of these, Firms, "A", "B", "C" and "D" are national and the fifth Firm "E" is local with, as far as can be ascertained, only one depot, that in the town. Firm "A" deals principally in home produced beef, while Firms "B", "C" and "D" are usually considered to be primarily importers and are classified as such in the Meat Trade Annual. In this town, however, ninety-six per cent. of the beef bought during the survey fortnights was fresh home produced. The proportion of overseas beef in this town's total annual consumption may, however, be somewhat higher than four per cent. This beef may be featured more in institutional and catering contracts, and at the time of the survey its availability was beginning to be curtailed by the dock strike. Nevertheless, many retailers commented that this was not an area with a strong demand for imported beef.

There are seven other firms which supplied beef to butchers in the area. None of these, however, held more than three per cent. of the total market for wholesale meat. Three were local wholesalers operating in the North East, one a national firm, with some trade in imported meat, and the remainder were based outside the area.

The wholesale trade supplied to interviewed butchers in the town a total of 146,247 lbs. of beef in the survey fortnights. This was divided between various outlets in the quantities shown below, which are shown to range from fifty-five per cent. to one hundred per cent. of particular types of outlets' total procurement.

	Home produced	Imported	Proportion of all purchases
Independent butchers	67,980	—	55%
Multiples, Self-service stores and Co-operative	48,217	—	97%
Institutional and Catering	24,380	5,670	100%

Wholesalers supplied seventy-one per cent. of all the beef purchased by the respondent butchers. More than a third of this came from one local firm, with premises for slaughtering and conditioning situated conveniently close to the town. Trade in beef was divided between the different firms in the following quantities: "A" 15%; "B" 11%; "C" 9%; "D" 9%; "E" 37%; Others 19%. Firm "B" was the only supplier of imported meat to retailers in the area. The following table gives in some detail the pattern of wholesale distribution during the two week periods.

TABLE 8. **Distribution of Wholesale Trade by Type of Outlet and Wholesale Firm**

Firm	"A"	"B"	"C"	"D"	"E"	Others
			lbs. per fortnight			
Independent Butchers	13,260	12,392	8,646	3,402	25,760	4,520
Multiples, Self-Service Stores	5,500	—	480	—	19,910	22,327
Shipping Butchers	—	—	—	—	—	7,000
Institutional & Contract (Home prod)	2,290	3,000	3,000	10,000	6,090	—
Institutional & Contract (Imported)	—	5,670	—	—	—	—
Co-operative (from C.W.S.)	—	—	—	—	—	11,920

NOTE: Figures for contracts were, in many cases, estimates and are therefore subject to greater error.

TYPE OF TRADE

Of all home produced beef supplied by wholesalers, during the two week periods, fifty-five per cent. was in sides, thirty-three per cent. in quarters and twelve per cent. in smaller cuts. Table 9 gives the pattern of trade of each of the five wholesalers, in terms of sides, quarters, and primary cuts. Contracts and institutional sales can considerably affect the proportion of quarters and other cuts sold and thus their relative importance in the total meat supplied by any wholesaler. For example, eighty-one per cent. of the meat supplied by "D" was to institutional and contract outlets, which would probably explain why seventy-seven per cent. of this firm's trade, in this area, at this time, was in forequarter beef.

TABLE 9. **Proportion of Cuts in Overall Sales for Wholesalers**

Firm	"A"	"B"	"C"	"D"	"E"
Sides	71.5	64.5	64.4	16.9	74.1
Forequarters	5.7	31.2	28.4	76.7	10.4
Hindquarters	—	2.7	3.7	2.1	8.8
Forequarter cuts	0.5	—	—	—	1.1
Hindquarter cuts	22.3	1.6	3.5	4.3	5.6

Primary cuts were supplied in the following quantities during the survey fortnights:

lbs. per fortnight.					
Fore:	Brisket	460	Hind:	Tops	10,500
	Shin	140		Sirloin	3,374
	Chuck	240		Steak bone	360
				Rump	880
				Top rump	300

The foregoing description of supply by auctions and wholesalers is necessarily incomplete, as all data were obtained at the retail level. This study is now being extended into a more direct examination of wholesaling and fatstock auctions. No attempt can therefore be made to draw any but tentative inferences from this final chapter.

SUMMARY

1. A survey of the retail meat trade in a typical northern town was undertaken, resulting in useable questionnaires from 75% of all the shops selling fresh meat in the area.

2. Independent butchers, with one or two shops, had 63.4% of all the retail trade for fresh beef in the town; 17.6% was held by multiple butchers; 12.6% by self-service outlets; and 5.4% by the Co-operative Society.

3. About 72% of beef was procured by retailers from the wholesale trade, the rest being bought through liveweight channels.

4. Independent butchers who had been in business for more than twenty years bought a much higher proportion of their requirements through liveweight channels than did newer businesses.

5. Independent butchers also bought more through liveweight channels as their turnover of beef increased, up to a volume of 6,000 lbs. per fortnight.

6. Independent butchers, of over twenty years' experience, tended to buy most of their supplies at the beginning of the week, even if they were buying deadweight.

7. A higher proportion of older than of younger butchers bought on inspection. The latter tended to rely more on the wholesale trade to supply them with suitable meat.

8. Of all the twenty-six multiple and self-service chain outlets only one was known to buy through liveweight channels. This was a chain of traditional butchers' shops. All the rest bought from local or national wholesalers.

9. Butchers who bought any beef liveweight bought almost all (95%) of their supplies for domestic sales in this form, and only used deadweight channels for institutional and catering or contract sales. Liveweight purchasers were mostly independent butchers who had been in business more than twenty years.

10. Only three of these butchers claimed to use any form of market intelligence, and all three were buying five or more animals per week.

11. 37% of beef supplied through the wholesale trade to retailers, came from one local firm, with its own slaughterhouse.

12. Wholesalers delivered almost all of the beef ordered or bought from them.

13. Most butchers dealt with only one or two wholesalers, and did not "shop around" for their beef supplies.

14. Imported beef, chilled or frozen, was generally not sold to the consumer other than in some processed form. Many butchers said that demand for imported beef was only to fulfil institutional and catering contracts.

APPENDIX

RETAILER SURVEY ON SOURCES OF SUPPLY

STORE CLASSIFICATION.

1. Independent, Multiple, Co-operative, Supermarket.
2. Self-service, Counter-service.

Name Code No.

Location

Date

INTRODUCTION

1. Is this your own shop. Yes No

   If *yes* do you have any other butchers shops in the area. How many.......................

   If *no* who is the owner of the shop.

   If part of a chain—is it a a) local

   b) regional

   c) national chain

2. How long has this business been selling meat

   −5 5-20 20+ years.

3. Are you responsible for buying beef supplies for the shop/shops. Yes No.

   If *not* who is:

4. (i) Considering this shop (and others if in area) how much of each cut of British beef, i.e., not imported, did you buy this week, and last week.

	This week	no.	wt.	Last week	no.	wt.
a) whole sides						
b) forequarter						
c) hindquarter						
d) other forequarter cuts						
e) other hindquarter cuts						
Totals						

(ii) Would this be more than, less than, or about the same as your usual purchases.

same

How much more/less more.................

less.................

(iii) Do you know how much British beef you purchased in the last 12 months.

Yes No

If *yes* how much did you buy.

(iv) When in each week are purchases made?

5. (i) And how much imported beef of each cut did you buy this week, and last week.

	This week	no.	wt.	Last week	no.	wt.
a) sides b) forequarter c) hindquarter d) forequarter cuts e) hindquarter cuts						
Totals						

(ii) Would this be more than, less than, or about the same as your usual purchases.

How much more/less
same
more.................
less.................

6. For British beef only, i.e., not imported, bought in the last fortnight, was this bought from:

a) F.M.C.
b) other wholesalers.
c) auction market.
d) private sale.
e) other source.
(specify).

IF ANY WHOLESALE SOURCE.

7. Which wholesalers did you purchase British beef from in the last fortnight.

8. How much of each cut of British beef did you buy from each.

9. Is this a regular or occasional source of beef to you.

Name and address	Cuts	Wt.	Reg./occ.

10. Are there any other wholesalers from whom you bought British beef in the last year or so.
    a) who.
    b) what do you usually buy from them.
    c) are they regular or occasional suppliers.

Name and address	Cuts	Reg./Occ.

11. Going back to the wholesalers who you bought from in the last fortnight, why did you buy from them.
    Was it because of: a) price.
    b) right eating quality.
    c) always buy from them.
    d) other reasons.

12. How do you buy from these wholesalers.
    Is it by: a) personal inspection.
    b) telephone.
    c) usual/standing order.
    d) use of buyer or agent.

13. Do you get credit or any other special arrangements or special terms.
    Yes No
    If *yes*—what:

14. What about delivery of the British beef bought in the last fortnight.
    Was it by: a) own transport.
    b) contracted vehicles.
    c) shared vehicles.
    d) wholesalers vehicles.

15. For these particular wholesalers:
    1. Do you know where they buy the beef.
    2. Do you know if they buy the animals outright or on a commission basis.
    3. If on commission (acts for butcher, etc.) who pays for the slaughtering.
    4. Do you know if they buy under a contract system.

Wholesaler	Buys	Outright/comm.	Slaughter	Contract

16. Can you tell me which of these services..wholesaler provides.
    a) carcass cutting.
    b) credit.
    c) full range of products (canned, cooked, etc.)
    d) regular delivery service.
    e) any special concessions.
    f) promotion, advertising, branded goods.
    g) grading or quality guarantees.

DIRECT PURCHASE

17. 1. How much British beef did you buy this week and last week through an auction market or from an individual farmer directly.
    Which did you buy from:

This week			Last week		
No. of sides	wt.	source	No. of sides	wt.	source

2. Would this be more than, less than or about the same as your usual purchase.

same.
How much more/less more.................
less.................

18. Do you have any contracts or arrangements with particular producers to buy their cattle.
    Yes No

19. Did you carry out the slaughtering yourself.
    Yes No
    If *yes*—what slaughterhouse did you use.
    —is it a line or booth system.
    If *no* —who was it done by.
    —what charge was made for this.

20. How was the meat transported to your shop.
    a) own transport.
    b) contracted.
    c) shared.
    d) other means.

21. Who made the actual purchases.
    a) self.
    b) buyer or agent.
    c) auctioneer.

22. Why do you buy beef in this way.
    Is it because of:
    a) price.
    b) right eating quality.
    c) always have done.
    d) other reasons (specify).

23. How do you decide what is the right price to pay for British beef.

24. Do you ever buy through auction markets or from individual producers at other times of year.
    Yes No
    If *yes*—when—how much.

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