MARKETING RESEARCH REPORT NO. 347

MEAT DISTRIBUTION IN THE LOS ANGELES AREA

U. S. DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE
MARKETING RESEARCH DIVISION WASHINGTON, D. C.

PREFACE

This study is part of a broad program being carried out by the U. S. Department of Agriculture to improve the efficiency of the marketing processes for farm products. Producers and others have been raising questions about the nature and effects of changes in the Los Angeles livestock and meat marketing system. Accordingly, a research study was undertaken to determine the organization and structure of the market.

This study was confined to southern California, but special emphasis was placed on the market structure and on marketing activities within the Los Angeles area. It was designed to provide information for 1956 on procurement and merchandising practices, wholesale market channels of distribution, and competitive interrelationships among different types of firms in the market. Although the information relates to 1956 only, it is still considered applicable as there have been no major changes in the industry since that time.

Acknowledgement is made to Lou Moses, Independent Meat Packers Association, Ellen Faulkner, Associated Meat Jobbers of Southern California, M. L. Modesti, Meat Distributors Inc., and to Nelson R. Crow, Editor, Western Livestock Journal, for technical assistance and help in securing the cooperation of the industry.

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HIGHLIGHTS

California packers supplied 84 percent of the total fresh beef, veal, lamb, pork, and smoked and cured pork entering the Los Angeles market in 1956. The remaining 16 percent was obtained from packers in other States.

Approximately two-thirds of the meat in Los Angeles moved directly from packers to final market outlets. This was about the same as for beef, more than for pork, but less than for veal and lamb. The other one-third moved from packers through one or more wholesale distributors as packer branch houses, wholesalers, jobbers, and truck distributors before being disseminated to the final market outlets.

Chains, independent retailers, and dining establishments received two-thirds of the total meat entering the Los Angeles market in 1956. The remaining one-third was received by processors or sold to buyers outside the county. Of the meat sold only within Los Angeles County, the chains received 40 percent, independent retailers received 46 percent, and dining establishments 14 percent.

Firms on the Los Angeles market were specialized by volume of meats handled and by type of customer. On the basis of sales, 52 percent of the southern California plants were specialized in a particular species to the extent of 90 percent or more of fresh meat sales (or shipments). Packer branch houses specialized in pork and sold most of their products to independent retailers. Wholesalers, who specialized in either beef or pork, relied primarily on independent retailers and chains as customers. Jobbers and truck distributors, who handled relatively larger quantities of veal and lamb than branch houses or wholesalers, relied primarily on one type of sales outlet. Jobbers sold predominantly to dining establishments while truck distributors sold exclusively to independent retailers.

More than half of the southern California packers were integrated with commercial feedlots in 1956. Packer-owned cattle constituted 15 percent of the beef heifers and steers slaughtered in the area. According to information collected in this study, chains in Los Angeles did not own feedlots or cattle on feed in 1956, but two chains owned packing facilities during that year.

Five types of purchase or slaughtering arrangements were used by southern California packers in 1956. Cash purchases accounted for at least 83 percent of the packer purchases, while the custom packing, consignment, carcass grade and weight, and contract purchase methods were utilized to consumate the remaining transactions.

The outlook for the Los Angeles market is a continuing growth of chains and supermarkets stemming largely from continued population growth in the area. National packers, who have not adjusted as readily to changing market conditions as independent packers, have been decreasing in importance and this trend might continue. Cured pork sales of packer branch houses and fresh meat sales of independent meat distributors have been increasing and this trend is expected to extend into the future. The market position of truck distributors hinges on independent retailers, who in all probability will decrease in importance in the Los Angeles area. The growing importance of voluntary group and independent retailer cooperatives, the extent to which they handle perishable commodities, and the implementation of merchandising policies by these groups are factors which will have an important impact on the Los Angeles market structure in the future.

MEAT DISTRIBUTION IN THE LOS ANGELES AREA

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INTRODUCTION

The distribution system for meat in the United States has been changing rapidly. Changes in the meat industry include development of large volume retail firms, mass buying of meat by retailers on a specification basis, widespread use of the Federal meat grade standards, and adjustments in the distribution system. Packers with national systems of distribution have declined relatively in volume of meat sales. 1/ Numbers and relative market shares of independent packers and independent wholesale distributors, on the other hand, have increased. At the same time, specifications of the large-volume retail buyers have brought changes in the methods of operation and in the principal types and qualities of meat handled by packers and wholesalers. The increased use of Federal grade standards for beef, veal, and lamb, especially by food chains, also has had repercussions throughout the meat industry and at the producer level. 2/

Industrial and social changes appear to be more pronounced in certain cities of the Far West than in most other regions or cities of the United States. The meat industry, as well as other industries in the Far West, has been affected by phenomenal population increases, the growth of chain stores, and the widespread adoption and refinement of mass specification buying techniques. These developments have been accompanied by changes in number, types, and business operations of packers and meat wholesalers, by alterations in the flow of livestock to market, and by the development and growth of a commercial cattle feeding industry.

Los Angeles is the largest meat distribution center in the Western Region and is among the top-ranking centers of livestock slaughter in the United States. It is a highly developed market area with large numbers of independent packers and wholesale meat distributors concentrated in a relatively small area and competing actively for the volume purchases of about 37 retail chain organizations. Beef tends to dominate the thinking of

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1/ Williams, W. F. Structural Changes in the Meat Wholesaling Industry. Jour. Farm Econ., XL (2): pp. 315-349, May 1958.

2/ Williams, W. F., Bowen, E. K., and Genovese, Frank. Economic Effects of U. S. Grades for Beef. U. S. Dept. Agr. Mkt. Res. Rpt. 298, January 1959.

packers and wholesalers in the market. Relatively few hogs are produced locally and only three packers slaughter hogs or handle pork in volume. Most beef cattle slaughtered by Los Angeles packers are purchased from large commercial feedlots in southern California and nearby western States.

Objectives of the Study

This report is devoted primarily to a detailed description of the Los Angeles market structure for livestock and meat. More specifically, the objectives of this report are to determine and describe: (1) Geographic and market sources of livestock and meat for the Los Angeles market, (2) the relative importance of the different types of firms in the market and competitive interrelationships among them, (3) the methods and practices utilized in buying livestock for slaughter, and (4) distribution channels for fresh meat and cured pork in the market. Another objective is to compare the competitive structure of the Los Angeles market with that in the San Francisco area as determined from an earlier study. 3/

A second report will deal with the structure of prices for meat in the Los Angeles area, interrelationships among these prices, price-making forces, and the pattern, source, and effects of price changes in the market. Buying practices of retail food chains also are analyzed in more detail in the companion volume than in this report.

Research Procedure

This study was primarily confined to the Los Angeles metropolitan area which is defined by the Bureau of Census as Los Angeles County. Data were obtained from Los Angeles packers covering their entire operations and from all other meatpackers in Southern California covering their shipments of meat into Los Angeles County. 4/ The data were collected primarily in personal interviews with representatives of the various firms.

With the aid of Federal-State Market News data, all firms in the market were classified by type and size. The types selected for interviewing were packers, packer branch houses, wholesalers, jobbers, truck distributors and retail food chains. These were defined as follows:

Packers: Firms engaged to any extent in the slaughter of livestock. This includes meatpacking divisions or subsidiaries of food chains and the following subclasses of packers:

3/ Williams, W. F. Wholesale Meat Distribution in the San Francisco Bay Area. U. S. Dept. Agr. Mktg. Res. Rpt. 165. April 1957.

4/ "Southern California" includes all California territory south of the northern boundaries of Kern and San Luis Obispo Counties. "Other Southern California" includes all of southern California except Los Angeles County.

National packers: Livestock slaughtering establishments owned by packing firms with national systems of distribution.
Independent packers: All packers other than national packers.
Los Angeles packers: Livestock slaughtering establishments both national and independent, located within Los Angeles County.
Other southern California packers: Livestock slaughtering establishments located in southern California other than Los Angeles packers.

Wholesale meat distributors: This term includes packer branch houses, wholesalers, jobbers, and truck distributors. The last three types are sometimes referred to collectively as "independent meat distributors" or "independent distributors."

Packer branch houses: Nonslaughtering processors and distributors of fresh and processed meat that are owned or operated by national packers.

Wholesalers: Large-volume handlers and distributors of meat, primarily in fresh form. Wholesalers are primarily buyers of carcasses and sellers of primal cuts. Thus, they perform the service of cutting or "breaking" carcasses into smaller wholesale portions and are specialists in the merchandising of these wholesale cuts. They are sometimes referred to as "breakers."

Jobbers: Firms often referred to as "hotel supply houses" engaged primarily in selling meat, principally in the form of wholesale cuts, to dining establishments such as hotels, restaurants, and institutions. 5/ Some jobbers also sell some meat to retail establishments.

Truck distributors: Meat distributors frequently referred to as "peddlers" and characterized principally by: (1) No fixed place of business for handling meat, and (2) relatively small volume that can be distributed daily by one or more trucks.

Brokers: Sales agents who bring buyers and sellers together for the purpose of negotiating sales. They generally deal in large volume lots and complete most sales arrangements, for which they collect a commission fee, via telephone or telegraph.

Retail food chains: All retail grocery firms with five or more retail units in operation in Los Angeles County during 1956.

All packers and packer branch houses in southern California and nearly all retail food chains in Los Angeles County were interviewed. In addition, most of the meat wholesalers, about half of the jobbers, several brokers,

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5/ Williams, Wholesale Meat Distribution in the San Francisco Bay Area. In the above study San Francisco area jobbers were defined more broadly and subdivided into two groups: "hotel supply houses," and "retail supply houses. The latter group sold mainly to retailers but also sold considerable quantities of meat to dining establishments. No firms of this kind were found in Los Angeles.

and about 10 percent of the truck distributors (peddlers) were interviewed. All the large wholesalers and jobbers were interviewed, while the smaller firms were selected on a random sample basis.

Three broad categories of information were obtained from these firms, sources of supply, sales and distribution, and marketing methods and practices. The survey design provided internal checks and balances for detecting respondent bias. For instance, packers' statements concerning sales to chains were checked against statements of chain store operators regarding their purchases from packers. Slaughter by species as compiled by the California and Federal meat inspection agencies was used as benchmark data.

Limitations of the Data

Data for this study were collected primarily by relying on carefully considered estimates of the respondents. In general, no direct references were made to the respondents' records. Consequently, most of the data, with the exception of volume figures, were obtained in percentage form.

The data collected were considered complete with some minor exceptions. No information was obtained on (1) purchases from packers outside California or other firms outside Los Angeles County or on sales by processors, that is, firms engaged only in manufacturing sausage and other prepared meat products, and (2) meat purchases by independent retailers and restaurateur directly from meatpackers or wholesalers outside California.

GENERAL CHARACTERISTICS AND STRUCTURE OF THE MARKET

Southern California Packers

About 44 wholesale packers operated in southern California in 1956. Of these, 30 were located in Los Angeles County. Approximately three-fourths of the latter are situated in the "Vernon area" of Los Angeles and represent the largest concentration of packers on the west coast. Southern California packers outside Los Angeles County are distributed unevenly through the remaining counties principally between Los Angeles and San Diego, along the coast north of Los Angeles, and in Kern County.

Size and Volume

The total volume of livestock slaughtered in southern California in 1956, in terms of carcass weight, was nearly 1.3 billion pounds (table 1). This compares with about 0.8 billion pounds slaughtered by northern California packers in 1955. 6/ Nearly 1 billion pounds of the southern California slaughter consisted of beef. Hogs accounted for most of the remainder. Veal and lamb were relatively unimportant in terms of carcass weight.

6/ Williams, Wholesale Meat Distributor in the San Francisco Bay Area, p. 6.

Table 1.--Los Angeles and other southern California packers: Livestock slaughter, equivalent carcass weight, 1956 1/

Species	Los Angeles packers	Other southern California packers	Total
	1,000 pounds	1,000 pounds	1,000 pounds
Beef:			
Beef heifers and steers	582,799	163,989	746,788
Cows and bulls	159,362	3,433	162,795
Veal	39,371	3,332	42,703
Lamb	47,720	4,806	52,526
Hogs	208,851	40,280	249,131
Total	1,038,103	215,840	1,253,943

1/ Based on published estimates of numbers and live weights of livestock slaughtered published by the California Crop and Livestock Reporting Service.

Southern California packers handled two-thirds of the cattle, 45 percent of the veal, one-half of the sheep and lambs, and three-fourths of the hogs slaughtered in California during 1956. 7/ Los Angeles County packers accounted for over one-half of the California slaughter of beef and more than four-fifths of the beef slaughtered in southern California. They slaughtered even higher percentages of the 1956 southern California veal, lamb, and hog kill. About 80 percent of the cattle slaughtered by southern California packers consisted of beef heifers and steers, which normally grade Prime, Choice, or Good. The remaining 20 percent was lower grade cattle such as cows and bulls.

Most California meatpacking plants are smaller than those in the North Central Region. They are relatively larger, however, than the United States average or the average size of plants in the Pacific Region (table 2).

Meat sales of southern California packers, averaging 28.5 million pounds per plant in 1956, were considerably larger than those of northern California packers, who averaged about 13.3 million pounds in 1955. Almost 82 percent of the southern California packing firms and less than half of the plants in northern California operated under Federal inspection standards in 1956. The

7/ Veal, as used in this study, includes calves under 8 months of age, or less than about 250 pounds dressed weight. According to Federal grade standards, this classification actually includes a mixture of "vealers" and "calves."

Table 2.--Meatpacking plants: Number of plants and value of shipments, United States, North Central Region, Pacific Region, and California, 1954

Item	Plants	Value of shipments	Value of shipments per plant
	Number	1,000 dollars	1,000 dollars
United States	2,367	9,905,687	4,185
North Central Region	853	6,176,049	7,240
Pacific Region	244	879,280	3,604
California	122	694,640	5,694

Census of Manufactures, Industry Statistics, 1954, Volume II, page 20A-5.

remainder operated under California State inspection regulations. Federal inspection is required for interstate shipments of meat. Consequently, federally inspected plants tend to handle larger volumes than State-inspected establishments.

Three Los Angeles County plants were owned and operated by national packers. These three plants accounted for 32 percent of the livestock slaughtered in the county in 1956, or about 15 percent of the veal, 17 percent of the beef, 29 percent of the hogs, and 69 percent of the lambs. One of these plants ceased packing operations during the year.

According to the Census of Manufactures, California packing plants showed a higher value added by manufacturing per man-hour in 1954 than did the plants in the North Central Region or the Pacific Region (table 3).

Table 3.--Meatpacking plants: Man-hours utilized and value added by manufacturing, United States, North Central Region, Pacific Region, and California, 1954

Item	Labor utilized	Value added by manufacturing	
		Total	Per man-hour
	1,000 man-hours	1,000 dollars	Dollars
United States	354,779	1,394,486	3.9
North Central Region	220,225	865,385	3.9
Pacific Region	22,311	106,196	4.8
California	16,327	80,139	4.9

Census of Manufactures, Industry Statistics, 1954, Volume II, page 20A-5.

These differences could result from the type of product handled, amount of processing done, or other factors. The high level of output, in terms of value added per man-hour in California packing plants, might also be explained by the large numbers of highly specialized slaughtering establishments in that State.

Specialization in Meatpacking

Packing plants in southern California are more specialized than in northern California and in other parts of the United States (table 4). Specialization in California plants is primarily in beef. Beef, handled by nearly all plants, comprised more than 70 percent of the total fresh meat produced in California in 1956 (figure 1). Many plants also handled small volumes of other species.

Table 4.--Percentage of meatpacking establishments slaughtering one, two, or three species, by areas, March 1, 1955 1/

Area	Number of species handled			
	One	Two	Three	Total
	Percent	Percent	Percent	Percent
Northeast	28.3	43.3	28.4	100.0
North Central	28.2	49.7	22.1	100.0
South	12.3	65.6	22.1	100.0
West	9.6	25.7	64.7	100.0
California 2/	38.3	23.4	38.3	100.0
Northern California 2/	28.8	19.3	51.9	100.0
Southern California 2/	50.0	28.5	21.5	100.0
United States	20.6	49.8	29.6	100.0

1/ Cattle and calves in this table are considered as one species.
2/ Data are for 1956.
Regional and national data obtained from Number of Livestock Slaughter Establishments. March 1, 1955, Agricultural Marketing Service, United States Department of Agriculture, Washington, D. C., June 15, 1955, p. 7.

In determining specialization for volume of meat handled, plants were first classified on the basis of the principal species handled. Those selling more beef than other kinds of meat were classified as beef plants, while those handling more pork than other meats were classified as pork plants, etc. Every meatpacking plant was classified in this way. The degree of specialization represents the ratio of sales of the principal kind of meat to total sales (table 5). 8/

8/ Data for the United States are based on shipments rather than sales.

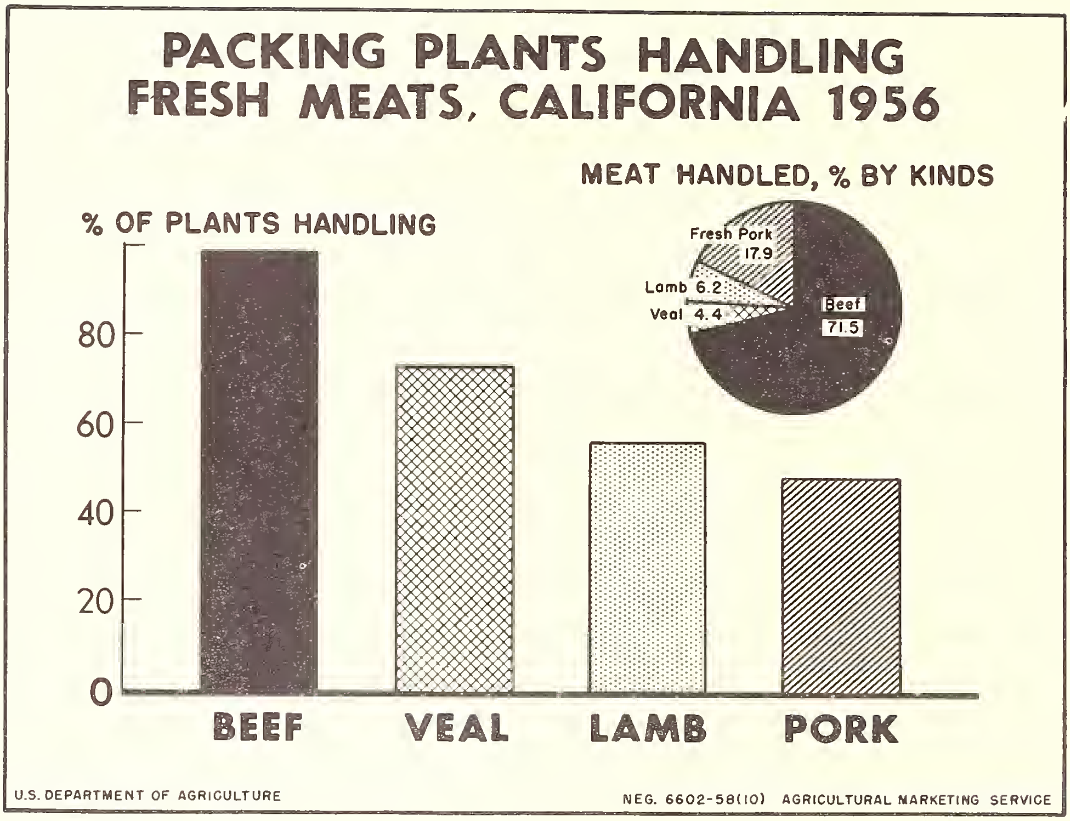

Figure 1

Plants specialized in beef or pork to the extent of 75 percent or more could be defined as highly specialized. Those handling smaller percentages of beef and pork probably should be called multispecies plants, because plants handling beef to any degree tend to sell more beef than other species. Plants mainly handling veal or lamb usually also handle another species, but large numbers of veal or lamb are required to produce the meat which can be obtained from a few beef animals. Plants in which veal or lamb constituted as little as 25 percent of their total sales probably could be defined as specialized, as this ordinarily represents an unusually large volume for these species. In table 5, plants handling veal and lamb to the extent of 50 percent of their total sales probably are rather highly specialized in these species.

On the basis of sales, 42 percent of the California plants were specialized in one species to the extent of 90 percent or more of total sales (table 5). In contrast, only one-fourth of the plants in the United States were similarly specialized. Nearly two-thirds of the California plants, but only 39 percent of those in the United States, were specialized in a particular species to the extent of 75 percent of fresh meat sales or shipments.

Table 5.--Percentage of meatpacking plants specializing in specified kinds of meat, by degree of specialization, by species, United States and California, 1954 1/

Meat specialty and location	Degree of specialization				Total
	90% or more	75-89 %	50-74 %	Below 50%	
	Percent	Percent	Percent	Percent	Percent
Beef:					
United States	21.8	11.2	21.7	21.8	76.5
California	38.6	19.8	21.9	7.3	87.6
Southern California	47.6	11.8	16.6	2.4	78.4
Veal:					
United States	1.5	1.0	2.4	2.0	6.9
California	2.1	1.0	2.1	1.0	6.2
Southern California	2.4	2.4	0	0	4.8
Lamb and mutton:					
United States	.4	2/	2/	2/	.4
California	0	1.0	3.2	0	4.2
Southern California	0	2.4	2.4	0	4.8
Pork: (Fresh)					
United States	1.7	1.3	3.9	8.6	15.5
California	1.0	1.0	0	0	2.0
Southern California	2.4	2.4	4.8	2.4	12.0
Total:					
United States	25.4	13.5	28.0	32.4	99.3
California	41.7	22.8	27.2	8.3	100.0
Southern California	52.4	19.0	23.8	4.8	100.0

1/ Specialization in this table is determined by the principal kind of meat handled by any slaughtering establishment. Example: A plant slaughtering 45 percent veal, 30 percent beef, and 25 percent lamb, would be specialized to a degree in veal.

2/ Not available.

United States data from Census of Manufactures, Industry Statistics, 1954, Volume II, page 20A-26.

Southern California plants, as revealed earlier, are even more highly specialized than those in California as a whole. About 52 percent of the southern California plants were specialized in a species to the extent of 90 percent or more of total sales. However, the influence of beef on the degree of specialization in California is clearly evident. As suggested above, packing plants mainly handling beef, irrespective of location, tend to be more highly specialized than other plants.

Packers' Supply Sources

Supply sources of southern California packers differed considerably among species according to geography, type of market, type of buyer, and type of purchasing or slaughtering arrangement.

Geographic sources.--California sources provided southern California packers with about 61 percent of their slaughter livestock and meat purchases in 1956 (table 6). 9/ The other 10 Western States supplied 18 percent. 10/ The remaining areas of the Nation provided the other 21 percent.

Table 6.--Southern California packers: Livestock purchases and percentages bought from specified sources, by species, 1956 1/

Species	Quantity purchased 2/	Supply sources			
		California	Other Western States 3/	Other States	Total
	1,000 pounds	Percent	Percent	Percent	Percent
Beef	918,498	74.5	22.4	3.1	100.0
Veal	42,860	76.3	6.1	17.6	100.0
Lamb	52,965	67.8	32.2	4/	100.0
Hogs	267,805	9.3	.5	90.2	100.0
Total	1,282,128	60.7	17.7	21.6	100.0

1/ Southern California was defined to include all California territory south of the northern boundaries of Kern and San Luis Obispo Counties.
2/ Equivalent carcass weight of livestock purchased and weight of small quantities of dressed carcasses purchased as estimated from data collected in the study and data supplied by the Crop and Livestock Reporting Service of the California Department of Agriculture.
3/ Includes Ariz., Colo., Mont., Nev., N. Mex., Oreg., Utah, Wash., Idaho, and Wyo.
4/ Less than 0.05 percent.

High and relatively uniform percentages of the beef, veal, and lamb slaughtered by southern California packers were acquired in California, but nearly all their hogs were bought in the Midwest. They also obtained considerable numbers of veal in the Midwestern States and Texas. These vealers

9/ Slaughter livestock are animals purchased for immediate slaughter. Packers' purchases of feeder livestock, therefore, are excluded from the data. Transfers of livestock owned by packers from feedlots to the packers' slaughtering establishments are considered slaughter livestock from the area in which they were fed.
10/ The 10 other Western States are Oreg., Wash., Idaho, Mont., Nev., Ariz., N. Mex., Utah, Colo., and Wyo.

usually were larger and more mature than those purchased in California. Almost one-third of the sheep and lambs and one-fifth of the cattle were purchased in the Western States by southern California packers. Table 6 includes small quantities of dressed carcasses purchased outside California. 11/

Type of market.--Southern California packers bought their slaughter livestock from commercial feedlots, terminal public markets, auctions, and "other sources," (mainly producers), (table 7). Commercial feedlots were the principal source for beef heifers and steers but supplied only small quantities of other cattle, veal, and lamb.

Table 7.--Southern California packers: Percentage distribution of purchases of each species, by types of markets, 1956

Location of packer and market source	Cattle		Veal	Lambs	Hogs
	Heifers and steers	Cows and bulls			
	Percent	Percent	Percent	Percent	Percent
Los Angeles packers:					
Commercial feedlots	69.1	5.7	5.7	5.3	0
Terminal public markets	26.6	66.4	25.4	2.8	75.8
Auctions	1.9	20.4	8.7	.9	4.0
Other 1/	2.4	7.5	60.2	91.0	20.2
Total	100.0	100.0	100.0	100.0	100.0
Other southern California packers:					
Commercial feedlots	63.4	21.4	2/	4.4	0
Terminal public markets	6.7	13.1	19.4	.9	72.1
Auctions	1.5	6.7	3.2	2/	.1
Other 1/	28.4	58.8	77.4	94.7	27.8
Total	100.0	100.0	100.0	100.0	100.0

1/ Includes farmers and order buyers. 2/ Less than 0.05 percent.

Terminal public markets were the principal source of southern California packers' cow and bull purchases. Because of the convenience and accessibility of the Los Angeles Union stockyards, Los Angeles packers were considerably more active on terminal public markets than were other southern California packers. The Los Angeles packers bought two-thirds of their cows and bulls, one-fourth of their beef heifers and steers, and one-fourth of their veal at

11/ Packers' purchases of carcass meat from other packers in California were excluded to avoid double counting.

terminal markets. Both Los Angeles and other southern California packers acquired most of their hogs at terminal markets in Midwestern States. Most of the hog purchases in the "other" category (table 7) consisted of purchases through order buyers.

Other southern California packers purchased most of their cows and bulls and considerable numbers of beef heifers and steers directly from producers. Like the Los Angeles packers, they received most of their veal and nearly all of their lambs directly from producers (table 7).

Local dairies surrounding the Los Angeles area and in the San Joaquin Valley provide southern California packers with the majority of their veal. Carcasses of this veal usually do not average heavier than 100 to 150 pounds. Calves are marketed at an early age by California dairies because they receive a higher return from milk sold as such than by feeding it to calves.

Los Angeles County packers acquired 20 percent of their cows and bulls and 9 percent of their veal at auctions in 1956. Northern California packers, in contrast, purchased 50 percent of their cows and bulls and nearly 60 percent of their calves at auctions in 1955. 12/ Northern California packers are more dependent on auctions than southern California. However, most of the California auctions are located in the central and northern portions of the State.

Type of buyer.--Packers used three types of buyers (packers' own salaried buyers, order buyers, and other dealers) to obtain their slaughter livestock (table 8). In addition, about half of the southern California packers obtained part of their slaughter requirements from their livestock supply in feedlots.

Table 8.--Southern California packers: Percentage distribution of purchases of each species, by types of buyers, 1956

Type of buyer	Cattle		Veal	Lambs	Hogs
	Heifers and steers	Cows and bulls			
	Percent	Percent	Percent	Percent	Percent
Own packer buyers	75.9	83.2	66.5	73.9	55.2
Order buyers	8.7	16.2	15.9	17.5	42.3
Other dealers	.3	.6	16.2	7.5	2.5
Subtotal	84.9	100.0	98.6	98.9	100.0
Transfer of own livestock from feedlot	15.1	0	1.4	1.1	0
Total	100.0	100.0	100.0	100.0	100.0

12/ Williams, Wholesale Meat Distribution in the San Francisco Bay Area, pp. 19-30.

In southern California, as in most other areas, packers' own buyers purchased the bulk of their slaughter livestock. Order buyers, however, were used by the southern California packers to a considerable extent for purchasing hogs.

County dealers supplied packers with a considerable number of veal, some lambs, and a few hogs (table 8). Apparently, the services of a county dealer are often required in procuring calves from the dairies in the State and in concentrating small and odd-lot supplies of lambs and hogs.

About 15 percent of the beef heifers and steers slaughtered in southern California in 1956 consisted of packers' own cattle transferred from feedlots. Some of these cattle had been fed to slaughter condition in feedlots owned by packers. Others had been fed on a custom basis for packers in commercial feedlots. 13/

Types of purchasing or slaughtering arrangements.--The "spot" or cash purchasing arrangement, the most common method of buying livestock, was used by southern California packers to a lesser extent for beef heifers and steers than for other types of livestock (table 9). Other types of purchasing or slaughtering arrangements are custom packing, consignment, carcass weight and grade, and "other" which is defined here to include contract purchases.

Table 9.--Southern California packers: Percentage distribution of purchases of each species, by purchasing or slaughtering arrangements, 1956

Purchase arrangement	Cattle		Veal	Lambs	Hogs
	Heifers and steers	Cows and bulls			
	Percent	Percent	Percent	Percent	Percent
Cash	83.3	89.0	89.4	87.6	99.1
Custom packing	3.9	2.3	9.7	.2	0
Consignment	4.4	7.6	.9	5.3	0
Carcass weight and grade	7.6	1.1	0	6.3	.9
Other 1/	.8	0	0	.6	0
Total	100.0	100.0	100.0	100.0	100.0

1/ Predominantly contract purchases.

13/ See page 56 for a more detailed discussion of integration among packers.

The custom packing arrangement was defined as the selling of a slaughtering service by a packer. In this arrangement, the producer maintains title to the livestock and takes responsibility for selling or utilizing the carcass. The packer's fee for slaughtering usually consists of the offal, and, depending on prices of beef and offal, an additional charge of so many dollars per head. The custom packing arrangement sometimes is used in southern California by producers, local plant operators, retail chains, and wholesalers who own cattle. In 1956, more than 4 percent of the cattle and 10 percent of the veal slaughtered in Los Angeles County were custom packed. Only about 1 percent of the cattle obtained by other southern California packers was custom slaughtered and these usually were prepared for consumption in the household of local producers.

Under the consignment purchase arrangement, as in custom packing, title to the livestock remains with the livestock owner who delivers his animals to the packer. In contrast to the custom packer who simply sells his slaughtering services, the packer slaughtering on consignment also sells the carcass for the producer. Consignment fees may consist of either a commission on sales or a flat charge. More than 5 percent of the beef procured by southern California packers in 1956 was obtained on consignment with most of this beef being slaughtered by packers outside Los Angeles County. Packers also reported that some lambs, about 5 percent of their total slaughter, were received on consignment terms.

In the carcass weight and grade method, the buyer and seller negotiate on live animals but agree to transact or "settle" on the basis of carcass prices, weights, and grades. Although they agree on specific prices by carcass weight and grade, the final price per pound for each animal is not determined until the animals are slaughtered, graded, and placed in weight groups.

Packers in southern California used the carcass weight and grade method in purchasing all species of livestock except veal. With the exception of cash purchases, it was the most popular method used in buying beef heifers and steers and lambs.

Packers' Sales Patterns

About 1 billion of the 1.3 billion pounds of meat handled by southern California packers in 1956 was distributed to buyers in Los Angeles County (table 10). The remainder was shipped out of the county by Los Angeles packers to foreign or domestic markets, or distributed in local and other markets by other southern California packers. Los Angeles packers sold about one-fifth of their total production to buyers outside the county, primarily to retailers in the nearby urban areas of Orange, Riverside, and San Bernardino Counties. Some packers, particularly the three national packers, regularly shipped or delivered meat to San Diego, along the north coast to Santa Barbara, the southern portion of the San Joaquin Valley, or eastward to Phoenix and Tucson. Occasionally, some of these packers shipped

Table 10.--Southern California packers: Meat sales in and outside of Los Angeles County, and percentage distribution of sales in Los Angeles County by type of sales outlet, 1956

Item	Beef	Veal	Lamb	Pork: Fresh	Pork: Cured	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Sales						
Outside Los Angeles County:						
By Los Angeles packers:						
To domestic points	128,329	9,335	6,483	44,196	25,967	214,310
Foreign and offshore	2,137	0	97	1,785	126	4,145
By other southern California packers	103,141	2,512	2,595	23,402	12,327	143,977
In Los Angeles County	684,891	31,013	43,790	101,087	58,915	919,696
Total	918,498	42,860	52,965	170,470	97,335	1,282,128
Distribution of sales in Los Angeles County	Percent	Percent	Percent	Percent	Percent	Percent
Retail outlets:						
Food chains	30.7	33.0	47.9	23.1	40.4	30.9
Independent retailers	25.9	26.8	24.6	3.5	35.2	22.5
Hotels, restaurants, and institutions	.2	0	.4	.9	1.9	.4
Subtotal	56.8	59.8	72.9	27.5	77.5	53.8
To wholesale meat distributors and others:						
Packer branch houses	1.5	1.2	2.0	.7	6.4	1.7
Wholesalers	17.2	2.3	2.9	5.6	4.8	13.2
Jobbers	9.1	13.3	12.1	1.8	4.4	7.8
Truck distributors	3.5	16.4	5.3	3.6	2.9	4.0
Government, including military	4.8	3.0	.5	1.9	3.9	3.9
Processors and other	7.1	4.0	4.3	58.9	.1	15.6
Subtotal	43.2	40.2	27.1	72.5	22.5	46.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

to San Francisco and a few served Las Vegas, Nev. Only small quantities of meat, primarily boned beef and fresh pork, were shipped to foreign and offshore buyers. About two-thirds of the meat handled by the other southern California packers was sold to buyers in Los Angeles County.

More than half of the meat distributed in Los Angeles County by southern California packers was sold directly to retailers or dining establishments (table 10). About one-fourth was sold to wholesale meat distributors, and most of the remainder was purchased by meat processors. Sales of other southern California packers in Los Angeles County were made primarily to wholesale meat distributors and processors.

Los Angeles food chains purchased nearly a third of the meat sold by southern California packers in Los Angeles County during 1956 (table 10). The majority of the fresh pork was sold to processors. Their customers for the total of other meats in order of volume were independent retailers, processors, wholesalers, jobbers, truck distributors, government, and branch houses (table 10). Some variation existed among these buyers for a particular species.

Grading and Grades Handled

Considerably higher percentages of the beef, veal, and lamb slaughter in southern California are federally graded than in the United States as a whole (table 11). 14/

Table 11.--United States and Southern California packers: Percentage of beef, veal, and lamb sold, by type of grading, 1956 1/

Species	United States packers 1/	Southern California packers 2/			
	U. S. graded	U. S. graded	Packer branded	Not graded or branded	Total
	Percent	Percent	Percent	Percent	Percent
Beef	48.6	66.4	9.7	23.9	100.0
Veal	18.8	41.5	29.1	29.4	100.0
Lamb	31.5	78.9	12.1	9.0	100.0

1/ These are percentages of total United States production derived from Livestock Market News Statistics and Related Data, 1956, Stat. Bul. No. 209, June 1957, U. S. Dept. of Agr., table 73 and estimates of total U. S. production.
2/ Estimated by packers.

14/ No official grade standards at present are used for pork. Federal grading of beef, veal, and lamb is voluntary.

Beef not rolled with Federal grades at the packer level in southern California usually was sold unidentified as to grade or brand. Much of this beef was sold to wholesalers. 15/ The wholesalers, in turn, had some of it graded in the form of wholesale cuts.

About 10 percent of southern California packers' beef was rolled with private brands. Nearly all of this was beef of the national packers. Only one or two of the independent packers in Los Angeles followed the practice of identifying beef with their private brands.

The Choice grade accounted for two-thirds of the U. S. graded beef and more than four-fifths of the U. S. graded lamb sold in 1956 by southern California packers (table 12). In each case the Good grade accounted for most of the remainder. Nearly two-thirds of the U. S. graded veal consisted of the Good grade with only 30 percent grading Choice. The prevalence of young, underfinished calves in the market accounted for the low percentage of federally graded veal. This is also why most of the federally graded veal in Los Angles was U. S. Good or lower in quality.

Table 12.--Southern California packers: Percentage distributions of U. S. graded beef, veal, and lamb sold, by grade, 1956 1/ 2/

Species	U. S. grades			
	Choice	Good	Standard or commercial and other	Total
	Percent	Percent	Percent	Percent
Beef	62.4	27.4	10.2	100.0
Veal	30.4	62.5	7.1	100.0
Lamb	81.8	16.2	2.0	100.0

1/ Estimated by packers.
2/ The U. S. grades for beef are Prime, Choice, Good, Standard, Commercial, Canner and Cutter. For veal the U. S. grades are Prime, Choice, Good, Standard, Utility, and Cull. The Federal grades for lamb are Prime, Choice, Good, Commercial, Utility, and Cull.

15/ "Rolled with Federal grades" refers to the practice of rolling grade stamp mounted on a small wheel across various portions of the meat.

Wholesale Meat Distributors

There were approximately 10 packer branch houses, 25 wholesalers, 69 jobbers, and at least 196 truck distributors in Los Angeles County in 1956. In addition, about 18 meat brokers had business offices in the county.

Some distinctive features of the wholesale meat distributors in the Los Angeles area are: (1) the relatively large volume of meat handled by wholesalers, (2) the high degree of specialization among jobbers, branch houses, and truck distributors by type of customer, and (3) the prevalence of truck distributors or "peddlers" in the distribution of fresh meat.

Changes in Numbers and Volumes of Packer Branch Houses and Independent Wholesalers

The number of packer branch houses and the volume of meat they handled declined in the United States during 1939-54 (table 13). Some reasons for this are: (1) improvements in truck transportation which permit more distribution directly from packing plants, and (2) increases in the relative importance of food chains which prefer to receive shipments directly from packing plants.

Table 13.--Packer branch house: Number of branch houses and total value of sales, and percentage changes, United States and California, 1939, 1947, and 1954 1/

Item	Number of packer branch houses		Total sales by packer branch houses 2/	
	United States	California	United States	California
	Number	Number	1,000 dollars	1,000 dollars
Year:				
1954	731	28	3,096,107	176,023
1947	734	30	2,516,205	114,004
1939	924	28	3,343,106	102,720
Percentage changes:	Percent	Percent	Percent	Percent
1939-47	-20.6	7.1	-24.7	11.0
1947-54	-.6	-6.7	23.0	54.4
1939-54	-20.9	0	-7.4	71.4

1/ Census of Business, Wholesale Trade, 1954, Volume III, pages 1-7 and 1-12; 1947, Volume IV, pages 1.06 and 1.07.
2/ Sales adjusted on basis of 1947-49 Wholesale Meat Index of Prices.

Numbers of packer branch houses in California, in contrast to the national pattern, were the same in 1954 as in 1939, but their total volume of sales (adjusted for price changes to 1939 prices) increased 71 percent during this period. Two factors -- increasing population, and concentration on pork by the packer branch houses in California -- are mainly responsible for these sales increases. No census data are available on changes in numbers and volumes of packer branch houses in Los Angeles, but it is likely that the data for California reflects these changes.

Numbers and sales of independent meat distributors increased greatly in the United States, California, and Los Angeles from 1939 to 1954 (table 14). The sales increases were larger for California than for the United States, but the increases in both numbers and sales of independent wholesalers in Los Angeles were especially significant. Numbers in Los Angeles tripled during 1939-54 and their sales more than quadrupled. Although sales of branch houses in California and in Los Angeles increased during 1939-54, they declined in relation to sales of independent meat distributors.

Several factors account for the rapid growth of independent distributors nationally and in California. Population growth and increased incomes have resulted in increased sales by dining establishments who are supplied with meat almost exclusively by hotel and restaurant suppliers or jobbers. Also, wholesale meat distributors are more flexible than most packers and can more readily adapt their operations to the demands of the rapidly expanding retailer and dining establishment industries. Other factors are associated with a trend toward more specialization by independent meat distributors and a steadily increasing demand for services.

Volume of Meat Handled by Los Angeles Wholesale Distributors

Los Angeles wholesale meat distributors handled more than 529 million pounds of meat in 1956 (table 15). Two-thirds of this was beef and most of the remaining one-third was pork. Veal and lamb each accounted for about 2 percent.

Wholesalers handled considerably more beef than any other class of wholesale meat distributor. Packer branch houses were the principal handlers of cured pork. Total meat volumes of packer branch houses and jobbers were about equal but they differed greatly in other respects. The meat volume of packer branch houses in 1956 averaged 12.8 million pounds per plant, whereas wholesalers averaged 8.9 million pounds, and the typical jobber's volume was 1.8 million pounds.

The large number of small-volume truck distributors in the Los Angeles area was one of the most distinctive features of the market. Although there were more than twice as many truck distributors as jobbers, aggregate sales of truck distributors were less than half as great as jobber sales (table 15). In 1954 the Los Angeles truck distributors formed a cooperative association and distributing facility known as Packers' Central Loading, Inc. The new

Table 14.--Independent meat distributors: Number of independent meat distributors, total value of sales, and percentage changes, United States, California, and Los Angeles, 1939, 1947, and 1954, 1/

Item	Number of independent meat distributors			Total sales by independent meat distributors 2/		
	United States	California	Los Angeles	United States	California	Los Angeles
	Number	Number	Number	1,000 dollars	1,000 dollars	1,000 dollars
Year:						
1954	4,357	397	221	3,283,153	341,132	162,509
1947	3,507	303	159	1,816,054	146,503	68,443
1939	2,552	237	70	1,613,643	132,975	36,512
	Percent	Percent	Percent	Percent	Percent	Percent
Percentage increases:						
1939-47	37.4	27.8	127.1	12.5	10.2	87.5
1947-54	24.2	31.0	39.0	80.8	132.8	137.4
1939-54	70.7	67.5	215.7	103.5	156.5	345.1

1/ Census of Business, Wholesale Trade, 1948, Volume V, pages 0.05 and 39.29; Volume II, 1929, page 215.
2/ Sales adjusted on the basis of the 1947-49 Wholesale Meat Index of Prices.

Table 15.--Wholesale meat distributors: Meat handled, by species and by type of distributor, and average volume per plant, Los Angeles County, 1956, 1/

Species	Packer branch houses	Wholesalers	Jobbers	Truck distributors	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Beef	27,276	184,074	97,781	33,254	342,385
Veal	1,951	707	4,298	5,192	12,148
Lamb	1,066	1,503	6,368	3,111	12,048
Pork:					
Fresh	2/ 28,954	23,965	10,817	7,568	71,304
Cured	69,234	11,432	8,320	4,579	93,565
Total pork	98,188	35,397	19,137	12,147	164,869
Total	128,481	221,681	127,584	53,704	531,450
Average per plant	12,848	8,867	1,849	273	

1/ The data contain much double counting as they are not adjusted for sales among the different types of distributors.

2/ Includes 2,696,000 pounds transferred to processing and eventually sold as cured pork which, therefore, is also included in the 69,234 thousand pound cured pork figure.

firm adopted a trade name and a brand which all members may use. The formation of this cooperative was an attempt by truck distributors to buy products at lower costs, especially smoked and cured pork, which is obtained in volume from independent packers in the Midwest. All the other meats are readily available from packers or wholesalers in the Los Angeles area. The cooperative serviced an average of about 125 distributors daily in 1956.

Specialization Among Wholesale Meat Distributors

Most wholesale meat distributors are specialists, but not all specialize by species or class of meat product. Some specialize in the type of service they perform or in the type of customer they serve.

All classes of wholesale meat distributors in the Los Angeles market, other than branch houses, handled more beef than the combined volume of other species. However, the pattern for Los Angeles packers, indicated in figure 2, can be used as a criterion for judging the extent of specialization among wholesale meat distributors despite the fact that Los Angeles packers are rather highly specialized in beef. The types of meats handled by the local packers are fairly representative of the meats in the market.

Los Angeles branch houses are pork specialists; over three-fourths of their total sales consisted of pork. Furthermore, they concentrated in cured or processed pork; these products comprised about 55 percent of their total sales.

Wholesalers in Los Angeles tend to specialize heavily in beef. Figure 2 does not reveal the full extent of this specialization since nearly all of the pork was sold by a few wholesalers who were principally fresh pork handlers. Thus, there were two classes of wholesalers with one, the larger group, specializing heavily in beef and another specializing heavily in fresh pork. The wholesalers handled relatively small quantities of smoked and cured pork.

In the San Francisco are there are only a few wholesalers - large volume firms engaged mainly in buying carcasses and selling beef cuts to chains, jobbers, or other wholesale distributors. But a high percentage of the veal in the San Francisco area was distributed by specialized wholesalers known as "calf handlers." Although no wholesalers were classified as calf handlers in the Los Angeles area in 1956, two or three firms of this type have been established in Los Angeles since 1956.

Jobbers and truck distributors in Los Angeles also handled considerable quantities of beef but as a group tended to handle other species in about the same proportion as packers (figure 2). Truck distributors handled smaller percentages of beef and larger percentages of veal and pork than Los Angeles packers because most customers of truck distributors were in lower income neighborhoods where more veal and pork usually are consumed.

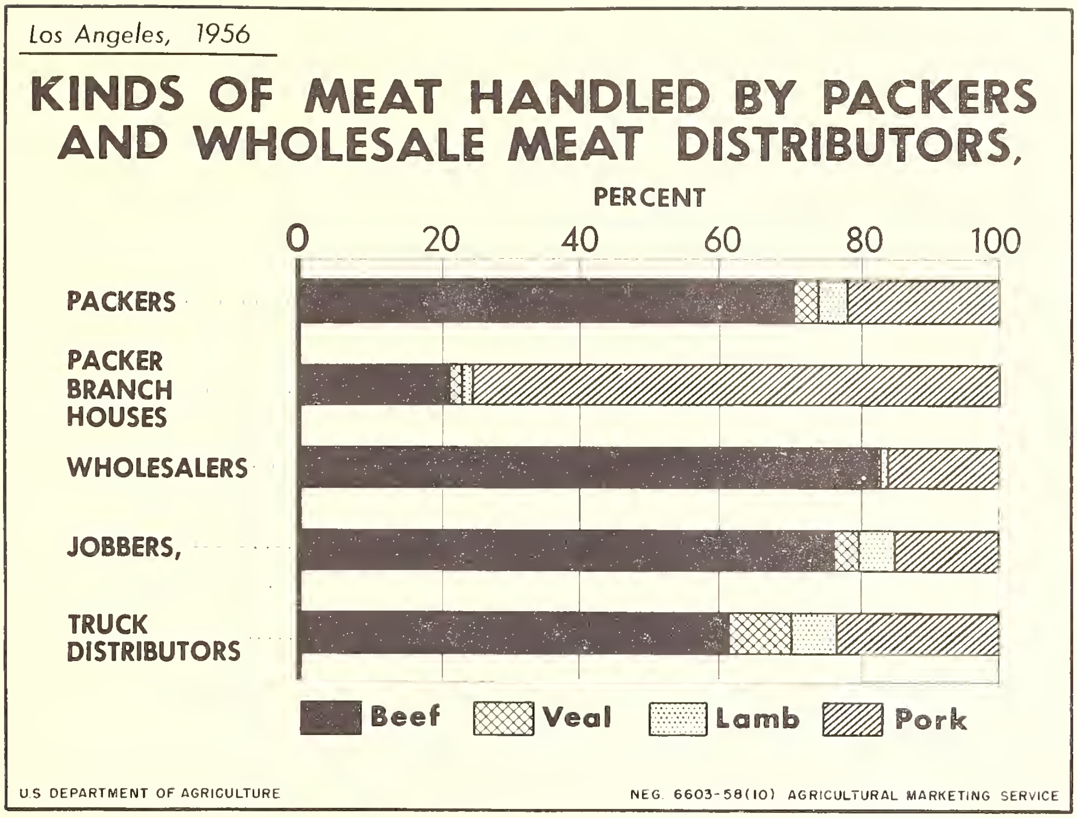

Figure 2

Los Angeles jobbers by definition are specialized by type of customer -- hotels, restaurants, and institutions (table 18). Sales of truck distributors are directed almost exclusively to independent retailers. Nearly all of the meat handled by the truck distributors' cooperative in 1956 was smoked and cured pork.

Procurement Patterns of Wholesale Meat Distributors

Procurement patterns of the different types of wholesale meat distributors differed greatly by species handled. For the most part, however, the distributors purchased directly from packers in Los Angeles County (table 16). About 90 percent of their meat was purchased directly from packers while 10 percent represented purchases and sales among themselves.

Los Angeles packers were the most important source for all species other than pork for the wholesale meat distributors (table 17). Nearly two-fifths of the meat handled by the wholesale meat distributors was obtained in States other than California and represented a net addition to Los Angeles meat supplies provided by southern California packers. Only about one-fourth of these inshipments were from the remaining 10 Western States; the rest was obtained primarily in Midwestern States. Purchases from "other California packers," includes meat obtained from northern California packers and also represented a net addition to the meat sold in Los Angeles County (tables 16 and 17).

Table 16.--Wholesale meat distributors: Meat purchases, and percentage bought from specified sources, by type of distributor, Los Angeles County, 1956 1/

Item	Packer branch house	Whole- salers	Jobbers	Truck distrib- utors	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Purchases	125,785	221,681	127,584	53,704	528,754
Percentage purchased from:	Percent	Percent	Percent	Percent	Percent
Packers:					
Los Angeles County	7.6	52.1	51.7	73.5	43.6
Other California	5.6	7.9	9.7	0	7.0
Other Western States	.4	21.0	3.4	0	9.7
All other States	84.3	19.0	8.4	0	30.0
Subtotal	97.9	100.0	73.2	73.5	90.3
Other local wholesale distributors	2.1	2/	26.8	26.5	9.7
Total	100.0	100.0	100.0	100.0	100.0

1/ More detailed tables by species and type of wholesale distributor are included in the appendix.
2/ Less than 0.05 percent.

Packer branch houses obtained nearly 85 percent of their total meat from the Midwestern States (table 16). This supply pattern is due to the large volume of pork, 76 percent of the total branch house meat, which was procured almost exclusively from Midwestern States. 16/

Los Angeles packers provided wholesalers with slightly more than half of their total meat supplies (table 16). Inshipments of wholesalers from the other Western States consisted principally of beef, whereas their purchases in the Midwest were accounted for mainly by pork. Jobbers also received about half of their total supplies of meat from Los Angeles packers. The

16/ See detailed appendix tables on wholesalers' purchases for each species (tables 31-34).

Table 17.--Wholesale meat distributors: Meat purchases, and percentage bought from specified areas, by species, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Purchases	342,385	12,148	12,048	162,173	528,754
Percentage purchased from:	Percent	Percent	Percent	Percent	Percent
Packers:					
Los Angeles County	53.4	80.1	68.6	18.4	43.6
Other California	9.2	4.4	27.4	1.0	7.0
Other Western States	13.9	1/	1/	2.4	9.7
All other States	13.3	12.7	1/	68.8	30.0
Subtotal	89.8	97.2	96.0	90.6	90.3
Other local wholesalers distributors	10.2	2.8	4.0	9.4	9.7
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

jobbers, however, purchased only limited quantities of meat from packers outside California. Nevertheless, more than one-third of the pork handled by the wholesalers was procured from Los Angeles packers. One of the moderately large hog slaughterers sold his entire fresh pork supply to wholesalers.

Although the cooperative association of truck distributors, which was classified as a wholesaler, obtained some pork outside California, the truck distributors themselves purchased all of their meat locally -- about three-quarters from Los Angeles packers and the remainder from Los Angeles wholesalers.

Sales Patterns of Wholesale Meat Distributors

Los Angeles wholesale meat distributors sold about 83 percent of their meat to buyers in Los Angeles County (table 18). Most of the remainder was distributed to buyers in nearby urban areas. Truck distributors, who were relatively small volume operators, sold more of their meat to buyers inside the county than did other wholesale meat distributors.

Los Angeles wholesale meat distributors, considered as a group, sold more meat to independent retailers than any other class of customers. This was not true, however, for each species (table 19). Independent retailers were

Table 18.--Wholesale meat distributors: Sales of fresh meat and cured pork, and percentage sold to specified outlets in Los Angeles County, by type of distributor, 1956 1/

Item	Packer branch houses	Whole-salers	Jobbers	Truck distrib-utors	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Sales:					
Outside Los Angeles County:					
To domestic points	20,620	36,235	17,513	2,260	76,628
To foreign and offshore	3,033	5,827	2,444	0	11,304
In Los Angeles County	102,132	179,619	107,627	51,444	440,822
Total	125,785	221,681	127,584	53,704	528,754
Distribution of sales in Los Angeles County to:	Percent	Percent	Percent	Percent	Percent
Retail outlets:					
Food chains	20.3	30.5	2.1	0	17.6
Independent retailers	45.7	25.8	7.2	99.5	34.5
Hotels, restaurants, and institutions	9.9	2.3	86.8	2/	24.4
Subtotal	75.9	58.6	96.1	99.5	76.5
Wholesale meat distributors, processors, and other	24.1	41.4	3.9	.5	23.5
Total	100.0	100.0	100.0	100.0	100.0

1/ Includes fresh meat and cured pork.
2/ Less than 0.05 percent.

the principal customers of the distributor group for veal and pork, while dining establishments purchased the highest percentages of their beef and lamb. Food chain purchases from the distributors were important only for beef and pork.

Specialization by type of customer is evident in the sales patterns of various distributors (table 18). Truck distributors sold virtually all of their meat to independent retailers, while jobbers sold 87 percent of their meat volume to dining establishments.

Table 19.--Wholesale meat distributors: Sales of fresh meat and cured pork, by kinds and percentage sold to specified outlets in Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Sales:					
Outside Los Angeles County:					
To domestic points	52,854	1,035	1,168	21,571	76,628
To foreign and offshore	9,323	633	63	1,285	11,304
In Los Angeles County	280,208	10,480	10,817	139,317	440,822
Total	342,385	12,148	12,048	162,173	528,754
Distribution of sales in Los Angeles County to:	Percent	Percent	Percent	Percent	Percent
Retail outlets:					
Food chains	16.2	1.5	.2	23.0	17.6
Independent retailers	24.9	59.8	37.5	51.6	34.5
Hotels, restaurants, and institutions	30.1	30.9	55.7	10.2	24.4
Subtotal	71.2	92.2	93.4	84.8	76.5
Wholesale meat distributors, processors, and other	28.8	7.8	6.6	15.2	23.5
Total	100.0	100.0	100.0	100.0	100.0

More than 80 percent of the total pork sold by branch houses in Los Angeles was purchased by retailers, principally independent retailers. 17/ Packer branch houses also sold some veal to retailers but nearly all of this was received by retail food chains and consisted mainly of the more mature veal from the Midwest. Sales to dining establishments accounted for nearly all of the lamb and over one-third of the beef and veal sold by branch houses in Los Angeles. Most of these sales were made by a few packer branch houses who, although affiliated with national packers, could have been classified as jobbers. The branch houses processed a high percentage of their small volume of beef, veal, and some of their large volume of fresh pork within their own plants. 18/ Only a relatively small quantity of meat, mostly beef and pork, was sold to jobbers.

17/ See detailed appendix tables on wholesale meat distributor's sales (tables 35-38).

18/ Processing refers here to curing, smoking, grinding, or otherwise converting fresh meat to a less perishable form or to a type of sausage product. Processing excludes boning and freezing according to this definition.

The Los Angeles wholesaler's largest volume customer was the retail food chain. Other customers in order of volume purchased were independent retailers, processors and jobbers. Wholesalers' fresh pork sales were divided about equally among retail chains, independent retailers and other meat distributors. Although only a few specialized wholesalers handled pork, these wholesalers sold more fresh pork to the retail chains than did packer branch houses.

Approximately 18 meat brokers operated in the Los Angeles market in 1956. These brokers made sales arrangements during the year for an estimated 472 million pounds of fresh, cured and other processed meats. Based on estimates from interviews with Los Angeles brokers, purchases through brokers by Los Angeles meat buyers represented 20 percent of the available fresh meat supply on the market. 19/ Most of this consisted of pork purchases from Midwestern sources by wholesale meat distributors and processors. Sales (through brokers) by Los Angeles packers and other firms represented an estimated 15 percent of the Los Angeles meat supply. Activities of these brokers were not confined to the Los Angeles market or even southern California. They served clients throughout the United States, Canada, Mexico, South America, and the Orient.

Types of Grading and Grades Handled

Wholesale meat distributors handled higher percentages of federally graded meat and correspondingly smaller percentages of packer branded meats than did southern California packers (tables 11 and 20). At the same time, relatively high percentages of beef and veal handled by Los Angeles wholesalers and jobbers were not graded or branded.

Packer branch houses handled higher percentages of U. S. graded beef and lamb than either jobbers or wholesalers. This is unusual as packer branch houses are affiliated with national packers who prefer to sell fresh meat on a packer brand basis. Most of the veal handled by Los Angeles packer branches, however, was identified by packer brands.

Wholesalers handled a smaller percentage of U. S. graded beef than did other distributor types. Wholesalers frequently prefer ungraded beef which may yield Choice grade cuts from carcasses that would grade U. S. Good. They also tended to handle rather heavy weight beef. In essence, the wholesalers were mass merchandisers of beef that could not be sold in volume or in carcass form to retail food chains. Most veal handled by wholesalers also was ungraded but like other distributors, nearly all of the lamb sold by wholesalers carried U. S. grade stamps.

The truck distributors sold higher percentages of U. S. graded beef and lower percentages of unidentified beef and lamb than either wholesalers or jobbers. Jobbers, on the other hand, sold a higher percentage of U. S. graded veal than any other class of wholesale meat distributor.

19/ "Available fresh meat supply" is explained in detail on page 37.

Table 20.--Wholesale meat distributors: Percentages of beef, veal, and lamb handled by each type of wholesale distributor, by type of grading, Los Angeles County, 1956

Type of wholesale distributor	U. S. graded	Packer branded	Not graded or branded	Total
	Percent	Percent	Percent	Percent
Beef:				
Packer branch houses	82.9	9.9	7.2	100.0
Wholesalers	60.3	0	39.7	100.0
Jobbers	70.8	3.6	25.6	100.0
Truck distributors	86.9	1.0	12.1	100.0
Total	68.4	1.5	30.1	100.0
Veal:				
Packer branch houses	10.1	67.9	22.0	100.0
Wholesalers	36.5	0	63.5	100.0
Jobbers	67.6	3.1	29.3	100.0
Truck distributors	50.9	13.0	36.1	100.0
Total	51.4	16.1	32.5	100.0
Lamb:				
Packer branch houses	100.0	0	0	100.0
Wholesalers	91.1	0	8.9	100.0
Jobbers	92.1	2.3	5.6	100.0
Truck distributors	96.1	0	3.9	100.0
Total	94.5	.8	4.7	100.0

Apparently independent retailers, who were the principal customers of truck distributors, the dining establishments, who depended on jobber supplies, and retail chains, all tended to favor federally graded meat over the packer branded or ungraded.

Not only did the Los Angeles branch houses handle higher percentages of U. S. graded beef and lamb than wholesalers or jobbers, but they also handled considerably higher percentages of the U. S. Choice grade (table 21). Only the truck distributors, who sold exclusively to independent retailers, handled a high percentage of beef grading Good. The others, wholesalers and jobbers particularly, sold relatively high percentages of Standard and lower grade beef.

Table 21.--Wholesale meat distributors: Percentages of U. S. graded beef, veal, and lamb handled by each type of wholesale meat distributor, by grades, Los Angeles County, 1956

Type of wholesale distributor	Percentage distribution of U. S. grades			
	Choice	Good	Standard or commercial and other	Total
	Percent	Percent	Percent	Percent
Beef:				
Packer branch houses	77.6	9.0	13.4	100.0
Wholesalers	60.6	2.8	36.6	100.0
Jobbers	57.7	8.5	33.8	100.0
Truck distributors	62.9	31.7	5.4	100.0
Total	61.2	10.9	27.9	100.0
Veal:				
Packer branch houses	25.7	54.4	19.9	100.0
Wholesalers	3.2	25.8	71.0	100.0
Jobbers	56.4	30.0	13.6	100.0
Truck distributors	60.7	33.0	6.3	100.0
Total	56.7	32.0	11.3	100.0
Lamb:				
Packer branch houses	100.0	0	0	100.0
Wholesalers	71.2	8.9	19.9	100.0
Jobbers	93.1	4.7	2.2	100.0
Truck distributors	97.1	2.9	0	100.0
Total	93.6	3.9	2.5	100.0

Jobbers and truck distributors each handled considerably more veal than either the branch houses or wholesalers and tended to concentrate on U. S. Choice grade veal. The packer branch houses tended to concentrate on Good grade veal while wholesalers' graded veal consisted mainly of Standard and the lower grades.

A large proportion of the lamb sold by all wholesale meat distributors was Choice grade. Only the wholesalers handled Good, Standard, and lower grades of lamb to any extent. They sold most of this lower grade lamb along with the lower grades of beef and veal to processors.

Retail Grocery Stores

There were about 37 retail food chain companies in the Los Angeles area operating 690 grocery stores in 1956. According to available information this is the largest number of food chain companies of any city in the United States.

Changes in Numbers and Volumes

Phenomenal increases took place after 1939 in sales volumes of grocery stores in the Los Angeles area. Their sales in 1954 statistically adjusted for price changes, were almost five times as large as in 1939 (table 22). Numbers of grocery stores, in contrast to the national trend, also increased during this period. Stores operated by firms with one to three store units, however, increased more during 1939-54 than stores operated by firms with four or more units. On the other hand, sales of the larger firms, those with four or more stores, increased more in both absolute and percentage terms.

Table 22.--Retail grocery stores: Number of stores and value of sales, by size of firm, and percentage changes, Los Angeles County, 1939-54 1/

Item	1939	1954	Percentage increase
	Stores	Stores	Percent
Number of stores, by size of firm:			
1 to 3 stores	3,084	3,923	27.2
4 or more stores	496	562	13.3
Total	3,580	4,485	25.3
	Thousand dollars	Thousand dollars	Percent
Sales, by size firm: 2/			
1 to 3 stores	143,316	578,671	303.8
4 or more stores	131,102	724,881	452.9
Total	274,418	1,303,552	375.0

1/ Census of Business, Retail Trade, 1939, Volume I, page 198; 1954, Volume I, page 4-115.

2/ Sales adjusted on basis of Bureau of Labor Statistics retail price index for all food.

A smaller percentage of the grocery stores in the Los Angeles area, 83.7 percent, consisted of single units in 1954 than in most other cities or the United States as a whole (table 23). Local medium-volume chains of 2 to 10 stores are a more important factor in the Los Angeles market, however, in terms of establishments and sales than in most other large cities of the United States. The percentage of chains with 11 or more establishments on the Los Angeles market was higher than in the United States or San Francisco, but lower than in Boston or Washington, D. C.

Los Angeles retail grocery firms with 11 or more establishments accounted for a smaller percentage of total grocery sales than in Washington, Chicago, or Boston. However, most of the Los Angeles firms with 11 or more units were local chains although some operated more than 30 establishments. In most other cities, the larger firms were regional or national rather than local. Only two of the Los Angeles chains could be classified as national chains and only one or two others operated retail units outside Los Angeles and its suburbs.

The significance attached to the number and sales volumes of local chains in Los Angeles stems from the fact that all decision-making in local chains is concentrated in the local area. Accordingly, policies and practices of local chains can be tailored rather precisely to local conditions. The meat buying policies of Los Angeles chains, specified weights and grades for example, can be based on conditions of supply and competition in Los Angeles.

Meat Purchases of Los Angeles Retailers

Los Angeles retailers purchased about 774 million pounds of fresh meat and cured pork or about 75 percent of the total dressed volume of livestock slaughtered in Los Angeles County in 1956 (table 24). 20/ Purchases of the Los Angeles area food chains alone were equal to one-fourth of the veal, a third of the beef, and about half of the lamb and pork produced from slaughter in the county.

Although chains and independent retailers did not purchase all of their meat directly from packers, they obtained nearly all of their meat locally (table 24).

Purchase patterns of food chains and independent retailers were similar in some respects (tables 25 and 26). Both relied almost exclusively on local sources. Direct purchases from packers accounted for 80 percent of the meat obtained by chains and 60 percent of that received by the independents. The chains obtained virtually all of their veal and lamb directly from packers (table 25). About four-fifths of the beef purchases by food chains represented direct purchases from packers.

20/ This volume includes purchases of all independent grocery retailers and retail meat markets in the county and all purchases of food chains with 5 or more stores in the county for distribution to stores inside and outside of the county.

Table 23.--Retail grocery stores: Percentage distribution of stores and sales, by size of firm, United States, Los Angeles, and other selected cities, 1954

Item	United States	Los Angeles	San Francisco	Chicago	Washington, D. C.	Boston
	Percent	Percent	Percent	Percent	Percent	Percent
Grocery stores by size of firms:						
Single units	91.1	83.7	87.3	88.2	83.1	83.4
2 or 3 establishments	2.0	3.8	3.9	1.7	2.3	2.0
4 to 10 establishments	.8	3.1	1.9	.7	.3	1.4
11 or more establishments	6.1	9.4	6.9	9.4	14.3	13.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
Sales by size of firm:						
Single units	51.8	36.3	55.4	40.9	31.6	33.6
2 or 3 establishments	4.8	8.1	6.9	2.8	1/	3.3
4 to 10 establishments	4.0	13.6	6.4	4.7	1/	7.9
11 or more establishments	39.4	42.0	31.3	51.6	60.8	55.2
Total	100.0	100.0	100.0	100.0	92.4	100.0

1/ Not available.

Census of Business, Retail Trade, 1954, Volume I, pages 4-2, 4-93, 4-96, 4-115, 4-147, and 4-156.

Table 24.--Food chains and independent retailers: Meat purchases, by kinds, and percentages bought from specified sources, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Purchases	505,694	24,976	41,515	201,933	774,118
Percentage purchased from:	Percent	Percent	Percent	Percent	Percent
Packers:					
Los Angeles County	70.5	73.1	73.9	42.3	63.4
Other California	6.2	1.1	16.3	3.1	5.8
Other Western States	0	0	0	1/	1/
All other States	.5	0	0	3.1	1.1
Subtotal	77.2	74.2	90.2	48.5	70.3
Local wholesale distributors	22.8	25.8	9.8	51.5	29.7
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

Pork was an exception to the general pattern. Nearly a third of the pork received by food chains and more than 70 percent of the pork obtained by independent retailers was supplied by wholesale meat distributors. Both chains and independents also received relatively large quantities of pork from wholesalers and branch houses.

One of the principal distinctions between chains and independents is the extent to which the independent retailers relied on truck distributors. The truck distributors supplied independents with 13 percent of their beef, 35 percent of their veal, 18 percent of their lamb, and 11 percent of their pork.

Food Chain Meat Purchases by Type of Grading

Food chains estimated that nearly all of their lamb and beef, and about one-half of their veal was federally graded in 1956 (table 27). Most of the remaining veal was not graded or branded. The majority of the ungraded beef was obtained for hamburger meat and much of the packer-branded beef was accounted for by a chain owned packer. About 13 percent of the veal also was stamped with packer brands, but in contrast with ungraded beef, most of this veal was sold as fresh meat.

Table 25.--Retail food chains: Meat purchases, by kinds, and percentages bought from specified sources, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Purchases	258,271	10,398	24,770	101,631	395,070
Percentage purchased from:	Percent	Percent	Percent	Percent	Percent
Packers:					
Los Angeles County	79.9	98.4	88.0	63.0	76.6
Other California	1.4	.1	11.9	.6	1.8
Other Western States	0	0	0	1/	1/
All other States	1.1	0	0	4.8	1.9
Subtotal	82.4	98.5	99.9	68.4	80.3
Local wholesale distributors	17.6	1.5	.1	31.6	19.7
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

The Choice grade accounted for about all of the federally graded lamb and nearly 90 percent of the federally graded beef purchased by retail food chains (table 28). In contrast, only 60 percent of the federally graded veal handled by Los Angeles chains consisted of U. S. Choice. The proportion of the total beef, veal, and lamb purchased by chains grading U. S. Choice was beef 75 percent, veal 22 percent, and sheep and lambs 96 percent.

Table 26.--Independent retailers: Meat purchases, by kinds, and percentage bought from specified sources, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Purchases	247,423	14,578	16,745	100,302	379,048
Percentage purchased from:	Percent	Percent	Percent	Percent	Percent
Packers:					
Los Angeles County	60.6	55.1	52.9	21.3	49.7
Other California	11.2	1.9	22.9	5.6	9.9
Other Western States	0	0	0	1/	1/
All other States	0	0	0	1.4	.3
Subtotal	71.8	57.0	75.8	28.3	59.9
Local wholesale distributors	28.2	43.0	24.2	71.7	40.1
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

Table 27.--Retail food chains: Percentage of beef, veal, and lamb purchased, by type of grading or branding, Los Angeles County, 1956

Species	Federally graded	Packer branded 1/	Not graded or branded	Total
	Percent	Percent	Percent	Percent
Beef	84.5	7.3	8.2	100.0
Veal	49.0	13.3	37.7	100.0
Lamb	96.3	3.2	.5	100.0

1/ Predominately from chain-owned packing plant.

Table 28.--Retail food chains: Percentage of U. S. graded beef, veal, and lamb sold, by grades, Los Angeles County, 1956

Species	Prime and choice 1/	Good	Standard and lower	Total
	Percent	Percent	Percent	Percent
Beef	88.3	6.2	5.5	100.0
Veal	59.6	25.3	15.1	100.0
Lamb	99.7	.3	0	100.0

1/ Nearly all choice grade.

DISTRIBUTION CHANNELS

The Los Angeles market structure and competitive interrelationships among types of firms in the market are shown most clearly by combining sales of packers with purchases and sales of wholesale meat distributors, food chains, and others.

Channel diagrams are presented for fresh beef, veal, lamb, and pork, for cured and smoked pork, and for all fresh meat and cured pork. Two diagrams show distribution channels for each species or class of meat. One of these diagrams represents distribution of the total quantity available in the county; the other diagram represents distribution of the quantity actually distributed and presumably consumed by civilians in the county. 21/ The essential difference between these two quantities is that all quantities sold to processors and Government agencies, all shipments to buyers outside the county, and all quantities distributed by Los Angeles retail food chains to their stores located outside the county were subtracted from total quantities available to obtain the supplies actually distributed within the county.

Beef Distribution Channels

More than 911 million pounds (dressed weight) of beef became available in Los Angeles County during 1956 either for distribution within the county or for shipment and consumption elsewhere. The distribution channels for this beef are illustrated in figure 3. Distribution channels for the 542.3 million pounds of beef sold in fresh or frozen form to food chains, independent retailers, and dining establishments in Los Angeles County are shown in figure 4.

The outstanding features of the Los Angeles market revealed by these figures are:

1. California packers provided nearly 90 percent of the beef that was available for distribution in Los Angeles County during 1956.

2. About two-thirds of the total beef available in the area flowed directly from the packers to the "final market outlets." 22/ The remaining one-third moved through wholesale meat distributors (fig. 3).

3. Wholesale distributors, in order of volume handled, were wholesalers, jobbers, truck distributors and packer branch houses. Although independent distributors purchased the major portion of their beef supplies from local

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21/ Detailed tables are included in the appendix which show how these quantities were calculated (tables 39-56).

22/ Final market outlets include retail outlets (food chains, independent retailers, and dining establishments), processors in Los Angeles County, Government agencies, offshore buyers, and all types of domestic buyers located outside Los Angeles County.

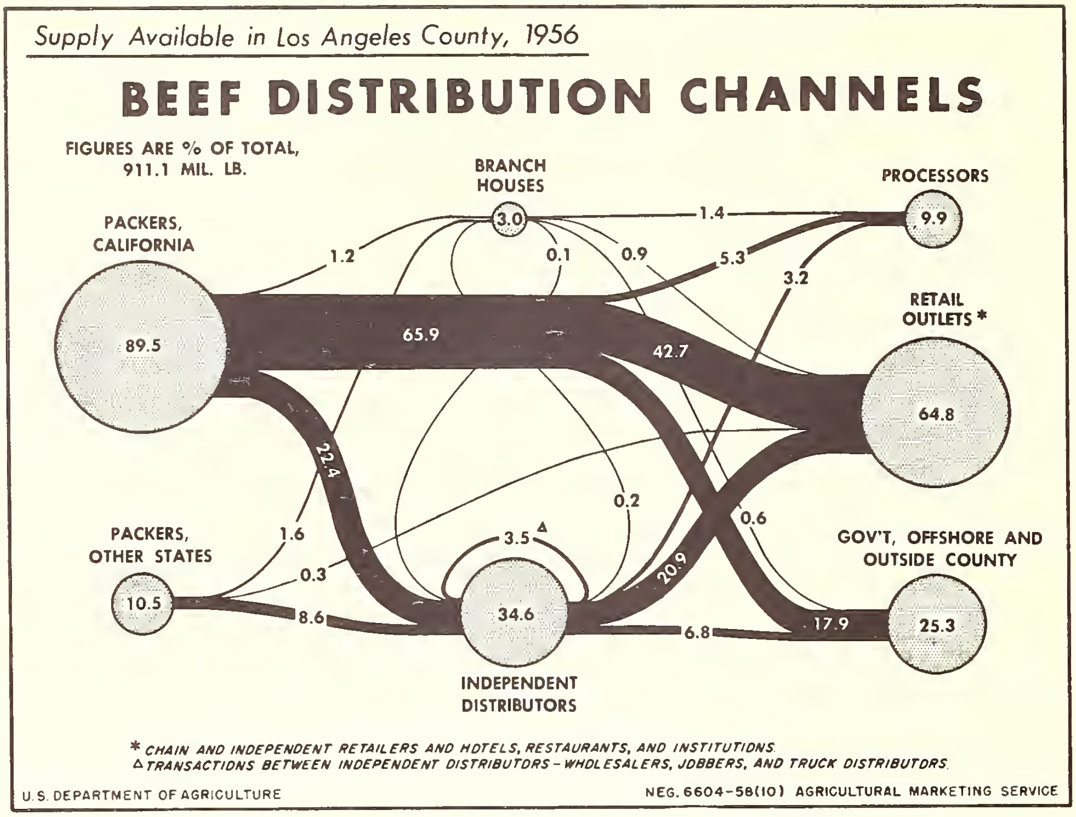

Figure 3

packers, they also relied heavily on packers in other States (figure 3). Packer branch houses, relatively unimportant in the distribution of fresh beef in the Los Angeles area, obtained almost equal quantities of beef from local packers and packers in other States.

4. Almost two-thirds of the total beef entering the Los Angeles market in 1956 was ultimately received by retail outlets. Purchases by Government agencies, shipments to offshore points, and purchases by domestic buyers outside Los Angeles County accounted for more than one-fourth of the beef available for distribution. The remaining beef, about 10 percent, was purchased by processors or was transferred to within-plant processing by Los Angeles packers or packer branch houses (figure 3).

5. Independent retailers sold more beef to consumers in Los Angeles County than retail food chains (figure 4).

6. Most of the wholesale meat distributors in Los Angeles tended to cater to different clienteles. Packer branch houses sold a large share of their small volume of beef to dining establishments, while jobbers sold almost exclusively to the same outlet. Truck distributor sales, on the other hand, were directed almost exclusively to independent retailers.

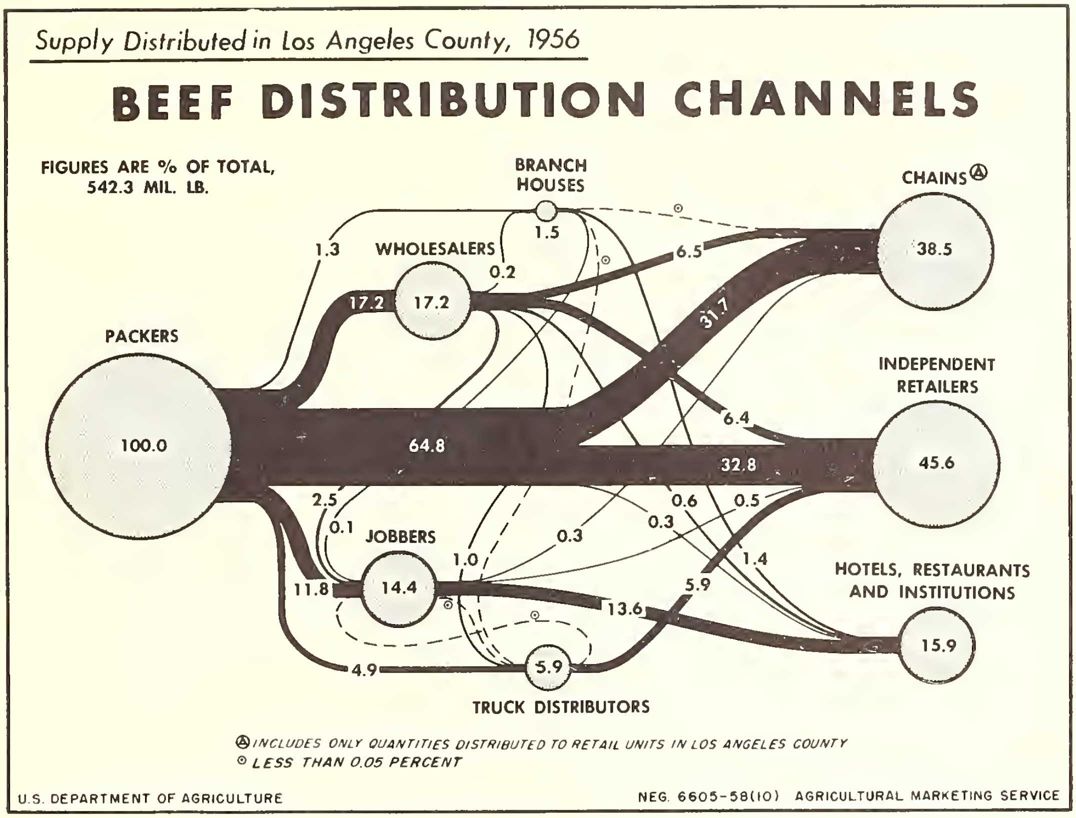

Figure 4

Veal Distribution Channels

Almost 42 million pounds of veal was available for distribution within the Los Angeles metropolitan area in 1956 (fig. 5). More than 26 million pounds were sold to consumers within Los Angeles County by chains, independent retailers, and dining establishments (fig. 6).

Some general observations which might be made from these channel diagrams are:

1. California packers handled more than 96 percent of the veal available for distribution (fig. 5). Most of the remaining 4 percent was shipped by packers in other States to their branch houses in Los Angeles.

2. About 72 percent of the Los Angeles veal moved from packers directly to final market outlets. Independent wholesale distributors handled most of the remainder. Packer branch houses handled only about 5 percent of the total veal available for distribution in the Los Angeles area (fig. 5).

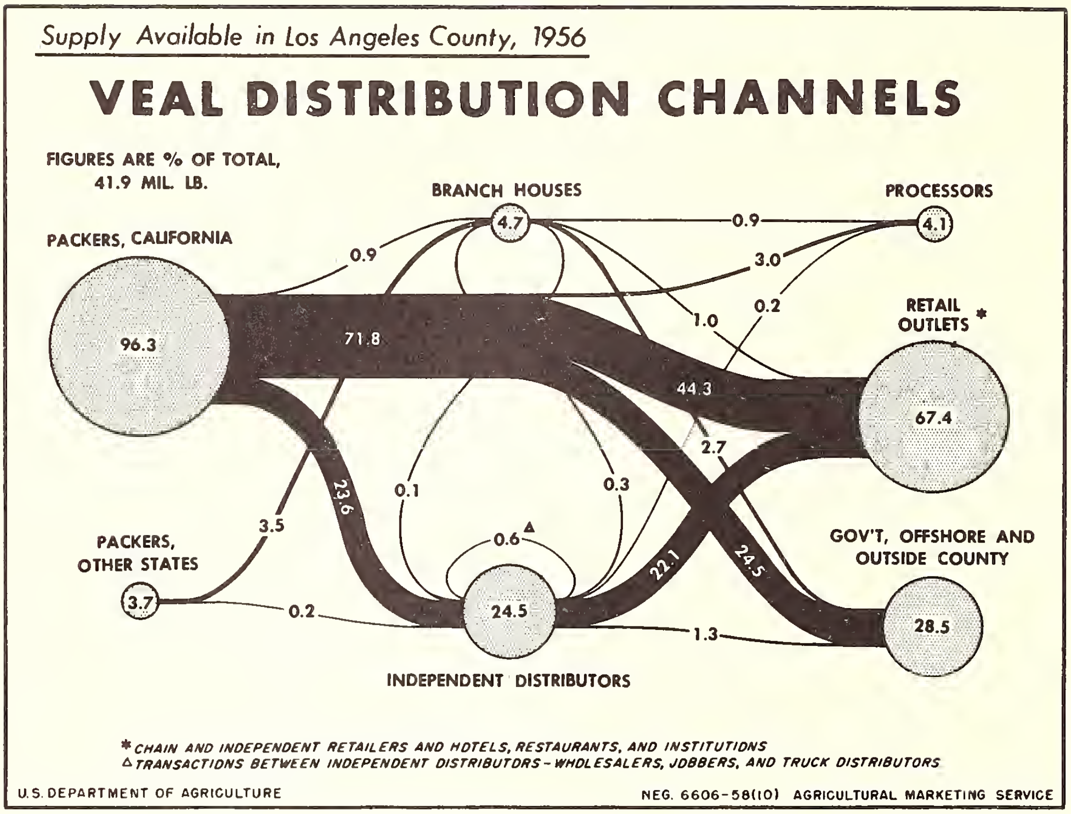

Figure 5

3. The branch house sales of veal were widely distributed, whereas the independent distributors sold mainly to retailers and dining establishments (fig. 5).

4. The retail outlets, which received more than 67 percent of the veal available for distribution, acquired two-thirds of their supply from southern California packers and about one-third from independent distributors. Most of the remaining veal was ultimately received by Government agencies, offshore buyers, and domestic buyers outside Los Angeles County. Processors obtained only about 4 percent (fig. 5).

5. Of the more than 26 million pounds of veal sold to consumers within Los Angeles County in 1956, independent retailers handled more than one-half and chain stores obtained about one-third. The remaining 12 percent was purchased by dining establishments (fig. 6).

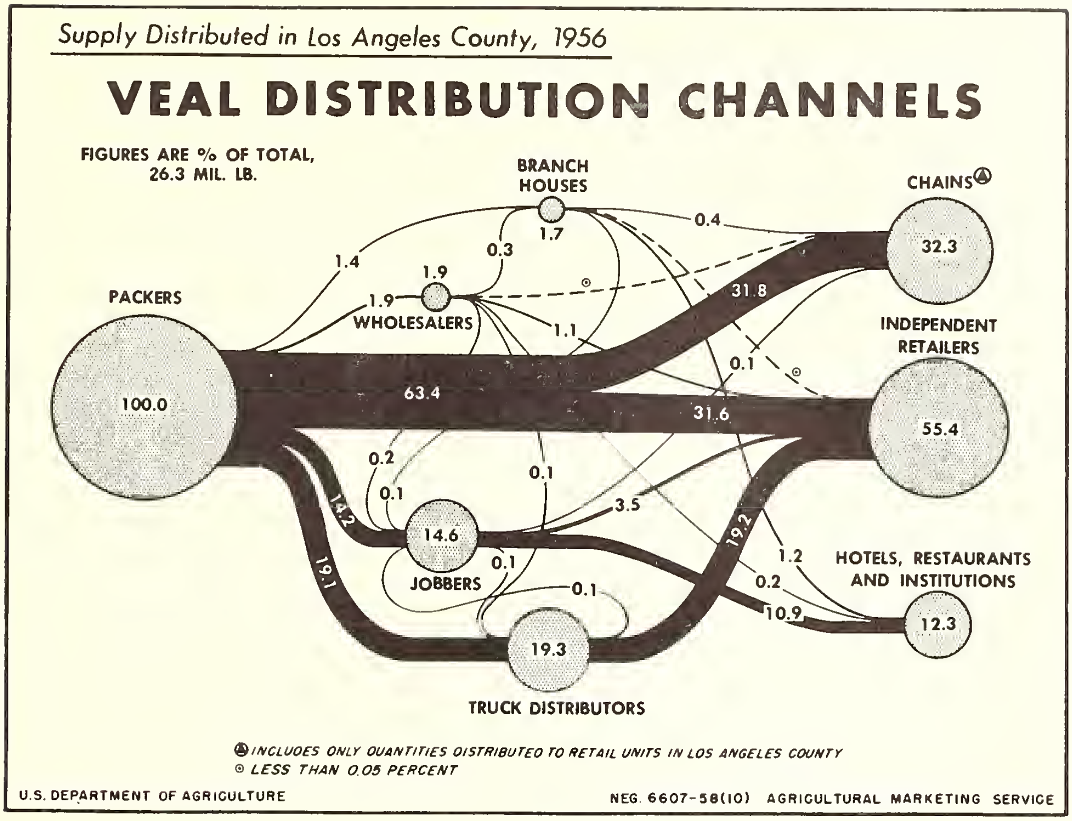

Figure 6

Lamb Distribution Channels

The 58.2 million pounds of lamb available for distribution in Los Angeles County was supplied exclusively by California packers. Packers in other States did not sell lamb either to wholesale distributors or retailers in Los Angeles during 1956. Lamb distributed to retail stores and dining establishments in Los Angeles County amounted to 42.2 million pounds.

1. More than 80 percent of the lamb available for distribution in Los Angeles was sold directly to the final market outlets. The remainder was sold primarily to independent meat distributors. Packer branch houses handled only a small volume of lamb (fig. 7).

2. Approximately 82 percent of the lamb entering the Los Angeles market was purchased by retail outlets. Government buyers, offshore buyers, and domestic buyers outside Los Angeles County purchased 14 percent. Processors purchased only about 4 percent of the lamb supply available on the market (fig. 7).

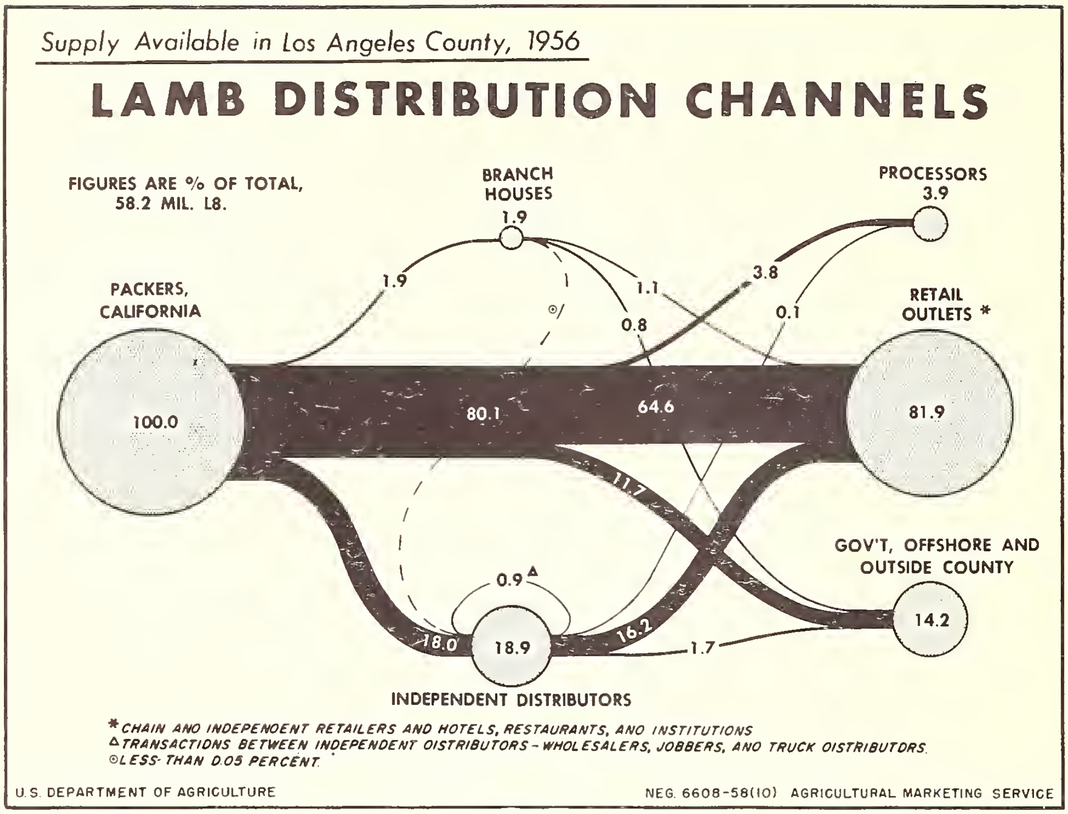

Figure 7

3. Chain stores received almost one-half of the 42.2 million pounds of lamb distributed in Los Angeles County. In contrast with the pattern for beef and veal, for which independent retailers were the predominant suppliers to consumers, food chains supplied consumers with most of their lamb (fig. 8).

4. Chain stores depended almost exclusively on packers for lamb. While independent retailers also relied primarily on packers for lamb, they also obtained considerable quantities of lamb from truck distributors and jobbers. Jobbers supplied hotels, restaurants, and institutions with about 85 percent of their lamb, while branch houses furnished an additional 10 percent (fig. 8).

Pork Distribution Channels

Fresh Pork

Approximately 269.5 million pounds of fresh pork was available for processing and distribution in Los Angeles County in 1956. Only 91.1 million pounds, however, was eventually distributed in the county as fresh meat to retailers and dining establishments. More than 100 million pounds of the

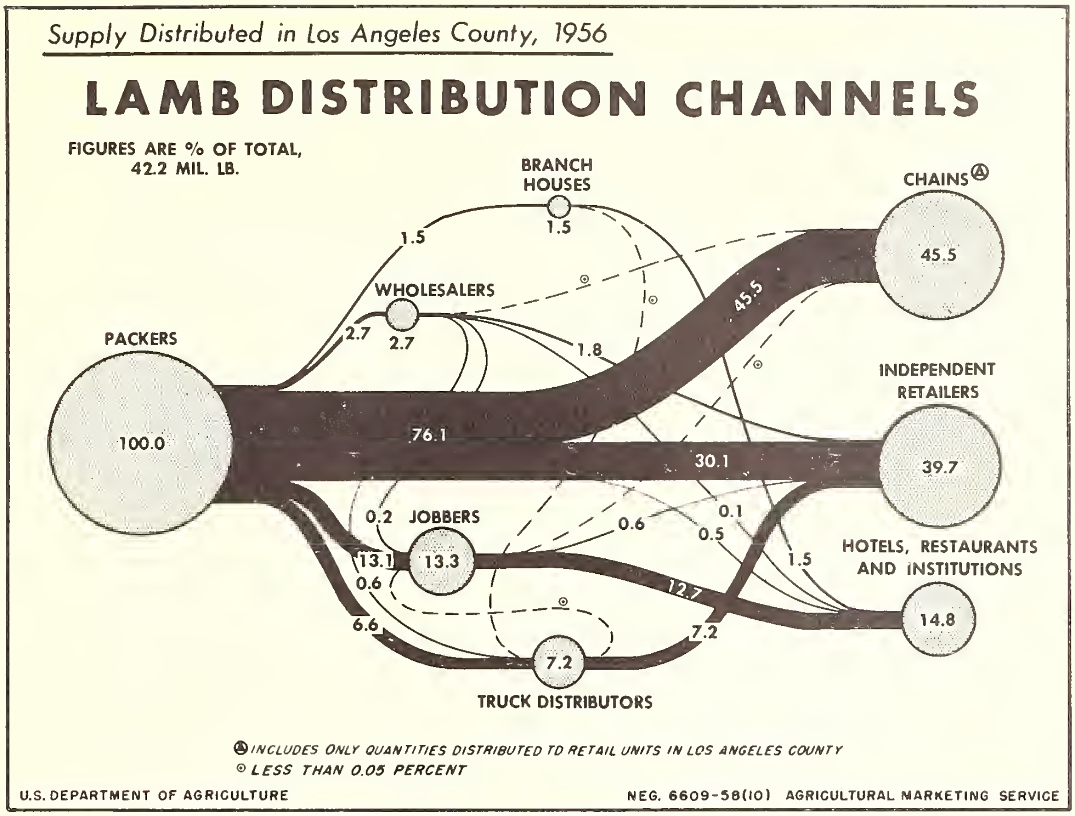

Figure 8

available fresh supply was sold to processors or processed within the county by packers, packer branch houses, or wholesalers. Another 52 million pounds was sold to domestic buyers outside the county.

1. Almost 83 percent of the available supply of fresh pork was supplied by California packers while packers in other States provided the remaining fresh pork (fig. 9). About three-fourths of this fresh pork was sold directly to the final market outlets. Branch houses and independent distributors handled the remaining one-fourth.

2. Most of the out-of-State fresh pork was received and distributed by wholesale meat distributors. Branch houses relied almost exclusively on packers in other States for their fresh pork supplies. Independent distributors, on the other hand, received nearly equal quantities of fresh pork from southern California packers and packers in other States.

3. The retail outlets, consisting of retail chains, independent retailers, and hotels, restaurants, and institutions, received a relatively small volume, 37 percent, of the total available fresh supply of pork. Processors received 41 percent of the available fresh pork. This includes pork transferred within plants by packers and packer branch houses. The distribution of fresh pork to buyers outside Los Angeles County also was relatively large (fig. 9).

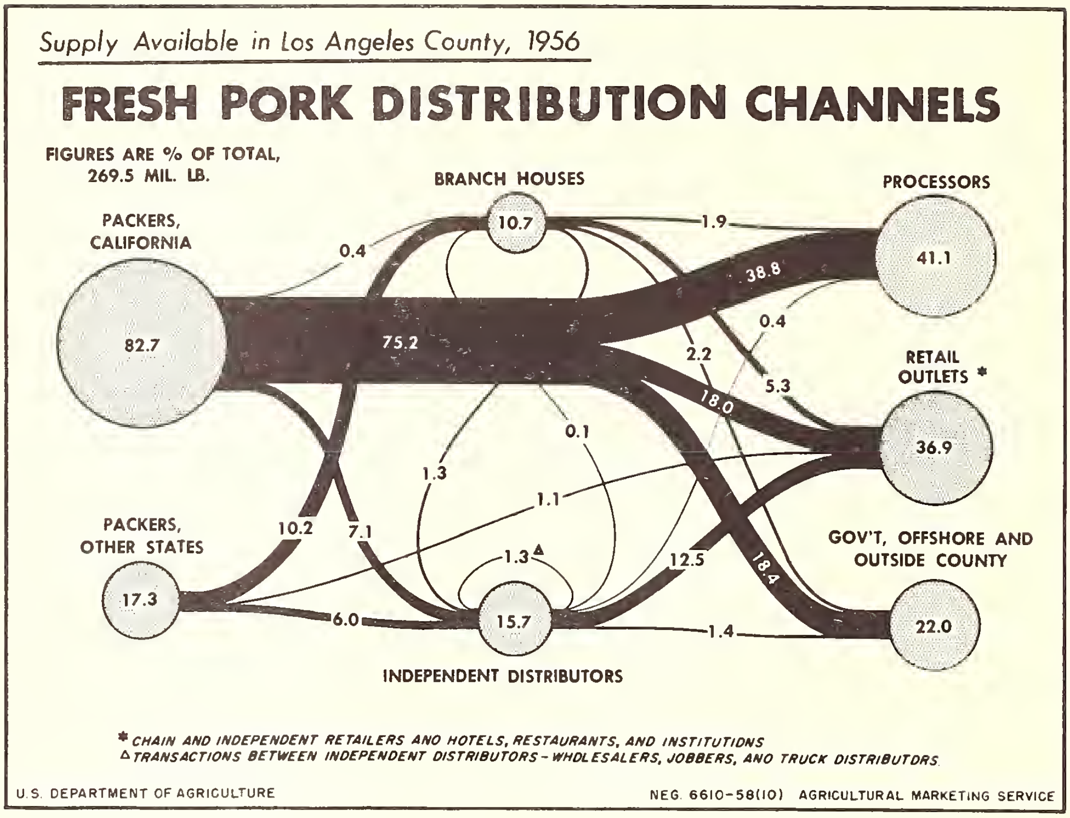

Figure 9

4. The retail outlets received about one-half of their fresh pork from southern California packers and an additional one-third from independent wholesale distributors. Packers rather than the intermediate distributors were responsible for most of the sales (or transfers) to processors, Government agencies, offshore buyers, and domestic buyers outside Los Angeles County (fig. 9).

5. Chain stores in Los Angeles County received more than half of the 91 million pounds of fresh pork that was distributed within the county (fig. 10). Independent retailers obtained 35 percent, while hotels, restaurants, and institutions purchased the remaining 13 percent.

6. Los Angeles chain stores obtained nearly 80 percent of their fresh pork requirements directly from packers. The chains also obtained some fresh pork from packer branch houses but they received a considerably larger supply from wholesalers. Independent retailers obtained their fresh pork from a variety of sources. Packer branch houses were their largest suppliers followed by wholesalers, truck distributors, packers, and jobbers (fig. 10).

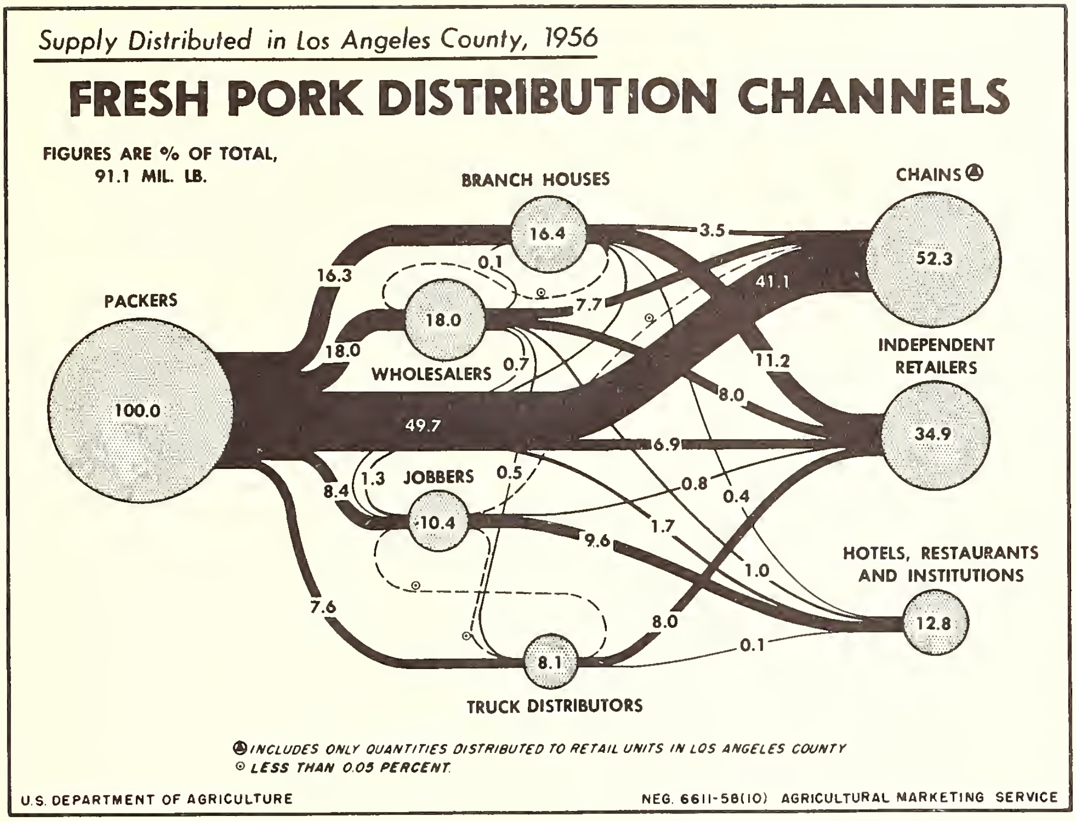

Figure 10

7. Dining establishments received a smaller percentage of their fresh pork from jobbers and packer branch houses than other fresh meats. Packers supplied them directly with about 13 percent of their requirements and they obtained additional quantities from wholesalers and packer branch houses (fig. 10).

Smoked and Cured Pork

1. Southern California packers supplied slightly more than half of the 163 million pounds of smoked and cured pork that became available in Los Angeles County during 1956 (fig. 11). About 46 percent, a much larger proportion than for other meats, was supplied by packers in other States.

2. Less than half of the available smoked and cured pork (compared with two-thirds to three-fourths of the available beef, veal, lamb, and fresh pork) was sold by packers directly to final market outlets (fig. 11). Packer branch houses handled 42 percent of the smoked and cured pork in the market. Thus, Los Angeles packer branch houses were principally handlers, processors, and distributors of cured pork and processed pork products. Only a few wholesalers handled more than insignificant quantities of cured pork (fig. 11).

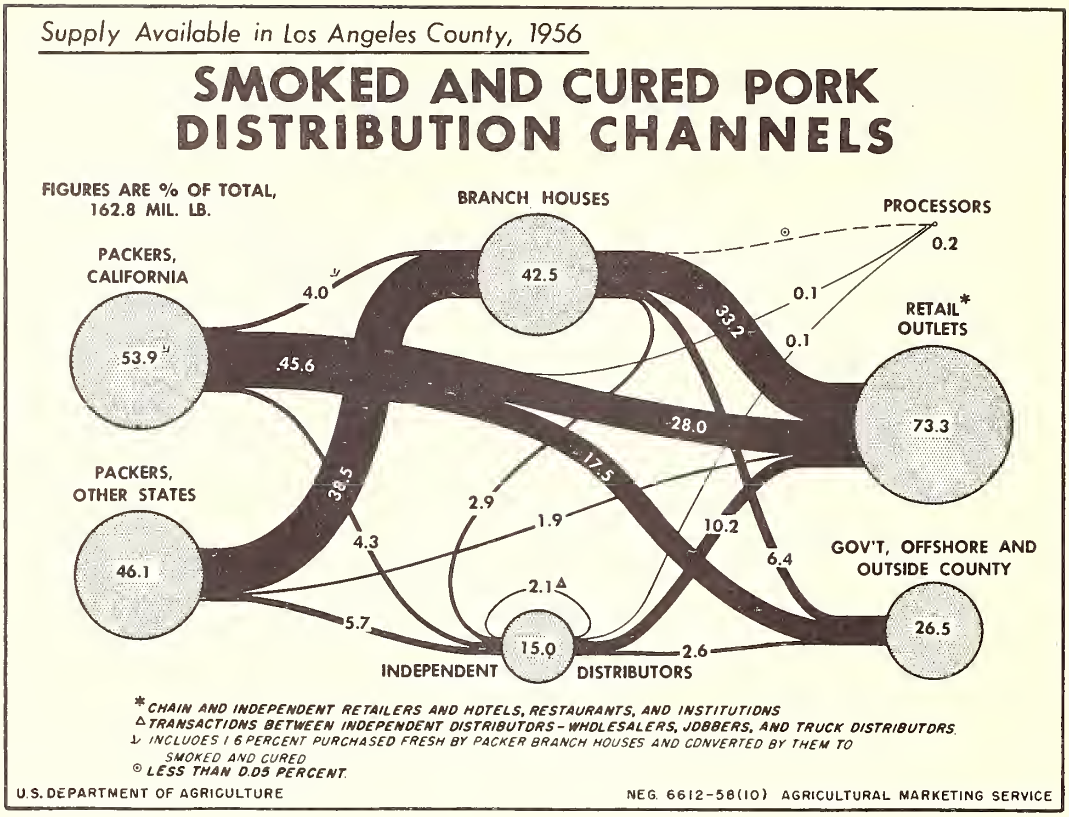

Figure 11

3. Packer branch houses received a high percentage of their cured pork from packers in other States. Packers provided the independent distributors with about two-thirds of their smoked and cured pork while branch houses supplied the remaining one-third (fig. 11).

4. The primary source of smoked and cured pork for retail outlets, which received 73 percent of the total supply available, was packer branch houses (fig. 11). Southern California packers provided these outlets with an additional 28 percent. Cured or smoked pork usually received no further processing. Consequently, purchases of this pork by processors in Los Angeles were minor.

5. The Los Angeles retail outlets (food chains, independent retailers, and dining establishments) sold more than 111 million pounds of smoked and cured pork to consumers in Los Angeles County during 1956 (fig. 12). Independent retailers handled about 62 percent of this total. Food chain stores handled more than one-third while dining establishments sold less than 5 percent.

6. Packer branch houses provided more than half of the independent retailers' smoked and cured pork and about 37 percent of the smoked and cured pork obtained by chain stores for distribution in Los Angeles County.

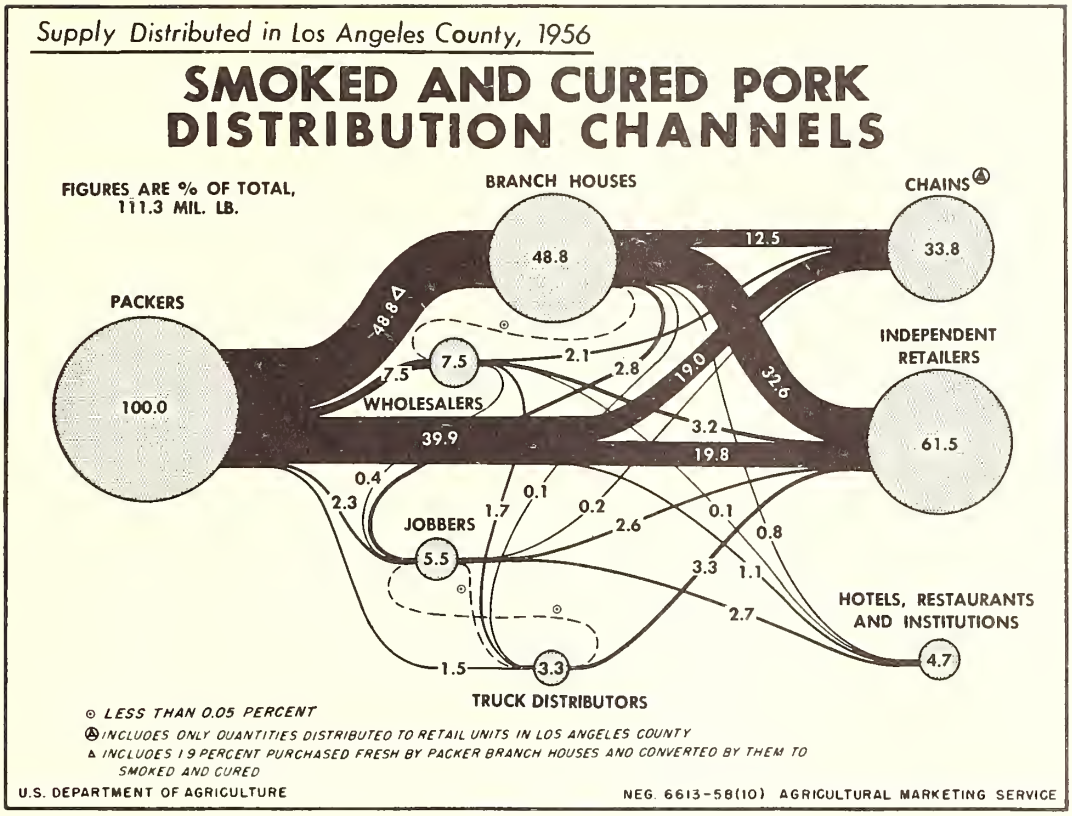

Figure 12

Independent retailers purchased 32 percent of their smoked and cured pork directly from packers, while retail chains obtained 56 percent of their supplies from packers. Food chains also obtained a significant quantity of smoked and cured pork from wholesalers (fig. 12).

7. Hotels, restaurants, and institutions received only 57 percent of their smoked and cured pork from jobbers. Packer branch houses supplied 17 percent and even more, 23 percent, was obtained from packers (fig. 12).

Total Fresh Meat and Cured Pork Distribution Channels

The volume of fresh beef, veal, lamb, pork, and smoked and cured pork available in Los Angeles County during 1956 totaled 1.4 billion pounds. The total quantity distributed in the county to retail stores and dining establishments was 812.9 million pounds or about 60 percent of the total available supply.

Almost two-thirds of the total available supply moved directly from packers to the final market outlets (fig. 13). About 39 percent of the available supply moved directly to retail outlets and 19 percent was

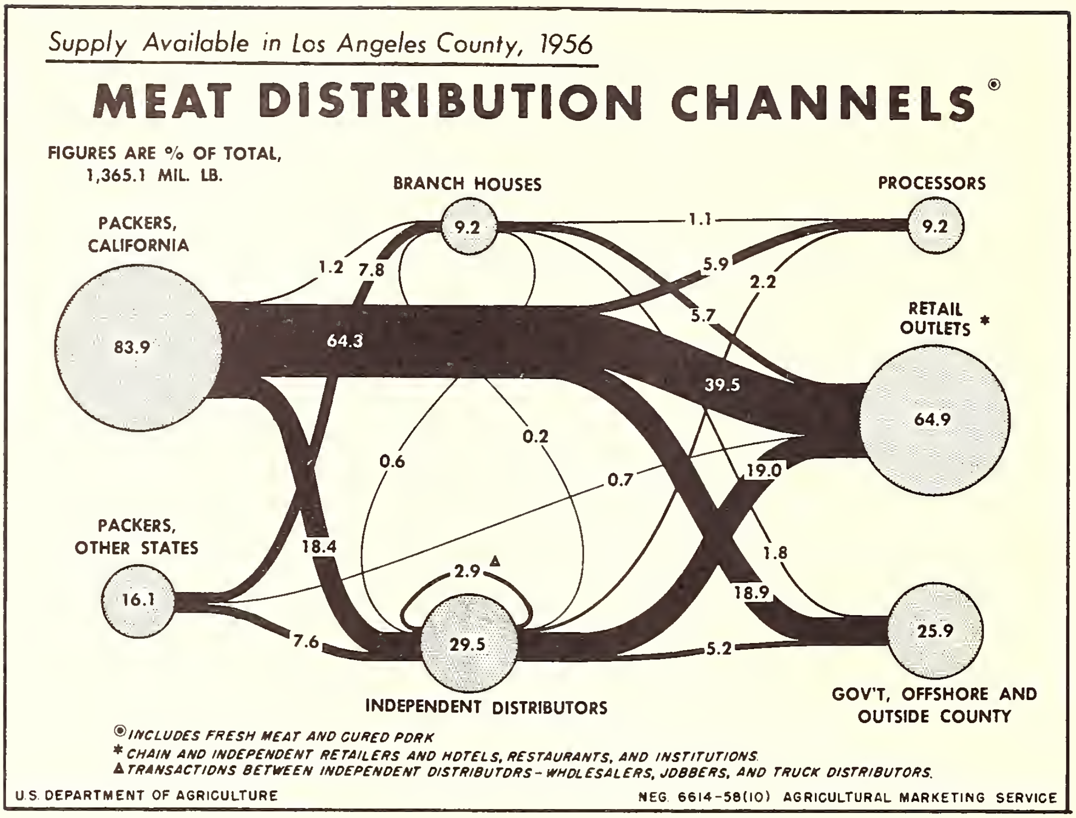

Figure 13

distributed by Los Angeles packers outside the county. Approximately 6 percent was processed by packers or sold to processors (fig. 13). The proportion of total direct sales was about the same as for beef, more than for pork, but less than for veal and lamb. Most of the remaining total meat, about one-third, was handled by independent distributors.

Independent meat distributors received nearly as much meat from out-of-State as packer branch houses. About one-half of the total out-of-State supply was procured by packer branch houses; independent distributors obtained 47 percent; and the retail chains received the other 4 percent.

Most of the meat sold by branch houses and independent distributors was purchased by retail outlets (fig. 13). Other important outlets for branch house meat were processors, Government agencies, and offshore and domestic purchasers outside Los Angeles County. Branch houses also supplied considerable quantities of meat to independent distributors.

Figure 14 presents the distribution channels for the meat that was ultimately consumed within Los Angeles County in 1956. Independent retailers handled a considerably higher percentage of this total than did the chains. Food chains in Los Angeles County received 46 percent of the total meat distributed to chains and independent retailers, or 24 percent of the total available supply.

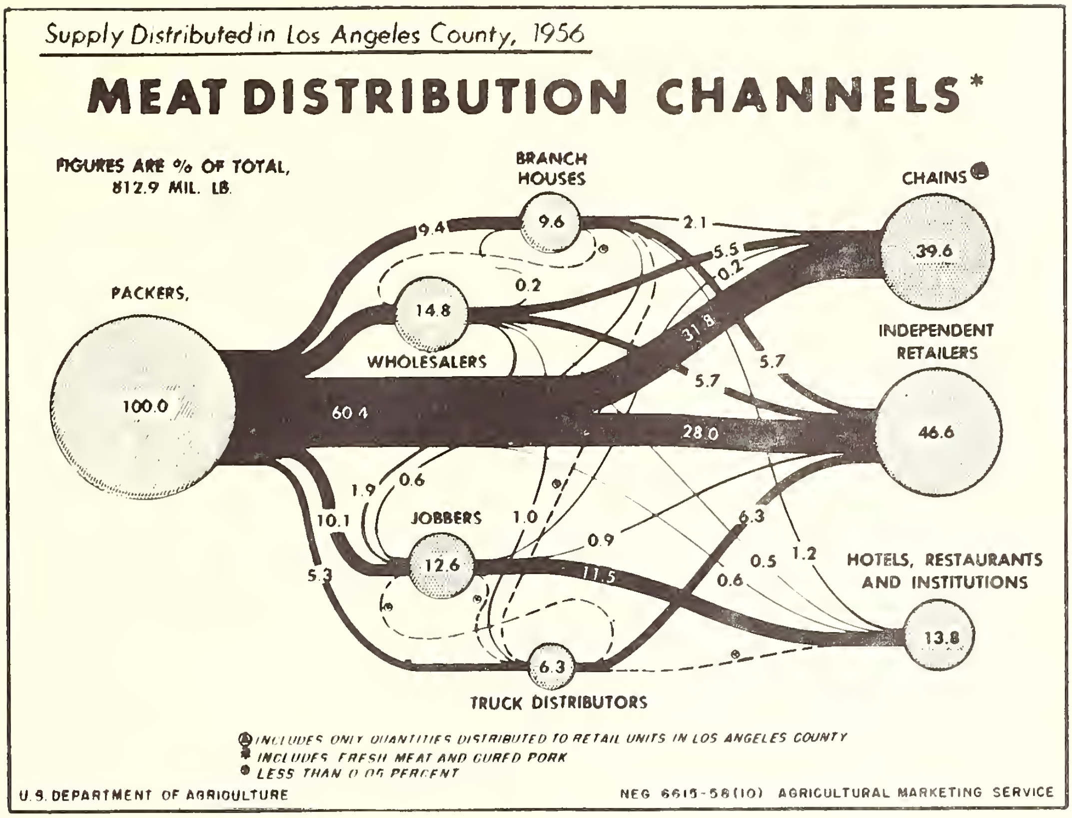

Figure 14

Independent retailers obtained 60 percent of their total meat directly from packers. However, the retail chains received 80 percent of their supply from this source. The independent retailers relied heavily on truck distributors and in addition received some supplies from branch houses and wholesalers. The chains also obtained most of their additional supplies, which consisted principally of wholesale beef cuts, from wholesalers.

In contrast to the pattern of independent retailers and food chains, dining establishments relied mainly on jobbers. The hotels, restaurants, and institutions also obtained some of their requirements from a few packer branch houses.

Comparison of Los Angeles and San Francisco Distribution Channels

The procurement and meat distribution patterns of Los Angeles and San Francisco are similar in many respects but different in others:

1. There were relatively more food chains in Los Angeles than in San Francisco.

2. Packers in the Los Angeles area were greater in number, more concentrated geographically, and handled larger volumes than packers in San Francisco.

3. The San Francisco market is characterized by a large number of independent meat markets and retailers, a group relatively less important in Los Angeles.

4. About 65 percent of the total meat available on the Los Angeles market moved directly from packers to the final market outlets. Only 45 percent of the meat on the San Francisco market consisted of direct sales.

5. Packer branch houses handled 21 percent of the total meat available in San Francisco, but only 9 percent in Los Angeles. San Francisco packer branch houses handled larger volumes of fresh and processed meats than those in Los Angeles.

6. There were relatively more large volume wholesalers and small volume truck distributors in Los Angeles than in San Francisco.

7. Jobbers on the San Francisco market serviced a wide variety of customers, while jobbers in Los Angeles were predominantly hotel and restaurant suppliers.

CHANGES IN MARKET STRUCTURE AND OUTLOOK

The market structure for meat in Los Angeles, as revealed by the channel diagrams, is complex. The diagrams, however, may lead to a false impression of rigidity or fixity in structure as they apply only to 1956, a point in time. Many changes have taken place in the Los Angeles market since the 1930's and additional changes may be expected. Some attention is given here to past changes and to factors which may determine future changes.

Outwardly, the Los Angeles market appears to function well with intense competition at all levels of the trade. Closer scrutiny, however, reveals important problems which have raised questions at various times concerning the effects of changes in structure and marketing practices. For instance, many have asked the following question: Do the various segments of the market for meat in Los Angeles, and the market as a whole, function in the traditional manner of the free enterprise economy, or have recent developments provided some segments with a degree of control over prices?

The data on organization and structure of the market provides a basis for some observations regarding competition in the market, but for the most part it simply provides background data for the more thorough analysis of pricing and competition now in process.

The Nature of Change in the Market

Several factors appear responsible for the changes during the past 30 years in the market structure for meat in Los Angeles. Some of these are general factors, such as technological innovations, increased consumer incomes, and changes in consumer buying habits, which are accounting for changes in meat wholesaling markets throughout the Nation. Others are peculiar to the Los Angeles market. These include (1) the geographic location of Los Angeles, which is far removed from other large metropolitan areas and from the Corn Belt, the principal livestock-producing region of the United States, together with increases in the demand for highly finished beef, (2) the phenomenal population increases in southern California, and (3) the exceptionally rapid development of suburban supermarket shopping in the area.

Some technological innovations, such as improvement of the motor truck, development of an improved highway network, and improved means of refrigerating meat in transit, probably have affected Los Angeles more than most other markets. Despite the development of a cattle feeding industry in southern California, the area remains a meat-deficit area accounted for mainly by imbalance in pork production. About 11 percent of the beef and nearly one-third of the pork available in Los Angeles during 1956 was shipped into the area from out-of-State in carcass form. Carcass inshipments together with inshipments of live animals for immediate slaughter (weight computed on carcass basis) accounted for almost half the total available supply of meat in Los Angeles (table 29). One-third of the beef, a fourth of the veal and nearly all of the pork available in Los Angeles county during 1956 was shipped into California either in carcass form or as livestock for immediate slaughter.

Despite the general deficit situation for meat in southern California, the geographic relationship of Los Angeles to other markets sometimes produces price-depressing situations. Some Los Angeles packers reported that midwestern packers sometimes "dump" supplies of pork in Los Angeles in order to protect their eastern markets. Although southern California and Arizona, considered jointly, probably are about in balance with respect to production and consumption of beef, temporarily large supplies of particular weights or grades of slaughter beef sometimes are available in the area. This, in turn, increases the slaughter volume in the area as packers attempt to operate as near capacity as possible to cover their high fixed costs. But in Los Angeles a temporary excess of dressed beef cannot readily be transferred to other markets. Instead it remains on the market to depress prices. A temporary shortage, on the other hand, can be remedied rather quickly through inshipments.

These factors and situations all affect competition and structural relationships among firms in the market. However, changes in the structure at the packer-wholesaler level in Los Angeles, as in other principal market areas of the Nation, must be attributed most directly to changes in the organization and pattern of food retailing.

Table 29.--Total meat available for distribution in Los Angeles County, by geographic sources of supply, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Production by Los Angeles County packers	751,076	39,528	48,159	223,701	1,062,464
Los Angeles County sales by other California packers	64,281	820	10,083	8,375	83,559
Receipts of wholesale meat distributors from out-of-State packers	93,058	1,544	1/	115,469	210,071
Receipts of retailers from out-of-State packers	2,730	1/	1/	6,245	8,975
Total	911,145	41,892	58,242	353,790	1,365,069
	Percent	Percent	Percent	Percent	Percent
Percentage distribution by sources: 2/					
California	66.3	73.4	69.9	4.2	50.6
Other Western States	25.9	6.2	30.1	1.5	19.1
Other States	7.8	20.4	1/	94.3	30.3
Total	100.0	100.0	100.0	100.0	100.0

1/ Insignificant.
2/ Includes live animals purchased for immediate slaughter and inshipments of dressed carcasses from out-of-State.

Chain Store Development

In the 1930's and earlier, relatively few local chains and only one national food chain were well established in the Los Angeles area. During and after World War II, however, many grocery retailers with two or three stores began expanding rapidly. This expansion is still continuing as retail food chains in Los Angeles added 60 new stores in 1957. The larger chains are expanding more rapidly than the smaller ones, but numerous mergers among the smaller firms provide a balance.

A number of factors, including increased consumer demand for meat of consistently high quality and intense competition among chains, resulted in the development of detailed chain specifications for the various species or classes of meat handled. These specifications for beef, veal, and lamb usually include references to the Federal grades, quality within grades, and weight. One or two chains in Los Angeles began buying beef by grade in the late 1930's. With the rapid expansion of chain organizations and independent supermarkets during the 1940's, most chains began buying beef and lamb by grade and to advertise and merchandise on this basis. The majority of the chains also began showing a preference for higher grades depending on the store location in relation to the income area.

The Changed Situation of the Packer

The number of packers in Los Angeles since the 1930's has increased and their bargaining power in both buying and selling has declined. Before World War II packers purchased grassfed beef directly from the large numbers of producers throughout the Southwest and distributed meat principally to large numbers of small-volume retailers. Although considerable competition existed among packers, their bargaining or market advantage in buying as well as in selling, was relatively good. The jobbers did much of their own breaking and there were few, if any, wholesalers with whom to compete. In pork, then as now, local packers competed with inshipments of dressed pork from the Corn Belt. However, freight rates tended to favor the shipment of live hogs and competition from this source was less intense.

More recently, beef packers have found it necessary in buying to bargain with large volume, well-informed feedlot owners, who are aware of prices, supplies, and market conditions. In selling, packers are faced with well-informed buyers for large-volume retail chains and their strict specification standards.

Independent Versus National Packers

National packers, the leaders in the slaughtering industry of the United States, have decreased in number and relative volume of slaughter in Los Angeles. Until 1953 there were four packing plants of national packers in Los Angeles but by 1957 there were only two. These remaining firms found it necessary to make numerous adjustments in their business operations. Adjustments also have been required of independent packers but these packers have been able to adjust more readily and effectively to changes in the local competitive situation than national packers.

Generally speaking, Los Angeles packing establishments of the national packers are large, antiquated, and designed for a diversified slaughtering and processing operation. They contained facilities for slaughtering all species of livestock, for breaking and fabricating, and for most types of meat processing. This type of organizational structure was well adapted to distribution to the hundreds of small-volume grocery stores and meat markets that at one time were virtually the only retailers of meat. With the development of the supermarket and chain retailing, however, many of the economies associated with the organization of national packer plants disappeared. A small retailer who purchased pork from a packer was interested also in buying his beef, veal, lamb, and processed meats from the same packer. The chain retailer, on the other hand, has preferred not to be tied closely to any one packer. Instead, he has preferred to buy on a Federal grade and specification basis and to shop among packers for most advantageous buys.

In competing for the business of these chains, most independent packers adopted Federal grading and became more specialized. National packers generally found specialization more difficult or undesirable and tended to resist Federal grading. Some found that specializing by species or function led to underutilization of some parts of their plants and facilities and this, in turn, tended to increase overhead costs. Also, in preferring to merchandise their private brands they tended to retain independent retailer accounts despite the higher unit sales costs associated with these accounts. In contrast, independent packers handling only the particular weights and grades desired by their chain customers and maintaining a high volume of business found they could profitably sell to chains at prices which meant losses to more diversified packers.

Packers Versus Wholesale Meat Distributors

Wholesale meat distributors (wholesalers, branch houses, jobbers and truck distributors) have increased greatly in number and volume of sales in the Los Angeles area. It appears highly probable, despite the tendency of chain retailers to buy meat directly from packers, that independent wholesale distributors were handling a higher percentage of the meat distributed in Los Angeles in 1956 than before World War II. Census data on branch houses in Los Angeles are not available, but from the data on California as a whole, it appears that the sales volume (adjusted for price changes) of branch houses in Los Angeles did not decline substantially in the period 1939-54 (table 13). Instead, some increase may have taken place. At the same time, price-adjusted sales of independent wholesale distributors increased 345 percent during 1939-54 (table 14). In contrast, the total volume of livestock slaughter in Los Angeles increased about 57 percent.

Relationships between packers and wholesalers in Los Angeles probably are about as complementary as competitive. In many areas wholesalers rely principally on inshipments from packers located outside the local territory. This sometimes generates the displeasure of local packers. Los Angeles wholesalers, however, purchased most of their beef from local packers. In addition, wholesalers provided packers with outlets for types, weights, and quantities of beef that the chains prefer not to buy in carcass form. Two reasons for this are: (1) conformation, a factor in grading, is of less importance in grading wholesale cuts than in grading entire carcasses. Consequently, wholesalers frequently can provide chains with Choice grade cuts from carcasses that would have graded Good, and (2) although most chains prefer lightweight cattle, they can utilize some of the cuts from large heavyweight carcasses.

Beef wholesalers compete with packers in seeking the business of large-volume buyers and in importing meat from markets outside the local territory. Inshipments of beef by Los Angeles wholesalers in 1956 represented 45 percent of their total purchases and 10 percent of the total market supply. This quantity, although marginal, was sufficiently large to affect market prices and packer's slaughter margins in the local area.

In selling pork, most of the active competition is between the few local hog slaughterers, the packer branch houses, and a few wholesale pork specialists, and within each of these groups. The local packers, however, tend to sell their fresh pork to processors and wholesalers rather than to process and distribute it themselves. The major independent wholesalers of pork also attempt to limit the area of their competition with branch houses by concentrating on fresh pork distribution. Most of the branch houses, on the other hand, do a considerable amount of processing, and local plants of the national packers also have pork processing operations. The packing plants of national packers and the branch houses in the area appear to have some important advantages in this respect.

The independent pork packer in Los Angeles is not so fortunate in this respect. He must buy live hogs in the Corn Belt, pay the cost of shipping the hogs to Los Angeles, absorb shrinkage and death losses, slaughter the animals, and process the meat as cheaply as the packer branches can obtain fresh or processed pork from parent plants in the Midwest. Under current truck and rail rate relationships on live hogs and dressed pork, this is difficult. Even the national packers who shipped live hogs from the Corn Belt to their Los Angeles plants for slaughter and processing have had difficulty in competing with inshipments of dressed pork by the branch houses. One of the two remaining national packer plants in Los Angeles has ceased slaughtering and relies on inshipments of dressed pork from Midwest plants. Several independent packers also have ceased slaughtering hogs in recent years and only two were slaughtering hogs in volume in 1957.

Compared with other species there are relatively few packers in Los Angeles who sell large volumes of lamb and no class of wholesale meat distributor handled lamb in volume in 1956. One independent packer and two national packers handled most of the lamb distribution in the area. Since per capita consumption of lamb is relatively low in comparison with other meats, retailers purchase only limited quantities of lamb at any particular time. Consequently, lamb packers must distribute their product over a wide territory to a large number of retailers.

The veal distributed in the area is of two types: The largest volume consists of dairy veal that would be graded cutter or lower according to Federal grading standards. The remainder consists of the more mature calves obtained from range cattle producers, feedlots, and dairy producers in Wisconsin and other Midwestern States. Thus, there are two separate market structures for this veal with the chains and quality-conscious independent retailers receiving most of the larger more mature veal.

Integration

Chains.--Reports of extensive ownership by Los Angeles food chains of packing or processing facilities, feedlots, and cattle on feed have appeared from time to time. In this study, however, no chain reported ownership of cattle on feed or of feedlots in 1956. Two chains owned packing plants at the beginning of the year, but one chain disposed of its plant.

Several chains reported ownership of meat warehousing facilities but used these facilities for warehousing only fresh meat. A few others planned to acquire meat warehouses if, in the opinion of the company officials, it became profitable to do so. A number also owned and operated plants for processing pork and other meat.

In the post World War II period some vertical integration of retail chains and feedlot operators took place. When the chains began to demand Choice grade beef, the volume frequently was insufficient to meet requirements. Accordingly, some chains began to buy feeder cattle and to have them custom fed. However, these chains ceased buying feeder cattle when commercial feedlots expanded rapidly in southern California. According to their reports, the chains were primarily interested in an assured and continuing supply of beef that satisfied their specifications. Also, cattle feeding, a risky enterprise, has not always been highly profitable in recent years.

Packers.--While competition among Los Angeles packers in procuring livestock appears to be strong, it tends to vary with supply and market conditions and to differ among species. Because packing facilities in the area are fixed in any particular week or season, competition among packers for livestock tends to vary directly with available supplies of the various grades of slaughter stock. Thus, in one season when supplies are large there may be relatively little competition among packers, while in the next season small supplies of desired slaughter stock may result in severe competition.

One of the techniques by which western packers have attempted to limit competition with other packers for finished slaughter cattle is integration.23/ Twenty-three southern California packers, or more than half the total, including 17 Los Angeles packers, either owned feedlots or regularly purchased feeder cattle and contracted with commercial feedlots for feeding in 1956. Relatively few packers, however, were feedlot owners. Packer-owned cattle made up about 15 percent of the total southern California beef heifer and steer slaughter in 1956, or 23 percent of the integrated packers' beef slaughter. Three of the larger packers fed or controlled the feeding of 50 percent or more of their total beef heifer and steer slaughter. Two of these were "other southern California packers" who tended to be more highly integrated than Los Angeles packers.

23/ Packer integration, as used in this study, implies ownership of feedlots or cattle. The cattle may be finished in the packers' own feedlots or in commercial feedlots.

Packer ownership of cattle in feedlots varies from year to year depending on market conditions for cattle. When cattle prices are rising, the percentage of packer-owned feedlot cattle tends to increase and vice versa. Nearly half of the California feedlot cattle were owned by packers in the year beginning September 1, 1951. 24/ In the following year, when cattle prices were dropping, only a third were packer owned. The percentage of packer-owned cattle in California feedlots probably was smaller in 1956 than in the preceding 5-year period. This view is upheld by findings in another study, which indicates that 21 percent of the beef heifers and steers slaughtered by northern California packers in 1955 consisted of packer-owned cattle. 25/

Growth of Feedlots and the Decline of the Terminal Market

With population migration to California during and after World War II from areas where consumers were accustomed to highly finished beef and with increases in consumer incomes during the period, the demand in California for high quality beef increased substantially. This provided the stimulus to increased feedlot finishing of cattle in California. The abundance of byproduct feeds and the cost advantages of large-scale operations in obtaining these feeds made possible the development of a cattle feeding industry in the Southwest. The upward trend in supplies of cattle on feed January 1, 1940-57, indicates the growth of cattle feeding in the Southwest (fig. 15).

In contrast with numbers of cattle on feed in the Southwest, salable receipts of cattle and calves at the Los Angeles terminal market remained relatively constant after 1944 (fig. 15). The volume of slaughter in the area, meanwhile, was increasing sharply. The result was a sharp decline in terminal market salable receipts as a percentage of slaughter volume. In the 10-year period 1948-57, salable receipts of cattle at Los Angeles dropped from about two-thirds of the Los Angeles slaughter to less than one-third (table 30). Most of the remaining cattle slaughtered by Los Angeles packers are obtained directly from feedlots. Feedlots, however, are not exclusively responsible for the declining importance of the terminal market at Los Angeles. Feedlots in the Southwest have grown partly as a replacement for country purchases by packers of grass-fed cattle, which in western areas, always have been important. Furthermore, the downtrend on the Los Angeles terminal market is clearly evident for calves and, as may be recalled, few calves are marketed through feedlots. In addition, terminal market receipts of cattle have dropped relatively in the Midwest and in areas where commercial feedlots have not developed. 26/ This suggests that receipts of cattle at the Los Angeles terminal market would have dropped in relation to local slaughter even in the absence of a growing cattle feeding industry in the Southwest.

24/ Scott, F. S., Jr. Marketing Aspects of Western Cattle Finishing Operations. Western Regional Bulletin No. 190, Nevada Agr. Expt. Sta. Dec. 1955.

25/ Williams. Wholesale Meat Distribution in the San Francisco Bay Area, page 65.

26/ Uvacek, E. and Wilson, D. L. Livestock Terminal Markets in the United States. U. S. Dept. Agr. Mkt. Res. Rpt. 299. February 1959.

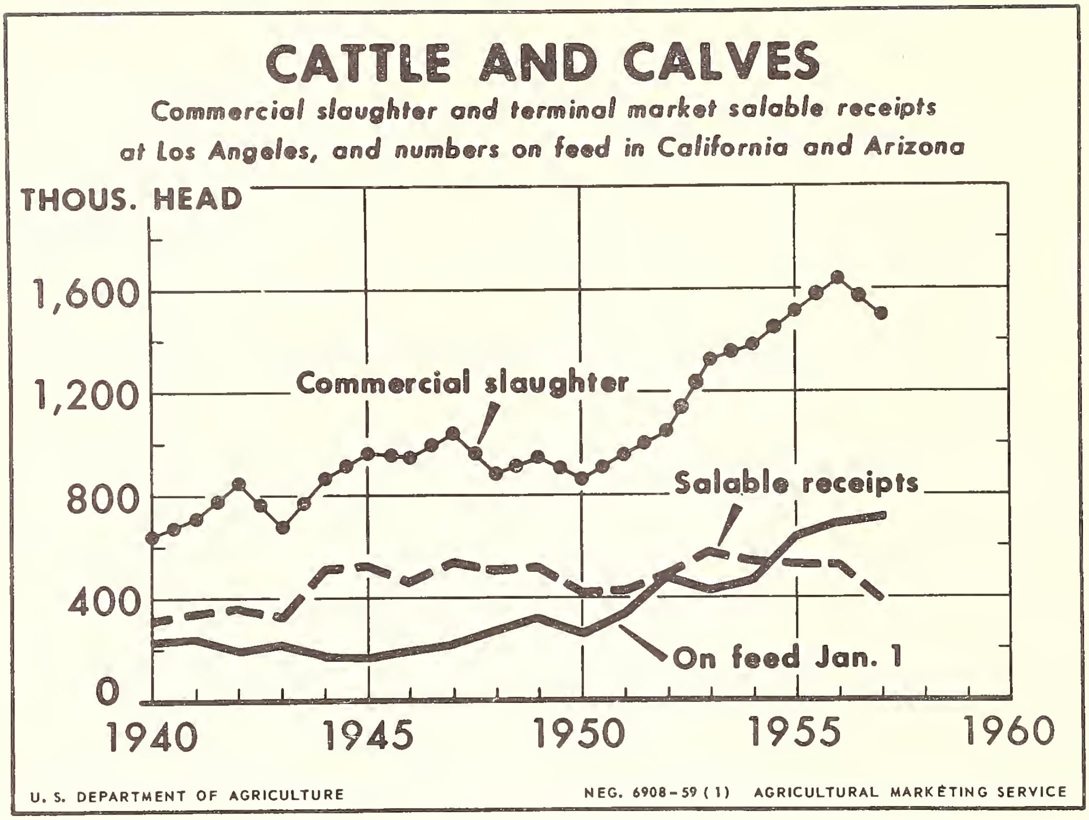

Figure 15

Competition Among Packers in Buying Cattle

Although the cash purchase arrangement is the conventional method used for obtaining slaughter livestock, packers also use the consignment, custom packing, and carcass grade and weight methods to a limited but increasing extent. The latter three methods are employed by the Los Angeles packers in some instances to buy cheaper, in others to increase their margin, and in still others for the convenience of livestock owners.

Most of the custom packing in Los Angeles is accounted for by several meat distributing firms, operating under one roof, who employ the slaughtering services of a single packer. The selling or merchandising practices of some of these distributors are similar to those employed by packers, while others operate in a manner similar to wholesalers. Several advantages may accrue from this type of custom packing arrangement. The custom packer, for instance may be able to maintain a constant and high level volume of slaughter. In addition, the custom packer is not responsible for obtaining livestock or distributing the meat and is free to concentrate on his slaughtering operation. The distributor, on the other hand, is not concerned with the problem of maintaining slaughter volume at a high level or the details of plant

Table 30.--Salable receipts of cattle and calves at Los Angeles terminal market as percentage of California and Los Angeles commercial slaughter, 1946-57

Year	Los Angeles salable cattle receipts as percentage of 1/		Los Angeles salable calf receipts as percentage of 1/	
	California slaughter 2/	Los Angeles slaughter 2/	California slaughter 2/	Los Angeles slaughter 2/
	Percent	Percent	Percent	Percent
1946	23.0	54.3	11.5	31.4
1947	26.0	58.6	13.0	32.8
1948	28.9	65.2	14.1	35.7
1949	28.8	61.4	13.3	33.6
1950	23.7	50.4	11.5	40.6
1951	20.7	41.1	22.8	69.4
1952	23.0	46.1	17.2	53.7
1953	22.5	45.2	11.7	35.1
1954	20.1	40.4	10.9	31.2
1955	19.4	38.4	7.1	18.6
1956	18.4	36.1	6.3	15.0
1957	15.0	31.1	4.2	9.4

1/ Livestock and Meat Statistics 1957. U. S. Dept. Agr. Statistical Bulletin No. 230, July 1958, pp. 50-51.
2/ California Crop and Livestock Reporting Service.

operation and can concentrate on buying and selling. Furthermore, when several cooperating distributors operate under one roof, they can make better use of jointly controlled cooler space than competing packers and wholesalers.

Consignment of livestock to packers is most frequent when supplies of slaughter stock are relatively large and, consequently, it appears that the consignment arrangement is not ordinarily used by packers to improve their competitive position relative to other packers. Southern California packers used the consignment arrangement principally for purchasing cows and other lower grade cattle. 27/ The consignment arrangement is sometimes used to avoid price risks because dressing percentages, ratios of meat to bone, and meat quality are more difficult to determine accurately on live cows than on more highly finished animals. It also tends to reduce the packers' working

27/ This is consistent with findings for northern California published in an earlier study.

capital requirements, and in some instances, reduces the packer's travel costs and costs associated with soliciting business. While the consignment method may lead to a reduction in procurement costs, these savings are probably offset by higher costs of record keeping.

The packers reported that they accepted livestock on consignment rather reluctantly and attempted to restrict use of this method to periods when large supplies of cattle were moving to market. Producers are often reluctant to use the consignment arrangement because of disappointing returns. The producers, packers said, regard consignment as a "last resort" method of finding a market because it required considerable faith by producers in packers. In addition, the consignment arrangement introduces problems in packing plants of identification, assessing condemnation losses, and making settlements with owners.

The carcass weight and grade method is frequently confused with the consignment arrangement. In both, the packer tends to shift risk or uncertainty associated with grades and yields to the producer and both lead to similar problems of identification, record keeping, and settlement with producers. The carcass weight and grade method requires the accurate and impartial measurement of grades and yields. It also requires the grading of all animals sold under this arrangement and herein lies the source of much opposition to the carcass weight and grade method of selling. This method, however, appears to offer a number of advantages over the consignment arrangement to both producers and packers.

An essential difference in the two methods is that in using the consignment arrangement the packer acts as a selling agent, whereas in selling on a carcass weight and grade basis, a schedule of prices associated with alternative weights and grades is agreed upon before slaughter. Thus, the price is established before the animals are released to the packer in the carcass weight and grade system. If carcass grades and weights are obtained accurately and impartially under this system, the producer receives a value for each animal that tends to more accurately reflect the carcass value. The packer, also, is not likely to take the same interest in selling consigned carcasses as in selling those in which he has either a cash investment or a predetermined investment as in carcass grade and weight purchases.

The principal limitations to carcass grade and weight selling revolve around the additonal costs of identifying grading, weighing, and record keeping. However, nearly all the Los Angeles packers identify each lot of carcasses and most identify individual carcasses. In addition, a high percentage of the beef slaughtered by Los Angeles packers is federally graded. Weighing poses more of a problem. Weighmasters, who may or may not be licensed, are employed by their respective packing firms and, consequently, producers may question the carcass weights. Nevertheless, the increased precision offered by the carcass grade and weight method in pricing reduces risks and possibly justifies some added costs.

Outlook for Structural Change

Some additional adjustments in the structure of the Los Angeles wholesale market for meat appear likely. The prospect for continued increases in population and in sales volumes of food retailers in that area appears good. Structural changes in the decade ahead could be as great as, or greater than, those in the postwar period.

Several factors have tended to produce a rather unstable situation in Los Angeles. The growth of large-volume specification buying by retailers has increased the frequency and degree of changes in demand at the retailer level for specific species and grades of meat. At the same time, greater specialization at the packer-wholesale level has increased the vulnerability of suppliers to temporary changes in demand at retail. The independent meat wholesaler developed, grew rapidly, and continues to operate in the market because packers until recently had been unwilling to perform the functions of breaking and fabricating in sufficient volume to satisfy retailer's demands for these services. This, however, has not affected the business of wholesalers as chains are demanding more of this type service.

The large number of packers operating within the metropolitan area, the keen competition among them, the obvious difficulty some of them are having in maintaining adequate volume, and the increased vulnerability resulting from specialization might lead to some mergers and consolidations among packers. One way or another, an increase in the average volume per packing firm in Los Angeles appears likely. If population increases at a sufficiently rapid pace this increase in average volume per firm might be accomplished with little reduction in numbers of packers in the area. If not, some reductions seem highly probable.

An uncertainty in this situation, however, is the volume of meat which the independent wholesale distributors, the branch houses, and the retail chains find they can profitably acquire at Denver or midwestern markets. In 1956 the food chains purchased nearly all of their meat from the local suppliers, but purchases by these firms in distant markets can be made with little more difficulty than in buying locally. Although they are not likely to buy in distant markets at a price disadvantage, this possibility is a constant threat to packers and tends to increase the risk to them of changes in the retail demand.

The two largest groups of affiliated retailers in Los Angeles accounted for about 12 percent of the Los Angeles grocery store sales in 1954. These retailers, however, purchase meat and most other perishables independently rather than through their cooperative or voluntary group buying organizations. But if these groups devise central buying programs on meat and other perishables, as have some voluntary groups in midwestern areas, this will constitute an additional and fairly significant factor leading to changes in structure of the market and in marketing practices. With central buying of meat in volume, for instance, these retailers probably would purchase relatively larger quantities directly from packers and buy to a greater extent on the basis of specifications.

The outlook for packer branch houses in Los Angeles as suppliers of pork and processed meat appears good. These firms compete principally among themselves. A number of cost advantages accrue to them as large volume specialists and they may realize some pricing advantages from the fact that they are almost exclusive suppliers of many processed meat items.

Some gradual change may take place among jobbers and truck distributors. Large numbers of relatively small firms characterize both of these types in Los Angeles. Development of additional relatively large hotel meat supply houses in the area seems probable and these could replace many of the small jobbers. The truck distributors, on the other hand, face the gradual decline in number and volume of their principal customers - the independent retailers. Formation of the truck distributors' cooperative and additional adjustments, however, might preserve for some considerable time in the future, a position in the Los Angeles market for truck distributors.

APPENDIX

Table 31.--Packer branch houses: Meat purchases, by kinds, and percentage bought from specified sources, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Purchases	27,276	1,951	1,066	95,492	125,785
	Percent	Percent	Percent	Percent	Percent
Percentage purchased from:					
Packers:					
Los Angeles County	18.2	18.7	58.4	3.8	7.6
Other California	19.2	1/	41.6	1.5	5.6
Other Western States	1.0	1/	0	.2	.4
All other States	53.8	75.7	0	94.1	84.3
Subtotal	92.2	94.4	100.0	99.6	97.9
Other local wholesale distributors	7.8	5.6	0	.4	2.1
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

Table 32.--Wholesalers: Meat purchases, by kinds, and percentage bought from specified sources, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Purchases	184,074	707	1,503	35,397	221,681
	Percent	Percent	Percent	Percent	Percent
Percentage purchased from:					
Packers:					
Los Angeles County	55.0	23.9	90.0	36.0	52.1
Other California	9.2	75.7	10.0	1/	7.9
Other Western States	23.3	1/	0	10.1	21.0
All other States	12.5	1/	0	53.7	19.0
Subtotal	100.0	99.6	100.0	99.8	100.0
Other local wholesale distributors	0	.4	0	.2	1/
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

Table 33.--Jobbers: Meat purchases, by kinds, and percentage bought from specified sources, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Purchases	97,781	4,298	6,368	19,137	127,584
	Percent	Percent	Percent	Percent	Percent
Percentage purchased from:					
Packers:					
Los Angeles County	54.0	95.7	55.5	28.9	51.7
Other California	9.7	1/	42.6	.7	9.7
Other Western States	4.4	1/	0	.6	3.5
All other States	8.1	1.6	0	14.0	8.3
Subtotal	76.2	97.3	98.1	44.2	73.2
Other local wholesale distributors	23.8	2.7	1.9	55.8	26.8
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

Table 34.--Truck distributors: Meat purchases, by kinds, and percentage bought from specified sources, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Purchases	33,254	5,192	3,111	12,147	53,704
	Percent	Percent	Percent	Percent	Percent
Percentage purchased from:					
Packers:					
Los Angeles County	71.1	98.0	88.4	65.8	73.5
Other California	0	0	0	0	0
Other Western States	0	0	0	0	0
All other States	0	0	0	0	0
Subtotal	71.1	98.0	88.4	65.8	73.5
Other local wholesale distributors	28.9	2.0	11.6	34.2	26.5
Total	100.0	100.0	100.0	100.0	100.0

Table 35.--Packer branch houses: Sales of fresh meat and cured pork and percentage sold locally to specified outlets, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Sales:					
Outside Los Angeles County:					
To domestic points	4,870	494	376	14,880	20,620
To foreign and offshore	1,356	633	46	998	3,033
Sales in Los Angeles County	21,050	824	644	79,614	102,132
Total	27,276	1,951	1,066	95,492	125,785
	Percent	Percent	Percent	Percent	Percent
Distribution of sales in Los Angeles County:					
Retail outlets:					
Food chains	0.1	13.5	0	25.9	20.3
Independent retailers	.6	.2	0	58.4	45.7
Hotels, restaurants, & institutions	37.6	37.6	97.9	1.6	9.9
Subtotal	38.3	51.3	97.9	85.9	75.9
Other wholesale meat distributors, processors, and others	61.7	48.7	2.1	14.1	24.1
Total	100.0	100.0	100.0	100.0	100.0

Table 36.--Wholesalers: Sales of fresh meat and cured pork and percentage sold locally to specified outlets, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Sales:					
Outside Los Angeles County:					
To domestic points	32,811	10	35	3,379	36,235
To foreign and offshore	5,796	0	0	31	5,827
Sales in Los Angeles County	145,467	697	1,468	31,987	179,619
Total	184,074	707	1,503	35,397	221,681
	Percent	Percent	Percent	Percent	Percent
Distribution of sales in Los Angeles County:					
Retail outlets:					
Food chains	30.0	1.4	1.0	34.7	30.5
Independent retailers	23.7	40.7	51.2	33.8	25.8
Hotels, restaurants, & institutions	2.0	10.1	2.4	3.5	2.3
Subtotal	55.7	52.2	54.6	72.0	58.6
Other wholesale meat distributors, processors, and others	44.3	47.8	45.4	28.0	41.4
Total	100.0	100.0	100.0	100.0	100.0

Table 37.--Jobbers: Sales of fresh meat and cured pork and percentage sold locally to specified outlets, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Sales:					
Outside Los Angeles County:					
To domestic points	14,074	442	713	2,284	17,513
To foreign and offshore	2,171	0	17	256	2,444
Sales in Los Angeles County	81,536	3,856	5,638	16,597	107,627
Total	97,781	4,298	6,368	19,137	127,584
	Percent	Percent	Percent	Percent	Percent
Distribution of sales in Los Angeles County:					
Retail outlets:					
Food chains	2.4	0.9	0.2	2.0	2.2
Independent retailers	3.6	23.5	4.2	21.8	7.2
Hotels, restaurants, & institutions	90.1	74.0	95.0	71.0	86.8
Subtotal	96.1	98.4	99.4	94.8	96.2
Other wholesale meat distributors, processors, and others	3.9	1.6	.6	5.2	3.8
Total	100.0	100.0	100.0	100.0	100.0

Table 38.--Truck distributors: Sales of fresh meat and cured pork and percentage sold locally to specified outlets, Los Angeles County, 1956

Item	Beef	Veal	Lamb	Fresh and cured pork	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Sales:					
Outside Los Angeles County:					
To domestic points	1,099	89	44	1,028	2,260
To foreign and offshore	0	0	0	0	0
Sales in Los Angeles County	32,155	5,103	3,067	11,119	51,444
Total	33,254	5,192	3,111	12,147	53,704
	Percent	Percent	Percent	Percent	Percent
Distribution of sales in Los Angeles County:					
Retail outlets:					
Food chains	0	0	0	0	0
Independent retailers	99.8	99.5	99.9	98.5	99.5
Hotels, restaurants, & institutions	0	0	0	.1	1/
Subtotal	99.8	99.5	99.9	98.6	99.5
Other wholesale meat distributors, processors, and others	.2	.5	.1	1.4	.5
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

Table 39.--Beef: Quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Packer branch houses	Independents: Wholesalers	Independents: Jobbers	Independents: Truck distributors	Independents: All independents	All wholesale distributors	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Wholesale distributors:												
Packer branches	4,971	5,226	275	14,672	25,144	--	2,132	--	--	2,132	2,132	27,276
Independent distributors:												
Wholesalers	101,321	16,819	42,948	22,986	184,074	--	--	--	--	--	--	184,074
Jobbers	52,793	9,502	4,236	7,941	74,472	479	22,782	--	48	22,830	23,309	97,781
Truck distributors	23,641	--	--	--	23,641	19	9,366	228	--	9,594	9,613	33,254
Total	177,755	26,321	47,184	30,927	282,187	498	32,148	228	48	32,424	32,922	315,109
Total	182,726	31,547	47,459	45,599	307,331	498	34,280	228	48	34,556	35,054	342,385
Final market outlets:												
Chains	206,353	3,663	--	2,730	212,746	16	43,599	1,910	--	45,509	45,525	258,271
Independent retailers	150,000	27,710	--	--	177,710	123	34,537	2,946	32,107	69,590	69,713	247,423
Hotels, restaurants, and institutions	1,603	78	--	--	1,681	7,922	2,886	73,459	--	76,345	84,267	85,948
Processors or own processing	47,745	583	--	--	48,328	12,491	28,512	521	--	29,033	41,524	89,852
Government	32,183	700	--	--	32,883	--	1,653	2,472	--	4,125	4,125	37,008
Offshore and other	2,137	--	--	--	2,137	1,356	5,796	2,171	--	7,967	9,323	11,460
Outside Los Angeles County	128,329	--	--	--	128,329	4,870	32,811	14,074	1,099	47,984	52,854	181,183
Total	568,350	32,734	--	2,730	603,814	26,778	149,794	97,553	33,206	280,553	307,331	911,145
Total	751,076	64,281	47,459	48,329	911,145							

Table 40.--Veal: Quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers: Los Angeles County	Purchased from packers: Other Calif.	Purchased from packers: Other Western States	Purchased from packers: Other States	Purchased from packers: All packers	Purchased from wholesale meat distributors: Packer branch houses	Purchased from wholesale meat distributors: Independents: Wholesalers	Purchased from wholesale meat distributors: Independents: Jobbers	Purchased from wholesale meat distributors: Independents: Truck distributors	Purchased from wholesale meat distributors: Independents: All independents	Purchased from wholesale meat distributors: All wholesale distributors	Total purchases
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Wholesale distributors:												
Packer branches	365	--	--	1,476	1,841	--	110	--	--	110	110	1,951
Independent distributors:												
Wholesalers	169	535	--	--	704	3	--	--	--	--	3	707
Jobbers	4,112	--	--	68	4,180	24	67	--	27	94	118	4,298
Truck distributors	5,087	--	--	--	5,087	--	44	61	--	105	105	5,192
Total	9,368	535	--	68	9,971	27	111	61	27	199	226	10,197
Total	9,733	535	--	1,544	11,812	27	221	61	27	309	336	12,148
Final market outlets:												
Chains	10,233	9	--	--	10,242	111	10	35	--	45	156	10,398
Independent retailers	8,035	274	--	--	8,309	2	284	907	5,076	6,267	6,269	14,578
Hotels, restaurants, and institutions	--	--	--	--	--	310	70	2,853	--	2,923	3,233	3,233
Processors or own processing	1,246	--	--	--	1,246	374	91	--	--	91	465	1,711
Government	946	2	--	--	948	--	21	--	--	21	21	969
Offshore and other	--	--	--	--	--	633	--	--	--	--	633	633
Outside Los Angeles County	9,335	--	--	--	9,335	494	10	442	89	541	1,035	10,370
Total	29,795	285	--	--	30,080	1,924	486	4,237	5,165	9,888	11,812	41,892
Total	39,528	820	--	1,544	41,892							

Table 41.--Lamb: Quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Packer branch houses	Independents: Whole-salers	Independents: Jobbers	Independents: Truck dis-tributors	Independents: All inde-pendents	All wholesale dis-tributors	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Wholesale distributors:												
Packer branches	623	443	--	--	1,066	--	--	--	--	--	--	1,066
Independent distributors:												
Wholesalers	1,352	151	--	--	1,503	--	--	--	--	--	--	1,503
Jobbers	3,535	2,712	--	--	6,247	--	118	--	3	121	121	6,368
Truck distributors	2,749	--	--	--	2,749	3	333	26	--	359	362	3,111
Total	7,636	2,863	--	--	10,499	3	451	26	3	480	483	10,982
Total	8,259	3,306	--	--	11,565	3	451	26	3	480	483	12,048
Final market outlets:												
Chains	21,799	2,947	--	--	24,746	--	15	9	--	24	24	24,770
Independent retailers	8,861	3,830	--	--	12,691	--	752	238	3,064	4,054	4,054	16,745
Hotels, restaurants, and institutions	197	--	--	--	197	631	35	5,359	--	5,394	6,025	6,222
Processors or own processing	2,219	--	--	--	2,219	10	44	--	--	44	54	2,273
Government	244	--	--	--	244	--	171	6	--	177	177	421
Offshore and other	97	--	--	--	97	46	--	17	--	17	63	160
Outside Los Angeles County	6,483	--	--	--	6,483	376	35	713	44	792	1,168	7,651
Total	39,900	6,777	--	--	46,677	1,063	1,052	6,342	3,108	10,502	11,565	58,242
Total	48,159	10,083	--	--	58,242							

Table 42.--Fresh pork: Quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
						Packer branch houses	Independents				All wholesale distributors	
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers		Wholesalers	Jobbers	Truck distributors	All independents		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Wholesale distributors:												
Packer branches	1,250	9	198	27,129	28,586	--	368	--	--	368	368	28,954
Independent distributors:												
Wholesalers	9,955	--	3,208	10,762	23,925	40	--	--	--	40	40	23,965
Jobbers	3,080	18	--	2,227	5,325	3,522	1,838	--	132	1,970	5,492	10,817
Truck distributors	6,333	--	--	--	6,333	--	1,226	9	--	1,235	1,235	7,568
Total	19,368	18	3,208	12,989	35,583	3,562	3,064	9	132	3,205	6,767	42,350
Total	20,618	27	3,406	40,118	64,169	3,562	3,432	9	132	3,573	7,135	71,304
Final market outlets:												
Chains	40,536	328	--	3,070	43,934	3,747	8,271	30	--	8,301	12,048	55,982
Independent retailers	3,476	2,821	--	--	6,297	10,239	7,306	736	7,282	15,324	25,563	31,860
Hotels, restaurants, and institutions	1,516	3	--	--	1,519	377	960	8,784	7	9,751	10,128	11,647
Processors or own processing	28,190	226	--	--	28,416	2,397	1,224	--	--	1,224	3,621	32,037
Government	3,123	223	--	--	3,346	102	661	90	--	751	853	4,199
Offshore and other	1,785	--	--	--	1,785	913	--	56	--	56	969	2,754
To smoked and cured	74,591	1,228	--	--	75,819	2,696	--	--	--	--	2,696	78,515
Outside Los Angeles County	44,196	--	--	--	44,196	4,921	2,111	1,112	147	3,370	8,291	52,487
Total	197,413	4,829	--	3,070	205,312	25,392	20,533	10,808	7,436	38,777	64,169	269,481
Total	218,031	4,856	3,406	43,188	269,481							

Table 43.--Smoked and cured pork: Quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers							Purchased from wholesale meat distributors						Total purchases
									Independents					
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Own production	Total	Packer branch houses	Wholesalers	Jobbers	Truck distributors	All independents	All wholesale distributors	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Wholesale distributors:														
Packer branches	2,370	1,408	--	62,760	66,538	2,696	69,234	--	--	--	--	--	--	69,234
Independent distributors:														
Wholesalers	2,799	--	367	8,252	11,418	--	11,418	14	--	--	--	--	14	11,432
Jobbers	2,446	122	111	455	3,134	--	3,134	4,508	654	--	24	678	5,186	8,320
Truck distributors	1,665	--	--	--	1,665	--	1,665	184	2,718	12	--	2,730	2,914	4,579
Total	6,910	122	478	8,707	16,217	2,696	16,217	4,706	3,372	12	24	3,408	8,114	24,331
Total	9,280	1,530	478	71,467	82,755	2,696	85,451	4,706	3,372	12	24	3,408	8,114	93,565
Final market outlets:														
Chains	23,500	320	--	1,800	25,620	--	25,620	16,897	2,833	299	--	3,132	20,029	45,649
Independent retailers	17,947	2,787	--	1,375	22,109	--	22,109	36,253	3,519	2,887	3,674	10,080	46,333	68,442
Hotels, restaurants, and institutions	1,158	--	--	--	1,158	--	1,158	909	154	2,997	--	3,151	4,060	5,218
Processors or own processing	--	85	--	--	85	--	85	71	162	--	--	162	233	318
Government	2,283	25	--	--	2,308	--	2,308	354	93	753	--	846	1,200	3,508
Offshore and other	126	--	--	--	126	--	126	85	31	200	--	231	316	442
Outside Los Angeles County	25,967	--	--	--	25,967	--	25,967	9,959	1,268	1,172	881	3,321	13,280	39,247
Total	70,981	3,217	--	3,175	77,373	--	77,373	64,528	8,060	8,308	4,555	20,923	85,451	162,824
Total	80,261	4,747	478	74,642	160,128	2,696	162,824							

Table 44.--Total meat: Quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Packer branch houses	Independents				All wholesale distributors	
							Wholesalers	Jobbers	Truck distributors	All independents		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Wholesale distributors:												
Packer branches	9,579	7,086	473	106,037	123,175	--	2,610	--	--	2,610	2,610	125,785
Independent distributors:												
Wholesalers	115,596	17,505	46,523	42,000	221,624	57	--	--	--	--	57	221,681
Jobbers	65,966	12,354	4,347	10,691	93,358	8,533	25,459	--	234	25,693	34,226	127,584
Truck distributors	39,475	--	--	--	39,475	206	13,687	336	--	14,033	14,229	53,704
Total	221,037	29,859	50,870	52,691	354,457	8,796	39,146	336	234	39,716	48,512	402,969
Total	230,616	36,945	51,343	158,728	477,632	8,796	41,756	336	234	42,326	51,122	528,754
Final market outlets:												
Chains	302,421	7,267	--	7,600	317,288	20,771	54,728	2,283	--	57,011	77,782	395,070
Independent retailers	188,319	37,422	--	1,375	227,116	46,617	46,398	7,714	51,203	105,315	151,932	379,048
Hotels, restaurants, and institutions	4,474	81	--	--	4,555	10,149	4,105	93,452	7	97,564	107,713	112,268
Processors or own processing	79,400	894	--	--	80,294	15,343	30,033	521	--	30,554	45,897	126,191
Government	38,779	950	--	--	39,729	456	2,599	3,321	--	5,920	6,376	46,105
Offshore and other	4,145	--	--	--	4,145	3,033	5,827	2,444	--	8,271	11,304	15,449
Outside Los Angeles County	214,310	--	--	--	214,310	20,620	36,235	17,513	2,260	56,008	76,628	290,938
Total	831,848	46,614	--	8,975	887,437	116,989	179,925	127,248	53,470	360,643	477,632	1,365,069
Total	1,062,464	83,559	51,343	167,703	1,365,069							

Table 45.--Beef: Percentage distribution of total quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers: Los Angeles County	Purchased from packers: Other Calif.	Purchased from packers: Other Western States	Purchased from packers: Other States	Purchased from packers: All packers	Purchased from wholesale meat distributors: Packer branch houses	Independents: Whole-salers	Independents: Jobbers	Independents: Truck dis-tributors	Independents: All inde-pendents	All wholesale dis-tributors	Total purchases
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wholesale distributors:												
Packer branches	0.6	0.6	1/	1.6	2.8	--	0.2	--	--	0.2	0.2	3.0
Independent distributors:												
Wholesalers	11.1	1.9	4.7	2.5	20.2	--	--	--	--	--	--	20.2
Jobbers	5.8	1.0	.5	.9	8.2	.1	2.5	--	1/	2.5	2.6	10.8
Truck distributors	2.6	--	--	--	2.6	1/	1.0	1/	--	1.0	1.0	3.6
Total	19.5	2.9	5.2	3.4	31.0	.1	3.5	1/	1/	3.5	3.6	34.6
Total	20.1	3.5	5.2	5.0	33.8	.1	3.7	1/	1/	3.7	3.8	37.6
Final market outlets:												
Chains	22.6	.4	--	.3	23.3	1/	4.8	.2	--	5.0	5.0	28.3
Independent retailers	16.5	3.0	--	--	19.5	1/	3.8	.3	3.5	7.6	7.6	27.1
Hotels, restaurants, and institutions	.2	1/	--	--	.2	.9	.3	8.0	--	8.3	9.2	9.4
Processors or own processing	5.2	.1	--	--	5.3	1.4	3.1	.1	--	3.2	4.6	9.9
Government	3.5	.1	--	--	3.6	--	.2	.3	--	.5	.5	4.1
Offshore and other	.2	--	--	--	.2	.1	.7	.3	--	1.0	1.1	1.3
Outside Los Angeles County	14.1	--	--	--	14.1	.5	3.6	1.6	.1	5.3	5.8	19.9
Total	62.3	3.6	--	.3	66.2	2.9	16.5	10.8	3.6	30.9	33.8	100.0
Total	82.4	7.1	5.2	5.3	100.0							

1/ Less than 0.05 percent.

Table 46.--Veal: Percentage distribution of total quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Packer branch houses	Independents: Wholesalers	Independents: Jobbers	Independents: Truck distributors	Independents: All independents	All wholesale distributors	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wholesale distributors:												
Packer branches	0.9	--	--	3.5	4.4	--	0.3	--	--	0.3	0.3	4.7
Independent distributors:												
Wholesalers	.4	1.3	--	--	1.7	1/	--	--	--	--	1/	1.7
Jobbers	9.8	--	--	.2	10.0	.1	.2	--	.1	.3	.4	10.4
Truck distributors	12.1	--	--	--	12.1	--	.1	.2	--	.3	.3	12.4
Total	22.3	1.3	--	.2	23.8	.1	.3	.2	.1	.6	.7	24.5
Total	23.2	1.3	--	3.7	28.2	.1	.6	.2	.1	.9	1.0	29.2
Final market outlets:												
Chains	24.4	1/	--	--	24.4	.3	1/	.1	--	.1	.4	24.8
Independent retailers	19.2	.7	--	--	19.9	1/	.7	2.2	12.1	15.0	15.0	34.9
Hotels, restaurants, and institutions	--	--	--	--	--	.7	.2	6.8	--	7.0	7.7	7.7
Processors or own processing	3.0	--	--	--	3.0	.9	.2	--	--	.2	1.1	4.1
Government	2.2	1/	--	--	2.2	--	1/	--	--	1/	1/	2.2
Offshore and other	--	--	--	--	--	1.5	--	--	--	--	1.5	1.5
Outside Los Angeles County	22.3	--	--	--	22.3	1.2	1/	1.1	.2	1.3	2.5	24.8
Total	71.1	.7	--	--	71.8	4.6	1.1	10.2	12.3	23.6	28.2	100.0
Total	94.3	2.0	--	3.7	100.0							

1/ Less than 0.05 percent.

Table 47.--Lamb: Percentage distribution of total quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
							Independents				All wholesale distributors	
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Packer branch houses	Wholesalers	Jobbers	Truck distributors	All independents		
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wholesale distributors:												
Packer branches	1.1	0.8	--	--	1.9	--	--	--	--	--	--	1.9
Independent distributors:												
Wholesalers	2.3	.3	--	--	2.6	--	--	--	--	--	--	2.6
Jobbers	6.1	4.6	--	--	10.7	--	.2	--	1/	.2	.2	10.9
Truck distributors	4.7	--	--	--	4.7	1/	.6	.1	--	.7	.7	5.4
Total	13.1	4.9	--	--	18.0	1/	.8	.1	1/	.9	.9	18.9
Total	14.2	5.7	--	--	19.9	1/	.8	.1	1/	.9	.9	20.8
Final market outlets:												
Chains	37.4	5.1	--	--	42.5	--	1/	1/	--	1/	1/	42.5
Independent retailers	15.2	6.6	--	--	21.8	--	1.3	.4	5.3	7.0	7.0	28.8
Hotels, restaurants, and institutions	.3	--	--	--	.3	1.1	1/	9.2	--	9.2	10.3	10.6
Processors or own processing	3.8	--	--	--	3.8	1/	.1	--	--	.1	.1	3.9
Government	.4	--	--	--	.4	--	.3	1/	--	.3	.3	.7
Offshore and other	.2	--	--	--	.2	.1	--	1/	--	1/	.1	.3
Outside Los Angeles County	11.1	--	--	--	11.1	.7	.1	1.2	.1	1.4	2.1	13.2
Total	68.4	11.7	--	--	80.1	1.9	1.8	10.8	5.4	18.0	19.9	100.0
Total	82.7	17.3	--	--	100.0							

1/ Less than 0.05 percent.

Table 48.--Pork: Percentage distribution of total quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Packer branch houses	Independents: Wholesalers	Independents: Jobbers	Independents: Truck distributors	Independents: All independents	All wholesale distributors	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wholesale distributors:												
Packer branches	0.4	1/	0.1	10.1	10.6	--	0.1	--	--	0.1	0.1	10.7
Independent distributors:												
Wholesalers	3.7	--	1.2	4.0	8.9	1/	--	--	--	1/	1/	8.9
Jobbers	1.1	1/	--	.8	1.9	1.3	.7	--	.1	.7	2.0	4.0
Truck distributors	2.3	--	--	--	2.3	--	.5	1/	--	.5	.5	2.8
Total	7.1	1/	1.2	4.8	13.1	1.3	1.2	1/	.1	1.3	2.6	15.7
Total	7.5	1/	1.3	14.9	23.7	1.3	1.3	1/	.1	1.4	2.7	26.4
Final market outlets:												
Chains	15.0	.1	--	1.1	16.2	1.4	3.1	1/	--	3.1	4.5	20.7
Independent retailers	1.3	1.0	--	--	2.3	3.8	2.7	.3	2.7	5.7	9.5	11.8
Hotels, restaurants, and institutions	.6	1/	--	--	.6	.1	.4	3.3	1/	3.7	3.8	4.4
Processors or own processing	10.5	.1	--	--	10.6	.9	.4	--	--	.4	1.3	11.9
Government	1.2	.1	--	--	1.3	.1	.2	1/	--	.2	.3	1.6
Offshore and other	.7	--	--	--	.7	.3	--	1/	--	1/	.3	1.0
To smoked and cured	27.7	.5	--	--	28.2	1.0	--	--	--	--	1.0	29.2
Outside Los Angeles County	16.4	--	--	--	16.4	1.8	.8	.4	1/	1.2	3.0	19.4
Total	73.4	1.8	--	1.1	76.3	9.4	7.6	4.0	2.7	14.3	23.7	100.0
Total	80.9	1.8	1.3	16.0	100.0							

1/ Less than 0.05 percent.

Table 49.--Smoked and cured pork: Percentage distribution of total quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers							Purchased from wholesale meat distributors						Total purchases
									Independents					
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Own production	Total	Packer branch houses	Wholesalers	Jobbers	Truck distributors	All independents	All wholesale distributors	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Wholesale distributors:														
Packer branches	1.5	0.9	--	38.5	40.9	1.6	42.5	--	--	--	--	--	--	42.5
Independent distributors:														
Wholesalers	1.7	--	.2	5.1	7.0	--	7.0	1/	--	--	--	--	1/	7.0
Jobbers	1.5	.1	.1	.3	2.0	--	2.0	2.8	.4	--	1/	.4	3.2	5.2
Truck distributors	1.0	--	--	--	1.0	--	1.0	.1	1.7	1/	--	1.7	1.8	2.8
Total	4.2	.1	.3	5.4	10.0	--	10.0	2.9	2.1	1/	1/	2.1	5.0	15.0
Total	5.7	1.0	.3	43.9	50.9	1.6	52.5	2.9	2.1	1/	1/	2.1	5.0	57.5
Final market outlets:														
Chains	14.4	.2	--	1.1	15.7	--	15.7	10.4	1.7	.2	--	1.9	12.3	28.0
Independent retailers	11.0	1.7	--	.8	13.5	--	13.5	22.2	2.2	1.8	2.3	6.3	28.5	42.0
Hotels, restaurants, and institutions	.7	--	--	--	.7	--	.7	.6	.1	1.9	--	2.0	2.6	3.3
Processors or own processing	--	.1	--	--	.1	--	.1	1/	.1	--	--	.1	.1	.2
Government	1.4	1/	--	--	1.4	--	1.4	.2	1/	.5	--	.5	.7	2.1
Offshore and other	.1	--	--	--	.1	--	.1	.1	1/	.1	--	.1	.2	.3
Outside Los Angeles County	16.0	--	--	--	16.0	--	16.0	6.1	.8	.7	.5	2.0	8.1	24.1
Total	43.6	2.0	--	1.9	47.5	--	47.5	39.6	4.9	5.2	2.8	12.9	52.5	100.0
Total	49.3	3.0	.3	45.8	98.4	1.6	100.0							

1/ Less than 0.05 percent.

Table 50.--Total meat: Percentage distribution of total quantity available for distribution, Los Angeles County, 1956

Buyers	Purchased from packers: Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Purchased from wholesale meat distributors: Packer branch houses	Independents: Wholesalers	Jobbers	Truck distributors	All independents	All wholesale distributors	Total purchases
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wholesale distributors:												
Packer branches	0.7	0.5	1/	7.8	9.0	--	0.2	--	--	0.2	0.2	9.2
Independent distributors:												
Wholesalers	8.5	1.3	3.4	3.1	16.3	1/	--	--	--	--	--	16.3
Jobbers	4.8	.9	.3	.8	6.8	.6	1.9	--	1/	1.9	2.5	9.3
Truck distributors	2.9	--	--	--	2.9	1/	1.0	1/	--	1.0	1.0	3.9
Total	16.2	2.2	3.7	3.9	26.0	.6	2.9	1/	1/	2.9	3.5	29.5
Total	16.9	2.7	3.7	11.7	35.0	.6	3.1	1/	1/	3.1	3.7	38.7
Final market outlets:												
Chains	22.2	.5	--	.6	23.3	1.5	4.0	.2	--	4.2	5.7	29.0
Independent retailers	13.8	2.7	--	.1	16.6	3.4	3.4	.6	3.7	7.7	11.1	27.7
Hotels, restaurants, and institutions	.3	1/	--	--	.3	.8	.3	6.8	1/	7.1	7.9	8.2
Processors or own processing	5.8	.1	--	--	5.9	1.1	2.2	1/	--	2.2	3.3	9.2
Government	2.8	.1	--	--	2.9	.1	.2	.2	--	.4	.5	3.4
Offshore and other	.3	--	--	--	.3	.2	.4	.2	--	.6	.8	1.1
Outside Los Angeles County	15.7	--	--	--	15.7	1.5	2.7	1.3	.2	4.2	5.7	21.4
Total	60.9	3.4	--	.7	65.0	8.6	13.2	9.3	3.9	26.4	35.0	100.0
Total	77.8	6.1	3.8	12.3	100.0							

1/ Less than 0.05 percent.

Table 51.--Beef: Percentage distribution of quantity distributed in Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
							Independents					
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Packer branch houses	Wholesalers	Jobbers	Truck distributors	All independents	All wholesale distributors	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wholesale distributors:												
Packer branches	0.2	0.3	1/	0.8	1.3	--	0.2	--	--	0.2	0.2	1.5
Independent distributors:												
Wholesalers	9.5	1.6	4.0	2.1	17.2	--	--	--	--	--	--	17.2
Jobbers	8.4	1.5	.7	1.2	11.8	.1	2.5	--	1/	2.5	2.6	14.4
Truck distributors	4.9	--	--	--	4.9	1/	1.0	1/	--	1.0	1.0	5.9
Total	22.8	3.1	4.7	3.3	33.9	.1	3.5	1/	1/	3.5	3.6	37.5
Total	23.0	3.4	4.7	4.1	35.2	.1	3.7	1/	1/	3.7	3.8	39.0
Final market outlets:												
Chains	30.8	.5	--	.4	31.7	1/	6.5	.3	--	6.8	6.8	38.5
Independent retailers	27.7	5.1	--	--	32.8	1/	6.4	.5	5.9	12.8	12.8	45.6
Hotels, restaurants, and institutions	.3	1/	--	--	.3	1.4	.6	13.6	--	14.2	15.6	15.9
Total	58.8	5.6	--	.4	64.8	1.4	13.5	14.4	5.9	33.8	35.2	100.0
Total	81.7	9.0	4.7	4.6	100.0							

1/ Less than 0.05 percent.

Table 52.--Veal: Percentage distribution of quantity distributed in Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
						Packer branch houses	Independents				All wholesale distributors	
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers		Wholesalers	Jobbers	Truck distributors	All independents		
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wholesale distributors:												
Packer branches	0.3	--	--	1.1	1.4	--	0.3	--	--	0.3	0.3	1.7
Independent distributors:												
Wholesalers	.5	1.4	--	--	1.9	1/	--	--	--	--	1/	1.9
Jobbers	14.0	--	--	.2	14.2	.1	.2	--	.1	.3	.4	14.6
Truck distributors	19.1	--	--	--	19.1	.0	.1	.1	--	.2	.2	19.3
Total	33.6	1.4	--	.2	35.2	.1	.3	.1	.1	.5	.6	35.8
Total	33.9	1.4	--	1.3	36.6	.1	.6	.1	.1	.8	.9	37.5
Final market outlets:												
Chains	31.8	1/	--	--	31.8	.4	1/	.1	--	.1	.5	32.3
Independent retailers	30.5	1.1	--	--	31.6	1/	1.1	3.5	19.2	23.8	23.8	55.4
Hotels, restaurants, and institutions	--	--	--	--	--	1.2	.2	10.9	--	11.1	12.3	12.3
Total	62.3	1.1	--	--	63.4	1.6	1.3	14.5	19.2	35.0	36.6	100.0
Total	96.2	2.5	--	1.3	100.0							

1/ Less than 0.05 percent.

Table 53.--Lamb: Percentage distribution of quantity distributed in Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Packer branch houses	Independents: Whole-salers	Independents: Jobbers	Independents: Truck dis-tributors	Independents: All inde-pendents	All wholesale dis-tributors	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wholesale distributors:												
Packer branches	0.9	0.6	--	--	1.5	--	--	--	--	--	--	1.5
Independent distributors:												
Wholesalers	2.4	.3	--	--	2.7	--	--	--	--	--	--	2.7
Jobbers	7.4	5.7	--	--	13.1	--	.2	--	1/	.2	.2	13.3
Truck distributors	6.6	--	--	--	6.6	1/	.6	1/	--	.6	.6	7.2
Total	16.4	6.0	--	--	22.4	1/	.8	1/	1/	.8	.8	23.2
Total	17.3	6.6	--	--	23.9	1/	.8	1/	1/	.8	.8	24.7
Final market outlets:												
Chains	40.1	5.4	--	--	45.5	--	1/	1/	--	1/	1/	45.5
Independent retailers	21.0	9.1	--	--	30.1	--	1.8	.6	7.2	9.6	9.6	39.7
Hotels, restaurants, and institutions	.5	--	--	--	.5	1.5	.1	12.7	--	12.8	14.3	14.8
Total	61.6	14.5	--	--	76.1	1.5	1.9	13.3	7.2	22.4	23.9	100.0
Total	78.9	21.1	--	--	100.0							

1/ Less than 0.05 percent.

Table 54.--Fresh pork: Percentage distribution of quantity distributed in Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
							Independents				All wholesale distributors	
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Packer branch houses	Wholesalers	Jobbers	Truck distributors	All independents		
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wholesale distributors:												
Packer branches	0.7	1/	0.1	15.5	16.3	--	0.1	--	--	0.1	0.1	16.4
Independent distributors:												
Wholesalers	7.5	--	2.4	8.1	18.0	1/	--	--	--	--	1/	18.0
Jobbers	4.9	1/	--	3.5	8.4	1.3	.7	--	1/	.7	2.0	10.4
Truck distributors	7.6	--	--	--	7.6	--	.5	1/	--	.5	.5	8.1
Total	20.0	1/	2.4	11.6	34.0	1.3	1.2	1/	1/	1.2	2.5	36.5
Total	20.7	1/	2.5	27.1	50.3	1.3	1.3	1/	1/	1.3	2.6	52.9
Final market outlets:												
Chains	37.9	.3	--	2.9	41.1	3.5	7.7	1/	--	7.7	11.2	52.3
Independent retailers	3.8	3.1	--	--	6.9	11.2	8.0	.8	8.0	16.8	28.0	34.9
Hotels, restaurants, and institutions	1.7	1/	--	--	1.7	.4	1.0	9.6	.1	10.7	11.1	12.8
Total	43.4	3.4	--	2.9	49.7	15.1	16.7	10.4	8.1	35.2	50.3	100.0
Total	64.1	3.4	2.5	30.0	100.0							

1/ Less than 0.05 percent.

Table 55.--Smoked and cured pork: Percentage distribution of quantity distributed in Los Angeles County, 1956

Buyers	Purchased from packers							Purchased from wholesale meat distributors						Total purchases
									Independents					
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Own production	Total	Packer branch houses	Wholesalers	Jobbers	Truck distributors	All independents	All wholesale distributors	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Wholesale distributors:														
Packer branches	1.7	1.0	--	44.2	46.9	1.9	48.8	--	--	--	--	--	--	48.8
Independent distributors:														
Wholesalers	1.8	--	.3	5.4	7.5	--	7.5	1/	--	--	--	--	1/	7.5
Jobbers	1.8	.1	.1	.3	2.3	--	2.3	2.8	.4	--	1/	.4	3.2	5.5
Truck distributors	1.5	--	--	--	1.5	--	1.5	.1	1.7	1/	--	1.7	1.8	3.3
Total	5.1	.1	.4	5.7	11.3	--	11.3	2.9	2.1	1/	1/	2.1	5.0	16.3
Total	6.8	1.1	.4	49.9	58.2	1.9	60.1	2.9	2.1	1/	1/	2.1	5.9	65.1
Final market outlets:														
Chains	17.5	.2	--	1.3	19.0	--	19.0	12.5	2.1	.2	--	2.3	14.8	33.8
Independent retailers	16.1	2.5	--	1.2	19.8	--	19.8	32.6	3.2	2.6	3.3	9.1	41.7	61.5
Hotels, restaurants, and institutions	1.1	--	--	--	1.1	--	1.1	.8	.1	2.7	--	2.8	3.6	4.7
Total	34.7	2.7	--	2.5	39.9	--	39.9	45.9	5.4	5.5	3.3	14.2	60.1	100.0
Total	41.5	3.8	.4	52.4	98.1	1.9	100.0							

1/ Less than 0.05 percent.

Table 56.--Total meat: Percentage distribution of quantity distributed in Los Angeles County, 1956

Buyers	Purchased from packers					Purchased from wholesale meat distributors						Total purchases
	Los Angeles County	Other Calif.	Other Western States	Other States	All packers	Packer branch houses	Independents: Whole-salers	Independents: Jobbers	Independents: Truck dis-tributors	Independents: All inde-pendents	All wholesale dis-tributors	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wholesale distributors:												
Packer branches	0.7	0.5	1/	8.2	9.4	--	0.2	--	--	0.2	0.2	9.6
Independent distributors:												
Wholesalers	7.7	1.2	3.1	2.8	14.8	1/	--	--	--	--	1/	14.8
Jobbers	7.2	1.3	.5	1.1	10.1	.6	1.9	--	1/	1.9	2.5	12.6
Truck distributors	5.3	--	--	--	5.3	1/	1.0	1/	--	1.0	1.0	6.3
Total	20.2	2.5	3.6	3.9	30.2	.6	2.9	1/	1/	2.9	3.5	33.7
Total	20.9	3.0	3.6	12.1	39.6	.6	3.1	1/	1/	3.1	3.7	43.3
Final market outlets:												
Chains	30.3	.7	--	.8	31.8	2.1	5.5	.2	--	5.7	7.8	39.6
Independent retailers	23.2	4.6	--	.2	28.0	5.7	5.7	.9	6.3	12.9	18.6	46.6
Hotels, restaurants, and institutions	.6	1/	--	--	.6	1.2	.5	11.5	1/	12.0	13.2	13.8
Total	54.1	5.3	--	1.0	60.4	9.0	11.7	12.6	6.3	30.6	39.6	100.0
Total	75.0	8.3	3.6	13.1	100.0							

1/ Less than 0.05 percent.

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