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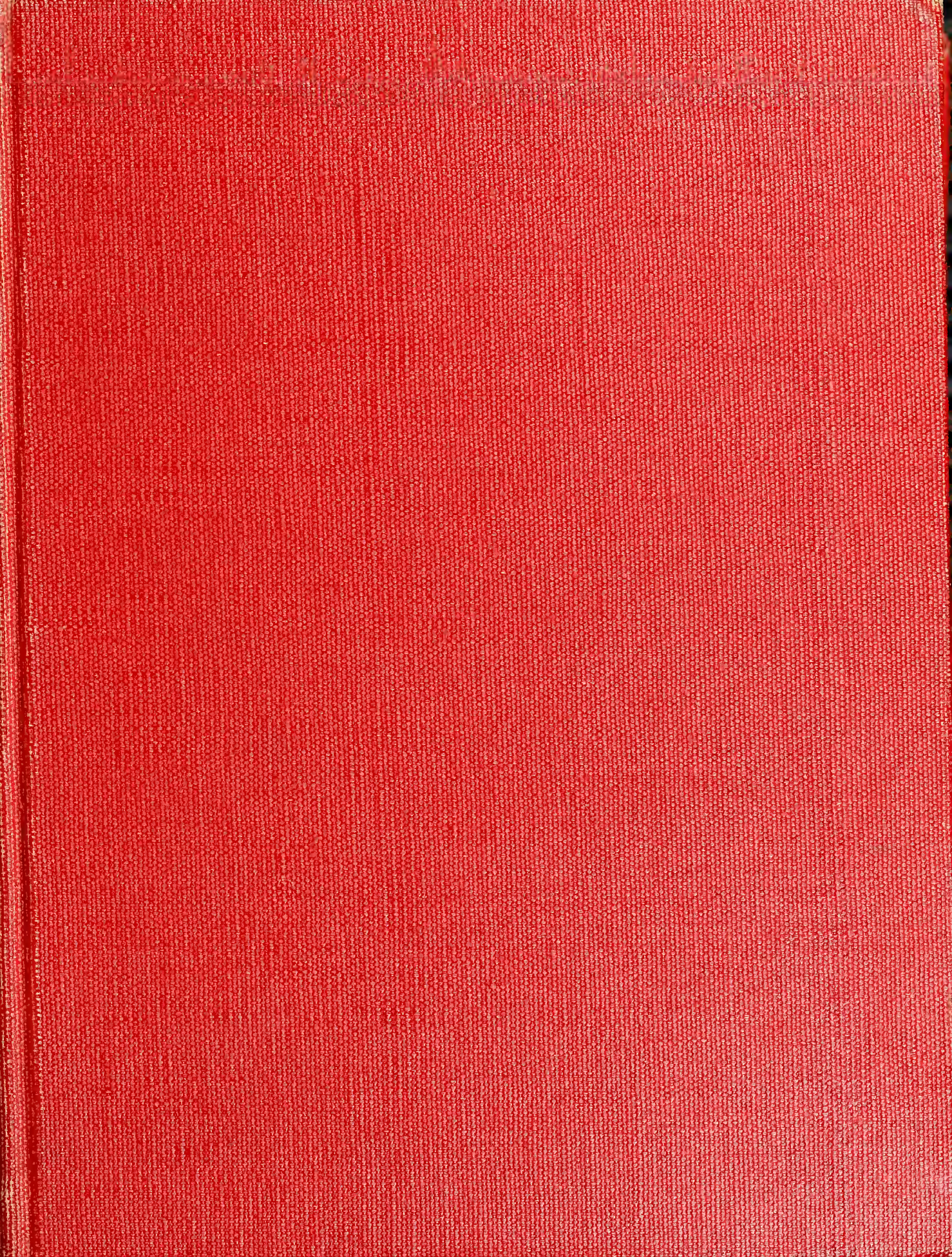
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OWNERSHIP CHANGES BY PURCHASE AND MERGER IN SELECTED FOOD INDUSTRIES

Marketing Research Report No. 369

U. S. DEPARTMENT OF AGRICULTURE,
Agricultural Marketing Service
Marketing Research Division

Preface

Alterations in the structure and practices of food markets may directly affect farmers by changing the numbers and kinds of buyers to whom they sell, the conditions and terms of sale, and marketing costs and margins. Since World War II the structure and practices of many food markets have been influenced by companies obtaining control of other firms by various means. Trade reports have emphasized growth by such methods of acquisition as purchase of assets, purchase of stock, and contractual arrangements. Because such reports have been sporadic and fragmentary it has not been certain how representative they actually are. In order to describe the frequency and character of acquisition in the industry as a means of growth, the Bureau of the Census and the Department of Agriculture conducted an acquisitions-disposal survey covering the period 1952-58. This study is part of a broad program of research to increase the efficiency of marketing food products.

This report describes the industry's response to the questionnaire concerning the extent and character of acquisitions and disposals, the types of financial transactions by which the acquisitions and disposals were made, and the form of business organization of the acquired companies, and it discusses points which are important in interpreting these data. In general, this report substantiates the tenor of trade reports covering this period and will serve as a basis for comparison with an evaluation of future studies.

The Bureau of the Census assumed primary responsibility for the sample, mailing, and tabulating questionnaires. The Department of Agriculture was responsible for developing the questionnaire and for review and publication of the aggregated information.

This study is related to an earlier pilot study in that multiunit companies included in the pilot study whose primary activity fell within the scope of the eight industries covered by this report are likewise represented here. The specific differences between the samples for the pilot study and the present study are discussed in detail in this report under the heading "Descriptions of Industries Covered and the Sample."

Acknowledgments

The Research and Development Data Branch, Industry Division, the Bureau of the Census, U. S. Department of Commerce, supervised the collection and tabulation of the basic statistics in collaboration with the authors. Particular responsibility for such supervision rested with Mr. Louis J. Owen, Chief, Research and Development Data Branch, and Messrs. Roger H. Bugenhagen and Charles P. Kretzschmar, Statisticians.

October 1959

For sale by the Superintendent of Documents, U. S. Government Printing Office,
Washington 25, D. C.

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Highlights

Eight food industries representing all levels of food marketing were surveyed. Twenty-six percent of the companies covered in the survey reported making acquisitions, disposals, or both during 1952-58. Within most industries the larger companies made the greatest number of acquisitions. Their acquisitions also were of the largest size. The methods of acquisition and disposition most frequently adopted were through purchase. The exchange of the stock of the controlling company for stock of the acquired company (merger) accounted for a very small percentage of the transactions. The vast majority of acquisitions were of companies within the same industry and at the same market level. The remainder were divided between those which were at a different market level from that of the acquiring firm within the same industry and those which were in distinctly different industries.

OWNERSHIP CHANGES BY PURCHASE AND MERGER
IN SELECTED FOOD INDUSTRIES

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I. Description of Survey and Major Findings

A. Industry Coverage and Response

1. Eight food industries were included in this survey: Dairy products manufacturing; canning, preserving, and freezing (excluding seafood); bakery products; vegetable and animal oils; food product wholesalers; farm product assemblers; grocery stores; and food stores other than grocery stores. The universe was composed of 8,271 multiunit companies. The survey included every company for all industries except grocery stores and food stores other than grocery stores. For these two industries every company with 100 or more employees was covered, but companies with less than 100 employees were sampled. The total survey net sample, after postmaster returns, "out of scopes" (that is, companies whose primary activity had changed since 1954 to an uncovered industry), and certain other groups were deducted, amounted to 2,721 companies (tables 1 and 2).

2. In terms of numbers, industry response was excellent. By industry, the percentage of companies returning questionnaires were dairy products, 89; canning, preserving, and freezing (excluding seafood), 93; bakery products, 92; vegetable and animal oil processors, 94; food product wholesalers, 88; farm product assemblers, 94; grocery stores, 83; and food stores other than grocery stores, 83. The study as a whole averaged an 89-percent response (table 2).

3. The size of the nonrespondents may be pictured by citing the percentages of the total industry employment accounted for by nonrespondents with 100 or more and those with 500 or more employees in the census year 1954. For the 100 or more category, the percentage employed by nonrespondents ranged from 3 percent of those employed by vegetable and animal oil processors to 31 percent for bakers. From this it is apparent there were several large companies among the nonrespondents (see table 3).

4. Of the respondents, 15 percent made only acquisitions, 7 percent only disposals, and 4 percent made both which totaled 26 percent. Thus, 74 percent of the companies made neither acquisitions nor disposals during the period 1952-58. (Computed from table 2.)

5. Of the respondents making acquisitions, disposals, or both, 23 percent were food product wholesalers; 22 percent were retail grocers; 21 percent farm product assemblers; 15 percent dairy product processors; 6 percent canners, preservers, and freezers; 6 percent bakers; 4 percent other food stores; and 3 percent vegetable and animal oil processors. (Computed from table 2.)

B. Extent and Character of Acquisitions and Disposals

1. During 1952-58, a total of 1,537 acquisitions were reported by 1,071 companies. Grocery stores accounted for 37 percent of the acquisitions; dairy processors, 24 percent; other food stores, 10 percent; food product wholesalers, 9 percent; farm product assemblers, 7 percent; bakers (including 22 biscuit, cracker, and pretzel companies), 7 percent; canners, preservers, and freezers, 3 percent; and vegetable and animal oil processors, 3 percent (table 4).

2. Altogether, 742 disposals were reported. Industry percentages were: Grocery stores, 45; farm product assemblers, 13; food product wholesalers, 12; dairy processors, 11; bakers, 3; vegetable and animal oil processors, 3; canners, preservers, and freezers, 1; and other food stores, 12 (table 5).

3. Acquisitions varied by year without discernible trends during the period 1952-58, although grocery stores reported increases for the last 3 years covered by the survey. If the 224 acquisitions for which no year was specified had been identified by year, a discernible pattern might have resulted. A large number of acquisitions in a given year did not necessarily mean a correspondingly important impact upon specific markets. Thus, the dairy industry made 10 percent of all its acquisitions for the period in 1952, and these acquisitions accounted for 20 percent of the employees of all acquisitions. In 1958, this industry experienced 11 percent of its total acquisitions but these accounted for only 3 percent of the total employment of all acquisitions. (See table 6 for more detail.)

4. Employment data were reported for a total of 1,264 acquisitions. Eighty percent had fewer than 50 employees and 20 percent had 50 or more including 3 percent that had 500 or more employees (see table 7).

5. Of all companies making acquisitions, 54 percent made only one during the 1952-58 period. Thirteen percent made five or more. Multiple acquisitions occurred most frequently in the dairy and grocery industries. (In this study, any original company having either one or more establishments was counted as a single acquisition.) (See table 8.)

6. Within most industries large companies predominantly made the greatest number of acquisitions. Companies with 500 or more employees made the following proportion of total acquisitions for their industry: Dairy processing, 67; canning, preserving, and freezing, 56; bakery products, 81; vegetable and animal oil processing, 87; food product wholesalers, 4; farm product assemblers, 2; grocery stores, 28; and other food stores, less than 1 percent. 1/ (Computed from table 9.)

1/ Due to the particular characteristics inherent in companies engaged in food product wholesaling, farm product assembly, and other food store industries, companies with 100 or more employees are considered to be large. The figures cited, however, are limited to the very few companies which have 500 or more employees.

7. Respondents provided employment information for 1,264 acquisitions. Employees of companies acquired by companies with 500 or more employees accounted for the following percentages of total employment of all acquired companies: Dairy processing, 75; canning, preserving, and freezing, 96; bakery products, 94; vegetable and animal oil processing, 99; food product wholesalers, 2; farm product assemblers, 1; grocery stores, 93; and other food stores, 5. (Computed from table 10.)

8. Information was supplied concerning the primary activity of both the acquiring and the acquired company. Both groups of companies were classified according to a three-digit S.I.C. level of classification. ^{2/} Thus, for example, the purchase of a meatpacking plant by a dairy company is considered to be an acquisition in a different industry. If this dairy acquired a retail outlet which sold dairy products, the acquisition would be at a different market level in a similar industry. The data are not sufficiently refined to differentiate between industries at a four-digit level of classification, such as processors of fluid milk and of natural cheese.

Table 11 shows that 80 percent of all acquisitions were in the same industry at the same functional level, 10 percent were in the same or similar industry at a different functional level, and 10 percent were in distinctly different industries.

C. Method of Acquisition and Disposal

1. Of the acquisitions for which information was provided, 60 percent were accomplished by the purchase of the acquired company's assets with cash, 8 percent by purchase of stock of the acquired company with stock of the acquiring company, and 6 percent by purchase of the assets of the acquired company with cash by the acquiring company in private purchase. The remainder were distributed among other methods. See table 12 and text on page 10.

2. Of the 604 disposals for which information was provided, 55 percent were accomplished by sale of the assets of the disposed unit for cash; 7 percent were accounted for by release of control by contract or lease. For the remainder, see table 13.

D. Form of Business Organization of the Acquisitions

1. Of the acquisitions for which the information was supplied, 58 percent were corporations, 22 percent were single proprietorships, 17 percent partnerships, 2 percent cooperatives, and 1 percent was described as "other." (Table 14)

^{2/} The Executive Office of the President has established classification for all establishments called the Standard Industrial Classification Code. This code is constructed to reflect different levels of classification. Thus, food and kindred products manufactures form one general class identified by the two-digit code 20; within this broad group, bakery products are represented by the three-digit code 205; then, at a still more refined level of classification, bread and related products are identified by a four-digit code 2051; biscuits, crackers, and pretzels by 2052, etc.

II. Description of Industries Covered and the Sample

The present study covers the period 1952-58. The universe for this survey consisted of the multiplant companies included in the 1954 census for the industries listed in table 1. The Census Bureau defined a multiunit company to be any company with two or more establishments. For all but two of the industries every component company was surveyed. In the grocery store and other food store category, each company with 100 or more employees was covered, but for companies with 50-99 employees the group was sampled at the rate of 1 in 4 companies; in a similar manner companies with 1-49 employees were sampled at a rate of 1 in 20 companies.

This sample differs from that of the pilot study ^{3/} in important aspects. The pilot sample started with individual establishments listed in each of the four industries (dairy processing, bakery products, food product wholesalers, and grocery stores); the parent company owning each establishment was then surveyed, regardless of its primary business. In contrast, the present survey started with the multiunit companies which served as a partial basis for the census report Company Statistics and includes only companies whose primary business is that of the industry specified. ^{4/} Furthermore, the pilot sample included independent as well as multiunit companies. When the present study was initiated, all multiunit companies whose primary business fell within the scope of the eight industries were included but were not surveyed again. To bring these multiunit companies up to date, the Bureau of the Census reviewed 1958 census records for an employment count, and if there were even moderate changes, information for the years 1957 and 1958 was obtained from the company or from published annual reports or other public records. The amount of information taken from these published sources is indicated on the following tables where relevant; it is possible that data for these years are slightly understated because of partial reliance upon these sources.

III. Definitions Used in Survey

The definition of "acquisition" predetermined the responses obtained by this survey. The gaining by one company of effective policy control over another, whether by purchase or other means, was considered an acquisition. This broad definition revealed more of the actual pattern of business control than the more usual concept of ownership alone. However, detailed information for many of the acquisitions reported was hard to obtain because access to records was often difficult, and because the necessarily more detailed instructions were not consistently interpreted by all respondents. The instruction sheet stated:

^{3/} "Ownership Changes Within Selected Food Industries, A Progress Report." AMS-258, reprint from The Marketing and Transportation Situation, April 1958, pp. 33-38.

^{4/} Bureau of the Census. Company Statistics. Bul. CS-1. 1958. On pages 4-24 this bulletin provides an ownership specialization index which reports the percentage of total industry employment which is accounted for by companies whose primary business activity falls within the specified industry. The following percentages apply for the companies in the eight industries covered by this report on acquisitions: Dairy products, 95.2; canning, preserving, and freezing, 91.8; bakery products, 92.7; vegetable and animal oils, 71.4; food product wholesalers, 97.2; farm product assemblers, 93.2; grocery stores, 98.4; and other food stores, 90.6.

"Parent: A company is a parent if it either owns or controls another business. To own another company or subsidiary means the parent company must own at least a majority of voting rights in that company. Thus, to own a corporation, the parent company must own more than 50 percent of the voting stock of that corporation.

To control another company, ownership as defined above is not required. If your company is able to formulate, determine, or veto basic policy decisions of another company, consider your company the parent of that company. This control may be exercised through use of dominant minority voting rights; use of proxy voting, contractual arrangements, or otherwise.

A company, a subsidiary of a parent company, or a part of such, whose ownership or control was acquired by purchase or lease by the parent company in the 1952 through 1958 period is an acquisition. The converse is a disposal."

If the definition adopted had been strict and narrow, such as ownership of 51 percent or more of the common stock of the other company, many instances would have been missed where business control is strongly exerted by one company upon another. Such a definition would have provided an extremely limited report of business control.

The Executive Office of the President in collaboration with industries and other Federal agencies, such as the Bureau of the Census, has established a Standard Industrial Classification Code, by which all individual establishments are classified at three- and four-digit levels. When companies rather than establishments are considered, this code is not satisfactory at the four-digit level in those frequent instances where the activity of a large company's establishments is extremely diverse in character. Thus, in this study the three-digit level of classification was adopted for companies making acquisitions, ^{5/} and a special code of four digits was devised to classify the acquired and disposed companies. The organization of the study code and its relation to the Standard Industrial Classification Code are shown below.

Before any comparisons are made with other reports which are based entirely upon the Standard Industrial Classification Code, the reader should familiarize himself with the comparison below. Furthermore, when the reader studies table 11, he should review this comparison which served as a basis for its classification.

^{5/} The category of food stores other than grocery stores combines the five three-digit categories: 542, 543, 545, 546, and 549.

Study code and industry

Standard Industrial
Classification Code

Processing:

2011 Meatpacking	Same
2016 Prepared meats and poultry products	Combines 2013 with 2015
2020 Dairy products	Includes 2022, 2023, 2024, 2025, & 2026
2038 Canning, preserving, and freezing (excluding seafood)	Includes 2033, 2034, 2035, 2037
2040 Grain mill products	Same as 204
2051 Bakery products, perishable	Same
2052 Biscuits, crackers, and pretzels ...	Same
2060 Sugar	Same as 2060
2091 Vegetable and animal oil	Part of 2092; all of 2091
2096 Shortening, table oils, margarine ..	Same
2099 Food preparation not elsewhere classified	Same
3000 All other manufactured products	No comparable S.I.C.

Assembly and marketing--wholesale:

5042 Groceries, general line	Same
5043 Dairy products	Same
5047 Meat and meat products	Same
5048 Fresh fruits and vegetables	Same
5051 Assemblers of raw materials, grains, hides, etc.	Same
5099 All other wholesale	Same

Retail:

5411 Groceries	Same
5422 Meat markets	Same
5431 Fruit and vegetable stores	Same
5460 Retail bakeries	Combines 5462 and 5463
5499 Food stores not elsewhere classified	Same

Two employment figures were requested of respondents. One was the total average employment for the entire company, and the other was the average employment of the acquisition or disposal. For the entire company, it was agreed to ask for average annual employment in order to minimize the reporting burden. Also, it was agreed to accept fiscal as well as calendar year reports provided the fiscal year was clearly defined. Because average employment fluctuated very little, it was possible to convert fiscal years to calendar for this report.

The acceptance of the single yearly average did create an editing problem. Since there were no figures for the start and the end of each year, in some instances it was impossible to ascertain if the employment of a reported acquisition was included. For example, if the XYZ company reported a total employment of 152 for the year 1952 and the acquisition of a company with 15 employees, did this company include or exclude these 15 as part of the total company report? In such instances where inconsistencies were evident, the employment figures were checked and corrected. However, because it was impossible to check inconsistencies in the first and last year covered by the study and

because some reporting error may have been missed in the interim years, total employment data were used only to classify acquiring companies by size; no attempts were made to identify the amount of growth attributable to acquisition.

Although the questionnaire had been screened by an industry committee and tested by a pilot study, in editing the questionnaires it was discovered that a few respondents construed the request for the acquired company's employment in the year before acquisition as a request for the employment of the acquiring company during that year. Where feasible, the correct figure was obtained, but otherwise the response was tabulated under the employment category "not specified."

Although the instruction sheet defined the various means of acquisition and disposal in detail, apparently some respondents did not differentiate between purchase of assets by cash and purchase of assets by stock of the acquiring company.

In such instances, the purchase was tabulated under "purchase of assets, method unknown." Furthermore, a sizable number of acquisitions were reported under "method not specified", and because a large proportion of these possibly should have been tabulated under "purchase of assets of acquired company with stock of the acquiring company", the table may be biased downward for this category.

IV. Points Related to Interpretation of Data

Changes in ownership patterns are only one factor which affect market structure. Furthermore, unless a case history of every acquisition and disposal is continued through its business existence, there is no way of determining that any acquisition, once accomplished, has become a continuing part of any given company or market. While comparing disposals with acquisitions offers some insights, they remain of very limited analytical use.

It should be remembered that acquisitions do not necessarily continue as net additions to the productive capacity of the acquiring company. To illustrate this point, some evidence was provided by the survey that although a company's production and delivery facilities were purchased, its employees were dismissed and its customers were supplied by the existing, nonexpanded capacity of the acquiring company. In a similar manner, a company could dispose of a facility and on the surface appear to have diminished its share of the market and its production without actually doing so.

Tables 9 and 10 show that large companies made the most and the biggest acquisitions. Table 3 showed that the nonrespondents included several large companies. Thus, it appears that this report tends to understate rather than exaggerate acquisition activity.

As anticipated, this survey encountered instances where the acquiring company was able to supply only the information that an acquisition had been made. In such instances where other detailed information was unavailable, the acquisition or disposal was tabulated under the category "not specified." It was apparent that some respondents had difficulty in distinguishing between a generally new business and an acquired going concern. Where such identification was possible, the editing process excluded new enterprises from the tabulation.

This survey covered only eight food industries. It would be hazardous to assume that these results can be extrapolated to other industries, even those within the food category. Insofar as these data describe these eight industries, their apparent downward bias should be recognized. In spite of the fact that this downward bias is a result of the nonresponse of several large companies, it would be questionable to assume that an extraordinarily large number of acquisitions was missed by this survey.

V. Comparisons with the FTC Interim Report

On June 30, 1959, the Federal Trade Commission released a report entitled Economic Inquiry into Food Marketing, An Interim Report which was limited in its coverage to chainstores and voluntary chains. It was further limited in that it included only those acquisitions which were within the grocery business.

Primary differences between these reports are:

1. The FTC study was mandatory, and hence probably experienced 100 percent compliance, at least among larger companies, whereas the study reported here was voluntary. Compliance for this study was 83 percent, and the 17 percent nonrespondents did include several large companies with 500 or more employees in the grocery industry.
2. This report covers processing, assembling, and distribution at all levels from the farmer through the consumer.
3. The Federal Trade Commission makes its size comparisons in terms of dollars of sales rather than employment. Although dollar sales and number of employees are related, the association is not a perfect correlation.
4. The Federal Trade Commission report covers the years 1948-58 while this study is limited to the period 1952-58.

At the time the Federal Trade Commission report was issued, the Bureau of the Census had provided the Department of Agriculture with preliminary tabulations for its administrative consideration. While the Census tabulations were not reported upon a company-by-company basis as was the published Federal Trade Commission study, rough comparisons of the aggregates were made by the Department of Agriculture. Differences in numbers of acquisitions revealed by this comparison may readily be explained by the difference in scope of the two studies. Any comparison between the two studies must be made with caution in view of the differences cited above.

Tables

Table 1.--Universe and sample used in the company report of acquisitions and disposals in specified food industries, 1952-58

Industry	Standard industry classification	Census company industry classification	Number of multiunit companies		Total multiunit employment 1954
			Universe ^{1/}	Sample	
Dairy products	202	7	302	302	183,609
Canning, preserving, and freezing (excluding seafood)	203	8	181	181	117,964
Bakery products	205	10	183	183	190,013
Vegetable and animal oils	209	44	53	53	23,777
Food product wholesalers:	504	90	825	825	77,279
Farm product assemblers :	505	100	735	735	24,632
Grocery stores ^{3/}	541	101	3,961	622	538,343
Food stores other than grocery stores ^{3/}	542, 543, 545, 546, 549	102	2,031	169	40,446
Total	---	---	8,271	3,070	1,196,063

^{1/} This was the gross universe. The net universe was the gross minus postmaster returns, business deaths, and companies out of the scope of the survey. The total of these amounted to 349, so the net was 7,922, not 8,271, and the net sample was 2,721, not 3,070.

^{2/} See Bulletin CS-1, pages 1-2, column 6.

^{3/} The grocery stores and food stores other than grocery stores were the only two industries in which the entire population of multiunit companies was not included. In these two industries all companies with 100 or more employees were included but companies with fewer than 100 employees were sampled as the figures below indicate:

Employment size	Sampling rate	Grocery stores sample		Food stores other than grocery stores sample	
		Uninflated	Inflated	Uninflated	Inflated
100 or more	all	393	393	57	57
50-99	1 in 4	64	256	18	72
1-49	1 in 20	165	3,300	94	1,880
Total	---	622	3,949	169	2,009

Table 2.--Companies selected for the sample and those in the survey of acquisitions and disposals, specified food industries, 1952-58 (uninflated)

Study code and industry	Company statistics: reference number	Out of scope and nonrespondent: 1/	Tabulated in survey				
			Selected for sample	Total	Reporting: only acquisitions and disposals	Reporting: both acquisitions and disposals	
	Companies	Companies	Companies	Companies	Companies	Companies	
2202 Dairy products	7	56	246	74	8	13	151
2203 Canning, preserving, and freezing (excluding seafood)	8	36	145	28	6	2	109
2205 Bakery products	10	22	161	25	10	5	121
2288 Vegetable and animal oils	44	7	46	12	4	3	27
4010 Food product wholesalers	90	176	649	63	51	27	508
4800 Farm product assemblers	100	108	627	65	43	26	493
5-10 Grocery stores	101	189	433	89	29	19	296
5-50 Food stores other than grocery stores	102	49	120	11	11	4	94
Total		643	2,427	367	162	99	1,799

1/ There were 294 nonrespondents.

Table 3.---Comparison of employment in nonrespondent companies with total employment in specified food industries in 1954 (uninflated)

Study code and industry	Total employment in industry sample, 1954	Nonrespondent companies	Percentage of total employment accounted for by nonrespondent companies having--
	Employees	Number	Percent
2202 Dairy products	183,609	29	28
2203 Canning, preserving, and freezing (excluding seafood)	117,964	11	13
2205 Bakery products	190,013	14	31
2288 Vegetable and animal oils	23,777	3	3
4010 Food product wholesalers	77,279	85	24
4800 Farm product assemblers	24,632	38	6
5-10 Grocery stores	538,343	90	18
5-50 Food stores other than grocery stores	40,446	24	6
Total	1,196,063	294	---

1/ Less than 1 percent.

Table 4.--Acquisitions in specified food industries, 1952-58 ^{1/}

Study code and industry	1952	1953	1954	1955	1956	1957	1958	Year not specified:	Total
	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions
2202 Dairy products	36	48	53	71	62	2/39	2/39	28	376
2203 Canning, preserving, and freezing (excluding seafood)	---	1	8	8	6	6	5	9	43
2205 Bakery products	3	10	10	11	29	2/9	2/18	14	104
2288 Vegetable and animal oils ..	6	1	1	2	5	2	5	25	47
4010 Food product wholesalers ..	7	15	16	9	35	14	23	17	136
4800 Farm product assemblers ..	20	13	20	6	11	8	13	10	101
5-10 Grocery stores	57	53	49	76	59	2/93	2/133	53	573
5-50 Food stores other than grocery stores	---	24	20	---	23	1	21	68	157
Total	129	165	177	183	230	172	257	224	1,537

1/ On an inflated basis 1,071 companies reported making acquisitions. The acquisitions of 285 companies with fewer than 100 employees which reported having made acquisitions are not included in this table. An attempt to gather more complete information from these companies was unsuccessful.

2/ Includes information obtained from published annual reports and other public secondary sources for a few large companies whose reports to the Bureau of the Census were not designed to include the years 1957 and 1958. The numbers of acquisitions obtained from these secondary sources are:

Industry	1957	1958
2202 - Dairy	12	14
2205 - Baking	7	8
5-10 - Grocery stores	4	4

Subsequent tables not involving a yearly report include these acquisitions in the column headed "not specified."

Table 5.--Disposals in specified food industries, 1952-58 1/

Study code and industry	1952	1953	1954	1955	1956	1957	1958	Year not specified:	Total
	Disposals	Disposals	Disposals	Disposals	Disposals	Disposals	Disposals	Disposals	Disposals
2202 Dairy products	4	4	10	3	13	9	2/30	8	81
2203 Canning, preserving, and freezing (excluding seafood)	---	---	---	1	3	1	3	3	11
2205 Bakery products	---	---	3	3	3	1	4	6	20
2288 Vegetable and animal oils	---	---	1	1	2	2	1	20	27
4010 Food product wholesalers ..	4	7	6	13	11	27	14	6	88
4800 Farm product assemblers ..	4	6	24	9	14	15	17	4	93
5-10 Grocery stores	3	19	25	70	62	57	2/51	48	335
5-50 Food stores other than grocery stores	---	---	5	1	22	6	33	20	87
Total	15	36	74	101	130	118	153	115	742

1/ The disposals of 256 companies with fewer than 100 employees which reported having made disposals are not included in this table. An attempt to gather more complete information from these companies was unsuccessful.

2/ Includes information obtained from published annual reports and other public secondary sources for a few large companies whose reports to the Bureau of the Census were not designed to include the years 1957 and 1958. The numbers of disposals obtained from these secondary sources are:

Industry	1957	1958
2202 - Dairy	0	22
5-10 - Grocery stores	0	1

Table 6.--Percentage distribution of acquisitions and of employees in acquisitions in specified food industries, 1952-58 ^{1/}

Study code and industry	Percentage of 1952-58 acquisitions:										Percentage of employees in 1952-58 acquisitions									
	1952:1953	1954:1955	1956:1957	1958:1959	1952:1953	1954:1955	1956:1957	1958:1959	1952:1953	1954:1955	1956:1957	1958:1959	1952:1953	1954:1955	1956:1957	1958:1959	1952:1953	1954:1955	1956:1957	1958:1959
2202 Dairy products	10	14	15	21	18	17	15	0	1	19	14	27	15	3	3	19	45	5	28	
2203 Canning, preserving, and freezing (excluding seafood)	0	3	24	24	17	17	15	0	1	19	14	27	15	3	3	19	45	5	28	
2205 Bakery products	3	11	11	12	33	10	20	2	29	20	7	38	3/	4	4	20	7	38	3/	
2288 Vegetable and animal oils	27	5	5	9	22	9	23	29	2/	3/	1	2	5	63	2	1	1	2	5	
4010 Food product wholesalers	6	13	13	8	29	12	19	2	12	11	11	11	32	13	13	11	11	32	19	
4800 Farm product assemblers	22	14	22	7	12	9	14	13	20	21	1	25	2	18	1	1	1	25	2	
5-10 Grocery stores	11	10	9	15	11	18	26	5	6	5	32	20	10	22	5	5	32	20	10	
5-50 Food stores other than grocery stores	0	27	22	0	26	1	24	0	58	3/	0	17	7	18	0	0	17	7	18	
Average	10	12	13	14	18	13	20	7	12	12	26	19	10	14	7	12	26	19	10	

^{1/} Includes information obtained from published annual reports and other public secondary sources for a few large companies whose reports to the Bureau of the Census were not designed to include the years 1957 and 1958. The numbers of acquisitions obtained from these secondary sources are:

Industry	1957	1958
2202 - Dairy	12	14
2205 - Baking	7	8
5-10 - Grocery stores	4	4

Subsequent tables not involving a yearly report include these acquisitions in the column headed "not specified."

^{2/} Less than 1 percent.

^{3/} Less than one-half of 1 percent.

Table 7.--Acquisitions arrayed by size of employment in specified food industries, 1952-58 ^{1/}

Study code and industry	Size by number of employees											Total	
	0-3	4-7	8-19	20-49	50-99	100-199	200-299	300-399	400-499	500-999	1,000-9,999		Not specified
	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions
2202 Dairy products	52	53	86	70	30	16	6	2	1	4	2	54	376
2203 Canning, preserving, and freezing (excluding seafood)	2	2	6	4	8	3	2	---	1	3	3	9	43
2205 Bakery products	5	1	8	22	16	10	4	---	1	1	7	29	104
2288 Vegetable and animal oils	4	3	5	4	1	1	---	---	1	2	1	25	47
4010 Food product wholesalers:	26	20	30	30	12	1	---	---	---	---	---	17	136
4800 Farm product assemblers:	60	15	6	3	7	---	---	---	---	---	---	10	101
5-10 Grocery stores	69	56	185	96	27	34	14	10	5	9	7	61	573
5-50 Food stores other than grocery stores	61	22	1	5	---	---	---	---	---	---	---	68	157
Total	279	172	327	234	101	65	26	12	9	19	20	273	1,537

^{1/} On an inflated basis 1,071 companies reported making acquisitions. The acquisitions of 285 companies with fewer than 100 employees which reported having made acquisitions are not included in this table. An attempt to gather more complete information from these companies was unsuccessful.

Table 8.--Companies in specified food industries arrayed by number of acquisitions made in 1952-58 1/

Study code and industry	Number of acquisitions made 2/							Total
	1	2-4	5-9	10-19	20-49	50-79	:	
2202 Dairy products	35	25	13	3	3	1	:	80
2203 Canning, preserving, and freezing (excluding seafood):	24	5	1	---	---	---	:	30
2205 Bakery products	12	12	5	2	---	---	:	31
2288 Vegetable and animal oils	4	4	5	---	---	---	:	13
4010 Food product wholesalers	46	21	2	2	---	---	:	71
4800 Farm product assemblers	43	19	---	1	---	---	:	63
5-10 Grocery stores:							:	
Uninflated	38	37	8	4	2	---	:	89
Inflated	224	78	8	4	2	---	:	316
5-50 Food stores other than grocery: stores:							:	
Uninflated	8	3	---	---	---	---	:	11
Inflated	87	25	---	---	---	---	:	112
Total:							:	
Uninflated	210	126	34	12	5	1	:	388
Inflated	475	189	34	12	5	1	:	716

1/ On an inflated basis 1,071 companies reported making acquisitions. The acquisitions of 285 companies with fewer than 100 employees which reported having made acquisitions are not included in this table. An attempt to gather more complete information from these companies was unsuccessful.

2/ Companies not specifying number of acquisitions are excluded from this table.

Table 9.--Acquisitions arrayed by the employment size of the acquiring company, specified food industries, 1952-58

Study code and industry	Size of acquiring companies by number of employees ^{1/}						Total
	0-99	100-499	500-999	1,000-4,999	5,000 and over		
	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	Acqui- sitions	
2202 Dairy products	33	93	47	62	142	377	
2203 Canning, preserving, and freezing (excluding seafood)	---	19	9	7	8	43	
2205 Bakery products	3	17	22	18	44	104	
2288 Vegetable and animal oils ...	2	4	11	25	5	47	
4010 Food product wholesalers	55	76	5	---	---	136	
4800 Farm product assemblers	86	13	2	---	---	101	
5-10 Grocery stores	288	125	28	49	82	572	
5-50 Food stores other than grocery stores	148	8	---	1	---	157	
Total	615	355	124	162	281	1,537	

^{1/} On an inflated basis 1,071 companies reported making acquisitions. The acquisitions of 285 companies with fewer than 100 employees which reported having made acquisitions are not included in this table. An attempt to gather more complete information from these companies was unsuccessful.

Table 10.--Percentage of total employment in acquired companies, by size of acquiring company, specified food industries, 1952-58

Study code and industry	Size of acquiring companies, by number of employees				
	0-99	100-499	500-999	1,000-4,999	5,000 and over
	Percent	Percent	Percent	Percent	Percent
2202 Dairy products	2	23	4	29	42
2203 Canning, preserving, and freezing (excluding seafood)	0	4	9	6	81
2205 Bakery products	1	5	5	12	77
2288 Vegetable and animal oils	1/14	1	6	64	29
4010 Food product wholesalers	14	54	2	0	0
4800 Farm product assemblers	76	23	1	---	---
5-10 Grocery stores	0	7	19	55	55
5-10 Food stores other than grocery stores:	6	89	0	5	0

1/ Less than one-half of 1 percent.

Table 11.--Acquisitions made by specified food industries in 1952-58 according to similarity of industry or level of operation

Study code and industry making acquisition	Percentage of all acquisitions which fall within--	
	The same industry at the same level	The same or a similar industry at a different level
	Percent	Percent
2202 Dairy products	85	7
2203 Canning, preserving, and freezing (excluding seafood)	41	6
2205 Bakery products	55	16
4010 Food product wholesalers	60	24
4800 Farm product assemblers	63	14
5-10 Grocery stores	91	7
Six-industry composite	80	10

A distinctly different industry

Table 12.--Acquisitions of specified food industries, by method of acquisition, 1952-58 1/

Code and method of acquisition	2202	2203	2205	2288	4010	4800	5-10	5-50	Total
	Dairy products	Canning, pre-freezing (excluding seafood)	Bakery products	Vegetable and animal oils	Food product wholesalers	Farm product assemblers	Grocery stores	Food stores other than grocery stores	
	Acqui- sition	Acqui- sition	Acqui- sition	Acqui- sition	Acqui- sition	Acqui- sition	Acqui- sition	Acqui- sition	Acqui- sition
11 Purchase of assets of acquired company with cash	235	10	36	13	59	37	280	84	754
12 Purchase of assets of acquired company with stock of acquiring company	5	3	2	---	4	4	59	---	77
13 Purchase of assets of acquired company with other than cash or stock of acquiring company	1	2	---	---	4	---	---	---	7
13A Purchase of assets, method unknown	11	---	---	1	3	---	---	---	15
21 Purchase of stock of acquired company with cash by private purchase	20	6	17	3	6	4	24	1	81
22 Purchase of stock of acquired company with cash on the open market	---	1	---	---	---	---	---	---	1
23 Purchase of stock of acquired company with stock of acquiring company	16	8	14	4	22	3	40	---	107
24 Purchase of stock of acquired company with other than cash or stock of acquiring company	3	1	---	---	---	---	1	---	5
25 Purchase of stock, method unknown	---	1	1	---	4	---	3	---	9
31 Consolidation by replacing stock of both acquiring and acquired company with stock of consolidated company	---	---	2	---	1	2	5	---	10
32 Consolidation by forming a new company to acquire controlling interest in both the acquiring and acquired company, legal entities of which may have remained unchanged	3	---	---	---	1	---	6	---	10
41 Acquisition of control by contract or lease	14	1	---	---	3	8	---	---	26
90 Purchase of assets and/or stocks, method unknown	9	1	3	1	9	28	57	---	108
91 Other	5	---	---	---	3	5	37	4	54
92 Method not specified 2/	54	9	29	25	17	10	61	68	273
Total	376	43	104	47	136	101	573	157	1,537

1/ See table 4, footnote 2.

2/ See table 4, footnote 1.

Table 13.--Disposals of specified food industries, by method of disposal, 1952-58 1/

Code and method of disposal	2202		2203		2205		2288		4010		4800		5-10		5-50	
	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals	Dis- posals
11 Sale of assets of disposed company for:																
cash	19	3	5	4	46	62	162	33	334							
12 Sale of assets of disposed company for:																
stock of acquiring company	---	1	---	---	1	---	17	---	19							
13 Sale of assets of disposed company for:																
other than cash or stock of acquir-																
ing company	3	---	---	---	3	2	---	---	7							
13A Sale of assets, method unknown	---	---	---	---	2	---	---	---	4							
21 Sale of stock of disposed company for:																
cash by private purchase	---	1	---	---	1	5	2	---	9							
23 Sale of stock of disposed company for:																
stock of acquiring company	---	---	---	---	---	---	---	---	3							
24 Sale of stock of disposed company for:																
other than cash or stock of acquir-																
ing company	---	---	---	---	1	---	---	---	2							
25 Sale of stock, method unknown	---	---	---	---	---	---	---	---	1							
41 Release of control by contract or																
lease	4	1	---	---	5	3	4	---	42							
90 Sale of assets and/or stocks of dis-																
posed company, method unknown	23	2	7	2	17	11	69	8	139							
91 Other	2	---	2	---	6	6	27	1	44							
92 Method not specified	30	3	6	20	6	4	49	20	138							
Total	81	11	20	27	88	93	335	87	742							

1/ Includes information obtained from published annual reports and other public secondary sources for a few large companies whose reports to the Bureau of the Census were not designed to include the years 1957 and 1958. The numbers of acquisitions obtained from these secondary sources are:

Industry	1957	1958
2202 - Dairy	12	14
2205 - Baking	7	8
5-10 - Grocery stores	4	4

Subsequent tables not involving a yearly report include these acquisitions in the column headed "not specified."

Table 14.---Form of business organization of acquired units, specified food industries, 1952-58 ^{1/}

Study code and industry	Proprie-	Partner-	Corpo-	Cooper-	Other	Not
	torship	ship	ration	ative	sitions	sitions
	Acqui-	Acqui-	Acqui-	Acqui-	Acqui-	Acqui-
	sitions	sitions	sitions	sitions	sitions	sitions
	94	45	170	10	3	54
	---	---	30	1	3	9
	1	6	68	---	---	29
	---	2	18	2	---	25
	8	16	93	---	2	17
	17	9	52	12	1	10
	135	93	270	---	14	61
	20	41	28	---	---	68
Total	275	212	729	25	23	273
						1,537

^{1/} Includes information obtained from published annual reports and other public secondary sources for a few large companies whose reports to the Bureau of the Census were not designed to include the years 1957 and 1958. The numbers of acquisitions obtained from these secondary sources are:

Industry	1957	1958
2202 - Dairy	12	14
2205 - Baking	7	8
5-10 - Grocery stores	4	4

Subsequent tables not involving a yearly report include these acquisitions in the column headed "not specified."

^{2/} On an inflated basis 1,071 companies reported making acquisitions. The acquisitions of 285 companies with fewer than 100 employees which reported having made acquisitions are not included in this table. An attempt to gather more complete information from these companies was unsuccessful.

