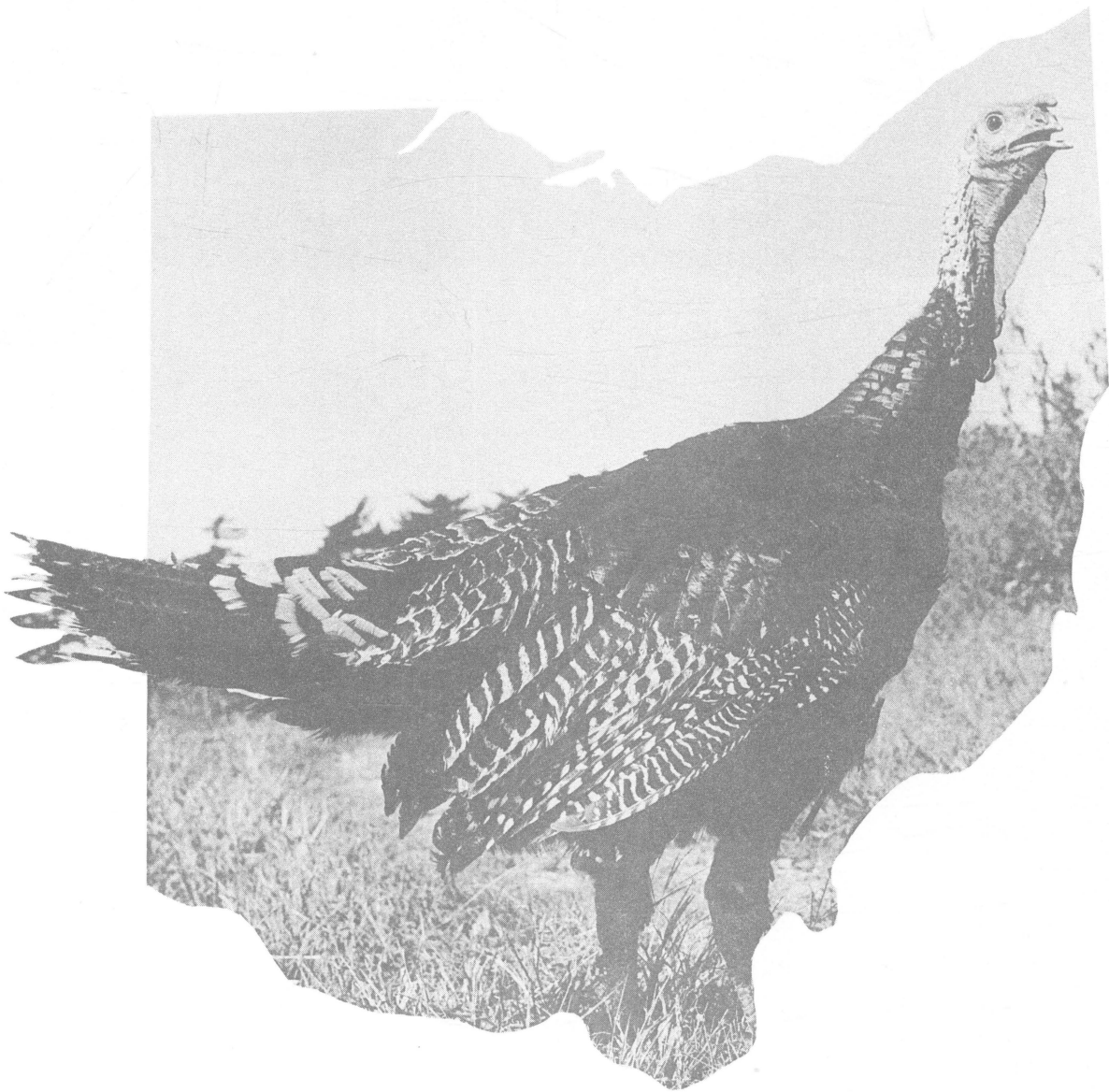


Marketing Turkeys In Ohio

P. C. CLAYTON, W. R. LUCKHAM and R. E. CRAY



Ohio Agricultural Experiment Station
Wooster, Ohio

MARKETING TURKEYS IN OHIO

P. C. Clayton, W. R. Luckham and R. E. Cray*

Last year Ohio growers raised over 3 million turkeys. Ohio ranks seventh among all states in turkey production. The large urban areas and numerous market outlets in Ohio provide growers with a variety of marketing alternatives. Selecting the most advantageous markets and selling methods is as important in a successful turkey operation as buying good poults, feed and other supplies. The information in this report on the selling methods and other marketing activities of a group of Ohio growers may be useful to growers in discovering ways of improving marketing practices and activities.

Survey of Ohio Growers

Data was obtained from a survey of Ohio turkey growers and processors during the last half of 1957. The total number of turkeys raised by the 119 growers returning the survey was approximately 17% of all the turkeys produced in Ohio during 1957. The average number of turkeys per grower was 3594 birds. This group was probably representative of commercial growers who produce most of the turkey in Ohio.

More B. B. Bronze Flocks than Any Other Variety

Over 45 percent of the growers marketing roasting turkeys during the last half of 1957 raised only the Broad Breasted Bronze variety. Many growers (28 percent) raised both the bronze and Large White turkeys. The flock size of this group was considerably larger than the flocks of growers with only one variety (Chart I). Very few of the small turkeys were sold as roasting turkeys. Most of the small white turkeys were marketed as broiler-fryers.

*Departments of Poultry Science and Agricultural Economics
The study is part of the North Central Regional Poultry Marketing Project NCM-14. H. C. Wildey, Secretary of the Ohio Turkey Growers Association, assisted in securing the data.

Table I

Sales of Live Turkeys From Ohio Farms, Percentage Distribution by Months,
July-December 1957

Month	B. B. Bronze			Large White			Total	Broiler-Fryers
	Toms	Hens	Total	Toms	Hens	Total		
	(percent)	(percent)	(percent)	(percent)	(percent)	(percent)	(percent)	(percent)
July	.6	1.1	.8	2.4	3.9	3.2	1.9	10.0
August	4.0	6.2	4.7	6.0	8.5	7.3	6.5	21.6
September	20.1	24.2	22.1	7.8	11.4	9.6	15.9	18.1
October	22.6	17.2	19.9	19.3	14.9	17.1	18.5	14.9
November	28.5	32.2	30.4	34.9	32.9	33.9	32.2	19.9
December	24.1	19.0	21.6	29.6	28.4	29.0	25.3	15.4

Chart I

Roasting Turkeys Marketed in Ohio July-Dec. 1957, Distribution by Variety
of Turkeys and the Average Number of Turkeys per Grower

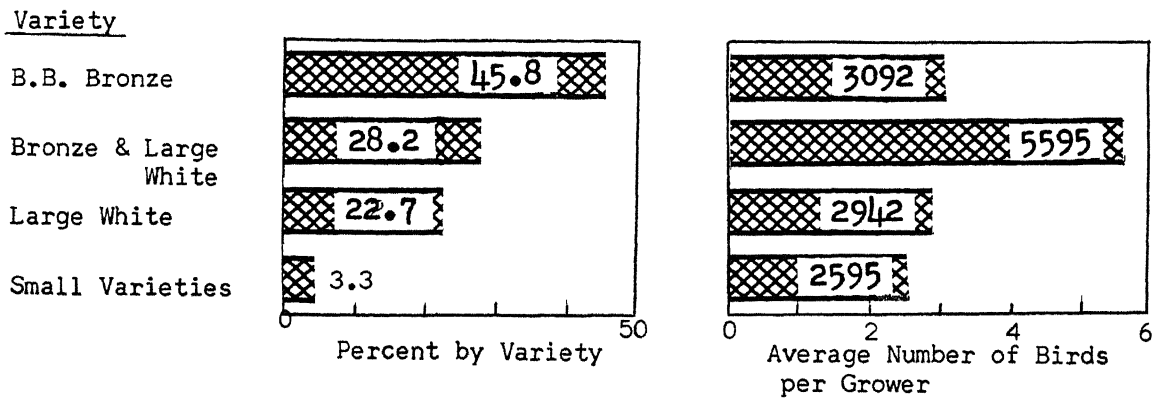


Table II

The Average Age and Live Weight of Turkeys Sold in Ohio, July-Dec. 1957

Age & Weight	B. B. Bronze		Large White		Small Type		Broiler-Fryers
	Toms	Hens	Toms	Hens	Toms	Hens	
	(weeks)	(weeks)	(weeks)	(weeks)	(weeks)	(weeks)	(weeks)
Age on Date of Sale	25.9	24.6	25.0	24.2	23.2	23.2	15.3
Average Weight	(lbs.)	(lbs.)	(lbs.)	(lbs.)	(lbs.)	(lbs.)	(lbs.)
	24.3	14.8	23.4	13.5	16.3	10.2	8.3

Thanksgiving Market Most Popular with Ohio Growers

Most of the roasting type turkeys produced in Ohio were sold during November and December. Over 57 percent of the turkeys reported in the survey were sold during November and December (Table I). The sales of broiler-fryer turkeys were more evenly distributed during the 6-month period. Often the hens were sold a week or two ahead of the toms, and the large white turkeys were marketed at a slightly earlier age than the bronze turkeys (Table II).

Processors Major Outlet for Live Turkeys

Processors were the most important buyers of live turkeys in Ohio. They purchased over three fourths of the turkeys sold on a live weight basis. Truckers and commission firms were also important outlets for live turkeys (Chart II). A number of the retailers buying live turkeys had the turkeys custom dressed. All growers reporting in the survey, except one, sold their birds either on the basis of live weight or ready-to-cook weight. One grower quoted prices and sold to consumers on "New York Dressed" weight.

Prices Paid Growers Varied from Grower to Grower

The prices paid growers for live turkey varied considerably from grower to grower during the 6 month period (Chart III). There was more variation in the prices received for hens than toms. Some of the differences could be explained by date of sales but there were others that couldn't be explained on this basis or by type of buyer, variety of bird or location.

There was no significant difference in the prices paid for live turkeys by the different types of buyers. No one type of buyer paid higher prices than other buyers. For example, there was as much variation among processors in the prices paid as between processors

Chart II

Sales of Live Turkeys by Type of Buyer, Ohio, July - December, 1957

Type of Buyer

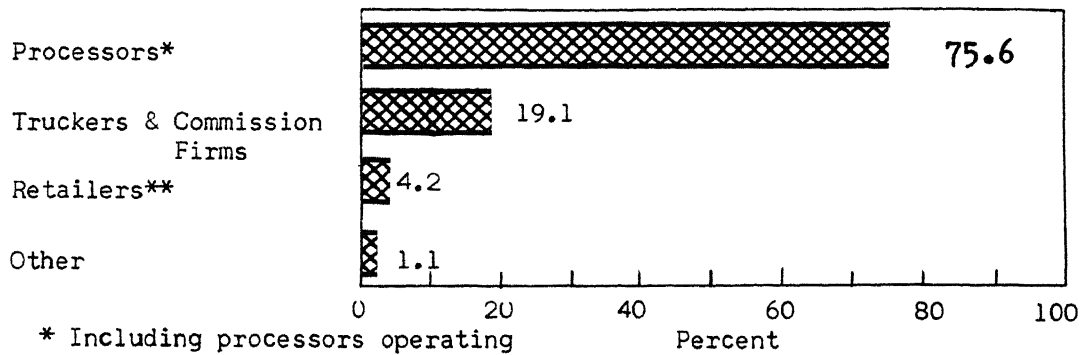
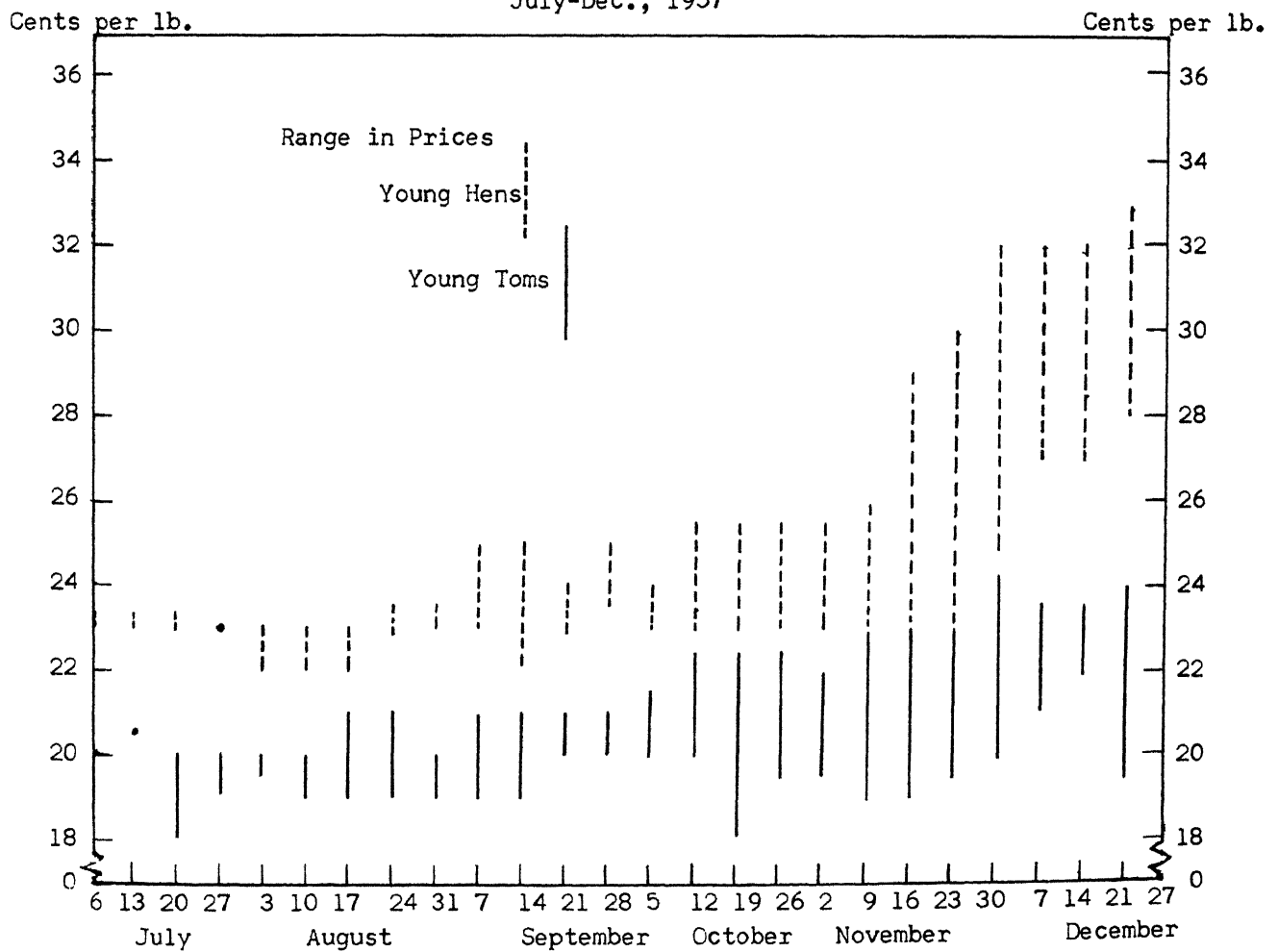


Chart III

Range in Weekly Price Received by Growers for Live Turkeys
July-Dec., 1957

and truckers. Growers received about the same prices for small lots as large, although there were some small lots of hens sold at premium prices.

The average prices received by growers for the large white type of turkey was slightly higher than the Bronze turkey (Chart IV). But, a larger proportion of the white turkeys than the bronze were sold during the period of high prices at the end of the year. There were small differences in the average prices paid in different areas of the state (Chart V) but the differences were not statistically significant.

Growers Could Improve Selling Methods

Almost all the growers reported that they received one price for each lot of toms and one price for each lot of hens sold. On a few lots of small type turkeys the growers received one price for both toms and hens. There appeared to be considerable variation in the consideration given to quality and size of the birds in bidding on flocks by buyers. Apparently, the consideration given these factors was based on observation of the live flock and past experience with the growers.

In response to a question on how the price was determined or what the price was based on, only 6 percent of the growers mentioned quality. About 55 percent of the growers indicated such factors as - "competition", "current market situation" and "bargaining". Six percent said they didn't know.

About 30 percent of the growers indicated that their prices were based on terminal market prices such as Cleveland, Cincinnati, Columbus, Pittsburgh or Detroit reports. Many growers said the price

Chart IV

Average Prices Received by Ohio Growers for Live Roasting Turkeys, July-Dec. 1957

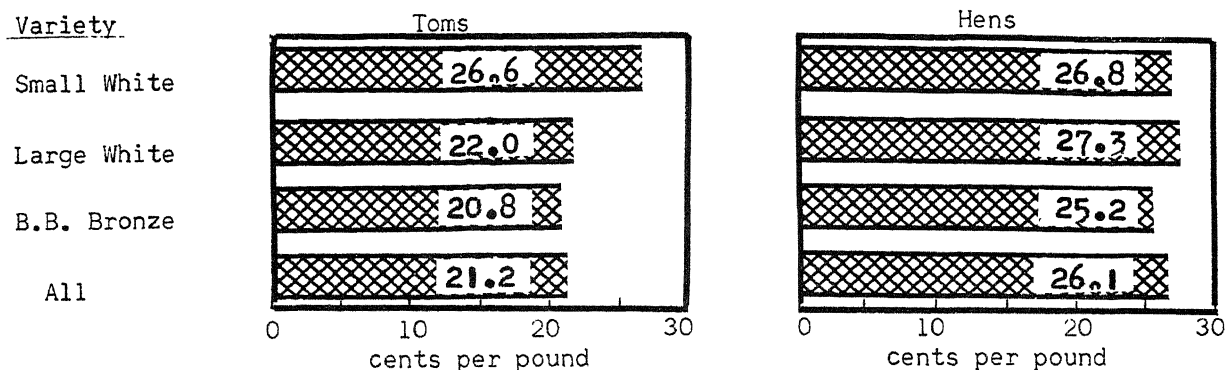


Chart V

Average Prices Received by Growers for Live Turkeys by Geographic Areas of Ohio July - December, 1957

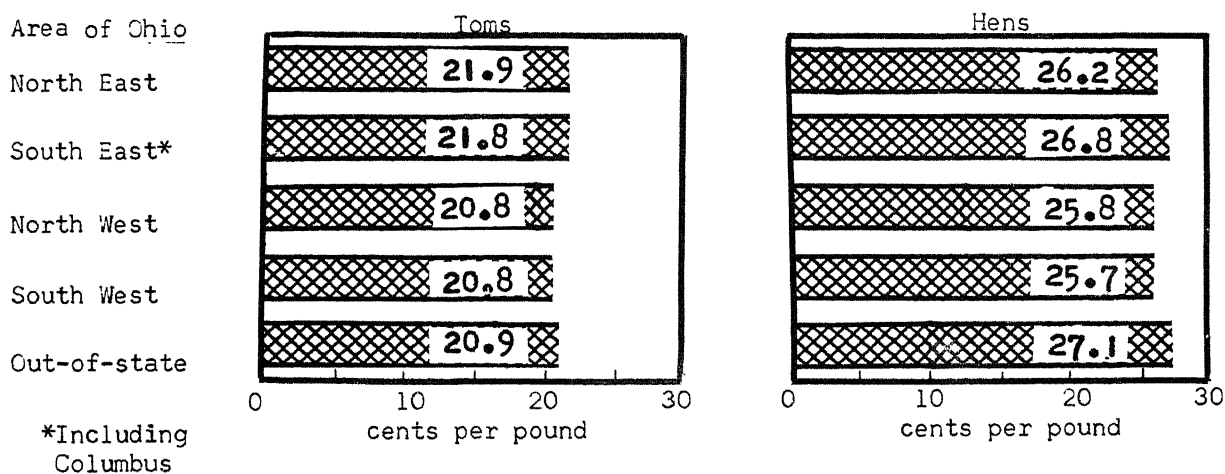
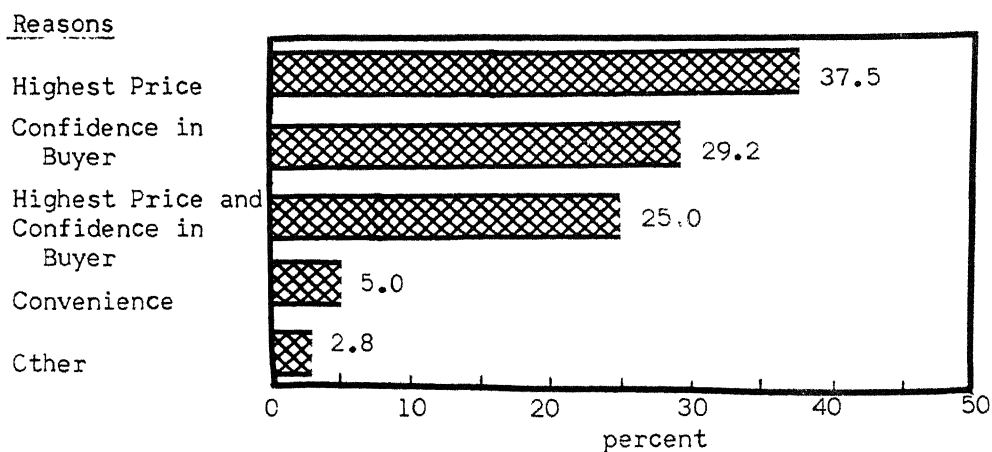


Chart VI

Reasons Indicated by Growers in Selecting Markets for Live Turkeys



which they received was based on the price reported by the U.S.D.A. Market news service on a particular day such as "Cincinnati top on day of pickup" or "One cent over Cleveland on such and such a day". Market reports were used to set the price rather than report it. No doubt this procedure may reduce the amount of bargaining on prices, but it also reduces the number of sales in establishing the market.

Most of the prices reported by growers participating in the survey were within the price range of the Cleveland, Columbus and Cincinnati reports (Charts VIII and IX -Appendix), but there were some sales above the prices quoted in the market news report. Information on the volume of turkeys sold at the various prices would improve these reports. Information on quality may also be helpful.

Practically all the contracts or agreements between the growers and buyers were verbal. Almost 70 percent of the growers contacted the buyers and sold their birds within a period of two weeks.

Highest Price and Confidence in Buyer Major Factors in Selecting Buyers

In answer to a question on why a particular buyer was selected, 62.5 percent of the growers mentioned price. Fifty four percent of the growers mentioned "confidence in the buyer". Almost 30 percent of the growers gave "confidence in the buyer" as the only reason for selling to a particular buyer (Chart VI). Apparently growers place considerable emphasis on this factor. Over 30 percent of the growers indicated that they got only one price bid on each lot sold. Two-thirds of the growers only got one or two bids on each sale of live turkeys. Seventy-two percent of the growers sold part or all of their 1957 crop to the same buyers as in 1956. A number of growers

Chart VII

Where Ohio Growers Get Turkey Market Information

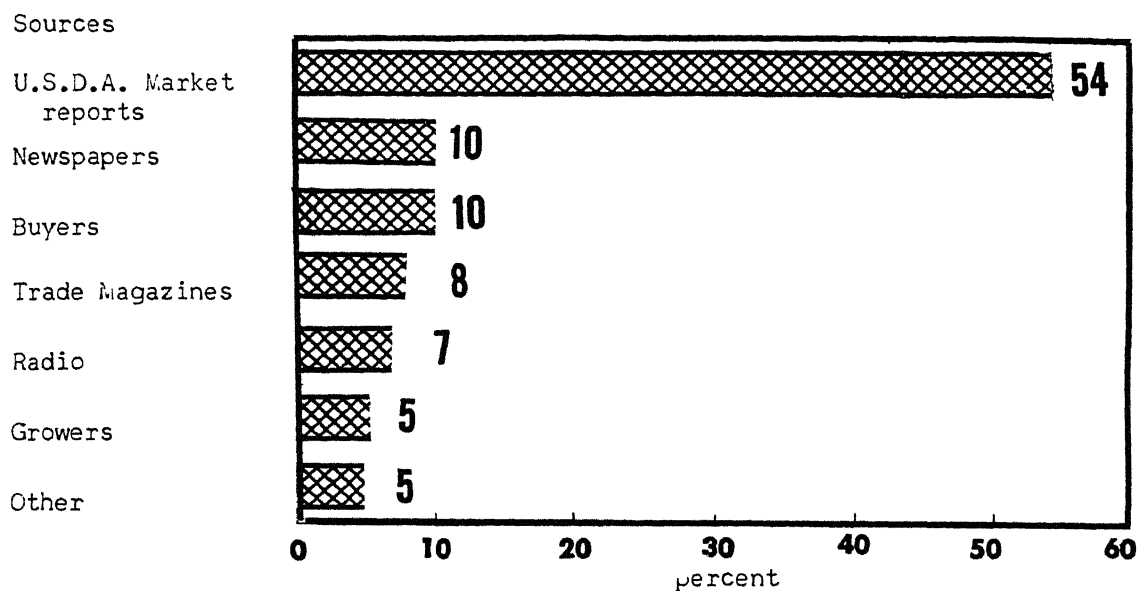


Table III

The Range and Average Prices Received by Growers for Ready-to-Cook
Turkeys During the Holiday Season, 1957

	Retail Prices (cents per lb.)		Wholesale Prices (cents per lb.)	
	Nov. 15 - 30	Dec. 15 - 30	Nov. 15 - 30	Dec. 15 - 30
Toms				
Range	38-51	39-50	32-43	38-45
Average	44.9	47.0	39.1	41.2
Hens				
Range	42-59	52-60	37-50	45-52
Average	52.4	57.3	44.0	48.0

indicated they wanted buyers who "made prompt payments and checks would not bounce". All these factors indicate the importance growers place on "confidence in the buyer". The larger growers did more "shopping around" for buyers and placed more emphasis on the highest price than the growers with smaller flocks.

U.S.D.A. Market News Reports Popular with Growers

Approximately 58 percent of the growers indicated they received one of the U.S.D.A. market news reports. The Cincinnati and Chicago reports were the most popular. Newspapers, buyers and Trade Magazines were also important sources of market information (Chart VII). About 35 percent of the growers listed two or more sources of market information. Generally they were the larger growers.

Many Ohio Growers Selling Ready-to-Cook Turkeys

Fifty-eight percent of the growers participating in the survey reported that they had processing facilities on the farm and they dressed part or all of their 1957 crop on the farm. Approximately 31 percent of the birds reported in the survey were dressed on the farm.

There was considerable variation in the prices charged by growers for ready-to-cook turkeys. Many growers charged different prices for the various sizes or weights such as "under 10 lbs.", "12 to 16 lbs.", or "over 20 lbs." rather than separate prices for toms and hens. The range and average prices received by growers selling ready-to-cook roasting turkeys during the holiday season are listed in Table III.

The average prices received by growers for sales direct to consumers varied from $3\frac{1}{2}$ to 12 cents a pound above the prices charged by the retail food stores in the large urban areas during the holiday season. Apparently there are some consumers willing to pay a premium for turkeys "direct from the farm". Also, the differences between the prices received for live birds and the prices of ready-to-cook turkey appears to be large enough to encourage many growers to dress their turkeys and assume the marketing activities involved in selling ready-to-cook turkey direct to consumers. For example, if a grower sold a 20 lb. tom on a live weight basis for 21 cents a pound, he would receive \$4.20 for the bird. If the grower dressed this bird, sold it for 40 cents a pound, he would receive \$6.40 for the bird (assuming 20% dressing loss). If his processing costs were 7 cents a pound, he would have over one dollar remaining to cover his retailing costs.

Processing, wholesaling and retailing are specialized activities which require considerable "know-how" and capital. Location is also an important factor in developing more direct outlets. Supermarkets and other retail food stores handle the majority of the turkeys going to household consumers and the amount being marketed through these channels will probably increase.

Summary and Conclusions

1. There was considerable variation from grower to grower in the prices for live turkeys. There was more variation in the price of hens than toms. Although "confidence in the buyer" is important in selecting an outlet, growers should investigate several alternative outlets.

2. There appears to be no one best type of buyer for live turkeys. Growers emphasizing quality in their production programs should try to find buyers willing to pay on a quality basis.
3. The market news reports would be more useful if the reports included some information on the volume sold at the various prices quoted in the report. Using the market news report to establish prices reduces the value of the report.

Selected References

- Kohls, R. L., Vogelsang, D., How do Hoosier Growers Sell Their Turkeys? Purdue Agr'l. Exp. Station, Mimeo, ID-10 (E & P), August, 1956.
- Rineau, E. H., Marketing Margins and Practices for Turkeys Sold in Three Eastern Markets. Agricultural Marketing Service. U.S. Dept. of Agriculture, Marketing Research Report No. 191, August, 1957.

(Cents per Lb.)

33

(Cents per Lb.)

33

CHART VIII

The Range of Daily Prices of Young Live Turkey Hens Reported in the
Cleveland, Cincinnati and Columbus Market News Reports, and Sales of
Individual Growers July - December 1957

