

# Cattlemen to Try Merchandising

SEP. 19 1976

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Business firms regularly set up large budgets to convince people they should buy certain products and to develop new products that people don't yet know that they need.

Farmers and cattlemen have been slow to assume responsibility for merchandising what they grow. With millions of individuals engaged in agriculture, they've seen little need to do more than grow foodstuffs and take them to town to sell.

Things are changing. Efforts are being made by most commodity groups to improve their markets and marketing systems. Cattlemen now are engaged in a nationwide campaign to enlarge upon previous efforts and improve markets all the way to consumers.

They admit they face a big job in interesting cattle producers to register and vote in a referendum that will affect all of them, win or lose. Leaders have set a goal to get 200,000 cattle producers registered, out of 1.8 million in the United States. If that is all, eight out of nine may not care enough to vote.

The referendum probably will be held next March, and the outcome will determine whether the cattle industry will be allowed

to establish, finance and operate a nationally coordinated research and information program to improve beef markets.

Over the years, various meat research, production, marketing, advertising and promotion plans have been

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tried. Each probably did some good, but all had the same basic weaknesses—plans too small, money too scarce, accomplishments not enough.

Cattle industry leaders brought forth in 1974 the present plan to establish a national checkoff system that would enable all producers to help pay for marketing their livestock. In voluntary plans, a great many do not volunteer.

A Beef Development Task Force was formed and after two years of strenuous effort, enabling legislation was passed by Congress and signed into law last May by President Ford.

It was enabling legislation only in the sense that it authorized the task force to undertake another series of hurdles. First, a series of six hearings are required to allow supporters and opponents to air their views on the

uniform collection plan.

The first hearing was held in Dallas last Tuesday and the final one will be in Des Moines next month. Then, testimony will be reviewed and the U.S. Department of Agriculture will publish a final order, which is what will be voted upon later.

If it carries, a national Beef Board will be appointed to supervise the program. Oklahoma will be allowed three members on the 68-man board.

When the board becomes operative, probably no sooner than a year from now, and funds begin to come in, contracts will be made with established institutions to do research and initiate other steps designed to improve cattle and beef markets.

Funds would come from a checkoff of 0.3 per cent of value of animals when bought for slaughter. Each prior owner would participate on the basis of value added during possession.

The plan is expected to yield close to \$40 million a year to finance contemplated programs. This would be several times present combined expenditures, but it is not so great when compared with what other industries are doing.

As a percentage of sales, auto manufacturers spend from 0.4 per cent to 1.4 per cent, but

the percentage is higher in most other industries, frequently exceeding 15 per cent of sales.

In agriculture, more than 2 per cent of market value is spent to sell citrus fruit and prunes, 0.6 per cent for milk, and 0.4 per cent for cotton. The latest figure for beef is 1/66 of 1 per cent, and it is the biggest industry of them all.

If the automobile industry had done no more to sell cars through advertising and promotion than the cattle industry has done to sell beef, we might still be driving horses and buggies.