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### Packers' Forward Purchases of Fed Cattle, 1988-97

Attached are three tables summarizing monthly and annual data the U.S. Department of Agriculture's (USDA) Grain Inspection, Packers and Stockyards Administration (GIPSA) obtained from leading steer and heifer slaughtering packers on the portion of cattle they slaughtered that were obtained through forward contracts, marketing agreements and their own feeding operations between 1988 and 1997.

Data were obtained from the 4 largest and 15 largest beef packers each year through reports the firms filed with the Agency. The identity of firms may vary from year to year. The following table shows the percentage of total steer and heifer slaughter accounted by the 4 and 15 largest firms each year.

<u>Year</u>	<u>Percentage of total commercial slaughter</u>	
	<u>4 largest firms</u>	<u>15 largest firms</u>
1988	70	84
1989	70	90
1990	72	87
1991	75	90
1992	78	92
1993	81	94
1994	82	96
1995	81	94
1996	79	91
1997	80	93

Forward contracts are contracts packers enter into for the delivery of cattle 2 or more weeks before slaughter with price determined prior to slaughter. A marketing agreement is an oral or written agreement between a packer and seller in which the seller agrees to ship all or part of its slaughter cattle to the packer when the cattle are ready for slaughter, with price determined at or after slaughter, usually by an agreed formula that may reflect live animal or carcass quality, prices paid by the packer to other sellers at the time of delivery, or publicly-reported prices. Terms of sale are not negotiated for individual lots of cattle when cattle are delivered through marketing agreements. Packer-fed cattle are cattle packers own 2 or more weeks prior to slaughter that were fed in a packer's own feeding operations or fed for the packer in a feeding operation owned by another firm (custom fed).

Packer feeding and acquisition through forward contracts and marketing agreements as a percentage  
of leading packers' total steer and heifer slaughter, by size of firm and month, 1988-97

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
4 largest beef packers	<u>Percent</u>												
1988	21.6	15.3	13.4	32.3	19.7	27.0	19.2	13.8	18.3	16.5	20.5	30.3	20.5
1989	27.2	23.5	23.0	29.0	23.4	34.3	24.9	21.6	25.1	20.9	20.2	25.9	24.9
1990	29.1	27.3	18.2	24.8	18.9	17.9	20.1	16.1	16.5	20.0	15.7	19.7	20.1
1991	18.6	16.0	22.0	19.7	14.7	22.8	19.6	17.6	17.8	17.1	15.7	23.4	18.7
1992	15.9	21.4	19.1	25.9	22.6	25.4	19.1	21.1	17.7	17.9	16.0	27.2	20.8
1993	19.2	18.3	18.1	24.8	15.5	21.4	16.1	15.4	14.1	14.9	15.7	17.5	17.5
1994	19.3	20.1	18.4	20.2	20.3	22.2	19.2	24.2	21.9	20.8	17.6	25.6	20.9
1995	22.9	25.4	23.0	28.5	19.0	26.3	22.6	20.3	15.6	14.6	14.9	23.2	21.3
1996	20.7	22.1	19.9	26.5	21.2	23.6	26.6	22.2	19.0	21.4	16.8	31.3	22.5
1997	25.0	24.0	17.0	18.0	20.0	18.0	21.5	20.6	19.2	16.8	17.9	24.2	20.1
Average	21.9	21.3	19.2	25.0	19.5	23.9	20.9	19.3	18.5	18.1	17.1	24.8	20.7
15 largest beef packers													
1988	19.6	15.5	12.9	28.9	18.3	24.9	18.2	13.4	17.2	15.7	19.5	28.9	19.3
1989	23.6	21.7	20.5	25.7	21.0	30.1	21.7	19.7	22.6	19.4	18.6	23.8	22.4
1990	25.8	25.4	18.4	23.4	16.8	16.4	18.3	15.0	15.9	18.7	14.8	20.1	18.9
1991	16.5	15.1	19.5	17.9	13.4	20.8	17.7	16.5	16.7	15.9	15.2	22.4	17.2
1992	14.7	19.9	18.3	23.5	21.2	23.5	17.7	19.8	16.8	17.2	15.5	24.9	19.5
1993	18.4	18.0	17.7	24.1	15.5	20.9	16.1	15.4	14.4	15.2	16.2	17.9	17.4
1994	18.9	19.5	18.1	19.9	20.1	21.7	19.1	23.2	21.4	20.6	17.5	24.7	20.5
1995	22.2	24.6	22.5	27.6	19.0	25.5	22.2	19.9	15.9	15.4	15.7	23.0	21.1
1996	20.5	21.9	19.9	25.7	20.9	23.0	25.7	22.0	19.3	21.1	17.2	29.6	22.2
1997	22.8	22.1	15.6	16.6	18.8	17.1	19.6	19.1	17.9	16.0	16.9	22.2	18.6
Average	20.3	20.4	18.3	23.3	18.5	22.4	19.6	18.4	17.8	17.5	16.7	23.7	19.7

Packer acquisition through forward contracts and marketing agreements as a percentage of leading packers' total steer and heifer slaughter, by size of firm and month, 1988-97

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
4 largest beef packers	<u>Percent</u>												
1988	17.4	11.1	10.9	27.3	15.2	22.3	12.9	9.1	13.1	11.3	16.5	24.6	15.8
1989	22.1	18.8	17.7	22.9	16.8	28.4	17.5	15.5	20.1	15.0	15.3	22.3	19.4
1990	24.7	22.8	13.4	20.2	13.1	13.4	13.7	10.2	11.6	15.4	11.2	14.2	15.1
1991	13.0	11.6	16.2	14.7	10.4	17.8	14.9	13.5	13.2	12.0	11.7	19.7	14.0
1992	12.6	16.7	15.3	20.6	17.3	22.4	15.4	17.5	13.0	13.5	12.1	23.8	16.7
1993	15.5	13.5	14.4	20.8	12.0	18.0	12.3	11.1	10.4	10.4	11.9	15.2	13.7
1994	15.7	16.0	14.9	17.7	17.2	18.8	14.9	18.4	16.6	16.3	13.0	22.9	17.0
1995	19.3	20.4	19.0	25.4	16.9	22.6	17.9	15.4	14.0	13.2	13.1	21.2	18.1
1996	17.5	17.2	17.1	24.2	18.2	19.9	21.5	17.6	16.6	19.5	14.5	27.4	19.2
1997	19.7	19.3	15.5	16.0	16.2	13.6	16.0	16.8	16.0	13.8	13.8	19.4	16.2
Average	17.7	16.7	15.4	21.0	15.3	19.7	15.7	14.5	14.5	14.0	13.3	21.1	16.5
15 largest beef packers													
1988	15.1	10.9	10.0	24.0	13.7	19.9	11.5	8.4	12.0	10.4	14.9	22.8	14.3
1989	18.7	17.1	15.7	20.1	15.0	24.8	15.2	14.2	17.6	13.5	13.8	20.1	17.2
1990	21.3	20.7	13.1	18.8	11.5	12.0	12.1	9.3	11.0	14.0	10.3	14.5	13.9
1991	11.5	11.1	14.5	13.6	9.3	16.0	13.0	12.0	11.9	10.9	10.9	18.4	12.7
1992	11.7	15.5	14.6	18.7	16.1	20.2	13.8	16.1	12.2	12.6	11.3	21.0	15.3
1993	14.4	13.1	13.8	19.8	11.8	17.1	11.9	10.8	10.5	10.4	11.9	14.9	13.3
1994	15.3	15.6	14.7	17.2	16.7	18.2	14.8	17.7	16.3	16.1	12.9	21.7	16.5
1995	18.7	19.9	18.6	24.4	16.7	21.7	17.4	15.2	14.1	13.5	13.3	20.5	17.8
1996	17.2	17.1	17.0	23.2	17.8	19.3	20.7	17.7	16.9	19.2	14.9	25.9	18.8
1997	18.0	17.7	14.2	14.8	15.0	12.7	14.7	15.5	14.5	13.0	13.0	17.7	14.9
Average	16.2	15.9	14.6	19.5	14.4	18.2	14.5	13.7	13.7	13.4	12.7	19.8	15.5

Packer feeding as a percentage of leading packers' total steer and heifer slaughter,  
by size of firm and month, 1988-97

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
4 largest beef packers	<u>Percent</u>												
1988	4.2	4.2	2.5	5.0	4.5	4.7	6.3	4.8	5.2	5.2	4.0	5.8	4.7
1989	5.1	4.7	5.3	6.1	6.6	5.9	7.4	6.1	5.1	6.0	4.9	3.6	5.6
1990	4.4	4.4	4.8	4.6	5.9	4.6	6.4	5.9	4.9	4.7	4.5	5.5	5.1
1991	5.6	4.4	5.8	5.0	4.3	5.0	4.7	4.2	4.7	5.1	4.0	3.7	4.7
1992	3.3	4.7	3.8	5.3	5.3	3.1	3.7	3.6	4.6	4.4	3.8	3.4	4.1
1993	3.7	4.7	3.7	4.0	3.5	3.4	3.8	4.4	3.6	4.5	3.7	2.3	3.8
1994	3.6	4.0	3.4	2.5	3.1	3.4	4.3	5.8	5.3	4.4	4.6	2.7	3.9
1995	3.6	5.0	4.0	3.1	2.0	3.6	4.7	4.9	1.6	1.5	1.9	2.0	3.2
1996	3.1	4.8	2.8	2.4	3.0	3.8	5.2	4.5	2.3	2.0	2.3	3.9	3.4
1997	5.4	4.8	1.6	1.9	3.8	4.4	5.4	3.8	3.3	3.0	4.2	4.8	3.8
Average	4.2	4.6	3.8	4.0	4.2	4.2	5.2	4.8	4.1	4.1	3.8	3.7	4.2
15 largest beef packers													
1988	4.5	4.7	2.9	4.9	4.5	5.0	6.6	5.0	5.2	5.3	4.5	6.1	5.0
1989	4.9	4.7	4.8	5.6	6.0	5.3	6.5	5.5	5.0	5.9	4.8	3.7	5.2
1990	4.5	4.7	5.3	4.6	5.3	4.4	6.2	5.7	4.9	4.7	4.5	5.6	5.0
1991	4.9	4.0	4.9	4.3	4.1	4.8	4.7	4.5	4.8	5.1	4.3	4.0	4.5
1992	3.0	4.4	3.7	4.9	5.1	3.3	3.8	3.8	4.7	4.6	4.2	3.9	4.1
1993	4.0	4.8	3.9	4.3	3.7	3.8	4.2	4.6	4.0	4.8	4.2	3.0	4.1
1994	3.7	3.9	3.3	2.7	3.3	3.5	4.3	5.6	5.2	4.5	4.6	2.9	4.0
1995	3.5	4.7	3.9	3.2	2.3	3.8	4.8	4.8	1.8	1.9	2.4	2.4	3.3
1996	3.4	4.7	2.9	2.5	3.1	3.7	5.0	4.3	2.4	1.9	2.3	3.7	3.3
1997	4.8	4.3	1.5	1.8	3.8	4.4	4.9	3.6	3.3	3.0	4.0	4.5	3.7
Average	4.1	4.5	3.7	3.9	4.1	4.2	5.1	4.7	4.1	4.2	4.0	4.0	4.2