

LARGE SCALE COMMERCIAL BEEF CATTLE FEEDING IN NORTHERN ILLINOIS

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INTRODUCTION

For the past three decades the average size of farms in the United States has been increasing. Part of the increase is accounted for by the increases in the size of family-type farms; but there have also developed some very large-scale agricultural operations either individually or corporately owned. These extremely large, industrial-type operations are of various kinds: large-scale livestock ranches, vegetable farms, orchards, broiler chicken factories, wheat farms, and others. Some agricultural experts anticipate that future agricultural production in the United States will come largely from these big, efficiently managed enterprises. It is clearly of the greatest importance to United States agricultural policy to have an accurate view of the relative effectiveness of large-scale farms and family-size farms in American agricultural production.

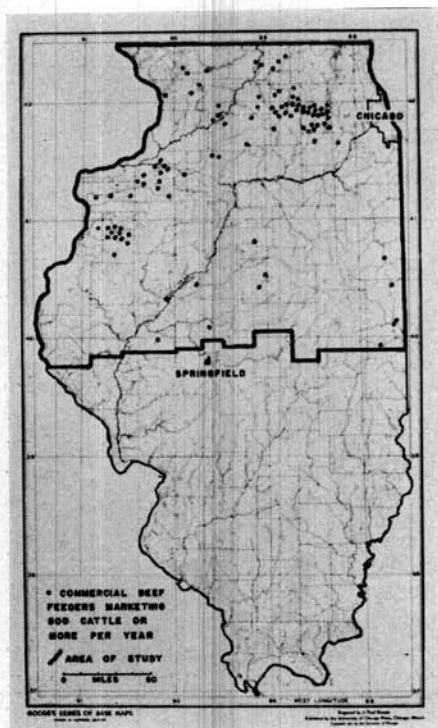
One kind of factory-type agricultural operation is the large beef-cattle feeder. This investigation is concerned with the numbers and distribution of large-scale, beef-cattle feeders in northern Illinois, and with a preliminary description of the mode of operations of a few of these feeding units.

If we classify all commercial beef feeders in Illinois on the basis of

size of operations, we discover that they are arranged in a continuum from the very largest to the tiniest operations. Therefore, any figure selected to define the minimum size of operations of a large-scale feeder must be arbitrary. For this study a large-scale feeder was defined as any operator who fed and marketed more than 800 head of beef cattle per year. This is a large number, and unquestionably some corporate-type operations not quite of this size were excluded by our definition. The size defined has the advantage, however, of being sufficiently large that the family-type farms, even large ones, are excluded.

DISTRIBUTION IN ILLINOIS

The areal distribution of enterprises feeding and marketing more than 800 head of cattle per year is shown on the accompanying map. One of the most striking aspects of the map is the extremely uneven distribution of such beef-feeding enterprises. Less than half of all northern Illinois counties (23 out of 50) have even one feeder of this scale of operations. According to information furnished by the county agents in their respective counties, there are in the counties north of the south boundary of Adams, Logan, and Champaign counties 102 cattle-feed-



ing operations which market over 800 head of stock each year. Sixty-two percent of these enterprises are located in just 4 of the 50 counties. They are concentrated in two nodes. One node is in DeKalb and Kane counties just west of the Chicago metropolitan area where more than 40 of these enterprises are located. The other concentration is in Warren and Henry counties in the livestock feeding area just east of the Mississippi River. The map also indicates that the rest are widely scattered. Only one other county has as many as five such enterprises—Lee County located between DeKalb and Henry counties. With the exception of DeKalb and Kane counties, it is clear that most of the large feeding

operations are located in the northwestern quarter of the state.

Having established the distribution and numbers of large feeders in northern Illinois, the next step was to obtain some preliminary ideas about the characteristics of these operations. To do this we have undertaken a more intensive study of the large feeder operations in DeKalb County.

OWNERSHIP AND ORGANIZATION CHARACTERISTICS

The large feeding enterprises of DeKalb County show the greatest diversity in both organization and ownership. The simplest pattern found in the county is that of an individual farmer who owns 560 contiguous acres of land, which are operated with a minimum of hired help. He feeds for a 90-day period a total of about 1,000 head of beef cattle each year and purchases more than half of the necessary feed.

A slightly more complex arrangement is that of an elderly farmer who owns two farms about ten miles apart. Both of the farms are actively managed by his son who operates one of the farms, with a hired man operating the other. This man is known as a "long feeder"; *i.e.*, his stock is fed for a nine- or ten-month period. He is one of the few operators who feeds Angus cattle exclusively, feeding and marketing about 1,500 head annually.

A still higher level of complexity is represented by a feeder who owns and operates one large farm of 400 acres, but who owns two other farms which he rents on a tenant-share basis. About 1,000 head are fed on his own farm, for which he can raise

less than half the feed necessary. The rest of the feed is purchased. Smaller numbers of cattle are raised on an equal-share basis on the other two farms.

The next order of complexity of organization is exemplified by four contiguous farms owned by one man. The owner is a man of numerous business interests. He is a cattle dealer, purchasing through commission buyers on the western range and selling the stock to small feeders throughout the county. Cattle are also fed on his four farms. The number of cattle and the length of time they are fed vary widely, being largely dependent on the relationship between prices of feed and livestock. Cattle dealing occupies only part of this man's time, the rest of which is spent as a member of the Board of Trade in Chicago.

The next complex is an individually owned group of seven farms with a son working the home farm. In this operation the owner oversees all seven units. Cattle feeding is carried out on the home farm which markets 1,000 head annually.

A similar, but even larger, operation is represented by a group of 18 farms throughout DeKalb county owned and managed by one man. These farms average 200 acres each and are worked by tenants who raise about two-thirds of the feed for the cattle-feeding operations. The number of cattle fed varies from 30 to 225 head on each of the 18 farms. Combined operations of all farms market over 3,000 head annually.

Corporate cattle feeding operations in DeKalb County are both larger and smaller than the individually managed properties. Some of

the corporate feeding operations are merely ancillary to the principal business of the corporation. A canning corporation feeds cattle as a method of utilizing hired farm help during the slack winter months. All of this corporation's farms are leased, and help is hired for the raising and harvesting of peas, corn, lima beans, squash, and pumpkins. When the harvest is completed cattle are purchased by a company buyer. The cattle are fed through the winter months, utilizing pea and corn silage from the canning process as part of the feed and thereby reducing grain costs and disposing of a canning by-product. The average farm, worked by one man, feeds 110 cattle. These farms, averaging 160 acres each, are located on outlying areas near the canning-plant location. They are located as contiguous as possible to each other and to the canning-plant district. Before the spring planting season arrives, the cattle are marketed.

A hybrid seed-corn company provides another example of beef feeding as an operation subordinate to the primary business. In raising seed corn much more corn is grown than can be sold as seed. Only enough seed is treated to satisfy demand, and the remainder is stored for cattle and hog-feeding purposes. Eight-hundred calves are divided equally between the four farms forming the company's farming unit. Calves are purchased and fed on the long-term plan, a less speculative plan for beef feeding.

While feeders have differences in organization, they do have certain common characteristics. Cattle for their farms are purchased on the

western range from Montana to Texas and New Mexico. Transportation of these cattle is entirely by rail.

About one-fourth of the total number of cattle is purchased at weights of 900 to 1,000 pounds and fed to grade "prime" at 1,200 to 1,300 pounds. Half of the total number of cattle is sold at grade "choice," and a fourth of them is marketed at grade "good." No large-scale feeders feed cattle for the commercial or utility grades.

Herefords constitute about 80% of the cattle fed. A feeder may purchase a few white-faced Angus, and others to feed with Herefords. Aberdeen Angus were fed only in two cases.

Close to 95% of the finished beefs are marketed at the Chicago Stockyards. The majority of the cattle are shipped to this market by truck. All but one feeder interviewed shipped by hired trucking concerns; this one feeder owns and operates his own truck. The largest volume of hauling is done on the weekend for the Monday market and much less on Tuesday for the Wednesday market. An average load per feeder is 18 to 25 head marketed once a month. Long-term and especially short-term feeders market cattle at frequent intervals, depending on the market and when the cattle are ready.