



Livestock Marketing Basics

Livestock Marketing Association



Who is LMA?

National Trade Organization for livestock marketing businesses

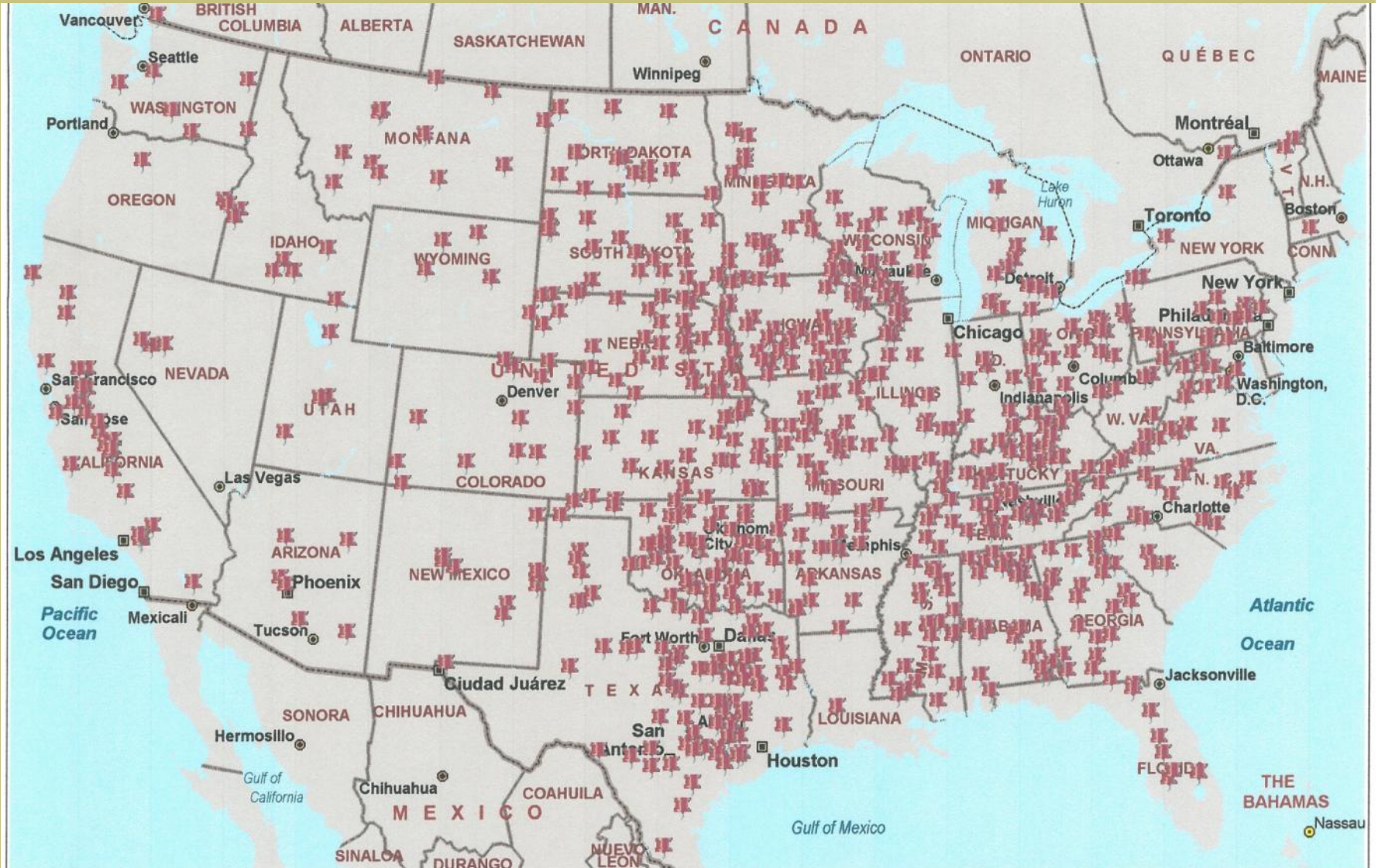
LMA represents 70 % of the regularly selling livestock markets in the U.S.A.

(regularly selling = at least one sale per week)

LMA provides markets with industry information, membership services, animal handling guidance, insurance products, and legal, legislative, and regulatory representation.



Where are our 800+ members located?





What do auction markets do?

Serve as a forum for people to sell livestock through a competitive bidding process

Junction between buyers and sellers

Livestock markets sell livestock on commission

Open Price Discovery – Sets the Market





Video Auctions



Internet Auctions

Welcome
Cathy Colett - Site Admin

Home | View Auctions | Catalogs | My Account | Admin | FAQ | Contact Us | Log Out

View Full Screen

Fljin: Livestock & Sales, Inc.
Elgin, NE
(402)843-2275
Bidder #: 560143

Lot #:	Head:
23	
Weight:	Avg. Wt:
17,920	540
Description	

Asking: N/A

Bid Now

Sold

Comments:
STR - -

Top notch protection for livestock auctions

Nationwide Agribusiness



Physical Location Auctions



Receives Seller's Livestock





Prior to Sale

Veterinary Inspection



Tag and record identification to meet state and federal requirements

Collect affidavits for COOL, residue compliance and other programs

Sort and group livestock to enhance value

Size, sex, body score, and color



Uses Auction Method to Sell to Multiple Bidders



Locations

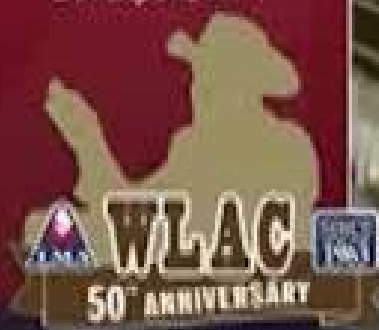
Cherokee
Sales Co., LLC
Cherokee, OK

Woodward Livestock
Auction, Inc.
Woodward, OK

Anthony
Livestock Sales Co.
Anthony, KS

Quarters

Davenport, WA



Dustin Focht

Stillwater, OK



@lmauction #WLAG50

www.LMAweb.com



Point of Sale

Livestock are weighed on certified inspected scales
assures the producer they are getting true value

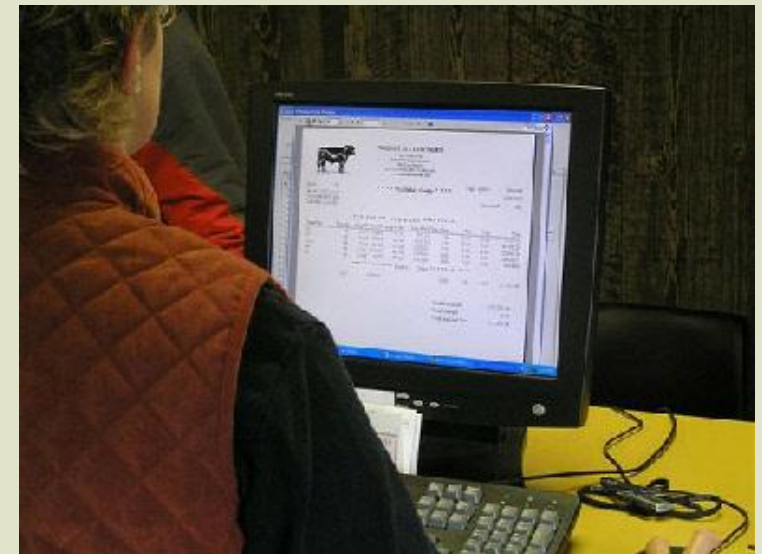
Record all seller and buyer transactions

HEAD	SELLER	WEIGH	PRICE	BUYER
2	1000	1530	87.50	12-1

0	0	0	0	0	0	0	0	0	0
1	1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9	9

FAT	COW	BLK
FDR	SIR	BWF
BRD	IIFR	IOL
SL	BULL	IIEF
CALF	HFRT	WFX
KBUL	MIX	JERS
CCPR	MALE	CHAR
GOAT		BLKX
SHIP		IOLX
SELECT	SELECT	SELECT

595	BACK TAG	Next	Weight	CLEAR	PENNING	DESC	BAL
SUBMIT	ADD TAG	Tags	Out	CKA	DT	HD	SO
765#	DELETE	Add Lot		TICKETS	VET-HOLD	CWT	MENU





Buyer Leaves With Livestock





Seller Receives Prompt Payment

By law, markets must pay seller the full purchase price for livestock before the close of the next business day even if buyer has not yet paid.





Why sell at market?

Helps producers receive the highest price possible for their animals

Competition between multiple bidders

Bringing a volume of livestock together

Allows small and large consignments alike to benefit from buyer's demand for quantity

Value added through sorting and providing veterinary check as well as source, age, pregnancy status, and preconditioning verification





Why sell at market?

Guarantee of receiving a good check – the market takes on the risk of non-payment

Example – 100 % of consigners to LMA markets received full payment in Eastern Livestock default

Market helps ensure producers are complying with state and national requirements

Animal Identification, movement documentation, brand inspection, COOL affidavits, residue compliance affidavits

Commitment to humane animal handling practices to reduce shrink and stress



Livestock Handling

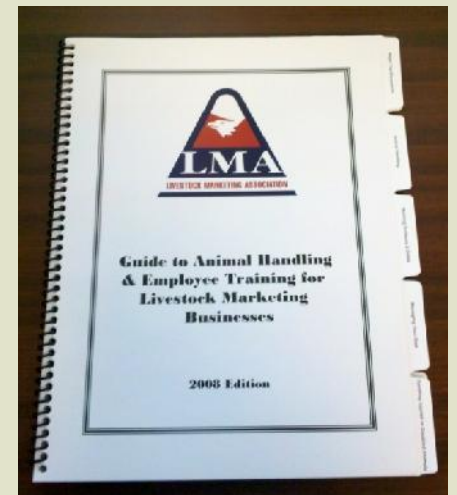
Proper animal handling is a priority for livestock markets

Proactive approach - LMA's Guide to Animal Handling in Livestock Marketing Businesses focuses on employee training in the market environment

LMA members are required to participate in on site livestock handling assessments.

Expulsion Policy

In 2013, a third party verification is being added to these assessments.

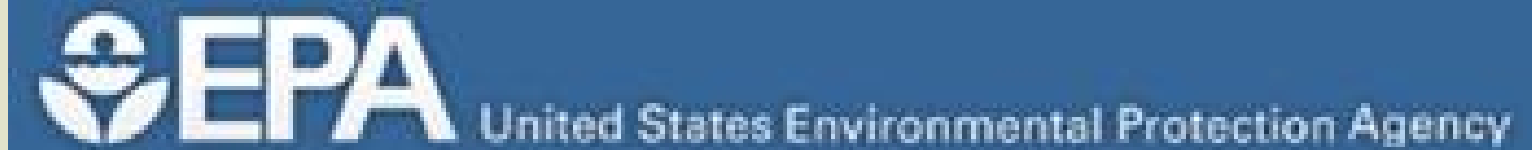




How are Markets Regulated?



Grain Inspection, Packers & Stockyards Administration



State Departments of Agriculture and State Veterinarians



Packers and Stockyards Act

Registered

Bonded

Custodial account

Prompt Payment

Meet GIPSA's Solvency Test

File an annual report

Additional Requirements



GIPSA Review

The Packers and Stockyards Act rules have not seen significant change in more than 30 years, and many are out-of-date.

LMA has begun an internal dialog about potential changes.

Long term goal that would require cross industry collaboration

Agency policy and staff inconsistencies also need to be addressed.



Questions?



**Contact Livestock Marketing Association
1-800-821-2048**