

# Commission Men Servants of the Stock Raisers

The live stock commission man is an important part of the machinery that handles the enormous live stock business of South Omaha from year to year. "Why can't I sell my stock direct to the packers?" occasionally asks a new shipper who has not had much experience in the shipping of live stock. There is no reason why he cannot, if he wants to take chances on getting value out of his stock. But where is the shipper from out in the state or in a neighboring state that knows exactly what his load of cattle or his drove of hogs should be worth on a given day?

He may know what he would like to get for them. But he does not know what, in all probability, he will have to take for them on a given day on the market, if, indeed, he disposes of them at all. The commission man is the selling agent for these shippers. The commission man knows the psychological moment to sell the stock. He comes to his office in the morning, leaps into his boots, snatches up a half dozen telegrams from Chicago, Kansas City and other markets, learns how large a run of stock each of these mar-

kets has for the day, and what the stock is quoted at there. He pops his eyes over the blackboard in the lobby to see how many cattle, hogs and sheep there are in the Omaha market for the day. He makes a brief survey of the provisions market, taking in the price of lard and other provisions. He takes into consideration the immediate condition of the packing industry, its outlet for its products, the war condition and a host of other world matters. Then and there he decides whether the packers are apt to be anxious for hogs and cattle today, or whether the market is apt to be drab.

He knows, too, whether at this particular season of the year packers are buying light hogs for the hams and loins or whether at this season they are buying the fat pork for the purpose of packing lard. Then he looks over the dozen or more loads of stock that have been consigned to him on this particular day. Hastily and silently in his mind he fixes a price for each load. He knows his buyers. He knows whether the Armour buyer is looking for thin hogs or fat hogs. He knows whether the Armour buyer is looking for hard or for half-grown pigs at this season of the year. He knows how to approach him.

Best of all, he knows the psychology of each buyer in the yards. Like a good poker player, he knows when the buyer is bluffing and when he is in dead earnest. When a buyer comes to him at 11:15 o'clock and bids him 10 cents below what he thinks the market ought to be, and then rounds out his bid by "You can take that or keep your damn hogs," the commission man must exercise snap judgment.

"Is he bluffing, or will he leave me with these hogs on my hands?" asks the commission man to himself. "It is nearly noon. The market is about closed, if the buyers crawl back into their shell, and I have this load of hogs on my hands, my shipper will never forgive me. He will look for another firm to handle his business next time." But he decides quickly. Mentally he runs over the whole situation again. He reviews the number of loads of stock in the yards. He decides like a flash that the buyer must have this load in order to fill out the requisite number he is to buy for the day.

"That fellow will pay me more for this load, and I know it," he decides, and he turns his back upon the buyer. Here is a double game of bluff. It is a good poker game. The buyer, with true Napoleonic dignity, turns his back on the commission man. The commission man puts on an "I should worry" air, turns away from the buyer.

Ah, but both are anxious. In a moment the buyer is caught shooting a sly glance at the salesman. The salesman is quick to notice it. He knows what it means. He knows the buyer is wonder-

ing whether he is about to yield. More than ever he is determined not to yield. It is 11:30 and the shipper is pacing restlessly in the yards, fearing the commission man will wait too long and will find himself with the load on his hands over night. Still the stubborn, wordless, psychic battle goes on. The buyer strolls carelessly through the alley past the commission man and past this load of hogs. "I'll make it a quarter," he says, as he swishes past, never even slackening his pace. "Split the difference - with you and he done with it," snaps the commission man. "You're on," is the final word from the buyer.

The strain is relieved. The gate is thrown open. The hogs are weighed, and in due time the check is produced. The commission man has gained more than half his point and the farmer, who an hour ago would have sold at a lower figure, is delighted with the extra 250 or 300 this little psychic battle of bluff by the commission man has produced him. These are every day battles of every commission man. These battles are going on in the cattle and sheep yards as well as in the hog yards.

The farmer raises his hogs, cattle and sheep, fattens them for months, brings them to the yards, and then lights a fat cigar while he watches the commission man make a fight for the highest possible price that can be obtained for the load. For this service the commission man is paid a fee of from \$8 to \$15 a load, depending on the class of stock, the number of head, the number of owners of a single load and other details of the rules. And the farmer, with very few exceptions, goes home feeling that the service was well worth the price.

At present there are forty-nine commission firms in the Exchange building in South Omaha, and all doing a prosperous business. In round numbers these commission firms employ something like 1,000 persons as yard men, salesmen, office men and road men.

The commission men are organized in what is known as the South Omaha Live Stock Exchange. There are certain rules of the exchange which each commission man is bound to obey. An exchange membership costs anywhere from \$1.00 to \$2.50.

Strange as it might seem, it is nevertheless a fact, there is not a fixed price of admission. A membership means a privilege to conduct a commission business in the yards. When there is great pressure from outsiders who seek to establish a commission business, the membership market goes up. If 100 new prospective firms should go to the exchange today and seek memberships to start business, the price of exchange membership would go up.

"Why not? Business would be good in the membership market. A few years ago memberships sold pretty regularly for \$1,000. Later they leaped to \$1,500, and at times have been as high as \$2,500. An individual may sell his membership to another individual. Also he may cash

in his membership on quitting business. It is worth market value for memberships at any time. For that very reason, memberships themselves have been an object of speculation at times. There are men who believe that the price of memberships will go up so fast in the next few years that they are willing now to pay a good premium on them to buy up a lot of them. Others, more conservative, believe that the price of them will strike a steadier level. The exchange makes the rules of commission rates. If the exchange says that commissions shall be 10 per cent on hogs, the man who charges either more or less is subject to a heavy fine in the exchange.

The exchange prevents him from selling stock for less than that fee, because it would be throat-cutting competition, and it prevents him from charging more, because he would be overcharging the farmer and the shipper.

The exchange at the present time has 246 members in the forty-nine firms in the yards. Only members of the firm, salesmen and road men are members. The commission man has performed a definite function of far reaching results in building up the South Omaha market as one of the largest in the world.

Why do farmers and dealers from exactly twenty-six states in the union ship stock to the South Omaha yards?

Why were there 6,542,011 head of live stock shipped in and sold in these yards during last year?

Why is this the first feeder sheep market in the world, the second fat sheep market, and the first range horse market in the world?

It is because the commission man has not sat with his feet on his office desk and waited for business. It is because the commission man has spent much of his time in the great field of these twenty-six states soliciting business and pointing out the advantages of selling on the South Omaha market.

It is because the commission firms have their road men out all the time traveling tens of thousands of miles, by rail and by automobile, meeting the farmer in his feed yard, the rancher on his range, and there telling him of the wonderful facilities of the South Omaha market.

Figures do not lie. Here are the figures that show the amount of stock the commission men sold for the farmers, dealers and ranchers during the last year, to say nothing of the big run of stock they have had thus far this season:

Months	Cattle	Hogs	Sheep	Mules
January	82,836	2,449	226,333	3,473
February	67,507	244,137	230,902	3,429
March	76,648	242,919	252,532	3,296
April	65,907	194,911	178,159	1,776
May	55,528	219,861	114,455	656
June	54,971	209,202	87,791	2,236
July	49,979	201,514	186,528	1,266
August	74,519	138,159	265,182	1,330
September	12,719	98,533	564,918	2,301
October	124,148	123,786	526,955	3,824
November	75,284	185,055	233,582	2,826
December	84,834	200,912	179,102	3,115
Total year	938,817	2,258,620	4,113,883	29,688

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