

Table 1. Summary of Relevant Research on Market Structure and Conduct Impacts

Research Category and Study	Data Time and Space Aggregation	Data Period	Major Relevant Findings, Conclusions
<i>Price-Market Structure</i>			
Ward 1981	Transactions, Local	1979	A positive relationship was found between fed cattle prices and number of buyers and bidders
Ward 1982	Transactions, Local	1979	Fed cattle price differences were found between smaller and larger buyers
Menkhaus, St. Clair, and Ahmaddaud 1981	Annual, State	1972, 1977	Higher concentration was associated with lower fed cattle prices
Ward 1984	Transactions, Local	1979-82	A positive relationship was found between slaughter lamb prices and number of bidders Lamb price differences were found between smaller and larger buyers
Hayenga, Deiter, and Montoya 1986	Weekly, Local	1978-81	Temporary price declines (increases) were found when hog slaughter plants closed (opened)
Rhodus, Baldwin, and Henderson 1989	Transactions, Local	1979-81	Higher slaughter hog prices were associated with increased buyer competition
Menkhaus, Whipple, and Ward 1990	Annual, State	1972-85	States with one slaughter plant were associated with lower slaughter lamb prices
Ward 1992	Transactions, Local	1989	A positive relationship was found between fed cattle prices and number of buyers bidding Fed cattle price differences were found between smaller and larger buyers Lower fed cattle prices were associated with the "big 3" packers
Marion and Geithman 1995	Annual, Regional	1971-86	Higher regional concentration was associated with lower fed cattle prices
Ward and Hornung 2005	Weekly, Regional	1998-00	Hog prices increased when a new slaughter plant opened
	Weekly, Regional	2000-01	Lower fed cattle prices were not found when a slaughter plant closed
Raper, Cheney, and Punjabi 2006	Monthly, Regional	1995-02	Hog prices declined when a slaughter plant closed Producers lost their regional pricing advantage when the plant closed

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<i>Price-Pre-committed Supplies</i>			
Elam 1992	Monthly, State	1988-91	Lower fed cattle prices were associated with higher deliveries of pre-committed supplies
Schroeder et al. 1993	Transactions, Local	1990	Lower fed cattle prices were associated with higher levels of forward contracting A positive relationship was found between fed cattle prices and number of bids Fed cattle price differences were found between buyers
Azzam 1996	Quarterly, U.S.	1978-93	Evidence was found of a monopsony-inefficiency motive for vertical integration of fed cattle procurement by packers
Azzam 1998			A conceptual model of packer use of pre-committed supplies suggests an inverse relationship between price and pre-committed supplies is not due to non-competitive behavior
Ward, Koontz, and Schroeder 1998	Transactions, U.S.	1992-93	Lower fed cattle prices were associated with increased deliveries of two types of pre-committed supplies A positive relationship was found between fed cattle prices and higher plant utilization Fed cattle price differences were found between plants and firms Higher fed cattle prices were found near the center of price discovery
Love and Burton 1999			A conceptual model of packer use of pre-committed supplies suggests packers pay a lower price for pre-committed supplies and increase plant efficiency
Schroeter and Azzam 1999	Transactions, Regional	1995-96	Lower fed cattle prices were associated with increased deliveries of pre-committed supplies Higher fed cattle prices were associated with one type of pre-committed supplies Fed cattle price differences were found between plants and firms
Zhang and Sexton 2000			A conceptual model of packer use of pre-committed supplies suggests packers may create a geographic buffer between rival firms, thus reducing competition and

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Ward, Hayenga, Schroeder, Lawrence, and Purcell 2001	Packer survey	2000	resulting in lower prices paid for livestock Packers' indicated their primary reasons for contracting with feeders was to secure higher quality and more consistent quality livestock
Schroeter and Azzam 2003	Transactions, Regional	1995-96	Lower fed cattle prices were associated with increased deliveries of pre-committed supplies Packers with higher levels of pre-committed supplies paid lower prices than packers with lower levels of pre-committed supplies
Schroeter and Azzam 2004	Transactions, Regional	1995-96	Expected price changes affected marketing agreement deliveries
Xia and Sexton 2004			A theoretical model of top-of-the-market contracting was found to have anti-competitive implications in concentrated markets when contracts are exclusive and buyers purchase cattle both in the cash and contract market
Crespi and Sexton 2004	Transactions, Regional	1995-96	Simulated bids on fed cattle in a concentrated market compared with actual bids found simulated bids were higher than actual sale prices Cattle were consistently sold to the same plant, not necessarily to the highest simulated bidder
Hunnicuttt, Bailey, and Crook 2004	Transactions, Regional	1995-96	Packer-feedlot relationships were found to be quite stable over time and resulted from an attempt by both parties to reduce transaction costs
Muth, et al. 2008	Transactions, U.S.	2002-05	Marketing agreement, packer owned, and negotiated cash market purchases were priced similarly, while auction purchases were slightly higher Auction purchases and forward contracts were much more variable than negotiated cash, marketing agreement, and packer owned purchases
Vukina, Shin, and Zheng 2009	Transactions, U.S.	2002-05	Marketing contract purchase prices were found to be higher than cash market prices and cash market prices were higher than packer owned prices Packers that use a combination of AMAs pay lower prices than those using only

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			cash prices, suggesting complementarity in the use of AMAs by packers
<i>Concentration and Margins</i>			
Schroeter and Azzam 1990	Quarterly, U.S.	1976-86	Evidence of monopoly and monopsony behavior by packers was found for beef and pork
Schroeter and Azzam 1991	Weekly, U.S.	1972-88	No significant oligopoly or oligopsony price distortions were found for pork
Brester and Musick 1995	Monthly, U.S.	1980-92	Increased concentration was associated with higher farm-wholesale and farm-retail marketing margins for lamb
Matthews, Jr. et al. 1999	Monthly, U.S.	1979-96	No significant association between increased packer concentration and marketing margins was found for the entire period Increased concentration was associated with higher fed cattle prices and lower farm-wholesale margins for the 1992-96 subperiod
Ward and Stevens 2000	Monthly, U.S.	1974-94	Little aggregate effects on beef industry price linkages from increased packer concentration were found
<i>Oligopoly, Oligopsony Market Power</i>			
Schroeter 1988	Annual, U.S.	1951-83	Modest monopoly and/or monopsony price distortions were found in 28 of 33 years
Azzam and Pagoulatos 1990	Annual, U.S.	1959-82	Evidence of oligopoly and oligopsony behavior in input and output markets was found The extent of oligopsony effects exceeded that for oligopoly effects
Azzam and Schroeter 1991	Annual, Regional	1986	Small price distortions from simulations of increasing concentration in regional fed cattle markets were found
Koontz, Garcia, and Hudson 1993	Daily, Regional	1980-82, 1984-86	Evidence of oligopsony behavior consistent with trigger pricing strategies was found Decreased oligopsony impacts were found in the latter time period

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Stiegert, Azzam, and Brorsen 1993	Quarterly, U.S.	1972-86	Beefpackers follow average cost pricing Decreasing concentration will not likely improve fed cattle prices
Azzam and Schroeter 1995	Annual, Regional	1986-88	Economies of size efficiencies more than offset oligopsony price distortions for fed cattle Structural changes have had a welfare-enhancing effect
Weliwita and Azzam 1996	Quarterly, U.S.	1978-93	Declining demand not was not associated with increased competitiveness of packers for fed cattle or beef Oligopsony price distortions were found
Driscoll, Kambhampaty, and Purcell 1997	Weekly, Regional	1992-93	Plants and firms did not follow short-run profit maximizing behavior Little evidence of oligopoly or oligopsony behavior was found
Muth and Wohlgenant 1999	Annual, U.S.	1967-93	Negligible oligopsony price distortion was found
Koontz and Garcia 1997	Daily, Regional	1980-82, 1984-86	Evidence of multi-market oligopsony behavior was found across geographic markets Oligopsonistic behavior was not constant over time or space
Schroeter, Azzam, and Zhang 2000	Monthly, U.S.	1990-94	Evidence of oligopsonistic behavior by retail firms was found but not oligopolistic behavior by meatpackers. Little evidence was found of oligopolistic behavior by meatpacking firms
Paul 2001	Monthly, Regional	1992-93	Little evidence of oligopsony behavior by beefpackers Economies of size efficiencies more than offset oligopsony price distortions for fed cattle
Crespi and Sexton 2005	Transactions, Regional	1995-96	Based on simulated bids for fed cattle in a concentrated market, buyer markdowns were in the 5-10% range

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Carlberg, Hogan, and Ward 2009	Transactions, Experimental market		Evidence of market power and switching behavior was found Lower packer margins were associated with higher fed cattle prices and higher processing costs Higher collusive behavior was associated with higher plant utilization
Zheng and Vukina 2009	Daily, U.S.	2001-07	Evidence of market power in the cash market for hogs was found but the source could not be tied to AMA stocks, which suggests its source is due to industry concentration