I. Handling, Marketing and Grading Oats

OATS FORMERLY were grown chiefly for horse feed, but with the coming of the motorized age oats became a home-grown feed chiefly for young stock and poultry. Thus, fewer oats are shipped to terminal markets. In 1913, the total oat crop for the United States was 1,039 million bushels, 124 million bushels of which moved to Chicago. In 1955, the crop was 1,503 million bushels but the receipts at Chicago were only 19½ million bushels.¹ Oats sown on about 4 million acres annually are not harvested for grain, but are used as pasture or hay, or they fail to produce a crop.

1. Movement from Farms

In the United States about 89% of the yearly oat crop of 1,300 million bushels is used for feed (Martin and Leonard, 1949). The largest part of the crop is fed to livestock in the locality where it is grown, mostly on the home farm. Approximately 25%, or more than 300 million bushels of the grain, annually moves into commercial channels. Some 50 million bushels or 4% of the crop is used in the production of oatmeal, but about one-fourth of this is separated and used for feed. Most of the marketed oats are sold for livestock feed (Clough and Browning, 1955). About 100 million bushels (8% of the crop) are used for seed.

2. Country Elevator Operations

The country elevator’s function in the marketing of oats is to buy outright from the farmer or store oats for his account. The storage rate is about 1/20 of 1 cent per bushel per day and about 2½ cents per bushel for handling in and out.

The three main types of country elevators are co-operative, independent, and line elevators. A co-operative elevator may function independently, but usually it is a member of a large co-operative group often organized on a statewide basis. In the latter case it buys and sells accord-

¹ Records of the Chicago Board of Trade.