

PRICE AND WAGE CONTROL ADVISORY SERVICE

TO MEMBERS OF THE RETAIL MERCHANTS ASSOCIATION OF SOUTH DAKOTA

PIERRE, SOUTH DAKOTA

The objective of this service is to interpret and explain regulations and not to predict and forecast.

VOLUME I

April 30, 1951

ISSUE NO. 24

1. CEILING PRICE REGULATIONS 15 and 16: The April 30th deadline by which retailers were to have figured their ceilings under the regulation has been changed to May 14, 1951. Wherever April 30, 1951 appears in either regulation, change to May 14, 1951. The April 28th deadline for notifying OPS district offices of store group classification on OPS Public Form No. 5 HAS NOT BEEN CHANGED.
2. HOME CANNING SUPPLIES: Supplementary Regulation 21 to the GCPR (freeze regulation) provides new retail and wholesale ceiling prices for fruit and preserving jars, jelly glasses, and lids, caps and rings for fruit and preserving jars and jelly glasses.
3. OPS states that it provided for new ceilings on these items because manufacturers raised their prices on them toward the end of last year and since such items were not sold in volume during the base period of the GCPR, these increases were not passed through by retailers and wholesalers to purchasers of home canning supplies. Immediate relief was therefore necessary, and the new ceilings take the place of any which existed previously. In other words, these new ceilings take effect immediately in sales of the items listed above.
4. Retailers are to figure their new ceilings on each item covered by applying the percentage markup which they used during May 24, 1950 to June 24, 1950 to their current invoice cost.
5. The percentage markup for each item is to be the markup which is the average for the sales they made during the base period May 24, 1950 to June 24, 1950.
6. If they did not sell or offer to sell any covered item during the base period, they are to use the markup which is average for sales in that item for the first full month ending after June 24, 1950, within which they did sell or offer such item for sale.
7. If they did not sell or offer to sell any of the covered items since May 24, 1950, or if they do not have records showing the markup they used during the base period—May 24 to June 24, 1950—they are required to use as their ceiling price the current selling price for the same or comparable item by their most closely competitive seller.

8. Records to be kept under this regulation include those in possession which show how retailers determined their percentage markup, and records and invoices showing how they arrived at their current selling price for each item covered.
9. CEILING PRICE REGULATION 7 has been amended as follows:
 - (1) Amendment 3 changed the heading for Category 908, classification 17 in Appendix B of Amendment 2 to read as follows: "Oilcloth and Paper Household Needs - This category does not include paper household needs covered by Category 915".
 - (2) Amendment 3 changed the heading for Category 915 in Appendix B of Amendment 2 to read as follows: "Sanitary napkins, tampons, toilet tissues and other paper items - This category does not include paper household needs included in Category 908, Classification 17. Examples of the articles included are: Sanitary napkins, Tampons, Facial Tissue, Toilet Tissue, Paper Towels, Wax Paper."
 - (3) Amendment 4 extends until May 30, 1951, the date by which retailers under CPR 7 must file their pricing charts. Notice of this was given in Issue No. 23.

VOLUME 1

May 2, 1951

ISSUE NO. 25

1. BEEF PRICE REGULATIONS: A series of four regulations designed to control beef prices have been issued. They may be summarized as follows:
2. Ceiling Price Regulation 23 fixes maximum prices which slaughterers are permitted to pay for the various grades of cattle. Prices which ranchers and growers can charge are not controlled, and neither is mandatory allocation preserving the normal distribution of meat specifically required.
3. Prices slaughterers are allowed to pay are rolled back in three stages. First, beginning about May 20, 1951 prices are set at or about the level prevailing from December 19, 1950 to January 25, 1951, the base period under the OCFR freeze regulation. Then around July 29, 1951 prices become set about $4\frac{1}{2}$ percent below the base period level, with another $4\frac{1}{2}$ percent decrease becoming effective around September 30, 1951. The regulation limits the total amount a slaughterer can legally pay for each category of cattle he slaughters in a monthly accounting period, on the basis of their dressed grades and yields.
4. Ceiling Price Regulation 24 fixes dollars-and-cents wholesale ceiling prices for all grades of most beef and beef products. The country is divided into seven zones with dollars-and-cents prices being stated for the base zone in the Midwest where supplies of slaughter cattle and slaughtering facilities are most heavily concentrated. Ceiling prices in zones other than the base zone are figured by adding to the base zone price what is called a "zone differential" which represents the transportation charges normally applicable between Omaha or Denver and the unloading point nearest the buyer's place of business when he pays such charges. If the seller pays the transportation charges, the distribution point to which additional charges can cover is the seller's place of business. Other additions are permitted for local delivery to stores, for wholesalers buying beef for resale and who are not affiliated with any slaughtering plant.

5. Wholesalers are required to furnish their customers a written statement showing: (1) the date; (2) name and address of the buyer; (3) descriptive name or type of cut or item, the grade, including sex identification as to stag or bull and the quantity and weight; and (4) the price charged, received or paid. Certain beef cuts are standardized and required to be followed.
6. Ceiling Price Regulation 25 is the first OPS regulation placing dollars-and-cents ceilings on retailers and requiring that they post their ceiling prices. Certain beef cuts are defined and standardized, and only these are allowed. Price ceilings are fixed for standard cuts and vary for some eighteen geographical zones, depending on their distance from the producing center in the Midwest.
7. Dollars-and-cents ceiling prices are fixed by the four regular grades of beef and according to three store groups with classifications similar to those used in the dry grocery and perishable markup regulations CPR 15 and 16. The three groups of retailers which have separate price ceilings are:
 - (1) Group 1 and 2 retailers are independent retailers with total annual gross sales of less than \$375,000 and with a realized gross meat department margin of 17 percent or more during 1950.
 - (2) Group 3 and 4 retailers are those with four or more stores and all retailers with total annual gross sales of \$375,000 or more and with a realized gross meat department margin of 17 percent or more during 1950.
 - (3) Group 3B and 4B retailers are those with a realized gross meat department margin of less than 17 percent during 1950, irrespective of what their total annual gross sales amounted to.
8. Group 1 and 2 retailers, and group 3 and 4 retailers are determined just the same as in CPR 15 and 16, that is on the basis of 1950 total sales shown on the books for the store, excluding only restaurant sales.
9. The realized total gross margin of the meat department should be figured by first finding the total 1950 dollar sales of beef, veal, lamb, mutton, pork, poultry, sausage, variety meats and edible by-products. Second, subtract from the total of these sales, the total dollar cost of these items in 1950. Third, divide the difference between total 1950 sales and total 1950 cost for these items by total 1950 sales.
10. Retailers in group 1 and 2 may transfer to group 3 and 4 by notifying their OPS District Office and using the group 3 and 4 dollars-and-cents ceilings for all beef cuts, beef meats and beef by-products listed in sections 40 and 41. Transfers from group 1 and 2, or from group 3 and 4, to group 3B and 4B are not allowed under the present regulation.
11. Therefore, a retailer in group 1 or 2 under CPR 16 (or in group 3 or 4 under CPR 15) remains in his same group for the purpose of this regulation fixing ceilings on beef if in 1950 his meat department gross margin was 17 percent or more. If, however, his meat department margin was less than 17 percent in 1950, he is in group 3B and 4B.
12. Since beef ceilings for group 1 and 2 stores are the same, this might cause a retailer in group 1 under CPR 16 to wish to transfer into group 2 under CPR 16. However, CPR 16 does not now allow a retailer to transfer from group 1 to group 2. An amendment to CPR 16 allowing this change is now under consideration.

13. It is believed possible for a retailer in group 1 and 2 under this beef regulation to come under group 3 and 4 without making any change in his group classification under CPR 16 or CPR 15. The reverse may also be true, since it is believed that a retailer may be in one store group for dry groceries and perishables and in another store group for his meat department. But, as in CPR 16 and 15, transfers from a group with low ceiling prices to a group with higher ceiling prices is strictly regulated and difficult to achieve.
14. The dollars-and-cents ceilings under this regulation must take effect on May 14, 1951, but retailers may elect to put all of them in operation at any time before this date.
15. Not later than June 4, 1951 retailers are required to post their "Official OPS List of Retail Beef Prices." They may obtain a copy of such a list containing their ceiling prices from OPS District Offices. Copies of the OPS list may be used if the printing is as legible and at least as large. The list must be placed where the meat sales are made and where customers can easily read it. One list must be posted for each 20 feet of meat counter space.
16. In addition, the appropriate ceiling price must be on each product displayed, and items having different ceiling prices must be displayed in separate trays, compartments or sections of the showcase.
17. Price ceilings on prepackaged meats are the same as for those wrapped at the time of sale.
18. Except for special orders, pre-grinding, pre-boning, pre-rolling and pre-cubing of beef not in accordance with section 5(b) or Appendix 5 is prohibited. Retail cuts which do not follow the descriptions in Appendix 5 may not be sold, except for the sale of cubed steaks as provided for in section 5(b), unless under the ceiling price in section 18(b).
19. Sales of meat to eating places which amount to more than 25 percent of the retailer's total dollar volume of meat sales during any calendar month are prohibited, except under the special provisions of section 21, for stores which customarily sold more than 25 percent of their volume to eating places. OPS states that this sales limitation on retailers is for the purpose of protecting combination distributors and hotel supply houses from unfair competition. Stores which do not sell more than 25 percent of their volume to eating places can apply the same ceiling price on such sales as applies to them in selling to their consumer-customers. On sales to eating places retailers must give a receipt described in section 24.
20. On sales to consumer-customers sales receipts described in section 8 are required to be given if the customer requests such receipt.
21. Sales and other taxes may be added to the ceiling price if the tax is stated separately and the law does not prohibit sellers from stating and collecting the tax separately.
22. Practices considered to be evasions are stated in section 13(b).
23. Record-keeping requirements include the following:

- (1) Keeping records that have been customarily kept.
- (2) Keeping records - invoices and freight bills, etc. - given by meat suppliers.
- (3) Keeping records used in determining OPS store group.
- (4) Keeping records required to be kept under section 16 of the GCPR - the freeze order. See Issue No. 5, paragraphs 2 through 5.

24. Reports required to be filed include the following:

- (1) OPS Public Form No. 5 stating the OPS store group. This must be filed by May 31, 1951 with the local OPS District Office. However, the regulation states that filing the same form under CPR 15 or 16 will satisfy the requirements for filing under this regulation. But if a retailer filed under CPR 16 as group 1 or 2 and wishes to be classed as group 3 and 4 in the sale of meat, he must file another Form No. 5. If his meat department's gross margin was less than 17 percent in 1950, he is in group 3B and 4B and must file by May 31, 1951 a statement giving the name and address of his store, his name, and the realized total gross margin of his meat department sales in 1950.
- (2) A statement described in section 12(b) for retailers applying to sell cured beef and specialty steak items.

25. All beef products are not under this regulation. For example, most cured, corned, smoked, barbecued and dried beef items and a few beef by-products and beef variety meats are not under the ceilings fixed in this regulation. Similarly, prices for sausage and sterile canned beef items are not fixed by this regulation. These beef products, and any other not covered by this regulation, remain under the GCPR freeze order.

26. Distribution Order 2, on which (along with Distribution Order No. 1 - see Issue No. 8) OPS is relying to preserve the regular distribution pattern in meat, establishes a system of record-keeping covering meat deliveries by wholesale sellers. It also required Class 1 and Class 2 slaughterers to grade carcasses and wholesale cuts according to federal grading standards. Carcasses and wholesale cuts must be grade marked. If a beef cut has not been graded and grade-marked, or the grade mark has been removed (except when such removal cannot be avoided in preparing a retail cut in accordance with Appendix A of CPR 25) the retailer's ceiling price for that cut is the price for the same cut of utility grade.

27. Ceiling Price Regulation 26 sets dollars-and-cents ceiling prices for retail sales of kosher beef cuts and most kosher beef variety meats and beef by-products. Special allowances are made for koshering costs.

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(f) (1) Retail ceiling prices for beef—Zones 6 and 6A. *77—Zones 6 and 6A.* *Zones 6 and 6A.*
 (The following ceiling prices per pound apply in all "Group 2 and 4" slaughtering "Group 2B and 4B" slaughtering "Group 1 and 2" slaughtering the grades of beef cuts listed below as rated in Zones 6 and 6A, in accordance with the grades of beef cuts listed below as rated in Zones 6 and 6A, in accordance with Zones 6 and 6A, in accordance with Zones 6 and 6A, in accordance with Casing Price Regulation No. 25, effective May 14, 1951.)

I. Steaks	Zones 6 and 6A				Zones 6 and 6A				Zones 6 and 6A			
	Choice	Good	Com'L	Utility	Choice	Good	Com'L	Utility	Choice	Good	Com'L	Utility
1. Porterhouse	\$1.24	\$1.03	\$0.77	\$0.65	\$1.22	\$1.01	\$0.75	\$0.62	\$1.20	\$1.00	\$0.75	\$0.64
2. T-bone	1.24	1.03	.77	.65	1.22	1.01	.75	.62	1.20	1.00	.75	.64
3. Club	1.24	1.03	.77	.65	1.22	1.01	.75	.62	1.20	1.00	.75	.64
4. Rib, 1 1/2 inch cut	.72	.61	.53	.45	.71	.60	.52	.42	.71	.60	.52	.41
5. Rib, 1 inch cut	.81	.71	.57	.45	.79	.70	.54	.41	.82	.71	.54	.41
6. Sirloin	1.10	1.10	.97	.81	1.14	1.08	.93	.79	1.18	1.12	.96	.82
7. Sirloin (boneless)	1.10	1.10	.97	.81	1.14	1.08	.93	.79	1.18	1.12	.96	.82
8. Round (bone in, full cut)	1.02	1.02	.89	.87	1.03	1.03	.91	.85	1.04	1.04	.91	.87
9. Round (boneless, top and bottom)	1.07	1.07	1.00	.94	1.05	1.05	.90	.82	1.08	1.08	1.02	.94
10. Round top	1.07	1.07	1.00	.94	1.05	1.05	.90	.82	1.08	1.08	1.02	.94
11. Chuck 1 1/2 (bone in)	.80	.69	.61	.56	.88	.88	.62	.56	.90	.79	.64	.52
12. Chuck arm (bone in)	.82	.82	.71	.69	.80	.80	.74	.68	.85	.85	.77	.70
13. Shank	.91	.91	.71	.64	.88	.88	.80	.74	.90	.90	.80	.72
14. Cube				.69				.67				.67
II. Roasts												
1. Rib standing (ribine bone in, 2 1/2 inch cut)	.72	.64	.55	.47	.71	.60	.52	.42	.72	.64	.55	.47
2. Rib standing (ribine bone in, 2-inch cut)	.81	.71	.57	.47	.79	.70	.54	.44	.80	.71	.54	.44
3. Roasted top	1.07	1.07	1.00	.94	1.05	1.05	.90	.82	1.08	1.08	1.02	.94
4. Rump (bone in)	.71	.71	.67	.60	.70	.70	.66	.62	.72	.72	.66	.64
5. Rump (boneless)	1.07	1.07	1.00	.94	1.05	1.05	.90	.82	1.08	1.08	1.02	.94
6. Chuck blade pot roast	.69	.69	.62	.56	.69	.69	.62	.55	.70	.70	.64	.57
7. Chuck arm pot roast	.82	.82	.76	.69	.80	.80	.74	.68	.80	.80	.77	.70
8. Chuck or shoulder (boneless)	.84	.84	.82	.74	.87	.87	.80	.73	.89	.89	.82	.75
9. English cut	.98	.98	.82	.74	.86	.86	.80	.74	.90	.90	.84	.77
10. R.D. roast (boneless, rolled)				.79				.72				.69
11. Short loin (boneless, rolled)				1.04				.99				1.01
III. Steaks and other cuts												
1. Short ribs	.47	.47	.47	.47	.46	.46	.46	.46	.45	.45	.45	.45
2. Plate (bone in, fresh or cured)	.64	.64	.64	.64	.63	.63	.63	.63	.62	.62	.62	.62
3. Plate (boneless, fresh or cured)	.62	.62	.62	.62	.61	.61	.61	.61	.60	.60	.60	.60
4. Brisket (bone in, fresh or cured)	.72	.72	.61	.56	.71	.71	.60	.57	.71	.71	.60	.57
5. Brisket (briskets, fresh or cured, double cut)	.87	.87	.72	.67	.85	.85	.71	.66	.89	.89	.73	.67
6. Brisket (boneless, cured, double cut)	.68	.68	.57	.51	.67	.67	.54	.49	.69	.69	.56	.51
7. Flank meat	.65	.65	.65	.65	.64	.64	.64	.64	.63	.63	.63	.63
8. Neck (bone in)	.67	.67	.56	.53	.66	.66	.55	.52	.67	.67	.56	.54
9. Neck (boneless)	.62	.62	.56	.50	.60	.60	.54	.47	.62	.62	.56	.50
10. Head or round (boneless)	.62	.60	.57	.51	.60	.59	.53	.47	.62	.62	.56	.50
11. Shank (bone in, hind and fore)	.63	.63	.63	.63	.62	.62	.62	.62	.61	.61	.61	.61
12. Shank (boneless, hind and fore)	.66	.66	.66	.66	.64	.64	.64	.64	.63	.63	.63	.63
13. Stump bone	.66	.66	.66	.66	.66	.66	.66	.66	.65	.65	.65	.65
14. Short	.66	.66	.66	.66	.66	.66	.66	.66	.65	.65	.65	.65
15. Ground beef	.63	.63	.63	.63	.62	.62	.62	.62	.61	.61	.61	.61
IV. Wholesale cuts:												
1. Roasted beef (whole)	.64	.64	.60	.57	.64	.64	.60	.57	.64	.64	.60	.57
2. Sirloin beef (whole)	.81	.81	.76	.72	.81	.81	.76	.72	.81	.81	.76	.72
3. Short loin beef (whole)	1.10	.87	.87	.80	1.10	.87	.87	.80	1.02	.87	.87	.80
4. Flank beef (whole)	.68	.68	.68	.68	.68	.68	.68	.68	.68	.68	.68	.68
5. Rib beef (whole)	.68	.68	.68	.68	.68	.68	.68	.68	.68	.68	.68	.68
6. Ragular chuck (whole)	.67	.67	.67	.67	.67	.67	.67	.67	.67	.67	.67	.67
7. Short plate (whole)	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61
8. Brisket (whole)	.69	.69	.69	.69	.69	.69	.69	.69	.69	.69	.69	.69
9. Shank (whole)	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61

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- (2) This is the OPS Meat Regulations
- (3) Attend your District Meetings
- (4) It Pays to Belong to an Active Association