

He, like others in the meat business who can be said to be "hanging on", is hopeful that conditions will somehow miraculously change and "we might make money again."

When questioned about his firm's operating costs, he said they were greater than the chain stores, percentagewise, "because they involve more services."

He said analysis of the book-keeping showed operational costs to be approximately 18 percent.

Analysis of the survey results show an astonishing similarity of supermarket prices charged the public for cuts of beef, considering the incontrovertible profit margins enjoyed by the chains.

Said a survey investigator:

"This is what's called in government circles 'the lock-step pricing system'. The chain stores march in unison. One sets the price and all follow suit."

He was referring to the prices paid by chains for beef, however, more than prices charged to the public in the supermarkets.

Paradoxically, from time to time, the chains unwittingly reveal their intrinsic profit margins in the meat market by the "bargains" they offer the public.

Thus, the panel's table shows a 10-cents-a-pound price spread between Safeway and King Soopers on rib standing roast, and a 30-cents-a-pound price spread between Safeway and Miller on rump roast cut.

If the enormous price advantage enjoyed by the chains in the beef market did not exist, the panel claims, such price bargains could not be offered to the public.

The bargains to the public are few and far between, the survey reveals. The chains jealously retain their profits coined at the expense of producer, feeder and packer.

"The profits are distributed in corporate dividends or dissipated in the construction of more and more supermarket palaces", said a member of the panel.

"That is why at the retail level beef prices remain high—either by tacit or negotiated agreement.

"With the prices which the chains pay for beef, the supermarkets could afford to charge much less."

The identity of this man, like other members of the panel, as to remain undisclosed because of fear of retaliation from supermarket chain store purchasing agents who dominate the cattle sales market.

The panel members, however, are not averse to testifying or disclosing the results of their investigations in any subsequent federal probe which carries appropriate safeguards.

Over many years, this newspaper has endeavored (unsuccessfully) to get the chains "to explain" their lock-step pricing techniques, both at the buying and selling end.

The chains have steadfastly refused to discuss this and have taken refuge in the stand that anything touching on their profit-margin structure is private corporate business and of no concern to the public.

Efforts to discern chain profits on beef (and other meats) have been balked in the past by the confusing terminology employed by the chains in describing their products.

The panel survey disclosed no less than 63 terms used by Denver supermarkets to describe beef products. The beef glossary contains some two dozen titles for steak.

The attitude of the chain spokesmen is: "You can't say we are making so much on a porterhouse steak and so much on a Pikes Peak roast, because you can't break down the profit on individual cuts."

The panel experts disagreed. They decided that no matter what the chains call individual cuts of beef, all the products belonged under one of 18 headings.

The informative butchers of a generation ago have been replaced by automation which mysteriously cuts, grinds and packages in often baffling method to the uninitiated. But a carcass still consists of two hind quarters and two front quarters.

Every animal has two rounds and two shanks and primal cuts can be pinpointed. Each animal yields an average 12 steaks of one particular cut whatever the descriptive term employed. To correlate the supermarket names with a standard terminology was no problem for the panel.

Armed with their own chart on divisions of commercial cuts and retail cuts of beef, the panel members approached the supermarkets and asked them for "average retail prices."