

# A Fruit Growing Brotherhood

## How the Nova Scotia Orchardists Eliminated the Middlemen A Successful Co-operative Movement

FROM A NOVA SCOTIA CORRESPONDENT.

The Annapolis Valley of Nova Scotia, known throughout the English speaking world as the land of Evangeline, is the home of a co-operative association that is transforming the fruit growing industry of the Province. This organization, known as the United Fruit Companies of Nova Scotia, has been pronounced by more than one expert to be "As perfect as human ingenuity can make it." The story of its growth in spite of vigorous opposition makes interesting reading.

The Nova Scotia commercial fruit belt is about one hundred and twenty miles long by from ten to fifteen miles wide and is sheltered on both sides by ranges of hills. Something in both the climate and soil of that Valley makes the apple tree feel thoroughly at home anywhere within its borders. The French found wild apple trees there when they came to Canada more than three centuries ago. They planted trees imported from France in the neighborhood of Grand Pre and elsewhere, and these orchards were growing wild when New England settlers took over the lands of the deported Acadians. The New England settler who wished to plant an orchard could select from these natural nurseries at the expense of digging only. Years afterward some of these seedlings were grafted to better sorts, a few of which remain as standards to the present day.

As settlement increased, more and more orchard land was brought under cultivation, but it was not until the decade ending in the year 1880 that the apple production had passed beyond the needs of the local market. At first the apples were shipped to England in sailing vessels, and what with delays and lack of ventilation the condition of the fruit on arrival at Liverpool or London was, as can be readily imagined, seldom satisfactory. Steamers sailing from Boston were then prevailed upon to call at Halifax, the principal port of Nova Scotia, for apples, and subsequently Halifax secured a direct line of steamers that has since met the requirements of the trade more or less satisfactorily. In 1880 the export was 24,000 barrels; in 1890, 80,000 barrels; in 1900, 250,000 barrels; and for the past few years has ranged from 500,000 barrels to one million barrels.

### Unsatisfactory Selling Methods.

Previous to 1907 no co-operation existed amongst the Nova Scotian orchardists. The growers had the option of two methods of disposing of their products. They could either sell outright to speculators or ship on consignment to commission merchants. It was found, however, that neither of these methods gave the grower a rightful share of the value of his product. The speculator was a shrewd business man. He was able to estimate closely the probable prices that certain varieties of apples would bring and the figure he quoted would, of course, invariably allow him a generous margin to cover all contingencies. The growers who thought for themselves discovered that the difference between the sum they received for their fruit and the amount realized by the speculators was an unnecessary toll for them to pay. Moreover, it was too frequently found that when the markets happened to drop, after the speculators had bought, some of these buyers repudiated their agreement and the growers were left with their fruit on their hands. As the principal speculators generally carried on their operations through irresponsible "agents" it appears that they could adopt such a course with comparative impunity.

The only alternative, however, was to ship on consignment. Many English commission houses employed resident agents in Nova Scotia. These representatives were paid a commission of from twelve to twenty cents the barrel for all the apples they forwarded to their firm. They in turn employed sub-agents at different points throughout the fruit belt, and these sub-agents also received a commission on every barrel of fruit they could secure. Moreover the resident agent, on shipping the fruit, added from seven cents to fifteen cents per barrel to the legitimate charge when making out the bill of lading. This amount was termed "Advance Charges" and by arrangement with the steamship company these charges were collected

charges against the bill of lading were, of course, deducted from the amount realized when the fruit was sold. When other deductions were also made under the head of wharfage, cartage, portage, etc., it was frequently found that the total charges actually amounted to more than the apples produced. In such cases the unfortunate growers, instead of realizing a profit on their shipment, had to send money to England to cover the "expenses." These were, of course, in many cases purely imaginary and merely served to cover the numerous tolls taken by greedy parasites. Small wonder that the growers sought diligently for a remedy. They found it in co-operation.

### Much Opposition to Co-Operative Selling.

Late in the summer of 1907 a small body of farmers formed a co-operative company with headquarters at Berwick. It was composed of twelve reliable fruit growers, men who had the intelligence as well as the desire to produce the best fruit, who were not afraid to unite their interests for mutual benefit, who would not be baffled by difficulties nor yield to discouragements. A thoroughly experienced apple grower and shipper was appointed manager and it was resolved to secure a suitable warehouse. Such buildings were scarce and required considerable time to erect. Every move made by the little company was most bitterly opposed by the combined forces of speculators and resident agents. When the company attempted to purchase a fruit warehouse the speculators stepped in and bought the building over their heads. This incident merely strengthened the determination of the members to make their undertaking a success. They finally succeeded in renting a portion of a warehouse and immediately set to work.

### The Benefits of Co-Operation.

The company from the start employed only the most expert packers that could be secured. As a result when shipping began they were able to place upon the market a pack of apples that for uniformity and quality was superior to anything previously offered. Moreover, they were also able to deliver car loads of apples of any variety all under one brand, one barrel being representative of the whole. The natural result was a prompt and strong demand for the company pack.

Farmers outside the company were freely selling their apples "tree run" at prices ranging from \$1.25 to \$1.50 the barrel. At the close of the shipping season the co-operators received an average price of \$2.63 the barrel for fruit of number one grade, \$1.99 for number two grade, and \$1.22 for number three grade. It was then seen that the price received for their number three apples would compare with the price that outside growers had obtained for all the fruit of their orchards.

At the beginning of the second season, twenty new members were added to the company and a new warehouse was purchased. Many other applications were received from persons who wished to be received into membership, but it was considered wise to accept as members only those growers who had young and well-cared-for orchards.

The success attained by the first co-operative company encouraged the formation of similar companies throughout the fruit belt. It was soon found that, as all these companies packed carefully and uniformly and were all equally eager to effect sales, a strong competition arose and price cutting began. Moreover these companies, working separately, were not in a position to bring about urgently needed reforms such as improved transportation facilities and a proper system of marketing. Consequently in 1910 fifteen companies agreed as an experiment to form a tentative central organization.

### Securing Help and Growers' Supplies.

The apple production of 1911 reached two million barrels and the number of pickers available was insufficient. The Central quickly secured 500 workers and distributed them from one end of the fruit belt to the other, thus saving the crop of many a farmer. The transportation problem was then taken up. The unusually heavy crop had caused a congestion. Special fast freight trains were arranged for and special steamers were chartered. The congestion was relieved within a few days and the fruit

reached England in record time and in excellent condition. No sales whatever were made to the usual middle-men apple buyers. The policy of the Central, "to get as near to the consumer as possible," was rigidly adhered to.

### The United Fruit Companies of Nova Scotia.

Various supplies were purchased co-operatively by the Central for the members who were thus saved many thousands of dollars. For instance, the price of fertilizer was lowered by six dollars a ton and equally satisfactory results were obtained in other lines. At the close of the year it was decided to incorporate. Twenty-two companies subscribed twenty per cent of their authorized capital to the Central, which was in July, 1912, incorporated as the United Fruit Companies of Nova Scotia, Limited. Today forty-two subsidiary companies have stock in and market all their produce through the Central. Seventy-five per cent of the total fruit production of the Province is now handled by this organization. There is a president, a vice-president, a secretary and an auditor who is a chartered accountant. With these officers is associated a board of management of five members. The directorate is composed of one member elected from each subsidiary company. All these officers are elected annually. The permanent officials are a general manager, European representative, western representative, West Indian representative and chief inspector, who is also organizer.

### "Co-operative" and "Farmers'" Apples.

The apples of the co-operators are all packed in warehouses, forty-seven in all, by expert packers under the immediate supervision of a staff of inspectors employed by the Central. Excellence and uniformity are so severely insisted upon that it has been found by actual test that one barrel of apples in a cargo of 20,000 barrels is really representative of the lot. In London, England, Nova Scotian apples are now placed in two classes by both the wholesale and retail dealers, viz.: Co-operative and Farmers, the co-operative pack always meeting with a quicker clearance. In the Canadian trade a similar preference is shown.

Every co-operator buys all his supplies through his company. He understands that his requirements, while insignificant by themselves, become very important when added to the needs of his 2,000 fellow co-operators. During the past year all the apples and potatoes of the co-operator were sold by the Central and all their supplies of feed and flour, seeds, spray materials, farm implements and miscellaneous supplies purchased. The price of many of these supplies has been reduced to the consumers by fully thirty per cent. The total expenditure of the upkeep of the Central Association, including all salaries, advertising and the expense of the different offices was, according to the latest report, \$28,800.

A commission house has been established by the Central at Halifax on co-operative lines, so that during this season the co-operators will market everything that they grow or produce, from the fancy apples and pears to the plums, berries, potatoes, pork, beef, butter and eggs. All profits made through this commission house will be rebated to the people to whom profits rightfully belong, namely, the people who produce the goods.

No Nova Scotian co-operator would think for one moment of marketing a barrel of apples outside of his company. No temptation of larger prices will cause him to betray the cause he has espoused. He hauls his apples from his orchard to the warehouse, of which he is part owner, where the fruit is graded and packed, and whether a large grower or a small one he receives exactly the same return for his fruit according to grade, each member being paid the average price on each variety for the season.

In a nutshell the four fundamental principles upon which this organization is founded are: first, one man one vote; second, profits divided on the basis of business done through the Association; third, quality of goods; fourth, loyalty.

### A WONDERFUL SPOT.

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