

# Co-operation in Denmark

## V---Bacon and Eggs for the English Breakfast Table---Miscellaneous Co-operative Societies

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There is perhaps no more characteristic institution in the world than the "English breakfast," and everyone knows that the chief necessities for its proper composition are butter, eggs and bacon. Denmark, as we have seen, has appreciated the opportunity thus offered of a close and profitable market for produce suitable to her agricultural system and has resolutely set herself to conquer the English breakfast table. Her chief competitor in this has been Ireland which enjoys the advantages of greater proximity and a better climate and soil, but makes up for these by lack of organization and technical skill. We have already seen how in the case of butter the superior strategy of the Danes has brought them to success, and we shall find that this success is even more marked in the case of bacon and eggs. By the application of the same co-operative principle they have outdistanced all their competitors.

### More Bacon for Export than for Home Consumption

Pig-breeding is of course largely influenced by the condition of the dairying industry, the by-products of which are of the greatest importance for the purpose. Thus it is not surprising to find that the position of Denmark with regard to the production of bacon has changed in proportion as her dairying output has increased. Before 1860, when Danish agriculture was mainly extensive, the number of pigs kept was at a minimum, but with the revolution of methods which we have already described, it increased by leaps and bounds. The following table, given by Brinkmann in his book "Die Danische Landwirtschaft," illustrates the point clearly:

	Total Number of Swine	Number of Swine to 100 Tons of Corn	Number of Swine to 100 Inhabitants
1861	303,976	80	18.9
1881	527,417	138	26.4
1898	1,168,493	306	49.0
1903	1,455,699	381	57.9

By the last named date the number of pigs was sufficient to produce 50 per cent. more bacon than was required for consumption in the country, even reckoning that consumption at the same rate as that of Germany. As a matter of fact, as with butter, the Danes are content with cheaper foods and produce bacon more for export than for home consumption.

The export trade has been even more varied in the case of bacon than in that of butter. In the early days of Danish pig-breeding the export was almost entirely confined to live pigs, the greater part of which went, as might be expected, to Germany. This trade was largely shaken by the war of 1865, and still more by subsequent restrictions imposed by the veterinary authorities, nominally from fear of swine-fever, but probably for politico-economic reasons. The immediate result was to drive the Danish producer to find not only a new market, but a new method of placing his wares upon that market. The solution was at once seen to lie in the English demand for bacon.

But the production of bacon demanded a somewhat different type of pig and also the establishment of a factory in which the curing and preparation could be carried out and the valuable by-products utilized. The first problem was at once tackled by the state and by the various farmers' associations, and the whole energies of agriculturists have since been devoted to breeding exactly the right kind of pig to satisfy the English consumers' requirements. The amount of bacon now sold and the prices it commands, as well as the fact that successful Irish bacon-curers have thought it worth while to acquire factories in Denmark, bear eloquent testimony to the success of these efforts.

### A Fight with the Interests

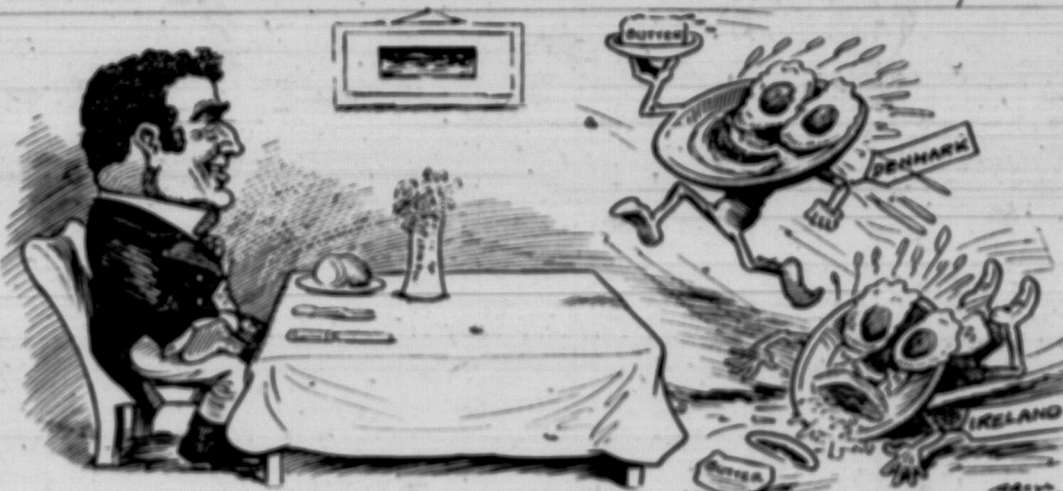
The second problem has gradually solved itself by the application to bacon factories of the same method as was successful in the case of the creameries. But this result was not arrived at without a struggle with private interests. As early as 1850 there were two private factories in existence which traded with England, although most of their raw material was bought not in Denmark but in Sweden. When this trade began to develop after 1870 the number of factories increased to eight, all of which were private. Up till 1887 these factories only got those pigs which were unsuitable to the Hamburg live trade, which was still going on, and their output was largely in sausages and salt pork. But in 1887, as the result of an outbreak of fever, Germany forbade entirely the importation of live pigs. Hard hit by this the producers tried to

create a trade with Holland, but met with little success, and the whole output then came into the hands of the small band of factory owners. They were not slow to profit by this heaven-sent opportunity. Brinkmann records that while the price of bacon in England steadily rose till it reached a level of 45 to 56 shillings a hundred-weight, the price paid by the buyers actually decreased. The English price represented the equivalent of from \$6.75 to \$6.86 per cwt. live weight, and the actual price paid was only from \$4.25 to \$4.50 per cwt. It is true that the utilization of by-products was at that time poorly developed, but the loss incurred in this direction could not exceed 25 cents per cwt.

The result of this treatment of the producers was naturally to evoke the bitterest resentment against the monopolists, and as might be expected their thoughts turned at once to the possibilities of co-operation which had already been so successful under somewhat similar circumstances in the butter industry. The organization of co-operative bacon-factories was at once begun and received a further impetus in the year 1888 when Hamburg, which had admitted swine free of tax, joined the German customs union which imposed an import duty of about \$1.25 per head.

### Co-operative Packing Houses Established

The pioneers of this new movement were at first somewhat anxious as to its success. The example of the creameries was undoubtedly most encouraging, but the difficulties confronting the bacon-factories were considerably greater. The opposition was more strongly organized, more concentrated and more tenacious of its ground; the amount of capital required, was large and, in the existing state of the money market, hard to come by, and there was a considerable scarcity of highly trained technical assistance such as was necessary for the proper conduct of these factories. The co-operators, however, undertook the work with



The superior strategy of the Danes has enabled them to conquer the English breakfast table despite the natural advantage of their nearest competitor, Ireland.

so much energy and enthusiasm that instead of moving too slowly their progress was for a time over rapid. The number of societies increased out of proportion to the needs and some losses occurred which were made more dangerous by the bitter opposition of the private traders. The latter attempted to kill co-operation at its infancy by using all their available resources to pay an increased price and so destroy the loyalty of the suppliers. Danish agriculturists, however, possess a large fund of foresight, commonsense and loyalty. In the fight which ensued the co-operative factories found great advantage in their ability to pay for the pigs delivered on the basis of live weight and quality. By this means the price was brought into intimate relation with the deserts of the producer with a minimum of risk to the factory. The private traders whose relations with their suppliers were not based on the same amount of mutual knowledge and confidence could not adopt this system. The natural result was that the co-operative societies brought about a great and rapid improvement in quality and uniformity and thus obtained the confidence of the public and a commanding position on the market. At the same time the problem of obtaining sufficient credits and of getting trained employees for the management of their factories solved itself automatically. At present although the struggle still continues the co-operative societies have thoroughly established their position and do far the greater part of the trade.

### Financing Bacon Factories

The method of organization of a co-operative bacon-factory requires little detailed description as it is in the main similar to that of the creameries already discussed, while the technical methods are of course similar to those commonly prevailing in the industry

and interesting only to students of the matter. The same method of obtaining capital by means of a guarantee over a period of years is practiced as in the creameries. The amount of capital involved being large the area covered is very much greater than in creameries, and in some cases the persons resident in a given parish make themselves collectively liable for a certain part of the debt. The money is usually obtained from the local savings banks, which have been described in another article, though in one case it was raised by the members themselves. Another rule which is strictly enforced is that by which members bind themselves to supply all their pigs between certain weights to the factory. In order to make it possible to cover a large area without inflicting any hardship on the outlying suppliers it is the practice that freight charges should be borne by the society and not by the individuals, so that distance is no handicap. A fine of \$2.50 per pig is imposed on any member breaking his obligation to supply the society, but in practice loyalty is practically universal and this power has practically never to be used.

The question of admission of new members during the period covered by the original guarantees is even more difficult in this case than with the creameries. Each of the societies has its own method of dealing with this problem, but all of them have solved it on more or less satisfactory and equitable lines. The method differs according to the plan by which the factory has been financed. In some cases the members guarantee a sum proportioned to the number of pigs owned or land farmed by them, or perhaps to the number of pigs delivered each year; in other cases there is the feature of collective liability. The ownership of the factory is vested in the members either proportionately to the number of pigs delivered during the period or in proportion to the amount guaranteed. The position of new members has to be determined in accordance with these considerations.

### By-Products Completely Utilized

The most striking results of the co-operative activity have been the increase of the number and importance of pigs in Danish agriculture, the improvement in breed and the complete utilization of all products. Lard refining and sausage making are universally practiced and some of the factories also carry on the manufacture of blood and bone manure, which is sold at a very small profit to the suppliers. In addition to the export of bacon to England, which is far the most important part of their trade, some factories undertake all kinds of tinned meats and so on, and a certain number of cattle are handled in addition to pigs. After the passing in 1903 of a law prohibiting the import of livers into Germany the societies set themselves with some success to create a local demand by sending out attractive recipes and instructions for the use of liver in cooking.

The material progress of the co-operative bacon factories is illustrated by the following figures, taken from the report of the Danish department of agriculture and from Brinkmann's book already quoted:

Year	No. of Factories	No. of Pigs Killed	Value in £	Av. Price Per Pig
1888	1	23,407	57,000	£2 9 0
1889	8	131,548	327,000	2 18 0
1894	15	385,731	1,114,000	2 18 0
1899	25	729,171	1,733,000	2 5 0
1902	27	777,232	2,500,000	3 4 6

In 1905 the number of factories working was 30, besides one founded during the year. They disposed of 1,134,390 pigs or an average of 37,813 per factory, the estimated value being about \$14,000,000. The number of members was roughly 70,000. In 1909 there were 34 factories with 86,000 members, and the number of pigs slaughtered was 1,302,500.

The local societies have, as might be expected, banded themselves together in a federation known as the "Co-operative Bacon-curers' Association" of which the delegates of the department of agriculture reported in 1908: "For its own purposes (it) is perhaps one of the most efficient commercial intelligence bureaus in the world." A representative committee is formed by the election of three delegates from every society. This body elects from its own number five persons to form a standing committee together with two factory managers. The committee in its turn elects two of its own number as an executive committee to deal with routine matters. The expenses involved are

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