

## APPENDIX No. 3

there given of the results of co-operation in the case of the Fruit Growers' Association in Chatham. It was stated: 'Machinery, &c., were purchased and barrels were turned out at 28 cents each, while other farmers paid 45 cents for a cheaper grade.' You can see the saving there. Another and perhaps larger saving is in the moral effect of having a manager who is in charge of a definite number of men from year to year. Under the old system a man might buy the yield of an orchard this year, but might not purchase it again. He had no incentive to bring any pressure to bear upon that producer to induce him to grow a better variety of apples. But in the case of the co-operative association, the manager having the same patrons from year to year, and a reputation to maintain, naturally brings pressure to bear upon the poorer growers to improve the quality of their fruit. Consequently they find that the members of co-operative associations are now producing a much better quality of fruit than they did under the old system. Having been very familiar with the apple producing districts of Ontario, and especially those in the western part of the province, I know individual orchards—perhaps I could say by the score—where formerly they had produced seventy-five per cent of 'seconds' and only twenty-five per cent of 'firsts.' Now that they have become members of the co-operative association, that condition of things has been reversed; they are producing from seventy-five to eighty per cent of 'firsts' and only twenty per cent of 'culls.' That undoubtedly is the direct result of the co-operative movement. Another saving and a very great saving indeed is in the methods of making sales. A manager is presumably one of the most active and intelligent of the members of the association, so that they have the best selling skill in the entire group of fruit growers to dispose of their stock, and consequently better sales are made.

Q. How is the manager paid?—A. Usually by the amount of business that is done. The most satisfactory way appears to be in the apple selling associations, where a certain charge is made for each barrel handled. The manager will get say, five cents a barrel for each barrel of the output, and that can be re-arranged from year to year. In a small business a larger amount would be required in payment than in a large business, but this can be adjusted, of course, from year to year. Sometimes they give the manager a definite salary, as in the case of the Oakville Society, where the manager was getting \$1,500 a year. The salary has been changed and somewhat lowered this last year.

Q. And how is that salary provided?—A. By a charge upon the quantity of fruit handled, even if the manager receives a salary. In every case the funds of the association are produced by a charge upon the fruit handled of so much per package. Usually they have a separate charge for certain groups of operations. For instance, they make a special charge for the packing and grading of the fruit, and a special charge for the business management, so you see they keep these two things separate. One other advantage I would like to mention is the utilization of waste products in the orcharding. In this orchard business there must always be a large percentage of low-grade fruit. In the case of apples this waste product might be worked up into evaporated fruit. Under the old system of buying there was no inducement for private capital to go into many places and establish an evaporator because they were not sure, from year to year, of constant supplies of waste products. The growers sold to itinerant buyers who sometimes controlled the waste products and sometimes did not. A farmer could not guarantee a supply year by year of his waste products, and an evaporator could not, therefore, be established in a centre of that sort where there was no certainty of a constant supply. But under the co-operative system an association can confidently count upon a certain percentage of fruit that can be used for these by-products that formerly were of little or no use, but are now a very large source of revenue. These are some of the benefits, gentlemen, and I cannot speak too strongly upon the value of co-operating in orcharding. One other advantage I will mention before closing, and that is in connection with certain expensive orcharding operations such as spraying. To do this most effectively requires a somewhat expensive plant. A power sprayer will cost about \$250 or \$300. This is too large a sum for the farmer who has only two, three