

CO-OPERATIVE FRUIT MARKETING

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The fruit grower, like the grower of any commodity, is chiefly concerned with two factors, viz., the art of production and the art of selling. Both of these factors must be given due attention if the owner is to attain that degree of success which he should. He may know the fundamental principles of fruit growing and be able to put into the fruit package a strictly No. 1 or fancy article. This, however, does not always insure a return to the grower in keeping with the grade and quality of the product. It is true that high-class fruit properly graded and properly packed will often take care of itself and net handsome returns to the grower when placed in the hands of the commission man, or even when placed upon the general market. Unfortunately, however, this cannot always be relied upon, and so we have come to realize that the producer must give serious attention to the art of selling. It is certainly to his advantage that this business end of things be no longer left with speculators who are yearly securing larger returns for their labors than are the growers of the product. It is as much our business to market what we grow as it is to grow it. It is not enough for us as fruit growers to produce fancy fruit; we should see to it that that fruit goes into the hands of the consumer and that the prices paid us are entirely in keeping with those high prices usually paid the commission man or the speculator. Many of our best fruit growers throughout the country are attending to the business side of their affairs in a business-like way, and as a result of these additional efforts are reaping handsome returns.

Commission Men

The reason why most fruit growers have hitherto given little attention to the selling of their products is because of the fact, that their entire energy has been given to the production of fruit and its preparation for market. Their product is perishable, and where sales cannot be made for spot cash it is often necessary to make consignment to commission firms. Probably no class of business men are more thoroughly condemned or more fully trusted. Millions of dollars worth of produce are sold by them upon honor with scarcely a restraint or check upon their actions except such as may be dictated by policy or their own conscience. It is little wonder then that selfish and dishonest men enter this field of business to the constant annoyance of decent men and that such suspicion as may be engendered by rascality will often attach to the best firms in the same line of business. Good, strong, honest firms may be found in most all cities by inquiry in the proper channels. Let the best be selected for patronage, and then make them your partners.

Co-operation in Marketing

This is an age of co-operation. Competition has been so sharp and the desire for increased profits is so great that we find nearly every class of business well organized for mutual profit. The world never saw such combinations of capital as have lately been formed under what we are pleased to call the "trust" system. In some lines of business competition had destroyed profits and a combination was necessary to cheapen the cost of production or increase the selling price of their products, or both.

Let us look at the horticultural situation and see if our present methods are not in need of improvement. As a result of careful investigation, I am convinced that a bushel of peaches for which the consumer pays \$1.50 does not net the average Michigan grower over fifty cents. This means that the grower pays twice as much for getting his fruit to the consumer as he receives for his own labor in producing that fruit. Is such a condition fair? What ordinary business is there which will stand such a constant drain and profitably exist?

A Successful Organization

One of the first drawbacks that we had to contend with in the Michigan

fruit belt was the cost of transportation. The location of our orchards is such that we can patronize either the railroads or the boat lines, but there has been no competition between them. An express company operated over the fruit train for about fourteen years, furnishing very poor service and stubbornly maintaining a six-and-one-half-cent rate on small baskets to Chicago. We had no organization, and the efforts of individuals to get better or cheaper service were of no effect.

The season of 1888 brought such low prices for fruit that it was evident that something must be done, and co-operation was resorted to. The Fennville Fruit Shippers' Association was organized in 1891 and the "Granger System" of shipping fruit was adopted. The success of our association under this plan has been wonderful. We have a local agent of the association who receipts for and loads the fruit into ventilated cars, holding about 2,500 small baskets each, for which he receives \$2.50 per car. A special fast fruit train starts from Fennville at six o'clock every evening, Saturdays excepted, for Chicago. The cars are all billed to our Chicago consignee, who does the unloading and attends to the freight, shortages, etc., receiving for this service \$5 per car.

As a result of this co-operation, we have been able to secure the general adoption of a more or less standard climax package, which has resulted in a saving in their cost of more than one-half. The freight rate has been lowered from the express rate of six and one-half cents to two and one-half cents, and, the boat lines having to meet this competition, every shipper in our

fruit belt has been equally benefited by the operation of our association, whichever way he shipped. All shortages have been promptly paid, which is quite a different experience from what we had with the express company. The association has actually reduced the cost of packages and transportation to about one-third of what it was under the old plan. It is impossible to estimate the actual amount of money saved by the work of this association, but some idea can be imagined when I tell you that the very first year the association did business it saved one large grower fully \$1,000. In one year our fruit section shipped 6,000,000 small baskets of peaches, and the saving to the growers that year was over \$200,000.

Not only have we obtained better service at much less cost, but it has been done with a cash profit to the association. This profit, amounting to many thousands of dollars, has been expended in the grading and graveling of our public highways, until we now have reconstructed several miles of first-class gravel roads. Before our association undertook this work, 200 or 250 baskets were considered a good load, while now our teams handle more easily 500 to 700 baskets. By our unity of action we have also gotten the railroad to donate 300 cars of gravel for this road building. We find that where a single individual has trouble in getting the ear of the railway officials, the representatives of an organization of 400 shippers receive a most respectful and gracious hearing.

Attracting Buyers

So much for what we have been able to do in reducing the cost of trans-

portation. There is another feature I desire to refer to and that is the way in which our growers have co-operated in the manner of packing and selling our fruit. It is generally conceded that the old method of consigning fruit to be sold on commission, is entirely wrong and our local horticultural society has been working for some time, trying to establish a local fruit market and get outside dealers to come there and buy. Advertising booklets have been sent out, with the result that we have buyers with us all through the season, and their competition has kept prices fairly good. During the past four years, from eighty acres of fruit, I have not consigned to the amount of \$25, but have sold at home at very satisfactory prices.

A Central Packing House

But there is another form of co-operation which, with us, promises to be of permanent benefit—the central packing house system. We have five of these packing houses at Fennville and although the system is not fully perfected it has already demonstrated its efficiency in handling and marketing the products of large orchards. Usually six or eight growers combine and erect a packing house beside the railroad. Their fruit is brought direct from the orchards to this central packing house, where it is carefully graded and packed, each grower receiving credit for the number of baskets of each grade. The foreman and packers, having no interest in the fruit, pack top and bottom alike and every basket can thus be guaranteed. Solid cars of one straight grade can thus be purchased any day during the season, and we find that buyers will pay more for this fruit than where they have to drive around the country and pick up a load, of as many grades as there were packers.

The obstacles in the way of this central packing house plan may be mentioned as: First, what may be termed the natural conservatism of the average grower; second, the lack of confidence in his fellows and of the results to be obtained by association and combination of interest; third, some expense in putting up and equipping a plant; and, fourth, enterprise and confidence in the outcome to carry on the undertaking. A rather high order of ability and good judgment combined with some experience, is necessary in managing such an undertaking, and the manager must command the confidence of his associates and patrons.

The principal advantage is the application of modern and systematic business methods to the fruit industry. Organization is the basis of modern successful business operations, and only those lines of business that are well organized are successful in a marked degree. The statement is often made that an organization among farmers is sure to fail, that farmers will not hang together, etc., ad nauseam. I think that the experiment among our packing houses disproves this statement, and I believe that the tendency among progressive fruit growers is toward such organizations. I believe that these separate packing houses will eventually grow into a federation, with a central head, that shall keep in touch with all of the principal markets and keep the units of the federation informed regarding markets and prices—a fruitgrowers' "trust," if you please.

The packing houses furnish a more reliable and desirable quality of fruit at the point of shipment, thus effecting a saving of nearly half the expense, as noted above. It is evident that the dealer in Buffalo, who would be willing to pay 75 cents per bushel for a car of peaches in Chicago, of the uncertain and damaged quality that he would get there, would willingly pay the same price for fresh, straight packed fruit here, as the expense of shipping is no more; and so the grower receives 75 cents at the packing house for fruit for which the commission man returns the consignor 50 cents. Experience has abundantly proved this self-evident assertion.—The National Stockman and Farmer.

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