

Reasons for Fruit Company's Failure

Editor, The Canadian Horticulturist.—In the June issue of The Canadian Horticulturist there appeared an article in reference to the failure of The National Land, Fruit and Packing Company. The failure of this company is attracting considerable attention, and the daily press is inclined to belittle the business ability of those who were in charge. As I was at one time general superintendent of the company, I wish to explain that those in charge of the operating end of the concern were not responsible for its failure.

As you know, the company was promoted and floated in the Old Country over two years and a half ago. In September, 1911, I was managing the Wentworth Fruit Growers' Association at Hamilton, and had quite large interests there in the orchard business. Mr. T. R. Rolph, acting for Mr. Evans, president of The National Land, Fruit and Packing Company, wrote and asked me to take charge as general superintendent, at a salary of \$2500 a year. I soon discovered that the general superintendent was not to be given full sway, as Mr. Evans himself took full charge of the finances. In spite of the fact that I sent numerous protests to the executive showing the impossibility of some of the schemes which they were advancing, matters did not mend.

As soon as the crop of 1912 was safely harvested I tendered my resignation. Mr. Evans had gone to the Old Country and left us with practically no money on hand for handling the output of about one hundred and fifty thousand barrels of apples from the orchards that had been leased. The situation is self explanatory.

One of the main factors contributing to the downfall of the concern was, I believe, the method in which the six hundred and sixty orchards throughout the country were leased. A local man in each district was offered a royalty of ten cents a tree for ten years on all orchards rented by him. The result was that such a man would go out and rent everything in sight, and the company found themselves with some pretty mean deals on their hands. Even with these drawbacks there were many of the orchards that would have paid well under proper management.

I will cite an example of some of the peculiar ideas that I was expected to carry out: I was instructed by the executive to buy two hundred carloads of culls for the evaporator at Mimico. As the evaporator was only partially constructed at the time, I protested against this course, but to no avail. By the first of December there were as many as seventy car loads of these apples on the track at Mimico at one time. Most of these were badly frozen and in addition the railway company sent in a demurrage bill of over two thousand dollars. The result was that these apples cost the company about ninety cents a barrel on the track at Mimico. This will give an idea of the difficulties I had to face in trying to make this venture a profitable one.

It now appears that the reorganization of this company will not be possible, but it is not the impracticability of the scheme itself that should be found fault with, but the extreme extravagance in operative methods. I would have left the company sooner than I did had it not been I thought I should stand by the company until the enormous crop had been gathered. I do not wish to criticize too harshly Mr. Evans or other members of the executive, as they evidently did not realize just exactly what

they were up against. The fact that this company was operated in two of the worst years known in the apple business for some time past, is no doubt partly responsible for its failure. The farmers, however, from whom these orchards were leased are better off to the extent of thousands of dol-

lars because of the greatly improved condition of their orchards.

I am writing you because I think that in all fairness to myself, I should not be criticized for the failure of a company that was due not to poor management on my part, but to extravagant financial methods."

Hamilton, Ont.

Roy A. Carey.

A Successful Association

The success of the Wentworth Fruit Growers' Association (Ontario) has been such as to attract considerable attention, and has led to a demand for information as to how it is managed. It is conducted on the true cooperative principle. The object of the association, as one of its by-laws states, is "to encourage the fruit growers in the County of Wentworth, who are interested in the improvement of the quality and quantity of fruit, to cooperate for the purpose of securing a better and more uniform system of packing and marketing their fruit."

This organization is not a joint stock company. It has no stock and is so managed that no capital is needed. An annual fee of one dollar entitles the members to all the privileges of the association and to one vote.

At the annual meeting, an executive of seven members is elected by ballot. The executive appoints a member to act as manager and secretary-treasurer. The manager is paid by commission on a sliding scale basis. He receives twenty cents a barrel up to five hundred barrels, the commission dropping to twelve and one-half cents on more than one thousand barrels. He attends to all arrangements for marketing and selling the fruit. He procures good packers, who are sent out to the various orchards. He also gets quotations on barrels, spraying materials, and all orchard supplies that the members require. It is also his duty to visit the members, give advice on spraying and cultural methods, and oversee the packing.

When we state that the association is operated without capital, the question naturally arises, how is money obtained for payment on supplies? The firms from whom supplies are obtained, invoice each member and collect from him for his purchase. The packers that are sent out are paid by each member for the time that the packer spends on the place. The association has no warehouse, the fruit being shipped directly from the orchards. In case money is required to be advanced for packers or for supplies, the executive signs notes at the bank, to be paid back when the returns for fruit come in.

To ensure the production of the highest quality of fruit possible, each member is obliged to prune, fertilize, and cultivate as recommended by the manager, and must spray at least three times. The manager oversees the packing, which must be up to the standard set by the association.

To safeguard itself, the association requires the members to make all shipments exceeding five barrels through the association. An exception is made of such early varieties as Astrachan, Duchess, and St. Lawrence. In case a member wishes to make an independent shipment of more than five barrels, he must receive the permission of the manager, and must also pay the association fifty cents on every barrel so shipped. Should a member not comply with these requirements, he would be asked to withdraw from the association. So far the association has never

had to ask a member to do so.

The Wentworth Association also controls the Oakville and Ancaster Associations. Last year over fourteen thousand barrels were packed and shipped, most of the fruit going to the western and Old Country markets. The larger proportion is sold to wholesalers and retailers. Shipping through commission men is avoided as much as possible. At the end of the season the apples are prorated and members paid according to actual value. Numbers of complimentary letters have been received by the association from western and Old Country fruit houses, commenting on the excellence of the pack.

The success of the Wentworth Association is materially strengthening the cooperative movement in the district. It has been due largely to the efficient work of its manager, Lorne H. Carey.

Poor Orchards Being Hit

A correspondent from that splendid apple region along the east coast of Lake Huron says: "Markets in 1912 were no good for apples. Three-quarters of the crop was left to rot on the ground." This correspondent must be considered as speaking only for a very limited area in giving the quantity of apples left to rot, yet the truth remains that throughout western and southern Ontario in 1912 large quantities of apples were sold at an exceedingly low price or not sold at all.

The reasons for this are not far to seek. First and foremost was the complete breakdown of the old system of itinerant buyers who, since the inception of the apple trade, have been the recognized means of disposing of the crop in Ontario. This failure of the itinerant buyers to appear upon the ground was caused partly by the Old Country firms refusing to make large advances, which they had always done in former years, leaving these buyers without money to finance their purchases. Second, even in the case of buyers having funds, the cooperative associations have become so numerous that they cover the ground, especially in the better apple districts, leaving only the inferior orchards for the outside buyer. Third, there was a distrust in the minds of many of the old buyers with reference to the condition of the apple market.

The net result was that in many districts where there are comparatively few orchards and where the orchards for the most part are very poorly cared for, no buyer deemed it worth his while to visit them. Canadian apple dealers, with capital of their own, preferred to deal directly with the cooperative associations, where they could purchase large quantities of fruit of uniform grade, and with the grade marks guaranteed. It is not at all likely that any buyer with capital of his own to risk will, in the future, care to handle the small, ill-kept orchards, containing many varieties, of the ordinary farmer engaged in mixed farming. With individual selling it is not probable that these orchards will ever again become really worth while.—Report of the Dominion Fruit Division.