

FARM AND DAIRY

& RURAL HOME



We Welcome Practical Progressive Ideas

Trade increases the wealth and glory of a country; but its real strength and stamina are to be looked for among the cultivators of the land.—Lord Chatham.

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Marketing Fruit from the Middleman's Standpoint*

A Good Portion of the Consumer's Dollar is Required for Legitimate Distribution Charges

THERE are people under the impression if a grocer buys an article for ninety-nine cents and sells it for a dollar, he is making a profit of one per cent. Such is not at all the case. I have been in the grocery business in Toronto for over thirty years, and from my own experience, and the experiences of others in the trade, the expenses of a grocer reach from twelve to eighteen per cent on the turnover. So that if a retailer sells a basket of fruit for one dollar he must figure from the time that basket entered his store until it was handed in at the door of the consumer, it cost him anywhere from twelve to eighteen cents. Suppose it cost him the average fifteen cents—you can see that if the first cost of the article was eighty-five cents, and he sold it for one dollar, he is actually just breaking even, and no net profit whatever has been made.

The overhead expenses of a retail grocer include many items. There are wages to be paid the manager or proprietor, and the selling staff; there is rent or interest on investment, light, fuel, the up-keep of delivery horses and waggons, and drivers' wages; taxes, insurance, store equipment and fixtures; depreciation on everything; stationery, stamps, etc.; bad debts, which frequently necessitate the writing off of considerable money; and sometimes unforeseen occurrences, such as the death of a horse or the smashing of a delivery wagon in a runaway. Goods which we purchase and stock in our stores so as to have them

convenient for the consuming public, must each and all bear their share of these inevitable overhead expenses. In the case of fruit and other perishable goods, there is always an additional expense of waste to be added, for no merchant, no matter how careful he may be, can gauge his purchases and sales correctly at all times.

Retailers Promote Consumption

I think you will all agree with me that the consuming public would not buy as much fruit and vegetables if they had to get their supplies direct from the country. The attractive displays of the retailers of Toronto every season are responsible for the great majority of sales, and if there were no displays to tender suggestion to

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the people, and if the consumers were left upon their own initiative to write or wire to the country for supplies, there would be a large amount of stuff go abegging. I would just like to see the retailers of the country give up the sale of fruit and vegetables for one year, and allow the consuming public to send to the country for everything they wanted. You can depend upon it

mission merchant. It seems to me to be the only fair way for you to market your goods. My reason lies in this: When the merchant buys from one party at a distance he has no choice in appearance and quality. The goods may be satisfactory today and to-morrow they may bring all kinds of complaints from consumers, and you must remember that we make good to our customers anything that is not right. Melons may arrive too ripe or too green; peaches may be off color, etc.

and as we are the final distributors we get the blame. If we purchase goods we cannot conscientiously recommend, we must lose in the price.

Methods Compared

But, on the other hand, when goods are bought from the wholesale market when competition is keen, we have our choice from scores of growers. If a retailer has a market for only one kind of fruit, he can personally select what he wants from all the offerings on the open market. A merchant, too, soon gets to know the shippers who send in the most reliable fruit and vegetables, and at the commission houses he has an opportunity of obtaining his daily supplies from one or another.

The dealer must also protect himself from the standpoint of price. Should he purchase direct from one shipper, he pays the one price. But on the commission market the prices are up to-day and down to-morrow, so that if the price a merchant has paid to his own shipper happens to be higher than the ruling commission market quotation—as it would frequently be—he must cut his retail price and lose his net profit. It is, therefore, much the safer method—despite the recommendations of many of the daily papers, and others, ignorant of the situation—and surely the most satisfactory method to buy our fruit and vegetables. Some of you will probably be able to point to instances to the contrary, but for the best interests of the larger section of the growers and retail dealers, the marketing system I have outlined must prove the generally accepted one.

There are too many disturbing influences in the trade. Supporting a man goes out to the country to visit a friend, and brings home with him what fruit he wants. He usually gets it at a lower price than the retailer can buy in

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This Test Winner Combines Production with Desirable Conformation

Rosie Pouch, seen herewith, established a new high record this year for the Winter Fair Dairy Tests at Guelph. Her production of 234 lbs. of milk with 21.3 lbs. of butter fat in three days entitles her to the score of 277 points. Note, too, that this cow is of fine type, lots of substance, good conformation and attractive lines. Her owner is W. H. Cherry, Hagersville, Ont.

—Photo by an editor of Farm and Dairy.

there would be very little fruit consumed this year.

If, then, the retail grocer is a necessary link in the chain of fruit and vegetable marketing to secure the maximum turn-over, the next question to decide is the cheapest and best way for fruit and vegetables to reach his store. You growers, who obtain the maximum benefit from your crops, appreciate the fact that the harvest you produce should all find its way into consumption, and at prices that will bring you a reasonable net profit. If you produce more than a market can be found for, you lose. If the prices you receive do not pay you a net profit, you lose. Your aim is quite clear.

My opinion is that fruit can be bought to the best advantage by the retail dealer from the com-

*A paper read at the recent convention in Toronto of the Ontario Fruit Growers' Association.