and Mr. Gladstone heard about him and he went to see the old cobbler who did not know him, and he conversed with him and when he left the old man said, "I wonder where in the world the old fellow got all my ideas." (Laughter.)

CO-OPERATIVE MARKETING OF FRUIT.


I am glad to meet the fruit growers of Wisconsin. Every summer when we are shipping the last of our Duchess apples we find the price usually drops and the market reports state that Chicago has a liberal supply from Wisconsin. And upon going up and down South Water street in that city at that time I have seen some as fine Duchess apples from this state as I ever saw. I have been interested, therefore, in meeting the men who grow such nice apples. I am reminded that when I speak of fine apples in this way I must be particular to make myself understood. We think that we grow some fine apples in Michigan and if I am not careful the report may go home that I said those Wisconsin apples were the finest I ever saw and some one will ask me how much I have been around my own state.

I recall the story of the old negro slave who saw a man passing and remarked to his master that that was the finest looking man he ever saw. His master told him he must always except Massa. Presently he saw another man going by and he said to his master, "I declare for it, Massa, dat are man looks de mos' like de debil of anybody I ever see," and then remembering his instruction he added, "'cept Massa." So, in speaking of the nicest apples I ever saw I suppose I must always except Massa, and in order to avoid possible embarrassing complications when I get back home I will say that those Wisconsin Duchess apples were as fine as any I ever saw.

And this brings me to a point which I wish to call attention to, and that is that there is competition between your Wisconsin fruit and our Michigan fruit and I think that I may give bare suggestion to a broader view of the question of co-operative marketing than was perhaps contemplated when the subject was given to me.

In order that there may be effective co-operation there must be an intelligent understanding of the situation. In order to
market our products with the largest measure of profit we must understand two things. We must know the value of the article to be sold and we must also know where the best market is.

It does not reflect a very large degree of sagacity on our part that you of Wisconsin and we of Michigan dump our products together into one market without any very definite knowledge of the condition of that market or of markets in general. It is quite possible that you people here in Wisconsin might have found a more satisfactory market in Duluth or Minneapolis or St. Paul or some western point while we might have sold our apples for a little more in Detroit or Toledo or some city to the east, if only we had known the condition of those markets. So that it appears that knowledge is one of the main things needed in successful marketing, and the question arises whether or not some general scheme of co-operation in securing this is not feasible. We find this is quite important in Michigan in a local way in disposing of our fruit. The buyers come from Benton Harbor or some other place and tell us at Fennville that they can buy all of the Elberta peaches they want elsewhere at 60 cents a bushel and so they can’t pay us $1.00 for ours. And in the absence of reliable information other than their report we are not prepared to dispute them and prices are affected considerably by their bearish reports. In order to be able to meet these men on equal terms some of our growers at a few of the important shipping points have taken the preliminary steps towards the organization of a bureau of information for the purpose of better informing the growers regarding prices and market conditions. Perhaps I ought not to say anything about this as there has not yet been sufficient time to put the plan into practical operation and there are some difficulties yet to be met, so I will only give the general plan of the work. The growers in a given locality are to organize and elect, among their officers, a secretary, who is the person to receive and give out the information. These several secretaries meet once a year and elect a general secretary, who is to gather reports from market centers both local and general regarding prices and market conditions and transmit this information to the local secretaries, and these in turn give it to the members. This may not work out successfully in practical operation and perhaps I ought not to have referred to it. One of the greatest difficulties in the way of inaugurating the system is that so many of the growers fail to realize the value of the information. But I think that it is evident that there is a large need for this information and to recognize a need is one of the first things in the way of instituting the remedy.
Another line of information that is needed is of crop conditions. I think that this is particularly important in disposing of the apple crop. Two years ago if we had known the conditions of the apple crop throughout the country by the middle of August it would have been worth thousands of dollars to the apple growers in one end of the county in which I live. The apple buyers have their organization and had collected the information regarding the condition and size of the crop and they found that it was very short throughout the country and they bought up quantities of apples at less than half what the fruit was worth at gathering time. Last year a very singular condition existed in this country in the apple market. The buyers gave out a report of an abnormally large crop and determined on low prices. It is said that one national association of apple buyers pledged its members under penalty not to pay over $1.00 per barrel for apples barreled and delivered at shipping stations. The growers were suspicious of these bearish reports and refused to sell at the figure offered and a deadlock existed between the buyers and the growers in many of the apple growing sections until well into the harvesting season, when the buyers made quite liberal concessions. It may be added that from some reports made it appears that the actual pack of apples fell fully one third short of the buyers' estimate of 65 to 70 million barrels.

Now I submit that it would be creditable to the fruit growers of this country if they were to devise some way of procuring this information for themselves. It seems to me that we have the machinery ready made for this purpose. The several State Horticultural societies have a national organization with a representative from each. It seems to me to be perfectly feasible for these secretaries to collect very accurate information regarding the condition and approximate size of the crop in their several states and this information can be interchanged among the secretaries and from them to the members and so the information could be readily supplied. Each season the secretary of our Michigan State Horticultural society sends out cards of inquiry with return cards bearing blanks for reports of the various fruit crops and these are sent to a large number of the leading fruit growers in all parts of the state. The reports so secured are compiled and sent out to the members of the Society and are very valuable. Much aid in marketing the fruit of the state has been secured in this way. Now, if this were carried out in half a dozen of the principal fruit producing states and the information exchanged between the secretaries it would be of large value to the members. $15.00 for each state would
be sufficient for the purpose of one report and the information would be the most valuable and reliable of any that could be obtained. I am acquainted with the man who reported our section for the apple buyers’ association and he had probably not visited a single apple orchard during last season up to the time of making his report, and he had it two or three times larger than the crop would warrant.

But I suppose it is of the co-operative systems that have been in practical operation with us that you wish to hear. We have had three general systems of disposing of our fruit in vogue, consigning to commission houses, selling to buyers who come direct to the orchards or shipping points, and the central packing house system. The last of these is the only one that has been conducted in a co-operative way. Then we have a Fruit Shippers’ Association which is a co-operative concern. This is practically an express company and its only business is shipping fruit, mainly peaches, to Chicago. By a very satisfactory arrangement with the Père Marquette railroad company the association assumes all of the responsibility of loading and unloading cars and collecting freight charges, the railroad furnishing the cars and doing the hauling for a certain rate per hundred pounds. The association has been carrying on this business for probably 15 years with general satisfaction to the growers until the last two years when the train service has been very unreliable and cars have not always been furnished. The Association furnishes the loader and the unloader and does the manifesting. Before this was organized the American Express company did the business and charged 6½ cents for freight on a ten-pound basket. The Association at once reduced the rate to 3½ cents and later to 2½ cents per basket. Meanwhile it has accumulated money and has expended this to the extent of several thousand dollars in improving the highways leading to the station.

The central packing house is sometimes operated in a co-operative way and in some cases an individual or company organizes and runs the concern. In either case the business is ordinarily managed on a similar plan. Several growers engage to deliver their fruit, usually peaches, at a building which has been provided for the purpose on a railroad siding. The fruit is delivered in baskets or boxes just as it was gathered from the trees and a receipt is given for the quantity delivered. Each man’s fruit is then graded and packed separately and the owner given credit for the number of packages of the several grades. The fruit then goes into a common lot and is loaded into cars and
sold and each contributor is paid his pro rata share after taking out expenses.

This system has a number of advantages. The work of packing is taken away from the farm and is usually a great relief in this way; the grading is more carefully done and the fruit commands a higher price because the quality is reliable; it is sold by a capable person who makes that his business and brings a higher price; packages are bought in quantities and a saving is effected in discounts; the fruit is loaded from the packing bench immediately into cars with the least possible handling and reaches its destination in much better condition on this account. The expense of selling is reduced to a minimum.

But the profit is better understood by a comparison with other methods of selling fruit. In the earlier days of selling fruit in Michigan it was the custom to consign the fruit almost entirely to commission houses in Chicago, thus making that city a general distributing center. The fruit for other parts of the country went through Chicago and paid a heavy tribute to the dealers there. Now, let us see what the expense of selling in this way is. Suppose that a bushel of peaches sold for $1.00 there. The freight and cartage charges are 15 cents and commission 10 cents, making 25 cents which the commission merchant took out and returned 75 cents to the grower. If the basket was then reshipped to say Buffalo, N. Y., as was quite common, the charges would amount to nearly 35 cents more and the fruit would have to bring $1.35 from a grocery in Buffalo in order to pay the Michigan grower 75 cents. This represents about the average of expense for distributing fruit outside of Chicago in this manner. But if the Buffalo buyer were to come to the Michigan grower to buy the fruit he would naturally argue that 75 cents would be about the market value of the fruit and the 25 cents that would otherwise have been taken out in Chicago would go into his pockets. The manager of the packing house understands these differences in markets and is able to profit by them.

But perhaps the description would not be complete without noticing some of the disadvantages of the system. One of the first is to find a competent manager. Men who are capable of selling goods usually can command a larger salary than fruit growers are willing to pay them. Then growers sometimes imagine that they are a little more capable of disposing of their own fruit than their manager in the packing house and so drop out of the deal. I have known this to occur. Then again orchards are short lived with some men. It has been said that there are two classes engaged in fruit production—those who
are fruit growers and those who grow fruit. Some of the latter class sometimes lose their orchards and I have known of packing houses that have run very successfully a number of years being obliged to suspend business because the members did not produce fruit enough to keep it running. But when a sufficient quantity of peaches can be obtained within a convenient distance from the packing house this system is recognized as an ideal one among growers.

Another very promising field for general co-operation among growers as well as dealers who may be engaged in marketing fruit is in some measure that shall insure reliable packing. This will not only result in larger pecuniary returns but, what is of far greater moment, would raise the general moral status of society.

The large packers of fruit in California understand the value of reputation in marketing fruit and a package of fruit from there is always reliable. Fortunate would it be for the growers further east who pack fruit—or put it in packages at least—if as much could be said of them and their output. The greater part of the fruit may be honestly packed and yet if a buyer finds one that is not so put up he is suspicious of the next 20 that he buys. It is a matter worthy of the careful consideration of fruit growers if we may not properly co-operate with the League of Commission Merchants in their efforts towards securing such national legislation as shall insure full sized packages and honest and reliable packing.

FRUIT MARKETING AS VIEWED BY THE COMMISSION MERCHANT.

Wm. L. Loeffel, Representing Barnett Bros., Chicago.

When asked to be present at the fruit-marketing session of your annual convention, and take part in its deliberations, I took it for granted that being a commission merchant, you expected me to treat this so important a subject from his standpoint.

There have preceded me in this discussion a president of one and a general manager of another fruit-growers' and shippers' association, also individual growers and shippers of prominence from various states, leaving very little that is pertinent to the subject for me to treat. Yet, mean is the commission merchant who, when a neglected article is entrusted to him for disposition,