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,
does not find in it some redeeming quality to recommend it to a buyer and so affect a sale; so with your indulgence I hope to thresh some valuable grains out of this already so thoroughly threshed subject.

From time immemorial has fruit-marketing agitated the minds of men. It is an occupation that has been engaged in from the beginning of humankind: and it is a disputed point (one to which brother Louis Erb of Cedar Gap, Missouri, has given considerable thought and study), viz: "Whether it was the serpent in the Garden of Eden or Mother Eve that first engaged in fruit-marketing." Certain it is there are still plenty of Adams ever ready to take from the hand of Beauty the fruits of mother earth.

Fruit-marketing may be defined as bringing to a place or places especially designated for that purpose the products of farm, garden or orchard, there to barter them for some other article or articles wanted, or to accept for them a specified quantity of a recognized medium of exchange. These specially appointed places have been termed markets; and no matter what country's history one reads mention is made of its market places.

It was here that the producers themselves offered their products for sale, and as business in their market places continued throughout the entire day and night, it was often necessary to entrust the selling to a substitute, and these substitutes at first were either their wives or grown-up sons, latterly regularly appointed sales agents.

These substitutes devoted to selling all their energies and became adepts in the art. While the father, the grower, concentrating himself mind and body to producing and preparing the products for market, became expert in his line. Therefore, a close relationship exists between grower and commission merchant. Even today if you would take a census of the various commission merchants you would find that three-fifths of them were either growers at one time themselves, or are sons of growers or in some way related to them.

In times gone-by the fruit products of a community were seldom greater than its consuming capacity and whenever these were in excess they went to waste; only occasionally into by-products. Tropical fruits and even those grown in temperate zones were with few exceptions never seen in countries other than in those in which they were grown and then only on the tables of princes and the rich.

Lack of suitable transportation may be assigned as the reason for this. But as the means of transportation increased we see
at first the seaport cities only supplied with foreign products, then gradually the more inland towns.

For the advancement of the fruit interests there were pressed into service new discoveries and inventions as soon as made. Wherever fruit-products exceeded the local demand, there outlets were created and a demand elsewhere stimulated. Increased and improved transportation facilities were important factors in the development of the fruit industry; lack of these facilities or congestion in them will stifle or retard it.

Let us look at the more recent history of fruit growing and marketing. Many of us remember twenty and thirty years and even longer ago, that with much smaller crops than now, lower prices prevailed. Causes were excessive concentration at local markets, and lack of distribution. Realizing this those who were entrusted with the disposal of these products—viz. the commission merchants—rose to the occasion, thoroughly canvassed not only their immediate neighborhoods but also the distant cities and the foreign markets. They ascertained their wants and supplied them. The overstocked markets were relieved, the excess advantageously disposed of, a higher standard of prices established, and the growing of fruits and vegetables made more profitable. A satisfactory working arrangement existed between grower and commission merchant which was productive of all these results. And as long as these relations continued to be satisfactory, complaints were few.

Production increased until it was conducted on an enormous scale and in spite of set backs either on account of imperfect or inadequate transportation, or loss incidental to the perishable nature of the goods themselves, paying prices were maintained.

But these conditions could not last forever, and there came the demon of distrust and discontent. The harmonious working relations existing between grower and commission merchants were either severed or greatly strained. The grower was led to begrudge the selling agent his legitimate compensation and he in consequence took steps to reduce the percentage of commission allowed for his services, just as though ten per cent. for fruit and five per cent. for selling produce is not an already very low compensation.

But many a grower did not stop there, he went further. True account sales rendered by able and reputable commission merchants, satisfied him no longer; he wanted more; and how did he go about to get more? He sent letters to commission merchants, reading about as follows: "I have divided my today's shipment between you and two or three others of your competitors. He who returns me most will in future receive my en-
tire shipments”. Does any one here present believe that there is or ever has been any commission merchant who would take such letter seriously? Does it not show that such a grower or shipper as this one referred to, had absolutely no confidence in any of the merchants he proposed to patronize? Was it not his aim to put commission merchant against commission merchant, with a view of receiving more than his goods actually sold for? What wonder then that some crafty or unscrupulous commission merchant (and there are black sheep in every fold), perceiving the gullible nature of such a shipper, should take steps to systematically exploit him? And how did he go about to accomplish his end? For a few days he rendered account of sales at higher prices than the goods actually sold for, and although the shipper knew better, in nine cases out of ten, he entrusted the bulk of his shipments to such a baiter.

Yes, the fish was landed! And then what awful cries of “Thievery” were there not heard about the dishonesty of the commission merchant. And how did these cries not reverberate from one end of the country to the other?

This is all ancient history and repeated every season. I wish by no means to justify the course pursued by the crafty commission merchant referred to, although it was a course called forth by the action of the shipper himself. Reputable commission merchants condemn such acts, discountenance and expose them whenever they can.

But if growers proceed in the manner referred to above, what incentive is there for the commission merchant to advertise the commodities entrusted to him, to thoroughly distribute and advantageously dispose of them, if his compensation be reduced below the cost of handling and his supply a source of continual uncertainty?

I seem now to hear somebody say: “There need not be an uncertainty of supply; commission merchants can remove the uncertainty by buying at producing points.” Yes, that is so. But by so doing does not the commission merchant change the nature of his business, does he not cease to be a commission merchant, the agent of the growers?

Being of an accommodating nature, many an erstwhile commission merchant makes this change in his business and becomes a dealer pure and simple. Let us follow him in his new business. He lets it be known that he is ready to make purchases f. o. b. at producing points. On the supposition that all goods offered at producing points are graded and packed according to specified and established rules, he orders as large a supply as he thinks his trade and market will stand, wires even
the money to many a salesagent of shipping associations. And his cars ordered are shipped and they are rolling. Not having taken his neighbor into his confidence, the latter who was similarly metamorphosed from commission merchant to a dealer, orders likewise; and so does another neighbor and still another and another.

The steadfast commission merchant, however, remains not idle, he wires his market quotations to producing points, shipping simultaneously; and solicits shipments as he always did. Those localities which had not been favored with orders, and others which had more products to ship than they had orders for, will consign their unsold commodities to the merchant soliciting them; and there are then rolling to the one objective market bought and consigned goods in quantities greatly in excess of the demand. What the consequences will be can be better imagined than described. Over-supply, decline in the market, and general demoralization. And this state of affairs especially if it has taken place on a principal market will be quickly reflected at the producing points; orders will be countermanded and the prices will decline sometimes fifty and seventy-five per cent.

As an example: During last year's shipping season of peaches at Texas points, $1.00 per crate was the price on Monday; 50 cents to 35 cents on Wednesday, Thursday and Friday. It is one of those unsatisfactory conditions against which both grower and commission merchant are raising a cry of complaint. The buyer will only purchase when he has a sure profit in sight, and abstains from buying when the results are doubtful, and since many a community cannot sell all or only a part of its products, what is it going to do with that portion of its products remaining unsold? Leave them to rot because there are no f. o. b. buyers? "We want to sell no matter at how low a price," is the cry. Will this cry not invite the monopolist of untold financial resources or a consolidation of speculators of means to buy and sell the entire crop at its own figures, similar to the Beef trust or any other trust? When analyzed thoroughly has not the inordinate f. o. b. selling craze proven to be the parent of trusts?

This is the picture of f. o. b. selling with the supposition that grading, packing and loading has been done honestly and by experts. But at how many producing points is this the case? It is and remains only a supposition; facts at any of the shipping points prove the contrary. Did not every merchant who had made purchases of peaches, tomatoes and potatoes, f. o. b. Texas or any southern point last year, lose heavily? Not because the
markets on which their purchases were disposed of were low, but primarily because the packing and the grading were poor and dishonest.

This state of affairs did not exist in extremely southern points only, Michigan, Illinois and many other producing points presented similar conditions. Benton Harbor has a large local market. Some goods are stuffed, I dare say, just to sell without any regard for the rights of the buyer. Consequently the complaints of the consumers who purchase Michigan fruit in original packages are loud and many. Have they not found, for instance, in their baskets of peaches a few large ones on the top and trash and culls in the center and bottom? Does not all this tend to bring the fruit traffic into disrepute? And although the grower and packer is the sinner here, the commission merchant receives the blame and as a rule must make good the loss to his customer who bought in good faith.

Having alluded to the causes that have either directly or indirectly contributed to the unsatisfactory manner in which fruit is and has been marketed, the next question arising is: "Can these causes be removed and can the enormous crops now grown be satisfactorily disposed of?" I for one most emphatically say: Yes, these enormous crops can be handled advantageously, yielding a profit to the grower, a living to the selling agent, and a blessing to the community. We have considered some causes of complaint, some abuses; each and every one by inference can suggest the remedy, and we will revert to only a few requirements that will make fruit marketing what it ought to be.

A first requisite will be, careful harvesting, proper grading, honest and expert packing, and suitable packages. The necessity of all these is apparent. But the subject, grading, packing and packages, has been so often and so ably treated, that I will not waste very many words on it. Permit me only to ask that this society in convention assembled, co-operate with the legislative committee of the National League of Commission Merchants by passing a resolution favoring a national law regulating fruit packing and packages, and then assist as much as is in its power through its members, representatives and senators at Washington to have the law passed.

The second requisite is the proper disposition of culls and second class fruit products, and such fruit products as arrive on the market in bad condition. The importance of this consideration is apparent to every thinking fruit grower and shipper. Eliminate from the market the culls, dispose in some satisfactory manner of the second grades and also of those
strictly No. 1 grades which for some cause or other reach destination in poor condition and you will create a healthy and satisfactory market. The culls should be kept at home, be fed to the hogs, provided the grower can do nothing better with them. The second grades when crops are heavy and those that reach the market in bad condition should go into by-products. And I would advocate the erection at centrally located points of conserving establishments that can convert these into jellies, syrups, dried, preserved or any other by-products.

The third requisite, intelligent and honest distribution. With culls, second grade, and goods in poor condition, removed from the market it is apparent that No. 1 fruit no matter of what variety, will bring as much and more money than if all the three grades were offered together. But the quantity will be still large, and judicious distribution and proper handling by able and conscientious commission merchants will be a necessity.

Distribution theoretically is an easy proposition. Forward to each market only what it can handle to advantage at a satisfactory price. If congestion is imminent instruct your representative to consign to other centers any surplus which you may control. A practical illustration may be best on this point:

Our house has for a number of years represented on the Chicago market, shipping associations located in Texas, Alabama and Georgia, all located in or near the 32° N. latitude, growing similar commodities and shipping about the same time. Let us take peaches for example. With the exception of a few cars, our Texas connections send all of their peaches to us in Chicago. These we sell on the Chicago market provided the Chicago market is satisfactory—if not, we reconsign them to either Milwaukee, Madison, St. Paul, Minneapolis, Duluth, Grand Rapids, Detroit, Toronto, Buffalo, Toledo, Cleveland, Columbus, Pittsburg, or any other available market. We proceed similarly with shipments of peaches from Mississippi, Alabama and Georgia. The markets to which we reconsign act similarly in case of an oversupply. The result has invariably been satisfactory prices for the grower.

This thorough distribution prevents congestion on any one particular market, and assures the very best prices obtainable for the commodities shipped from any producing point. Here it is hardly necessary to mention that the commission merchants so selected in the markets must be men of tried ability, integrity and experience.

A fourth requisite, the disposition of the excess of the No. 1 fruit, after thorough distribution has reached its limit. If such fruit consists of strawberries, peaches, pineapples, tomatoes and
similar varieties, they should go into by-products, and the conserving establishment above referred to should be made use of. But such commodities as apples, pears, some varieties of peaches, also potatoes, cabbage and the like, on which the time of consumption can be extended, may be placed in cold or common storage for a longer or shorter time, as the nature of the commodities or the market may require.

We have considered satisfactory fruit marketing and elimination of everything that by experience has proven disastrous to it. We treated specific requisites, proper grading of fruit, the disposition of culls and second grade articles, proper method of distribution of first grades, disposition of the excess of No. 1 products after intelligent distribution had supplied the available markets, storage plants, and by-products: all the necessary qualities of the men who should be connected with the various branches of fruit marketing.

The honest, able, and up-to-date commission merchant having made a study of marketing and distributing knows better what to do under continually changing conditions and what methods to pursue in order to obtain the best results. Many a grower, who thought he knew all about fruit marketing when he went to the city, and tried to teach his commission merchant a lesson usually went home wiser and better instructed.

The commission merchants among themselves have been instrumental in bringing about many reforms in the methods and facilities of transportation. They have fought hard and assiduously for the reduction of excessive express, freight and refrigerator charges; they are the truest allies the growers and shippers have.

The average commission merchant is intelligent, up-to-date, able, and honest as he should be. And why should he be otherwise? Is he not the descendant, the relative, the agent of the grower? And the grower can depend upon it that the commission merchant who possesses his confidence will perform his duties well and conscientiously. Yet there are exceptions to every rule, and I do not deny that there have been commission merchants who were not true to their trusts. If you entrust to the worthy, and those are easy to find, the handling of your own crop and that of your entire locality you will find him a good distributor and an able representative, and he will bring you as a rule larger net returns than if you yourselves attempted to perform his duties. Note the admirable manner in which the Wisconsin, the Cape Cod and Jersey cranberries have been handled; the Rocky Ford cantaloupes, and many other commodities from different sections.
While the commission merchant is ever on the alert for anything that may improve the fruit industry, he realizes that the fundamental principles for the regulation of prices are supply and demand. He realizes that proper distribution prevents congestion, and organization is conducive to success and in the cooperation the commission merchant is a co-worker and not an antagonist.

He as much as any other respects and observes the law of mine and thine, and that justice will be meted out to every one according to his deserts, and he makes confession in the same country faith to which his fathers paid homage, and so nobly sung by Norman Gale:

Here in the country's heart
Where the grass is green
Life is the same sweet life
As it e'er hath been.

Trust in God still lives
And the bell at morn
Floats with the thought of God
O'er the rising corn.

God comes down in the rain
And the crop grows tall;
This is the country faith
And the best of all!

WHAT THE EXPRESS COMPANY CAN DO FOR THE FRUIT SHIPPER.

C. O. Stimson,
Agent American Express Co., Baraboo, Wisconsin.

It has been said that the fruit business is a lottery. If this be so the express company should be taken in custody for it is the means of carrying it on. However disposed of, the transportation company generally shares in the profits.

The public generally does not realize that the daily business transacted by an express company amounts to any more than the ordinary undertaking for shipment of the package of necessity brought to its door, or perhaps the sale of the ever convenient money order at a nominal fee payable anywhere.

15—Hort.