MANAGEMENT OF FACTORIES AND MARKETING THE CHEESE, FROM A PROPRIETOR'S STANDPOINT.

J. H. HOEPPNER, Marion, Wis.

MANAGEMENT OF CHEESE FACTORIES.

The cheesemaker should be the manager, whether the factory is owned by him or by stockholders.

He should have served at least two seasons apprenticeship before he should be accepted as manager. The most important part in managing a cheese factory is cleanliness, for how can a cheesemaker expect clean milk from his patrons, when he himself stick in filth and dirt up to his ears, which is too often the case, in taking in milk.

1. He should not take in milk which is not properly cooled and aerated or otherwise unfit for cheese.

2. He should not take in milk any longer than for one and one-half hours, and that should be from 5:30 to 7 A. M.

3. He should not take any milk brought to him by patrons of his neighboring cheesemakers.

4. All milk should be bought and paid for by the test.

5. The cheesemaker should do all the figuring.

6. He should keep a good set of books, which should be open to every one.

7. He should be of good sound principle, and he should possess lots of energy, so that whatever he preaches he should practice, for if he does not his patrons will soon lose all respect for him.

Marketing of cheese is one of the hardest problems which confronts the cheesemakers of Wisconsin at the present time. Some of you may think that the market is all we can expect, but do you remember that the factory man received only 6 to 6½ cents for his cheese in April and May, and cheese was retailing at 15 cents in the cities of our own state and as high as 20 to 23 cents in the Southern states. We have at present from 20 to 30 call boards scattered all over our state, but what do these boards amount to? As you all know cheese is sold at these boards subject to inspection of the buyers' storage; I have known where buyers would go to these boards and buy or bid from ½ to 1 cent per lb. more than they could afford to pay, so when the cheese was shipped and the inspection O. K. they simply
would cut on weight, to make up for what they had overpaid.

Now, brother cheesemakers, what protection have we got? Some of you will probably say ship only to honest parties with a good rating. Now I ask you have you ever thought it over what a rating of $50,000 or $60,000 amounts to when you stop to consider that these houses have from two to four men buying? You ship from $700 to $1,500 worth of cheese per month, and this on from 10 to 30 days' time. Now you are not the only one. There are probably 50 or even 100 more shipping to this same house. So this house is doing from $75,000 to $150,000 business per month, and if they failed you might get 25 cents on the dollar, and most likely nothing at all.

So at the present time we have absolutely no protection whatever. We are the guarantee between the farmers and buyers. If the house we ship to fails, we must pay the farmers, or lose patrons, factory and reputation. Now brother cheesemakers, there is only one way out of this and that is to sell cheese for cash, only cheese should be sold under the trier, and if we stand together we can do it, and it will do away with all fraud cheese buyers, and the only way to accomplish this is by co-operation, and such a co-operative organization we have in the Wisconsin Cheese Board which was organized nine months ago, with headquarters at Milwaukee.

DISCUSSION.

Mr. De Land: I am sorry Mr. Hoeppner takes such a narrow view of things. Do you know that the amount of business that is done is done largely on credit? Credit is worth more than money to any man, a good name, a name proven to be honest, that is worth more than the money. What is $50,000 or $60,000 to some one if it is in the hands of an irresponsible or dishonest man? If he has succeeded, or anybody else has succeeded in getting an honest deal at any particular board, that is the place for the factorymen to sell their cheese, but I believe there are other boards where the factorymen have no reason to complain and they have been paid good prices and paid promptly. I mean that cheese that are shipped one week is paid for the next and it is not good business on the part of the dealer when that is not the case. Is that what you understand by cash sale, or do you expect the buyer to come around
with cash in his pocket and test your cheese and hand it out before you load it?

Mr. Hoeppner: Yes, Mr. De Land, I do.

Mr. De Land: You better get in some other business.

Mr. Hoeppner: I do not think I will have to, because I tell you, the farmer, when he takes his wheat to market, sells for cash, why should we go to work and sell the cheese on credit? I do not see any reason for it whatever.

Mr. Anderson: I will say that the factory men to a certain degree get credit and I would agree with Mr. De Land, cheese-makers could hardly do business without credit. You have to buy your supplies and you have to have the package and the paper before you can get them, yet it is a good thing to pay for them after you get them. So with cheese in Sheboygan county; you sell the cheese there on the dairy board every week in the summer, every two weeks in the winter, and at our next meeting we will have our check for the balance. I call that a cash business, and I do not ask a cheese buyer to hand me the money before he has gotten the cheese.

The Chairman: Would you be willing to let him have the cheese if he had to ship it away 100 miles?

Mr. Anderson: No. That is the difference. In Sheboygan we have got the cheese right at home, and I will just say that we have a good sale for our cheese right at home.

The Chairman: What would you think would be a good way to sell if you had to ship fifty or a hundred miles or more?

Mr. Anderson: I do not think the cheese factories in Wisconsin ought to ship their cheese out of the state to sell it. What I mean, they do not have to sell to the buyers outside of the state, there are buyers enough inside of the state.

The Chairman: But there are quite a few that have to ship fifty or a hundred miles or more to get to the buyer inside the state.

Mr. Anderson: Well, provided he would sell to the nearest buyer, of course, we are looking up in our part to two or three places that will buy it inside the county, if the cheese gets there and if there is not anything the matter with the cheese, we can take it back, or take the price we can get for it.

The Chairman: It does not cost you any freight; but it is different for those that have to ship to get it to their dealer.

Mr. Anderson: What I mean to say, if we sell to a responsible buyer, as we always should do, why, I think that that man ought to be entitled to the credit, that is, the cheese, of course
we have a provision in our dairy board not to ship the cheese outside of the county before it is passed on. Of course they do it sometimes, but I do not think we ought to do it.

The Chairman: I think this question of marketing deserves some attention here. I know that we cannot depend on the dealers to discriminate according to the quality of the cheese. I did have that happy dream once that they would do it, and in that way help build up the quality where it ought to be. I have gotten over it. They are in the business to make money and there are times when the demand is good and the milk is good when they will pay a great deal more than they ought to for the cheese; they will overlook a great many imperfections, and pay the full price for it; then there are other years when the demand is dull, when they will take the other extreme, and this season I know they cut and slashed when they had no business to, as far as the quality was concerned. Then there are buyers who are tricky, or there have been; I have tried to keep a little tab on the thing, and as near as I could get at it during the past two or three seasons, I would estimate that the farmers and cheesemakers who have had to stand the loss have lost probably $100,000 in that way. I know of one cheesemaker up in Shawano county who has $1,900 coming for cheese that he shipped to a dealer inside of the state and cannot get a cent. I know of another factory that has over $2,000 coming and cannot get a cent, and there are lots of others.

Mr. Scott: It seems to me that a man that allows a bill to run that high is foolish. But when we figure on a cash basis we cannot do business, and if a farmer came to my factory every morning and asked me to pay for his milk, he would "bust" me, sure, because I could not get enough to pay him every day, but the suggestion we tried to incorporate in our rules that would cover that was to have the cheese buyers give security for fair dealing. That is, they have a board of trade, and he sells at the board of trade, each one buyer has to give a bond to stand the expense to have inspectors to inspect the cheese. If Mr. De Land should buy cheese, say from one of the buyers, it would be shipped to his warehouse, and if he rejected the cheese, then this board of inspectors would go down there and inspect it, and if Mr. De Land had discriminated unfairly, the cheese was all right, and he simply cut it to be mean and dishonest, the man would get his cheese back and Mr. De Land would pay the expenses incurred. On the other hand, if Mr. De Land was perfectly fair, the cheese buyer would have to pay
the expense. Our cheese buyers voted that down, but the cheese-makers would not do it.

Mr. Hoepner: That is altogether different. Now, the cheese-maker in general has a factory, but the average cheese dealer has only rented storage and when the cheese is gone, you have no definite hold on him whatever and if he has money in his pocket you cannot take it away from him. Now, a little case I had.—I started in and I shipped my first cheese shipment and the dealer wrote back to me that he could only give me seven cents. Cheese was selling at 83 1/4 and I was losing money. Then he asked me if I had some other party that I wanted him to turn the cheese over to, and I told him he should telephone over to a certain house and have the inspector come there, and he never answered my letter. I waited three weeks and meanwhile there was another man came along and this cheese dealer claimed the cheese was all acid; another dealer came along, bought the rest of the cheese and gave me another cent for the cheese. He said the cheese were not acid, but they were weak-bodied. It seems that when a young man is starting in business, the dealers take him in, that is a great deal of our trouble in the Wisconsin cheese business at the present time, the young man has to pay for experience, and I paid for all I have. Then the second season I got it in the neck $250 and that is the way it kept going.

Mr. Schumann: I think it was purely your fault that you got caught on the start. If the man wrote that the goods were at your disposal to sell to anybody else, I think the man gave you fair treatment. I do not think he beat you.

Mr. Hoepner: I do not think he did, because I wrote and told him what he should do and do for me, he did not do so, he simply took them and sold them. I wanted him to telephone over and get another man there and if he could give more to let me know and I would tell him what to do with the cheese.

Mr. Schumann: That was a thing beyond the pure policy for any dealer. I do not think there would be any dealer.—I do not think Mr. De Land would like to deal that way himself, if I had to sell in my business. although I am not a dealer myself. I represent a dealer. I would reject the goods if I did not want them and I would notify the manufacturer that I rejected the goods. If he has anybody else that can use the goods, all right, take them out of my hands, but to come into my house and pick out a box here and there as he likes best, and pay for them what he pleases, if you want to charge me for the rest of the lot, I do not think that is right. I do not think any dealer
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will do that kind of business. I think the dealer is doing his perfect duty if he rejects the lot and puts them at the man’s disposal.

Mr. Michels: I would like to have this gentleman explain what he would have done providing he were in Mr. Hoeppner’s place, supposing you were two hundred miles from the market, what are you going to do under those conditions, at the same time knowing that all these cheese buyers are all in one ring; if you turn them over to another, they will but give the same price?

Mr. Schumann: I differ with you that the cheese buyers are all in one ring, I differ with you very greatly. I do not believe there is a board in the state that the cheese buyers are united. I have bought some goods on the board myself, and I know the cheese buyers have knifed each other as hard as they could and I do not call that a ring by any means. It is hardly a month over a year ago that goods were paid for about a cent more than they were practically worth, and I do not call that a ring.

Mr. Michels: That is simply speculation, everybody thought he was going to make money on it.

Mr. Schumann: Well, I do not know, everybody was after the goods, but an honest dealer is entitled to honest goods, and if he rejects a lot of goods, he is doing his duty when he rejects them and places them at the man’s disposal. I know any dealer will show courtesy enough, as Mr. Hoeppner says, if the request is made. “Place these goods in storage on my account,” he would probably have done so.

Mr. Michels: I asked for information. I wanted to find out what you would have done if you were in this gentleman’s place.

Mr. Schumann: I would have done this very same thing. I would have taken the goods, as soon as a man has refused the goods, placed them at my disposal, I should have taken care if I knew my goods were not right, as Mr. Hoeppner said they were not.

Mr. Michels: He did not refuse the goods, simply offered him seven cents.

Mr. Hoeppner: He did not buy them on the board.

Mr. Schumann: You sent the goods to the man, you consigned them to sell on your account?

Mr. Hoeppner: They were not sold on the board, they were shipped.

Mr. Schumann: That is what I say, you shipped them to consign them to be sold on account. The man did not buy the
goods on the board, did not buy them in the factory, did not buy them by inspection, but I understand you simply shipped the goods to be sold on your account, on commission.

Mr. Hoeppner: No, they were not; they were to be paid for in cash on the basis at that time from ten to thirty days.

Mr. Schumann: At board prices.

Mr. Hoeppner: Well, they were going at Sheboygan prices.

Mr. De Land: Did he write you that he would give you Sheboygan board prices?

Mr. Hoeppner: If the goods were first class.

Mr. Schumann: Well, then they were sold on that basis, Sheboygan board price, and he rejected them and said that he could give only seven cents, I suppose, is not that the substance of it?

Mr. Hoeppner: Did not reject them, only said he would pay seven cents.

Mr. Schumann: Why, certainly; if he did not pay that price and say it was only worth seven cents, he rejects, do you want him to write out the words, "I reject and solemnly swear?"

Mr. De Land: Well I do not know but I shall go out of the cheese business if we are a gang of cut throats and robbers; I am going out of the cheese business, but when I was a factory man, which was for over thirty years, I never saw the trouble that Mr. Hoeppner is complaining of here, and whining about. I have been a cheese buyer for nearly thirty years, that makes me pretty old, and I am not having any trouble in my relations with factories in our territory and I belong to no ring, and I believe there are others just as honest as I am and I believe there are scalawags in the cheese business that are buying cheese, and as I said, you can, by careful investigation, find out who are those men who are dealing fairly and squarely, deal with those men, reject bids of anybody else, there is your remedy, but do not class us all in this catagory of dishonest and cut throat men.

Mr. Michels: I did not mean to class you among them.

Mr. De Land: What my neighbor dealer is offering for cheese has no more to do with what I would give that party for the cheese than if he had never made the offer. I know what I can get for cheese, whether it is first class or second grade or cull, and I will pay a man that honestly, or I will pay a boy ten years old, if he is selling cheese, just as much as if he were the best man in the state; it makes no difference whether the man is 100 miles from Sheboygan, or two hundred miles, he will get the same treatment that a man next door will; I think there
are a few Sheboygan men here that will bear me out in this, and there are other dealers that are just as good and do just the same as I do. Now, we are not so bad as some would like to make out.

Mr. Michels: I think what Mr. De Land has said is all well and good enough; I have nothing to say against Mr. De Land. I have sold cheese to him years ago time and again. I have never found fault with his way of dealing; the only fault I have to find with Mr. Deland is, he has so many cheese, you write whether he wants your cheese, almost always he does not want it.

Mr. Hoeppner: That same summer a man who is averaging about 40,000 pounds of cheese a month, had been shipping to a house for the whole season, until he got the house filled up, and he shipped the same party and they went to work and did the same thing to him, they offered him 3/4 cent less than the market. This man wrote right back to them that if they would not give him Sheboygan market, he would take the cheese out of his cold storage, and he got the price, just simply because he knew the business and had the money to come over.

Mr. Bachmann: I wish Mr. DeLand would build a warehouse right next to my factory; I would like to deal with him, but we are not all happily located, and it has produced, in the northern part especially, one-half the trouble and problem of marketing cheese. I had an experience last summer where I had the choice of two things, if I wanted to take the cheese back from the dealer, for about eight different times I had to pay just as much as the make amounted to.

Mr. DeLand: Now, you factorymen, if you find, if you know or are afraid of a certain dealer, and know that he has done these things with your neighbors and possibly with yourselves, but if he bids a quarter cent above some other dealer that you know to be reliable, that you never had a bit of trouble with, you will take that bid, and you will get left some time, it is only a question of time. Now, why is it, why don’t you stand by those who are right and do right, instead of taking chances? Now, instead of selling more cheese, I have to look out for my buyers quite as much as you do, I find out what that man is and try him once, if he pays promptly and is all right, why, I continue with him, and I have customers that commenced with me twelve years ago, weekly orders, and I have shipped them ever 15—Ch.
since. You can do the same with your dealers, get the right man and sell to him.

Mr. Hoepner: The trouble is, nowadays you cannot find the right man. If there is a cheese firm worth $150,000 one week, they may not be worth a cent the next week. We had an instance of that kind this last summer.

MY EXPERIENCE WITH AUTOMATIC CURD AGITATORS.

H. M. Scott, Sheboygan Falls, Wis.

Mr. Scott: You cannot expect a paper from me, for within about an hour ago they asked me to take Mr. Alves' place. It is his experience that you expected to hear, but I might tell you of my experience and give you a few cautions in regard to using the agitator and tell you what I regard as benefits.

I have had the agitators in my home factory for two years and I would not undertake to run a factory for any length of time without agitators, because I believe that just as good cheese if not better, can be made with the use of them and it saves work. Every minute of work of a cheesemaker saved is so much taken off, and when you save a man's bodily work, you give him a chance to work with his head, he does not get tired, a tired man cannot do good business. There has been lots of bad cheese made by using agitators, some did not understand them and went to extremes, but I got my high score on cheese that was made with the agitators. This summer we used the engine and when we made in one vat I found it was too expensive to keep the large boiler going, so I worked by hand, but I got sick of stirring it, then I bought the gasoline engine, to run the agitator. We could set the agitator working and I could sit and read the paper, generally got a half hour's reading time in that way. Well, the main thing affected by the agitator would be the texture and where the agitator has made bad cheese, it is simply because they did not get a thorough cook, did not get the curd thoroughly firmed down. Now, in operating the agitators, you can lessen the expense of running, it will only take half the wood to heat up a vat of curd with the agitators, you can get it heated up in