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CO-OPERATIVE FRUIT PACKING AND MARKETING

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When the stockholders of an industry are meeting with successful results in the disposal of their products, little thought or attention is given to competitors along the same line, until competition, over-production or under-consumption depreciates the value of their products to little more than the actual cost price of same; they then give their attention to methods that will better their conditions, and devise ways and means by which they may reduce the cost price and competition.

How is this change for the betterment of their conditions usually brought about? Invariably through the same channel, by organization, by trusts, and by co-operative associations. What is true of the manufacturer in this direction is also true with the farmer and horticulturist, in the disposal of their products.

The Californians were probably the first to co-operate in marketing their vast product of fruit, which was really the result of necessity, for their industry rapidly expanded, until their local markets could not consume the enormous production, and they were obliged to seek other and more distant markets. This they found could not be accomplished individually, but through powerful corporations they have succeeded in gaining low rates and improved methods in handling and shipping. How well they have succeeded we are all familiar, and now we find their fruits in nearly every market of the country—even competing with our own products in our local markets. Organizations, judiciously managed, have placed the Californians in the lead in the way of distributing and marketing their fruits. Through their efforts, is due the credit of perfecting the present refrigerator service, by which they are enabled to ship their more perishable fruits, even to the great markets on the Atlantic seaboard.

Missouri is fast accepting the profitable teachings and examples of the Californians, and her vast fruit products are now largely handled through companies and shipping associations.

Michigan, having the greatest market in the world at her very doors, had no occasion to look elsewhere than Chicago or Milwaukee for her markets. However, the Wolverines have discovered in recent years that the enormous contributions of fruit from Missouri, Southern Illinois and Indiana to these markets, has in a measure forced

them to look elsewhere for a portion of their markets. They now ship hundreds of carloads of peaches annually to Eastern markets and the Western and North-western States. This was not brought about, however, until co-operation among the growers in different localities was instituted.

The extreme Eastern peach-growing States—New Jersey, Maryland, Delaware, Pennsylvania, and New York—are so favorably located in reference to so many large consuming markets that organization to them has not been so paramount to their success as it is to the Middle and Western States.

The further from market the greater need of getting together, as the risk increases with the distance.

I will confine my discussion principally to the advantages in organization for handling one of the most perishable of the tree fruits, viz., peaches.

Peach-shipping associations have been operated with more or less success throughout the peach belt of Michigan and Ohio, but in shipping in carload lots, although complying with rigid rules laid down by the Association, there was an objectionable feature to the trade, and that was the lack of uniformity of grades and packing. To be more explicit on this point, you have all probably visited some of the various markets during the peach season, and have noticed the very great difference prevailing in grades of different packs. That is, some packers' B or XX grades were just as good as some other packers' A or XXX grade. Therefore, the grade marks of the general run of consigned fruit, where not put up by one set of hands, as a rule, are not of very great assistance to the purchaser, and he still is obliged to resort to his own judgment and eyesight in his selections. Now, for a shipper to make up a carload of this indiscriminate packing of fruit, where it is packed by many growers, each contributor having a different way and idea of how peaches should be packed and the kind of packages used—conceding that they are all honestly packed—how is the shipper going to bill that indiscriminate lot of fruit, and can he warrant the packing? This serious objection of lack of uniformity confronted the Michigan fruit growers, and has resulted in the adoption of the central packing house system by their principal associations. This system was originated and established in the peach industry at Catawba Island, Ohio, in 1891, and it has resulted in untold savings and benefits to the peach grower wherever the system has been adopted.

The mere shipping association, where each grower prepares his own fruit and delivers it to the association, by which it is shipped with other packs and packages, either in carload lots or local shipments, is a step in advance over the old or individual method of shipment; but the central packing house system is a much greater step in advance over the mere shipping association.

The old adage of, "In union there is strength," is most aptly exemplified through the many advantages that may be attained through an organization of fruit growers, organized for the purpose of bettering their conditions in shipping and marketing their fruit. The many discouraging problems that confront the grower in the satisfactory marketing of his product, I believe, are satisfactorily solved through the adoption of the central packing house system. At least, such has been my observation through the management of such a company for the past twelve years.

Let us for a moment review further a few of the advantages to be attained through such an organization. First, the grower can place his undivided attention to the proper picking of his fruit, which is a very important factor; whereas, it is known, that if peaches are picked green or immature, or over-ripe, and delivered to the packing house in such condition, no amount of work that may be put upon it can make good prime fruit of it. The great advantage of the central packing house is the superior advantages and inducements it offers to purchasers of fruit in securing a uniform grade and pack. It affords a place where the buyer can select just the grade and kind of fruit that best suits his trade. When the fact is known to the trade that they can procure their supply direct and in any quantity desired, and every package guaranteed to contain freshly-picked and uniformly-packed fruit, even the commission men will then come to your doors and

buy. Buyers are looking for carloads of uniform fruit, and not for carloads that are not uniform.

This system entirely eliminates the practice of deceptive packing, and gives buyers confidence that they are getting honestly packed fruit. Even were you obliged to consign largely, it will bring better prices on the market, and the commission firms are bound to take better care of your interests than of the individual shippers; because there is more at stake, and the merchant realizes that if he makes a mistake or misleads you in his advices, he will probably not have the opportunity of handling your account again. The labor saved at both ends, by dealing with one man or corporation instead of ten or fifty, becomes apparent, and the commission man can afford to handle a corporation account on a less percentage, and it really pays him better because of work and time saved. And again, buyers, after becoming acquainted with your grades, pack and manner of doing business, can order their supply of fruit intelligently and without the necessity of retaining a representative at the shipping point.

Another great and beneficial effect of such an organization is through its influence in broadening the field of distribution; it does to that extent disprove the "over-production" policy.

We have found that in our own dealings with transportation companies, basket manufacturers, and even the commission men, they lend a more willing ear, and correct errors and abuses with greater promptitude when presented by the authorized representative of a company than they will do for any individual or small grower presenting a case possessing equally as much merit.

Transportation companies consider a well-organized fruit company, working upon sound business principles, in the same light as any other well-established business which contributes to their receipts.

We as a company have found them disposed to grant favors and investigate complaints fairly, while the lone individual, under the old plan of "every fellow for himself," would perhaps have remained unnoticed.

Lastly, a recommendation that is appreciated by those that have had the experience in the central packing house system, is the fact that it relieves the home and good housewife of that burden which is attendant through the care of the extra help that will now be dispensed with.

Now as to the expense of organization under this system. Some may raise the objection that it will cost too much to establish a plant, but you will find after careful investigation it will be far cheaper for each to contribute toward a general plant than for each individual to supply himself with a packing house, a grader, and other necessary equipments. In the establishment of a central packing house, make sure of one point, and that is, provide a building with ample room for receiving, grading and expeditious handling of the fruit. If the requisite amount of floor space is not provided, it will necessitate vexatious waiting of the members in taking their turn at unloading their fruit.

Do not think that a room with no more space than would ordinarily be used by three or four of the larger growers of the company and equipped with insufficient number of graders will properly take care of the fruit of twenty or thirty orchards, for it will not, and such conditions will only result in loss, through failure in being able to get the fruit through promptly.

As for laying down defined rules for organizing, that is a matter which each locality will best work out for itself, as local requirements and conditions vary.

Now, what is wrong with the present system, or more properly, lack of system, outside of the already established organizations? Can you name any industry wherein so many hundreds of thousands of dollars are invested, that is conducted so carelessly as the fruit business of this great fruit-producing country? It is a great wonder to me that the average peach grower should even get the price of his packages in return for his labor. To make it plain, the average orchardist cannot afford himself the facilities for keeping in touch with the trade, and keep posted daily on the changing condi-

tions of the various markets. He is too busy harvesting his crop to study out the best plans and inform himself of the best places to ship, in which he will meet the least competition. And right here I wish to emphasize that word "competition," for are we not each and every one of us placing our fruit in direct competition with each other? Again, the orchardist individually is placed at disadvantage through his inability to properly distribute his fruit. I say inability, because he has no control over other shipments, and has no means of knowing but that 90 per cent. of the other shippers throughout his vicinity are shipping to the very market in which he expects to avoid a glut.

There is surely a way out of this dilemma, and a practical and time-tried way, that I am confident, if universally adopted, would place the product of the orchard on a far more profitable basis than is now being realized. As long as the present careless methods are continued, we may expect to be the victims of our own failure to protect our interests by the positive means within our reach.

If we will carefully investigate the hundreds of unions and co-operative plans that are now in existence in nearly every branch of business, you will find they are all declaring handsome dividends to their stockholders, while prior to their consolidation, in many cases they were actually running at a loss.

What has been true in other branches of business through result of co-operation to avoid competition, and reduce the cost of placing their products on the markets, can be made true of the fruit industry in the different fruit growing sections of the country. It is not a visionary and undemonstrative theory. It is the furtherance of a co-operative plan that is now in actual, practical and successful operation in several of the States; and the more universal this system may become adopted, in like proportion, better results will follow.

If some of the fruit organizations have not proven entirely satisfactory to their members, due to mismanagement, that should not prejudice or deter those interested from investigation of the plan; for there are fruit companies that are thoroughly successful and making money for their members. The co-operative fruit company will succeed if organized and managed upon a business basis, just the same as any other business enterprise requiring co-operation. It is surely the best means in which to conserve the interests of the producer, and we know that the grower's interests can be best served through facilities which they may own and control.

After thorough local organization has been effected throughout the various fruit-producing sections, let us for a moment see what further advantages might be attained in the way of uniting all these companies in each county or section into one powerful corporation.

County consolidation could be successfully accomplished only through the central packing-house system, and then not until local organizations had been established and perfected at the shipping points throughout the county. After the establishment of companies at the different shipping points, then the consolidation of all, into one powerful union under one management, would place the fruit-growers in possession of the key to the situation of the avoidance of market gluts, competition and distribution. To accomplish such an end of thorough organization it would mean for each locality to enter the work with a spirit of determination. We must be prepared to join our neighbors in correcting the existing wrongs and surmounting the obstacles and objections that may confront us. We have the power, and we can do it if we see fit. As one of our western horticulturist very aptly stated: "If I were compelled to use but one word in designating the remedy for the many evils and disadvantages with which we have to contend, it would be 'organization.'"

Organization leads to co-operation, and organized co-operative effort is the power and influence that is shaping and moulding the financial and commercial interests of the present time. Look where we will at any business worthy of the name, and we find it compactly united in some form of union that seeks to make the interests of one, the care of all and the prosperity of all the prime object of each individual.