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Co-Operation Among Fruit Growers

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UNIVERSITY OF MISSOURI

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Agricultural Experiment Station

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CO-OPERATION AMONG FRUIT GROWERS.

W. H. CHANDLER.

SUMMARY.

The growth of co-operation among fruit growers in the United States and Canada has been very rapid during the past ten years.

The Missouri Experiment Station has letters from the managers of fifty-four associations, not including sub-associations of large exchanges; and from trade papers and other sources, has the addresses of 256. Many of these associations do a very large business.

While there have undoubtedly been many failures, taken as a whole, co-operation has unquestionably been a great success. In many sections the growers have been greatly benefited in price, and in increased production and quality. The year before the Ozark Fruit Growers Association began operations in Missouri, many strawberry growers were going out of the business because of poor prices. Largely through the efforts of this association, the strawberry business is probably the most prosperous of any agricultural business in the state.

Some of the benefits of co-operation are:

It enables small growers to ship in car lots.

The crop may be distributed so as to prevent gluts in the market.

It enables the growers to establish a brand that will be known in the markets, and will thus insure better prices.

It makes possible better business methods in dealing with the fruit buyers, transportation companies, etc.

It enables a community to make use of varieties of fruit that for any reason it may not be desirable to grow except in small quantities.

It generally brings better equipment, such as cold storage plants, etc., for handling the fruit crop of a section.

It insures better care of the orchards.

In nearly all cases it results in greater stability of the industry.

Some of the difficulties in the way of co-operation are:

(1) Since the chief benefits from co-operation are in distributing the crop and establishing a reputation for the section, independent growers in a section where an association is located will receive these benefits and get nearly as good prices as members of the association. Since this is true, independent growers will be slow to come into the association, and members of the association who see the independents doing as well as they without having to pay their share toward the support of the association, may tend to drop out.

(2) A spirit of envy, and lack of confidence in and loyal support of the association by the members.

The size and organization of an association will have to be adapted to the conditions of each particular section. However, generally speaking, the most promising type of association is one that handles a large share of the out-put of fruit or produce from any section with natural environments uniform enough to produce a fruit with uniform characteristics for the entire section. This general association should in almost all cases be divided into well organized sub-associations so that there will be personal contact from the general manager through the local officers to the members of the small associations.

In the apple industry the principal benefit from co-operation is in establishing a grade that will be rigidly maintained from year to year. For this reason co-operation in the apple business must necessarily begin on a small scale and enlarge as the growers become accustomed to rigidly maintaining a high standard.

GROWTH AND APPARENT SUCCESS OF CO-OPERATION AMONG FRUIT GROWERS IN AMERICA.

The growth of co-operation in marketing fruit, in the past ten years, has far surpassed the expectations of the best informed men interested in the fruit business. In a text book on "Fruit Harvesting, Storing and Marketing" published in 1901, an author says; "Numerous associations, some comprising only two or three neighbors, some involving large capital and considerable organization, have been formed in this country. On the whole, their experience has not been encouraging. Co-operation has been successful in some cases; but the writer does not know of any conspicuous instance of such success; nor of any continuously successful organization on any scale." This estimate of co-operation has not been supported by later experience. The Missouri Experiment Station has secured the constitutions and by-laws and letters from the managers of the associations given in the following list; some of them handling nearly fifty million dollars worth of fruit in a year, and many of them handling more than one million dollars worth in a year;

California Fruit Exchange, Sacramento, California.

California Fruit Growers Exchange, Los Angeles, California.

Mountain View Orange and Lemon Growers Association, Upland, California.

Monmouth County Farmers Exchange, Pomona, California.

Orange County Celery Growers Association, Santa Ana, California.

Walnut Fruit Growers Association, Walnut, California.

Cahuenga Valley Lemon Association, Colegrove, California.

Sebastopol Berry Growers, Inc., Sebastopol, California.

Mutual Orange Distributors, Redlands, California.

The Producers Association, DeBeque, Colorado.

Grand Junction Fruit Growers Association, Grand Junction, Colorado.

Surface Creek Fruit Growers Association, Austin, Colorado.

Lamar Melon Growers Association, Lamar, Colorado.

Roaring Fork Potato Growers Association, Carbondale, Colorado.

Boulder County Fruit Growers Association, Boulder, Colorado.

The Peach Growers Association, Palisade, Colorado.

Fruita Fruit & Produce Growers Association, Fruita, Colorado.

Rogue River Fruit & Produce Association, Medford, Oregon.

The Dalles Fruit Growers Association, The Dalles, Oregon.

Hood River Apple Growers Union, Hood River, Oregon.

Eugene Fruit Growers Association, Eugene, Oregon.

The Salem Fruit Union, Salem, Oregon.

The Sutherlin Fruit Growers Association, Sutherlin, Oregon.
 Texas Citrus Growers Association, Houston, Texas.
 Southern Texas Truck Growers Association, San Antonio, Texas.
 Farmington Fruit Growers Association, Farmington, New Mexico.
 Georgia Fruit Exchange, Atlanta, Georgia.
 Crescent City Citrus Growers Association, Crescent City, Florida.
 Oxford Truck Growers Union and Benefit Association, Oxford,
 Florida.

Citrus Exchange, Tampa, Florida.
 Lyman Planters Association, Lyman, Mississippi.
 Iberia Truck Growers Association, New Iberia, Louisiana.
 Humboldt Fruit Growers Association, Humboldt, Tennessee.
 Truck Growers Association, Jackson, Tennessee.
 Fruit Growers Association, Medina, Tennessee.
 Eastern Shore of Virginia Produce Exchange, Onley, Virginia.
 The Virginias Fruit Exchange, Charlestown, West Virginia.
 Burlington County Farmers Exchange, Mount Holly, New Jersey.
 National Fruit Exchange, Jersey City, New Jersey.
 Peninsula Produce Exchange, Pocomoke City, Maryland.
 Queen Anne County Produce Exchange, Centerville, Maryland.
 The Neosho Fruit Growers and Shippers Association, Neosho,

Missouri.

Ozark Fruit Growers Association, Monett, Missouri.
 Sarcoxie Horticultural Association, Sarcoxie, Missouri.
 Anderson Berry Growers and Shippers Association, Anderson,

Missouri.

Koshkonong and Brandsville Peach Growers Association, Koshkonong, Missouri.
 Judsonia Fruit & Vegetable Growers Association, Judsonia, Arkansas.
 Little River County Fruit & Truck Growers Association, Ashdown, Arkansas.

Island & Gypsum Fruit Company, Gypsum, Ohio.
 Boston Market Gardeners Association, Boston, Massachusetts.
 New England Cranberry Sales Company, New York.
 The National Fruit Exchange, Chicago, Illinois.
 Fruit & Produce Exchange, Revestroke, British Columbia.
 Fruit & Truck Growers Association, Lawton, Oklahoma.

Besides these we have secured from trade papers and other sources, the addresses of two hundred and three other associations in various parts of the country, not including sub-associations of the large exchanges like the California Fruit Growers Exchange. Some of the associations named above are working on a small scale, but some of them are working on a very large scale and many of them have been

very successful. The greatest co-operative concern is the California Fruit Growers Exchange which markets citrus fruits. It is the central organization for sixteen sub-exchanges marketing for ninety-eight sub-associations in various parts of California. It has enabled the industry to overcome obstacles that many of the best informed people of California think it would never have survived, and to develop until this season there was said to be 45,000 cars on the trees. An example of its excellent business management is seen in the fact that it marketed \$58,000,000.00 worth of fruit and collected all except \$318.00. For four years the average loss from bad accounts has been one cent on each \$40.00 worth of sales. That it has worked to the best interest of the growers is seen by the fact that it has been operating for fifteen years or more, and yet eighty per cent of the growers who control more than seventy per cent of the crop, still ship through it.

In Texas the Southern Texas Truck Growers Exchange has been so successful in marketing the crop of onions that while in 1905, before the association was organized, there were only 400 carloads of onions shipped from that section and then the returns were so poor that there was little profit; in 1909 about 2500 carloads were shipped, and the manager said that if the returns had been pooled, every grower would have made money in spite of the very large crop.

The Florida citrus growers have organized an exchange; and the Georgia peach growers have been co-operating for two years under an exchange that such eminent growers as J. H. Hale claim has been very beneficial to the growers.

Under the management of the Eastern Shore of Virginia Produce Exchange, the business of that section has increased until in the past year over a million barrels of Irish potatoes, about 800,000 barrels of sweet potatoes, besides quantities of berries, onions and cabbage have been shipped, making a total business for the year of over \$2,500,000.00; yet the Empire Produce Company of Elmira, New York, recalls the fact that before the organization of this association it was unsafe to buy Virginia sweet potatoes because of the uncertainty of the pack.

The Peninsula Produce Exchange in Maryland has been very successful; bringing better returns to the growers, generally increasing the business, and giving a greater spirit of confidence and thereby increasing land value and general business stability, as attested by the secretary, and as able an individual grower as Mr. Orlando Harrison.

In Canada, especially in the Province of Ontario, there are about thirty-five co-operative associations, and while the apple industry in the Province as a whole is rapidly declining, in the sections influenced by the successful growth of these associations it is very prosperous. This

is especially true of the Norfolk Fruit Growers Association. In ten years, according to Mr. Johnson, the manager, the yield from the orchards has been increased four or five times, though the orchards at the beginning of the association were about twenty years old and should have been at their best. So successful has the business been in this district that Mr. Johnson paid \$17,000.00 for a forty-acre orchard, thirty-two years old, that had actually changed hands ten years ago for \$6,000.00 though the orchard should then have been as productive as it is now. It is claimed that the Huron district in Canada is in every way as well adapted to fruit as any other section of Ontario, and that the varieties planted are good, but co-operation has not secured a foothold there and the industry is rapidly declining.

It will probably be admitted by all that the growers of the Northwest come as near to realizing the greatest possible returns from their fruit as any other section of the country, and they have such exceedingly well managed associations as the Hood River Apple Growers Union, Wenatchee Fruit Growers Association, Rogue River Fruit Growers Association, Salem Fruit Growers Union, Eugene Fruit Growers Association, and possibly others, while new ones are being organized, and there is an effort to get the whole Northwest organized under one selling management.

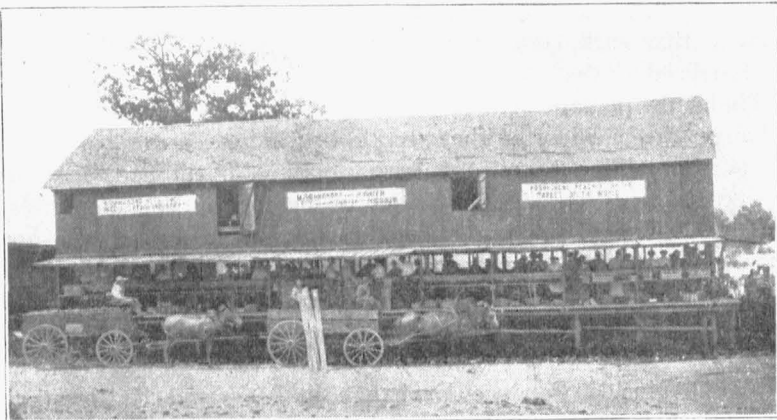


Fig. 1.

One of the Packing Sheds used by the Koshkonong-Brandsville Fruit Growers Association in the Season of 1910. One member of this association with 370 trees (less than three acres) reports a net profit above all expenses of cultivation, spraying, pruning, packing, etc., of \$673.43 for the season of 1910. Another with ten acres reports a net profit of more than \$1500 for the same season. With efficient co-operation these small growers are likely to be the most prosperous fruit men. Without co-operation, in case of peaches and strawberries at least, it is practically impossible for them to dispose of their crop to good advantage.

Colorado also has a great reputation for its fruit and produce, and is generally under competent organization. It has such associations as the Grand Junction Fruit Growers Association, one of the best in the country; Fruita Fruit and Produce Association; Surface Creek Fruit Growers Association; North Fork Fruit Growers Association; The Roaring Fork Potato Growers Association; Holly Fruit Growers Association; Manzanola Fruit Association; The Palisade Peach Growers Association. There is just organized a new large association that will replace some of the above named.

In the cranberry business there are the National Fruit Exchange and the American Cranberry Association which market nearly all the crop, and have put the industry on a much more stable basis.

We do not have to go away from Missouri to see the great benefits of co-operation in marketing fruits. At Koshkonong the past year the Koshkonong and Brandsville Fruit Growers Association was organized, and was very successful. One man with 370 trees reports a net profit above all expenses of growing, spraying, etc., of \$673.43. Another reports more than \$1500.00 net on ten acres. Thus the small growers are being given confidence, and we may hope to see the industry developed with many small, well cared for orchards.

Probably no section has the strawberry business better organized than has Missouri. Of course it is true that some sort of an organization is absolutely necessary to enable growers to ship strawberries in carload lots, and some Missouri independent associations have been more successful and better managed than most of the local associations to be found in other sections; while the Ozark Fruit Growers Association, which markets the fruit for about twenty-five local associations, has been very successful indeed, bringing the price of strawberries for those associations that ship with it from about \$1.00 net previous to its organization in 1905, to more than \$2.20 in 1910. Concerning the results the first year (1905), Mr. Rogers the manager says in the Third Annual Report of the Missouri State Board of Horticulture: "At the close of the shipments for the season of 1905, I sent an inquiry to all the associations shipping through the Ozark Fruit Growers Association that year, asking for a statement of the results of the shipments the year previous. This brought replies from twelve associations. We were thus prepared to compare results under independent and under co-operative plans of marketing. The result showed such a difference in favor of co-operation that I thought it might be due to a lighter movement in 1905 than in 1904. So I asked the Traffic Department of the Frisco for the movement over its lines in 1903, 1904 and 1905. Their reply showed a heavier movement in 1905 than in either of the two years previous. So I could come to no other conclusion than that the difference in results was due to a difference in

method." The association is fortunate in having exceedingly good management. It is giving satisfaction in the territory it represents, as well as to the trade with which it deals. Quite a number of dealers in letters mention the Ozark Fruit Growers Association as a model for efficient management. Mr. W. B. Palmer of Palmer & Company, Sioux City, Iowa, says: "There is an organization in Southwestern Missouri, known as the Ozark Fruit Growers Association, that we think is particularly well managed and should receive greater encouragement from the growers of that section. We believe this association has been instrumental in securing at least 25 per cent higher prices for strawberries in Missouri and Arkansas within the last three years than if the association did not exist."

The A. Grossenbach Company of Milwaukee, Wisconsin, says: "We are thorough believers in shipping associations. We point to one in your own state -- The Ozark Fruit Growers Association -- as one that has been very successful and one that has raised a standard of considerable value, by co-operating, their system of inspection and placing their goods throughout the country."

The association is working progressively to improve the standard of the berries shipped out and to get uniform packages and grades. The inspectors of the different local associations meet at Monett at the beginning of the season and have lessons and discussions on grading; thus hoping to have the same ideals prevail in grading the berries of all the local associations. There is also an efficient general inspector who visits all of the local associations as often as possible to encourage a uniform system of grading. It also keeps a set of men in the market to keep the management informed as to market conditions; to look after the growers interests at the market end of the line; to make adjustments with the buyers; to look after the icing, and if a car can not be sold before it should start rolling, to see that it is billed from some shipping center through which it must pass on to the place where it is later sold. Thus the Ozark does not wait for business to come to it, but it has its men in the market to go after the business, as well as to keep the association in personal touch with the market.

Letters from growers in nearly all of the associations that ship through the Ozark testify that it has been of great benefit to the new associations in helping them to organize the berry industry. In fact it is doubtful if a number of points would be shipping now if it were not for the Ozark. It is thus pushing strawberry growing out into new territory, which is certainly much to be desired by anyone interested in the best development of the Ozarks, since the strawberry business is somewhat more certain than other lines of the fruit industry.

SOME BENEFITS FROM CO-OPERATION.

While the best argument for co-operation is the achievement of the different co-operative associations, it is well to inquire into some of the most important means by which co-operation benefits the growers. From the experience of the associations mentioned above, we may say that the principal benefits from co-operation are:

- (1) Enabling the small growers to ship in car lots.
- (2) Distributing the crop so as to prevent gluts in the markets.
- (3) Enabling the growers to establish a brand that will be known and sought in the markets, thus insuring better prices.
- (4) Making possible better business methods in dealing with the fruit buyers, transportation companies, etc.
- (5) Enabling a community to make use of varieties of fruit that for any reason might not be desirable except in small quantities.
- (6) Better equipment for handling the crop for a section.
- (7) Insuring better care of the orchards.
- (8) Giving greater general business stability.

Shipping in Car Lots. With many crops like strawberries it is not easy for one man to grow enough to ship in car lots every day. Thus when strawberries must be sent to a distant market, some form of co-operation is practically indispensable. With peaches, too, ten to twenty acre orchards are profitable if the fruit is marketed to a good advantage. Yet with an orchard this small, not enough peaches could be picked to ship every day except by express to nearby markets. Co-operation is thus indispensable to the small grower.

Distribution of the Crop. A benefit of co-operation that is most generally urged and is especially important with perishable fruit is proper distribution of crops to prevent glutted markets. While the commission men have a personal contact with the market and are in a position to place a given amount of the product at any point to a good advantage, they are not in a position to limit the amount that will be put upon the market and prevent gluts. The commission men themselves generally admit this. Mr. F. B. McKeivitt, manager of the California Fruit Distributors, says; "Unless your fruit passes through one channel, which has all information in regard to shipments, amounts going into different markets, and the condition of these markets, you will never achieve success. As long as a number of different organizations are in the field working independently, you will always be working at cross purposes and the results are sure to be disastrous. Your own competition will kill the price of your products and this is entirely to your own disadvantage with no corresponding advantage to the people who buy and handle your products, as owing to this competition there

is always uncertainty in regard to cost of goods delivered; and each dealer is afraid that his competitor will be able to get the same goods for less money, and he is, therefore, unwilling to take hold and push the business as it should be."

Mr. J. S. Crutchfield of the Crutchfield & Woolfolk Company of Pittsburg, says: "Ordinary commission men do not have the facilities, and the mere fact of his knowledge of the various lines does not necessarily make him eligible to take charge of the marketing and distributing of the entire crop from the shipping point."

Mr. W. G. Grupe of the Lagomarcino-Grupe Company of Burlington, Iowa, speaking of the time before the Ozark Fruit Growers Association was organized, when he was dealing in fruit by individual shipments, says: "We were unable to obtain supplies sometimes for a number of days, then again we might come down in the morning and find four or five cars of berries on our tracks."

Mr. George G. Grupe of the Cedar Rapids, Iowa, branch of the same company, says: "I have in mind one locality where a great many watermelons are grown. The growers market their melons individually. It always seems to be a waiting game with the buyers as to how quick the market will break, for if we buy one car of melons, the other individuals who do not sell are liable to sell cheaper to our competitors or run cars of melons into our towns to see if they can not get more for them than they are offered at the shipping point. The consequence is that nearly every season the market declines very much until there is no profit in melons, and everyone that touches them gets sick of the proposition, whereas, with intelligent distribution all markets could be reasonably firm and better net results obtained."

It was generally the opinion in letters received from commission men that the commission man is in a position to dispose of fruit and produce for an association to a better advantage in one market than an association would be able to do if it sought to eliminate the commission man, but as to distributing their output over the entire United States, the association is in a better position to get good results. One commission man mentions the fact that the Southern Texas onion growers, before the organization of the Southern Texas Truck Growers Association, got practically nothing out of their onions because of poor distribution. Often they would all consign to one market so that while some markets would be badly over-stocked, others would have no onions, though now with the association the growers are all doing well.

Mr. I. M. Fleming, manager of the Georgia Fruit Exchange, says: "Every commission man in the markets making a specialty of fruit will solicit an unlimited quantity of fruit on any particular day, or every day. In the case of the markets of reasonable size that can ac-

commodate one or two cars of peaches a day, they send out a quotation to twenty-five or thirty carload shippers, and I have one concrete case in mind which happened in 1910, where a small market in Ohio sent out a quotation of about \$2.00 a crate for Elberta peaches. The market could possibly have handled one and one-half or two cars of peaches in a day -- instead of that quantity, there were seven cars shipped by independent shippers out of Georgia the same day. The majority of the shipments barely paid freight charges, and it took the market a week or ten days to react."

These quotations are given with no intention to disparage the commission man. Under severe competitive conditions I do not see how a commission man can hope always to get fruit enough to supply his trade without in many cases sending out quotations to more growers than he expects to receive shipments from. It simply shows the impossibility of having perishable fruit properly distributed without co-operation. With individual shipments, if the markets are not over-supplied, they are as likely not to be sufficiently supplied. It seems to me then that instead of decreasing consumption, as some of the trade papers maintain, co-operation will increase consumption by keeping the markets uniformly supplied so that dealers can push their business with confidence. This conclusion is further strengthened by the fact that under effective co-operation the business has almost always had uniformly rapid growth.

Establishing a Brand. Another great benefit from co-operation is in enabling the growers to establish a pack that will be uniform enough to give confidence and the goods offered in large enough quantities to impress the market. A Commission Company doing a very extensive business says that while in a few cases co-operation has not improved the quality of the goods shipped, in at least seventy-five per cent of the cases it has, and with the larger associations it certainly always has. Out of thirty-seven letters received from commission men, at least twenty-six held that co-operation was the best for the growers, and in nearly every case the principal reason given was that they produced a better quality of goods that the trade is glad to pay for.

The benefit from co-operation is not only in obtaining a better quality of goods, but in getting that fact known to the trade so that the association brand on the goods will be known and the grower will thus get all the benefit from the better quality.

The great demand for Virginia sweet potatoes since a definite pack has been established has already been cited, and everyone is familiar with the high prices received by the growers from the Hood River and Wenatchee associations in the Northwest, due entirely to the well established grade and the fact that a buyer can know exactly what he is buying. The following is a quotation from a letter from Steinhardt

& Kelley to the Rural New-Yorker: "First you would like to know if the packing of the Hood River apples is so perfect that we accept them without close investigation. Not only do we accept them without close investigation but we accept them without any investigation whatever, leaving the entire matter up to the Hood River Growers Union, a body of men with about nine directors under whose personal supervision all the fruit is packed and shipped to market. Our dealings with these men for the last three years, during which time we have purchased their crop, have always been of such a straight and upright character that

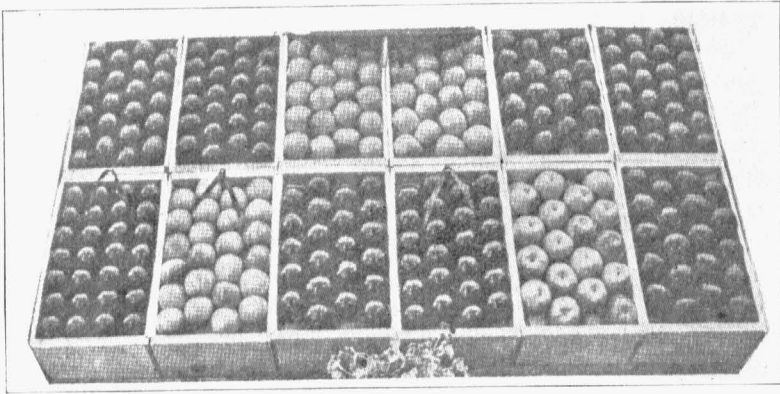


Fig. 11.

Boxed Apples Packed at Hood River, Oregon. The reputation for an honest pack acquired by the Hood River Apple Growers Union unquestionably means greatly increased prices for the members of this Union, as well as for the independent growers who profit by the reputation the association gives the district without doing their share toward maintaining the association.

we have never had occasion or cause to doubt their packing, and we have never been disappointed in our business dealings with them. We have handled several hundred thousand boxes and never have we found ourselves in condition to make a single complaint against their pack. It is as near perfect as human ingenuity and honesty of endeavor can make it; in fact we shall be glad to have you drop in our place of business at any time and take a box of fruit from any heap, and you will find that every box is practically identical, and that every apple is absolutely perfect, whether you open the top, bottom, or side of any package." Such a reputation means money to the members of the association.

One critic of the Ozark Fruit Growers Association, who took stock when it was organized, says that it was his idea that it would be an association not with an elaborate marketing machinery, but simply with some inspectors and a definitely established brand for Ozark fruit so that any grower could put this brand on his fruit and have it known in the market. Such an idea would seem to be ridiculous, for if this brand was not always associated with a definite grade of fruit, it would mean absolutely nothing in the market. Mr. Crutchfield, of the firm of Crutchfield & Woolfolk, aptly puts it; "A brand which has no stability of character, i. e., uniformity, is injurious to the sale of goods rather than beneficial, for the same reason that a 'plain every day man' will be trusted and is worth more than a man of higher qualifications who makes large professions but can not be *depended upon*."

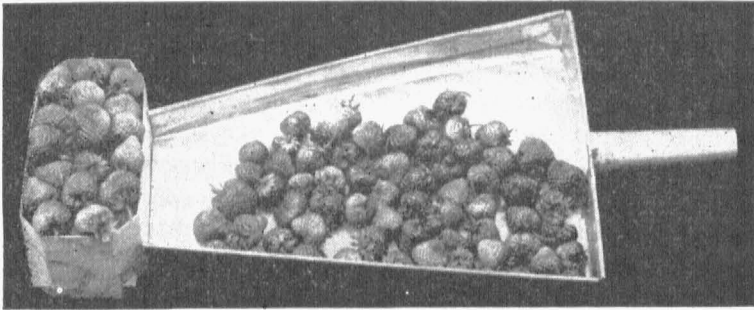


Fig. III.

Tin Scoop Into Which Boxes of Berries are Emptied and Culled in the Growers' Sheds. This method has been used at Pierce City with excellent results. It is being urged upon all the associations that ship through the Ozark Fruit Growers Association. Its use should considerably improve the market standing of Ozark strawberries, good as that now is.

For a brand to mean anything, the goods must be packed not only by a trained packer, but by a packer trained to pack goods for that particular brand or set of brands. As mentioned above, probably the most successful association for the establishing of a brand in this country is the Hood River Apple Growers Union. The following taken from the Statement of Facts issued by the Union should be of interest: "The Union up to this date has always employed packers and inspectors to insure a uniform grading of fruit. The growers individually pay the packers, and the inspection charge has usually been deducted from the general expense account. A complete system of inspection is attempted from the time the grower begins picking the apples until the apples are finally stored in the warehouse ready for ship-

ment. The field inspectors look out for the inspection until the apples are packed and the warehouse inspectors make a final inspection as the apples are received at the warehouse. Apples not graded up to their requirements are set aside for further adjustment, which consists of putting such fruit into a lower grade, or repacking."

Mr. Wilmeroth, now manager of the Rogue River Association, says: "As long as there are apples grown you will never succeed in having the growers in any fruit section put up a uniform pack of apples. Growers who raise apples, in fact any kind of fruit, are just like a parent -- we all think our children are the best, and we all think our apples are the best raised, and it is very hard to see any imperfection in them. At apple shows and conventions, growers will talk about what should be done in grading, and then go right home and grade however they desire.

"In some Valleys of the West when packing time comes the registered packers go into the packing houses and the farmers have absolutely nothing to say regarding packing and grading. The packer is registered with the Union and responsible to the Union for quality and pack.

"I believe one solution of the packing problem would be to have a Central Packing House or a packing school each year whereby packers could be taught and foremen instructed so that they could take charge of every orchard and then hold them responsible."

However the grading is done, it is certain that the association brand should go on only goods graded and packed under efficient supervision by the association, and it is further certain that it should be sold by the association to keep the growers from under-bidding each other; otherwise the full benefit of the good pack can not be received by the growers, and the growers can not be held together.

Better Business Methods. Co-operation further enables the grower to make use of better business methods.

(1) It enables them to meet on equal terms the men with whom they deal. Mr. W. L. Newcomb of the Sebastopol Berry Growers Assn., says: "Many people think they lose their independence by joining an association of this kind when it really is the only means of making them independent." And this is certainly true. The dealer is generally equipped with better knowledge of the market; and he controls a larger business. This makes him relatively independent of any particular shipper, unless the shipper is a very large one. For the grower to meet the buyer on equal terms, he must know the condition of the market as well as the buyer knows it, and must control a business large enough to attract the interest of a large portion of the trade. Accurate first-hand knowledge of the condition of the market can be secured only by having representatives in the market. Large growers

often have representatives in one or two of the larger markets, but it would generally have to be a very large grower that could afford representatives in enough of the markets to make him really independent. An association, especially a large one, can have such representation in all the markets reached by the crop, and the greater the association, the more market information can be afforded and the cheaper it comes to each grower. Thus, under co-operation the association can have a manager who thoroughly understands the markets in a general way, and if it is perishable fruit, can have men at all the important market centers the goods are to reach. Then with all the growers and a good pack behind him he controls a business that demands respect, and he should generally be able to set the price. Mr. J. S. Crutchfield of the firm of Crutchfield & Woolfolk of Pittsburg, in an address before the American Cranberry Growers Association, January 26th, 1909, said: "The selling agent should always make the price. Whenever a salesman gets himself into such a position that he must depend upon the buyer to name the value of his goods, he always suffers to the extent of from ten to twenty-five per cent." This is the judgment not of a representative of an association but of a representative of a large commission firm.

(2) By co-operation it is generally possible, or it may often be possible, to force track selling. Mr. P. A. Rodgers, manager of the Ozark Fruit Growers Association says: "In managing the Ozark Fruit Growers Association I am convinced beyond any doubt that selling brings better results than consigning. For instance — in 1905 we consigned 294 cars and sold on track 226 cars. The average price on cars consigned was 90 cents per crate and on cars sold on track \$1.27 per crate, a difference of 37 cents per crate on cars sold. In 1906 we sold on track 288 cars and consigned 272. The cars sold on track averaged \$1.66 and the cars consigned returned \$1.00, a difference of 66 cents per crate." These figures are probably exceptional, yet Mr. J. B. Graves of the Neosho Fruit Growers & Shippers Association is just as strongly in favor of track selling, and from the letters received from fruit men selling individually and members of associations from all over the country, there seems to be almost unanimity of opinion that track sales are the best. This opinion is shared also by a large percentage of the commission men, especially those in the Middle West. Of course the differences between the results of track selling and consignment are possibly not as great with co-operation as under individual selling, because the association would have its representatives at the market and would know which dealers were getting the best results with the same kind of goods; but at the same time it seems to me that the track selling should force a more dependable class of dealers. Where there is individual selling, or where there are a number of small

competing associations, selling on track becomes very difficult because the buyer can not know that too many cars are not going to be sent into his market and he can not know that his competitor is not going to get fruit cheaper than he is buying.

(3) It often makes possible wholesale dealing. Fewer men may be needed to represent the buyers at the shipping points and often in case of apples, large sales are made by tender; that is, a bill of goods guaranteed to be of a certain standard can be sold to the buyer without inspection by his agent at the shipping point. The buyer is at less expense in making these deals and can deal on a narrower margin which of course means better prices to the grower without additional cost to the consumer. The fruit speculator and the small buyer can be eliminated partially at least with the same beneficial results. Professor Crow of the Department of Agriculture of Ontario, speaking of the better prices received by the Norfolk Fruit Growers Association, says: "This is made possible by an improvement in grading and packing which otherwise would probably not take place at all, and also because of the fact that the small apple buyer has been entirely eliminated. The Association deals directly with some large buyer or distributing firm. This year the buyer of the Norfolk County pack is on the ground in that county directing the distribution of the crop over the Canadian Northwest, in the United States, and in the Old World markets."

Of course this larger wholesale method of dealing applies also to buying anything the growers will need, especially packing materials, spraying materials, and the like. Mr. Wilmeroth of the Rogue River Fruit and Produce Association, says: "We are saving from ten to twenty per cent on our nails, boxes, paper and spraying materials." Mr. Campbell, manager of the Southern Texas Truck Growers Association, says: "Prior to the formation of this organization in 1906 our growers purchased their seed through various sources — regular seedsmen throughout the United States, speculators, and in some instances small dealers. The average price for the yellow seed (which composes from two-thirds to three-fourths of our crop) was \$2.75 per pound, and the crystal wax averaged \$4.00 per pound. In 1907 the writer made a trip to the Canary Islands and made a contract covering a period of five years, with a man whom we considered the most responsible grower of seed in the Islands. We pay eighty cents a pound for the yellow seed and one dollar a pound for the crystal wax."

(4) The association also is likely to get better service from the railroads, cold storage plants, etc., because of the larger business it controls. Then it is in a position to secure adjustments with the railroads and other large concerns on points of disagreement, where the cost of litigation would make such adjustments impossible with the

small grower. This is illustrated in a letter from Mr. Fleming, manager of the Georgia Fruit Exchange: "During the last shipping season, our Exchange was able to convince the Transportation Companies of the injustice of certain rates of freight on peaches from Georgia points to interior New York and Pennsylvania points, amounting to a difference of about \$25.00 a car, and the lines admitted their rates were on the wrong basis, and corrected them by a new tariff, which went into effect on July 18th.

"Another benefit possible under co-operation can be pointed out in the case which has just been argued before the Interstate Commerce Commission at Washington, of the Georgia Fruit Exchange et al. versus Southern Railway et al., — a complaint against the minimum of peaches necessary to be loaded in refrigerator cars to obtain the freight rate, which, it is claimed is in excess of the carrying capacity of the car by about 87 crates, amounting to an excess transportation charge paid when the minimum is not shipped, of about forty-two or forty-three dollars per car, and, if the minimum is shipped, a damage to the fruit varying from one to two hundred dollars is encountered.

"This complaint against the minimum required by the roads has been a live issue for several years. One grower testified that he had paid freight in four years on 226 cars which were loaded under the minimum to the extent of about thirty-five to forty dollars per car, representing that he had practically paid \$8,000.00 in freight and refrigeration charges to the Transportation Companies for fruit which had not been shipped—dead freight in other words—with the hope of bettering the condition of his fruit in the market. This grower was not able to institute a complaint before the Commission; no individual grower could have done it, but, through the agency of the Georgia Fruit Exchange, and at an expense which will no doubt amount to \$3,000.00, this case has been presented and all testimony taken, and our attorneys feel very much encouraged at the situation since the testimony was heard. We hope for a favorable ruling the coming spring previous to the next shipping season.

"Should we be successful in getting a decision to the extent we requested, it means a quarter of a million dollars to be refunded to the growers of Georgia who shipped the 1910 crop. It is within the power of the Commission, in connection with such decision as they may render, to order reparation to the growers covering two years back, which, on 8,500 cars shipped in 1908 and 1909, would equal in round figures \$340,000.00."

(5) Better business methods will prevail for the reason that very likely the best business man will be in charge of the association. Certainly better business men can be secured to manage the associa-

tion because the larger business controlled will justify a salary that will buy the largest ability. Some of the best growers who understand their trees and the methods of care the best, are not the best adapted to dealing with men.

Making Use of Varieties of Fruits Grown in Small Quantities.

There are often varieties of fruits that are grown by individuals in such small quantities that without co-operation they are often wasted because no one man has enough to sell to advantage. With co-operation a car could often be loaded, and the fruit used to some profit to each grower. Often enough could be shipped each year to become known in the market. This is especially important in the case of trying out new varieties. It is too great a risk for one individual to put out enough of a very promising new variety to market to good advantage. The same is true of fruits that are promising in a section but are not sufficiently tried in a commercial way. Thus with table grapes in the Ozarks, the risk is too great for one

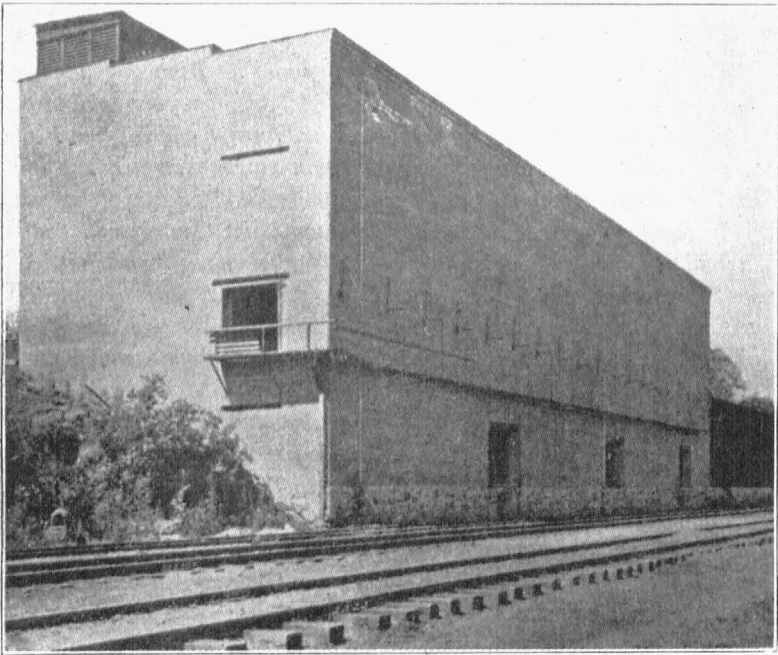


Fig. IV. (Courtesy "Better Fruit").

Cold Storage Plant of the Hood River Apple Growers Union. There is likely to be better equipment for handling the crop in an organized section because of the concerted action of the growers, and the greater stability that generally prevails.

man to grow enough to market to advantage except in small special markets. With an association handling other fruits each man could grow a small area and by marketing together, the prospects for profitable grape growing in the Ozarks could be effectively tried without danger of great loss to anyone.

Better Equipment for Handling the Crop in a Section.

Disorganized sections are less likely to have the necessary cold storage, pre-cooling and other equipment for the best handling of a fruit crop. Thus in Georgia a government pre-cooling test for peaches is to be made through the agency of the Georgia Peach Exchange, and nearly all of the well organized sections are rapidly securing efficient equipment of this kind. This equipment often belongs to the association; but even private capital can better afford to invest in such facilities in an organized than a similarly located unorganized section. This is true because the business is nearly always in a more prosperous stable condition, and because they can have a more definite understanding about patronage since the association business generally goes as a unit.

Better Care of Orchards. Co-operation also results in better care of the orchards. In fact I think that this is the greatest of all the advantages in co-operation; but an association can not be held together for this alone. Mr. Johnson of the Norfolk Fruit Growers Association says that they have, by co-operation, increased the yield of their orchards to four or five times what it was before the association was organized, though the trees were then twenty years old. Professor J. W. Crow of the Ontario Agricultural Department says: "Production in Norfolk has increased from practically nothing to 37,000 barrels within less than ten years. A number of our other associations have begun operations in localities which have been producing for a number of years and in all cases increased production has followed the successful operation of a growers' selling agency." Everyone is acquainted with the excellent methods of the orchardists in the Northwest and in Colorado and co-operation prevails there to a very large extent. By co-operation the best growers, those who have either had more experience or have been in a position to get hold of the best methods, will influence the others so the methods practiced by the best growers will largely prevail in the entire association. Then the best methods will be discovered faster because they will result from the combined observation of all the growers. The members too are in a better state of mind to get hold of new information. Any discussion before the association is more effective because the members are in the habit of discussing measures and acting upon them. I have talked to meetings of associations and to public meetings organized by the institute work of the Board of Agriculture, and

it was plain to see that the members of an association in a meeting are more likely to make use of any information they get than even the same men would be at a public meeting where the custom of holding discussions with the intention of acting upon them has not been established. Thus members of a co-operative association more quickly make use of new discoveries whether these discoveries are made by members of their association or by other growers and experimenters.



Fig. V.

(Courtesy of Secretary R. B. Dwyne)

Press Room of the Gold Buckle Association of East Highland, California. As soon as the lids are nailed on the boxes they pass down the gravity roller system to be seen on the right to the Pre-Cooling Room shown in Figure 6. Thus the oranges are cooled at once to the temperature that checks the ripening process and makes it certain that they will reach the market in good condition.

Not only will the methods of the best growers be adapted, but the methods generally adapted, especially diligence, etc., will be better in most cases because of the spirit of pride developed. When it is known that every man is depending upon the other fellow to keep up the good name of the association, the sense of honor will force a man to take care of his orchard just as it will force him to clean up his back yard in a city.

Greater Stability. Owing to the rather frequent failures from frosts, glutted markets, disease, and insects, projects connected with the fruit business are often somewhat difficult to finance. Thus while the cost of getting an orchard into bearing is generally greater than the value of the land, the young man of limited means can often borrow on it only in proportion to its value as general farm land. For the same reason it is often difficult to raise money for cold storage plants and other necessary equipment for a fruit section, except



Fig. VI.

(Courtesy of Secretary R. B. Dwyne)

Interior view of the Pre-Cooling Room of the Gold Buckle Association of East Highland California. Organized sections have been the first to take up pre-cooling as they are nearly always first to make use of valuable new discoveries.

through somewhat shifty speculators and promoters. Co-operation tends to bring greater business stability to a section. This is almost uniformly the case in the localities where they have effective organizations. It is reflected in the land values which seem to be uniformly high without so much fluctuation in co-operative sections. Mr. W. C. Cullen of the Peninsula Produce Exchange, says: "The people have more confidence in our section, knowing that they are having the

benefits and protection of an exchange. Land values are not only higher, but there is more stability and more strength in the present high prices than was the case when land was so much lower about six years ago." If I am correctly informed, the growers in the Grand Junction Fruit Growers Association have overcome obstacles in the past four or five years almost as great as those that have seriously crippled Missouri's fruit industry, and yet they have been prosperous. The great handicap to the orchardist is the frost injury, and it is noteworthy that the fighting of frost by heating the orchards has become a custom first in an organized section. I have mentioned the large growth made by industries like the Citrus Fruit industry and the Truck industry in Virginia and other points as the result of co-operation. Of course one of the main features of this will be the security that the members feel that they are going to get a square deal in selling their fruit, and the better methods and greater interest that have been instilled.

Then association naturally inspires confidence. If one boy were going home and his nearest road passed through a cemetery, he would probably go around, while five or six boys would go through, not because a ghost is necessarily awed by number, but first, because association with one's fellows gives a feeling of confidence, and, second, because you do not want your fellows to know that you are afraid. In the same way, if there is uncertainty as to venturing into a new method like spraying or heating the orchard, the very fact that other members of the association will likely do the thing would cause a man to do it when he would not, working alone; and the pressure of the others who expect him to keep up for the benefit of the association would have its influence also.

As we have seen above, co-operation makes possible the efficient small grower with ten to forty acres. This in itself will tend to increase the business stability of the community because these small growers are not in a position to give up the orchard on off years since they have everything tied up in it. Then they are in a better position to care for it on off years for they do it with their own labor at small expense, and are often able to largely support their families from parts of the farm not in orchard.

This encouraging the small grower and the greater business stability it brings to the community, will benefit the large grower that may consider himself independent. It increases land values, makes financing projects easier, and social conditions in the community better. For this reason, if for no other, it seems to me he should lend his assistance to co-operative movements in his section.

DIFFICULTIES IN THE WAY OF CO-OPERATION.

Among the difficulties in the way of co-operation, may be mentioned:

(1) The fact that independent growers who do not help support the association get many of the benefits received by the members.

(2) The difficulty of keeping the quality of the goods handled by the association as high as the quality of goods that would be handled by the best growers working independently.

(3) Crop failures that get the association out of working order on off years.

(4) A spirit of envy and lack of confidence and support of the managers by the members.

Benefits Without Paying for Them. Possibly one of the greatest difficulties in the way of co-operation is the fact that the growers who are not members of the association get the benefits of the association without paying for them. This will be evident when we consider that one of the greatest functions of co-operation is proper distribution of the fruit, and if the association keeps the fruit out of the way there is little danger of the independent man's fruit going into a glutted market; or to put it in another way, suppose the association controls fifty per cent of the crop and sees that it does not go into a glutted market, the chances for the independent fruit to go into a glutted market will certainly not be more than half as great, and in fact will not be half as great, because the commission men to discourage co-operation will be more alert in keeping the fruit consigned from independents from going into glutted markets.

Further, the associations are generally able to hold up the price, because the commission men know that their competitors will not buy fruit cheaper than they do and they can, therefore, generally deal on a narrower margin. This also will benefit the independent men about as much as the members of the association. Then if an association puts up a good pack it will advertise not only the association, but the whole section in which the association is located. Thus, many people think not of the Hood River or Wenatchee associations, but of the Northwestern boxed apple; and the independents profit by the reputation the Hood River and Wenatchee honest pack has given that section.

Some members of the association who see that the independent men get as good returns as they do, will tend to drop out, thinking the association a failure; and independent men who would otherwise come into the association stay out because they are getting as much as the members of the association, and not seeing the reason, doubt the efficiency of co-operation.

Of course one remedy for this condition is to keep before the members the fact that the prices received by independents benefitting by the work of the association give no indication as to prices that would be received with the association out of the field. However, the more important remedy is to keep improving the pack so that the association will receive better prices on account of its better goods and the confidence it inspires in the market.

The Difficulty of Keeping Up the Standard. In any community the greatest source of strength will naturally be the best growers, but where the crop is pooled the prices will not be those that would be received by the best growers, but the prices for the average of the goods sold. Unless the association keeps constantly bringing up the quality of goods shipped, it will not be equal to that of the best growers and these will naturally tend to drop out, greatly weakening the association. No association can have a permanent success unless the standard of goods shipped is established by the best growers and unless this standard is maintained very rigidly.

Crop Failures. With fruit, another great difficulty in the way of effective co-operation is the somewhat large number of crop failures, due to freezing, that are common in the fruit business. During the off years the association is likely to become disorganized. Then when there is a crop, the growers will tend to be more anxious to work in everything that will go, thus lowering the standard and reducing the value of the brand. However, with efficient organization they are more likely to resort to orchard heating, and give other care that will greatly reduce the number of off years. The difficulty is in getting efficiently organized before the off years break up the association.

Lack of Confidence in and Loyalty to the Managers. Possibly the most serious obstacle might be put in the language of the Reverend Washington Gladden: "We have not the co-operating man." We are accustomed to the competitive system and have not the training in pulling together for the common good to make co-operation as easily effective as it should be. Thus members are loath to trust their officials; are over-critical; some make trouble over things not done according to theories they hold (often without careful reference to the actual conditions that confront the association), and in some cases elect their managers, etc., for their popularity rather than for their business ability and knowledge of the market. This has been the cause of failure of a number of associations.

In order to carry on its business, it is necessary for an association to have a capital stock. In some cases where there must be cold storage plants, etc., this may need to be rather large, and it may be necessary to let the dividend average as large or sometimes even larger than the legal rate of interest. And while it is best if the stock is all held

by fruit growers, it seems to be necessary sometimes to secure capital from other sources than the growers. This is especially true in growing sections where all the growers' money is needed to increase the planting. These conditions make a good opening for smooth talkers with an ax to grind to go among the members and spread the opinion that the association is run to pay dividends to the stockholders and not in the interest of the growers.

Then the members may not tend to give the effective, loyal, support to the association that each man gives to his own business, and that is necessary for best results. Mr. A. N. Plank of Decatur, Arkansas, when advised not to go into a co-operative telephone scheme, since it did not amount to anything, answered: "It will amount to something if I go into it, for when I go into anything I stay with it." And for the best results this should be the spirit of each member of an association.

In my opinion, in every association a campaign of education should be carried on to let us see the advantage of co-operation and understand the duties devolving upon the individual members, and to keep us thinking about them, and to let us know at all times exactly what the problems of this particular association are. This seems to be effectively done by the Hood River Apple Growers Union and the Grand Junction Fruit Growers Association.

SUGGESTIVE CHARACTERISTICS OF SOME OF THE MORE SUCCESSFUL CO-OPERATIVE ORGANIZATIONS.

Capital Stock. For an association to be successful there must be a capital stock, or the association becomes too much of a burden on the manager and directors. If there is no capital stock, the directors and manager, and often the manager alone, will be compelled to be responsible for the money necessary for various activities like guaranteeing the quality of the fruit, if this is done; buying boxes and other supplies; paying necessary laborers; representatives in the market, etc.; and in some cases providing cold storage facilities. Some associations even lend money to the growers for supplies until the crop is off. Of course the amount of the capital stock will depend on how many of these and other activities the association undertakes. The following is the capital stock of some of the well known associations in this country:

Grand Junction Fruit Growers Association	\$200,000.00
California Fruit Exchange	100,000.00
Georgia Fruit Exchange	50,000.00
Rogue River Fruit & Produce Association	50,000.00
Surface Creek Fruit Growers Association	25,000.00
Eugene Fruit Growers Association	25,000.00
Southern Texas Truck Growers Association	10,000.00

British Columbia Fruit & Produce Exchange	10,000.00
Pomona Fruit Growers Exchange (sub-exchange of the California Fruit Growers Exchange)	10,000.00
The Dalles Fruit Growers Association	5,000.00
Ozark Fruit Growers Association	2,000.00

The Manager. The success of the association depends very largely upon the manager. In some cases the personality and industry of the manager alone are responsible both for the successful marketing of the crop and holding the growers together. It is evident that the manager should be a thoroughly well trained business man; a man with sufficient personality to command the respect not only of the trade, but of the members of the association to hold them together, and if possible, a man who has had experience in marketing fruit. Many associations secure commission men of long experience and of good reputation, and this has often proved very successful. Since it is not an easy matter to secure a man that combines all the qualifications necessary in the manager of a successful association, it is evident that the best man should have the place whether he be a member of the association or not, and whether he live in one corner or another embraced by the association. No politics whatever should come into the election of a manager if the association is to accomplish anything. He should be paid a salary that will command his best services and make it unnecessary (and not to be thought of) that he will in any way use the association for his personal benefit other than for marketing his fruit, if he is a grower.

Size of the Association. There is considerable disagreement as to how large an association should be. Especially is this true among commission men, as letters I have received indicate. A number of the commission men express the opinion that the small association would give a more harmonious working body of men and be able to raise the standard better than the large ones, while others express the opposite opinion. Mr. George G. Grupe of the Lagomarcino-Grupe Company, writes: "I believe in the small shipping association, but I believe more in the large shipping association. The larger the association, the better salaries it pays, and good salaries buy brains. The small associations can not go to the expense necessary to keep thoroughly posted on all the different markets, and, therefore, in many cases ship blindly to some markets; and often depress a market, whereas, the big association would be better posted and would get in touch with the best commission merchants or jobbers in the different markets and be in position to market their products to the best advantage.

"I think that owing to co-operation or association among the growers, that the quality of fruit is improved, and the pack has improved very much. I believe that the association, large or small, that

grows fruit intelligently, and packs it honestly, gets more for their fruit than the individual grower. And it has been my experience that the larger the association, the better results we could get, for it seems the more intelligent growers that associate themselves together, soon realize that by packing dishonestly they are not fooling the consumer of their products; they are only fooling themselves. Commercialism is responsible for a great many of the honest packs that are being put up to-day."

Mr. W. B. Geroe, a popular commission man, in an address before the National League Convention, said: "I never was a manager of any association of growers, but if I was the chair or the managership, I would connect up with every other manager in my section of the country, and establish a clearing house where somebody could parcel out the shipments intelligently, and not load to the guards one market that would have done right well with one-quarter of the quantity."

Generally speaking, I believe in the larger organizations. Of course it is possible for an association to handle products from too large an area, especially if the soil and climatic conditions should be so different that the quality of fruit of any given variety would be different. It might be a good method for an association to market products of the territory included in a single environment. Thus it seems to me the strawberries of the Ozark section should be largely marketed together, because their quality and general characteristics would be very similar. The same might well be said of peaches and apples so long as a high grade pack is maintained. If the fruit or produce of a territory producing fruit containing certain common characteristics is marketed by a number of associations, the advantages of distribution, better controlling the market so that the selling agent may fix the price, etc., can not be realized by any of them. No association would know where the others are going to ship, so gluts could not be prevented. If there could be uniformity of pack among the different associations, bidding against each other would keep the growers from getting the full benefit of the reputation of that pack in the market. Then the larger the association, the more information about market conditions can be secured at the same cost to each individual and the better results the manager can secure through this increased knowledge. Since these constitute the principal advantages of co-operation, it is evident that growers could not be held together by a lot of small associations unless it should be with a crop where one grower could not produce enough for carload shipments. If co-operation then is to be a success in the largest measure it must be through associations that control a good share of the output of a given section. At least they should control all the goods packed to a given standard in that section.

Mr. R. M. Hitt, in a paper before the Missouri State Horticultural Society, suggested a plan whereby all co-operative fruit and produce

associations in the country would form a sort of general organization and supply one another with information about the conditions of the crop and render any other assistance to each other possible.

I do not wish to be understood as meaning to discourage a small number of growers from forming an association in a disorganized section. Such an association may be of great benefit to its members, especially in establishing a pack that will be sought in the markets. This is especially true with apples where a reputation for an honest pack is the most important factor in marketing.

Plan of Organization. For a large organization to be successful, I believe that it must be made up like the Ozark Fruit Growers Association—of small compact local organizations where all the members can be brought together for discussion of the business of the association, the grading, etc. At least it is this type of association that has been most conspicuously successful. By far the largest organization of this type is the California Fruit Growers Exchange. It is made up of ninety-eight sub-associations grouped into sixteen sub-exchanges. Each association elects a board of directors by stock vote, whose functions are to build packing houses, buy materials, employ a manager and other help, and generally direct the business of placing the fruit in the car ready for shipment. This board of directors also elects one or more representatives to the District Exchange, depending on the number of carloads of fruit produced by the association. These representatives to the District Exchange from the associations incorporate, generally with the smallest capital the law permits, then the representatives of each District Exchange elect a representative to the main Exchange and they incorporate as the California Fruit Growers Exchange. There is thus a system of leadership that reaches from the manager of the general Exchange down through the officers of the local exchanges and associations to the individual growers. It seems evident to me that the great number of members of the California Fruit Growers Exchange could not be held together and kept satisfied except through such a representative organization. If this fruit were handled by an exchange operating without sub-exchanges and associations, many of the growers could not be interested at the time of electing directors and would seem so far from the actual working of the association that they could not be made to understand it, and would tend to drop out. Besides, it would certainly be impossible to keep up the standard of the pack without an organization like this that can, through officers of local associations, get in personal contact with individual growers.

Educational Features. As previously mentioned, one of the greatest difficulties in the way of organization is the fact that most members have not acquired the co-operative way of thinking. For this

reason a constant educational campaign should be made to keep the growers interested in co-operation, and to let them see the advantages from it and the obligations to the association from the individual members. The success of co-operative movements in any section in any line should be constantly held before the members, unless the association is working unusually well. In England, in Scotland, and in Ireland, there is what is known as "The Agricultural Organization Society" whose purpose is to foster co-operative enterprises among growers in all parts of the countries mentioned. In England "The Agricultural Organization Society" publishes a Journal entitled "Co-operation", In Denmark (where co-operation has possibly reached its greatest development) and in Germany and Italy there are similar societies, and in all cases co-operation has developed very rapidly in recent years. It seems to me that the different associations in this country would do well to unite in publishing a magazine of this kind, or in placing literature concerning the benefits of co-operation, as well as its difficulties, in other agricultural and horticultural publications. If some sort of a general organization of all co-operative associations in the country along the line suggested by Mr. Hitt could be effected, it certainly would be able to be of great value in educating us up to the most effective co-operation.

Co-operative Credit. Mr. Charles Douglass in the "Transactions of the Highland and Agricultural Society of Scotland," Vol. 22, says: "The greatest practical obstacle in the way of agricultural organization is generally the difficulty of finance. A very large number of those who might benefit most by co-operation are prevented from taking advantage of it because they deal on long credit with the merchants who supply them. It is this fact which has chiefly led to the development of co-operative credit as an essential adjunct to co-operative purchase. The agricultural credit banks, however, which play so large a part, especially in Germany and Italy, originated in the earlier movement pioneered by Schulze-Delitzsch nearly seventy years ago for the promotion of popular Savings and Credit Banks. The later development of Raffeisen banks adapted the organization of the co-operative banks to the special needs of agriculture.

"The fundamental idea of the Raffeisen banks, which are the general model for co-operative credit in agriculture, is that the farmers in a small area should combine to find credit for one another. They provide loans for approved reproductive purposes; and the banks rely for their success on the knowledge which their members and managers have of local circumstances, and of the character of the applicants, as well as on the fact that each member, being implicated with every transaction, has an interest in seeing that loans are only made for suitable purposes and to reliable persons. It is an interesting corroboration of the sound-

ness of this principle that these banks do not in practice have any bad debts. Both in Germany and in Italy the banks are closely associated with purchasing societies, so that the borrower has the advantage not only of credit on reasonable terms, but also of co-operative purchase, and of the advice and guidance of those by whom the loan is sanctioned.

"It is not surprising that these banks should have come into existence wherever agricultural organization has had time to mature its influence, or that they should play a leading part, not only in Germany and Italy, but also in France, Denmark, Hungary, and Finland. In Ireland they have come to occupy in recent years a widening field."

In this country the difficulty of securing funds often prevents the orchardist from giving his trees the proper care, which lack of care renders co-operation difficult. While banking conditions in this country are not the same as in others, and any system of credit would have to be adapted to American conditions, yet some system whereby members of the association who have to buy on credit can be aided in securing loans by the association with a careful system of inspection and under business-like rules, would unquestionably be a great benefit to co-operation in sections composed largely of small growers. In some of the organizations in this country the association furnishes packing supplies to the growers on credit. They are enabled to finance this through their capital stock though associations without a capital stock often secure loans for their members. Mr. J. B. Graves of the Neosho Fruit Growers & Shippers Association, says: "We are able to make arrangements with our strongest banks whereby the growers are accommodated with sufficient loans to buy their packages and pay their gathering expenses."

Association and the Commission Man. While some commission men are unalterably opposed to co-operative movements, a great many are not. Many people get the idea that co-operative movements are uniformly antagonistic to the commission man. This is not true. Many of the associations feel that there should be co-operation not only among the growers, but also between the growers and the man who handles the fruit so as to reduce the risk to each as much as possible. It is probably true that in most cases the margin to the dealer will be made more narrow by co-operation, and it is probably true that in time co-operation would tend to reduce the number of men necessary to handle fruit and produce. Whether it does or does not, it should tend to make the business of the commission man more desirable by giving him more honestly packed goods, reducing the risk from his competitor's under-buying him, and insuring him a more constant supply.

Should There be Competition for a Central Association? Mr. J. B. Graves, business manager of the Neosho Fruit Growers and

Shippers Association, speaking for the small independent associations, says: "They stimulate the large associations to do their best in the way of getting good prices. They serve as a spur to urge the big organizations forward. They want to beat the little fellows as perhaps they ought. So they do their utmost. It is humiliating to them to be beaten by an independent. They are helpful to each other in competing for a good price.

"They watch the larger associations so that they are more apt to be energetic, economical and incorruptible in their administration. If all the independents were to join the Ozark for example, who knows how much of a let down there would be in activity, honesty, and economy?"

"It is a good thing to have some independent associations. There would be no way of telling whether the big association was doing as well as it might if there were no small associations in the same district with which to compare prices."

It is impossible to say how much truth there is in Mr. Graves' opinion. It is only fair to say that I have had this opinion expressed to me in letters from other men, though possibly not so forcibly. Co-operation is too new an activity for us to judge positively as to whether or not there would be a tendency to diminished honesty, industry, and activity if one association controlled the entire out-put from a section. It must be admitted, however, that all successful associations have had to deal with competition, though this is in no sense proof that they would not have been efficient without competition. This may be said of any particular section like the Ozarks, however, that even if all the growers in that community were shipping through one central association, there would be competition with other sections; and this would afford some means of testing the efficiency of the general organization, though of course not a sure means. I believe frankly that where an association is working as efficiently as the Ozark Fruit Growers Association, it should have practically the unanimous support of the growers in the section it covers, so long as the standard of its pack is equal to the best put up by any independent growers in the section, and its average net prices throughout a season are not excelled by the average net prices of any independent association.

Is a Central Marketing Association a Trust? Whether or not a large central marketing association is a trust within the meaning of the law, of course, is not for me to discuss. However, it is unquestionably true that the effects of co-operative associations have been to give the consumers a steady supply of fruit or produce at a reasonable price. Generally the only means by which the price is raised to the consumer are by properly distributing the crop so as to prevent gluts and by improving the quality of goods sold. It is evident that

if a consumer is buying fruit or produce very cheaply on account of a glutted market when the glutting could be prevented by distribution, some other market is not securing all of this product it wants, and is having to pay more than it should pay. Improvement in quality, the consumer is always only too glad to pay for. The effect then of co-operation to the consumer is to give him a more uniform supply of fruit or produce of a better quality. It gives a more uniform supply not only because of proper distribution, but because it greatly stimulates the industry and secures better methods in growing and a greatly increased output. The influence of the Norfolk Fruit Growers Association, previously cited, where the yield of the trees was increased four or five times through the stimulus of co-operation, is an example. The great increase in the potato and sweet potato industry through the Eastern Shore of Virginia Association may be cited as another. By far the most effective co-operation is with citrus fruit in California and yet in spite of great obstacles to the grower, the consumer is remarkably well supplied with oranges and lemons at a very reasonable price. So far as my information goes, the effect of trusts in other lines is generally to crowd the small man out. The opposite is true with co-operation. It is almost the only possible means by which the small grower can stay in business, except to supply a nearby local market. With such benefits accruing to both the grower and the consumer (and therefore the public generally) it would not seem probable that the law would seek to hamper co-operation. It may be said too, that in a number of countries co-operation is fostered by the government.

Co-operation and Rural Social Life. While as mentioned above, co-operation as applied to rural activities is too new to permit of definite conclusions as to certain indirect influences, so far as we can judge, however, it seems to aid in solving some of the troublesome rural problems, and in bringing a condition of contentedness among the growers. Professor J. W. Crow of the Ontario Agricultural College, says: "With regard to the secondary results brought about by co-operative action, I may say that these are several in number and decidedly far-reaching in their effects. Increased price and increased crops spell, of course larger profits, and under the influence of the increased returns made from apple orchards, a large increase in acreage has been made within the last three or four years. It is probably safe to say that the planting of apple trees in Norfolk County is now in excess of thirty thousand yearly.

"This increased interest in orcharding has been somewhat of the nature of a boom and land values have increased accordingly. Mr. Johnson tells me that land close to the town of Simcoe and desirable in every way for apple growing, which was formerly valued at \$40.00

an acre is now actually changing hands at from \$100.00 to \$110.00 per acre. This, of course, is bare land without fruit. This rise in the value of land is due, of course, to the fact that growers are being attracted to the district, which means an immediate addition to the population of the country. To us in Ontario this is a particularly important feature, as our agricultural population has been for some years decreasing in numbers, owing to migration to cities and to the new lands of the Canadian Northwest." This increased rural activity is not due to special climatic advantages of the Norfolk district, since the fruit industry and the rural population are declining in equally favored districts where co-operation has not secured a footing.

Mr. Charles Douglass, in "Transactions of the Highland and Agricultural Society of Scotland," Vol. 22, says, after mentioning the financial effect of co-operation: "Not less real, and not less important in its ultimate result, is the social influence of co-operation. Its effect in other countries has been to stimulate and revive rural life on its social no less than on its economic side, and to check the drift towards the towns, which is largely due to the decline of social relations in the country."

Co-operation then unquestionably tends to keep the growers on the farm and to keep up rural population. The public institutions and general rural life are apparently better, at least in many of the co-operative centers. It would seem probable that when the growers are in the habit of meeting and discussing problems and acting upon them, they would apply the same business-like methods in meeting social problems much more effectively than under the average disorganized system when the tendency is to do a lot of talking and practically no acting upon it. Of course co-operative societies purely for the purpose of bettering social conditions on the farm should be encouraged and in many places could be organized where co-operation in any other line would be difficult, if not inadvisable under present conditions.

RECOMMENDATIONS FOR MISSOURI.

Let us apply some of what has been said above to Missouri conditions.

Peaches. The peach business has largely centered itself at Koshkonong, and as it is further developed it will probably remain in a few of the more favored sections mainly in the extreme southern part of the state. At Koshkonong, as mentioned above, there is organized a fruit growers association to handle peaches, that seems to be very ably managed, and in my opinion it should certainly have the support of all the growers in that section. In parts of Arkansas the Ozark Fruit Growers Association is very successfully handling the

crop. If other apparently favored sections are developed in the peach business they will naturally tend to follow the example of Koshkonong and these Arkansas sections, and we should expect to see Missouri become well organized so far as peaches are concerned.

Strawberries. In the strawberry business the Ozark Fruit Growers Association is certainly filling its purposes admirably. It is gradually improving the quality of berries sent out; is working to have uniform boxes and a uniformity of varieties, and I hope and expect to see it successful in establishing so high a reputation for its brand, that on account of its better prices it will receive a more general support in the strawberry business than it now gets. It, also, should have the loyal support of everyone interested in seeing the strawberry business thrive in all parts of Missouri where strawberry growing is the most paying industry.

Apples. With the apple business, however, the state is hardly so fortunate. It is true that except in very heavy crop years apples are generally marketed for as much as they are worth, considering the pack, etc.; that is, the question of distribution, except in seasons like 1906, does not seem to be a serious one. It is more a question of establishing a brand that will carry weight in the market. I do not believe that a co-operative association can be held together merely to distribute an apple crop, for in most cases the advantages of the association would probably not be apparent and the growers would not support it. For this reason I seriously doubt if an association for marketing apples that begins on a large scale can succeed. The following from Mr. A. McNeil, Chief of the Fruit Division of the Dairy and Cold Storage Commission of Canada, speaking of the Annapolis and Cornwallis Valleys in Nova Scotia, is suggestive: "In years gone by there were attempts at union among the fruit growers; they all failed, partly for one reason and partly for another. One mistake was starting too elaborate a scheme. The ideal, of course, would be to have the whole Valley organized; practically, this was impossible at first. . . . Three years ago a few fruit growers united in the neighborhood of Berwick, about the center of the Valley. They devoted themselves to improving their product; made it a condition that the members should spray their fruit and should ship it all through the association. This improvement alone directed the attention of the speculators, and the extra quality of their fruit and the large quantity of it aggregated at one point, enabled this association—small though it was compared with the whole Valley—to command a high price for their apples. This led the next year and last year, to the formation of three other associations and to the strengthening of the original association. The results have been most satisfactory, and I believe that the problem is in a fair way of being solved." It would seem

probable that in Missouri the more desirable method of starting would be for small associations, possibly fostered by the Ozark, if the management of that association should so desire, to be formed with a few trained packers and fruit carefully graded into grades that will be maintained from year to year, if possible, as carefully as they are in the Northwest. This does not necessarily mean that all the grades should be put up in as expensive a manner so that fruit will have to be sold at as high a price. It does mean that the standard will be maintained as honestly so that the business value of a good reputation will be secured. And I believe that with as good methods, Missouri can grow fruit that is of finer quality, and of as good color and appearance as any in the Northwest, and a good percentage of any year's crop should be packed to go on to a fancy fruit market. I do not believe that this would reduce the amount of fruit sold in the common grades for the people that must have fruit at a reasonable price, because the better profits to be obtained from the well graded fruit will stimulate the growers to better methods and to heating their orchards. The result of this would be that the seventy per cent say that is not put into a fancy package would amount to much more than the entire crop under present methods.

If such an organization, or group of organizations, should be prosperous, and I certainly believe they would, it would seem that their influence would grow and that all the growers in the country surrounding would tend to come into the association and give their orchards all the care the results justify. Then as the prosperity of these sections becomes known, new growers coming into the state would tend to gather around these centers so that eventually the Missouri orchard industry would tend to become centered in the most favored sections. This, it seems to me, is much to be desired. As these initial organizations become prosperous, others in favored sections would be formed, and all should be fostered by one central marketing association with a sufficient number of trained packing foremen with uniform ideals who would see that the standard is the same for each section. As a man who is interested in seeing the Missouri fruit industry prosper and who is trying to be an Ozark fruit grower, I should like to see all of this work done under the Ozark Fruit Growers Association, so far as the Ozarks are concerned. I see no reason why such a compact association would not have the same influence in bringing in new growers; in bringing up in a more stable way the real estate values and general stability of the Ozark section that similar associations have had in the Norfolk and other co-operating districts.

New Plantings. Sections now being planted, should organize at the beginning and have some understanding as to varieties to plant.

This should secure a more reliable list of varieties. It should also make it easier to try out promising new varieties and get them on the market to a good advantage without anyone man's risking too much on them. It should also enable a section to try out the summer apple business.

Summer Apples. I believe (from experience of some growers in this state and a considerable number of them in Illinois and further east) that summer apple growing could well be encouraged, especially in extreme South Missouri. Yet it is to some extent a new industry here and it would therefore be somewhat hazardous for single individuals of limited means to grow enough for frequent carload shipments. Then summer apples are more perishable and if enough should come to be grown to supply the markets, there would be nearly the same danger from loss in glutted markets than there is with peaches and strawberries unless there is co-operation.

The Ingram Apple. On account of the late blooming which makes it less liable to frost injury, the Ingram apple should probably be planted the most extensively of any variety we now have in Missouri. Yet there is no variety of apple where co-operation to secure severely rigid grading is more needed. The trees tend to over-bear, and the apples to be small. Then under some conditions the color is poor and the skin harsh and disagreeable. Without co-operation, a large quantity of these culls would go on the market with apples that should go in better grades, especially on years like the past two or three when the market is good for any kind of apple. This would tend to injure the standing of the Ingram in the market. Yet when carefully culled it is an apple of good appearance and high quality. These combined with its unusually good keeping qualities should make it an excellent market apple when properly graded apples are offered in large enough quantities to impress the market. For the Ingram then to reach its proper place in the market, it must be severely graded and the standard adhered to every year regardless of the condition of the market. Further, enough of each grade must be offered under a single brand through a single agency to become well known in the markets.

Grapes. Some of the best fruit men in the state think good money could be made from table grapes. They are rather certain in cropping and seem to bring a good price at the season when South Missouri grapes would be ripe. Nevertheless they are not well tried out in this section, and it would hardly be advisable for one grower of limited means to test them for growing in sufficient quantities to ship in car lots. They can be tested safely only through co-operation in centers like we have in the strawberry business where each man grows only small quantities but enough men have them in small quanti-

ties that all together can ship in car lots. It is doubtful if grapes should be the only crop grown in any center in Missouri, but they could well be associated with peach, summer apple, and strawberry growing.

The St. Joseph Section. In the apple business, it seems to me there is no section where greater benefits would come from co-operation than in the region around St. Joseph. If there were an effective marketing organization there that required the growers to spray and give their orchards good care, I can see no reason why that should not become as important an apple section as any in the country.

Co-operation in Other Lines of Agriculture. This paper has dealt with the advantages of co-operation for the fruit grower. It should be said, however, that co-operation has been practically as successful in other lines of agriculture. In Denmark, co-operation has reached a high degree of perfection with bacon, dairy products and poultry. In nearly all of the European countries, co-operative dairying is in some sections meeting with marked success; the quality of the products sold being improved and the prices thus increased, while the cost of supplies, etc., by wholesale purchase is reduced. In the case of poultry, practically every benefit that applies to co-operation in fruit growing, also applies to the poultry business. Supplies can be bought cheaper; better prices can be secured for eggs and other poultry products through a careful system of grading and getting them to market rapidly. The cost of marketing can be reduced because poultry products are generally sold in quantities too small for single individuals to look after the entire marketing profitably. Further, the growers need the stimulus of association with each other to tide them over hard years as they do in the case of fruit growing. Mr. T. E. Quisenberry, Secretary of the State Poultry Board, is preparing a constitution and by-laws and getting ready information for sections that choose to co-operate with their poultry, following the example of one or two very successful poultry communities in this state. While the poultry industry seems to offer considerable in the way of profit, especially as a side-line to other phases of agriculture, I firmly believe that it can not hope to be built up to its greatest possibilities, especially in the Ozark section, without the stimulus of co-operation.

Acknowledgments. The conclusions in this paper are made up from letters received from 216 commission men, independent growers, members and managers of associations, and officials in this and other states and countries. I wish to express my obligations to every man who furnished information.

Following are samples of Constitutions and By-Laws and other documents from representative associations in this country:

CONSTITUTION AND BY-LAWS OF THE GRAND JUNCTION FRUIT GROWERS' ASSOCIATION.

I.

The name of the said association shall be the Grand Junction Fruit Growers' Association.

II.

The objects for which the said association is created are to buy and sell fruits, vegetables, hogs, meat, stock and all the products of Mesa county, both fresh and manufactured; to erect, operate and maintain canning and packing factories and commission houses; to manufacture any and all products of Mesa county; to lease, mortgage and sell said business, and to borrow money for carrying on the same, and to pledge their property and franchise for such purposes. To acquire by purchase or otherwise and own real estate, buildings, machinery and all the necessary power and power plants for carrying on said premises, and to lease, mortgage and sell the same.

III.

The term of existence of said association shall be twenty years.

IV.

The capital stock of the said association shall be twenty-five thousand dollars, divided into five thousand shares of five dollars each.

V.

The number of directors of said association shall be seven, and the names of those who shall manage the affairs of the association for the first year of its existence are C. W. Steele, A. A. Miller, J. W. Rose, R. W. Shropshire, J. H. Smith, P. A. Rice and A. B. Hoyt.

VI.

The principal office of said association shall be kept at Grand Junction in the said county, and the principal business of said association shall be carried on in said county of Mesa.

VII.

The stock of said association shall be non-assessable.

VIII.

The Directors shall have power to make such prudential By-Laws as they may deem proper for the management of the affairs of the association not inconsistent with the laws of this state, for the purpose of carrying on all kinds of business within the objects and purposes of the association.

BY-LAWS.**ARTICLE I.**

Section 1. The Board of Directors provided for in the articles of incorporation of this association, shall be elected annually at the regular Annual Meeting of the Stockholders as hereinafter provided, and shall hold their offices until their successors are elected and qualified.

Section 2. Said Directors shall be stockholders in said association and shall be fruit growers in Grand Valley and shall be residents of Mesa County, Colorado.

Section 3. Any vacancy occurring in the Board of Directors shall be filled by the remaining members of the Board.

ARTICLE II.

Section 1. The Board of Directors shall as soon as may be, after their election, elect a President and Vice-President from among their number, who shall hold their offices for one year, and at said meeting the said Board shall appoint a Secretary, Treasurer and Manager, who shall be subject to removal at any time.

Section 2. The Secretary, Treasurer and Manager, shall each when required by the Board, give bond in such sum and with such security as the Directors may require, conditioned on the faithful performance of their duties, and to turn over to their successors in office all books, papers, vouchers, money, funds and property of whatever kind or nature belonging to the Association, upon the expiration of their respective terms of office, or upon their being removed therefrom, or with such other conditions as may be proper.

Section 3. The President shall preside at all meetings of the Directors or stockholders. He shall sign as President all certificates of stock, and all other contracts and other instruments in writing, which may have been ordered by the Board of Directors.

Section 4. The Vice-President, shall in the absence of or disability of the President, perform his duties.

Section 5. The Manager shall have full charge of the commercial and shipping department of the association. He shall receive all money arising from the sale of fruit and other commodities handled by the association, and pay the same to the parties entitled thereto, and render a true account thereof; and he shall also be the Treasurer of this association and safely keep all money belonging to the association, and disburse the same under the direction of the Board of Directors, except as herein above set forth.

Section 6. The Secretary shall keep a record of the Proceedings of the Board of Directors and also of the meetings of the stockholders. He shall also keep a book of blank Certificates of Stock, fill up and countersign all certificates issued, and make the corresponding entries upon the marginal stub of each certificate issued. He shall keep a stock ledger in due form, showing the number of shares issued to and transferred by any stock-

holder and date of issuance and transfer. He shall have charge of the corporate seal and affix the same to all instruments requiring a seal. He shall keep in the manner prescribed by the Board of Directors, all accounts of the association with its stockholders, in books provided for such purpose. He shall discharge such other duties as pertain to his office, and as may be prescribed by the Board of Directors.

Section 7. These By-Laws may be amended by the Board of Directors at any special meeting thereof called for that purpose, a notice of such proposed amendment being given in the call for such special meeting.

ARTICLE III.

Section 1. The regular meetings of the Board of Directors shall be held at the office of the Company, on the first (1st) day of each month, except when the first day comes on Sunday or Legal Holiday, then on the following day.

Special meetings of the Board of Directors may be called by the President when he may deem it expedient or necessary, or by the Secretary upon the request of any three members of said Board.

Section 2. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but a less number may adjourn from day to day upon giving notice to absent members of the said Board, of such adjournment.

Section 3. The Board of Directors shall have power:

First. To call special meetings of the Stockholders whenever they deem it necessary, by publishing a notice of such meeting once a week for two weeks next preceding such meeting in some newspaper published in Grand Junction, Colorado.

Second. To appoint and remove at pleasure all employees and agents of the association, prescribe their duties, where the same have not been prescribed by the By-Laws of the association, fix their compensation and when they deem it necessary, to require security for the faithful performance of their respective duties.

Third. To make such rules and regulations not inconsistent with the laws of the State of Colorado, the Articles of Incorporation or the By-Laws of the association, for the guidance of the officers and the management of the affairs of the association.

Fourth. To incur such indebtedness as they may deem necessary for carrying out the objects and purposes of the association and to authorize the President and Secretary to make the note of the association, with which to raise money to pay such indebtedness.

Section 4. It shall be the duty of the Board of Directors:

First. To be caused to be kept a complete record of all their meetings and acts, and also the proceedings of the stockholders, present full statements at the regular annual meetings of the stockholders, showing in detail the assets and liabilities of the association, and the condition of its affairs in general.

Second. To supervise all the acts of the officers and employees, require the Secretary, Treasurer, and Manager to keep full and accurate books of accounts of their respective business.

ARTICLE IV.

Section 1. At the regular meeting in the Month of January of each year, the Directors shall declare such dividends upon the Capital Stock, to all the stockholders then appearing of record, as may be warranted by the net earnings of the association for the preceding year.

ARTICLE V.

Section 1. The Board of Directors, may whenever they shall deem it necessary, place on sale so much of the Capital Stock of the association as may be necessary to raise funds, for the purpose of carrying out the objects and purposes of the organization of the association, such stock to be sold only upon the following conditions:

First. That not more than three hundred (300) shares thereof be sold to any one person, firm or association of persons.

Second. That such stock be sold only to fruit growers in Grand Valley.

Third. That such stock be sold at not less than par value of five (5) dollars per share.

ARTICLE VI.

Section 1. The Annual Meeting of the Stockholders for the election of directors, shall be held on the third (3d) Saturday in January of each year, but if for any reason it should not be held on such day, it may then be held on any day subsequent thereto as hereinafter provided.

Section 2. The Board of Directors shall be elected by the stockholders at the Regular Annual Meeting. Public notice of the time and place of holding such annual meeting and election, shall be published not less than ten (10) days previous thereto, in some newspaper of general circulation printed in Grand Junction, and the said election shall be made by such of the stockholders as shall attend for that purpose, either in person or proxy, provided a majority of the outstanding stock is represented. If a majority of the outstanding stock shall not be represented such meeting may be adjourned by the stockholders present for a period not exceeding sixty (60) days. All elections shall be by ballot, and each stockholder shall be entitled to as many votes as he or she owns shares of stock in said association; provided however, that no person who is not himself a stockholder shall be allowed to represent by proxy any stockholder in the said association.

The persons receiving the greatest number of votes shall be the Directors for the ensuing year, and until their successors are elected and qualified.

ARTICLE VII.

Section 1. Certificates of Stock may be transferred at any time by the holders thereof, or by attorney in fact or legal representative. Such transfer shall be made by endorsement on the certificate of stock and surrender of the same; provided such transfer shall not be valid until the same shall have been noted in the proper form on the books of the association. The surrendered certificates shall be cancelled before a new certificate in lieu thereof shall be issued, and no transfer of any share of stock shall be valid or allowed upon the book of the association upon which any

deferred payments are due and unpaid, nor which has not been sold and transferred in accordance with the provisions of the By-Laws of the association.

Section 2. Any stockholder desiring to dispose of his stock in said association, shall deposit the same with the Secretary of the association, and the same shall be sold by the said Secretary at not less than par for account of such stockholder, within sixty (60) days from date of such deposit, under the restrictions of Section 1, Article 5, of these By-Laws; provided, that if the Secretary shall not have sold such stock at the expiration of sixty days, then such stock may be returned to such stockholder, and be disposed of by him, without restriction or limitation by the association.

ARTICLE VIII.

Section 1. All members of this association are required to market all their fruit through the association and bear their proportionate share of the expenses of handling the same.

Section 2. Any member may have the privilege of selling his own fruit at the orchard, but no sales of fruit shall be made to a dealer in fruit, or to any person who buys to ship outside the county. In case of the sale of the entire crop of any particular fruit or fruits, by reporting the same to the association, one-half ($\frac{1}{2}$) only of the regular commission will be charged.

Section 3. Any member having any grievance or cause of complaint as to treatment of his fruit by the association can appeal to the Board of Directors, whose decision shall be final.

Section 4. All members must pack their fruit for shipping in a neat and workman-like manner, and pack the same in standard sized packages, as adopted and in general use by the association, having placed thereon their name or number.

ARTICLE IX.

Section 1. A purchaser of stock in this, the Grand Junction Fruit Growers' Association, shall hereafter receive of the profits of the association, in proportion to the money he has invested.

CONSTITUTION AND BY-LAWS OF THE EASTERN SHORE OF VIRGINIA PRODUCE EXCHANGE.

ARTICLE 1. NAME—OBJECT.

Section 1. This association shall be known as the Eastern Shore of Virginia Produce Exchange.

Section 2. Its object shall be the buying, selling and handling of produce; the selling and consigning of produce as agent of the producer; the inspection of all produce so sold or consigned, and the owning or operating of storage warehouses and packing-houses for produce.

ARTICLE 2. OFFICERS.

The officers of this Exchange shall consist of a President, Vice-President, Secretary, Treasurer, General Manager, General Inspector, Assistant Secretary, Assistant Treasurer, Assistant General Manager, and a Board of Directors. There shall be also, Local Boards, Local Inspectors, and Local Agents.

ARTICLE 3. TERM OF OFFICE, ETC.

Section 1. The term of office, in all cases, shall be for one year, viz: from January 1st to December 31st unless the office be otherwise declared vacant; but the tenure of any officer shall continue until his successor has been duly elected, or appointed as hereinafter provided.

Section 2. One person may hold two offices, if elected thereto.

ARTICLE 4. DUTIES OF OFFICERS.

Section 1. The President shall call all meetings of the stockholders and the Board of Directors, and preside over the same. He shall exercise a general supervision of the affairs of the Exchange, and perform such other duties as may be imposed upon him by the Constitution and By-Laws.

Section 2. In the absence of the President, the Vice-President shall perform the duties of that office.

Section 3. The Secretary shall keep the minutes of all the proceedings, whether of the meetings of the stockholders, Board of Directors, or such other records as they may prescribe. He shall also conduct the correspondence of the Exchange.

Section 4. The Treasurer shall receive and be the custodian of all funds properly belonging to the Exchange. He shall pay all salaried officers, agents and employees, and all debts due by the Exchange, as directed by the Board of Directors. It shall be the duty of the Treasurer to receive daily from the Business Manager the reports from the Local Agents, and to preserve the same for future reference and to require from all commission merchants doing business with said Exchange a statement of all business transacted with them through the Exchange at such times as he may deem advisable. He shall keep the financial records of the Exchange in business order, and his books be at all times open for the inspection of its officers and stockholders. He shall report to the General Manager all buyers who, in his judgment, have not met their obligations, or to whom he thinks it inadvisable to extend further credit and then the General Manager shall not sell to said derelict buyer, or buyers, until the same have been satisfactorily adjusted, nor shall he sell to any party against the recommendation of the Treasurer. He shall give bond for an amount to be named by the Board of Directors.

Section 5. The General Manager shall manage all produce placed in the custody of the Exchange, whether for consignment, sale, or storage; and under the authority of the Board of Directors shall buy, sell, consign, or store any such produce. It shall also be his duty to advise Local Agents to whom to consign produce placed in the hands of the Exchange; to notify Local Agents every morning the prices at which goods from his station were sold on the day previous and to see that such information is disseminated among members of the Exchange at the various shipping points; and he shall also transmit daily reports from Local Agents to the Treasurer

in accordance with Section 4, Article 4. He shall at all times endeavor to see that goods are properly inspected, and when information reaches him of any delinquency in inspection on the part of any Local Inspectors, he shall at once, either personally or through the General Inspector, see that said delinquency is corrected. Said General Manager shall also keep a record of the total number of packages of goods shipped each day from each shipping point in books prepared for that purpose. And he shall report to each meeting of the Board of Directors each failure on the part of the Local Agents to report to him, or mail to the consignee daily invoice in accordance with Section 10, Article 4. He is hereby empowered and it shall be his duty, for good cause, to suspend any Local Agent, or Inspector, until the next meeting of the Board of Directors. And upon such suspension he shall notify in writing the Local Agent or Inspector so suspended of the grounds of his suspension and require him to appear before the Board of Directors at their next meeting to show cause why he should not be suspended from office. Upon any such suspension the General Manager is further empowered to appoint someone to fill the vacancy created by such suspension until such Agent or Inspector has been reinstated or his successor duly elected. And further he shall perform such other duties as may be imposed upon him by the Board of Directors.

Section 6. The General Inspector shall supervise and direct the Local Inspectors at each shipping point as to the method of inspecting, grading and packing all produce to be handled by the Exchange; and shall see that the standard shall be maintained as near uniform as may be, both as to grade and package; and shall report any delinquency or malfeasance in office on the part of any Local Inspector directly to the President. He shall further ascertain as far as possible all persons, whether manufacturers or purchasers of packages under the standard size and see that they are prosecuted for manufacturing, dealing in, purchasing, or using same. Said General Inspector shall visit each local point not less than once a month and at such other times and places as he may be directed by the General Manager. He shall also report regularly to the Board of Directors.

Section 7. The Board of Directors shall have the full management of the active business of the Exchange. They shall authorize the method of inspecting produce, and the choice of markets to which produce may be shipped. They shall fix the salaries of all officers, inspectors, agents, and employees. They shall have authority to remove any officer, or employee, for cause and shall fill any vacancy in such offices temporarily by appointment until filled by the stockholders, or Local Board, as the case may be.

Section 8. The duties of officers of Local Exchanges shall be as follows: Local Boards shall look after the interests of the Exchange in their particular neighborhood, use all their influence to induce growers of produce and land owners to take out stock in the Exchange and report to the superior officers of the Exchange any defects apparent to them in the management of the business of the Exchange.

Section 9. Each Local Agent shall report daily to the General Manager all shipments made by his station on that day, the names of parties shipping, the number of packages and to whom consigned, or sold; said reports to be made in such manner as the General Manager may prescribe. Local Agents shall receive the produce from its members and their tenants and mark same

with initials of grower on each package, after the same have been inspected, and branded, and notify the General Manager of the number and kind of packages which he has for disposition. The Local Agent shall, if the General Manager direct the produce to be consigned, mail to the consignee an invoice of the number of barrels, or packages, consigned, together with the names of the persons who have furnished the produce, their respective postoffice addresses and the number of packages each person has in the consignment, and the consignee shall make separate returns to each of such persons, after deducting three per cent (3%) for the Exchange, which three per cent (3%) the consignee shall send to the Treasurer of the Exchange with a full statement of the source from which it arises. Said Local Agent shall keep an accurate record of all produce received by him, the date on which it was received, the disposition made of same, whether sold or consigned, and if sold, at what price, and when the returns for said goods were received from the Secretary and Treasurer of the Exchange and when paid to the shipper; said records to be kept in a book to be furnished by the General Office and shall be open at all times to the shipper for his inspection, and further, the said Local Agent shall produce said book for the inspection, examination and verification by any individual sent out from the General Office. Said Local Agent shall deposit all funds received by him from the Exchange in some bank to his credit as Agent for said Exchange and shall immediately after receiving payment from the General Office pay the same over to the party entitled to same and enter the price and date of payment in the book above provided for. No Local Agent shall be permitted to buy for shipment, or sale, and satisfactory proof of said Agents' buying for shipment, or sale, shall be deemed sufficient cause for suspension, or removal.

Section 10. Local Inspectors shall be appointed by the Board of Directors and shall receive the produce from its members or their tenants, bringing the same to the Exchange for disposition, inspect, grade and brand it according to the directions received from the General Office. No Local Inspector shall be permitted to buy for shipment, or sale, and satisfactory proof of said Inspector's buying for shipment, or sale, shall be deemed sufficient cause for suspension, or removal.

ARTICLE 5. ELECTIONS AND APPOINTMENTS.

Section 1. The President, Vice-President, Secretary, Treasurer, General Manager, and General Inspector shall be elected annually at a regular meeting of the stockholders, and without reference to the shipping point to which they may be attached. The Assistant Secretary, Assistant Treasurer and Assistant General Manager shall be appointed by the Board of Directors. Each member of the Board of Directors shall be selected by the respective Local Exchange he may be chosen to represent; but said Local must be in good standing, its membership shall be twenty (20), or more, and shall represent not less than Two Hundred and Fifty Dollars (\$250.00), of the capital stock of the Exchange; provided, however, that this section shall not effect existing organizations with a membership of less than twenty (20).

Section 2. As to Local Agents and Local Boards. Local Agents shall be elected by the stockholders attached to the shipping points where they are to serve; and said stockholders shall also have the power to remove said

Agent for cause and to fill any vacancies so occasioned, but said Local Agents shall be subject to the approval of the Board of Directors of the Exchange, and said Board of Directors shall have the power to remove them, fill the vacancy temporarily and call at once for a new appointment by the local stockholders attached to that shipping point. Every stockholder shall register himself with the Secretary of the Exchange at his nearest shipping point; if he be not a shipper then at the point nearest his residence, unless he be a farm owner, in which case he shall register at the shipping point nearest his farm; if he be a non-resident and not an owner of farm land, then he shall be registered at the General Office and not be permitted to vote in the Local Divisions; but if he be a farm owner then at the point nearest his farm; provided, however, that this section shall not apply to Pungoteague and Craddockville Divisions as they at present exist. All stockholders from the various shipping points shall annually elect a Local Board of five (5) stockholders from among themselves for that shipping point, and when they so elect the Local Board they shall at the same time designate one member of the Local Board as a Director of the Exchange, the Board of Directors thus being composed of as many Directors as there are Local Boards.

Section 3. New Divisions, how organized. Whenever twenty (20) or more stockholders representing not less than Two Hundred and Fifty Dollars (\$250.00) of the stock of the Exchange shall desire to organize a new division, they shall first make application to the Board of Directors for permission to so organize a separate division and if the said Board of Directors shall give consent, then the said stockholders shall as soon thereafter as possible meet and organize by electing their Local Board of Directors and Agent, and designate one of the members of their Local Board to act as a member of the Board of Directors. The Secretary of said Local Division shall forthwith notify the General Office of the organization of said division, the name of member designated to act as a member of the Board of Directors and Agent; provided, however, the Board of Directors shall not give consent to the organization of a new division whenever in its judgment, some other organization or organizations will be reduced, by the withdrawal of members who will unite with the new division, to less than twenty (20) members representing at least Two Hundred and Fifty Dollars (\$250.00) worth of stock.

ARTICLE 6. MEETINGS.

Section 1. A regular meeting of the stockholders shall be called annually at such time and place as the President or Board of Directors may direct. The President may call a special meeting at any time after due notice has been given.

Section 2. Regular meetings of the Board of Directors shall be held quarterly at such time and place as may be designated by the President. He may also call special meetings of said Board whenever in his judgment, or that of a majority of the Board, it may be deemed necessary.

Section 3. Local Exchanges may fix their own times and places of meeting, except the annual meeting for the election of officers, which shall be at such time as the Board of Directors shall prescribe, but the representatives of each Local chosen to serve as a Director, must be certified to the Secretary of the Exchange within five days from the date of all such local meetings.

ARTICLE 7. FRANCHISES, ETC.

Each stockholder shall be entitled to one vote for each share of stock held; but no person shall be allowed to hold more than ten per centum of the whole number of outstanding shares.

ARTICLE 8. BRAND.

Section 1. One or more regular Brands shall be adopted by the Exchange for the marking of produce handled by it, and a copy-right, or copy-rights, obtained therefor.

Section 2. All packages for shipment through the Exchange, after being inspected and graded, shall be labeled Eastern Shore of Virginia Produce Exchange, and if No. 1 grade, or better, shall be further labeled with the "Red Star Brand"; but in no case is the "Red Star Brand" to be used unless the grade is No. 1, or better. The grading, filling and condition of package shall be considered by the Inspector in determining the proper grade, but in no event shall any package receive the "Red Star Brand" unless it be of standard size and well filled. After produce has been delivered to the Exchange, inspected and branded, under no circumstances shall it be withdrawn from the control of the Exchange. If any Agent shall report to the General Office for sale, or consignment, any produce without its having first been duly inspected and branded with the "Red Star Brand," if entitled thereto, then such act upon the part of said Agent shall be deemed sufficient cause for suspension and removal of said Agent. No produce shall be received, inspected, branded, or reported to the General Office of the Exchange for sale, or consignment, except it be grown or owned by a stockholder, or tenant of a stockholder, of the Exchange in good standing and the violation of this provision shall be deemed a good and sufficient ground for the suspension and removal of said Inspector or Agent.

ARTICLE 9.

All stockholders in the Exchange shall be compelled to ship through the Exchange, but shall be allowed to sell outside at an advance of not less than five per cent (5%) on the price they would receive from the Exchange; provided, however, that said goods have not been received, inspected, or branded. Any violation of the foregoing prohibition by a shipper shall deprive him of the rights and privileges of the Exchange.

ARTICLE 10.

All amendments or alterations to the Constitution and By-Laws shall be submitted in writing and lie over until the next meeting of the Board of Directors and shall require two-thirds (2-3) of the members present to adopt same.

**CONSTITUTION AND BY-LAWS OF THE HOOD RIVER APPLE
GROWERS' UNION.**

ARTICLE I.

The name, place of business, capital stock and purposes of this corporation are set forth in the Articles of Incorporation, which are referred to as part of these By-Laws.

ARTICLE II.

The membership of this corporation shall be confined to actual growers of fruit of Hood River Valley and vicinity.

ARTICLE III.

The Board of Directors shall consist of nine members, four of whom shall hold office for more than one year. They shall be elected annually and shall serve until their successors are elected and qualified. They shall qualify as directors within ten days after their election, and within ten days thereafter they shall elect from their number a President, Vice-President, and Secretary. They shall also choose a Treasurer, who shall be required to give bonds, with surety in such sum as they may deem ample. They may choose a bank as Treasurer without bonds. The annual meeting shall be held on the first Saturday in April in each year.

ARTICLE IV.

The Directors shall have the power to levy and collect assessments on the capital stock not to exceed fifty per centum of the stock subscribed at any one time, and not oftener than every sixty days; the same to become delinquent in thirty days from date of notice of such assessment in the local newspaper. The Directors shall sell shares of stock to actual fruit growers only.

ARTICLE V.

The Directors shall employ such agents or other employees as are necessary to do the business of the corporation, and shall fix their remuneration; provided that the Board of Directors shall receive no salary for acting as Directors. They shall have daily account sales rendered to the members of the Union each day, as received by them or their agent, giving a statement by whom sold, gross sales, commission, freight or express, and amount due members of the Union; also giving condition of fruit, if there be any complaint.

ARTICLE VI.

The Directors may refuse to receive for shipment, under the brand of the Union, any package of fruit not considered prime from any cause. They shall refuse to receive for shipment fruit from any person not holding stock.

ARTICLE VII.

This organization through its Board of Directors shall have the exclusive and unqualified power to market all apples grown by any of its members. A contract between each member and the Board will be required.

ARTICLE VIII.

The duties of the Secretary shall be to keep a record of the proceedings of the meetings of the stockholders and directors. He shall keep the corporate seal of the association and shall be the custodian of all deeds, articles of agreement and other valuable instruments of writing belonging to the association. He shall keep all books of the issuance and transfer of stock and shall countersign all certificates of stock and affix the seal of the Board of Directors and stockholders, and shall keep or cause to be kept, all books of account necessary to the transaction of the general business of the association. The Manager of the Union shall be placed on a flat salary.

ARTICLE IX.

The Board of Directors shall provide the necessary means for carrying out the purposes for which the association is formed, by reasonable charges and commissions for the service rendered by the association to its members and customers.

ARTICLE X.

The duties of the Treasurer shall be to receive all moneys due or paid to the association and deposit the same as the Directors may instruct; to pay out said funds upon the written order or check of the President, first Vice-President, or General Manager, when countersigned by the Secretary.

ARTICLE XI.

All notes or other evidence of indebtedness of the association shall be signed by the President and countersigned by the Secretary of the Board of Directors.

ARTICLE XII.

The President shall instruct the Secretary to call a meeting of the stockholders whenever in his judgment the necessities of the Union require it, by giving one week's notice through the local newspaper and send each a notice on a postal card.

ARTICLE XIII.

No Union label shall be placed on a box of fruit except by the Manager of the warehouse just before shipping.

ARTICLE XIV.

Each packer will be held responsible for his own work by a system of fines. No fruit will be received unless put up by a packer employed by the Union.

ARTICLE XV.

The Union will have no packing house foremen, except those employed by the Union.

ARTICLE XVI.

A majority of the stock subscribed, upon which all legal calls or assessments have been paid in full, shall constitute a quorum at any stockholders' meeting, and no vote shall be counted which is not represented by one share of the stock upon which all calls or assessments have been paid.

ARTICLE XVII.

These by-laws may be amended by vote of the majority of the stock upon which all calls or assessments have been paid, at any regular or called meeting, provided that notice to amend the by-laws shall have been given in the call for a special meeting.

ARTICLE XVIII.

Any member desiring to dissolve his connection with this corporation may do so by surrendering his stock to the secretary thereof or by transferring it to any member in good standing on the secretary's books.

ADVICE TO GROWERS.
MEMBERS OF THE HOOD RIVER APPLE GROWERS' UNION.

1. **The Union** will notify you by mail when a variety is to be picked. Upon receipt of such notice, pick, wipe and sort the apples, and get everything ready for packers, as follows: Packing house, boxes, paper, packing table, nailing machine, nails, etc. Notify the office or the field inspector when you are ready for packers. The field inspector will then call on you, and if in his judgment the job is ready for packers, he will arrange to put the packers at work; if not, he will advise you how to proceed.

2. **Picking.** If the weather is hot, pick during the cool part of the day. Do not allow pickers to pull off fruit spurs, nor bruise apples by dropping them into buckets or boxes. Apples should be placed in the baskets or boxes, and not dropped in, or poured in. The stems of the apples should not be broken off. Haul the apples from the orchard to the packing house daily; do not allow them to stand in the orchard in the sun.

3. **Wiping and Sorting.** Wipe the apples just enough to make them clean and get off the spray. Do not polish them. Sorting should be done when the apples are being wiped. In sorting keep the fancy grades in boxes to themselves, the choice grades by themselves and the culls separate. Put 4-tier apples and larger together, and 4½-tier and smaller together. Fancy Spitzenburgs should always be graded for color, 70 per cent. or more good red color. Keep the light Spitzenburgs separate from the red ones. Special advice will be given on other red varieties for color as sold.

4. **The Grower** will be held responsible for quality, and is required to do all the sorting. The packers will not be held responsible in any degree for the quality of the apples. It is the packer's business to pack apples and not to sort them. If the apples are not satisfactory for quality upon final inspection at our warehouse, they will be set aside, the grower notified, and a special arrangement effected between the grower and the manager

as to the disposition of the fruit. If it is decided to repack, the repacking will be done at the grower's individual expense. If the apples are to be shipped without repacking, they will be shipped in the next lower grade, or if too poor for the second grade, they will be shipped in the grade to which they properly belong. For instance, if packed for Fancy and rejected, they may be handled as Choice if good enough; if not, they will be consigned to a local market for what they will bring. The Grower will be held responsible for quality, the packer is responsible for the packing only.

5. The Packing House should be arranged to let in plenty of light and keep out the wind. Provide sufficient lamp light for late in the afternoon, as it gets dark early.

6. **Packing Tables.** Each grower should have one packing table, and more if needed.

7. **Paper.** Get plenty of paper early in the season. Paper for sale at the Union warehouse in town.

8. **Boxes.** Have a sufficient number of them on hand. Keep them clean. Do not pack fruit in dirty boxes. Buyers will not receive dirty boxes, and the Union will not accept them.

9. **Apples on Packing Table.** Growers are expected to keep the packing tables properly filled for packers.

10. **Piling Loose Boxes of Apples.** Do not fill the boxes too full of loose apples for piling in your warehouse, or the apples will be bruised by the next box placed on top. If boxes should be too full, either take some out or place cleats between the boxes. No box should be placed on top of a box of apples so full as to cause pressure upon the apples in the under box.

11. **Piling Packed Boxes of Apples Without Covers.** Keep the packed boxes out of the way of the packers, and do not under any circumstances allow the packers to pile a box of packed apples on top of a box already packed, and waiting for the cover. This will certainly bruise the apples, and may cause you loss when the pack is inspected at the Union warehouse. The Union can not accept apples which show bruises, no matter how caused.

12. **Piling and Loading.** After covers are nailed on, always pile boxes of apples on the sides, and load into wagons on the sides. Do not pile boxes of apples into wagons by standing them on the ends. This doubles the risk of bruising when hauling by increasing the weight on the apples in the under end, and settles the apples in the box, making an empty space in the top end, and the pack may be rejected for loose pack. Packers will not be held responsible for loose pack when the apples come to the warehouse loaded in this way. Always pile boxes of packed apples on the sides and load them into your wagons the same way.

13. **Grower's Number and Name.** Each grower is required to put his number on each box with a rubber stamp in the upper right hand corner of the end. Numbers will be supplied free by the Union. The State law requires the grower to put on his name and postoffice address with a rubber stamp. You can order these stamps of the Union or at a stationery store.

14. **Name of Variety and Number of Apples.** The grower will put on with a rubber stamp the name of the variety of apples in the center of the

box near the top, and the packer will put on with a rubber stamp the number of apples contained in the box, just above the name of the variety. Be sure and do this right. All stamping must be done on one end of the box.

15. **Hauling.** Haul on springs, and use a wagon cover to keep off the dust and rain. Pile the boxes on the sides. Haul as soon as packed. Don't keep them unless so advised.

16. **Nailing.** Use four nails on sides, four on tops and four on bottoms. The best nail is a 5-penny barbed or cement coated nail. Please do not use any other.

GRADING RULES.

Fancy Grade. This grade consists of perfect apples only. The apples must be free from worm holes, stings, scale, fungus, scab, rust, or any other disease, and free from all insect pests, decay or injury. They must be free from bruises and limb rubs, and the skin around the stem must not be broken. All apples must be clean, fully matured, not deformed and must have a healthy color. Spitzenburgs must have 70 per cent. or more of good red color. All red apples must be of good color.

Choice Grade. This grade consists of apples a little below Fancy, and includes such apples as are not perfect. These must be good apples, not culls. No apples with worm holes or broken skin will be accepted. Limb rubs must not be larger than a 10-cent piece. Only two stings will be allowed, and no sting is permitted where the skin of the apple is broken. No apples will be accepted with San Jose scale, dry rot, or which show an open or black bruise. Apples showing fungus will not be permitted where the spot is larger than one-half inch in diameter.

INSTRUCTIONS TO PACKERS.

1. Each packer, before beginning work, must have his name registered at the office of the Union and receive a rubber stamp free. He shall be required to stamp each box of packed apples at the lower left hand corner with his official stamp.

2. Every packer must put up a first-class pack.

3. When a box is packed the packer shall stamp with a rubber stamp upon the end of the box, in the center near the top, the exact number of apples the box contains.

4. Each box of apples must be packed with about a $\frac{3}{4}$ inch to 1 inch swell in middle of top and bottom combined, but no box should be packed so high that it will be necessary to cleat the box before nailing on the lid. A swell on the box, however, does not necessarily mean a tight pack; the apples must be tight from side to side, and from end to end. The Union wants a tight pack.

5. The packer will receive pay from the grower in cash, or a written order on the Apple Growers' Union, which will be cashed on presentation at the office.

6. Packers will be furnished meals by the grower, without charge, but must make necessary arrangements for bedding. The grower will furnish bed and mattress.

7. Packers are required to pack only apples properly wiped and sorted. If in your opinion the fruit should seem to be running poor grade for the pack you are putting up, notify the Field Inspector or the office at once.

8. Each packer must set off his box when packed. Do not set a box of packed apples on top of another box of packed apples which has no cover. This will bruise those in the under box. Be very careful about this.

9. Packers are paid by the hour, or by the day, based on ten hours per day.

10. The packers are all under the supervision of the Field Inspector, who may dismiss any packer for cause.

11. All packers must refrain from smoking on the premises of any grower against his wishes. Failure to do so will result in dismissal.

Special. The Union wants a tight pack of good apples. Don't jam the apples in and bruise them, but be sure to fill the boxes solid full in all directions, up and down, sideways and endways. Don't pack slack; pack full and tight.

Sizes. 4-tier apples include nothing smaller than 128 size.

144 size is special.

4½-tier includes 150 to 175 size.

5-tier includes 185 to 200 size.

ARTICLES OF AGREEMENT OF THE OZARK FRUIT GROWERS' ASSOCIATION.

First. That the name of the corporation shall be "Ozark Fruit Growers' Association."

Second. That the corporation shall be located in the city of Springfield, in Green County, Missouri.

Third. That the amount of capital stock shall be Two Thousand Dollars, divided into two thousand shares of the par value of one dollar each; that the same has been bona fide subscribed and _____ actually paid up in lawful money of the United States, and is in the custody of the persons hereinafter named, as the first board of directors.

Fourth. That the name, places of residence of the shareholders, and the number of shares subscribed by each are _____.

Fifth. That the board of directors shall consist of nine (9) shareholders, and the names of these agreed on for the first year are P. A. Rodgers, G. A. Atwood, Louis Erb, M. F. H. Smeltzer, T. C. Love, G. T. Lincoln, E. L. Beal, J. A. Taylor, H. T. Hartzog.

Sixth. That the corporation shall continue for a term of twenty-five years.

Seventh. That the corporation is formed for the following purposes:

To provide ways and means for the growers of fruit and other farm products in the states of Missouri, Arkansas, and other states and territories, to secure, by co-operation among themselves and with railroads and express companies, and by all other lawful means, the cheapest and best transportation services for their fruits and other farm products, and the proper distribution, marketing and sale of same.

BY-LAWS OF THE OZARK FRUIT GROWERS' ASSOCIATION.

1. Any person may become a member of the Ozark Fruit Growers' Association who will take stock in the association at the discretion of the directors.

2. The capital stock of this association shall be divided into shares of one dollar (\$1.00) each, said stock to be issued upon written application of subscribers.

3. All corporate powers of the association shall be exercised by a board of directors to consist of nine (9) stockholders, five (5) of whom shall constitute a quorum for the transaction of business, who shall be commercial fruit growers.

4. The officers of the association shall be a president, a first and second vice-president, a secretary and treasurer.

5. The board of directors shall be elected by a vote of the stockholders at the regular annual meeting of the association as follows:

Three directors whose terms of office shall expire in one year or at the next annual meeting of the association; three directors whose term of office shall expire in two years or at the following annual meeting of the association; and three directors whose term of office shall expire in three years at the succeeding annual meeting of the association, and until their successors are elected and qualified.

6. The officers of the association shall be elected by the board of directors at a regular meeting to be held in Springfield, Missouri, immediately following annual meeting of stockholders; said officers shall hold office for a term of one year or until their successors are elected and qualified.

7. There shall be an annual meeting of the stockholders of the association held in Springfield, Missouri, on the first Tuesday of January of each year, for the purpose of electing directors whose terms of office have expired, and to secure the reports of the officers of the association for the fiscal year preceding, and for the transaction of any other business that may be properly brought before them. A majority of the stockholders present shall constitute a quorum and a meeting of stockholders may be called at any time by the board of directors.

8. Regular meetings shall also be held on the second Tuesday in March, second Tuesday in June, and second Tuesday of September of each year, for the transaction of business other than the election of directors.

9. There shall be a meeting of the board of directors on the Monday preceding the annual stockholders' meetings, and at such other times as the president or any two (2) directors may deem best, for the purpose of examining the books and affairs of the association, and for any other business that may come before them.

10. In all stockholders' meetings of the association, each stockholder shall be entitled to one (1) vote for each share held or owned by him, either in person or by proxy, and all proxies shall be in writing.

11. In all elections or questions decided by the board of directors, each member present in person shall be entitled to one (1) vote, and a majority of the votes cast shall decide the question.

12. The board of directors shall employ such agents as may be necessary to carry out all the purposes for which the association was formed, and an employee may at any time be removed by said board for any cause deemed

sufficient by the board. The salaries of all officers and employees of the association shall be fixed by the board of directors.

13. The duties of the president shall be to execute the policy indicated by the board of directors; to have a general supervision of the business of the association; to call a meeting of the directors whenever he thinks it necessary; to preside at all meetings of the stockholders and directors; to sign all contracts, deeds, certificates of stock and other important agreements in writing not here specified.

14. The duty of the first vice-president shall be in the absence of the president to perform all the duties devolving upon the president.

15. The duties of the secretary shall be to keep a record of the proceedings of the meetings of the stockholders and directors. He shall keep the corporate seal of the association and shall be custodian of all deeds, articles of agreements and other valuable instruments of writing belonging to the association. He shall keep all books of the issuance and transfer of stock and shall countersign all certificates of stock and affix the seal of the board of directors and stockholders, and shall keep or cause to be kept, all books of accounts necessary to the transaction of the general business of the association.

16. The board of directors shall provide the necessary means for carrying out the purposes for which the association is formed by reasonable charges and commissions for the services rendered by the association to its members and customers.

17. The duties of the treasurer shall be to receive all moneys due or paid to the association and deposit the same as the directors may instruct; to pay out said funds upon the written order or check of the president, first vice-president or general manager, when countersigned by the secretary.

18. All notes or other evidences of indebtedness of the association shall be signed by the president and countersigned by the secretary of the board of directors.

19. The board of directors shall require a good and sufficient bond from all officers, agents and employees receiving, disbursing or handling the funds of the association, from some reliable indemnity company, to be approved by the board of directors.

20. The fiscal year of the association shall close on the 31st of December each year, and all annual statements shall cover the operation of the association from the beginning to close of said fiscal year.

21. The articles of agreement or the by-laws of the association may be amended at any regular meeting of the stockholders, but each amendment must have been first proposed at a previous regular meeting.

TERMS OF THE CONTRACT WITH SUB-ASSOCIATIONS.

This contract entered into this — day of —, 1908, between the Ozark Fruit Growers' Association, a body incorporated under the laws of the State of Missouri, party of the first part, and _____ party of the second part; Witnesseth that for the considerations hereinafter named, the party of the first part agrees to furnish party of the second part, daily during the marketing season, the condition of the markets, and so far as can be known, the daily movement of the strawberry crop; to prosecute all claims of the party of the second part that may arise against transportation companies, or refrigerator car companies for failure to discharge their

obligation in the transportation of icing of cars, and all other claims that may arise; to keep efficient men in the principal markets, for taking orders, for looking after cars when the same reach their destination; for adjusting difficulties that may arise between buyers and consignees and the said _____, and any other matters affecting the interest of party of the second part.

The Ozark Fruit Growers' Association further agrees to sell on track, so far as can be done, all car load shipments of strawberries for party of second part, but when not practical to sell, to consign the same to the most reliable commission firms known. For the above and all other services to be rendered by the Ozark Fruit Growers' Association for the party of the second part, the said _____ agrees to place the selling or consigning of its car lot shipments of strawberries under the direction of the Ozark Fruit Growers' Association, and to allow the said Ozark Fruit Growers' Association two per cent of the gross proceeds of all cars sold, or two per cent of the three per cent rebate usually allowed on car lot shipments by commission houses on the gross sales of all cars consigned, the remainder, or one per cent, to be remitted to the party of second part. It is further agreed that the _____ Association may sell its berries subject to the approval of the O. F. G. A. It is further agreed and understood that the party of the first part is the agent of the party of the second part.

(Signed): _____, President Ozark Fruit Growers' Assn.

_____, Secretary Ozark Fruit Growers' Assn.

(Signed): _____, President

_____, Secretary