

EFFICIENT MARKETING

OREGON COUNTRY LIFE

EDITED BY
J. F. LANGNER

BETTER FARMING

CALIFORNIA PRUNE
AND APRICOT ASSN.
HAS BIG SUCCESSProsperity Invades Ranks of
Growers Since Organizing in
1916 for Cooperative Marketing

[This is the first of a series of articles covering the history of the great California Cooperative Marketing association.]

By J. F. Langner

The California Prune and Apricot association, Inc., is a cooperative organization of 9300 prune and apricot growers who have signed standard market contracts under which their prunes and apricots will be sold to and through the association only for five years.

Under these contracts the growers have all given over to the association the exclusive right to sell their crops. The association receives grades, processes, packs and sells the prunes. It develops markets by advertising. It raises the standard of quality so that only the fine prunes are sold under the advertised brand name, "Sunwest." It devised a place for collective credit so that the growers of this association have been receiving bank advances on their crops at the lowest rate of interest ever granted to agricultural growers in the United States on ordinary crop accommodations.

ORGANIZED IN 1916

The association was organized in the fall of 1916. The community of San Jose, the center of the prune industry of California, was practically bankrupt. The merchants and banks complained. The farmers barely made a living. But the eight speculative packers who bought the prunes from the farmers early in the year made substantial profits, and practically all of their profits moved to San Francisco and the big money centers.

These speculative dealers had a habit of sending their buyers around to the prune orchards in February and March of each year—a time when it is absolutely impossible to forecast a crop with any degree of accuracy.

The buyers would scare the farmers with reports of huge crop promises and small demand all over the world. They would suggest that some growers were going to be stuck with their prunes. By the time they had finished talking with the growers the average price was willing to sell his crop at any price to be sure he sold it at all.

HAD NO STANDARD

It was rare that more than two buyers came into a section—rarer still that they quoted the same price. The grower had no one to advise him on the crop's potentiality or demand for prunes on domestic or foreign markets. The farmer's only standard was what his neighbor received. If he received a better price than his neighbor he felt pleased, even though both of them might have received three or four cents a pound less than the fair price for prunes.

Prior to organization on a normal crop the average price was approximately three cents per pound. Experts estimated the cost of production for the state at over 4 1/2 cents per pound.

The farmers realized that they must do something to change the system. They were bitter against the speculative dealer who profited out of their labor and investment, but they were more bitter at the system which kept them helpless.

LOCAL IS FAILURE

In the Santa Clara district, the heart of the prune growing section, the growers first organized a single local cooperative association. The shrewd speculator encouraged them in this organization, knowing that their plan was fundamentally wrong and they could break it at any time. When the Santa Clara growers had erected a very expensive plant and were prepared to market their prunes, the speculators bought up the prunes of the three other chief prune growing districts of California, threw them on the market, and broke the market price. So the local association could not and did not survive.

The prune growers thus learned that they had the wrong kind of cooperation—that locals could not succeed. They realized at last that there must be state-wide cooperation.

Even though prunes which were raised in large quantities in Oregon, Washington and Idaho were available to the speculators, the farmers knew that if they could get a substantial percentage of the prunes all over the state of California, they would have a larger unit of control than any two of the speculative packers, and would be ultimately able to dominate market values. Thus a big association was conceived as a single state-wide association with a firm long-time contract.

BEND IMPORTS PUREBRED SHEEP



Reading from left to right the above are J. W. Wright, W. C. Bergstrom, Prentiss Van Tassel, C. S. Hudson, president of First National bank of Bend; John Marsh, Dan Heising, Grover Gerking and R. A. Ward, the Bend bank's agricultural advisor, with \$800 purebred Rambouillet ram "Gillette." Seventy-four Rambouillet registered ewes and this fine buck will be used to improve the sheep blood of the Deschutes country.

for which they would have a larger unit of control than any two of the speculative packers, and would be ultimately able to dominate market values. Thus a big association was conceived as a single state-wide association with a firm long-time contract.

OVER 6000 MEMBERS

The association was formed. Over 6000 members were secured before May, 1917.

The directors elected as general manager H. G. Coykendall, unquestionably the greatest salesman of prunes and dried apricots in the whole world.

The general manager and his assistants began to find commercial connections, establish brokers and reach over to the great cooperative associations of Great Britain and the continent of Europe.

Within the first year the California Prune and Apricot Growers, Inc., had secured a fine average price for the grower and had made permanent success certain.

ASSOCIATION EXPANDS

Within three years the association has grown until in the year 1920 its contracts cover over 80 per cent of the prune acreage of California.

The prune industry has been stabilized. Every prune grower knows he will receive a fair price for his crop, with enough profit to encourage further production.

The quality of prunes sold to the consumer has been raised.

The association is now standardizing the package prunes.

The planted acreage indicates that by 1923 California alone will have a normal crop of about 300,000,000 pounds to 350,000,000 pounds, with a present world consumption of 110,000,000 pounds per year.

It has therefore launched an enormous advertising campaign, costing in 1919-20 \$220,000, for the purpose of increasing the demand for prunes. The entire 1919 crop has been sold. The association,

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APPROVES NON-PROFIT
PLAN OF COOPERATION
IN MARKETING WHEAT

By Joseph Passonneau
Director State Office Farm Marts, Washington
State College, Pullman

I have carefully studied the plan of organization and the contract form which is now being offered to the wheat growers of the Northwest as a means for the cooperative marketing of wheat. It is my belief that the plan is worthy of careful study and analysis by all wheat growers. The association agreement includes the principles of "pure" cooperation. It has no capital stock and provides that the business shall be done on the "non-profit" basis.

Like most of the contracts used by successful cooperative societies, it is binding upon the grower over a considerable number of years. This is considered by most authorities on cooperation to be necessary to insure success. In Denmark, the country which leads the world in successful cooperation among farmers, association contracts generally cover a period of about 14 years. Long time contracts cannot reasonably be regarded as a weakness; in fact, they are one of the guarantees necessary to successful cooperation. There are those, of course, who

would object to signing a contract for such a length of time, but I wish merely to indicate that this cannot be regarded as a weakness from the point of cooperative marketing.

District representation as provided in the association contract may reasonably be considered as being in keeping with the best principles of cooperative marketing. It is true that directors might be elected from a particular district, lacking the business understanding requisite in the conduct of a large cooperative business. It will, of course, rest with the members of each district themselves to elect a competent representative. Their judgment in this, together with the fact that the contract provides that all directors must be actively engaged in wheat growing, and that their wheat is pooled with that of other growers, is the chief guarantee against failure. It is my belief that the plan of organization is economically sound.

The growers should, themselves, decide whether or not they want a cooperative selling association. If such a method of marketing is desired, I do not believe I could suggest any changes which would improve the agreement contract being circulated by the organization committee of the proposed wheat growers' association.

I do not wish to be understood as urging wheat growers to join the Washington Wheat Growers' association, but I do not believe that any wheat grower should be dissuaded from entering the association.

Stock Show March 22
Eugene, March 6.—Directors of the Lane County Pure Bred Livestock as-

sociation set aside the week of March 22-27 for a series of meetings to be held in the county in the interests of pure bred livestock. O. M. Plummer of Portland is on the program for an address March 22 at the first session to be held at the Chamber of Commerce.

Breeders Organize

J. P. Doherty has just returned from Davis, Cal., where he organized the California-Nevada Aberdeen-Angus Breeders' association. Doherty is the Pacific Coast representative of the American Aberdeen-Angus Breeders' association, with offices in the Exchange building, North Portland.

Umatilla Farmers
Kill Many Rabbits

Umatilla.—The Jackrabbit will soon be a thing of the past if the present extermination crusade is followed up in the near future. The warfare is carried on by means of two definite plans. Extermination, under the auspices of the farm bureau, and wholesale murder carried on during the rabbit drives. Every Sunday witnesses a definitely outlined drive made by not only the farmers interested but also the inhabitants of all the towns in the eastern part of the county.



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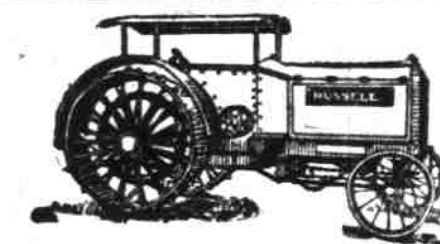
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