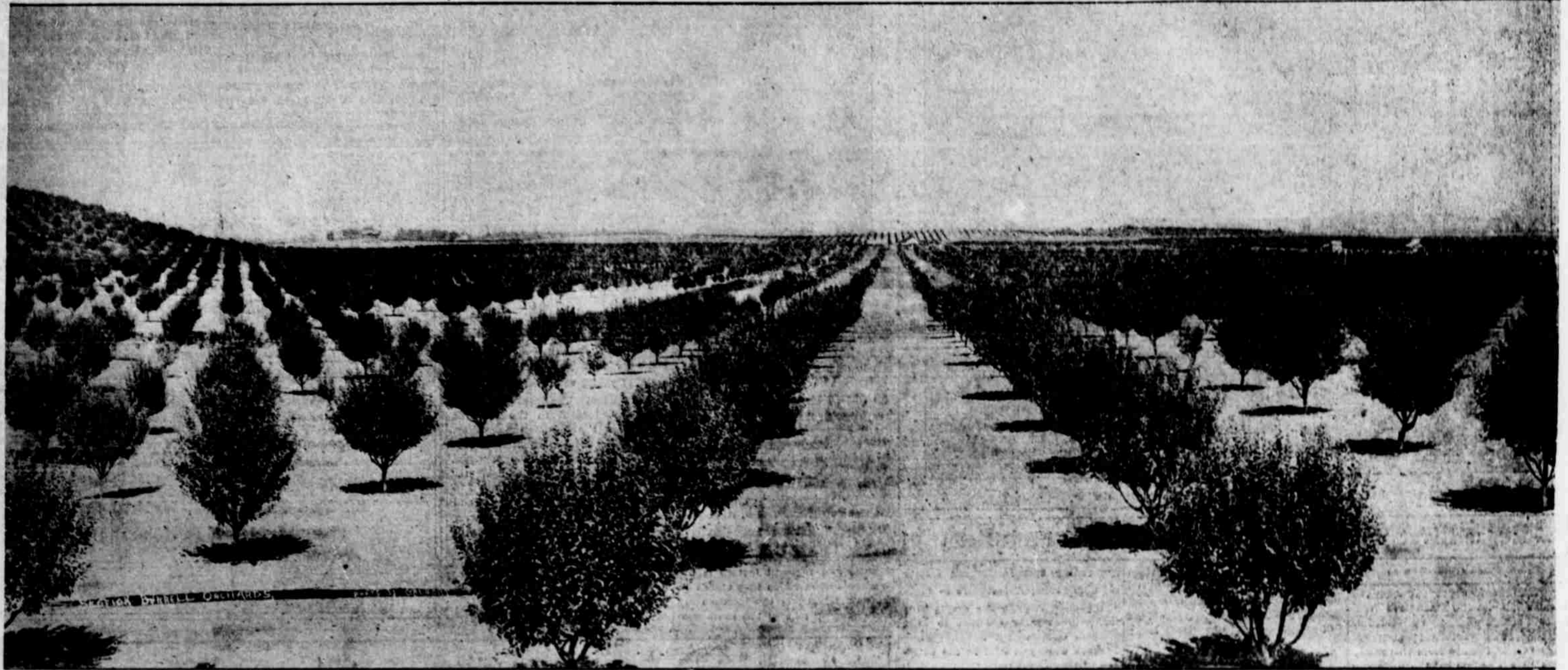


Solving the Fruit Marketing Problem for Valley



Glimpse of Young Orchards Just Coming Into Bearing in Medford District, Giving a Faint Idea of Extent of Orchard Area. There Are Hundreds of Scenes Similar to This.

Returns for the Year for Growers from Rogue River Fruit & Produce Assn.

(By S. V. Beckwith, Gen. Mgr.)
The Rogue River Fruit & Produce association is a stock corporation which was organized in February, 1910, under the laws of the state of Oregon, with a total authorized capital of \$50,000, divided into 5,000 shares of \$10 each. The present number of shareholders is 328, and the paid up capital is \$28,570.

The shareholders, with few exceptions, are orchardists located in the Rogue River Valley. The objects of this association are to furnish to its members all orchard supplies, of the best quality and at the cheapest cost, and to supervise, inspect and standardize the packing of the fruit grown by its members and to market the same.

The association owns and operates six warehouses, located respectively at Phoenix, Voorhies, Medford, Central Point and Davis, there being two warehouses in Medford. And in addition has completed this season at a cost of \$40,000, a cold storage plant in the city of Medford with a capacity of approximately fifty cars of cold storage, and fifty cars of dry storage. All of these warehouses are located either upon the Southern Pacific or the Pacific & Eastern railroads, and they are so distributed throughout the valley as to facilitate shipments from the various orchards whose fruit the association handles.

Fruit Shipments.

Up to December 23, 1913, there had been shipped from the valley, representing this season's crops, a total of 561 cars of apples and 435 cars of pears. This association has shipped 197 cars of apples and 151 cars of pears, a total of 348 cars, and we have still on hand approximately 17 cars of apples. We have distributed our fruit during the past season in various markets all over the United States and Canada and in England, Germany, Australia and South Africa. Our method of handling fruit is the pooling method, which, briefly, means that all fruit of the same variety, tier sizes and grade is placed in one pool and the proceeds received from such pool are distributed pro rata among the contributors thereto. This method was adopted by this association during the first year of its existence and has proven, without doubt, the fairest and altogether the most satisfactory way of producing for the grower the best average returns for his product. In fact it is the only method, in our opinion, which permits us to pursue our policy of absolute impartiality toward all of our growers. For instance, in one day during the past Bartlett season we sold three carloads of our Blue Triangle brand of Bartletts to three different customers, at prices ranging from \$1.80 to \$1.90 per box f. o. b. Medford. If we had been handling the fruit of each grower individually and not been pooling in accordance with our cus-

tom, we would have been presented with the unsolvable dilemma of having to choose the grower to whom we should allot the \$1.90 price, the \$1.85 price and the \$1.80 price. This fruit was all the same as to variety and quality and all three sales were at satisfactory prices.

We have up to date closed the Bartlett pool, the Howell pool and the D'Anjou pool. The Comice, Bose and Jonathan pools are ready for closing. We expect to close the Ben Davis pool in a few days and the Winter Nellis and Spitzenberg pools by the first of February. The Newtown pool will remain open for some time after that date for the reason that we have decided to hold in our cold storage plant here about 6,000 boxes of our Blue Triangle Newtowns which are in prime condition, in the belief that in spite of the present and past exceptionally good market prices for this brand of fruit, the market will improve materially during the first two or three months of 1914.

Our averages on the different fruits which we have sold to date, including the pools already closed, are as follows, f. o. b. Medford: These are averages upon all fruits sold and accounted for to date, irrespective of grade or size, in other words, in giving these figures we are not quoting the pool prices upon each tier and grade, but rather the average in each variety of all grades, including seconds, and in some instances third grade and special packs. It is only fair to say in this connection that the majority of our Spitzenbergs sold and paid for to date are second and third grade.

Pears.	
Bartlett	\$1.41
Howell	1.64
D'Anjou	2.01
Bose	1.84
Comice	2.21
Winter Nellis	2.35
Apples.	
Jonathans	\$1.18
Spitzenbergs	1.58
Newtowns	1.74
Ben Davis	1.90

We have, of course, sold individually some cars of all of the above varieties at distinctly higher prices than the above averages. We have, for instance, sold Blue Triangle Newtowns in carload lots as high as \$2.25 per box f. o. b. Medford. We have sold half boxes of Winter Nellis pears in carload lots as high as \$1.60 per box f. o. b. Medford. We have sold Blue Triangle Bartlett pears in carload lots as high as \$2.22½ f. o. b. Medford, and we have sold Blue Triangle Howell pears in carload lots as high as \$2.15 per box f. o. b. Medford. All of these are actual sales with goods delivered, accepted and paid for. It is not, however, these extreme prices which count in the end. They go to increase the average, and it is the average on all varieties and all grades and sizes which should be of most interest to every

This Orchard Produced \$2,461 an Acre in Pears



Photo of English Winter Nellis Pear Block Shown in Bloom.

From one acre of Winter Nellis Pear trees in "Midvale Orchard" situated two miles west of Medford on the Jacksonville road I picked and shipped through the Rogue River Fruit & Produce association 1322½ full boxes this season, of these 996 full boxes were extra fancy or "Blue Triangle Brand," 273 half boxes of extra fancy or "Blue Triangle Brand," and 199 boxes of seconds or jumble pack. The Winter Nellis pool not being closed, complete definite cash returns cannot be accurately given, but with only a small percentage of the crop left to make complete returns, same will net me \$2.96 for full boxes and \$1.56 for half boxes of the Blue Triangle Brand or a total of \$2,461.26 for my acre of Winter Nellis pears, with proceeds from the 199 boxes of jumble pack not included, as returns on these are not in as yet.

One tree packed out 35 full boxes, bringing net returns of \$75. After paying all expenses of cultivating, pruning, spraying, thinning, picking, packing, hauling, boxes and taxes, it leaves a net profit of over \$2000 for the acre of Winter Nellis pears.

Mr. John R. Norris is manager of "Midvale Orchard" and to him I attribute much of the success of this orchard for his careful and systematic work.

successful horticulturist in this valley.

In selling our fruit this year we have endeavored, in so far as the market condition permitted, to use f. o. b. sales, and we have succeeded in accomplishing this in a very large majority of cases. Only a small percentage of our crop has been sold on consignment and at auction, and with one notable exception our record prices have been obtained by private sale rather than at auction.

Cold Storage.

We are justly proud of the great work we have accomplished this season in the line of cold storage facilities. Our plant is well located upon the Southern Pacific railway, with suitable side track and only a short distance from the junction of the Pacific & Eastern railroad with the Southern Pacific. It is well and substantially built and scientifically arranged with a view to the greatest efficiency and economy of space, and is fully equipped with the best and most up-to-date refrigerat-

ing machinery. The land upon which it is built was purchased and paid for by this association several years ago, the building is fully paid for, and the use which we have made of it in both cold and dry storage of pears and apples, has produced an income sufficient to pay operating expenses, and all fixed charges, including interest on the bonds from the proceeds of the sale of which the funds were very largely provided to construct the building. The prices charged for storage have been extremely reasonable, being only about one-half of what was paid by the growers in this valley for cold storage last year, and the efficiency of the plant has been proven beyond a doubt. The plant was not completed and ready for operation until after the middle of August, which precluded our use of it to its full capacity during the Bartlett season. We did, however, hold in cold storage a few cars of our Bartlett pears, and it is a significant fact that the highest price we received this year

for any Blue Triangle Bartlett pears in carload lots was \$2.22½ f. o. b. Medford, which was for one of these cars of Bartlett pears, taken from our cold storage plant. This price was obtained at auction sale in New York City at the very close of the Bartlett season. It is needless to say that such prices would not have been paid at a competitive sale, in probably the most discriminating market in the world, unless the fruit had arrived in perfect condition.

The above instance emphasizes our firm belief in the necessity of cold storage facilities at point of distribution. The seller is thus enabled to wait for the right market, and when he finds it to know the condition of the goods he is selling. Another very great advantage in cold storage at this end is the possibility during our pear shipping season of a shortage in refrigerator cars. If this ever did happen it would, we believe, be nothing short of a calamity. For

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1913 Successful Year for New Co-operative Fruit Association

At a public meeting held in the city hall, Medford, on the 4th of January, 1913, the preliminary steps were taken which resulted in the organization of the Rogue River Co-operative Fruit Growers' association. At this meeting a number of the fruit growers present expressed their dissatisfaction with the prevailing marketing conditions, and gave as their opinion the belief that a new association, managed with the strictest economy so far as marketing conditions were concerned, which would eliminate pooling and get back to the old system of f. o. b. sales, would be the financial salvation of the orchard industry of the valley.

The co-operative plan of organization was preferred, rather than a joint stock company, because it would better safeguard the interests of the small growers. Each member of the association has one vote and no more, and the little grower and the big grower all have the same voice in its management.

Organization was perfected at a later meeting, at which time the following board of directors was elected:

J. A. Perry, D. W. Stone, J. G. Gore, M. A. Dickerson, W. H. Brown, H. A. Gray, Jr., S. A. Nye, B. E. Phipps, George Andrews.

The directors completed the organization by electing Mr. Perry as president, D. W. Stone, vice-president; S. A. Nye, secretary, and W. B. Jackson, treasurer.

In the selection of Mr. Perry as president and manager the association was particularly fortunate, as he is a broad gauge business man of the best type with many years' experience in the fruit business and widely known to the trade. He was manager of the Rogue River Fruit Growers' Union until that organization went out of business, and in that capacity succeeded in obtaining for the growers record prices for their fruit. He is a judge of fruit—knows how to grow it, how to pack it and how to sell it. In addition to his duties as president of the Co-operative association Mr. Perry is president of the Medford Commercial club and vice-president of the Medford National Bank.

In operating a business of this description warehouses and shipping facilities are an essential feature, and the Co-operative association has selected its sites for these structures with excellent judgment. In Medford the south half of the Iowa box factory block was secured by purchase at a cost of \$7500, which is generally regarded as considerably under the actual market value of the property. The ground space is 150x199, fronting on a paved street and with its own side track in the rear. The buildings consist of a frame structure 65x150, which gave ample space for the needs of the association this year, but will have to be enlarged in order to care for the increased

business which will come with another season. A warehouse 50x100' in size was erected on railroad land at Central Point, just off the main street of that city and in the best location the railroad had to offer. Other warehouses will be erected from time to time at different points in the valley, as the needs of the various sections demand, and it is probable that one and possibly two new warehouses will be constructed the coming season.

The association has handled forty-one cars of pears and sixty-four cars of apples this season, and has four or five cars of apples yet to ship, making a total for this year's business of about 110 cars. This is a larger business than was anticipated for the first year, and is really a remarkable showing in view of the fact that the Medford warehouse was not ready to handle fruit until after the first of August and the Central Point warehouse was not ready until the 15th of September, by which time all the early pears had been shipped in that neighborhood.

An Oregon Apple Cleaner and Grader was purchased for the Medford warehouse and successfully operated during the season, this, with the exception of one privately owned machine, being the only fruit grader used in any of the packing plants of the valley.

The advent of the new association has been of material advantage to orchardists in all parts of the valley, inasmuch as it has been and will be the policy of the association to handle supplies for the lowest possible margin. Lime and sulphur spray was sold to members of the association for 15 cents a gallon, a reduction of about 20 per cent in the cost as compared with previous years. A similar saving was made in arsenate of lead. Apple, pear and peach shuck were sold to growers in small quantities at the carload rate, making a saving of from half to three-quarters of a cent a box.

In the handling of fruit satisfactory prices have been obtained and the growers have had their money promptly. There has been no long wait for the closing of a pool, and for most of the Newtowns the association handled the growers got their money the same day their fruit was placed on the cars. The aim from the beginning has been, so far as was possible, to sell all fruit f. o. b. Medford, and perhaps 90 per cent of the crop has been handled in this manner.

To show prices obtained by the Co-operative Association for the growers this year the following are taken from the books. These are f. o. b. prices and no deduction has been made for packing, loading and the association's charge for handling. In the case of pears the charge for packing was 25 cents a box and 1½ cents a box for loading. The packing

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