

# Low Grade Fruit Removal From Markets Is Advised In Federal Subsidy Plan

During the 1937 season the Oregon-Washington-California Pear League carried on a diversion program representing growers and shippers of Oregon, Washington and California. The program was successful in developing new outlets for winter pears in both domestic and export markets. A subsidy of 80 cents per box was collected from the government on winter pears shipped to out-of-channel markets. Plans are now being developed to carry on a similar program for the coming season. Porter Taylor, chief general crops section, U. S. department of agriculture, has outlined his views for the coming season in a letter, written in response to a request from the president of the league asking for a clarification of the government's position in view of the confused condition existing the past season, due to large quantities of low grade winter pears being shipped to the eastern markets. Mr. Taylor's letter follows:

"Mr. Raymond Reter,  
"President, Oregon-Washington-California Pear League, Inc.,  
"Medford, Oregon.  
"Dear Ray:

"I have your letter of June 20, enclosing letters which you have received from various shippers interested in continuance of the winter pear program. These letters have been read with considerable interest because they indicate that the fundamental purpose of the program has been lost sight of by some of those interested. It also appears that there may be a feeling on the part of some that we are unreasonable in our insistence that effective action be taken by the industry to prevent a repetition of the low prices of the 1937 season.

"In accordance with your suggestion, I shall be very glad to summarize our views with regard to the purpose, accomplishments, mistakes, and possibilities of the program with the hope that it may prove of some service in reaching a common ground of understanding.

"The initial winter pear diversion program was prepared in 1936 as a method for developing new markets in portions of the United States and foreign countries where winter pears had not been sold at all or in only very small quantities. It was contended that such new markets at home and abroad were needed to utilize the steadily increasing supply of pears which was anticipated from new acreage. The program would further assure a larger American outlet in order to protect the industry from the danger of sudden loss of the European market which was utilized extensively for the major varieties except Bosc.

"As the program was developed in 1937 benefit payments were made through the pear league to its members on shipments of the major varieties of late pears sold into eighteen

states and a considerable number of foreign countries. Such payments on fruits which meets the required grade were made to assist the industry as a unit in developing these markets which no individual shipper was able to do because of competitive conditions. During the past season nearly 80,000 boxes of fruit have qualified under the program of which approximately one-half were sold in domestic markets and the other half in 12 foreign countries.

"The program during the past season has been quite successful in certain respects. Substantial volumes of fruit have been moved into several middle western cities, such as St. Louis and the Twin Cities, and to a number of foreign countries such as Brazil, Mexico, Panama, and the Dutch East Indies. The volume placed in these areas should be large enough to develop a real knowledge of this fruit by consumers.

"However, the splendid start made during the early part of the marketing season in domestic markets was largely lost during the winter months. Prices in the important markets, such as New York and Chicago, dropped to levels which did not pay the cost of harvesting, packing, storage and transportation, even on the best quality of fruit. Levels which would permit some return to growers for production costs were only restored after the purchase of 102,000 boxes of pears at terminal markets and shipping points by the Federal Surplus Commodities corporation.

"There appears to be general agreement that these low prices were due to the large volume of fruit offered and especially the high percentage of 'unclassified Anjous' in the larger markets.

"As a result of the disturbed situation in the normal market, especially the auctions, sales in the diversion markets practically ceased. The demand which had been created by the earlier sales and the promotional work carried on by the pear bureau was largely lost because the distributing trade was unwilling to handle fruit for which the market value was so uncertain. Thus the whole program of development of the diversion markets for which only good quality fruit was eligible, was largely nullified by the failure of the industry to properly protect values in the normal market. For this reason, the funds made available through the program were not utilized effectively and only partially achieved the development of new markets.

"Analyses of auction sales records at New York are believed to be indicative of the situation in the normal markets. The average returns to Oregon and Washington growers have been determined after making deductions for packing, storage, transportation, and marketing but not for production, harvesting, and hauling. Certain results of this analysis are given below.

Grades	Boxes	D'Anjou		Percentage by Grades	
		Returns to Growers	Per Box	Boxes Sold	Returns
Extra Fancy	249,821	\$117,415.87	\$47	44	82
Fancy	184,408	66,230.96	37	32	36
Unclassified	135,180	4,954.80	.38	24	2
<b>Total</b>	<b>569,389</b>	<b>\$189,701.63</b>	<b>\$33</b>	<b>100</b>	<b>100</b>

"The average return to growers from all grades was 33 cents per box. The average return from the extra fancy and fancy grades was 43 cents per box. Through the shipment of 135,180 boxes of the unclassified grade, total net returns to growers were increased by \$4,054.80 or 3 cents per box of unclassified, and seven-tenths of one cent per box of all grades.

"A similar analysis of auction sales of Bosc pears at New York shows the following results.

Grades	Boxes	Bosc		Percentage by Grades	
		Returns to Growers	Per Box	Boxes Sold	Returns
U. S. 1	214,882	\$85,932.80	\$40	69	94.7
Extra Fancy	43,612	5,239.44	12	14	8.8
Fancy	37,224	1,116.72	.30	12	1.2
Unclassified	12,235	-1,223.50	-.10	4	-1.3
U. S. 11	2,468	-967.20	-.39	1	-4.4
<b>Total</b>	<b>310,401</b>	<b>\$89,712.26</b>	<b>\$29</b>	<b>100</b>	<b>100.0</b>

"Bosc sales of all grades netted growers \$90,712.26 or \$29 per box. If U. S. No. 2 and unclassified fruit had not been shipped the total returns would have been increased to \$92,302.96, or \$31 per box.

"The results of the above analyses indicate that growers received only 33 cents per box for all grades of Anjou pears and 29 cents per box for Bosc pears sold at the New York auction. Such a return is not sufficient to cover costs of production, harvesting, and delivering to the packing house. Unclassified Anjou totaled 135,000 boxes or nearly one-fourth of the total offerings at New York throughout the season and over 42 percent up to January 1. During certain weeks when winter pear sales were large in volume, the 'unclassified grade' exceeded one-half of the sales of Anjous, and in one week, two-thirds.

"The importance of eliminating low grade fruit is apparent when we realize the small returns received from such grades, as well as the effect of such heavy offerings on the price at which the balance of the fruit is sold. The analyses do not include any estimate of a higher return for the better grades which would undoubtedly have resulted from a smaller volume of fruit offered for sale if the large proportion of lower grades had been eliminated.

"In view of the seriousness of the situation outlined above and its effect upon the entire diversion program, we cannot recommend to the secretary that the program be continued unless the factors which have interfered with its successful operation during the past season are corrected during the coming year.

"There is general agreement that the most important cause is the shipment of the Unclassified grade. Next in importance are the other lower grades which netted very small returns or actual losses last season. The primary consideration should be the movement of such fruit during the coming season.

"Stable market conditions can be achieved only by taking steps which will require all shippers, whether members of the pear bureau or not, to abide by the same uniform restrictions. Such restrictions must be effectively enforced so as to fully protect those who comply and are responsible for the better marketing conditions which should result.

"4. The industry is now required by the Export Apple and Pear Act to limit its export shipments to fruit which will be equal to or better than the U. S. No. 2 grade, regardless of the grade term applied to the box. Would it not be feasible to extend this provision to domestic as well as export sales and thus establish a uniform minimum grade for all sales and packing house operations?

"5. The suggestion has been made that the necessary restriction can be achieved through modifications of existing grades and particularly by the addition of a new grade below fancy. In view of the low returns received for all grades except the best quality fruit, there seems to be little reason to expect that a new grade below fancy will result in improved returns. In addition the wide variation in grade terms, specifications, and interpretations in the three states would make it difficult to harmonize on a uniform basis. However, we will be glad to receive any specific suggestions as to the details of such a plan, providing it will be certain to control the shipment of low grade pears.

"6. We are at a loss to understand the unfavorable attitude expressed in some instances toward the use of a marketing agreement for winter pears. Existing agreements containing similar provisions are in operation for other commodities and have operated successfully over a period of years.

"Regulations established under such an agreement would be in accordance with the provisions of the agreement and order. Recommendations for regulations would be made by a committee of growers and shippers who can be assumed to be qualified to know the practical requirements which would need to be met as the marketing period progressed.

"One provision which should be included would be a restriction of all interstate shipments to grades which would meet the U. S. No. 2 grade now in effect on exports. A provision of this type should be in effect in all years of abundant supplies, but might be waived during seasons of short crops. The elimination of grades below U. S. No. 2 specifications would reduce losses to growers through red ink sales. It would also indirectly increase prices as the total volume offered for sale is reduced.

"Additional benefits might be achieved by authorizing the committee to recommend restrictions on all or a portion of the fruit of U. S. No. 2 quality. If deemed advisable the agreement might specifically state that there should be no regulation of fruit of U. S. No. 1 quality except as to certain undesirable sizes. Experience has shown that flexible regulation is most desirable and effective as it is difficult to predict in advance the exact situation which may need to be met under all circumstances.

"We in the administration are not interested in the provision of any particular grades or their individual specifications. However, we are vitally interested in whether the pear producer receives a reasonable return for his fruit, and whether wider markets are being developed to absorb the steadily increasing volume of production.

"On the other hand we cannot recommend the expenditure of public funds for the continuance of the diversion program unless there is a reasonable assurance that the program will achieve sufficient results to justify this expenditure. We feel

that this was not true last season and that it is not likely to be the case this season unless steps are taken to correct the errors of last season.

"We hope that the entire pear industry, and especially the growers, will recognize the fundamental steps which must be taken if grower returns are to be increased and the risk of low prices and losses actually reduced or eliminated. If proper plans are made to achieve this purpose, then we believe that the diversion program can be of material assistance in broadening both domestic and foreign outlets and will result in a lasting benefit to the whole industry.

"As you indicate in your letter, the time to develop a program is getting short. We are ready to move promptly as soon as the industry reaches a decision in this matter.

"Yours very truly,  
"Signed P. B. TAYLOR,  
"Chief, General Crops Section,  
"Washington, D. C.  
"July 2, 1938."

"Members of Crater Lake Aerie, Fraternal Order of Eagles will journey to Grants Pass Wednesday evening to deliver to the aerie there the silver eagle that was put up as a trophy at the recent state convention in Klamath Falls. The trophy is to be passed from one aerie of the state to another until all the units have received it. Medford aerie received it last week from Ashland.

"The trophy will become the permanent possession of the aerie conferring the most man-likes in transferring it from one aerie to another. For this reason A. H. Banwell, aerie president here, requested as many members as possible to make the trip to Grants Pass. Members are to assemble at the armory at 7 p. m. for the drive to Grants Pass.

"The local aerie will hold another of its summer series of public dances at Dreamland Thursday evening from 9 to 1 following the regular weekly lodge meeting at 8 in the armory. Dyngo's Eagle orchestra will play for dancing. John Hyde is dance chairman.

"Sentence After Sentence  
WOODSTOCK, N. B.—(UP)—"Thirty days," sighed the judge, when Harry Thornton, a local character, appeared in court for the fourth time in four months. Thornton has spent only four days freedom between jail sentences for drunkenness.

"Oysters Get Care  
MIAMI, Fla. (UP)—Fifty thousand dollars will be spent this year in rehabilitating the oyster industry in Biscayne Bay and along the keys near by. Employment will be given to 100 men for a 12-month period.

"Great Grandfather at 76  
BULAWAYO (UP)—W. P. Valentine, of Gatooma, is believed to be the youngest great-grandfather in South Africa. He is only 76, but his granddaughter is the mother of a son.

## EAGLES GOING TO G. P. WEDNESDAY

Special for This Week

### FREE Hot Oil Shampoo

with each paid Finger Wave

MILDRED DURRELL  
is now taking appointments here

Wineland Beauty Shop  
In Jackson Hotel Barber Shop  
Phone 1018

## IS HE A PITCHER—OR A TOSSER?

Beck's Bread Should Be His Principle Energy Food!

YOU CAN HELP your child strike 'em out if you see that he gets his daily quota of Beck's bread. For Beck's bread supplies the energy it takes to run a strong, active body. It maintains this energy between meals. And children love it.

And during the fifteen years, between the ages of three and eighteen, a boy's muscles increase over 400% in weight. A FOURTH of this can come from bread.

Beck's bread is more nearly well-balanced in protein and carbohydrates than any other single food a child can eat. Its carbohydrates provide the needed ENERGY to bring him across home plate . . . proteins furnish the important things to GROW on . . . and in addition Beck's bread contributes to his mineral needs.

What's more, Beck's bread is easily digested by children. No other common food except sugar is MORE QUICKLY digested. No part of Beck's bread remains to upset or strain the digestive system.

There is no BETTER or CHEAPER way than through Beck's bread of giving growing children the things their bodies need in greatest amount: a good source of food energy and muscle-building protein.

## ODD BUT TRUE BY WALKER

### A MILE IN TOWN IS LONGER THAN A MILE IN THE COUNTRY

## In STOP and GO, a mile S-T-R-E-T-C-H-E-S

In low and second, your engine makes up to 3 times as many revolutions as in high—uses 3 times as much gasoline

STOP-AND-GO driving fools your speedometer—while your car is going a mile, your engine may go the equivalent of two.

The number of extra revolutions your engine makes depends on how many times you stop and start—how much of your driving is in low and second gears.

You can't avoid stop-and-go driving, but you can do something about its high cost.

Shell engineers found that getting away from a traffic stop can waste enough "undigested" gasoline to carry you 1/3 of a mile.

To cut this costly waste, they rearranged the chemical structure of gasoline. They make every drop of Super-Shell "motor digestible"—every drop usable in stop-and-go driving.

There is a Shell dealer near you. Use Super-Shell regularly and your savings count up.

# SUPER-SHELL

SAVES ON STOP AND GO

## Beck's TRIPLE "T" and DE LUXE BREAD