CALIFORNIA RAISIN GROWERS SET EXAMPLE

One of Louisville's Many Warehouses

the game all along the line, we must change from the bottom up. We want to stop playing the game of the other fellow. Instead of an industry in the hands of the men who own the packing plants, we want to put it in control of the men who own the land, who have everything in the production of raisins.

The First Contract.

They drew up a form of five-year contracts under which it was agreed that these would be signed only by growers. Under this contract the grower agreed to deliver to the association the total of his crop, all the raisins he produced, for a term of five years. Then the association would take all the raisins and grade them. It would first separate them into three types—seedless, seeded and cluster. Then it would separate them by grades within those types. Then it would sell all the raisins—would pack some in fifty-pound boxes, pack some in twenty-five-pound boxes, some in small cartons, some in large cartons. They might put them out under different brands and labels and sell them all; they would give the same return to each grower, depending on the amount he put into any pool, of any particular type and any particular variety. Then the association would deduct what it estimated was the cost of doing business, advertising and so on, and limit the dividends on stock to 8 per cent.

They signed all the contracts contingent on signing up 75 per cent of the entire raisin acreage of the State of California. That represented 75 per cent of the entire raisin acreage of the United States. In short, these growers unconsciously hit on the idea that you must have commodity control in order to have a merchandising outlook. They hit as growers on the idea that John D. Rockefeller and other leaders of industry in the United States have agreed is fundamental, a thing the growers were practically blind to until the raisin growers first discovered it. They discovered it consciously in 1911.

When they started in some of the growers threw up their hands and said they wouldn't think of such a thing. "Do you think I will give up my individuality?" they would say. Like Kentucky, California has been developed from good-thinking and good-standing people. The early Cal...

...other man's raisins without putting it on themselves.

The first thing these directors had to do was to perfect financial conditions. By that time $1,000,000 had been subscribed. Three hundred thousand dollars, or a fraction over, was subscribed by the banks and merchants and the friends of the movement. That was in cash. Almost $700,000 was subscribed by the growers—that was chiefly in notes because they didn't have the money. But they discounted on this arrangement and got all the money they needed to put up their initial plant, and before the first of the year was over they had a group of plants running, and packing their own raisins.

When these directors first met they said, "We fellows are pretty important growers, but as growers we are absolutely ignorant of marketing problems. We are not fit to do the selling. That is not our game. We haven't the connections. We must get managers, experts, who can do this thing." They found the man most generally recommended as general manager was James Madison of San Francisco and Fresno. They got hold of Madison, talked business with him and said they would like to get him in as general manager. He was highly recommended not only by the growers but by the bankers. Madison said yes. They said, "We want, of course, to pay you a fair salary; it is a big job you will have to take care of, at least three-fourths of the raisin industry." Madison said, "I am listening."

They said, "Let's get together."

Madison told them he was directly interested, and if there was any chance of serving the growers without actually depreciating himself he would be happy to do it.

Plans of Management.

Finally they hit upon an arrangement of paying him $17,500 as general manager plus a bonus, and for the five years in which he served as general manager the annual bonus added to the salary amounted to from $22,500 to $25,000. It was worth every penny, and perhaps a great deal more. Madison went down and took immediate charge of the whole business. But Madison was no business fool. He realized that he didn't know everything in the world. The best ...

...

and show the bakers how to make raisin bread. They would go into the bakeries and tell them, "Here is what you want to do. Take a half cent's worth of raisins and cook it in a loaf of bread and then charge an extra cent for that loaf of bread, and tell the mother she should pay that 6 cents ...

The University of California is the largest in the United States. We have several universities in the State. The State is not a very large State in population. We used to wonder how that happened, because we knew the University of California is not equal to several others in this coun- ...

...ment is just like a religion. It has changed the viewpoint of the valley entirely.

That raisin story is as interesting a tale of merchandising as any that the Standard Oil Company, or any other company you ever knew in your life, ever accomplished. It was not done ...

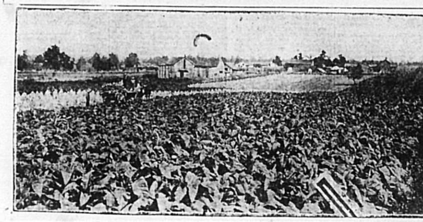
...point. They had to have stores, had to have capital, had to let everybody buy, had to have patronage, dividends and all that sort of thing. It was a normal and right development for a consumer's movement. Then it began to go into manufacturing. This society has developed, and instead of buying everything now, it tries to manufac- ...

...per cent of all the berry growers in Central California in one association; ninety-two per cent of the almond growers in one association; eighty-eight per cent of the raisin growers; eighty-three per cent of the apricot growers; eighty per cent of the prune growers; over seventy-five per cent of the walnut growers; over eighty ...

...growers in Central California have still a monument of over a half million dollars in a big packing plant—they lost it in one year because they organized locally. You pass it every time you go from San Francisco to the present headquarters of the prune industry. It was the best thing that ever happened to the growers—for it kicked them into the commodity ...

MOST PERMANENT ORGANIZATION IS URGED

Typical Field In Burley Belt



..."I have had enough of you. I am going to take a chance for five years with the other fellows." That went all over the State. They began to realize that it was a question of tying themselves up with an association for a fixed period, or tying up with the speculator for life.

The Basis of Organization.

As I say, we go still further: we ...

...to buy, which then it sells. It needs capital and needs dividends. There is the big distinction.

Nonprofit-Sharing.

So your co-operative marketing association should be nonprofit, absolutely. The association makes agreements directly with the growers. They are either agency arrangements or sale and resale arrangements. The ...

...

MERCHANT TAILOR
Dry Cleaning Pressing
Repairing
Electric Dry Cleaning Agency

BEAVER

Mrs. Carl Green and three children, Della, Ada and Reynolds, Miss Mattie Jones and Mrs. B. Ritchie spent Monday with Mrs. H. D. Gaunce.

Mr. and Mrs. Fryman spent one day the past week with Mr. and Mrs. W. T. Jones.

FARNEY'S CASH GROCERY
EAST MAIN STREET

matter is helpful to your business. We are ready at all times to give you the benefit of our experience.

RATLIFF BROS. CO., INC.
Exclusive Representative of the National Builders Bureau

On account of a wreck on the main line of the L. & N. near Falmouth Sunday night, in which thirteen cars of a freight train were derailed, all passenger trains between Paris and Cincinnati were routed through Carlisle Monday, going by way of Maysville.

...last Tuesday. It being the last meeting of the society at which Mrs. Bolton will be present, the meeting was held in her honor.

—Mrs. Mike Roberts and daughter, Mrs. G. T. Cowan, entertained last Friday evening with an elegant six o'clock dinner at the home of Mrs. ...

...Mt. Olivet, Messrs Duke W. Young, Frank Scott, Otho Gaffin, Negman Efforn, Howard Mastin, Everett Smith, Marshall Ruddell, Robert Smathers, Joe Frank Conley, Paul Bryson, Walter Feeback, Joe Simons, Clifton Rogers, of Mt. Olivet, and Raymond Wilson, of Paris.

...utilizes a fruit which is now being allowed to go to waste to the extent of hundreds of thousands of tons a year, it is to be expected and hoped, says the June Popular Mechanics Magazine, that the method will come into wide general use within the near future.

...ty of thanking them individually.
5-26-1t Joe Scott

NOTICE

The Wright school house will be sold on the school ground at 2 o'clock Saturday afternoon, May 28.
26-1 Nicholas Co. Board Education

Vegetable
Liver Medicine

ORANGEADE 11c
BLAIR & DONNELL Confectionery
"WHERE FRIENDS MEET"