

TEAMWORK BETWEEN THE FARMER AND HIS AGENT.

By C. E. BASSETT,

Specialist in Cooperative Organization, Bureau of Markets.

IT IS doubtful whether any class of men offering service to the farmers has been as generally and as severely condemned as has the commission merchant—the middleman—who accepts the surplus products of the farm on consignment and sells for a commission charge. While many striking cases have proved that, too often, there have been betrayals of trust on the part of city dealers to whom farm products have been consigned, it is doubtful if it can be demonstrated that all the shortcomings of the commission business as now conducted are the fault of the commission merchant.

In commission transactions the farmer who makes the shipment is the principal and the commission merchant is his agent in an implied contract based upon the ordinary charges and practices of the commission business. In all contracts each party has certain rights and certain duties, and, unless one of the parties performs all of his duties he has no right to blame the other party for a failure to secure the best results. The failure on the part of both parties to post themselves as to their respective duties leads to most of the trouble in this regard.

CHOOSE FOR SHIPMENT PRODUCTS THAT WILL SHIP.

In his early farming experience the writer made frequent use of commission merchants as a medium for marketing farm products which could not be disposed of to local buyers. Many of these consignment deals were very disappointing, and it was easy to drop into the ranks of those who condemn before they investigate.

Among the varieties of berries produced on our farm were a few that were of such attractive appearance and appetizing flavor that it was natural to believe that shipment of

such fruit to the city market ought to be profitable. Imagine our surprise and indignation when our first shipments of these home-tested and approved varieties brought us small returns. Moreover, we were told on the account of sales that such berries were "undesirable," and "soft and leaking."

The feeling that the transaction was not a fair one led to an investigation. Another fine shipment was made and the consignor arranged to be present, though unknown, when the sale was made. He was able to identify his shipment in the city market by the stencil number on each crate, but was astonished to learn that, however fine these berries might be when eaten fresh from the field, they were so soft and tender, that they could not reach the market in attractive condition under the rough handling of quick transportation. The lesson was to grow varieties that not only were good, but that would carry. The fault in this case was our own, rather than that of the salesman, and what he saw on the city market opened the eyes of the writer to the other side of this method of marketing.

HOME MARKET VS. CITY MARKET.

Farmers generally believe that it is best to sell at home when a fair price can be obtained, and they draw that conclusion because they compare home sales with returns received for shipments made on consignment. However sound the policy may be to sell at home when a fair price can be secured, no two plans of marketing are fairly compared unless they are practiced upon exactly the same grade of products, with other conditions fairly equal.

When the farmer comes on his home market with a load of produce and meets a large number of eager bidders, he is inclined to sell. One of the reasons why there are so many bidders may be the attractive appearance and high quality of the product, but the interest of the buyers is usually a sure indication that the market is strong; that is, that the bidders have reasonable assurances that if they buy they can sell again at a profit. Under such a condition the farmer is induced to sell. The next time the farmer appears on the market with a load of produce, the local buyers may show no interest and refuse to make any offer. This may be because the produce is not of good quality,

but as a rule it is a very good indication that the city markets are "off" and that the local dealers know that they would face a loss if they were to pay any price that the farmer would consider. With no local market, the farmer may be forced to consign his produce to a city commission house. His possibly unattractive goods placed on an already overstocked and weak market may bring unsatisfactory returns, no matter how faithfully the commission merchant may work to secure top prices and render an accurate and honest return for the consignment. It is often upon such experiences as these that the grower-shipper bases the conclusion that there are no honest dealers in cities, or that, if there be such, they are hard to find.

"LAST RESORT" SHIPMENTS.

Too often the commission consignment business is used as a last resort, and products, undesirable either because of their low grade or because of the weak market, are dumped on the commission merchant. At such times his inability to get the same price for low-grade products that others may secure for products of high grade may be taken as an evidence of his lack of business ability or his general dishonesty, or both. A fair test of the relative merits of the two ways of marketing can be obtained only by giving to both the home dealer and the commission merchant equal amounts of products of the same grade at the same time.

Most of the farm produce sent to market on consignment is shipped without any previous notice to the commission merchant and he has no opportunity to prepare for its reception and sale. Nor are shipments made regularly, so as to enable the agent to build up a profitable demand for the products of the shipper. Business like this, which is spasmodic, careless, or otherwise not dependable, is not profitable.

AVOID COMPETING WITH YOURSELF.

One grower who took a great deal of care with his pack had created a sharp demand for his products and his brand was sought by discriminating buyers. Since he feared that one commission merchant would not be able to dispose of his entire shipment to advantage, he divided his daily shipment among four commission men in the same town. Not being

satisfied with the returns, he visited the city and discovered that the four dealers to whom he was shipping were located not only on the same street, but in the same block, and two of them in the same storeroom. The shipper's fancy-packed products were on sale at four places, and buyers were forcing the four dealers to compete, with a resultant cut in prices. The farmer changed his method, shipped all of this product to one agent who could fix a fancy price for this fancy pack, and there was no competition to destroy his market.

SUGGESTIONS FOR SHIPPERS.

For those who contemplate the use of commission men as marketing agents, the following suggestions are offered:

1. Know your agent. Select one who has a reputation backed by experience, an advantageous location, and competent help. A personal visit will help the farmer in deciding these points. Have a clear understanding as to charges to be made for services—selling, cartage, storage, repacking, etc. Avoid unknown firms that make unreasonable promises as to what they will do with shipments. Among so many dealers it is not surprising that some get into the business who secure trade through fraudulent representations and who drop out of sight as soon as a "clean-up" has been effected.

2. Know your market. From your carefully selected agent learn the needs of the market, the most desirable varieties to raise, proper containers in which to pack and ship, style of pack most desired, the use of labels or brands, proper amounts and time of shipment, and local preferences, such as that for white eggs in Chicago and for brown eggs in Boston. Try to cater to existing market demands, rather than to force your own ideas as to what the trade ought to consume.

3. Make regular shipments. Instead of making the city commission district the dumping ground for what your local dealers will not buy, keep your city agent regularly supplied with what his trade will take, thereby helping him stabilize the business in which you are both concerned.

4. Keep each other informed. Early in the shipping season the farmer should give his agent a careful estimate of what may be expected, and no material changes in the

quantity of the regular shipment should be made unless a prompt notice is given the agent, in order that he may secure purchasers in case of increase or arrange to care for his regular customers if shipments will not meet requirements. Successful shippers make frequent use of the telegraph or long-distance telephone to keep agents posted as to changes in shipments. The agent should also be expected to keep the shipper informed as to any changes in the requirements of the market.

5. Avoid frequent changes in agents. Some shippers prefer to divide their shipments each day among numerous commission merchants in the same market. While it may be wise under certain conditions to check one agent by the sales of another, the most successful consignor seems to be the one who selects an agent with great care and then sticks to him, cooperating with him in every possible way and carefully scrutinizing all settlements. The honest agent is glad to do his part in such "teamwork" and welcomes the most exacting examination of his methods.

TEAMWORK ESSENTIAL TO SUCCESS.

As already indicated, marketing farm products through the commission house is a partnership affair, and no partnership can be a complete success unless each partner does his best and is willing to make it possible for the other to work to the best advantage. Teamwork always counts, and never more than in the relation of principal and agent, as it exists between the farmer and his commission man.

