Mr. President, Ladies and Gentlemen:

After the grower has devoted several years of hard work and close study of details in bringing his grove to a productive age, the most vital question in his mind is,—how to put his product on the market for the most money. After years and years of varied experiences with gradually diminishing profits in Florida, men of activity bestirred themselves, not only in their own interest, but the general interest, to devise means by which this question could be solved.

About two years ago the venerable Dr. Inman visited California, seeking light upon this subject. It was my pleasure to meet him upon that occasion and give him some suggestions relative to the marketing of the California output through cooperation. Returning to Florida, Dr. Inman interested a large number who visited California about a year ago, when it was again my pleasure to conduct them to various packing houses and show them the details not only of the workings of these, but of the associations, the sub-exchanges and the central exchange. Returning to Florida, the gentlemen composing this committee of investigation called a convention of growers together, when it was decided to organize the Florida Citrus Exchange.

The theory of organization is, that the grower manages his own affairs, by first coming together in various communities organizing associations, these associations electing representatives who organize sub-exchanges, who in turn elect their representatives who constitute the Board of Directors of the central organization. Having no associations in Florida, it was necessary to begin at the top, organizing the central exchange, which, through the energy and financial assistance of the patriotic growers who performed this work, the growers were brought together in their associations and sub-exchanges.

The central exchange is divided into its various departments: The sales department with a sales manager, through which the entire country is divided into districts and a salesman or district manager placed in charge of each one. These district managers, where there is a sufficient volume of business to justify, are employed on a salary basis; where there is not sufficient business to justify this, brokers are used; these district managers and brokers have been selected with the greatest care, the sales manager going into each district, canvassing the situation, seeking out suitable men to represent the exchange and arranging terms with them, subject to the approval of the Board of
Directors of the Florida Citrus Exchange. By reason of his wide acquaintance throughout the country, the sales manager was successful in securing the services of the best talent in nearly all cases. Where he was unable to secure the best talent, it has been necessary from time to time to make changes. The sales are made through auction where distributing centers are sufficiently large to justify this, the exchange's own representative conducting all sales through an auction company. The auction points at present are Boston, New York, Philadelphia, Baltimore, Buffalo, Pittsburg, Cleveland, Chicago, St. Louis, Cincinnati, and New Orleans; all other markets are private sale markets in which sales are made f. o. b. shipping point, or on a delivered basis. Experience has demonstrated that the most effective distribution is through delivered sales. The fruit must be taken to the wholesale dealers and the business made attractive to them by eliminating as far as possible, all speculative features. The exchange adopted this course by which it has been enabled to go into new territory where dealers had ceased to use Florida oranges, but during the past season, have again taken up the handling of our fruit. In some instances our district managers have taken cars into their territory, divided them up between several dealers, thereby inducing them to push Florida oranges when they would not buy a car load.

California marketed during the season of 1898-99 about 14,000,000 boxes of citrus fruits. There was no part of this country which they did not penetrate, going into all Canadian points, Europe, Honolulu and Australia. Sixty per cent of that output was marketed through the California Fruit Growers Exchange, which has served as a model for the Florida Citrus Exchange in its formation and methods of marketing. This California organization is now putting its oranges and lemons into Florida, but not a box of Florida fruit goes into California, owing to their stringent laws against the importation of insects, and fruits that carry them.

In conducting the business of the Florida Citrus Exchange, it is necessarily done by telegraph. In the course of the day's work the incoming telegrams are put into a bulletin and sent to every association manager daily. All telegrams sent from the central office are put into a bulletin and both the incoming and outgoing telegrams are sent to the sub-exchange manager. All shipments are given a serial number and all telegrams relating to these shipments are by the serial number, and when they go into the bulletin, the abbreviation of the sub-exchange making the shipment is placed before the number. As these telegrams are received or sent from the central office, they are entered upon a card manifest covering the shipment. Each sub-exchange manager is supposed to go through the bulletins locating any of his shipments that are mentioned in these telegrams and the telegrams entered upon his cards. Each association manager is supposed to go through the incoming telegrams, a copy of which he receives in the bulletin, and enter upon his cards any telegrams referring to shipments made by his Association. In this way, any as-
sociation or sub-exchange manager, or the central office can take any one of these cards covering any given shipment, and give to the owner of the fruit covered by same, all information relative to that shipment, at a moment's notice. If the association and sub-exchange managers keep up with the bulletins from day to day they see the market conditions reflected therein and are in position to form their own conclusions as to the advisability of forcing shipments or otherwise. Every grower affiliated with an association or a sub-exchange is at liberty to go into the office, peruse these telegrams from day to day and keep himself posted. This system will, in the end when the growers have learned its merit, educate the growers themselves up to a point of keeping closely in touch with the market conditions everywhere and give them a clearer insight into their own business than they have ever had.

The cashier's department receives and disburses all funds of the central exchange under order of the Board of Directors. After a car of fruit has been sold through the sales department, it passes to the cashier's department and no further account is taken of the transaction by the sales department, unless some inquiry is made by interested persons. All financial matters of either the central exchange, or the various districts throughout the country, pass through the cashier's department and are submitted by the cashier at the regular weekly meeting of the Board of Directors for their consideration and action. This department also has charge of the supplies for the central office, and through co-operation with the general northern agent, supplies for the district managers. It will, therefore, be seen that a very efficient accountant is necessary as the cashier.

The traffic and claim department is the third, and not the least important one of the central organization. All matters of transportation rates, etc., are referred to the manager of this department. When account sales are received they are placed in a jacket with the card manifest covering the shipment, the inspection report made by the inspector in the district where the car is disposed of, the original bill of lading, and all correspondence relative to that particular car. The claim manager goes through each of these jackets, scrutinizing them closely for overcharges, shortages, evidences of neglect on the part of the transportation company in handling the shipment, and if any legitimate basis for a claim appears, he immediately prepares a claim and files it with the initial transportation company. These claims are followed up from time to time if prompt settlement is not made. As an evidence of the efficiency of this department, since the opening of the season, the claim manager has filed 2394 claims, aggregating $69,647.59 and has collected 1214 claims, aggregating $11,477.86, and has withdrawn as uncollectable, 10 claims, aggregating $187.81. I think it will be conceded that this is a wonderful showing for so short a period's work. The manager of the transportation and claim department of the Florida Citrus Exchange is one of the most experienced men in the country, having been connected with the claim department as one of its adjustors of one of the largest trans-
portation companies in this country, for six years. His experience as a railroad man covers a great many years prior to his connection with that claim department. He is well up on transportation matters, as well as handling claims with transportation companies. His policy has been to file claims only which had merit, thereby commanding the confidence of the transportation companies in his honesty of purpose, which has already been established. Present indications are that this department alone will collect enough from claims against transportation companies to pay more than one third of the entire running expenses of the Florida Citrus Exchange covering all of its departments. It is reasonably safe to say that without this department a very small percentage of these claims would have been collected and the money paid to the growers to whom it belongs.

The exchange has a general or business manager, whose duties are multitudinous. All matters pertaining to the business between the sub-exchanges and the central exchange come under his supervision. Also, the relations of the associations to the sub-exchange are often brought to his department for advice and adjustment. Matters of general interest to the organization are taken up by him with the various heads of the departments for consideration and final disposition.

Aside from the heads of the departments in the central office we have a general northern agent whose duties are to supervise all districts, to go in time of trouble to any district and look into matters that may arise, ascertain whether or not the district managers are performing their duties properly, seeking out the weak points in the organization on the other end of the line, finding new men to fill places that are not properly filled, scrutinizing all correspondence that may be sent to him from the central office and from the district managers, and finding the weak spots and strengthening them. It has happened during the past season that we have had to send the general northern agent from city to city where we had reason to believe correct reports were not being made of shipments to those districts. In every case where this has occurred, he has found that the reports that were made to this office were in accordance with the facts.

The entire business of the Florida Citrus Exchange is conducted under the supervision of its Board of Directors which meets weekly in its office at Tampa, for the purpose of considering all matters that may be presented by the different heads of the departments and the general manager.

It will be noted that having provided ourselves with a selling force in the field and a competent northern manager to keep tab on the salesmen, we have equipped ourselves with machinery for the proper distribution and sale of our fruits, which insures success. We have reason to believe from such reports as we have from points throughout the country, that our sales department is of the very best. It has been stated by those who are in position to know, that the organization in this direction is five to six years ahead of the organization among the growers themselves. The weakest point in the organization, apparently, is
in the local associations. It will require several seasons for the growers to learn the details of the management of their own affairs and learn that it is their business and that they must pay close attention to details in preparing their fruit for market, which is done through the association packing houses.

Florida has been increasing her output from year to year. Beginning with less than a quarter of a million boxes of citrus fruits in 1895 with a market for several times this quantity, there was no difficulty in disposing of the output at home at satisfactory prices to dealers who came here for them. While that was in process, California was increasing her output and systematically exploiting every market that could be reached with her fruit. She did not wait for the dealers to go into her packing houses for her fruit, but took it to the side tracks and made it to their interest to handle California oranges to the exclusion of all others. By this means, California was successful in so distributing her crop as to give her growers satisfactory prices, with increasing crops. Florida, on the other hand, contented herself with depending upon dealers who would come here to buy the fruit, or speculators on the ground who would buy and sell to other dealers. Of the latter, there were various characters. As a general proposition, the home speculator began shipping oranges early, before they were ready for market; in many instances assuring the dealers to whom they were selling that the fruit was mature and ready for market. This method of handling the business had the effect of restricting the consumption of Florida oranges, as one purchase was sufficient to satisfy consumers that Florida oranges were not palatable. They merely served to fill in the time between the last shipment of California Valencia lates and the early shipment of California navels, and as soon as they could get the latter, they had no further use for Floridas. This has gradually driven the Florida oranges to a few large centers, chiefly along the Atlantic Seaboard.

The effort of the exchange has been to discourage the shipment of immature oranges and grapefruit in order that consumers may be brought to appreciate the superior quality and flavor of mature Florida oranges, which will insure largely increased consumption, without which the growing of this luscious fruit in Florida will surely be disastrous to those producing it. In order to attain this end, the growers themselves must be brought to realize the actual conditions as they exist. This can never be accomplished except through concerted action on their part, as exemplified by the workings of the Florida Citrus Exchange.

Discussion after Mr. Burton's paper:

Mr. Hart: The interest of the men outside of the exchange should be mentioned tonight in connection with the exchange. I often wonder what the conditions would have been if it had not been for the exchange this year. We hear of the high prices outside of the exchange and the low prices gotten by the exchange. It seems to me that if we had not had the exchange the conditions would have been very different. The difference in the commission men alone has paid for the exchange several times. The way they
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commenced the season was to give low prices, and they gave us to understand conditions would not allow high prices. The commission men have been doing their very best to make a good record this year, and they have made a record they would not have made if it had not been for the exchange. Whatever the exchange has done in the way of prices, even if it should turn out that they have not done as well as the people outside, certainly the exchange has done a good thing for the shippers of the exchange through stimulating the efforts of the commission men.

Mr. Temple: You heard in the course of Mr. Burton's remarks a statement of a fact that has come before this body previously at this meeting; that is, the laws of California that prevent practically the possibility of shipping into that state a disease or insect that might gain a hold. They carry it to such an extent that you cannot ship a kumquat into California without going through all kinds of procedure.

I was there for three years and wanted to have a grapefruit that was fit to eat, and had a box shipped to me from Florida. The first box didn't show up, and kept on not showing up, and I finally got a letter from some inspector saying that if I would come down and pay the fumigation fees on that box of fruit, which amounted to $3.00, he would give me what was left of it. He said it was affected with a good many different kinds of scale—more than we ever heard of in Florida. I told him to go and eat that grapefruit himself.

Now, I wish you would join in with the legislative committee and formulate a resolution in some way, and call on the State Legislature to pass laws similar to those now in California. Mr. Burton says California is sending oranges and lemons into this State. Their lemons are good, but they have some weird diseases out there that we don't want to get. We have troubles enough of our own without running the risk of importing any.

They are so exacting with us that it is time we ourselves should grow suspicious. You know what the old farmer's advice is. "When you swap horses, examine the other fellow's horse where he examines yours, and you will find the blemish."

Prof. Hume: I am very certain that this society is willing to join right in with them on this line. I am certain the society is willing to give it carte blanche along that very line.

Mr. Burton: Let me tell you some of the experiences along the Pacific Coast in that connection. As Mr. Temple states, you can hardly carry a man there from Florida unless he goes through a course of fumigation.

When the Florida delegation of growers was in California last year, one of the Boards of Trade gave them some kind of a "blowout" and one of the Florida members presented them with a box of Florida Valencias for the occasion. They were brought into the board room and passed around. One of the most critical of the Board members came to me and said "How many more of those oranges are there?" I told him I didn't know. He said "If they don't eat them all, burn up
what is left; don’t let them get out of this room.”

Washington produces large quantities of deciduous fruits, and they have laws as stringent as California. We have more than once had oranges inspected and fumigated at heavy loss. The inspectors are very critical and it is not uncommon to hear of whole shipments being fumigated, and when you fumigate a car of oranges or lemons, somebody is going to lose money.

We shipped a car of lemons to Spokane which was sold at $4.75 f. o. b. The inspector examined it and pronounced it infected with San Jose scale. I wired him the car was not infected. He wired back that they would fumigate the shipment, when they would allow it to enter.

I told him we would divert the car from the State. He wired back that the shipment was infected and it was his duty to fumigate it right then and there. I took the matter up with the State horticulturist, who went to Spokane and inspected it himself and said he was certain it was red scale instead of San Jose Scale, and it would have to be fumigated. Now, the red scale would not do an apple or a peach tree any harm, even if the shipment had been infected with that scale. That just shows you, however, of how much importance they consider this point, which you in Florida do not consider at all. There is not a law in Florida when it comes to protecting your citrus trees against disease.